

Leading health care executives optimistic about health care reform, survey shows

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Nearly two-thirds (65 percent) of the nation's leading health care executives say they believe the health care system will be somewhat or significantly better by 2020 than it is today as a result of national health care reform. Additionally, 93 percent believe that the quality of care provided by their own hospital or health system will improve during that time period. The results of the survey, which will be published today on the *Health Affairs* Blog, by researchers from the University of Pennsylvania and the Children's Hospital of Philadelphia, show a strong divergence from the opinions of many politicians and commentators, as well as the general public.

"Pessimism seemingly pervades the national dialogue surrounding health care reform," the authors write, citing that many elected officials and commentators have assailed the new health care law as destined to fail, and nearly three-quarters of the general public expect the quality of health care to decline or stay the same, while only 11 percent expect it to improve. The authors suggest that a more meaningful source for an appraisal of [health care reform](#) would be "individuals who are especially informed – people who have spent their entire careers on the front lines of the [health care system](#) deciding how budgets are managed and how care is delivered – people like the leaders of America's hospitals and health systems."

The authors – Ralph W. Muller, CEO of the University of Pennsylvania Health System, Ezekiel J. Emanuel, MD, PhD, vice provost for global initiatives and chair of the Department of Medical Ethics and Health

Policy at the University of Pennsylvania, Andrew Steinmetz, research assistant to Dr. Emanuel, and Steven M. Altschuler, MD, president and CEO of The Children's Hospital of Philadelphia – surveyed 74 senior executives from large hospitals and health systems across the United States. Respondents included 46 CEOs, 17 presidents, four CFOs, and three COOs. Nearly all worked in large [academic medical centers](#), which on average employed 8,520 workers and had annual revenues of \$1.5 billion.

On cost control there was similar optimism:

- 91 percent of the study's respondents forecasted improvements within their own hospital or [health system](#) by 2020.
- 85 percent expect their organization to have reduced its per-patient operating costs by the end of the decade.

Overall, the expected average operating cost reduction was 11.7 percent. These savings could be achieved by such strategies as reducing the number of hospitalizations (54 percent), reducing the number of readmissions (49 percent), and reducing the number of emergency room visits (39 percent).

"It is easy to be pessimistic about reforming the [health care](#) system," the authors write. "Change causes uncertainty and therefore anxiety – and anxiety makes people pessimistic. For the leaders of America's flagship hospitals, it would be particularly easy to adopt a pessimistic outlook. Funding for their research missions has been declining. Support for their teaching mission is under threat. Payments for patient care are facing downward pressure, forcing them to transform their business models. Yet hospital leaders appear to be very optimistic about the future of the system."

The survey's respondents also identified additional ways the federal

government could assist in achieving cost reduction in hospitals, including:

- setting a specified timeline for changing Medicare reimbursement from a fee-for-service payment system to a bundled payment approach (31 percent);
- aligning payment policies between Medicare and private insurers (30 percent);
- and, separating funds for training and research from Medicare payment and maintaining current funding levels (28 percent).

Among respondents who were pessimistic about the Affordable Care Act's effects, administrative complexity was cited as the greatest barrier to reducing their organizations' operating costs. Fears about misaligned reimbursement policies, such as the absence of incentives for improving long term patient quality of life, also were expressed.

Provided by University of Pennsylvania School of Medicine

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