



## 14th Annual HIMSS Leadership Survey

Healthcare Chief Executive Officer Results

April 7, 2003

Healthcare CMO Survey

Healthcare  
IT  
Industry

Vendor CEO Survey



**Healthcare CEO Survey  
Final Report**

Sponsored by Superior Consultant Inc.



# 14<sup>th</sup> Annual HIMSS Leadership Survey

Sponsored by Superior Consultant Company

## Final Report: Healthcare Chief Executive Officer

Sponsored by **Superior Consultant Company**, the 14<sup>th</sup> Annual HIMSS Leadership Survey reports the opinions of information technology (IT) executives from healthcare provider and vendor organizations from across the U.S. regarding the use of IT in their organizations. The survey is designed to obtain information about IT priorities, barriers, applications, and other crucial factors in the use of IT to enhance healthcare.

This is the third in a series of four reports on findings from the 14<sup>th</sup> Annual HIMSS Leadership Survey. It reflects the opinions of presidents and chief executive officers from healthcare provider organizations across the United States. The first report, released in February 2003, presents the opinions of CIOs at healthcare provider organizations. The second report, released in March 2003 presents the opinions of presidents and chief executive officers in the vendor, supplier and consultant community. The final report will represent the opinion of clinician executives at provider organizations and will be released in early April.

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## Methodology

To ensure the most informed, representative coverage of the field possible, data were solicited from one individual per healthcare provider organization. More than 1,100 CEOs at healthcare organizations across the United States were sent electronic invitations to this year's survey. This format helped ensure that each organization was represented only one time in the survey.

One senior-level executive from 51 healthcare organizations completed the self-administered Web-based questionnaire over a six-week period beginning on December 11, 2002. Data from healthcare CIOs were captured in a separate survey, the results of which were reported at the 2003 Annual HIMSS Conference and Exhibition on February 10, 2003. Results from surveys of CEOs in the vendor community were released in March and the opinions of chief clinical officers at provider organizations will be released in conjunction with this survey.

## Profile of Survey Respondents

More than three-quarters of the respondents reported their position to be president or chief executive officer (CEO); specifically, 63 percent of the respondents are corporate presidents/CEOs, and another 14 percent are facility-level presidents or CEOs. Another 10 percent indicated that they are administrators and six percent responded that their position was that of director. The remaining respondents all fall into the "other" category.

Slightly more than half of the respondents – (53 percent) – reported that they worked for a stand-alone hospital. Another 25 percent reported that they work for a hospital that is part of a multi-hospital system or network. Nearly 10 percent of the respondents indicated that they work for a physician office, clinic or ambulatory care facility and four percent work for a mental or behavioral healthcare facility.

More than three-quarters of the respondents (78 percent) indicated that their facility was not-for-profit. Another 12 percent reported that their facility was a government facility, and the remaining 10 percent indicated that they worked for a for-profit organization.

Annual gross revenue for the vendor organizations represented in the survey is:

- \$2 million or less—4 percent;
- \$2 million to \$10 million—16 percent;
- \$11 million to \$50 million—23 percent;
- \$51 million to \$200 million—23 percent;
- \$201 million to \$350 million—12 percent;
- \$351 million to \$500 million—10 percent;
- \$501 million to \$1 billion—6 percent;
- More than \$1 billion—2 percent;
- Don't Know/Not Applicable—4 percent.

Slightly more than one-quarter of respondents (27 percent) reported that they work in the West South Central region of the United States. This is followed by the Mountain (22 percent), East North Central (16 percent) regions.

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## IT Priorities

**CEOs identify physician relations as the issue they deal with on a daily basis; cost pressures and Medicare cutbacks are two top issues that will affect healthcare in the next two years, they say. Almost half of the respondents indicated that their IT plan mirrors the organizational strategic plan; a similar number reported that the CIO at their facility was considered part of the executive team. One-quarter of respondents indicate that IT fully supports the issues they deal with on a daily basis; and 35% indicated that they had a high degree of confidence in their IT departments to deliver on-time, on-budget projects.**

When asked to identify the business issues that would affect healthcare in the next two years, respondents were most likely to identify cost pressures and Medicare cutbacks; each of these responses was identified by 57 percent of respondents. About half of respondents – 49 percent – also identified the availability and retention of staff as a key business issue. Increasing patient safety/reducing medical errors (43 percent) and HIPAA compliance (41 percent) round out the top five responses. National Healthcare Information Infrastructure (NHII), non-HIPAA compliance issues and complying with managed care requirements, were each identified by fewer than five percent of respondents. No respondent identified mergers and/or consolidation between organizations.

Respondents also were asked to identify the two concerns or issues that they consistently dealt with on a daily basis. More than half of the respondents in this survey (57 percent) deal with physician relations daily; 35 percent of respondents indicated that competitive profitability was an issue that required attention daily. At the bottom of the list were medication administration and bidding on contracts—none of the respondents indicated that these issues necessitated their attention on a daily basis. HIPAA (six percent) and the cost of pharmaceuticals (eight percent) also require daily attention from a small number of respondents.

When asked if IT supported the concerns identified above, one-quarter of the respondents said IT fully supports the concerns that they deal with on a daily basis. Another 69 percent indicated that IT provided them with partial support. Only six percent of the individuals responding to this survey indicated that IT offered them no support in dealing with the challenges they face daily.

This is echoed in the responses that individuals provided to the following question—how closely does your facility's IT strategic plan mirror your organization's business plan? Almost half (45 percent) indicated that their facility's IT plan mirrors the strategic plan of the organization. Another 41 percent indicated that the alignment was somewhat close. Only six percent suggested that alignment between an IT strategic plan and the organizational plan was not at all close.

Most of the CEOs in this study report that IT provides some level of support to achieving day-to-day goals. This noted, they were asked to identify what they considered to be the most significant barrier to successfully implementing IT in their facility. One quarter responded that they lacked adequate financial support for IT. Another 17 percent indicated that difficulty in proving IT's quantifiable benefits/ROI was a barrier at their organization. The lack of a strategic IT plan (or the failure to execute the plan) and vendors' inability to effectively deliver products were each identified by 10 percent of survey respondents.

Respondents also were asked to identify the biggest frustration they encountered regarding the use of information technology at their facilities. More than one third of respondents (37 percent) indicated that measuring the value was their biggest concern. Another 29 percent cited escalating costs as an issue that was most frustrating to them. Of least concern among those in this sample was IT leadership, which was identified by only six percent of respondents.

Despite these frustrations, CEOs at the facilities represented in this study are reasonably confident that their organization's IT department will consistently deliver on-time, on-budget projects. Almost 55 percent of respondents indicated that they had some degree of confidence in their IT department, and another 35 percent indicated that they had a high degree of confidence in their IT department. Only four percent of respondents reported that they had little confidence in their IT department to consistently deliver on-time, on-budget projects.

Slightly more than half of the respondents in this sample, 55 percent, indicated that the CIO at their organization is considered part of the executive team.

Most (80 percent) of the respondents in this survey indicated that their facilities IT operating budget would increase for 2003. Specifically, 59 percent of respondents indicated that the IT operating budget at their facility would definitely increase in 2003; 22 percent indicated that such an increase was probable. Eight percent indicated that their budget would not change from 2002 to 2003, and approximately 10 percent indicated a probable budget decrease.

Half of the respondents indicated that more than 20% of their organization's IT spending is controlled outside the IT department. Another 20 percent indicated that 11% to 20% of the spending was controlled outside the department. Only 14 percent of respondents indicated that all of IT spending was controlled within the IT department.

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## Survey Sponsors

### About Superior Consultant Company

Superior Consultant specializes in Digital Business Transformation(tm) services that enable clients to thrive in the information-driven economy. Superior's outsourcing, management and information technology consulting services and solutions help clients plan and execute better business strategies and meet their fiscal challenges while advancing clinical quality. Superior's best practices outsourcing model includes a full range of flexible business process and information technology solutions, including data center services, 24/7/365 network monitoring and help desk services, facility management, interim management, and application outsourcing services. For more than 18 years, Superior has been recognized as one of the most innovative within the healthcare industry and has been rewarded with full and partial outsourcing contracts, thousands of engagements, approximately 150 interim management assignments, and nearly 3,000 clients.

For more information on Superior Consultant Holdings Corporation simply dial 1-800-PRO-INFO and enter the Company ticker: SUPC (a no-cost fax-on-demand service) or visit the Company's Web site at <http://www.superiorconsultant.com>.

## **About HIMSS**

The Healthcare Information and Management Systems Society (HIMSS) provides leadership in healthcare for the advancement and management of information technology. Headquartered in Chicago, HIMSS provides services to more than 13,000 members, including IT healthcare corporations, firms and professionals from around the globe. Through the collaboration of 42 chapters and 19 special interest groups, HIMSS directs and shapes the healthcare industry, encourages emerging technology and promotes public policies that will improve healthcare delivery. For more information, visit HIMSS at [www.himss.org](http://www.himss.org).

## **How to Cite This Study**

Individuals are encouraged to cite this report and any accompanying graphics in printed matter, publications, or any other medium, as long as the information is attributed to the 14<sup>th</sup> Annual HIMSS Leadership Survey sponsored by Superior Consultant Company.

## **For more information, contact:**

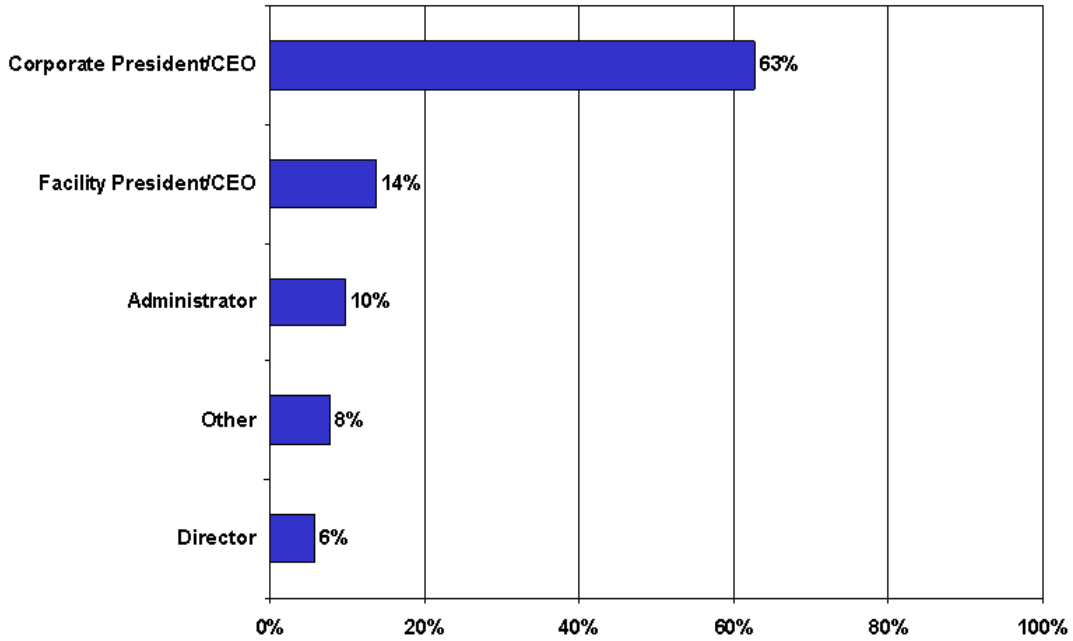
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# IT Priorities

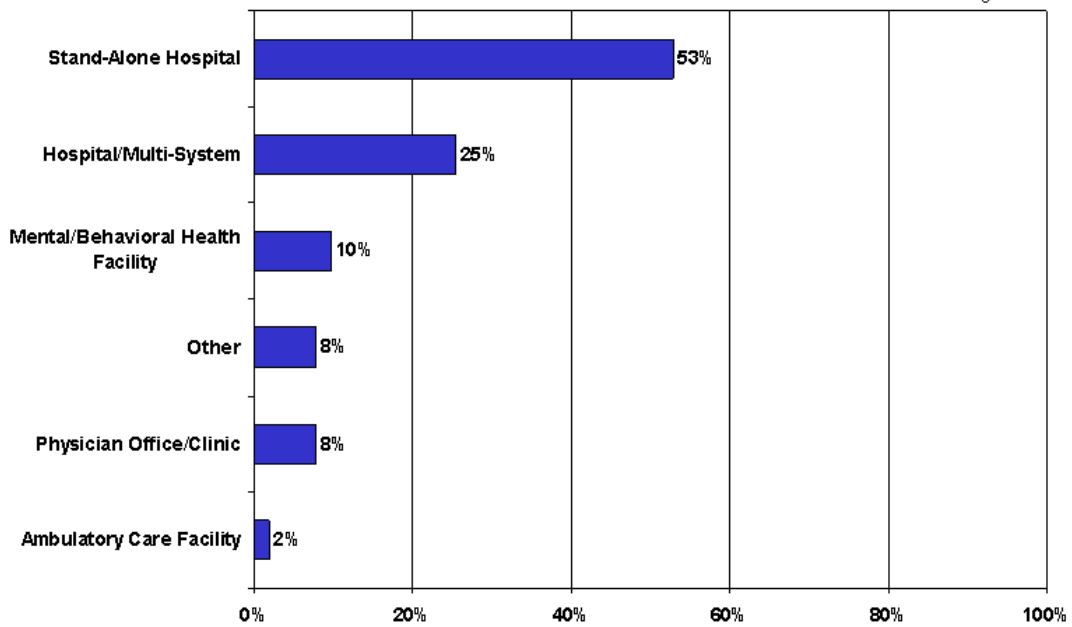
## Participant Profile – Titles

Figure 1



## Participant Profile – Facility Type

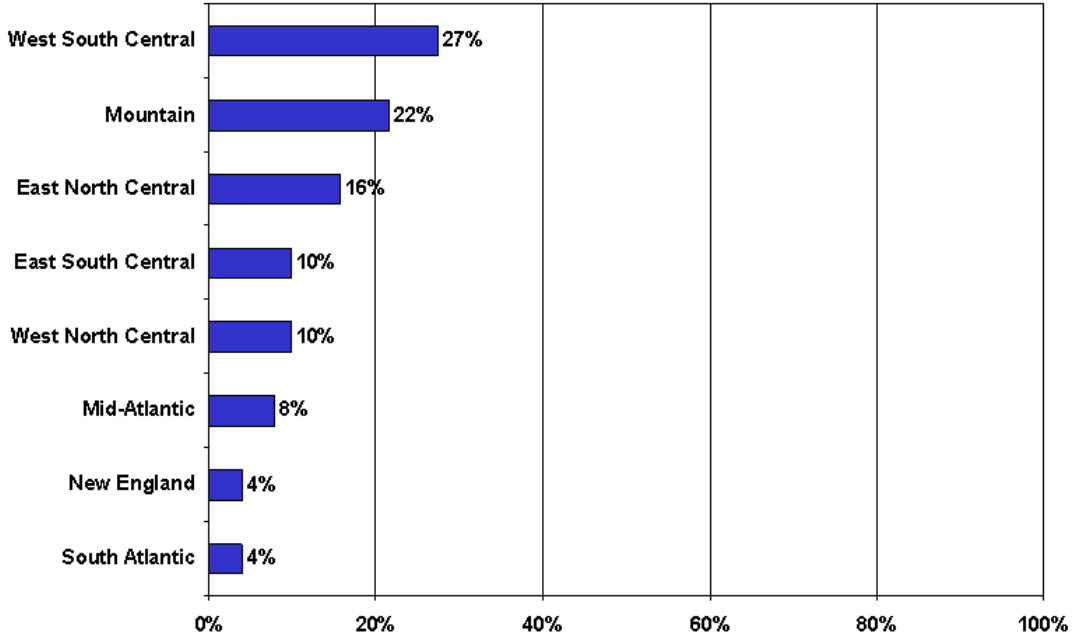
Figure 2



# IT Priorities (Continued)

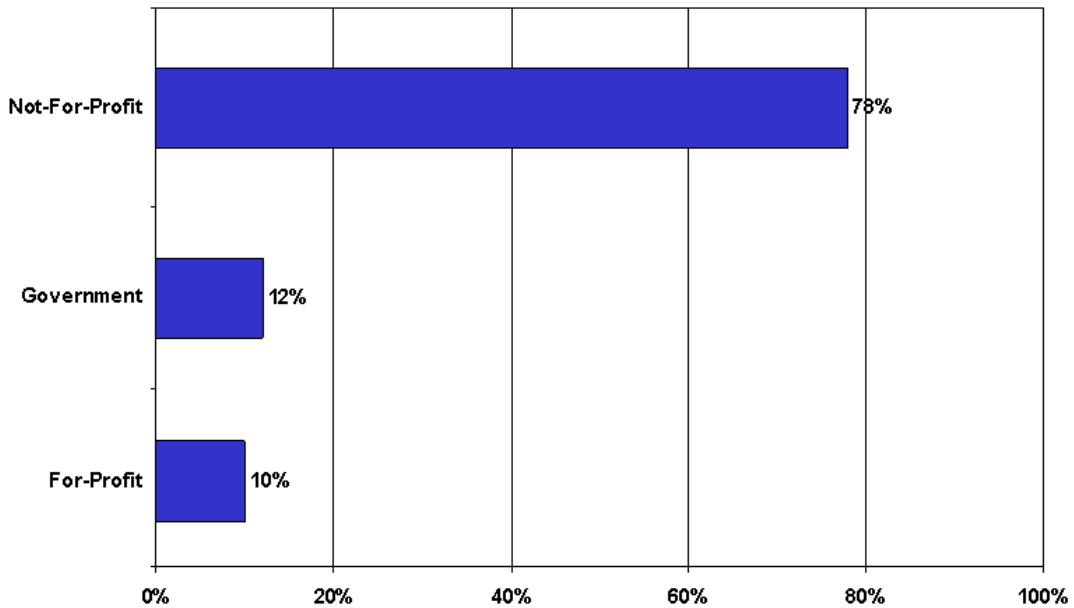
## Participant Profile – Region

Figure 3



## Participant Profile – Facility Tax Status

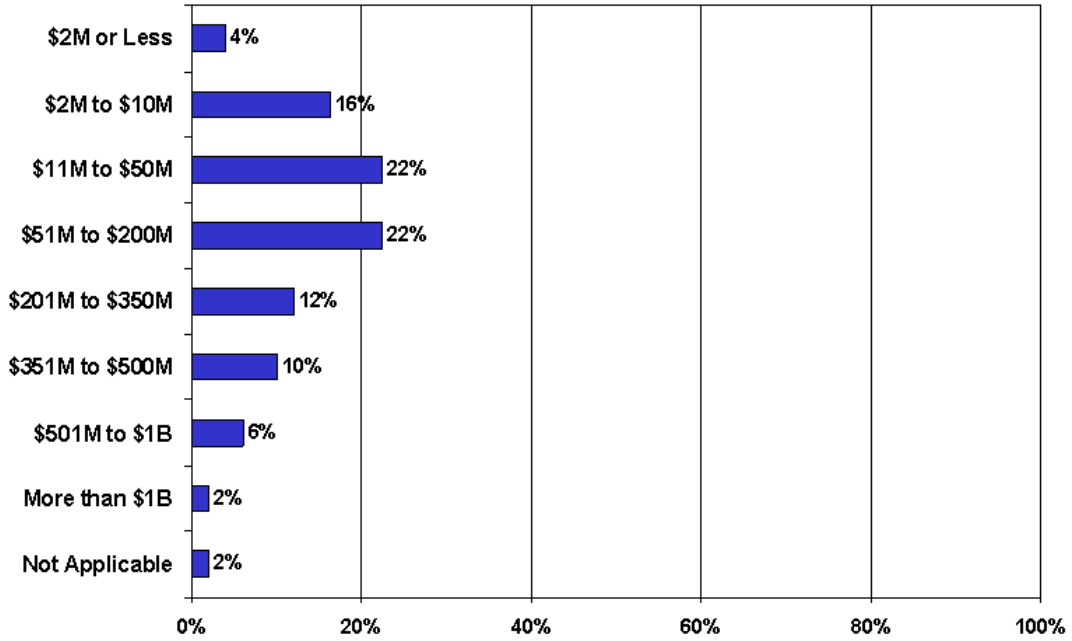
Figure 4



# IT Priorities (Continued)

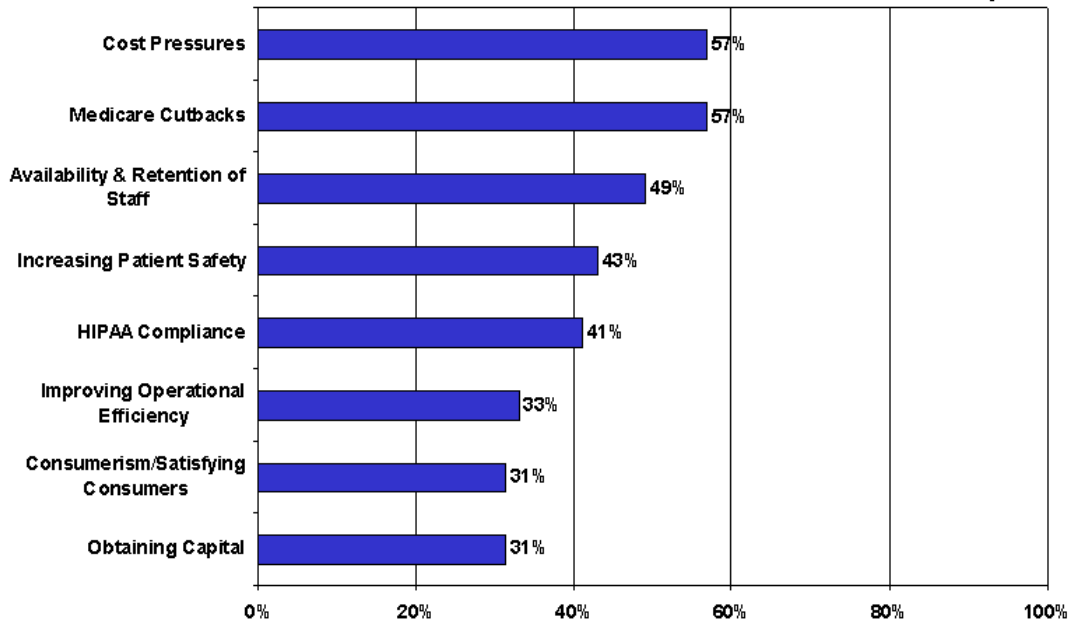
2003 Healthcare Organization Total Annual Revenue

Figure 5



Top Business Issues Facing Healthcare (Within Next Two Years)

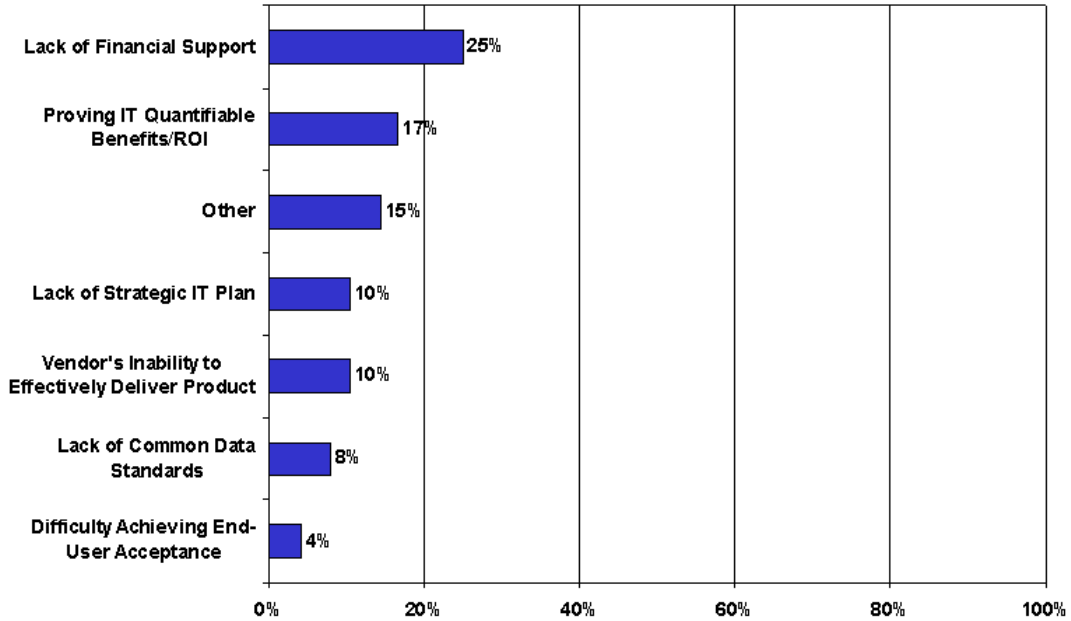
Figure 6



# IT Priorities (Continued)

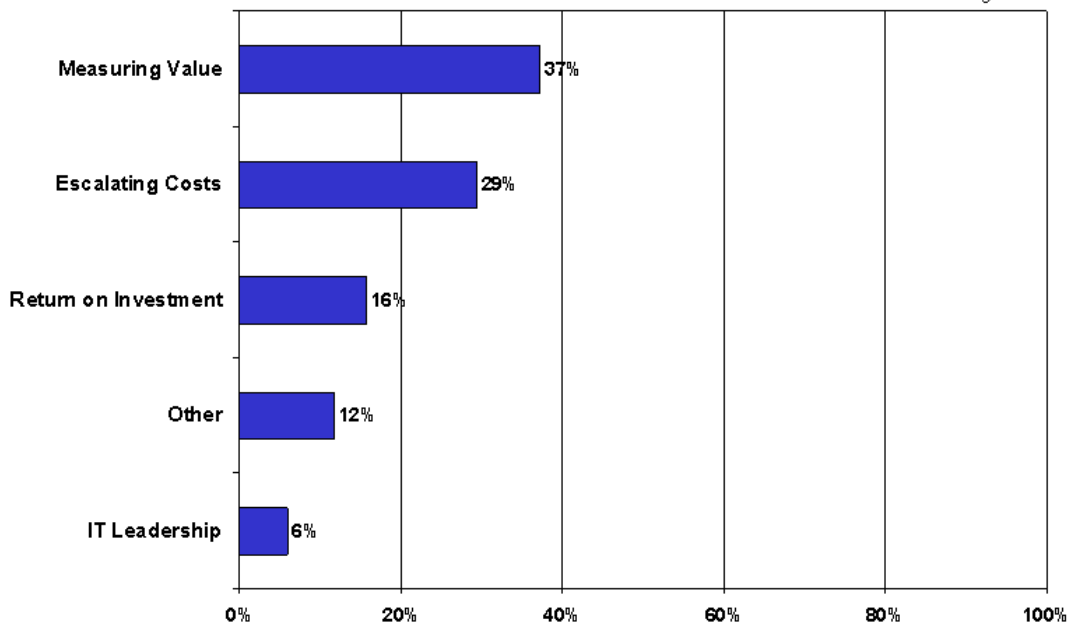
## Most Significant Barriers to Implementing IT

Figure 7



## Biggest Frustration Regarding Use of IT

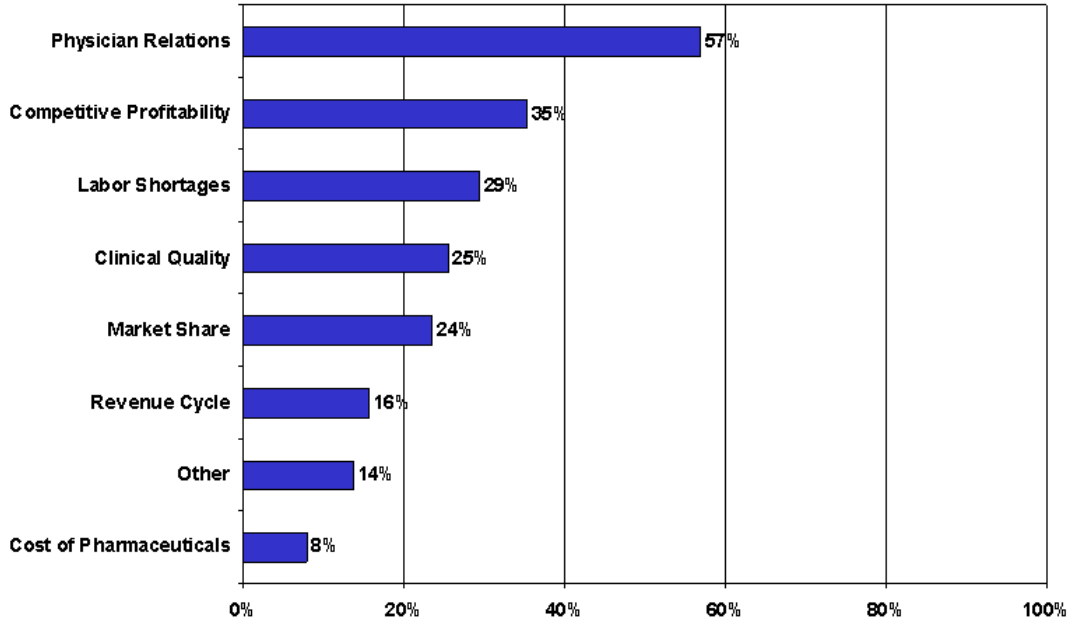
Figure 8



# IT Priorities (Continued)

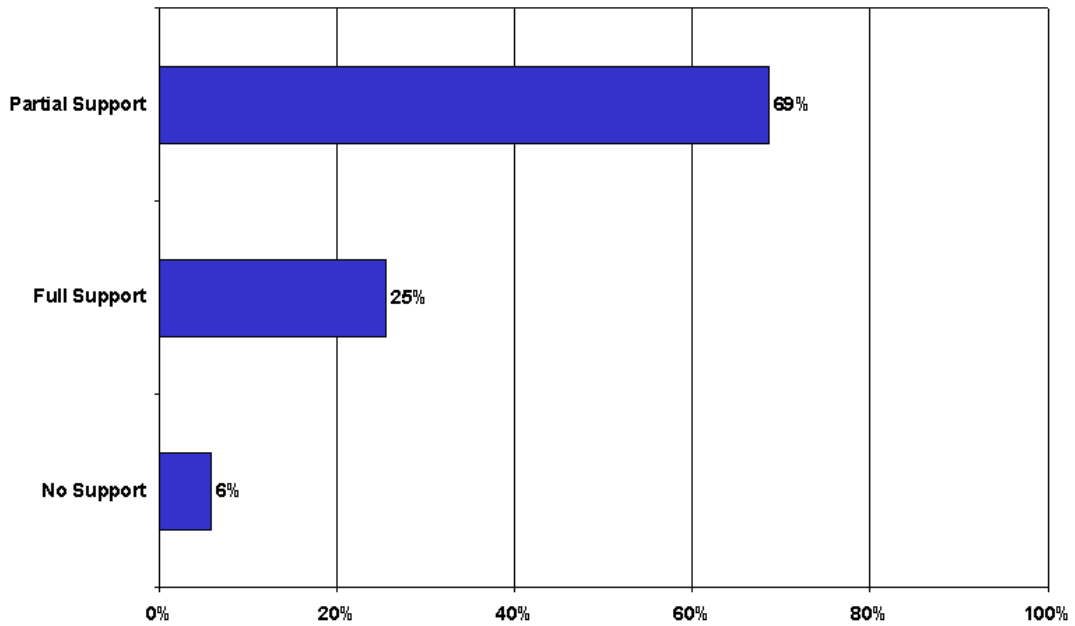
## Top Concerns/Issues Faced on a Daily Basis

Figure 9



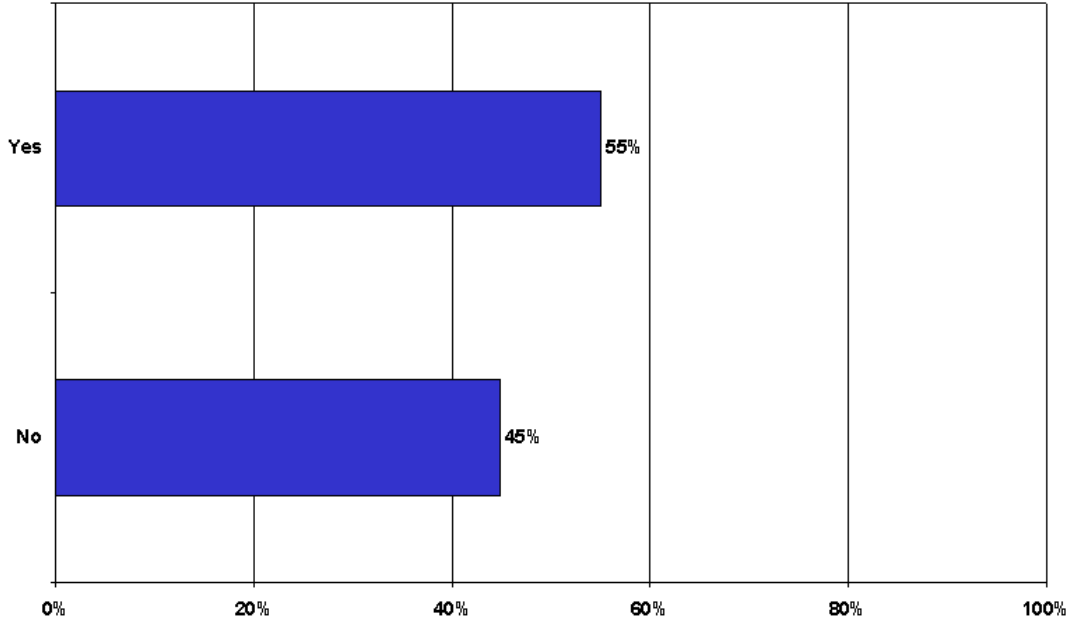
## Degree to Which IT Supports Top Concerns

Figure 10



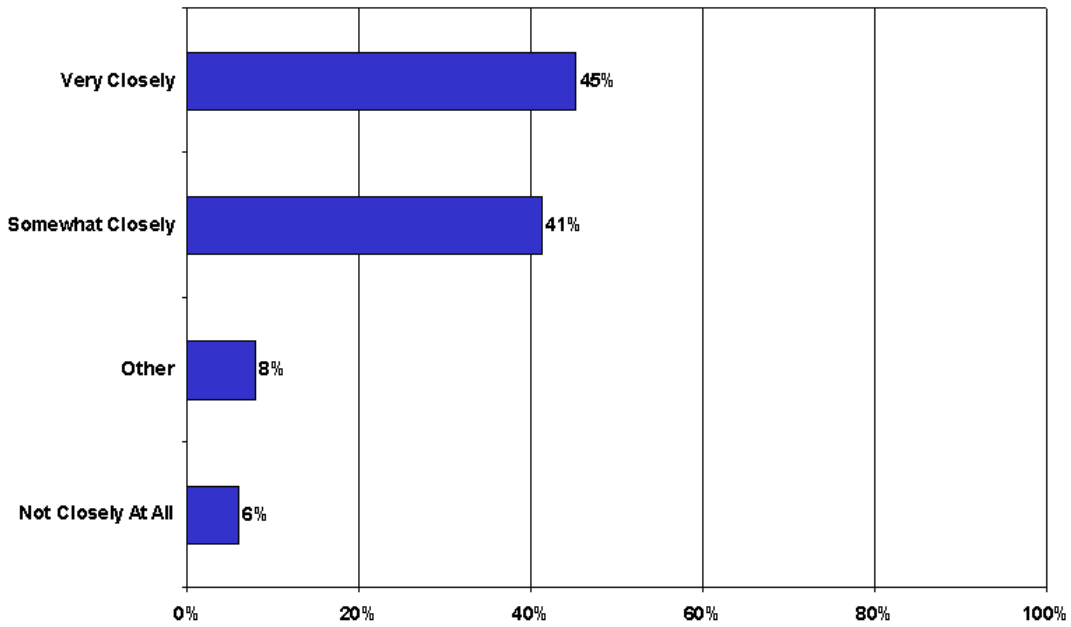
# IT Priorities (Continued)

**Chief Information Officer Part of the Executive Team** *Figure 11*



**IT Plan Mirrors Organization's Business Plan**

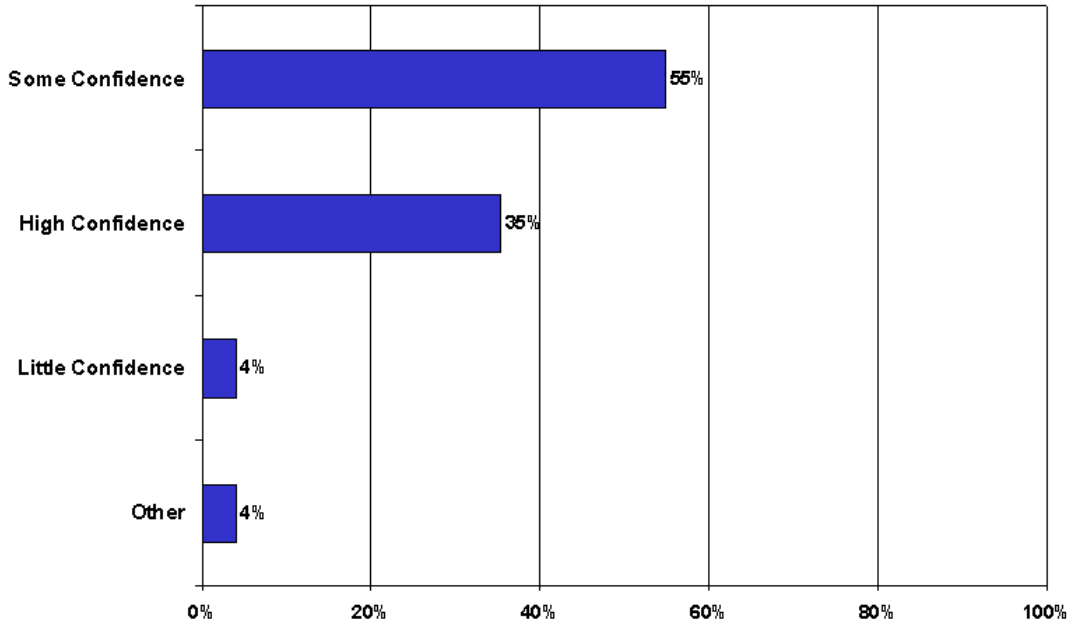
*Figure 12*



# IT Priorities (Continued)

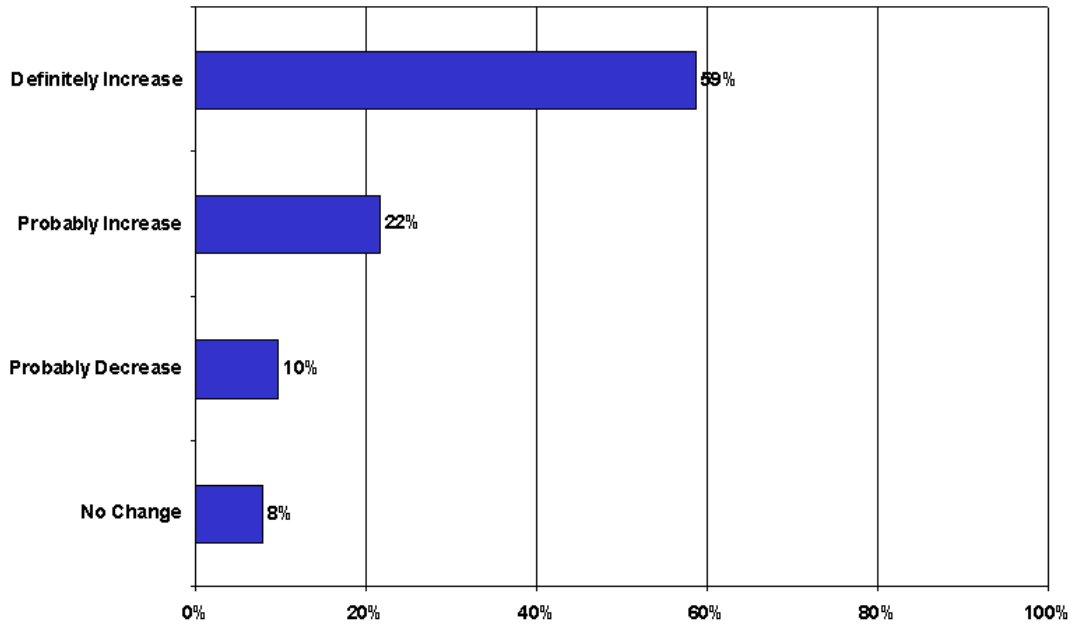
## IT Department Will Deliver Projects On Time & On Budget

Figure 13



## Projected Change in 2003 IT Operating Budget

Figure 14



# IT Priorities (Continued)

Percent of IT Spending Controlled Outside IT Department

Figure 15

