According to a recent survey conducted by Purdue Healthcare Advisors, a nonprofit healthcare consulting organization, hospital executives are reluctant to implement ACOs – 46 percent — and they have no plans to implement an Accountable Care Organization (ACO)-like model in the near future.

Conducted in October 2013 among 206 hospital executives at a director level and above, the survey also reveals that executives are struggling with finding solutions for lower reimbursements and increased costs, while still maintaining an acceptable level of quality care.

“This survey has identified a significant need for advocacy and education to support hospitals and help them survive the wave of changes brought on by the Affordable Care Act,” said Mary Anne Sloan, director of Purdue Healthcare Advisors. “Hospital executives are charged with enhancing patient care and managing margins with a shrinking workforce and diminishing patient volumes.”
Executives are waiting for ACO models that are more stable and mature to avoid having to reinvest funds to implement changes or updates, according to the survey. The executives who do not have plans to implement an ACO model in the future (46 percent) cited the following reasons:

- More than half (52 percent) feel there are too many unknowns and want to see stronger evidence and a consistency of successful models
- Almost half (49 percent) feel their hospital is too small for an ACO-like model
- 26 percent cite that the financial investment outweighs the potential incentives or bonuses at this time
- 13 percent feel the performance benchmarks are not realistic for their hospital
- 4 percent are concerned that the transition would overwhelm staff

Financial concerns weigh heavily among hospital executives

Cost pressures for hospitals continue to mount because of diminishing patient volume, decreased reimbursement rates and the many unknowns associated with the Affordable Care Act. The survey found that 89 percent of executives are concerned with their hospital’s ability to address cost pressures. Strategies being implemented by executives to reduce costs include:

- More than half (60 percent) are focused on reducing waste and inefficiencies
- 19 percent are considering staff and salary reductions
- 15 percent are working to improve quality of care

Electronic health records (EHRs) drive a higher need for support

Almost all (95 percent) respondents surveyed are implementing electronic health records (EHRs). Specifically, 49 percent are in the process of completing or have completed Stage 2 meaningful use; 41 percent are in the process of completing or have completed Stage 1 meaningful use, and 5 percent are migrating to a new EHR. The top concerns among hospital executives as it relates to EHRs include:

- Interoperability with other providers (56 percent)
- Data retrieval and analytics (50 percent)
- Ongoing staff readiness and training (49 percent)
Infrastructure and technology (49 percent)
- Patient engagement (37 percent)
- Vulnerability to data/security breaches (35 percent)
- Vendor partnership and engagement (31 percent)
- Disaster recovery planning (30 percent)
- Long-term preservation of the records (18 percent)

The biggest challenges facing hospital executives as they relate to EHR implementation include:

- Physician adoption and usage (68 percent)
- Financial (45 percent)
- Employee training and readiness (39 percent)
- Technology (28 percent)
- Meaningful use qualification (22 percent)
- Vendor engagement and partnership (21 percent)
- Patient engagement (21 percent)

The survey was conducted online within the United States by Resolution Research on behalf of Purdue Healthcare Advisors among 206 hospital executives — director level or above—from Oct. 24, 2013 to Oct. 30, 2013. This survey has a sampling error of plus or minus 6.8 percentage points with a 95 percent confidence interval.