

## 5 priorities for the healthcare CFO of the future

Healthcare organizations were in the midst of financial and digital transformation even before the COVID-19 pandemic hit, and the pandemic only accelerated this transformation.

As changes occur, the role of leadership — including CFOs — is changing as well.

During a workshop sponsored by Strata Decision Technology (Strata) at the Becker's Hospital Review 9th Annual CEO + CFO Roundtable in November, Ivan Samstein, executive vice president and CFO of the University of Chicago Medical Center, and Liz Kirk, senior vice president of strategic services at Strata, discussed challenges that lie ahead for healthcare CFOs and how they can prepare for them.

Five key takeaways about CFOs' shifting priorities:

**1. Switching from a mindset of defense to offense.** Management philosophy and management style are likely to change from defending operating margins and volumes to seeking ways to grow them through revenue diversification (e.g., acquisitions of ambulatory surgery centers) and refining operations for greater efficiency (e.g., robotic process automation).

**2. Meeting employees where they are.** The pandemic has fundamentally changed labor market dynamics and employers have to compete harder for talent. This means leaders will have to adopt a more accommodating mindset in terms of accepting employees' preferences for remote work. In healthcare contexts, this excludes patient-facing and patient intake roles, but many revenue cycle management jobs are well suited for being done remotely.

"The Great Resignation is real; it does not feel transitory and we are seeing it in revenue cycle, nursing and other areas across the organization," Mr. Samstein said. He noted it is the job of administrators to provide the tools that staff need to be as effective as possible in the "new normal" working environment.

**3. Meeting patients where they are.** Due in part to evolving consumer expectations, healthcare CFOs and other leaders will have to "push" hospital-centric healthcare organizations to get more comfortable with ambulatory and virtual models of care. Mr. Samstein explained this means "bringing even the most complex care to community settings [as opposed to keeping it concentrated within academic or tertiary medical centers] and being more responsive via e-consults and e-clinics."

**4. Adopting automation at a faster pace.** Before the pandemic, healthcare leaders viewed robotic process automation as a solution to free up staff time by taking over repetitive manual tasks. Now it is also seen as a way to address labor shortages. "We need to be more aggressive in thinking about RPA. Our IT organization historically has been very reticent ... and I don't think we have that luxury today," Mr. Samstein said. He also linked it to the broader need for organizations to be nimbler in their budgeting, modeling and "what if?" scenarios.

**5. Becoming more analytical.** Mr. Samstein remarked that historically, healthcare organizations have not had adequate tools for data and analytics to position the organization for success. Increasing investment in data and analytics is overdue. His organization is investing in Strata and a new enterprise resource planning system as a way to become more analytical. Investments in technology must be accompanied by changes in organizational talent, skills and attitudes. Ms. Kirk recounted seeing healthcare systems that used Excel instead of more sophisticated software and how they spent 85 percent of their time crunching numbers and only 15 percent leading change.