

# Chapter 2

Leadership: The Case of the  
Healthcare Organization CIO

# Learning Objectives

- List job duties and analyze functional responsibilities of senior healthcare leadership and the CIO.
- Identify key knowledge, skills, and abilities of the CIO position.
- Describe the alternative paths to leadership of healthcare information systems.
- Prepare and assess an organizational chart for the information services area of a healthcare organization.
- Illustrate future challenges faced by healthcare CIOs.

# Role of the CIO

- Serve as a member of the executive management team
- Understand strategic planning and management
- Advise executives on effective use of information for patient care and strategic decision support
- Oversee organizational units responsible for information technology and telecommunications

# Responsibilities of the CIO

- Enterprisewide planning
- Leadership
- Management and oversight
- Human resources management
- Financial management

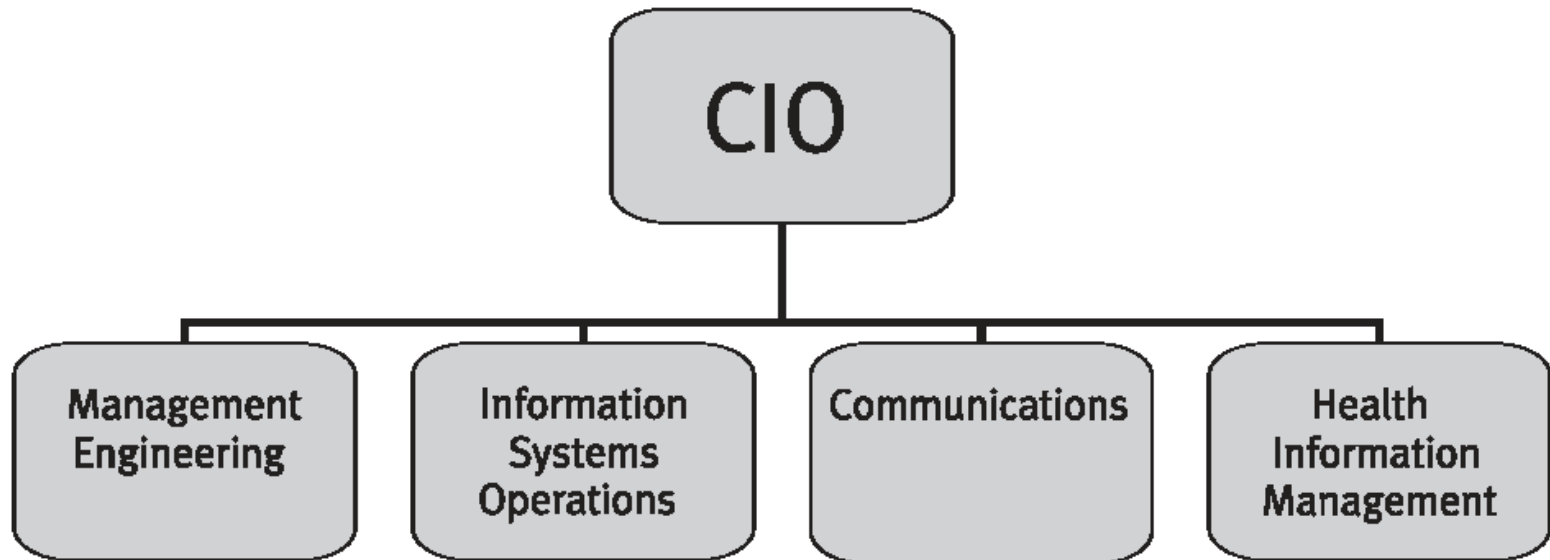
# Organization of Information Technology

- Little standardization of scope of services
- Organization depends on
  - the degree of centralization/decentralization of computer systems
  - use of in-house developed systems
  - use of packaged software or contracts with application service providers (ASPs)
  - the extent to which functions/tasks are outsourced to contractors

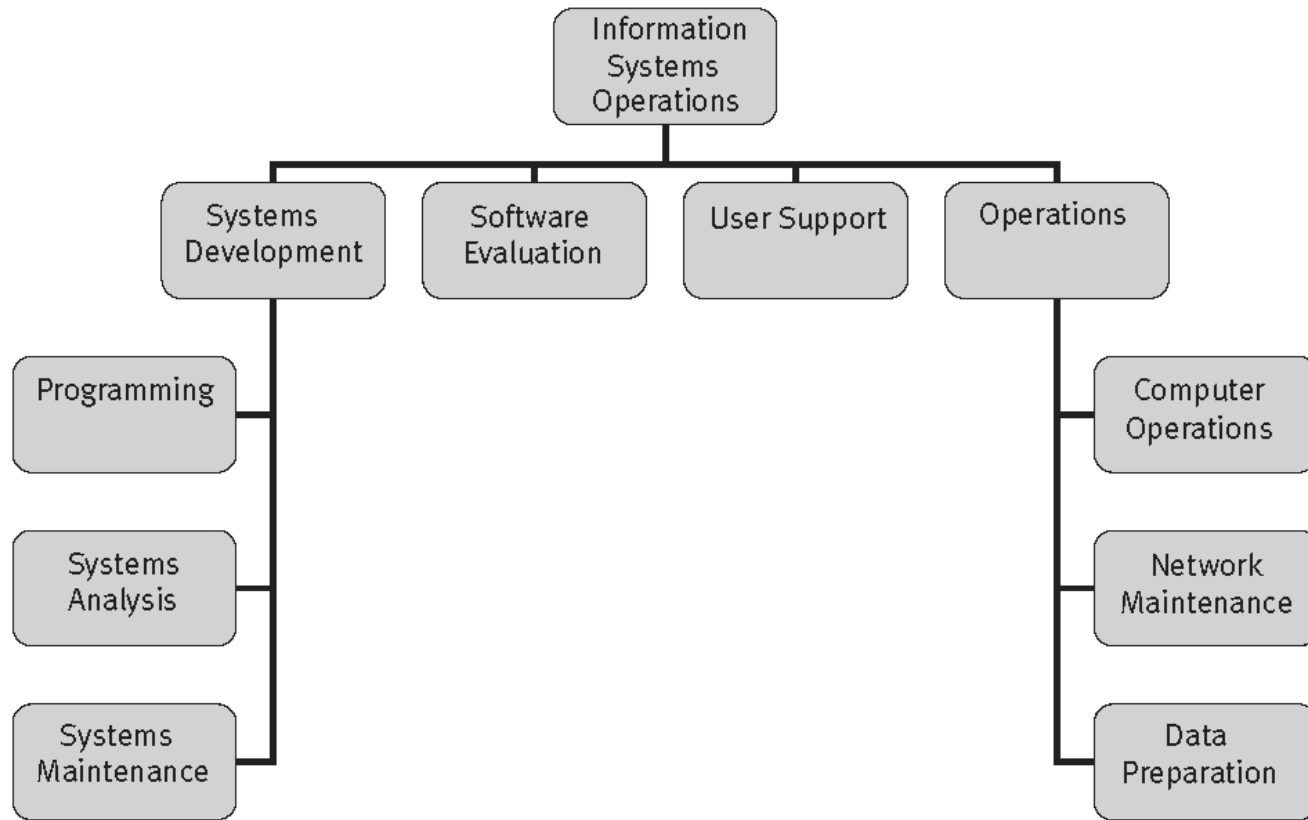
# CIO Reporting Relations

- Highly varied reporting relations
  - 37% report directly to CEO
  - 38% report to CFO
  - Remainder report to COO, CMO, or other

# “Typical” IM/IT Organization



# Internal Operational Configuration



# Staffing

- Staffing should be consistent with organization of IM/IT (varied).
- Directors often have more technical/operational knowledge than CIO (HIMSS often has RHIA certified director).
- Three common staff levels:
  - Professional
  - Technical
  - Clerical

# Staffing

- Rapid staff growth in recent years
- Shortages in many key areas
  - Network and architecture support
  - Informaticists
  - Process/workflow design,
  - Application support/development
- Staffing depends upon outsourcing and degree of centralization

# Budgeting

- Low share of organization budget, but rapidly growing
- Hospital spending on IM/IT:
  - 54% spend 2.5% or less of operating budget
  - 14% spend 3.5% or more of operating budget

# Causes of Budget Increases

- Systems and technologies
- Supporting organizational strategic plan
- Overall hospital budget increase

# 2006 Salary Information

<i>Title</i>	<i>Average</i>	<i>Median</i>	<i>75% Earn More Than</i>	<i>25% Earn More Than</i>
CIO	\$151,319	\$145,000	\$115,000	\$180,000
CIO— Multihospital/IDN	\$172,096	\$170,000	\$140,000	\$208,000
CIO— Stand-Alone Hospital	\$140,354	\$130,000	\$106,000	\$166,000
CIO— Other Facility	\$125,233	\$116,500	\$80,000	\$182,500
CIO— Consulting Firm	\$170,214	\$176,000	\$135,000	\$185,000
CIO— Physician Office	\$139,400	\$142,500	\$100,000	\$185,000
Director of Information Service	\$103,570	\$101,000	\$84,000	\$117,000
Management Engineer	\$87,360	\$87,000	\$70,000	\$110,000
Software Developer/Engineer	\$79,802	\$85,000	\$69,616	\$110,000
Security Officer	\$111,149	\$97,347	\$93,600	\$133,900
Project Manager	\$86,859	\$85,000	\$72,000	\$97,500
Systems Analyst	\$63,306	\$61,000	\$55,000	\$76,000
Medical Records Director	\$79,626	\$76,760	\$59,000	\$107,000
Help Desk Operator	\$46,216	\$40,000	\$27,040	\$95,000

*Note:* IDN = Integrated Delivery Network

*Source:* HIMSS and HIMSS Analytics (2006). Used with permission.

# Keys to Success of CIO

- CEO/leadership involvement and support
- Meeting budget
- Meeting project timelines
- Understand healthcare environment (few CIOs come from other industries)
- Experienced manager
- Technical savvy – systems must work!

# Future Challenges

- Greater responsibility will be placed on leadership (CIO).
- Source of CIOs may change as responsibilities transcend traditional IM/IT functions.
- Scope of responsibilities has expanded.

# Conceptual Role of CIO

- Manage up
  - CEO/Board involvement in strategic and operational planning
- Manage horizontally
  - Interact with other leaders throughout the organization (CMO, CFO, CNO)
- Manage internally
  - Direct the internal operations of the information technology business unit