

2018 Healthcare Survey



 **DEANDORTON**
DEAN DORTON ALLEN FORD, PLLC

BUSINESS ADVISORS CPAs CONSULTANTS



INTRODUCTION

In this year's survey, Dean Dorton focused on the organizational structure, compliance risks, and overall performance of various healthcare organizations.

Among the themes in this year's survey were questions focused on governance and management, accounting and financial practices, staffing, and quality metrics.

It is through insightful feedback from our clients and industry experts that allows us to keep our fingers on the pulse of the most pressing issues facing medical providers and healthcare organizations today.

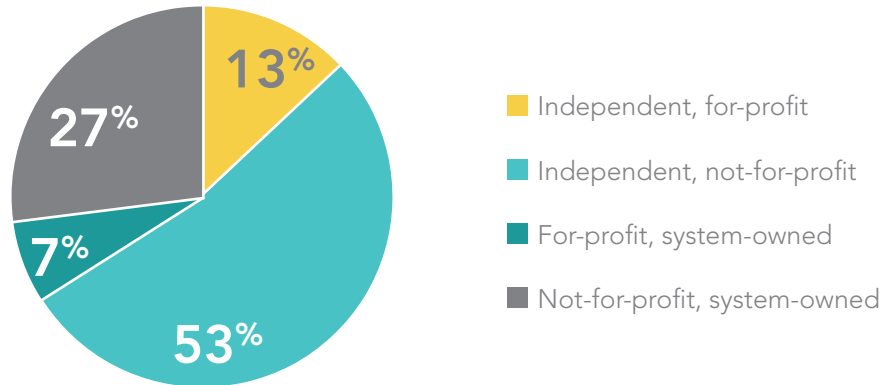
As part of this year's information gathering process, we submitted our survey to clients and other healthcare executives to identify areas of common risk and innovative solutions that are being utilized to address those risks, resulting in improved monitoring and overall compliance.



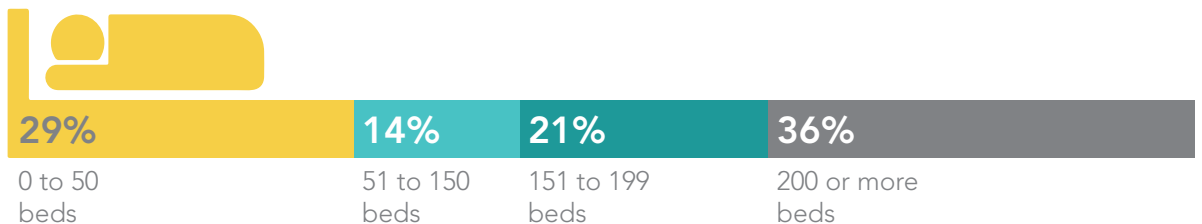
DEMOGRAPHICS

80% of respondents represent a single hospital, while the remaining 20% represent a multi-hospital system.

Most of the responding organizations are independent, not-for-profit hospitals.



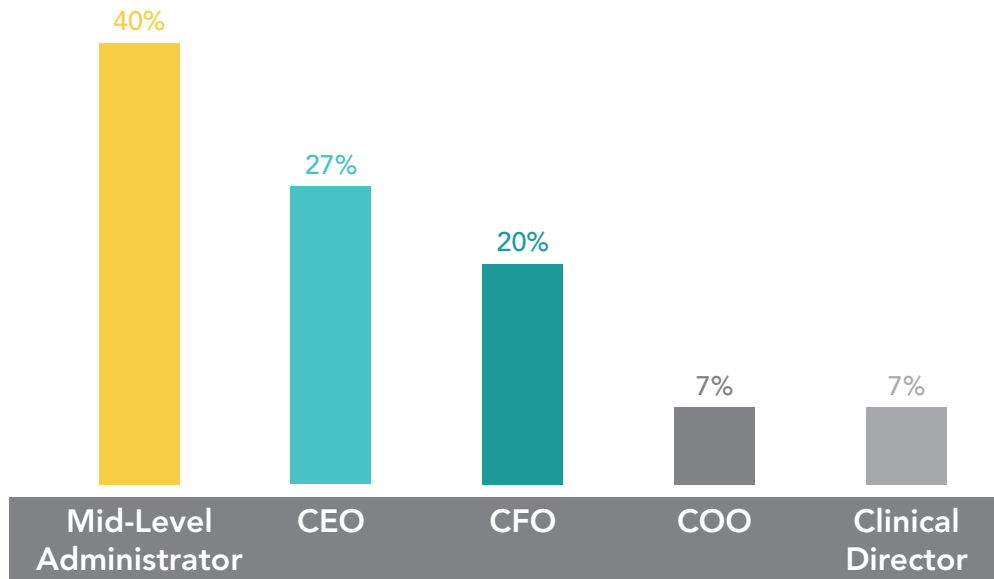
More than one-third of the hospitals participating in this survey represent a size of 200 or more beds.





DEMOGRAPHICS

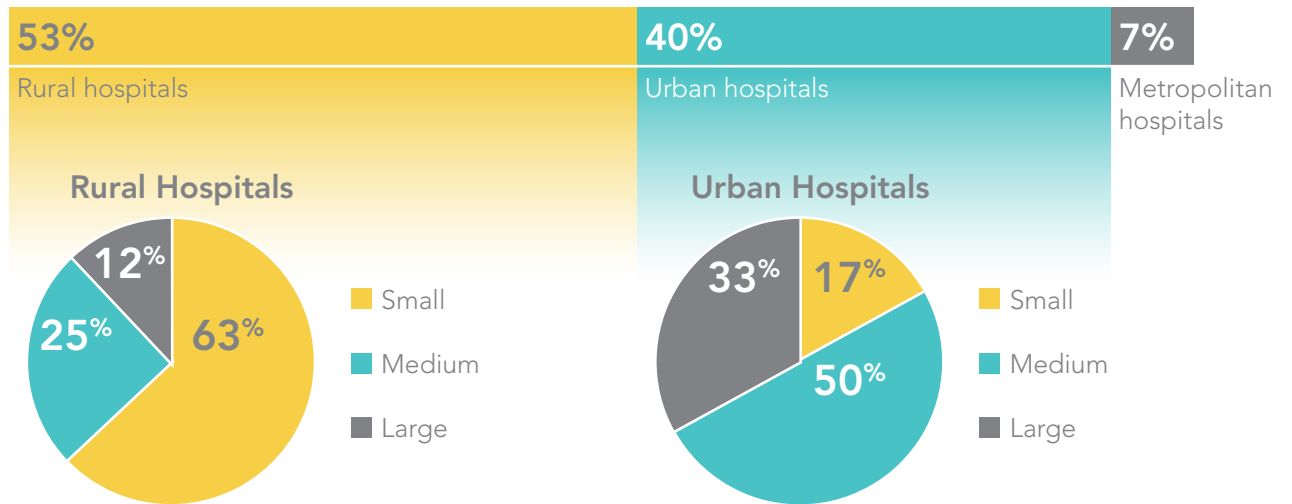
C-Suite executives and mid-level management are the primary participants in this year's survey. 20% of the respondents are associated with organizations that utilize a management contract.





HOSPITAL CLASSIFICATION

The respondents are split evenly between rural hospitals (53%) and metropolitan/urban hospitals (47%). The graphs below illustrate the makeup of hospital classification, as well as size within each classification.

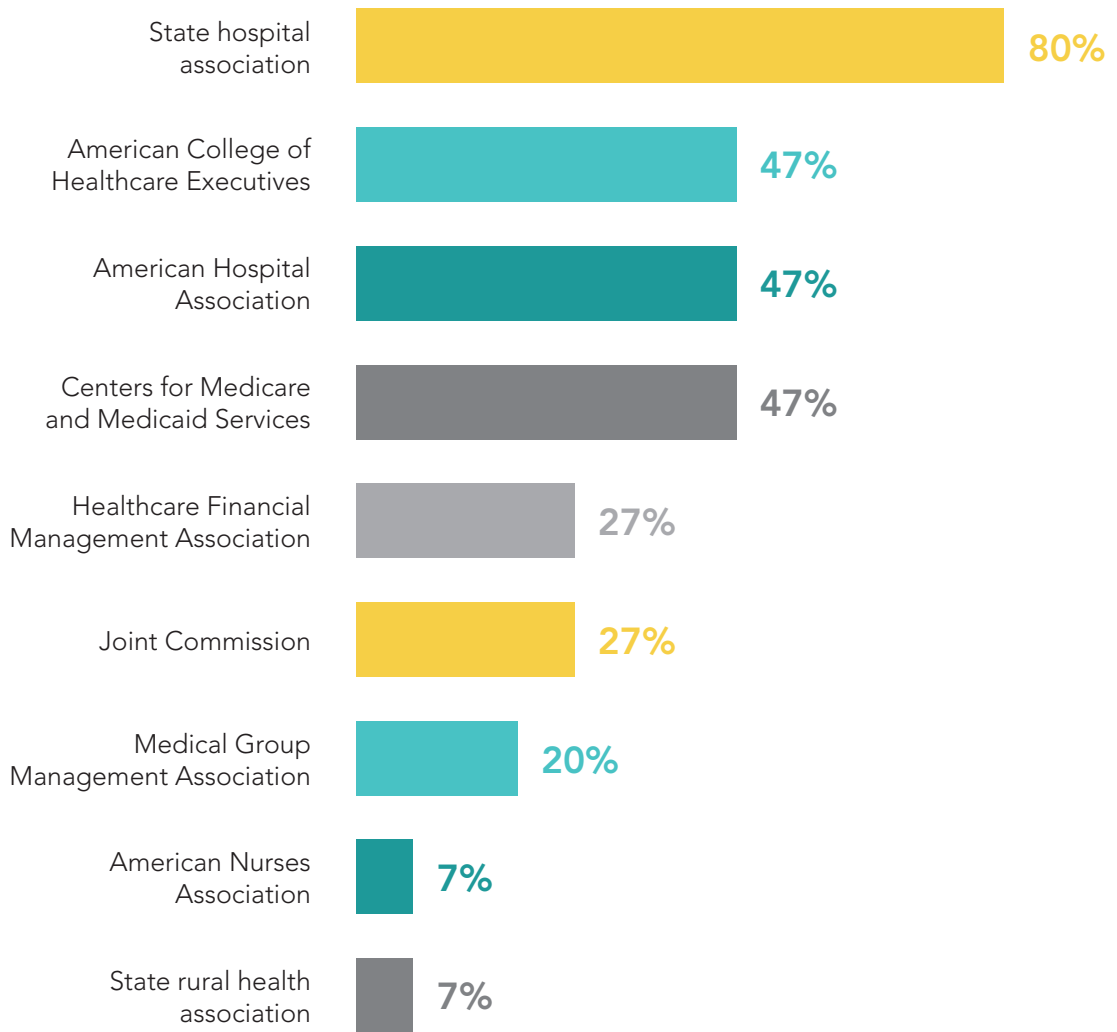


All of the metropolitan hospitals participating in this survey are large hospitals.



ASSOCIATIONS

State hospital associations are the most helpful organizations, according to the survey.

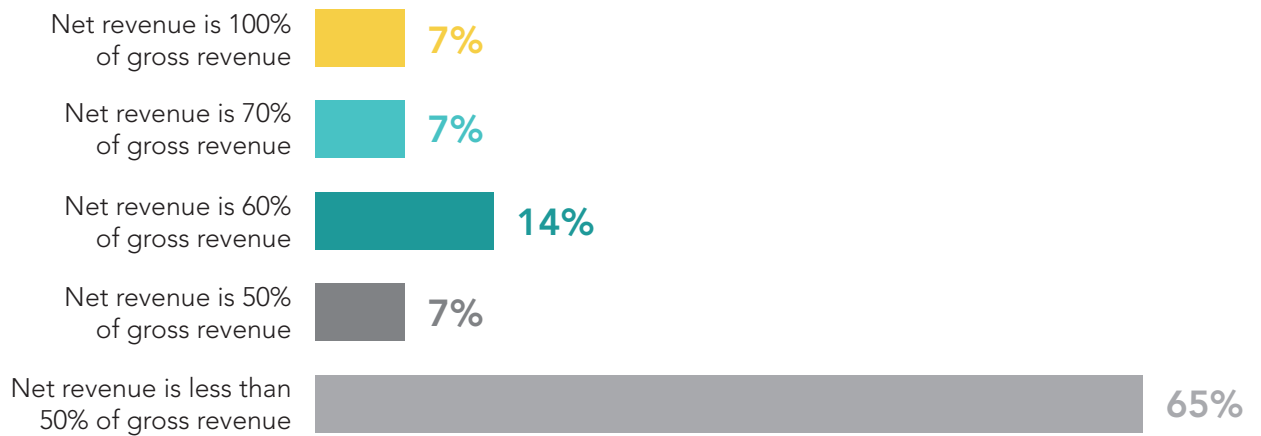




REVENUE

The average annual gross revenue of survey respondents is \$390 million, with the highest exceeding \$2 billion.

65% of the respondents indicate their annual **net** revenue is less than 50% of their annual **gross** revenue.

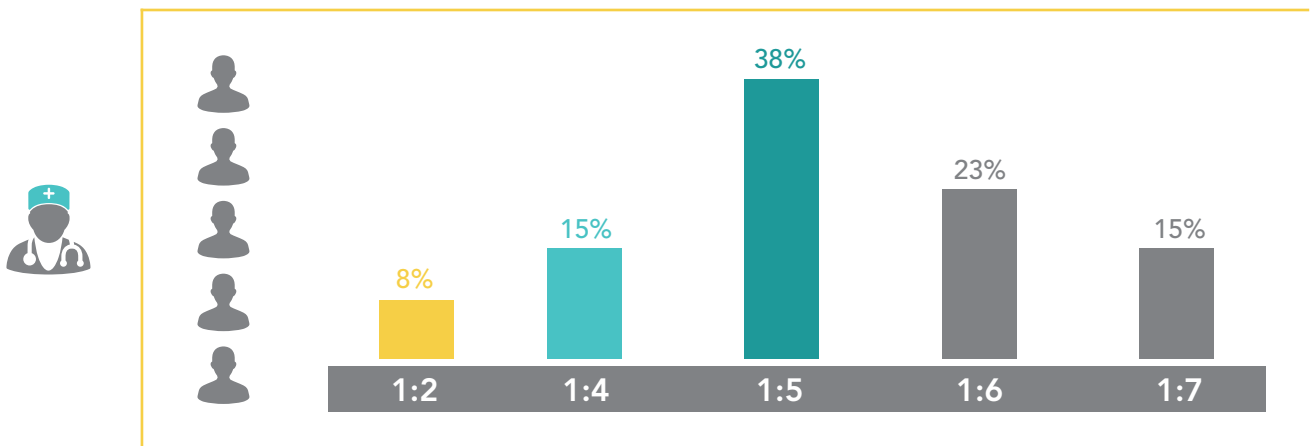




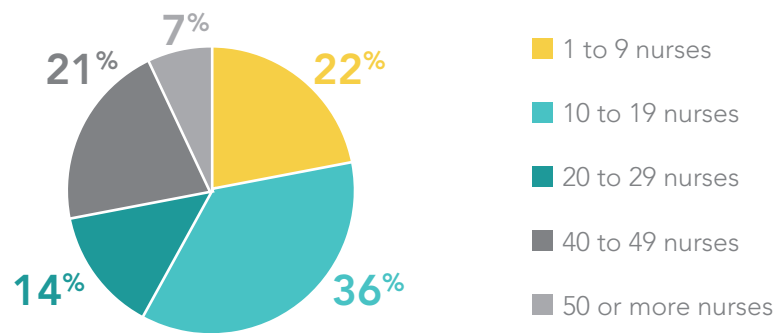
NURSING STAFFING

36% of the responding organizations routinely utilize nursing staffing services.

The most common nurse to patient ratio, according to our survey, is 1:5.



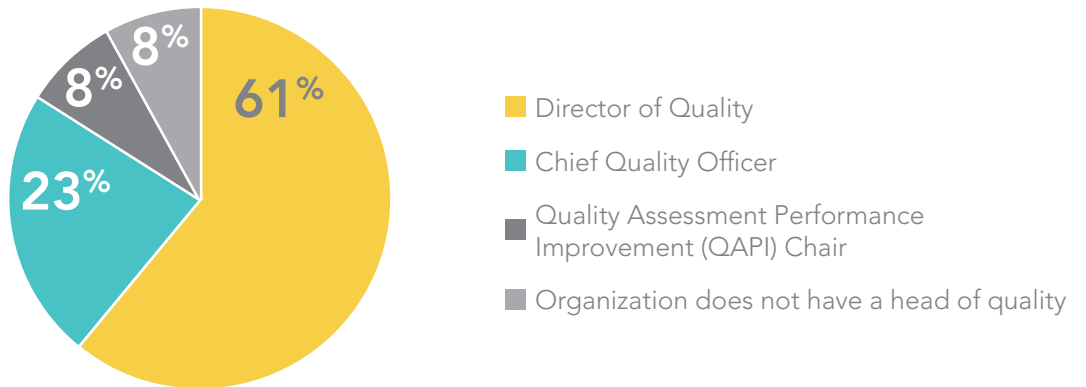
All of the respondents suggest their organizations are understaffed in nursing areas. The following graph illustrates the estimated number of nurses currently needed.



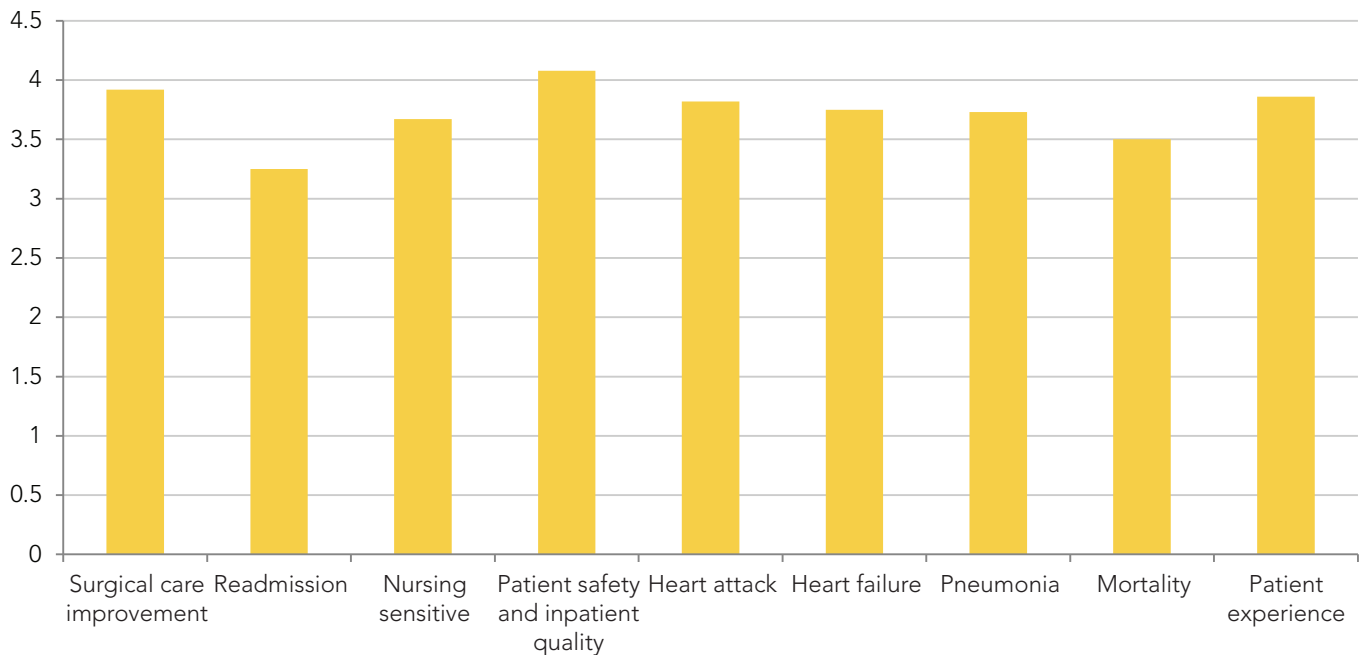


QUALITY METRICS

While quality metrics and outcomes are organized differently at organizations, Director of Quality is the most common title for overseeing performance of those areas.



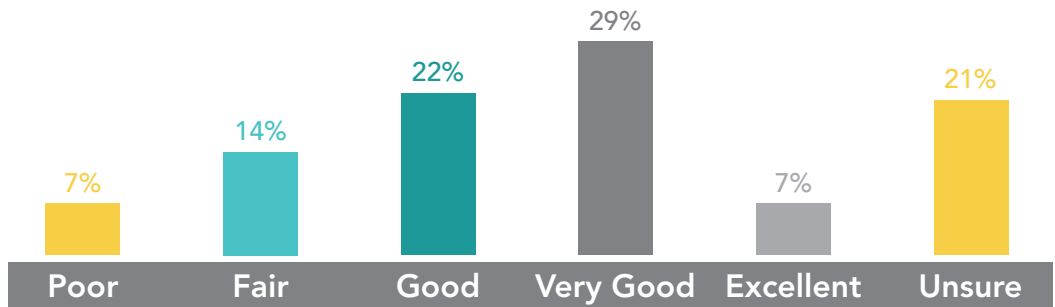
On a scale of 1 to 5, respondents were asked to score how well their organizations monitor and manage the following key indicators:



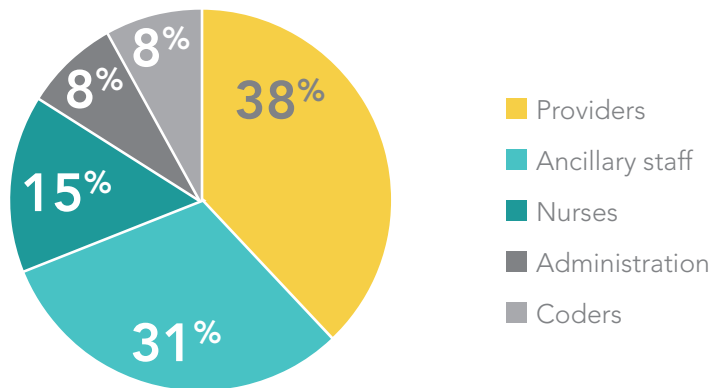


QUALITY METRICS

Specifically related to achieving the sepsis quality measure, only 36% of respondents report a very good or excellent level of effectiveness.



Providers and ancillary staff are highlighted as having the potential to have the most negative impact on an organization's quality metrics.



Congestive heart failure, COPD, pneumonia, and joint replacements represent the source for the most hospital readmissions.

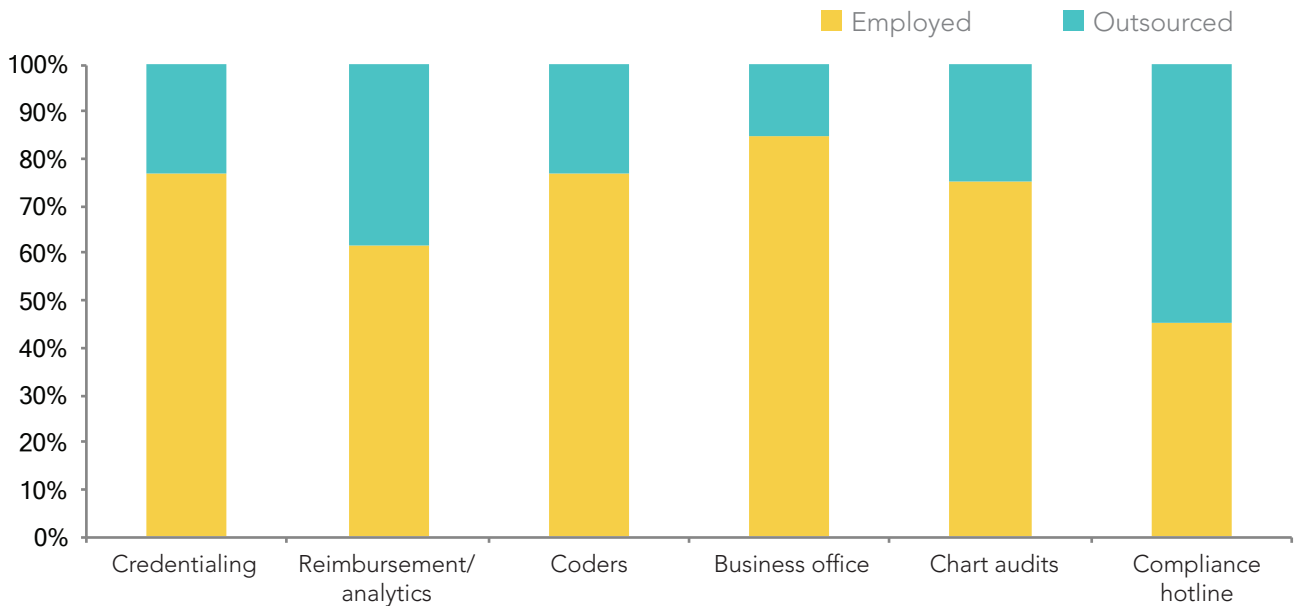


ORGANIZATION

The three most common committees within the organizations are Safety, Quality, and Compliance and Risk Management. Other committees noted from respondents include:

- Joint Commission Readiness
- Revenue Cycle
- Environment of Care
- Finance
- Readmission
- Population Health
- Patient Experience
- Internal Audit

While the staffing structure vary by participating organizations, the majority of respondents tend to outsource their compliance hotline services.

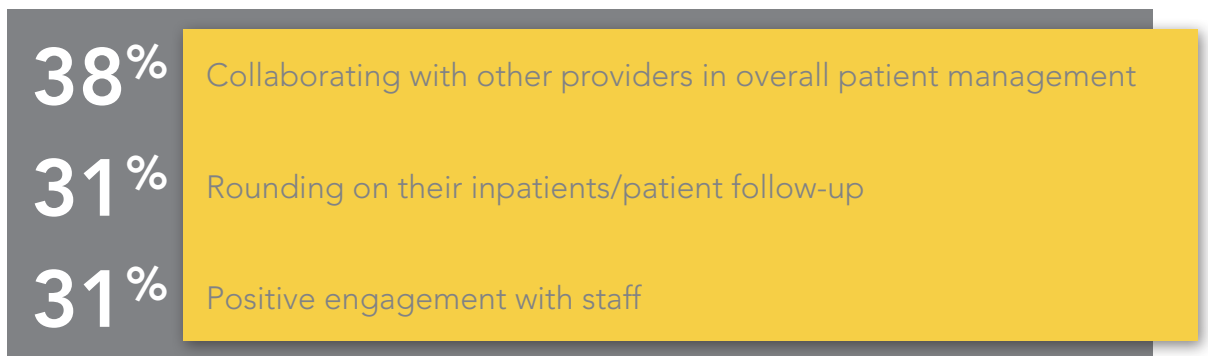




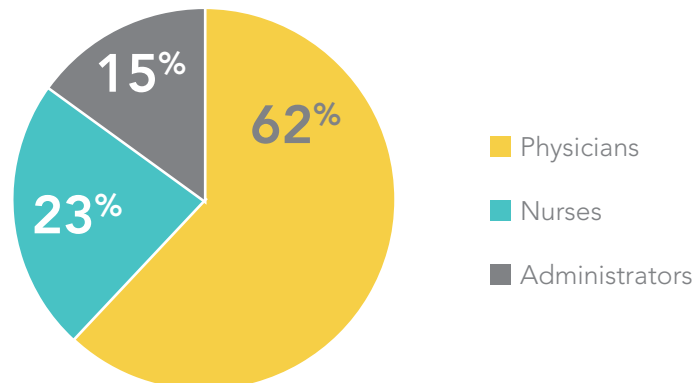
ORGANIZATION

According to our respondents, the three most difficult physician specialists to recruit and retain are neurology, OBGYN, and orthopedics.

When asked to identify the highest value activities organizations expect from their physicians, the top answers were:



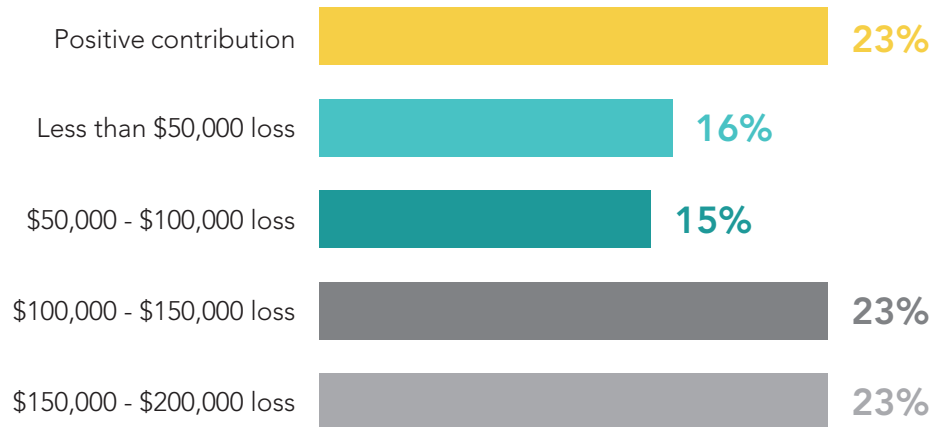
62% of the responding organizations see physicians as the most influential professional peer group in their facility's operations.



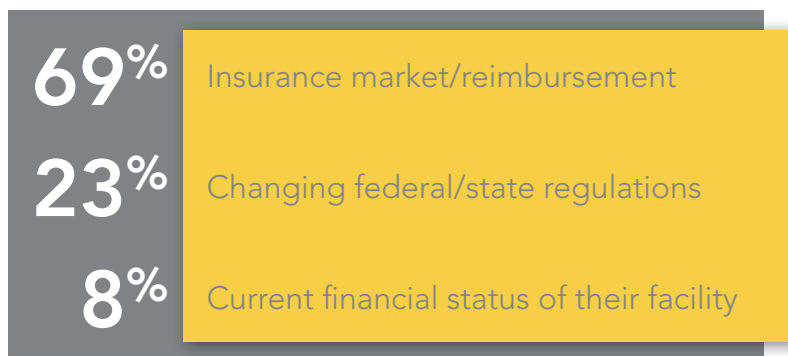


ORGANIZATION

46% of responding organizations report annual losses of at least \$100,000 per employed physician.



The following three areas represent the most uncertainty to our respondents:

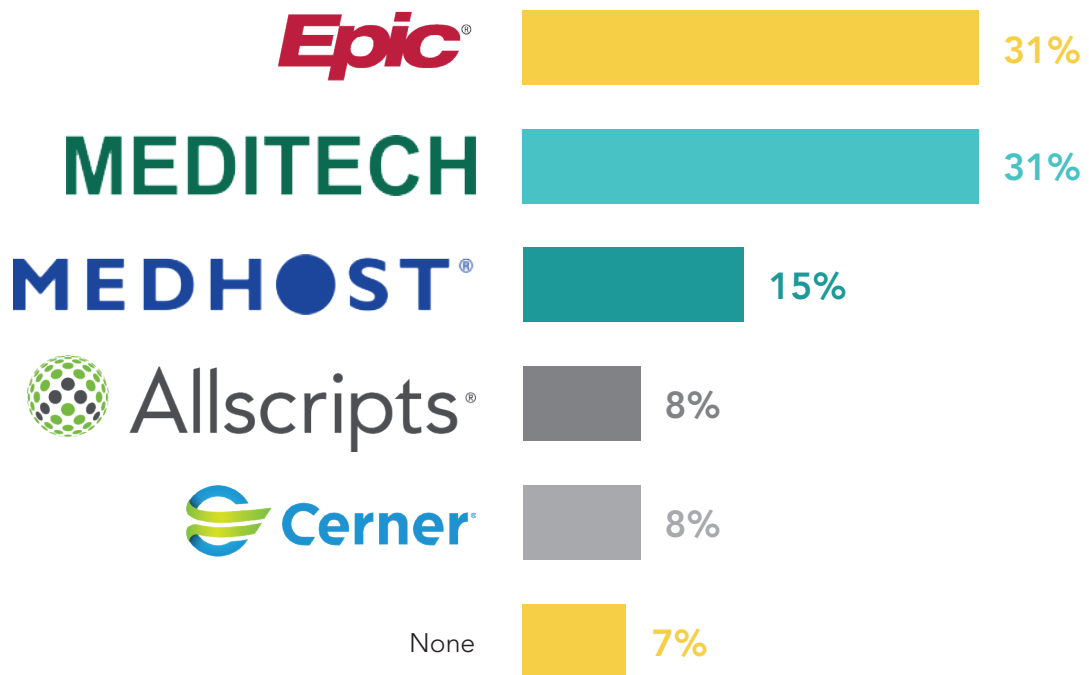


When asked how much emphasis they put on population health management, the respondents indicate an average of 5.3 out of 10. In total, respondents place a relatively small emphasis on population health management.



ORGANIZATION

The two most common EMRs used by the responding organizations are Epic and Meditech.



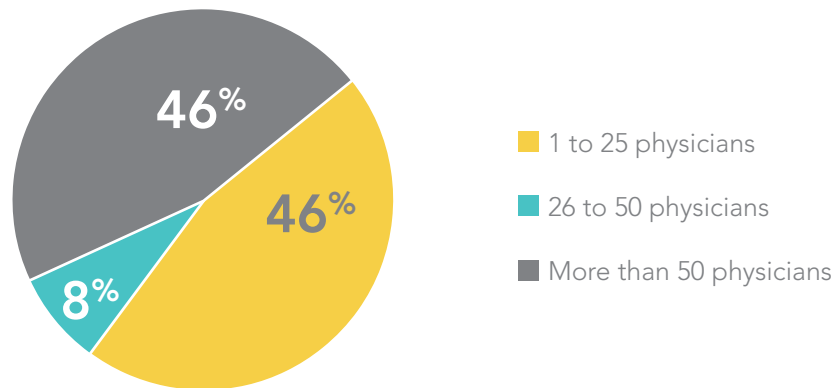


PROVIDERS

Nearly half of the responding organizations foresee 11-20% of the providers in their combined service area retiring in the next five years.



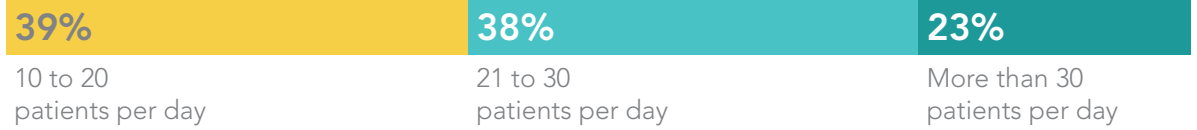
Most of the responding organizations employ 25 or fewer or more than 50 physicians.



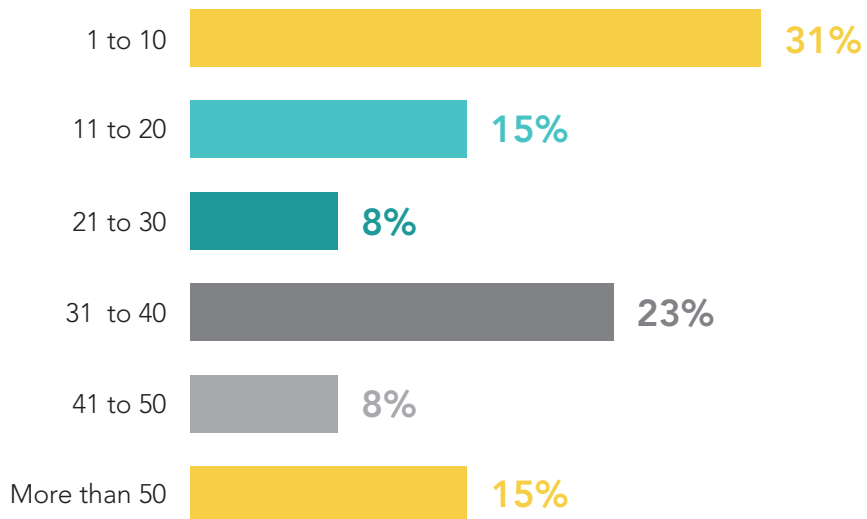


PROVIDERS

The daily number of patients that the respondents' providers see in clinic ranges from 10 to more than 30.



When asked how many mid-level providers the organizations employ, the responses range from fewer than 10 to 50 or more providers.



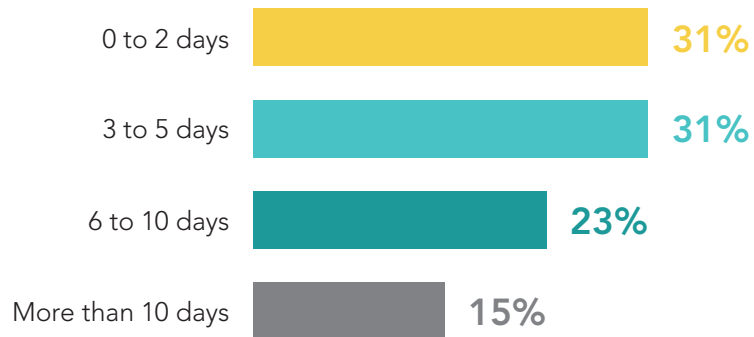
31% of the respondents' mid-level providers round on their respective physician's inpatients.





PROVIDERS

Nearly two-thirds of the respondents indicate it takes up to five days for their providers to sign off on their patient documentation.





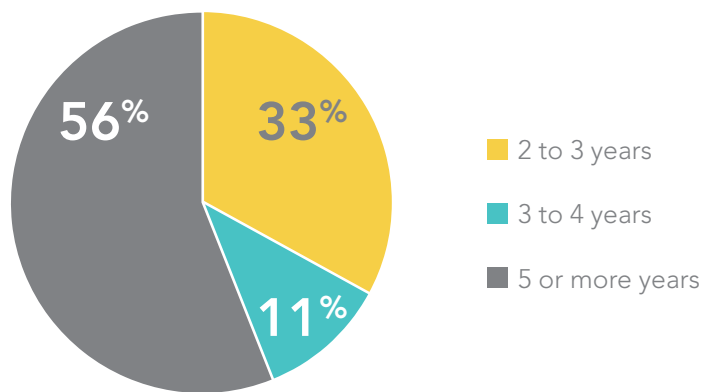
CHIEF MEDICAL OFFICER

69% of the responding organizations have a Chief Medical Officer.

Most of the respondents whose organizations have a Chief Medical Officer (CMO) are satisfied with the overall responsibilities and effectiveness of their CMO.



The average tenure of the CMO within the responding organizations is at five years.

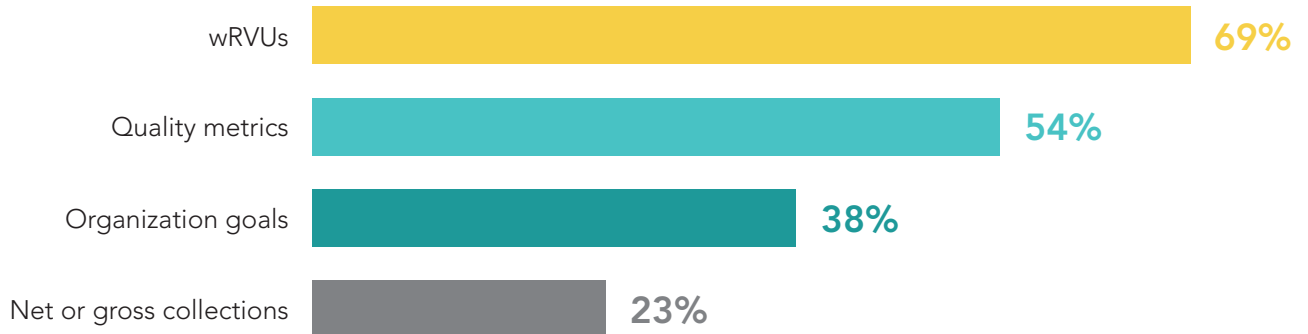


The primary responsibility of the CMO, according to our survey results, is in-house physician management. A secondary responsibility is community relations of employed and non-employed providers.



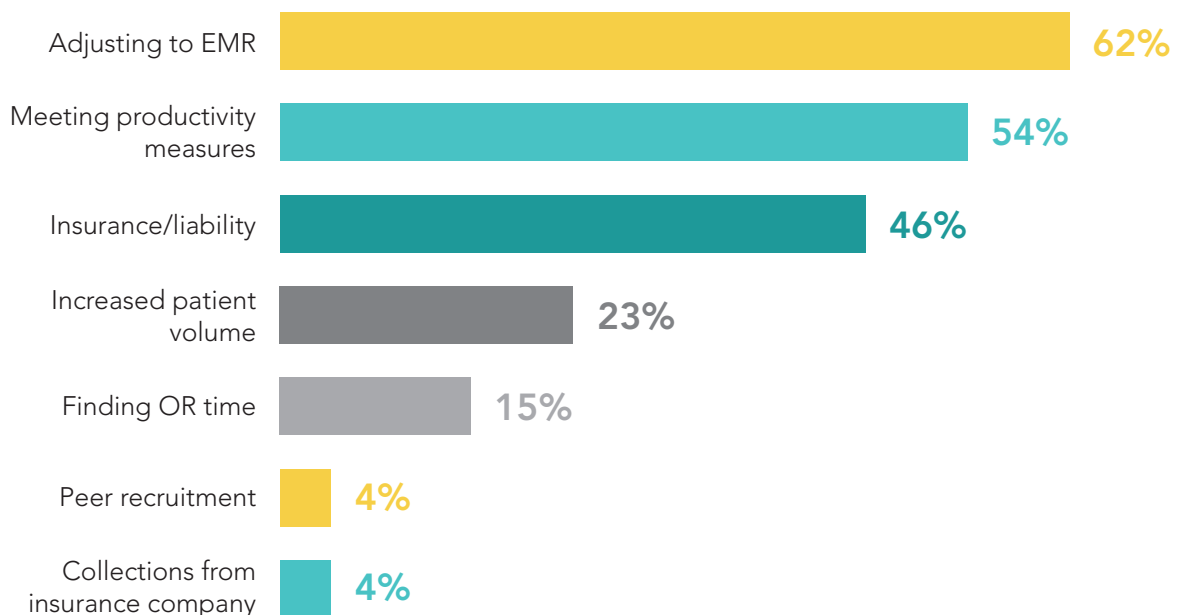
PHYSICIAN CONTRACTS

The responding organizations offer the following productivity incentives in their physician contracts:



The average duration of provider contracts for three-fourths of the respondents is two to three years. Only 8% of the respondents indicated a duration of five years or more.

The following represents the most significant challenges facing practicing physicians.





JOINT COMMISSION

85% of the responding organizations are Joint Commission accredited.

38% of the respondents had their last Joint Commission survey in 2017. Half of the respondents had one within the last two years, while the remaining organizations are due for a survey.

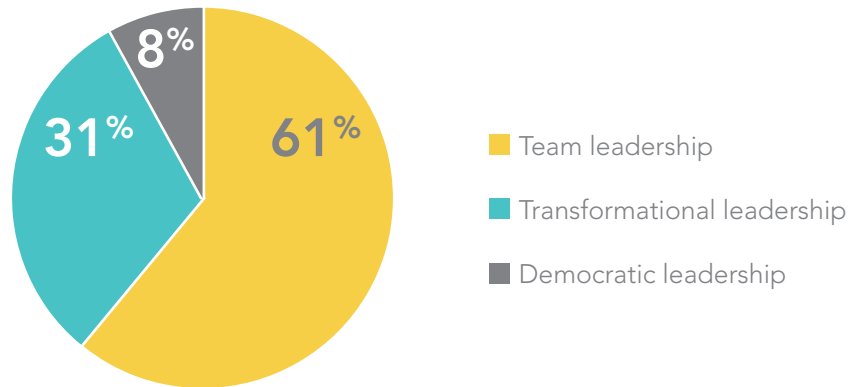


If Joint Commission came to the respondents' facilities today, **92%** indicate they would be confident in their readiness.



ORGANIZATION LEADERSHIP

Most of the respondents would describe the leadership at their organization as "team leadership."

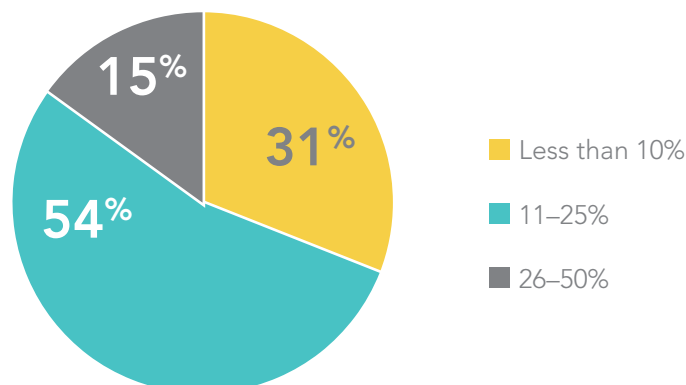


Team leadership: Any team member can perform leadership functions.

Transformational leadership: "Leaders and their followers raise one another to higher levels of morality and motivation," according to leadership expert James McGregor Burns in his 1978 book, *Leadership*.

Democratic leadership: Decision-making and values are shared across the team.

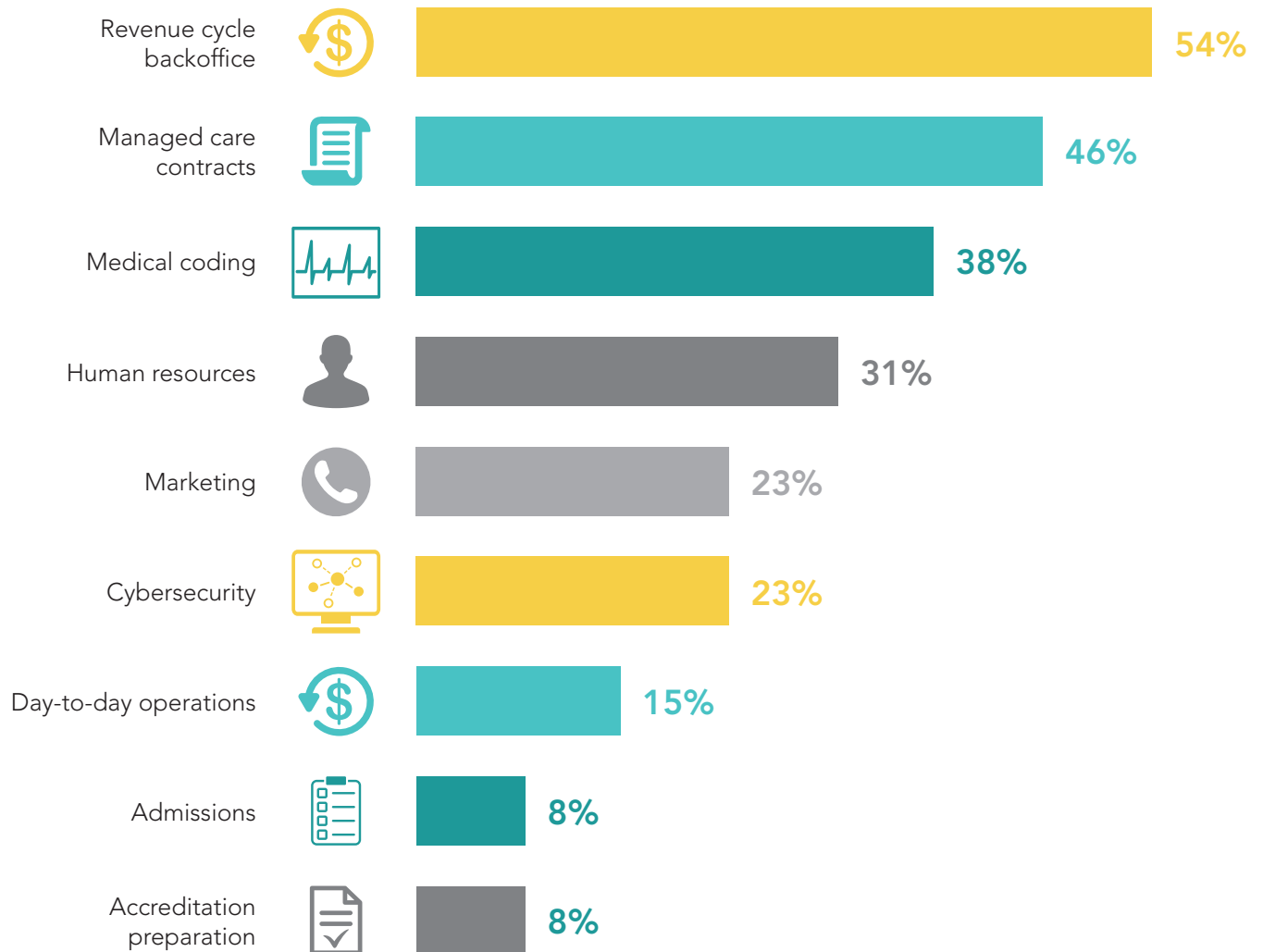
More than half of the responding organizations spend between 11% and 25% of their overall time directly involved in strategic planning and/or future initiatives.





INTERNAL RESOURCES

The respondents indicate their organization lacks sufficient internal resources in the following areas:





ABOUT DEAN DORTON

Dean Dorton has built a national health care presence within a regional CPA firm. The firm has positioned itself as a thought leader and subject matter expert in concerns regarding healthcare compliance and risk management that are impacting providers across the nation.

The healthcare team has assisted numerous healthcare clients on issues ranging from ICD-10 preparedness and managed care contract negotiations to service line profit-loss analysis, HIPAA risk assessments, and enterprise-wide risk studies. Additionally, Dean Dorton's healthcare industry advisors routinely partner with our information technology services group to deploy new solutions, identify weaknesses, and improve operations efficiencies. It is through these types of collaborations with our clients and subject matter experts that Dean Dorton's healthcare practice is able to provide strategic guidance while also supporting clients with tactical operational concerns as they arise.





RISK MANAGEMENT SERVICES

Valued-added services, such as revenue cycle analysis, medical coding and documentation training programs, and compliance program assessments are just a few of the many advisory services we offer to our clients.





DEAN DORTON TEAM

The Dean Dorton healthcare and risk management team is available to assist you with your needs throughout the year.



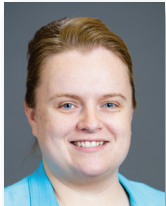
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David Bundy, CPA
President and CEO



Anthony Allen, CPA
Manager of Assurance Services



Aimee Carter, CPA
Manager of Tax Services



Allison Carter, CPA
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David Richard, CPA
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Porter Roberts, CPA
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Dan Schoenbaechler, CPA, FHFMA
Manager of Healthcare Consulting Services



Amelia Sebastian, CPA
Manager of Tax Services



Mike Shepherd, CPA
Director of Tax Services



Tom Smither, CPA
Manager of Assurance Services



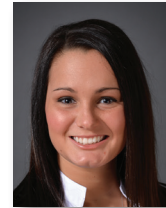
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Manager of Healthcare Consulting Services



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Dean Dorton is a full-service accounting and business consulting firm which provides services to clients of all sizes in a variety of industries. The firm has grown to be one of the largest Certified Public Accounting firms based in the Commonwealth of Kentucky.

At Dean Dorton, our philosophy centers on an unyielding commitment to provide services that exceed our clients' expectations and are consistently superior to our competitors in quality and timeliness. Further, we strive to do so in a setting that is satisfying professionally and personally for firm employees.