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# The Key Variables Health Care Executives Consider When Altering Services



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## Introduction

Health care executives have multiple variables to consider when altering services. New patient care delivery models such as accountable care organizations (ACOs) and medical homes will likely need to be developed putting greater emphasis on value.

In 2011, health care costs in the United States reached \$2.7 trillion or 17.9 percent of the gross domestic product (Health Care Spending, 2013). The Accountable Care Act (ACA) has a number of goals including reducing the number of uninsured individuals, controlling costs, increasing quality consistency, and incentivizing providers to create new health care delivery models such as ACOs.

A research study was conducted in order to identify and define the key variables executives consider when altering services, as well as the level of importance placed on the key variables by executives in their decision-making process when altering services. Altering services means adding, eliminating, expanding, or reducing any health care inpatient or outpatient acute care, long-term care, chronic care, or home health care services.

## Methods and Hypotheses

The research study was a descriptive correlational study to examine the key variables and the level of importance of the key variables health care executives consider when making decisions to alter services. The study utilized a mixed methods approach utilizing a quantitative survey and qualitative individual depth interviews.

The scope of the study included Ohio non-profit short-term acute care hospitals. There are approximately 147 short-term acute care hospitals in the State of Ohio. There were 156 executives that responded to the quantitative survey and 48 executives interviewed. Hospitals were classified as urban, rural, or critical access hospitals.

The study had six null hypotheses. The first three null hypotheses included that there is no difference in hospital classifications and the variables considered, and the second three hypotheses indicated that there was no difference between hospital classifications and the level of importance of the variables in altering services.

## Results

### Quantitative Survey Results

A quantitative survey was distributed to health care executives (CEOs, COOs, CFOs, CMOs, CNOs, and CIOs) at Ohio non-profit short-term acute care hospitals. The survey was sent to 676 (435 urban, 110 rural designated critical access, and 131 rural non-critical access) executives. A total of 156 (23.1% of the population) executives responded with 93 (13.8% of the population) executives completing at least one altered service. The respondents completed 204 altered services.

The executives were asked to list up to eight altered services and rate the importance of the key variables using a 1 – 5 Likert scale utilized in their decision-making process for the altered services. The mean or average Likert scale rating is detailed in Figure 1.

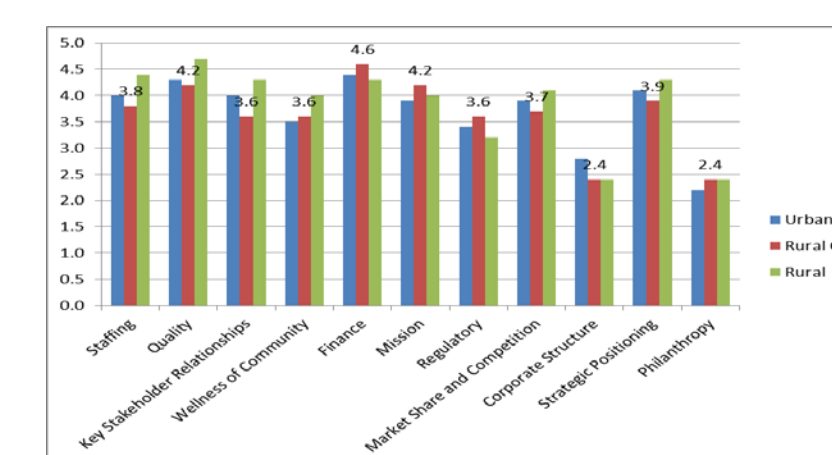


Figure 1. Mean Ratings for the Variables

The Chi-Square Test was utilized to identify confounding variables. The first three null hypotheses pertaining to the key variables were tested and analyzed using logistic regression. The second three hypotheses pertaining to the importance of the key variables were tested and analyzed using an analysis of variance (ANCOVA).

Chi-square Test found position and being part of a larger system as being confounding variables. These variables were listed as covariates. Logistic regression indicated no statistically significant differences in the variables considered by the executives in the first three null hypotheses. ANCOVA indicated there were statistically significant differences in the level of importance of 6 key variables between critical access and rural hospitals as indicated in Figure 2.

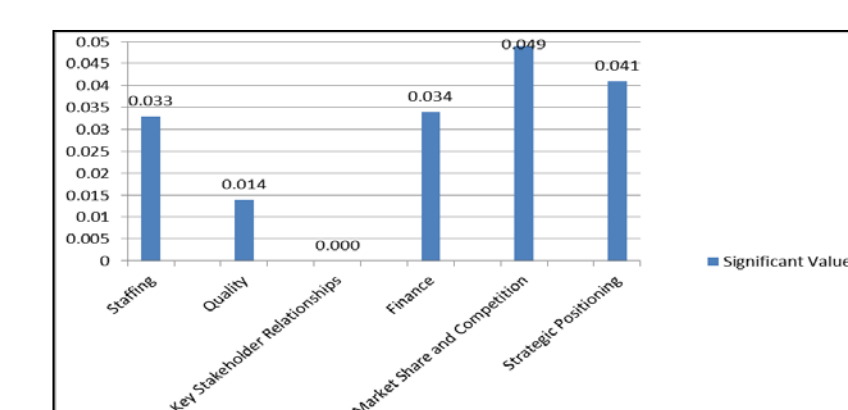


Figure 2. Significant Values Comparing Critical Access Hospitals to Rural Hospitals

### Qualitative Survey Results

Qualitative depth interviews included 3-4 executives (CEO, COO, CFO, and CMO/CNO) at 13 hospitals (6 urban, 3 critical access, and 3 rural). There were 48 executives interviewed which represented 9.1% of the Ohio hospital population. Non-probabilistic convenience sampling was used to collect the data. Thematic analysis and triangulation was utilized to analyze the data.

The executives at urban hospitals indicated the top variables including strategic positioning, key stakeholder relationships, and market share and competition. The executives at critical access hospitals indicated that the top variables included finance and regulatory. The executives at rural hospitals indicated that the top variables included strategic positioning, key stakeholder relationships, and mission/community need.

Most of the hospital executives indicated that addressing the corporate structure and establishing financial parameters is very important. Also, developing a strong management team, constantly reprioritizing, leaving capacity, maintaining flexibility, and establishing realistic expectations was important. The results of the qualitative depth interviews were consistent with the quantitative survey results.

## Conclusions

Health care reform is forcing hospitals to diligently work on controlling or reducing costs and increasing value for their services. A commonly cited belief among industry analysts is that 30 percent of all healthcare spending is inappropriate or unnecessary. This view appears to be very well founded as four industry research entities concur with this opinion (Moore, et al., 2013).

In an era of value-based care, all providers should be taking steps toward population health management industry thought leaders agree (Williams, 2013).

Having the ability, flexibility, and capacity to adapt quickly was considered vital to the long-term success of the hospital. Hospital executives should consider the key variables and recommendations in this research study as it may assist them in the future in allocating the appropriate resources and help to ensure addressing the key aspects pertaining to altering key services in their organization.

## Literature cited

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## Further information

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