



CEO Healthcare ROUNDTABLE

A Partnership of The CEO Advisory Network & The Healthcare Roundtable

August Webinar 2022

“Looking Back and Looking Forward...The Emerging Leadership Imperative”

With Kevin Locke, Managing Principal and Scott Spohn, Partner at FORVIS Healthcare

We are pleased to share the following summary of our CEO Healthcare Roundtable Webinar held **August 24, 2022**, with our corporate members, **Kevin Locke, Managing Principal and Scott Spohn, Partner at FORVIS Healthcare (formerly DHG Consulting)**



Kevin Locke
Managing Principal



Scott Spohn
Partner

CHALLENGES POST COVID | THE EMERGING LEADERSHIP IMPERATIVE

Roundtable Members and guests engaged in a timely and insightful topic of the emerging leadership imperative resulting from the multiple challenges facing the healthcare industry. These challenges are not only related to the pandemic but also include

issues tied to social unrest, staffing, burnout, payer-provider relationships and the general financial crisis which is driving significant financial challenges in most sectors of the healthcare industry.

Kevin opened the presentation by noting that “Post COVID” has become a general term covering the health systems’ response to the myriad of challenges noted above. He observed that “Pre-COVID,” leading our healthcare organizations was not easy but leaders were able to balance the focus on current operations with the actions and priorities associated with their strategic plans.

However, a recent survey revealed that the “Post-COVID” challenges have caused a majority of healthcare organizations to put their strategic plans on hold in order to focus on current crisis management.

Kevin stated that, to be successful, healthcare leaders can’t just focus on the next crisis but need to embrace

a new approach to “*On-level Leadership*” which creates a discipline for finding the balance between crisis management and strategy development and implementation.

LOOKING BACK | BEFORE COVID

The speakers noted that the “Pre-Covid” focus was on five key areas:

1. Market Dynamics / Growth Opportunities
2. Provider Relationships
3. Financial / Operational Performance
4. Clinical Organization / Service Lines
5. Payer Contracting Strategy (Balance Fee-for-Service with move towards Value Based Care)

The pandemic and current crisis has resulted in a permanent change in focus which, while continuing to focus on the above five areas, has created the need to create a higher level of performance across the following additional areas:

- **Nimbleness** – the need for leaders and organizations to make decisions quickly and execute faster than ever before.
- **Caring** – the pandemic reminded all of us of how much we need each other in order to meaningfully care for patients, families, communities, etc.
- **Equitable** – the recognition that health disparities are serious and that we need to create systems that provide health equity across the entire community.
- **Sustainability** – Healthcare organizations and leaders may have survived the initial pandemic, but new, very threatening challenges are evolving quickly.

LOOKING FORWARD | THE NEED FOR ON-BALANCE LEADERSHIP

The presenters transitioned their presentation to the following immediate high priority near term market themes based on results of a recent FORVIS survey:

- **Strategy** – More than 50% of the survey respondents indicated that they have paused their strategic initiatives and nearly 2/3 of the respondents indicated their current operating model is not aligned with their organization’s strategic vision.
- **Value** – Although nearly 90% of responding organizations expect an increased emphasis on value-based payer relationships, 100% indicated that their operational risk tolerance is currently not aligned with VBC models. In addition, 53% indicated that their Value Based programs were negatively impacted by the pandemic.
- **People** – Nearly 75% of respondents indicated that there is significant employee and physician fatigue which is forcing changes in the way the organization interacts with their workforce.
- **Growth** – Over 50% of respondents believe that future growth will be driven by primary care and behavioral health. In addition, 56% indicated that the need for financial stability is driving alignment and collaboration activity with 45% indicating that consolidations will continue (*in spite of recent reports of increased concerns about consolidations raised by the FTC*).
- **Margin** – two-thirds of respondents reported they have experienced eroding margins driven in part by things such as:
 - 37% increases in labor expense
 - 21% increases in supply expenses
 - 37% increases in pharmacy expenses

The current environment has created a new, emerging leadership imperative which the presenters referred to as “*On-balance Leadership*.” In its simplest terms, “On-balance Leadership” creates a focus and discipline around creating and implementing strategies while

managing through operational crisis. The organizational and individual leadership capabilities needed to move forward with “On-balance Leadership” include:

- **Strategic Agility** – Organizations and leaders must set the vision, monitor the vision and then pivot as the market emerges and changes.
- **Value Centricity** – Creation of value must be placed at the center of the organization.
- **Change Clarity** – Organizations and leaders must know and understand the impact of change and position current activities and priorities to respond to change.
- **Growth Fluidity** – Growth will occur along different, varying paths.
- **Fiscal Resourcefulness** – Leaders will need to constantly seek to identify new ways to fund the organization’s mission.

To address the current and future challenges and needs described above, organizations and leaders need to focus on “speed” by investing and prioritizing things that will position the organization to respond faster.

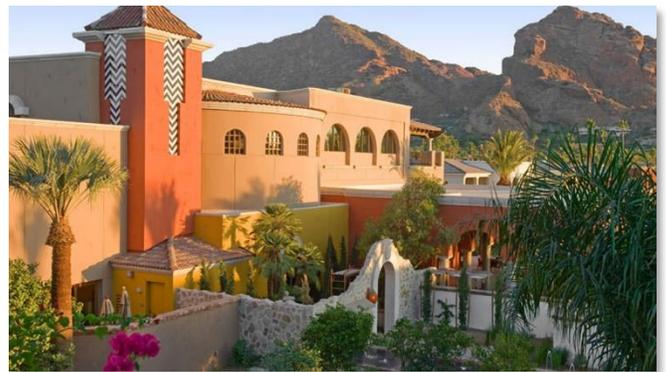
FALL 2022 ROUNDTABLE | FOCUS WILL BE ON DISRUPTIONS

At the **October CEO Healthcare Roundtable**, we will be using a theme of “Disruption” and the speakers will frame their presentations around many of the disruptions presented in this Webinar as well as disruptions being driven by payer’s becoming providers, changing employed and independent physician relationships, and overall “people” issues. A key priority for the Roundtable will be discussing and identifying solutions based on the current experience of our CEO Healthcare Roundtable Members as well as the many years of experience of the CEO Advisory Network Partners.

We hope you will join us for a lively, energetic and informational **CEO Healthcare Roundtable in Scottsdale on October 10-12 at the Omni Montelucia in Scottsdale!** For registration and hotel information please contact **Alexis Matic** today!

SAVE THE DATE!

**Next Scheduled Fall Meeting
October 10-12, 2022**



Omni Scottsdale Resort & Spa at Montelucia
4949 E. Lincoln Drive, Paradise, AZ 85253



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