

For Immediate Release

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Top Issues Confronting Hospitals: 2006

Chicago, December 27, 2006—While financial issues remained the uppermost concern for hospital CEOs in 2006, other issues of concern that continue to gain prominence included quality, patient safety and physician/hospital relations. In its annual survey of top issues confronting hospital CEOs, the American College of Healthcare Executives (ACHE) asked respondents to rank the three most pressing issues affecting their hospital and identify specific areas of concern. Following are results from the survey, which was sent on October 2, 2006, to 2,125 hospital CEOs, 871 (41 percent) of whom responded.

I. Top Issues Confronting Hospitals

Each of the following issues is listed by the percentage of respondents who indicated it as one of the top three issues confronting their hospital. Financial challenges exceeded other issues as hospital CEOs' number one issue. This year, 72 percent of respondents cited financial challenges as one of their top three concerns, reflecting an increase from 67 percent in 2005. In 2006, 40 percent of hospital CEOs identified physician/hospital relations as a major concern, compared to 2005, when 33 percent of respondents cited it as a top concern.

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Care for the uninsured continues to rank as a top-three issue, with 37 percent of respondents citing it as a major concern. Particularly noteworthy are the continued rise in importance of quality and patient safety from 2004 to 2006. On the other hand, malpractice insurance, which was a top-three concern by 25% of the respondents in 2004, dropped to being mentioned by only 3% of the respondents in 2006.

Issue	2004	2005	2006
Financial challenges	71%	67%	72%
Physician/hospital relations	32%	33%	40%
Care for the uninsured	36%	35%	37%
Personnel shortages	33%	36%	30%
Quality	18%	23%	29%
Patient safety	16%	20%	27%
Governmental mandates	19%	16%	23%
Patient satisfaction	13%	18%	16%
Capacity	16%	17%	11%

II. Specific Concerns Within the Top Issues

Within each of their three top issues, respondents identified specific concerns facing their hospital. Following are those concerns in order of importance for the top three issues identified in the survey.

Financial Challenges

Increasing costs for staff, supplies, etc.	78%
Medicaid	74%
Bad debt	66%
Medicare	63%
Inadequate funding for capital improvements	60%
Managed care payments	48%
Emergency Department	35%
Revenue cycle management	35%
Other commercial insurance	26%

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Physician/Hospital Relations

Physician requests for payment for service to the hospital	83%
Creating win-win collaborations	79%
Competition with physician-owned facilities/equipment	77%
Niche providers	61%
Medical staff structures/leadership	54%

Care for the Uninsured

Medicaid	84%
Underwriting costs	83%
Advocacy for funding	71%
Reaching out to all community members	32%
Other issues	20%
Response to other hospital closings	10%

The American College of Healthcare Executives is an international professional society of 30,000 healthcare executives who lead hospitals, healthcare systems and other healthcare organizations. ACHE is known for its prestigious credentialing and educational programs and its annual Congress on Healthcare Leadership, which draws more than 4,000 participants each year. ACHE is also known for its journals, the *Journal of Healthcare Management* and *Frontiers of Health Services Management* and its magazine, *Healthcare Executive*, as well as ground-breaking research and career development and public policy programs. ACHE's publishing division, Health Administration Press, is one of the largest publishers of books and journals on all aspects of health services management in addition to textbooks for use in college and university courses. Through such efforts, ACHE works toward its goal of being the premier professional society for healthcare leaders by providing exceptional value to its members.

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