

KaufmanHall

2018 CFO Outlook

Performance Management Trends and Priorities in Healthcare



Introduction



Major transformation is underway with healthcare's business model; the change mandate is loud and clear. Macroeconomic forces have created unstoppable momentum to reduce healthcare costs.¹ New technologies and competitors are offering consumers and other healthcare purchasers improved value through new care settings, connectivity, and delivery models. Proactive leadership teams in hospitals, health systems, and other organizations understand the need for change and are responding by developing strategies to improve care quality, outcomes, and the consumer experience, while lowering costs in delivery settings nationwide.

In this rapidly changing business environment, the role played by chief financial officers (CFOs) and other senior finance executives is vitally important and has significantly expanded. Helping to set priorities through a disciplined planning process, CFOs define projected strategic-financial scenarios, and communicate the operational and financial impact of strategies prior to execution. They then develop financial plans, capital plans, and budgets to support these strategies. As strategic implementation occurs, senior finance executives monitor progress to ensure that appropriate financial and operational targets are met.

In carrying out this broad performance management role, CFOs and other senior finance executives spearhead initiatives that span technology, cost reductions, risk management, acquisitions, and new business expansions to achieve desired organizational performance. Their ability to perform these functions depends on the use of high-quality performance management processes and tools that provide robust data, analytics, planning, monitoring, and reporting capabilities.

This report—*2018 CFO Outlook: Performance Management Trends and Priorities in Healthcare*—assesses the progress CFOs and other senior finance executives are making in performing these functions. It is the second report stemming from an annual survey process. The 2018 report describes performance management realities, priorities, and challenges, and also adds Kaufman Hall's recommendations regarding approaches to address the challenges.

Key Findings

Ten key findings from the survey, organized within four topic areas, are as follows:

Readiness to Manage Performance in the Current Environment

1. Most CFOs have limited confidence in their organizations' ability to manage the financial impact of evolving business conditions with current processes and tools.
2. CFOs want to do more to leverage data and analytics to improve strategic decision making.

Priority Areas

3. Identifying/managing cost reduction initiatives is considered by CFOs to be *the* most important performance management activity.
4. CFOs acknowledge numerous opportunities to improve financial planning, but leadership will be needed to achieve gains.
5. Long budgeting cycles are preventing value-added analysis by finance teams; new budgeting approaches, such as rolling forecasting, are in use or under consideration in some organizations.

Importance of Organizational Planning and Analytics

6. The integration of long-range plans with capital plans and operating budgets merits increased leadership attention.
7. More rigorous capital planning and management would enhance leadership's ability to make high-quality investment decisions.
8. Cost and other financial benchmarking is critically absent in many organizations.

Toward Better Financial Planning, Analysis, and Reporting

9. CFOs want and need enhanced access to high-quality analytics and reporting.
10. Outdated financial planning processes and insufficient tools warrant redesign and additional resources.

About this Report

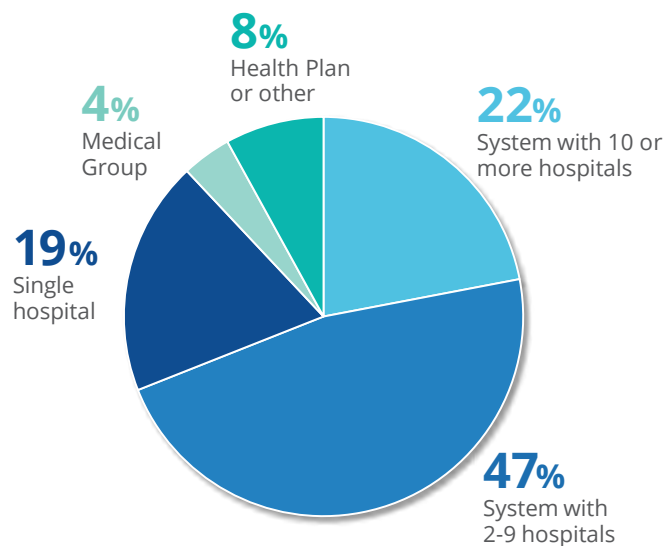
To assess progress with performance management in the nation’s healthcare organizations, Kaufman Hall again surveyed senior finance professionals, including CFOs, vice presidents of finance and treasury, directors of finance, and other similar titles. This publication is the second annual CFO Outlook report; the first was published in early 2017.²

Kaufman Hall conducted the survey for the 2018 report October 2-27, 2017. Senior finance executives³ from more than 350 hospitals, health systems, and other healthcare organizations participated, as follows (Figure 1):

- 22 percent from health systems with 10 or more hospitals
- 47 percent from health systems with 2 to 9 hospitals
- 19 percent from standalone hospitals
- 4 percent from medical groups
- 8 percent from health plans or other organization types

The survey included more than 30 questions. This report presents 10 key survey findings, as delineated on page 2, and implications and recommendations related to each.

Figure 1. Organization Types Represented by Respondents



Source: Kaufman, Hall & Associates, LLC

2018 CFO Outlook

Performance Management Trends and Priorities in Healthcare

*Survey Findings, Implications, and
Recommendations*



Readiness to Manage Performance in the Current Environment

1. Most CFOs have limited confidence in their organizations' ability to manage the financial impact of evolving business conditions with current processes and tools.

SURVEY FINDINGS



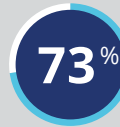
say their organizations are **“very prepared”** to manage evolving payment and delivery models with current financial planning processes and tools



are **“very confident”** in their team’s ability to quickly and easily make adjustments to strategies and plans



are **“very satisfied”** with the performance management reporting at their organizations, **yet...**



Nearly three-quarters think that performance management plays a critical role in the finance team’s partnership with the broader organization to meet strategic goals

IMPLICATIONS

Today’s successful leaders have to be both transformers, moving healthcare to a consumer-centric, value-based model, and business curators, managing the traditional business and protecting its financial health while healthcare in their community(ies) transitions to the new model. The role of finance leaders now centers on building organizational agility, defined as the ability to nimbly operate the current business while simultaneously preparing for changing/new conditions.⁴

Enterprise performance management processes and tools enable finance professionals to set targets, track progress toward goals, communicate about progress in a timely fashion, and identify and respond to problems before they are exacerbated.

In the current healthcare environment, with dual challenges related to changing payment and delivery models, high-performing management systems are essential. As the mix of these models evolves, healthcare leadership teams must know how they are performing in managing populations and reducing costs, with increasing accountability for value in both inpatient and outpatient settings.⁵

Limited confidence among CFOs with their organizations' ability to manage the financial impact of changing business conditions, and dissatisfaction with performance management reporting are red flags that should be of serious concern to all healthcare organizations. The data for this report were similar to last year's results, indicating lack of progress toward readiness to manage performance in the current environment.

RECOMMENDATIONS

The transition occurring in healthcare is complex. To improve access, outcomes, costs, and quality—all at a price point that is affordable for consumers and other purchasers—executives and boards must make difficult decisions about the direction, pace, and timing of change. Some core elements of the organization's structure, talent, technology, and operations likely will have to change.

Scenario modeling and multi-year projection development by the finance team help to ensure a nimble organizational response to anticipated and unanticipated changes. This performance management activity should occur as part of an integrated strategic-financial-capital planning and reporting process, using robust planning and analytic tools.

2. CFOs want to do more to leverage data and analytics to improve strategic decision making.

SURVEY FINDINGS

90%

think their organizations should be doing more to leverage financial and operational data to inform strategic decisions

95%

experience increasing pressure to have greater insight into how financial results impact business strategy





IMPLICATIONS AND RECOMMENDATIONS

With a seat at the strategic decision-making table, contemporary CFOs in hospitals and health systems want to, and should, bring analytics-based insights about financial impacts to all strategic conversations. Responsible for significantly more than reporting, CFOs are integral to the development, execution, and monitoring of the organization's vision and strategy. They must be equipped with appropriate and actionable data and analysis. Similar to last year's survey results, most CFOs want to increase organization-wide use of data and analytics to improve decision making.

Data and analytics underpin leaderships' ability to make high-quality strategic decisions that will help their organizations achieve and sustain high-value care delivery. Constant changes in the healthcare industry have placed an increased emphasis on improving performance across all of the clinical, financial, and operational areas illustrated in Figure 2. Benchmark-rich databases and analytic tools are now critical elements in the successful operation of a healthcare business.

Using such tools, hospital and health system executives and clinicians can assess performance related to strategies that will drive the required transformation of care quality, costs, and the patient experience. As care delivery continues to shift to outpatient settings, data and analytics must be comprehensive and integrated to facilitate enterprise-wide reporting.

Figure 2. Key Data and Analytics for Enterprise Performance Management in Healthcare

	Outcomes Monitoring	Financial Reporting	Management Reporting	Service Line Analysis	Clinical and Quality Measures
	Performance Improvement	Detailed Cost Accounting	Contract Modeling and Compliance	Operational Cost Management	Clinical Transformation
	Integrated Planning	Financial Planning	Capital Planning and Tracking	Operational Budgeting	Rolling Forecasting
	Unified Data	Financial Data	Patient and Clinical Data	Financial and Labor Benchmarks	Clinical Benchmarks

Source: Kaufman, Hall & Associates, LLC

Priority Areas

3. Identifying/managing cost reduction initiatives is considered by CFOs to be *the most important* performance management activity.

SURVEY FINDINGS

NEARLY
30%

rate “identifying and managing cost-reduction initiatives” as *the most important* performance management activity for their organizations (from a list of five choices)

YET
70%

have cost measurement tools that are too simplistic or provide inaccurate data that can’t be trusted; or worse yet, have no tools in place at all

70%

cite no distribution or a very limited distribution or use of reports on patient and service line cost and profitability trends; of these, 12% do not develop or distribute reports on these trends

IMPLICATIONS

Financial realities—revenue and expense, consumer, regulatory, and competitive pressures—make cost transformation (not simple, incremental cost reduction) an imperative for healthcare organizations and their leaders.

CFOs recognize the urgency of generating cost improvements, but are struggling with data, processes, and tools due to their lack of structure, transparency, accuracy, and hence, credibility. Survey respondents rate cost-reduction initiatives as *the most important* performance management activity (Figure 3), but cite challenges resulting from simplistic, unreliable, and inaccurate data, and limited distribution of analytic reports required to understand costs at a patient or service line level.

This reality is consistent with the results of an earlier Kaufman Hall survey⁶ conducted in summer 2017, which gauged industry participants’ efforts to reduce total cost of care:

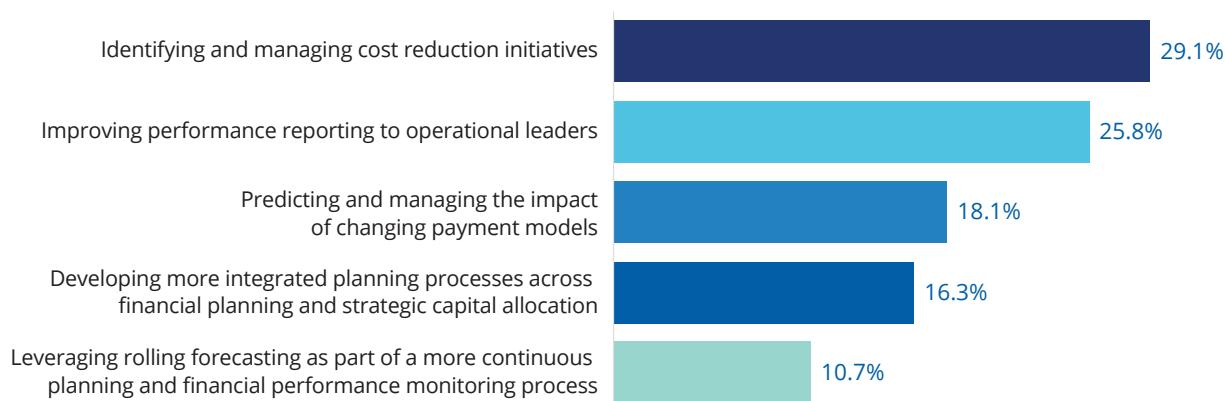
- 96 percent said that cost transformation is a “significant” to “very significant” need for their organizations today, but
- Only 25 percent had confidence in the accuracy of results in their existing cost accounting systems

Many executives are challenged in leveraging data and analytics to know where to focus cost efforts. This is the most commonly cited impediment to achieving cost reduction goals.⁷

RECOMMENDATIONS

A reliable cost accounting solution is critical for gathering the data needed to drive timely business decisions. It must provide flexibility and transparency of costing model elements and a fluid ability to support strategic and financial planning. A trusted cost accounting tool enables modeling and forecasting of utilization, labor, and other costs, and insights into current costs at a patient or service line level. Productivity modeling and measurement should be core functions of the tool as well, since all such functions facilitate informed decision making.

Figure 3. What Is Your Top Financial Performance Management Activity?

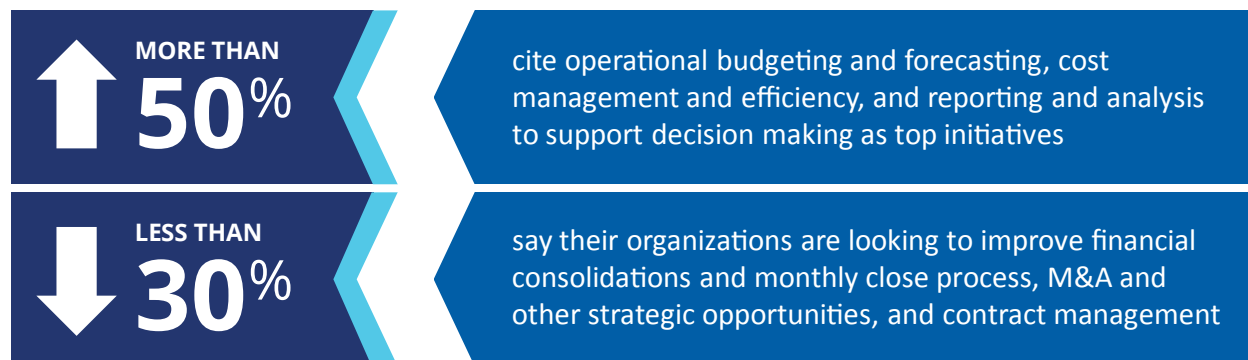


Source: Kaufman, Hall & Associates, LLC

4. CFOs acknowledge numerous opportunities to improve financial planning, but leadership will be needed to achieve gains.

SURVEY FINDINGS

CFOs indicate no shortage of financial planning improvement opportunities.



IMPLICATIONS

Healthcare leaders must be committed to robust financial planning. That process spans budgeting and forecasting, long-range strategic planning, capital planning and management, cost accounting, reporting and analytics, clinical performance management, contract management, and all of the additional activities centered in, or coordinated through, a healthcare organization’s finance team.

Clarity of goals within finance and across the organization help ensure transparency and accountability, but further improvement is needed. Nearly half of the cost survey respondents said that their organizations do not distribute targets across the organization to assist in achieving goals, or were not sure about this.⁸

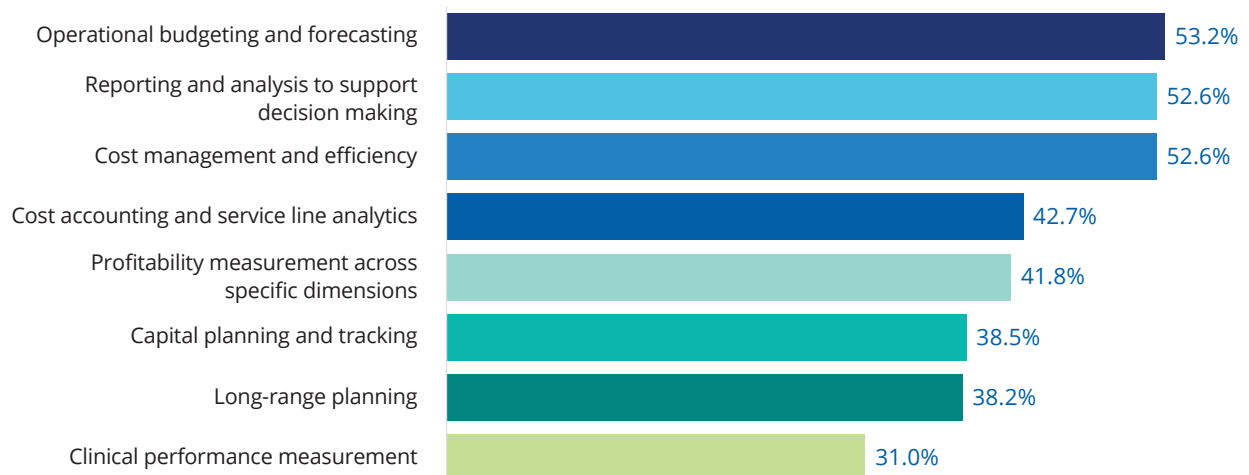
RECOMMENDATIONS

Progress is being made in improving financial planning processes, analytics, and tools in order to ensure best-possible organizational performance. But CFOs and other finance leaders must focus on the areas that will generate the most significant returns.

The top priorities, as indicated in Figure 4, must be planned for, implemented with discipline and structure, and monitored for ongoing success. Key considerations include availability of appropriate resources (financial and talent) to accomplish the following:

- Successfully implement and operate clinical and administrative tools
- Support ongoing data collection and management
- Drive data analytics
- Integrate the results with broader organizational plans

Figure 4. Top 8 Improvement Priorities for Financial Planning



Note: Multiple responses allowed

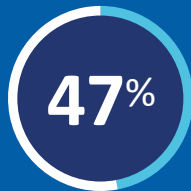
Source: Kaufman, Hall & Associates, LLC

5. Long budgeting cycles are preventing value-added analysis by finance teams; new budgeting approaches, such as rolling forecasting, are in use or under consideration in some organizations.

SURVEY FINDINGS



have a budget process that takes more than three months from initial rollout to board presentation; the process takes more than six months for 9% of these organizations



say that their budget cycles do *not* leave ample time for value-added analysis that can inform strategic decisions

IMPLICATIONS

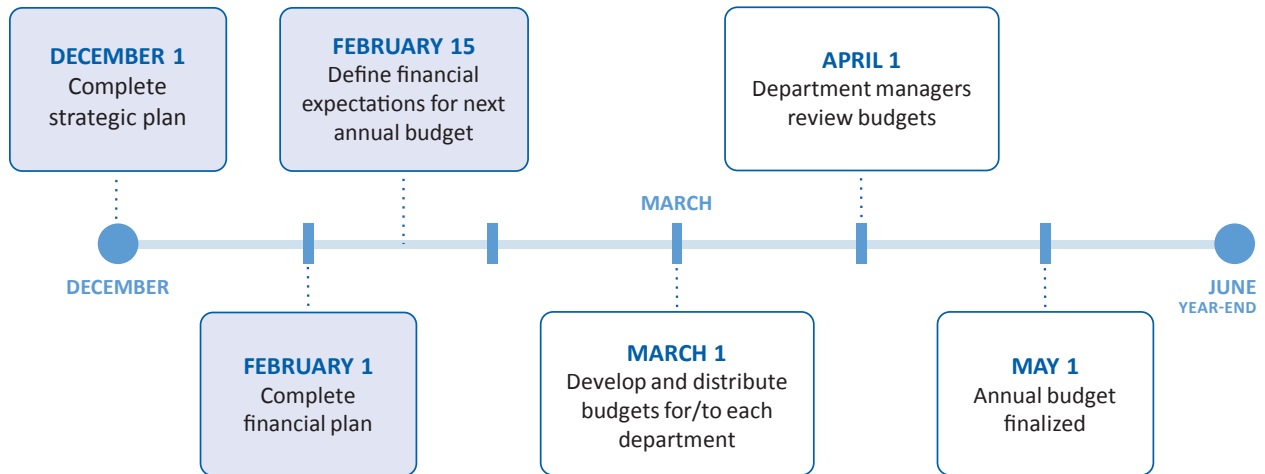
All too often, the budgeting process is trying for healthcare financial managers, consuming up to half of the fiscal year. Due to its resource-intensiveness, and the time required to develop the typical level of detailed analytics, budget assumptions often are outdated by the time budgets are published. Management reporting against budgeted targets tends to be retrospective, based on plans that are not easily adapted to changing market conditions.

CFOs recognize that protracted budget cycles reduce budget accuracy and eliminate valuable time for analysis and insights.

RECOMMENDATIONS

In a best-practice approach to financial management, the budget is an active tool for day-to-day-management. It provides precise guidance to all levels of the organization, and is employed regularly to provide a guardrail-like function. A truly strategic budgeting process, fully integrated with the organization's financial and strategic planning efforts, should take approximately two to three months to complete. Among respondents, only approximately 30 percent of CFOs complete their budgeting processes in this timeframe.

A budget development period longer than three months makes it difficult, if not impossible, for finance staff to add valuable analysis. A recommended timeline appears here.



Source: Sussman, J.: "Strategic Budgeting." In Kaufman, K.: *Best Practice Financial Management: Six Key Concepts for Healthcare Leaders, Third Edition*. Chicago: Health Administration Press, 2006.

SURVEY FINDINGS



41% use rolling forecasts to complement or to replace an annual budgeting process



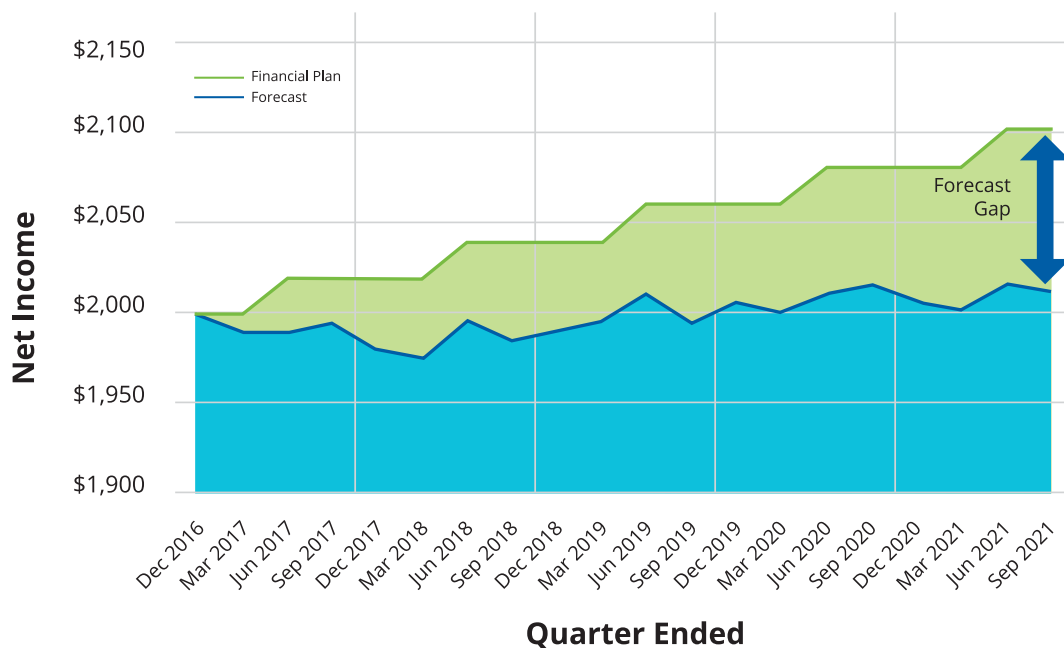
31% have plans to implement rolling forecasts in the near future

IMPLICATIONS AND RECOMMENDATIONS

Notes General Colin Powell,⁹ “Always focus on the front windshield, not the rearview mirror.” Rolling forecasting provides this capability by continuously generating a forward-looking view, with the ability to adjust projections, strategies, and related execution requirements to remain in sync with the organization’s long-range financial plan going forward. Rolling forecasting bridges the gap between the operating budget and the long-range financial plan (Figure 5). For example, if things start to get off track before year 2 of the plan, the rolling forecast allows executives to efficiently identify their organizations’ current position relative to the long-range plan targets, and quickly and efficiently forecast out 12 to 24 months based on evolving changes in business trends.

Finance leaders are and should be considering different approaches to budgeting, not just simple tweaks to the existing process. Rolling forecasting offers a way to stay agile in a dynamic environment—to identify and adjust to meet market changes. Thirty-four percent of health systems are using rolling forecasting to complement their annual budgeting process. Some (7 percent) use it in lieu of budgeting, and nearly 31 percent are planning to start using this approach in the near future.

Figure 5. Variance between the Long-Range Plan and the Rolling Forecast



Source: Kaufman, Hall & Associates, LLC

Importance of Organizational Planning and Analytics

6. The integration of long-range plans with capital plans and operating budgets merits increased leadership attention.

SURVEY FINDINGS



have a two- to five-year long-range plan; 17% have a six- to 10-year plan; 6% do not develop a plan



do *not* include the financial impact of large strategic and capital initiatives in their long-range plans



do *not* integrate long-range and capital planning; 31% do *not* integrate operational budgeting and capital planning

IMPLICATIONS

Survey responses related to long-range plans and their integration with other core planning functions look both encouraging and discouraging. There is good news in the fact that 75 percent of CFOs say their organizations have a two- to five-year long-range plan. But it's only good news *if* that plan covers the long end of the time range. A two- or even three-year plan is not sufficient to meet organizational planning needs in the current business environment. A minimum of a five-year plan with regular updates is recommended and best practice; an even better six- to 10-year look is more common today in large health systems.

The 6 percent of organizations without any long-range plan must be “driving” with only an annual budget. Given the almost impossible challenge of ensuring that an annual budget accounts for the organization's long-term strategic financial interests, driving without a long-range plan is a dangerous practice. It is like driving a car with rearview mirrors only.

CFOs' responses related to the integration of strategic, financial, and capital plans and budgets show considerable room for improvement. More than one-fourth of CFOs say that large strategic and capital initiatives are not included in their long-range plans. More than 35 percent of CFOs say their organizations do not integrate long-range and capital planning, thereby foregoing their ability to gauge the financial impact of large initiatives and assure their affordability.

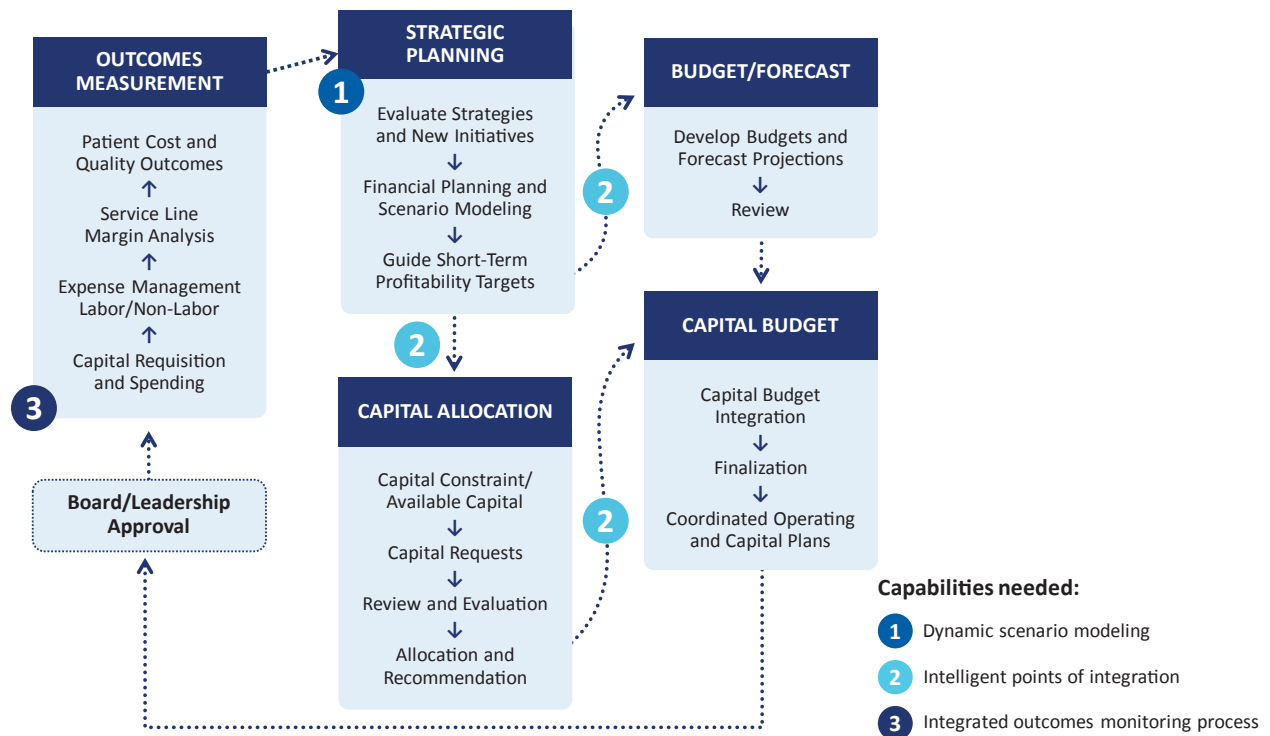
This is of critical concern. Year 1 of a long-range plan should directly establish the performance targets for the current year’s operational budget. Rolling forecasting, as described earlier, can bridge gaps between the long-range plan and operational budget through quarterly forecasts extending out one to two years.

RECOMMENDATIONS

Kaufman Hall firmly believes that a continuous and integrated strategic, financial, and capital planning process is essential to thrive in a dynamic environment. Identifying the strategies best able to achieve the organization’s purposes, ensuring the viability of such strategies through scenario analyses, and then supporting selected strategies with the needed capital gives healthcare leaders the ability to balance what they *want to spend* for strategic needs, and what they *actually can spend*.¹⁰

An integrated planning model (Figure 6) allows leadership teams to quantify the financial impact of various go-forward business strategies, and tie those strategies to specific capital plans and operating budgets.

Figure 6. A Recommended Integrated Planning Process



Source: Kaufman, Hall & Associates, LLC

7. More rigorous capital planning and management would enhance leadership's ability to make high-quality investment decisions.

SURVEY FINDINGS



have trouble gathering consistent information on all requests, determining which projects to approve and fund, and monitoring the financial impact of projects after they are completed



do *not* monitor the financial impact of completed projects

IMPLICATIONS

Survey data indicate that CFOs find their organizations' capital planning and management processes to be challenging (Figure 7). This is of concern and has far-reaching implications due to the fact that the contemporary definition of capital extends beyond property, plant, and equipment to include all calls on an organization's cash flow. Significant areas of investment, such as business acquisitions and partnerships; physician recruitment and practices; health plans and reserves; program start-ups; and other strategic initiatives could all be adversely impacted.

Lack of consistent information regarding capital requests makes decisions about which projects to approve and fund difficult—as experienced in 57 percent of respondent CFOs' organizations. Given the high price of poor investment decisions, data and analytic inconsistency surrounding capital requests also increases an organization's strategic, financial, and operating risk.

More than 40 percent of responding CFOs said that their organizations do *not* monitor the financial impact of completed projects, comparing them to projected targets defined when the project was approved. This means that capital spending may be exceeding capital capabilities, and attainment of strategic goals may be at risk.

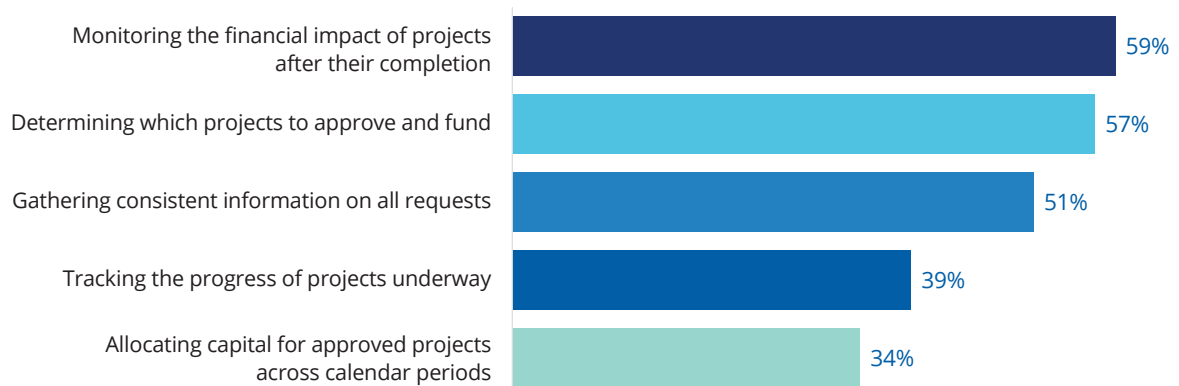
RECOMMENDATIONS

A one-batch, portfolio-based capital allocation process, recommended by Kaufman Hall,¹¹ requires all capital requests to be supported by standard information and analytics, and to be evaluated using consistent criteria. Information for large “threshold” capital requests, for example, should include details supporting the level of investment required to start and complete the proposed initiative. Thorough quantitative analysis must identify potential returns and key financial risks associated with the investment. Qualitative factors, such as the proposed project’s influence on quality, outcomes, and costs, also are required and weighted in the evaluation process along with quantitative criteria.

After executives make capital decisions, projects should be reviewed and revalidated prior to actual funding. The timing of spending should be managed carefully. Actual capital spending and project performance must be monitored on a disciplined, ongoing basis to ensure that projects perform at projected levels and that there is visibility and accountability for variant performance.

To enhance the ability to make high-quality investment decisions, leadership attention should be focused on ensuring use of rigorous capital planning and management processes and tools.

Figure 7. Challenging Aspects of the Capital Management Process



Note: Multiple responses allowed

Source: Kaufman, Hall & Associates, LLC

8. Cost and other financial benchmarking is critically absent in many organizations.

SURVEY FINDINGS

56% are benchmarking their financial performance against peers in the industry, **but...**

84% view peer financial benchmarking activity as important

48% compare their costs to external peer groups

18% do *no* cost benchmarking at all

IMPLICATIONS AND RECOMMENDATIONS

CFOs broadly consider financial benchmarking to be an important analytic activity (84 percent), but just more than half of them (56 percent) report that their organizations are actually conducting such analyses.

Credible benchmark data related to quality, clinical outcomes, costs, and advanced analytics that use such data, enable leaders and performance improvement teams to compare their organizations' performance against external peer groups, across hospitals within a multi-hospital system, and among hospital departments. These exercises highlight potential performance improvement opportunities.

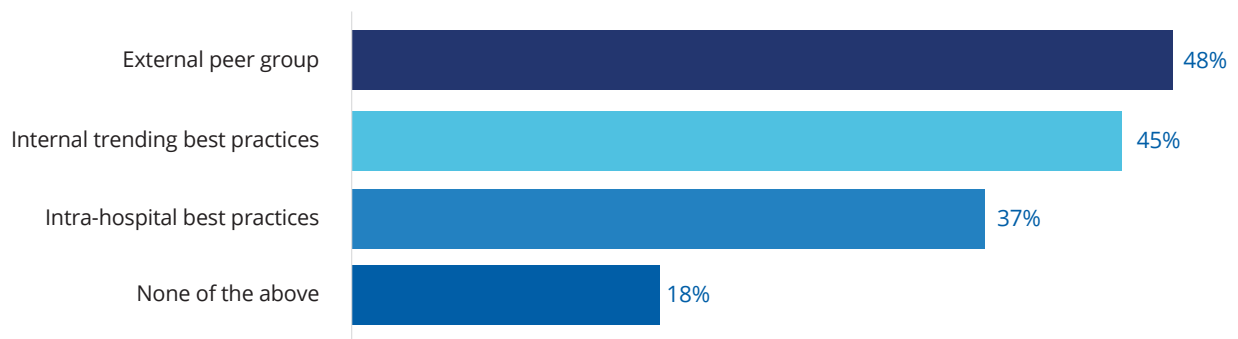
Cost benchmarking is particularly important given industry pressures. Although about half of CFOs say their organizations benchmark their costs to external peer groups, 18 percent do not use cost benchmarking at all. All organizations should be benchmarking quality and cost performance to understand their competitive position. Data from public and commercial sources enable comparison of the organization's performance with that of an appropriate peer group, defined as of similar type with like functions, services, operating revenue, or other factors.

Historical trend analytics let leadership teams look at the performance of the hospital or health system using their organizations' own data, either overall or by hospital, service line, department, physician, treatment type, patient diagnosis, or other considerations.

Using benchmark-based reports and scorecards, hospital executives and managers are able to observe patterns of performance that impact utilization, cost, quality, outcomes, and patient experience based on factors such as diagnosis, comorbidities, treatment type, department, and physician. Areas of undesirable variation can be explored and targeted for improvement.

Data credibility is the essential foundation for driving behavioral change. Clinicians who receive reliable data with evidence of unwarranted variation in their own care—whether related to quality, outcomes, or cost—typically need no further inducement to bring their practices in line with their colleagues.

Figure 8. Methods Organizations Use for Cost Benchmarking

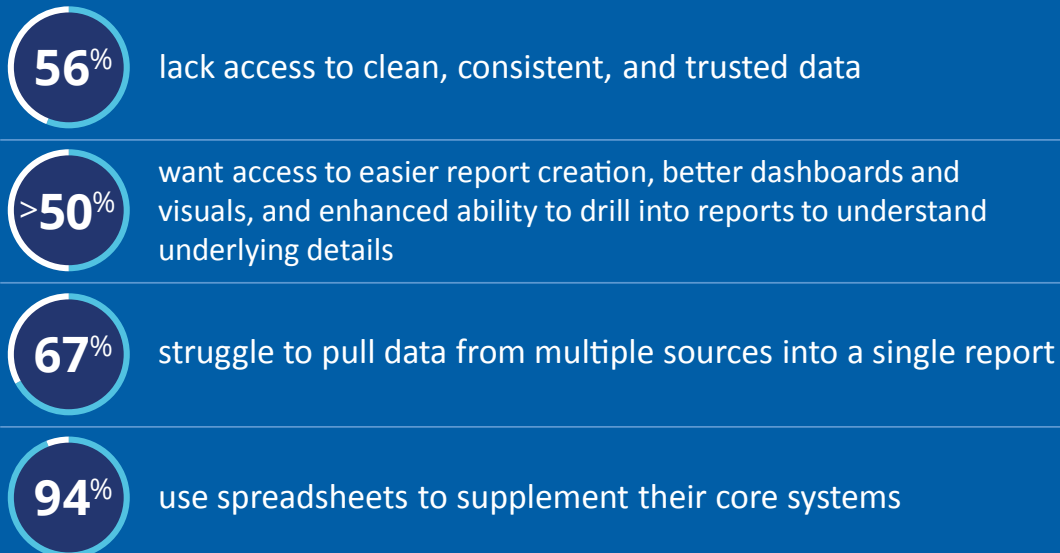


Note: Multiple responses allowed
Source: Kaufman, Hall & Associates, LLC

Toward Better Financial Planning, Analysis, and Reporting

9. CFOs want and need enhanced access to high-quality analytics and reporting.

SURVEY FINDINGS



IMPLICATIONS AND RECOMMENDATIONS

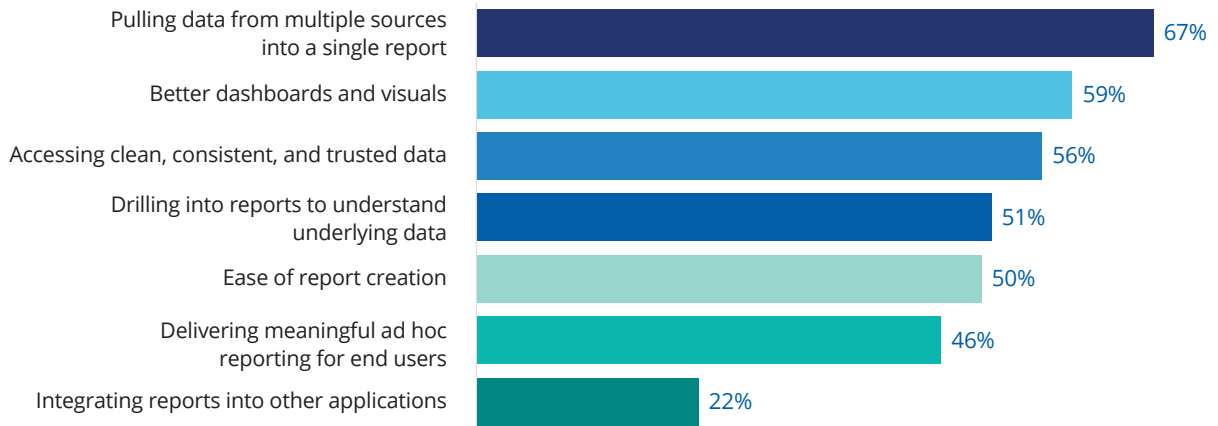
CFOs think their organizations should be doing more to leverage financial and operational data to inform strategic decisions. When trustworthy data are lacking, which 56 percent of CFOs cite as the reality (Figure 9), improved analytics and reporting capabilities are effectively out of reach.

Spreadsheets remain in wide use in healthcare, with 94 percent of surveyed organizations using them to supplement core planning and budgeting systems. Recommended software tools should provide finance teams with an interface that supports spreadsheet-like analytics but provides access to a singular database that enables more sophisticated modeling and analysis.

Top capabilities desired by CFOs for better planning software are:

1. Ease of use for end users (77 percent)
2. Ease of data integration (71 percent)
3. Enhanced reporting and visuals (68 percent)

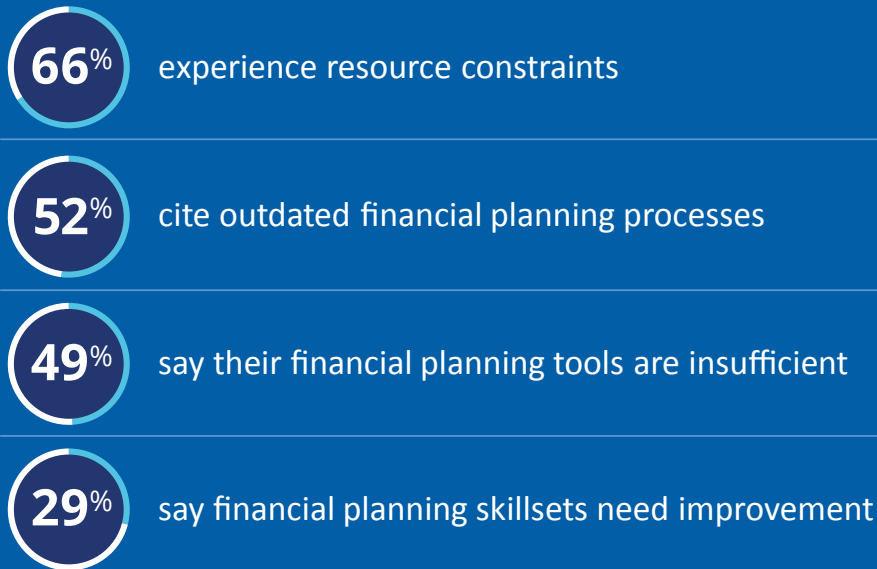
Figure 9. Financial Reporting Challenges Cited by CFOs



Note: Multiple responses allowed
Source: Kaufman, Hall & Associates, LLC

10. Outdated financial planning processes and insufficient tools warrant redesign and additional resources.

SURVEY FINDINGS



IMPLICATIONS

This is not a time of “business as usual” in healthcare, when incremental change suffices. For most hospitals and health systems, a transformational shift is required to meet community needs under healthcare’s new imperatives.

Two-thirds of surveyed CFOs say their organizations are experiencing resource constraints. This reality is not new, but the proportion of CFOs citing such constraints is up from 55 percent in the 2017 survey. Capital calls have increased for traditional items such as IT and clinical technologies, but also have escalated for nontraditional items such as partnerships, managed care investments, and network and post-acute services development. In addition, significant growth has occurred in the need for new talent with expertise in such areas as alternative care delivery/payment models and their associated risks; clinical, business, and consumer intelligence; innovation; performance optimization; and technology.

RECOMMENDATIONS

Despite these resource pressures, leadership must ensure that the data, analytics, and software platform is in place to develop, execute, and achieve the organization’s strategic and financial goals. Depth of expertise is needed to understand and reshape underperforming management processes and systems. Complex and capital-intensive processes, systems, and tools must not slow progress by becoming unwieldy or underfunded.

With approximately half of CFOs indicating that their organizations have outdated processes and insufficient tools for effective financial planning and analysis, a call to action is imperative. A pivot must be made from a siloed, micro-view of disconnected financial management processes and tools to a macro-view. The macro-view uses integrated information and analytics to inform (versus simply documenting) the development of strategies across healthcare systems and continuum-of-care partners.¹²

Tools should enable cost accounting and service line planning, contract management, strategic cost management, clinical cost and quality measurement, and overall performance optimization. Better financial planning, analysis, and reporting can be achieved through better processes and tools.

Closing Comments

Given the demands of the changing business environment, healthcare CFOs nationwide should be critically examining the role they play in their organizations. A singular focus on directing financial operations and the related control/monitoring function is not sufficient going forward.

As mentioned earlier, contemporary CFOs are integral to the development, execution, and monitoring of their organization's vision and strategy. This "uber CFO" was described by Peter J. McCanna, President of Baylor Scott & White Health, as early as 2007,¹³ when he was Executive Vice President and CFO of Northwestern Memorial HealthCare. Such an individual is involved in helping to ensure that an organization has strong financial performance, offers an exceptional patient experience, and employs the best people.

This expanded role demands a thorough understanding of the organization's core businesses and opportunities for business value creation. Essentially, the uber CFO must take ownership of the *whole* business enterprise.

Proactive CFOs are now functioning more like CEOs of what can be described as a combined financial services/consulting entity, running multiple services and businesses simultaneously. The CFO's core financial services responsibilities include traditional functions, such as:

- Accounting, financial, and regulatory reporting
- Procurement and supply chain
- Revenue management (includes: rate setting and contracting)
- Treasury and financing services
- Capital planning and management
- Financial planning and performance reporting
- Resource planning and productivity

The CFO's consulting responsibilities include strategic planning, operational and care redesign, cost transformation, mergers and acquisitions, and business intelligence and data analytics.

Each of these operations or services requires a plan that addresses leadership/management, business process operations, human resources, systems, metrics, and performance measurement. In addition, each needs business initiatives and operating plans with a focus on process improvement and innovation to better serve the broader organization. All of these plans must be integrated across strategic, financial, and capital dimensions, and be actively monitored and revised, as needed.

Management of healthcare delivery is an exceedingly complex endeavor. The call to action for the uber CFOs of the future is clear. Based on the survey data, this report identifies six actionable priorities that must be addressed:

1. Increased use of data and analytics to improve strategic decision making
2. Better integration of long-range plans with capital plans and operating budgets
3. Increased use of cost and other financial benchmarking
4. Enhanced access to high-quality analytics and reporting
5. Redesign of outdated financial planning processes
6. Funding to replace or augment insufficient financial management tools

For further information, please contact us at info@kaufmanhall.com.

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