

The Academy COO Forum

Economic and Workforce Pressures Collide with Need to Advance Strategic Operations | April 6, 2022

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The following is a summary of key initiatives and questions raised during The Academy's Chief Operating Officer (COO) Forum discussion, held on April 6, 2022 with leading health system (LHS) members. Please share your questions or comments with The Academy Member Insights team at insights@hmacademy.com.

Facilitated by: Bill Santulli, Chief Operating Officer, Advocate Aurora Health

- Advocate Aurora Health is a not-for-profit organization health system based in Wisconsin and Illinois. It operates twenty-eight hospitals, and over 500 sites of care. Advocate Aurora is a leading health care provider and employs 10,000 affiliated physicians and 70,000 staff. They have 3 million unique patients and 1.3 million value-based lives.

As LHS pivot their focus from pandemic response towards long-term strategy, COOs discussed the strategic initiatives they are prioritizing, how they've changed their approach to implementing strategy, and the new mindsets they've adopted to compete with market disruptors and pursue meaningful transformation.

Key Takeaways on COOs' Strategic Priorities

"We had to be careful about the projects we brought back. We didn't want to start overwhelming everyone."
- COO, Leading Health System

Health systems are working to scale telehealth and virtual care efforts but are encountering various operational challenges.

- Patient and care team preferences as far as where and how care is delivered (e.g., virtually vs. in-person) have evolved across the pandemic and LHS are figuring out how best to balance those interests.
- Health systems are struggling to build the workforce capacity needed to scale virtual care and telehealth - but at the same time have to consider the tax implications recruiting and hiring out of state, which is a big barrier for many LHS.
- LHS are also striving for a consumer strategy that balances the needs of both consumers and providers, which can be a challenge if their preferences conflict with one another.
 - Multiple COOs agreed that embracing self-scheduling is an easy lift to increase consumer engagement. All of them shared the same pain points of getting physicians support for self-scheduling across the system.

COOs are balancing demand to resurface strategic initiatives while being mindful of prioritizing initiatives that do not require more resources than they currently have.

- LHS are eager revisit strategies they put on hold during the pandemic, but current workforce capacity limits how much progress they can make on long-term initiatives.
- Multiple COOs discussed how they became selective of the new initiatives they pursue, with a focus on initiatives that don't pose significant cognitive burden or change management on care teams.
 - One COO discussed a consumer initiative of getting care teams to have 60% of patients scheduled for their follow-up appointments the same day they visit the LHS.
 - Another COO implemented a centralized project management system to streamline operations and improve care team's workflows.

Economic pressures, specifically rising inflation, are making it difficult to continue to invest in priorities for growth.

- LHS are also dealing with the economic pressures of rising inflation, higher labor costs, and backlogged supply chains because of pent-up pandemic demand exceeding available resources.
 - Multiple LHS cited challenges with their capital investments from delayed building timelines to significant increases in building costs.
 - Another LHS' value-based care business was negatively impacted by rising operating costs and a higher volume of complex care cases.

"Disruptors know how to slice and dice data in so many ways. We seem so rudimentary in comparison and must get this figured out." - COO, Leading Health System

LHS are focused on expanding access and making care more convenient, which means continuing to invest in their digital platform and data & analytics strategy. Most feel like they still have a long way to go to compete with purpose-built disruptors.

- An effective digital consumer strategy requires a user-friendly digital front door that integrates with existing clinical platforms. But the unwieldy and fragmented nature of LHS' data systems can make it difficult to create a cohesive digital experience for consumers.
 - LHS are also still defining how digital tools will not only engage consumers, but how it can make care delivery more efficient and provide additional value to their care experience.
- Data and analytics (e.g., CRM) is another important component for providing customized digital experiences and a huge pressure point for LHS to remain competitive with disruptors. LHS are still in the early stages of investing in their data and analytics capabilities and defining the metrics they want to use to inform consumer initiatives.

"We need people with out-of-industry experience to give a new perspective on innovation."

- COO, Leading Health System

LHS are getting more comfortable with self-disruption to remain competitive and are looking to industry partnerships and lessons from out of industry to help them operationalize their innovation strategy.

- While LHS still feel pressured to keep up with market disruptors, they aren't ruling out the possibility of partnering with disruptors if it could be the best path forward to scale their strategies.
- LHS are looking to hire more people with out of industry experience to offer them a fresh perspective on how they can advance their digital strategies.
 - One COO discussed hiring a Chief Consumer Experience Officer and Chief Digital Officer with out-of-industry experience to help them identify consumers' ideas and concerns and developing solutions to meet their needs.
- COOs are also striving to adopt innovation and continue working to be nimble to advance new ideas while remaining anchored to their core clinical model and mission.
 - One LHS created an innovation hub where they can test new ideas and replicate disruptors' fail-fast approach.

Additional resources are available at [The Academy's Member Insights homepage](#).

- [CMIO Forum: How the CMIO Role Can Facilitate Digital Transformation](#)
- [CIO Forum: Advancing IT Workforce and Consumer Strategies](#)
- [COO Forum: The Post Pandemic Strategy for Financial Growth](#)

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