

# Nebraska Society of Healthcare Engineers

10<sup>th</sup> Annual Trade Show and Conference

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# Today's Conversation Will Be Different

- ▶ **Past Discussions:**
  - ▶ Codes and Standards
  - ▶ Inspection prep
  - ▶ Organization

# 2040: Our vision for the future of health

- ▶ By 2040, health care as we know it today will no longer exist. There will be a fundamental shift from “health care” to “health.” And while disease will never be completely eliminated, through science, data, and technology, we will be able to identify it earlier, intervene proactively, and better understand its progression to help consumers more effectively and actively sustain their well-being. The future will be focused on wellness and managed by companies that assume new roles to drive value in the transformed health ecosystem.

# Health System Challenges

- ▶ Commercial and Government Reimbursement
- ▶ New modalities for care
- ▶ Increasingly complex patients
- ▶ Digitalization of healthcare
- ▶ Increasing rate of new technology
- ▶ Shift from fee-for-service to value based care
- ▶ Accelerating Consolidation

# Today's Challenges

- ▶ Financial
- ▶ System Integration
- ▶ Workforce Challenges

What is the greatest challenge hospital and health system CFOs faced in 2018? Do you expect this to be their biggest challenge in 2019 as well?

- ▶ **Jeanette Wojtalewicz:** The most specific thing is the flat and declining revenues that we have, while [also] seeing inflationary costs increasing quite dramatically – the cost to retain high-qualified clinical staff. It's difficult sometimes to manage that dynamic.

## Hospitals are somewhat resistant to recessions because they provide medically necessary services, but for-profit and nonprofit institutions would both feel the sting of an economic slowdown, Moody's Investors Service

- ▶ “Adjusted admissions, a measurement of patient volumes, would come under pressure, and there would be an unfavorable shift in hospitals’ payer mix. Reimbursements would also decrease if states were to cut their Medicaid programs in order to balance their budgets,”
- ▶ Both nonprofit and for-profit hospitals would take hits on volume and reimbursements.
- ▶ Employers may lay off workers or close in a recession. This means people would lose their health insurance coverage and be more likely to defer elective surgeries and nonemergency procedures.
- ▶ Hospitals would also have fewer patients with commercial insurance and be more reliant on reimbursement from Medicare, Medicaid and self-pay patients.
- ▶ Nonprofit hospitals would be particularly sensitive to the payer shifts, because they recently have seen expenses grow faster than revenue.
- ▶ In a recession, the agency said it also expects hospitals to face challenges because states would likely consider cutting Medicaid reimbursement and benefits to balance their budgets.

# Finance

- ▶ Lack of clarity
- ▶ Congressional deadlock and partisanship
- ▶ Impact of codes
- ▶ 30 plus years and little has changed regarding the challenges of keeping up vs lack of investment
- ▶ Need to have a financial plan...data to back up
  - ▶ Beyond data...must have the capability to interpret the data
- ▶ Condition assessment
  - ▶ 3 to 5 year capital plan
- ▶ Learn how to speak in financial terms not therms and BTU/sqft

If you could pass along one nugget of advice to another hospital CFO, what would it be?

- ▶ **JW:** Listen to different ways, different opinions. Don't get stuck in your ways. I've learned from my clinical counterparts [by] listening and understanding the implication of decisions on our patients that I think has helped us make better decisions

# Integration

- ▶ Constant change
- ▶ Know your program what works and current challenges
- ▶ What is needed to move forward?
- ▶ Need for improved communication
- ▶ Communication for staff as well as communication up
- ▶ Challenges don't go away and at times just get lost with all the activity
  - ▶ Capital plan
  - ▶ Condition assessments
  - ▶ Insource and outsource integration...who does what
- ▶ Provides opportunity for growth (covered in succession planning)
- ▶ Be open to change...dig in and die

# Workforce

- ▶ Finding staffs
- ▶ Build partnerships with HR
- ▶ Use social media to recruit...non-typical recruiting
- ▶ Particularly difficult in trades
- ▶ Improved economy
- ▶ Mentoring and succession planning
- ▶ Hire and train your replacement
- ▶ Gives you flexibility to grow programs as well as self

Questions  
Comments  
Discussion

