October 15, 2021

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Healthcare

Georgia Association of Healthcare Executives (GAHE)

Pradeep Podila, PhD, MHA, MS, FACHE, FHFMA, CPHIMS, CPHQ, CSSBB

Percentage and Number of Exam Questions in Each Knowledge Area

#	Knowledge Area	Percentage	Number of Questions
1	**Healthcare**	**14%**	**28**
2	Management and Leadership	13%	26
3	Finance	12%	24
4	Human Resources	11%	22
5	Quality and Performance Improvement	10%	20
6	Business	9%	18
7	Healthcare Technology and Information Management	9%	18
8	Laws and Regulations	8%	16
9	Professionalism and Ethics	8%	16
10	Governance and Organizational Structure	6%	12
		100%	**200**

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

https://www.ache.org/fache/the-board-of-governors-exam/board-of-governors-exam-outline

Effective August 1, 2018

Contact Information

- Pradeep Podila
- Email: Pradeep.Podila@gmail.com
- Phone: 901.496.7821

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Knowledge Area: Topics (1 - 5)

1. Healthcare and medical terminology
2. Healthcare trends
3. Levels of healthcare along the continuum of care (e.g., extended care, acute hospital care, ambulatory care, home care)
4. Levels of service from a business perspective (e.g., home health, inpatient, outpatient)
5. Types of healthcare providers (e.g., non-profit, for-profit, federal, public health)

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Total Topics = 13

Knowledge Area: Topics (6 - 10)

6. Ancillary services (e.g., lab, radiology, therapies)
7. Support services (e.g., environment of care, plant operations, materials management, supply chain management, hospitality services)
8. Interdependency of integration within and competition among healthcare sectors
9. Clinician roles and qualifying criteria (e.g., administrative versus clinical)
10. Evidence-based management practice

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Total Topics = 13

Knowledge Area: Topics (11 - 13)

11. Different staff and functional perspectives in healthcare organizations (e.g., frame of reference, expectations, and responsibilities by discipline and role)

12. The patient perspective (e.g., expectations, concerns) and how it differs from the provider perspective

13. Interrelationships among healthcare access, quality, cost, resource allocation, accountability, and the community

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Total Topics = 13

Healthcare: A Simple Equation

Value = [Quality/Cost] * Access

Quality

- Credentials of the clinicians
- Infection Rates
- Mortality Rates
- Availability of Clinical Technology

Cost

- Premiums
- Out-of-pocket costs
- Time and Convenience

Access

- Hospital
- Physician network
- Outpatient facilities
- Telehealth
- Benefit design

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Traditional Healthcare Model

The traditional healthcare delivery system in the United States has been a "sickness system" model

- Episodic
- Lacks the continuum of care
- Not focused on prevention or wellness
- Procedural/interventional

Limited Resources led to a direct involvement of healthcare executives in RESOURCE MANAGEMENT and ALLOCATION DECISIONS

Healthcare is Complex

According to management guru, Peter Drucker ……..

“ Hospitals are the most complex human organization ever devised ….. ”

Why is that?

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Healthcare is Complex

According to management guru, Peter Drucker ……..

“ Hospitals are the most complex human organization ever devised ….. ”

- Multilevel of Specialties
- Multilevel of Subspecialties
- Payer Environment
- Fragmented Nature of the Care
- Lot of external factors exerting influence

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Other Factors that make Healthcare Complex are….

Nature of the professionals who make up the sector

- Highly skilled
- Highly educated
- Require high degree of autonomy
- Scarcity of professionals (shortage of nursing providers)
- Require a high degree of input into organizational decision making and resource allocation

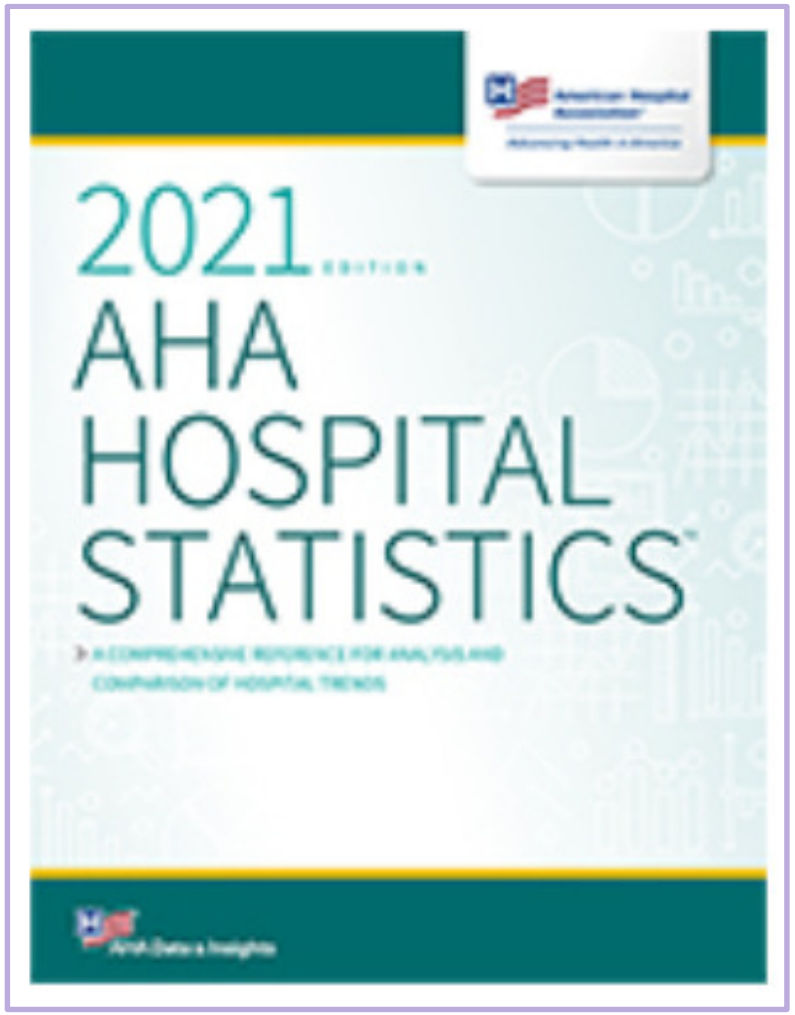
FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Biggest Myths in Healthcare

- Pricing does not affect behavior
- Health systems will employ all the physicians
- The Affordable Care Act (ACA):
  - Fixed our problems
  - Eliminated the uninsured
  - Will be repealed entirely
- Information Technology reduces costs
- Medicare is very efficient
- COVID-19 should be the focal point for healthcare leaders

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Overview: Healthcare Organizations



FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Overview: Healthcare Organizations

Total Number of All U.S. Hospitals	6,090
Number of U.S. **Community** [1] Hospitals	5,141
Number of Nongovernment Not-for-Profit Community Hospitals	2,946
Number of Investor-Owned (For-Profit) Community Hospitals	1,233
Number of State and Local Government Community Hospitals	962
Number of Federal Government Hospitals	208
Number of Nonfederal Psychiatric Hospitals	625
Other [2] Hospitals	116

Other hospitals include nonfederal long term care hospitals and hospital units within an institution such as a prison hospital or school infirmary. Long term care hospitals may be defined by different methods; here they include other hospitals with an average length of stay of 30 or more days

https://www.aha.org/statistics/fast-facts-us-hospitals

Overview: Healthcare Organizations

- **Not-for-profit:**
  - Setup as a non-profit corporation and operates as a tax exempt entity governed by a board of directors or trustees who are selected from the community.
  - Excess revenues generated are invested in the improvement and upgrading of hospitals and services
  - ~ 3000 hospitals in US

- **For-profit:**
  - Balance community service with shareholder returns
  - Operational efficiencies drive decision making
  - Offer a narrower range of services
  - ~ 1300 hospitals in US

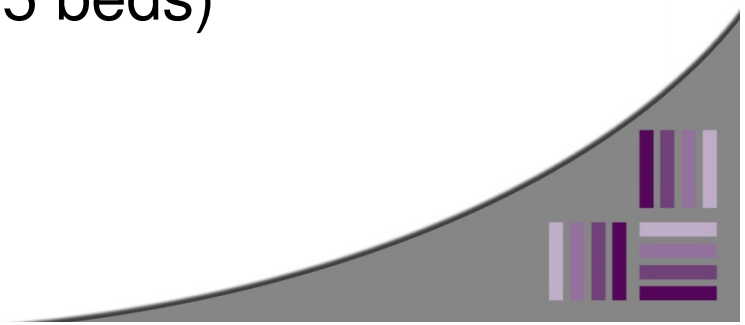
Overview: Healthcare Organizations

- **Federally funded or Government:**
  - Receive funding from the federal government
  - Typically handle the healthcare and medical needs of select populations such as Native Americans and Veterans

- **Private:**
  - Hospitals owned by a for-profit company or a not-for-profit organization and privately funded through payment for medical services by patient themselves, by insurers, governments through national health insurance programs, or by foreign embassies.

Other Healthcare Organizations

- Children's Hospitals
- Women's Hospitals
- Specialty Hospitals
  - Cancer Treatment
  - Orthopedic
  - Surgical
- Long Term Acute Care Hospitals – LTACH
- Psychiatric Hospitals
- Osteopathic Hospitals
- Rehabilitation Hospitals
- Rural Hospitals (Critical access ~ 25 beds)

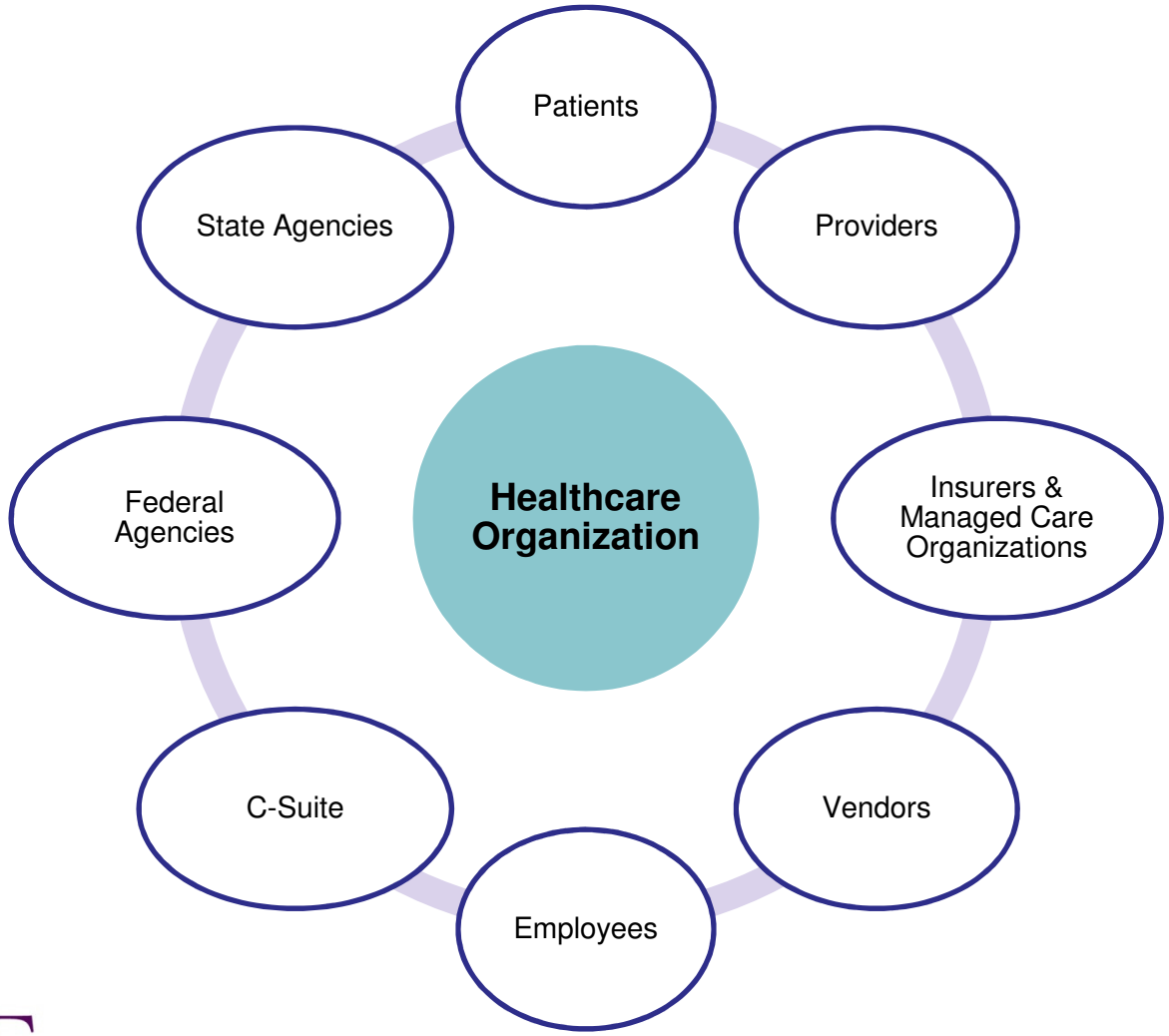


Is healthcare business a System or Non-System?

Conglomeration of multiple systems that vary greatly in their degree or completeness or integration

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Principals in Healthcare



Providers – Hospital-employed or Independent
Medical Staff Structure – CMO, Chief of Staff, Division Chiefs

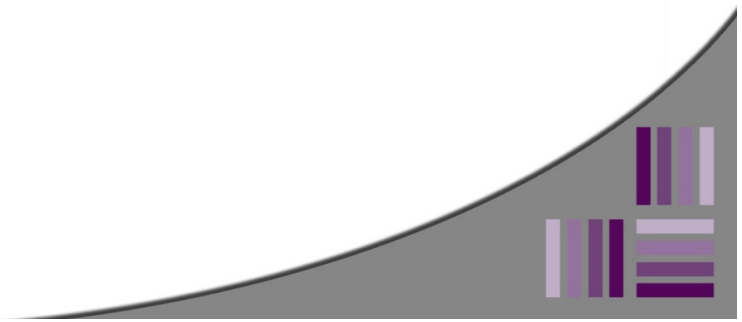
Healthcare Structure

- Board (Chair & Members)
- CEO
- Senior Leaders
- Departments (Laboratory, Imaging, Environmental, HIM, Operations)
- Nursing Facilities (Long-term Care, Assisted Living)
- Outpatient (Clinics, Ambulatory Surgery)

Board = Governing Board!

Horizontal Integration

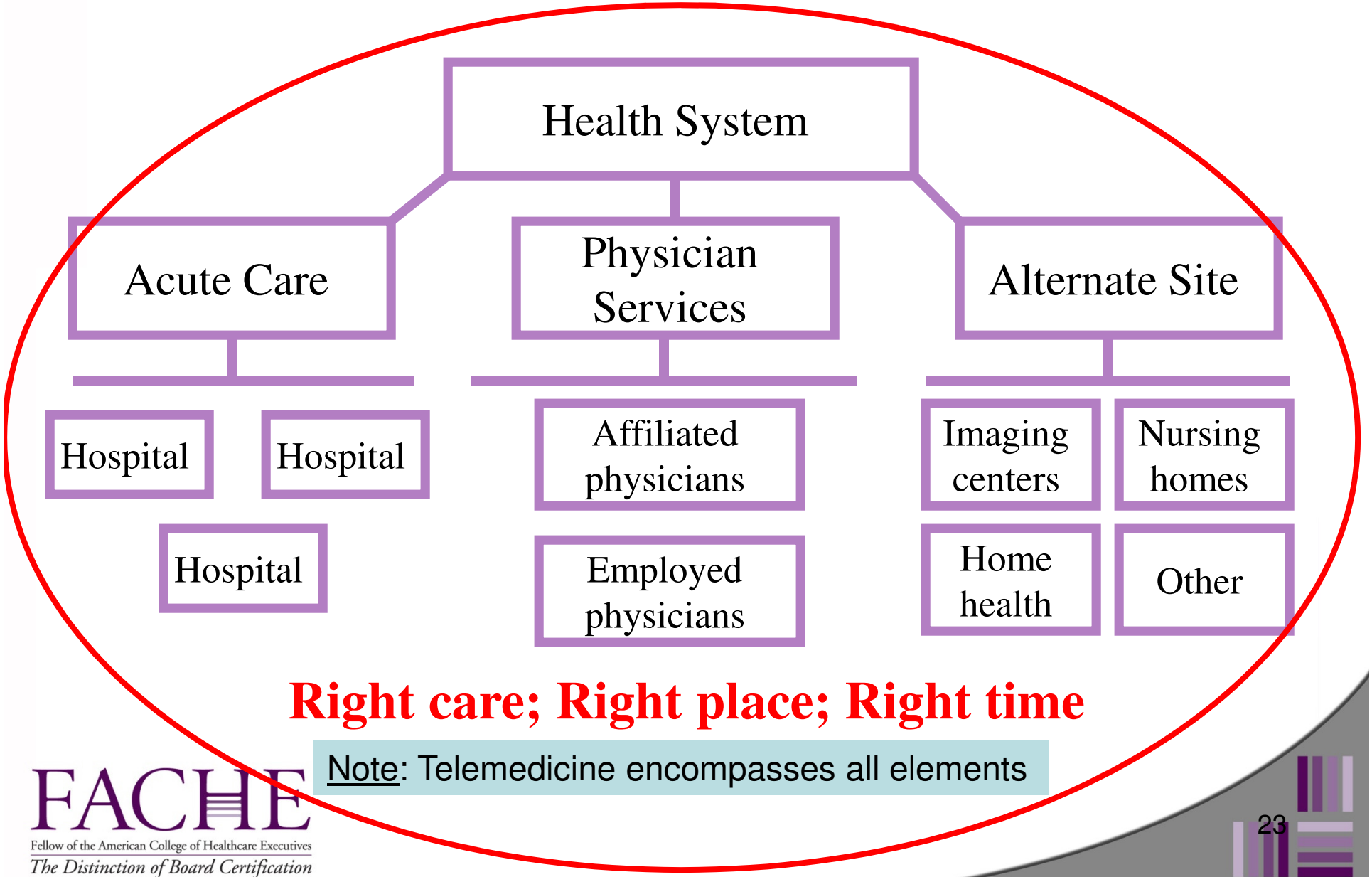
- Larger systems of hospitals coming together
- Cover a broader market place
- Take advantage of economies of scale



Vertical Integration

- Providing full continuum of care
- Inpatient, outpatient, rehabilitation, long-term care, employed physicians, and their own insurance products

Goal: Truly Integrated Health System



Right care; Right place; Right time

Note: Telemedicine encompasses all elements

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Healthcare executives will serve more as **facilitators** between clinical professionals as the systems moves to a more clinically integrated delivery model

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Future of healthcare will be more focused on

- Prevention
- Health Promotion
- Patient centered care
- More patient accountability
- Clinical outcomes
- Cost effective delivery of services
- More focus on evidence based treatment

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Chronic Illnesses

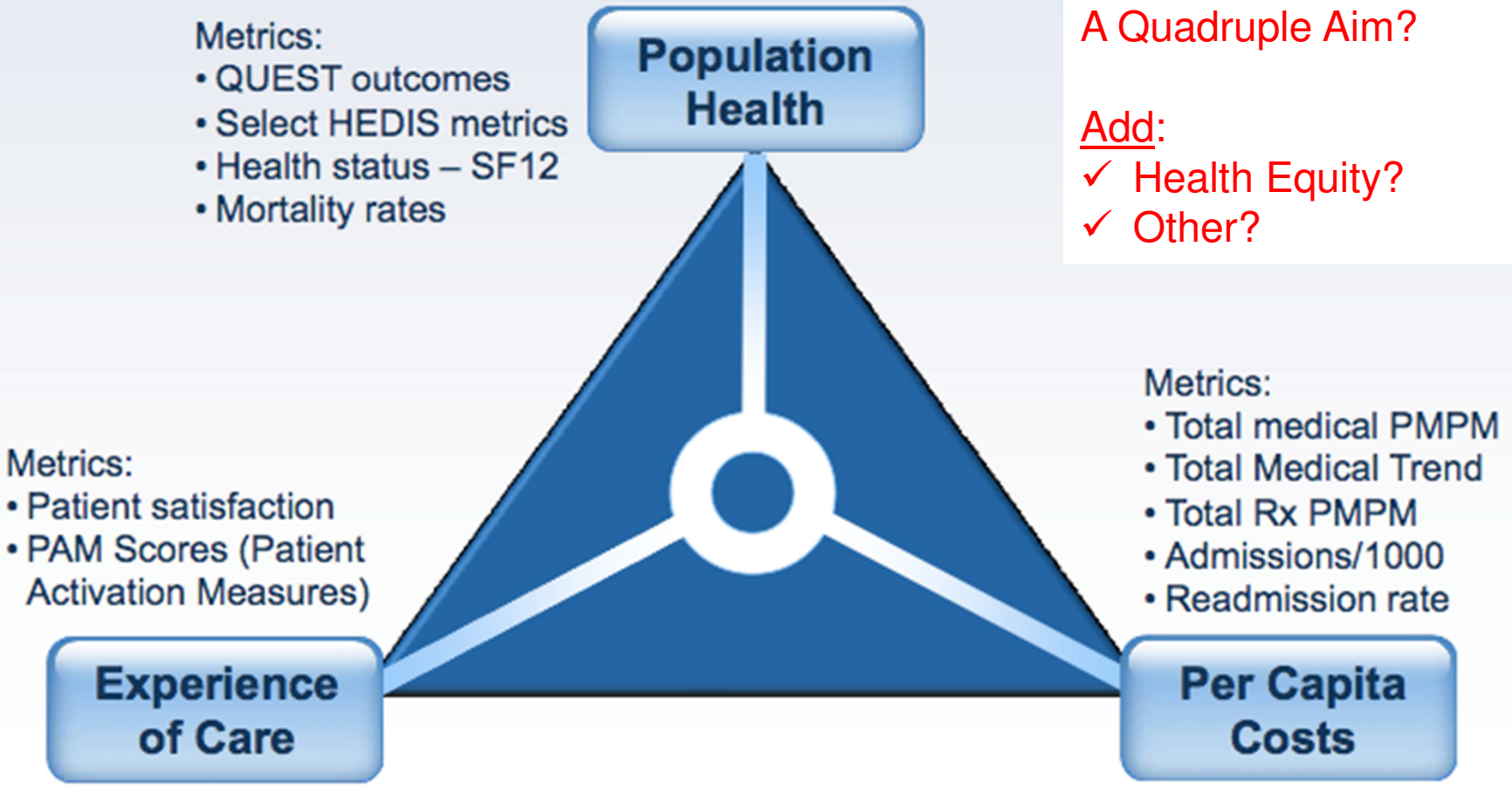
CDC estimates:

- 60% of Americans have at least one chronic condition
- 40% of adults have more than two
- Chronic conditions account for roughly 90% of the nation's $3.3 trillion in annual healthcare spending, much of it for in-hospital care

Source: Wall Street Journal article "Lagging Pharmacies Court the Chronically Ill," April 6-7, 2019

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Definition of Success: Improving triple aim™ population outcomes



Some health systems:
A Quadruple Aim?

Add:
✓ Health Equity?
✓ Other?

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Primary Care: Multiple Dimensions

Physician Office	Employer on-site	Walk-in Clinic
Telehealth	Urgent Care Center	Federally Qualified Health Centers (FQHC)
Rural Health Clinic	Home Care	Self Diagnosis

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

The national healthcare shortage is going to force new models of care and relationships between healthcare providers

– Primary Care Physicians and Nurse Practitioners/ Physician Assistants/ RN's / LPN's / Nurse Technicians/ Pharmacists / Pharmacy Technicians

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Physician relationships are Complex

Most are not employed

Most are independent contractors

Control 75% of hospital costs' by practice patterns

Customer

Affiliated with numerous other competitors

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

The professional autonomy for clinicians come from strong and powerful professional organizations

- AMA: American Medical Association
- AHA: American Hospital Association
- ACHE: American College of Healthcare Executives
- ANA: American Nurses Association

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Healthcare as a continuum

Acute	Curative	Long-term care
Rehabilitation	Custodial	Long-term acute care
Skilled nursing facilities (SNF)	Palliative Care	Hospice Care

Healthcare facilities of the future

- Broader applications of technology
- More ambulatory in nature
- Satellite facilities
- More employed and clinically integrated
- More clinical oriented healthcare leaders
- More patients cared for in their homes other non-institutional locations

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Understanding Healthcare Terminology & their applications

- Robotics
- Stem cell technology – genetic engineering
- Pharmacological agents
- New surgical techniques

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Different types of delivery systems have evolved out of experimentation due to an increase in healthcare spending

Cancer hospitals, Orthopedic hospitals

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Financial Aspects

- Everyone in a healthcare organization is responsible for controlling costs
- Leadership accountability is crucial
- Identify how the organization can be made competitive “identify a niche service line”
- Transparency (quality metrics, infection rates, patient satisfaction scores) is key to success

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Quality Aspects

The Joint Commission: Quality and Patient safety are intertwined throughout the standards

DNV-GL Healthcare: Quality and Patient safety are incorporated in all standards

Leapfrog: Striving for giants leap forward in the quality and safety of American Healthcare

Baldrige: Striving for high reliability

IHI: Works w/health systems, countries, and other organizations on improving quality, safety and value in healthcare

ASHRM – American Society for Healthcare Risk Management (Risk Management, High reliable care for patients, and enterprise approach)

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Institute of Medicine (IOM)

- Independent and not-for-profit organization of physicians that works outside the government to provide unbiased and authoritative advice to the public.
- Key reports include:
  - Health and health equity (2014)
  - Obesity solutions (2014)
  - Patient safety (2009, 2011)
  - The future of nursing (2010)
  - Crossing the Quality Chasm (2002)
  - To Err is Human (1999)

US Department of Health and Human Services (HHS)

- A cabinet-level executive branch department of the U.S. federal government created to protect the health of all Americans and providing essential human services.
- **Motto** is …. "Improving the health, safety, and well-being of America".

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Centers for Medicare & Medicaid Services (CMS)

- A federal agency within HHS that administers the **Medicare** program and works in partnership with state governments to administer **Medicaid**, the Children's Health Insurance Program (**CHIP**), and **health insurance portability standards**

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Centers for Medicare & Medicaid Services (CMS) continued….

Other responsibilities include –

- Administrative simplification standards from the Health Insurance Portability and Accountability Act (HIPAA)
- Quality standards in long-term care facilities (nursing homes) via its survey and certification process, clinical laboratory quality standards

US Centers for Disease Control and Prevention (CDC)

- A federal-agency under the HHS
- National public health agency
- Primary goal … “protection of public health and safety through the control and prevention of disease, injury, and disability in the US and worldwide”

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

CDC
CENTERS FOR DISEASE CONTROL AND PREVENTION

US Centers for Disease Control and Prevention (CDC) continued….

- Focuses on …infectious disease, Food borne pathogens, Environmental health, Occupational safety and health, Health promotion, Injury prevention and educational activities designed to improve the health of United States citizens

Agency for Healthcare Research and Quality (AHRQ)

- A part of Department of Health and Human Services (HHS)
- Focused on surveys and reporting of quality data

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Occupational Safety and Health Administration (OSHA)

- An agency of the US Department of Labor (DOL)

- **Mission:** "Ensure safe and healthful working conditions"

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

The Joint Commission (TJC)

- Independent and not-for-profit organization

- Goal is to evaluate and monitor the quality of care provided in hospitals

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Managed Care

- Has not proved to be the panacea for controlling healthcare costs
- Health Maintenance Organizations (HMO) and Preferred Provider Organizations (PPO) attempt to control costs by controlling utilization and immediate access to expensive services and technology
- Government is more likely to play a bigger role in containing healthcare expenditures

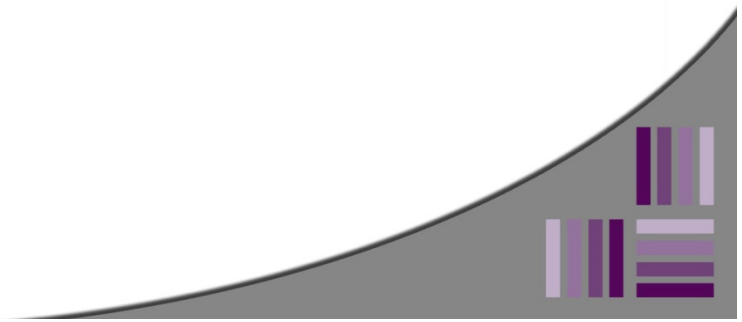
Managed Care

- Has not proved to be the panacea for controlling healthcare costs
- Health Maintenance Organizations (HMO) and Preferred Provider Organizations (PPO) attempt to control costs by controlling utilization and immediate access to expensive services and technology
- Government is more likely to play a bigger role in containing healthcare expenditures

HMOs & Their Types

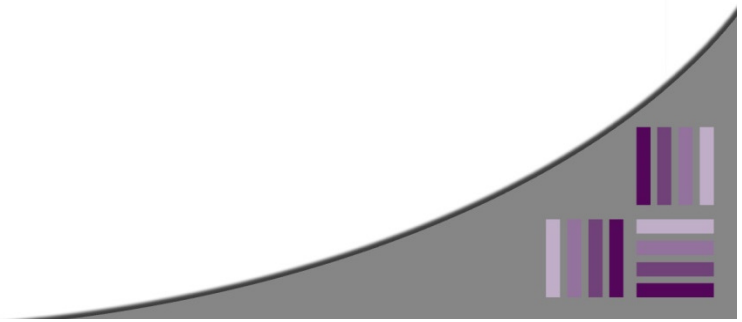
- **Network model:**
  - Most common type of HMO.
  - It is like other network-based health insurance models, including PPOs, wherein patients are strongly encouraged to visit in-network providers to avoid paying more out of pocket.

- **Staff model:**
  - A much more restrictive model.
  - The HMO staff model not only contracts with certain doctors but has specific HMO doctors it personally employs as its staff for its own facilities.
  - These HMO doctors only see the HMO's subscribers.



HMOs & Their Types

- **Group model:**
  - Unlike with the staff model, doctors and specialists are not hired directly by the HMO in this model, but a group of doctors and specialists is exclusively contracted with and paid in bulk
  - The doctors and specialists within the group decide how money received from the HMO is distributed
  - Similar to the staff model, the physicians within this group only see the HMO's subscribers



HMOs & Their Types

- **Open-panel model:**
  - This model is very similar to the group model
  - The main difference being that the HMO contracts with an independent practice association where doctors are allowed to care for the HMO's subscribers and other patients who do not subscribe to the HMO's plans.
  - In contrast to some other model's plans, this model will allow a PCP to refer a patient to an out-of-network specialist for which the HMO will partially cover the expenses.

PPOs & Their Types

- **"How restrictive are they with Primary Care?"**

- **Gatekeeper PPO:**
  - Requires subscribers to have a PCP, just like an HMO does. (However, the range of doctors to choose from under a gatekeeper PPO will almost certainly be wider than those found under an HMO.)

  - This PCP can then refer the patient to other doctors and specialists in the network or even outside of it.

  - In other words, subscribers must first go through the "gatekeeper," the PCP, before receiving other care.

PPOs & Their Types

- **"How restrictive are they with Primary Care?"**

- **Non-gatekeeper PPO:**
  - Requires no PCP.
  - It is more flexible than the gatekeeper model and much more flexible than an HMO.

Summary

HMO: A budget-friendly plan

- Cheapest types of health insurance.
- It has low premiums and deductibles, and fixed copays for doctor visits.

POS: An affordable plan with out-of-network coverage

- Like a HMO, a Point of Service (POS) plan also requires a referral from PCP before seeing a specialist.
- But for slightly higher premiums than an HMO, this plan covers out-of-network doctors, though premiums and deductibles are more than for in-network doctors.

Summary

EPO: A larger network makes life easier

- Lesser known plan type.
- Like HMOs, EPOs cover only in-network care, but networks are generally larger than for HMOs. They may or may not require referrals from a PCP.
- Premiums are higher than HMOs, but lower than PPOs.

PPO: The plan with the most freedom

- Pricier premiums than an HMO or POS.
- But this plan allows you to see specialists and out-of-network doctors without a referral.
- Copays and coinsurance for in-network doctors are low.

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

A Comparison

	HMO	EPO	POS	PPO
Primary Care Physician (PCP) required?	✓	✓	✓	✗
Out-of-Network coverage?	✗ Only in case of emergencies	✗ Only in case of emergencies	✓ usually costs more	✓ usually costs more
Referral to see a specialist?	✓ if you have a gated HMO ✗ if you have an open access HMO	✓ if you have a gated EPO ✗ if you have an open access EPO	✗	✗
Cost?	$	$	$$	$$$

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Types of "third party payers"

- Insurers that reimburse healthcare organizations and are the major source of revenue.
  - Private / Commercial insurers: generally for-profit
  - BCBS: 501.c.3, act more like private insurers—often administer self insurance plans
    - Blue Cross: hospital reimbursement
    - Blue Shield: physician reimbursement
  - Self insurance (e.g. large corporations)
    - Frequently administered by BCBS or other commercial payers

Payers

- Governmental payers
  - CMS:
    - Medicare,
    - Medicaid (the federal part)
    - CHIP (Child Health Insurance Plan) supplements Medicaid in most states
  - State Medicaid:
    - The state portion of Medicaid
    - Medicaid Managed Care – in Georgia, called CMOs
  - Tricare / CHAMPUS—for active DOD and dependents and retired
  - VA—CHAMP-VA

Medicare

- **Four parts**
  - **Part A: Hospital Insurance**. Pays Hospital expenses when a person is eligible even if the person has not paid into the fund
  - **Part B: Supplemental Medical Insurance.** Pays the physician expenses. NOTE: There is no Part B payment if the patient has not received a salary and has not paid into the fund.
  - **Part C: Medicare Advantage –** Private insurers may write private insurance plans
  - **Part D: Outpatient prescription drugs**

Medicaid

- State-run program with some federal matching funds--e.g. in Georgia for every dollar GA contributes, CMS contributes 66.94%.
- Thus for every dollar GA ultimately spends about 60¢ comes from Georgia and 40¢ comes from CMS.
- Many states have moved to a managed care approach
- Typically Medicaid pays far less than the cost of care

Medicaid

- 60M patients covered nationwide
  - Pregnant, children under 18
  - Aged Blind and Disabled
  - SSI (Supplemental Security Income) system

- Expanded with enhanced federal payments under the Affordable Care Act
  - Federal pays 100% for first 3 years (through 2016)
  - Gradually declines to 90% by 2020
  - 32 of the 51 states (including DC) have expanded

Key Terms

Public Health:

- Promotes and protects the health of people and the communities where they live, learn, work and play
- It is the focus of government agencies

Population Health:

- The health outcomes of a defined group of individuals
- It is the focus of both governmental agencies and non-governmental organizations (healthcare systems, hospitals)
- Has become the focal point because of new payment models designed to address continuum of care

Key Terms

EPIDEMIC – A disease that affects a large number of people within a community, population, or region.

PANDEMIC – An epidemic that's spread over multiple countries or continents.

OUTBREAK – A greater-than-anticipated increase in the number of endemic cases. It can also be a single case in a new area. If it's not quickly controlled, an outbreak can become an epidemic.

Key Terms

Activities of Daily Living (ADL):

- Measures a person's ability to function in reference to 6 activities - Eating, bathing, dressing, toileting, maintaining continence and getting in & out of bed/chair.

Acute condition: Condition present for short period of time (Usually days)

Sub-acute condition: Condition present for 1-3 weeks

Chronic condition: Condition present for several weeks to months

Key Terms

Length of Stay (LOS): Calculated from the day of admission to the day of discharge

Case Mix Index (CMI): A relative value assigned to a diagnosis related group (DRG) of patients. It is used in determining the allocation of resources used to treat patients in that DRG. Generally the higher the CMI the greater the acuity and complexity of the illness of the patients in the group.

- A CMI of ~1.4 would be expected from a small community hospital, while a CMI of ~1.9 or higher might be seen in an acute care hospital.
- The CMI is highly subject to physician documentation. Poor documentation leads to a lower CMI and a perception that the hospitals patients are less ill.

Key Terms

Triage: The evaluation of patient conditions for urgency and seriousness and the establishment of priority list to direct care and ensure the efficient use of medical and nursing staff and facilities

Urgent Care: Care for injury, illness, or another type of conditions that should be treated within 24 hours

Long-term Care: Services provided to chronically ill, disabled, or mentally handicapped individuals

Key Terms

Epidemiologic Planning Model:
A statistical analysis and forecast of the health needs of the community a healthcare organization serves

Incidence: Proportion of a population who have a specific characteristic in a given time period, regardless of when they first developed the characteristic

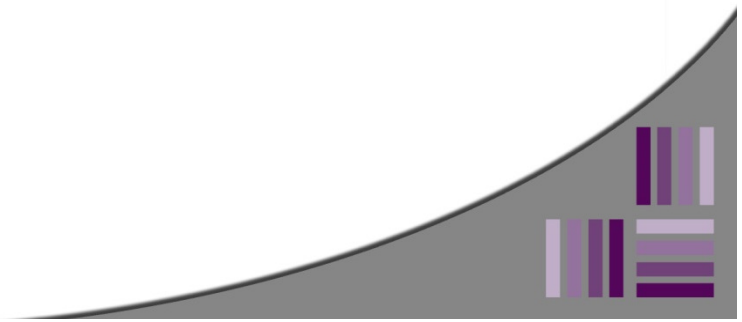
Prevalence: Proportion of a population who have a specific characteristic in a given time period

Key Terms

Mortality: The incidence of death in a population

Morbidity: The incidence and severity of illness and accidents in a population

Outcome: The end result of medical care, as indicated by recovery, disability, functional status, morbidity, patient satisfaction and mortality



Key Terms

Community Benefit:

- Charitable activities and services provided by healthcare organizations
- Tax-exempt under 501(c)(3) of IRS Code

Patient-centered Care:

Care tailored per patient's preferences, needs, and values

Evidence-based Management:

Approach based on performance measurement, identification of best practices, and formal process specification

Key Terms

Palliative Care:
Interdisciplinary care provided to a patient with a serious, life-threatening, or life-limiting illness that aims not to provide curative illness but rather manage symptoms; relieve pain and discomfort; improve quality of life; and meet emotional, social, and spiritual needs of the patient and patient's family

Hospice:
An organization that provides care to terminally ill patients and their families

Healthcare Trends

- Data analytics remains a high priority.
- Emphasis on social determinants of health (SDOH).
- Population health, precision medicine, and predictive analytics have been playing a critical role in strategic visioning and planning.
- Behavioral services have ramped up.

Healthcare Trends

- Closure of hospitals in the rural areas have been impacting health of populations in low-income areas.
- Telehealth utilization has increased.
- More care is provided in the home.
- Increase of ransomware attacks on healthcare systems.

Takeaways

- The U.S. Healthcare system is a conglomerate of multiple systems that vary greatly in their levels of integration
- Most healthcare professionals are highly educated, skilled, well trained and require lots of autonomy in decision making
- The role of a CEO is to evaluate problems and propose well thought out solutions
- The primary interest of the various alternative delivery systems is to provide cost-effective healthcare services

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Takeaways

- The major role of any healthcare executive is to bring excellence to healthcare management
- The Governing Authority (Board) is ultimately responsible for –
  - Establishing policy
  - Maintaining quality
  - Providing competent leadership
- Obsolete clinical activities are discontinued due to technological advancements
- Organizations can have both types of integration (horizontal as well as vertical)

Takeaways

- The major role of any healthcare executive is to bring excellence to healthcare management
- The Governing Authority (Board) is ultimately responsible for –
  - Establishing policy
  - Maintaining quality
  - Providing competent leadership
- Obsolete clinical activities are discontinued due to technological advancements
- Organizations can have both types of integration (horizontal as well as vertical)

Glossary of Healthcare Terms

- Hospital Association of New York State (HANYS) (online list)

  https://www.hanys.org/search/?action=terms

- North Carolina Healthcare Association (online list)

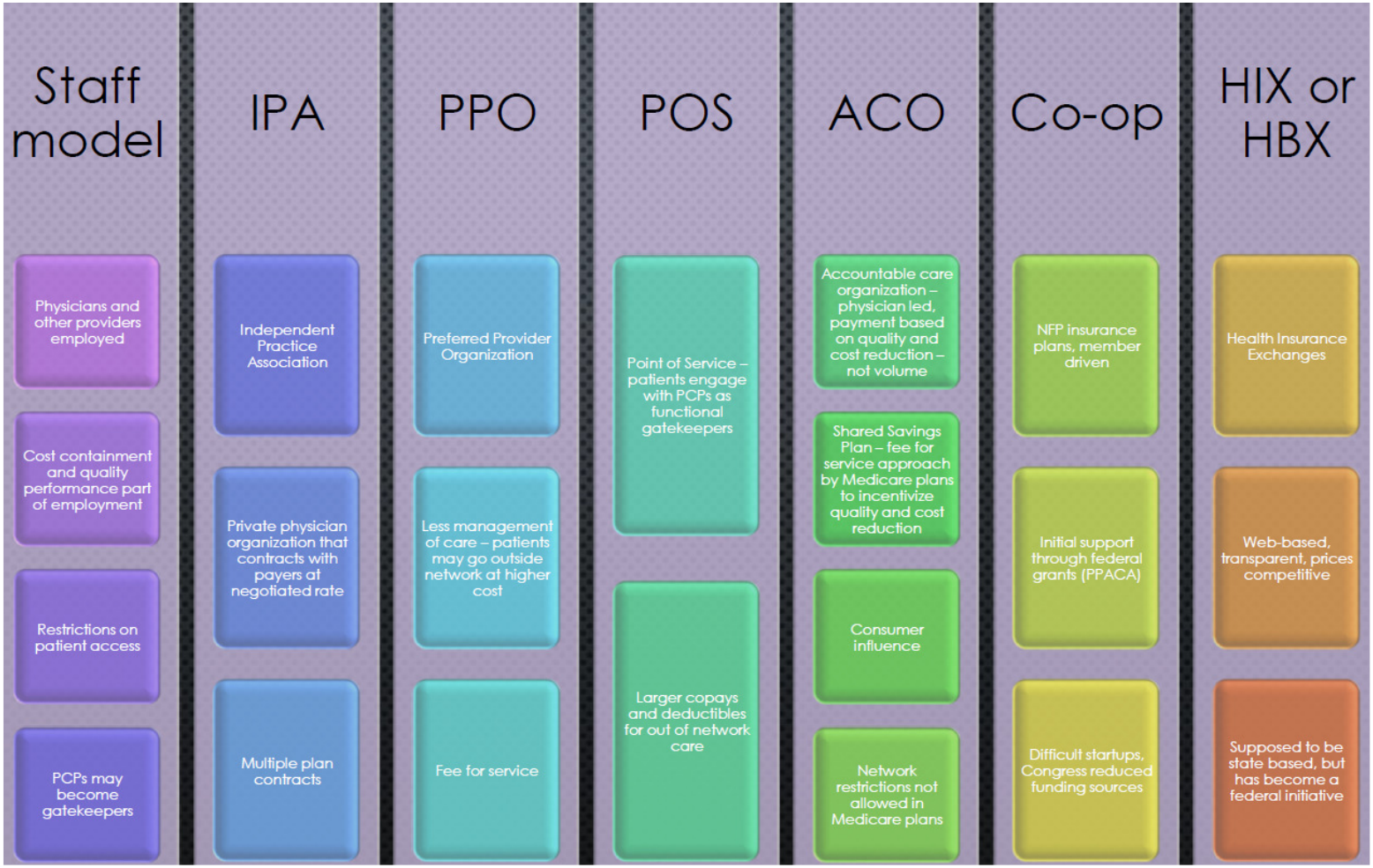
  https://www.ncha.org/healthcareterms/

- Texas Hospital Assn (Note: $3 fee)

  https://www.tht.org/Library/Health-Care-Terms-and-Abbreviations

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Summary: Payment Models



Resources

The Well Managed Community Healthcare Organization, 6th ed. by John R. Griffith and Kenneth White

Delivery Health Care in America, 2nd ed. by Leiyu Shi and Douglas A. Singh

Essential in Managed Health Care, 4th ed by Peter R. Kongstvedt

Health and Healthcare in the United States, by Michael J. Long, Ph.D.

Introduction to Healthcare Delivery Organizations: Functions and Management, 4th Ed, by Robert M. Sloane, FACHE; Beverly LeBov Sloane; and Richard K. Harder

Understanding the U.S. Health Services System, 2nd Ed by Phoebe Lindsey Barton, Ph.D.

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Practice

Questions

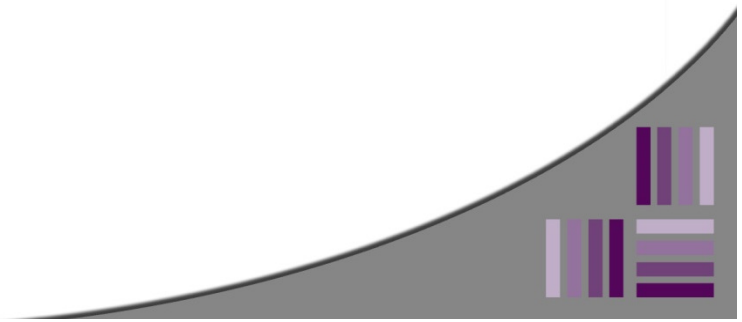
FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Healthcare

Test Question # 1

The development of Preferred Provider Organization (PPO) was originally intended to:

1. Guarantee that hospitals maintain their occupancies
2. Promote networks that would evolve into multi-hospital systems
3. Offer an alternative to the Health Maintenance Organization (HMO)
4. Force high proceed hospitals out of the local markets via discounts



Healthcare

Test Question # 1

Correct answer is 3

Offer an alternative to the Health Maintenance Organization (HMO)

HMO:

- Must stay in network
- Must select a Primary Care Physician (PCP)
- Must get a referral to see a specialist

PPO:

- Not required to stay in network
- No need to select a Primary Care Physician (PCP)
- No referral necessary

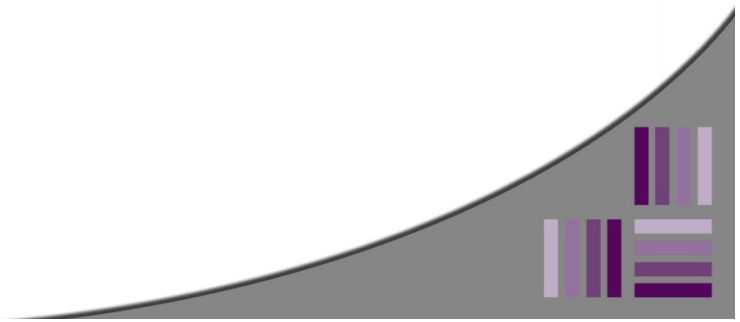
FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Healthcare

Test Question # 2

The development of a freestanding ambulatory care center is an example of:

1. Product life cycle
2. Horizontal integration
3. Matrix organization
4. Vertical integration



Healthcare

Test Question # 2

Correct answer is 4

Vertical Integration

Basics of integration:

- ***Horizontal integration*** is when a business grows by acquiring a similar company in their industry at the same point of the supply chain.
- ***Vertical integration*** is when a business expands by acquiring another company that operates before or after them in the supply chain.

Healthcare

Test Question # 3

The principal advantage for an inpatient facility to affiliate with a geriatric-care program is that such an arrangement:

1. Provides for a continuum of care for patients
2. Permits patients to receive care in the home settings
3. Requires less skilled personnel to provide the care
4. Is less costly to the patient

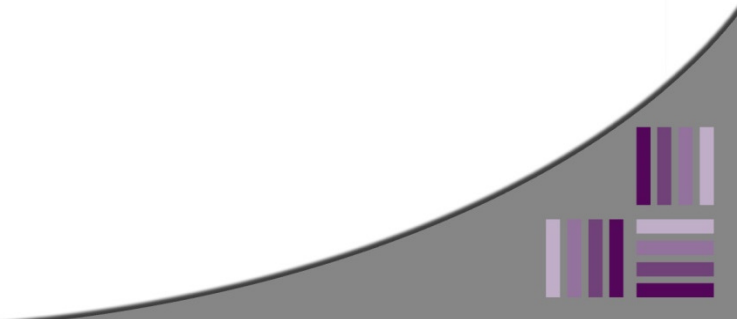
Healthcare

Test Question # 3

Correct answer is 1

Provides for a continuum of care for patients

Geriatric care is focused on healthcare for elderly people. The principal reason for affiliating a geriatric-care program with inpatient facility is to ensure the elderly individuals receive appropriate and timely continuum of care



Healthcare

Test Question # 4

Terminally ill patients receive special care at:

1. Acute care hospitals
2. Hospice
3. Specialty wards
4. Palliative care facilities

Healthcare

Test Question # 4

Correct answer is 2

Hospice

Hospice is a facility where terminally ill patients can receive special attention

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

Healthcare

Test Question # 5

The primary reason for the decision to move from a freestanding voluntary facility to an investor-owned healthcare organization is:

1. Economy of scale
2. Access to the equity market
3. Access to patients
4. Improved visibility in the community

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification

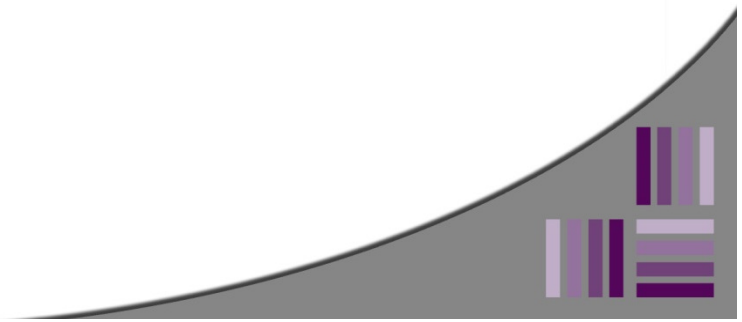
Healthcare

Test Question # 5

Correct answer is 2

Access to the equity market

An investor-owned healthcare organization has the ability to provide necessary financial backing via equity market to a freestanding voluntary facility



Happy Learning
&
Good Luck!

FACHE
Fellow of the American College of Healthcare Executives
The Distinction of Board Certification