



Chief Executive Officer

A publication of the American College of Healthcare Executives CEO Circle

FALL 2007

Is Your Pricing Strategy Jeopardizing Your Competitive Advantage?

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Rising healthcare insurance premiums, health plan and employer pressures for price predictability, and the fee structures of hospitals continue to shine a spotlight on the complex subject of hospital charges. Additionally, the increasing number of uninsured patients and greater cost sharing place increased scrutiny on hospital pricing. These issues force organizations to evaluate their pricing process.

In addition, consumer-directed health plans are becoming more commonplace and patients want a real estimate on their out-of-pocket expenses. At Willis-Knighton Health System (WKHS), we want to meet patients' expectations for the care they receive as well as for them to understand the cost of that care. We don't want there to be any surprises.

Responding to Climate Changes

WKHS analysis shows that our overall charges are fair and reasonable compared with other healthcare providers. Therefore, we concern ourselves with establishing competitive pricing strategies that are defensible, accurate and realistic. We are aware that patients and payors are going to be concerned with certain charges, including the costs of drugs, devices and implants.

We have evaluated:

- How charges are set within our system
- If charges should be set locally
- If decisions should be made annually
- If charges are based on factors including our commitments to the community we serve, costs, mix and types of services, our business needs and the local competitive environment

Again, we are trying to be sensitive to the organization and its patients who incur the out-of-pocket expenses. It is important that WKHS understands its markets (clinical and financial) and who our patients are. We want to do the best for our patients and at the same time have a comprehensive and consistent pricing strategy that does not jeopardize our competitive advantage or create negative public reaction.

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YOUR CAREER

The Benefits of Executive Coaching

*Don Hutton, FACHE,
and Dave Angus*

More and more, leaders in the healthcare field are realizing that while they are putting billions of dollars into technology maintenance they also should be investing in their people. One of the ways healthcare organizations can invest in people is through the use of executive coaching.

Not too long ago, many healthcare executives may have considered the use of an executive coach a sign of weakness. Within the last two to five years, however, an increasing number of healthcare executives have come to regard executive coaches as a professional development tool even the highest performers use. Oftentimes, organizations focus on improving their weakest performers. It is just as important, however, for organizations to bolster their top performers for the benefit of the organization. Executive coaching can help organizations retain their most valued employees and increase their leadership effectiveness.

Executives have cited a variety of benefits to working with a coach. These include:

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Women say their gender still plays a key role in limiting their achievement in the workplace, according to a research report released by Accenture. Men were more likely than women to cite an economic downturn or company downsizing (20 percent of men versus 14 percent of women) and bad luck (17 percent of men versus 12 percent of women) as barriers to advancement. A majority of both men (55 percent) and women (57 percent) said they progressed faster than their female colleagues; this was particularly true in China, where 78 percent of women and 90 percent of men said their

progress was faster than that of their female colleagues. Half of male respondents said they advanced faster than their male counterparts, but only 37 percent of female respondents felt they had advanced faster than their male colleagues. Women in France (44 percent) and Sweden (42 percent) were most likely to feel their pace was slower, while women in Germany (15 percent) and Austria (14 percent) were least likely to perceive their pace of development as slower than men's pace of development. (http://newsroom.accenture.com/article_display.cfm?article_id=4511)

The Benefits of Executive Coaching (continued from page 1)

- Increased self-awareness of leadership strengths and weaknesses
- Constructive feedback and observations
- Establishment of a confidential relationship with an executive coach
- Enhanced professional vision
- Facilitated improvement on competencies
- Improved relationships with key stakeholders

Working With an Executive Coach

Executive coaches gather data about executives, provide them with honest, solid feedback and then work with them to set goals and see what needs to be changed. Then, they hold the client accountable to make those changes. The executive coach's role is to foster professional development in clients. Coaches help clients fine-tune their performance in a variety of professional areas such as communication

and interpersonal skills. Executive coaches are not psychotherapists, friends, a personal mentoring program or an extended consulting relationship. Coaches are not there to address skill deficiencies or behavioral issues.

An executive coach's purpose is to produce leadership change and growth in the executive for the economic benefit of the executive's organization. Coaching also fosters cultural change within an organization. One of the most important requirements of a healthcare executive's job is to respond to change and lead the organization through challenging times. An executive coach can provide a CEO or senior leader a safe place to begin exploring bold, new creative ideas and approaches in areas such as strategic planning, team

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An Educational Offering From ACHE

Creating and Leading Error-Free Management Systems—New!

Today's healthcare leader is challenged to create an organizational environment and operating structures that concurrently improve health outcomes, minimize harm to patients and maximize organizational performance. This seminar will provide concrete and practical strategies to transform your management style and focus to create a culture that strives for error-free operations.

You'll learn:

- Leadership skills to become a quality champion.
- How to apply systems models to leverage senior management effectiveness.
- How to undertake self-and organizational-assessments using The Joint Commission and Baldrige leadership tools.
- Practical approaches to using performance data to understand and achieve superior system performance.

The seminar will be led by Diane Kelly, DrPH, RN, assistant professor (clinical), at the University of Utah College of Nursing and adjunct assistant professor at the University of North Carolina at Chapel Hill Public Health Leadership Program. From 1999–2001, Dr. Kelly served as a member of the board of examiners for the Baldrige National Quality Program.

This ACHE seminar has been approved for 12 Category I (ACHE education) credits. Tuition is \$1,095 for affiliates and \$1,295 for nonaffiliates.

This seminar is being offered at ACHE Clusters, including the Keystone, Colo., Cluster, which will be held January 28–31, 2008. For more information or to register, please visit ache.org or call the Division of Education at (312) 424-9300.

building and governance relations. Coaches seek to improve competencies such as: building relationships and teams; collaboration and innovation; and being a lifelong learner. They also can refocus an executive's approach to day-to-day organizational challenges in areas such as human resources, regulatory issues and financial and operational matters. Coaches can help executives stay focused and disciplined and can offer suggestions to improve a CEO's work/life balance.

Careful succession planning is critical to ensuring smooth transitions within an organization. Executive coaches can help clients through job transitions within an organization or to a new organization and can help a CEO develop succession plans.

In order to evaluate executives and help improve them professionally, coaches collect data about clients using a variety of methods. For example, the coach will perform a 360-degree evaluation of the client, collecting information from those with whom the client interacts such as peers and subordinates. The coach also will ask the client to provide copies of annual reviews, annual goals and any other evaluation tools the client may have previously taken (such as Myers Briggs, DISC, etc.).

An executive coach works with a client anywhere from three months to two years. On average, a coach

will work with a client between six and 18 months. However, the length varies based on the coach's style and what attributes the executive is trying to change or improve.

Finding the Right Coach

Hiring an executive coach is not an inexpensive process. To make sure the investment pays off in the long run, it is important that healthcare leaders find coaches with whom they can connect.

First and foremost when selecting an executive coach, it is important that the healthcare executive trusts the coach. Executives have to be willing to subject themselves to what the coach asks of them. Likewise, healthcare executives should find coaches with whom they are comfortable enough to speak openly about anything.

Healthcare executives should look for coaches who understand their position and level of responsibility. It also is paramount that the coach understands the healthcare field.

Find a coach who is a good listener. Seek out someone who will be straightforward and give genuine feedback in a timely matter. In addition, executives should pick coaches who are encouraging while holding their clients accountable to achieving the tasks they have set out to achieve. A good coach should support and challenge clients in equal measures and let them create their own successes

and mistakes. The coach also should have a good sense of humor.

Ask friends or colleagues for recommendations. When deciding which coach to select, be sure to get references. Check with one or more of the coach's previous clients to find out what the coach is like and how satisfied the clients are with the coach's work. Ask the coach if it is OK to contact his or her past clients.

Finally, it is important to find an executive coach who understands that the goal of coaching the organization's leader is to make the organization more successful. It is crucial that executive coaches realize that while they are coaching the healthcare executive, the real desired outcome is to make the executive more effective to better serve the patients and the community.

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Executive coaches and mentors can be an essential part of a CEO's professional development plan. ACHE offers information about both to help you get started. Visit the Career Services section of ache.org and click on Mentoring and Coaching.

Is your organization new to executive coaching? According to findings from a 2006 Georgia Coach Association survey:

- Human Resources departments administer most executive coaching programs.
- Money to pay for executive coaching comes from the executives' budget, not the HR budget.
- Most companies use external coaches for senior-level executives (rather than internal coaches).
- Coaches are selected based on business and executive coaching experience.