University of Southern California
School of Policy, Planning and Development

PPD 604 - Seminar in Hospital Administration
Intensive Semester

COURSE SYLLABUS
Summer 2009

Instructor: Earl Greenia, PhD, FACHE
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Meeting Time:

June 4, 5, 6, 7; July 23, 24, 25, 26
Class begins promptly at 8:30 AM each day and ends by 4:30 PM
A one-hour break for lunch will be provided, generally around noon.
Location: RGL 215

Course Description

This course provides students with a broad examination of issues and practices critical to the successful hospital management. Particular focus is directed towards understanding theory and practice-based management strategies for responding to critical organizational challenges and opportunities. Problem-based learning activities are used to bridge the gap between theory and practice to strengthen your leadership and management skills. Cases, experiential exercises, management style and skill inventories will be used as an integral part of the seminar.

Course Objectives

This course is designed to provide students with knowledge, skills and principles for contemporary hospital management. Emphasis is placed on developing an understanding of managerial roles and responsibilities, particularly in relationship to ethical, professional and quality of care responsibilities, customer and market expectations, and competitive challenges and opportunities.

Satisfactory performance in this class will provide the student with the skills and abilities to:

- Describe strategic and operational problems and issues facing health care organizations.
- Describe the principle responsibilities of health care organizations and administrators.
- Examine effects of changes in environmental conditions on the organization, its core business strategies, practices and level of performance.
- Evaluate strategies used by managers and organizations to address environmental opportunities and problems.
- Develop innovative or effective strategies for responding to changing economic, social, technological and political conditions.
- Develop strategies for fact-finding, performance measurement, and analytical activities related to planning, marketing, finance and information needs.
- Identify characteristics of effective organizations, programs and managers.
- Identify characteristics of effective or innovative managers and their organizations.
- Evaluate the role, function and appropriateness of strategic planning in health care organizations.

- Analyze and define responsibilities related to human resources, physical plant, and support services.
- Define characteristics and develop systems to assure quality of clinical services.
- Respond to personal and organizational challenges in the pursuit of excellence in the health care industry.

General Requirements

Satisfactory performance in this class requires the student to:

- Attend all class sessions (poor attendance will affect final grade).
- Review materials or websites posted on Blackboard for each session prior to the meeting.
- Read and interpret all materials assigned for each class session prior to the class meeting. Note: It is recommended that you read the assigned materials in the order presented in the session descriptions.
- Analyze all assigned problems and case studies with sufficient preparation to engage in critical thought and discussion.
- Effectively contribute to class discussions and group activities.
- Make professional-level oral and written presentations of assignments.

Intensive Semester

This course is offered using the intensive semester format. While this provides the student with greater flexibility in the learning process, it also requires more individual and independent preparation than is the case for the regular semester formats. Thus, the educational experience begins prior to the first class meeting. During this period students are expected to read **all assigned materials and complete all class assignments.** Learning also takes place in the classroom where students explore the material in some detail, analyze and evaluate case material, and relate the assigned material to their work situations. Between the scheduled class sessions, students must continue their preparation as described in the syllabus. Following the completion of the formal classroom sessions, students reflect on the material presented and complete the remaining assignments.

Course Outline:

Session 1	June 4 AM	Governance and Governing Boards
Session 2	June 4 PM	The CEO
Session 3	June 5 AM	Provision of Care I
Session 4	June 5 PM	Provision of Care II
Session 5	June 6 AM	Organizational Performance Management
Session 6	June 6 PM	Patient Safety
Session 7	June 7 AM	Medical Staff Organization
Session 8	June 7 PM	Physician Relations
Session 9	July 23 AM	Licensing & Accreditation
Session 10	July 23 PM	Human Resources Management
Session 11	July 24 AM	Cost Management
Session 12	July 24 PM	Information Systems
Session 13	July 25 AM	Organizational Strategy I
Session 14	July 25 PM	Organizational Strategy II
Session 15	July 26 AM	Innovation & Transformation

Course Evaluation/Grading:

Participation and 5 Action Memos	20%
Group Project (Paper and Presentation)	20%
Case analyses (3 formal write-ups required)	60%

This is no extra credit

Final Grade Assignment

95 -100 = A	76 - 79 = C +
90 - 94 = A -	73 - 75 = C
86 - 89 = B +	61 - 72 = C -
83 - 85 = B	51 - 60 = D
80 - 82 = B -	00 - 50 = F

Description of Assignments

Action Memos – Students will submit an "action memoranda" in response to each short case. Memos must be decision-oriented, analytical papers directed toward a specific audience. The memo must be no more than 2 single-spaced pages. You are encouraged to use the problem-based learning approach (described later) and apply key points learned from the readings, knowledge gained from other classes and your professional experience. Students will be selected at random to serve as discussion leaders/facilitators when we review the short case in class.

Participation - Open discussion and debate is encouraged. Students are encouraged to share their real-world experiences and perceptions. Each student will be evaluated and graded on the depth, scope, and quality of their discussion participation. Quality is much more important than quantity; only those students who lead the class to higher levels of discussion can expect to receive a high score on this requirement. This involves things like applying conceptual material from the readings or lectures, doing some outside readings and applying them to the discussion, integrating comments from previous classes and concepts from other courses into the current discussion, taking issue with a classmate's analysis, pulling together material from several sources, drawing parallels from previous discussions and sharing "real world" experience.

Group Project – Teams (approximately five per group) will be formed for the "Responding to a JCAHO Survey." Details about this assignment are provided in the Session 9 description.

Case Reports – There are eight cases assigned as part of the formal course requirements. Each student must be prepared to discuss each case at the time scheduled in the syllabus. Most will be discussed as part of the seminar activity. See "Learning Through the Case Method" later in this syllabus. Length should be 5-10 pages (excluding title page) and focus on the critical issues and demonstrate an understanding of the relevant concepts. Each student must submit three case study reports from the list below. There are three groups – **you must select one case from each group**. Note the report must be submitted **before** the case is discussed in class. A timetable is provided for your convenience.

Session		Case	Submit by
Group 1 (All students must select the one case from this group)			
2		Whose Hospital?	6/4 8:30 AM
Group 2 (Must select one case from this group)			
4		Process Improvement in Stanford Hospital's OR	6/5 8:30 AM
5		Intermountain Health Care	6/6 8:30 AM
6		Dana-Farber Cancer Institute	6/6 8:30 AM
8		Performance Pay for MGOA Physicians	6/7 8:30 AM
Group 3 (Must select one case from this group)			
12		Mount Auburn Hospital: Physician Order Entry	7/24 8:30 AM
14		ThedaCare	7/25 8:30 AM
14		MedCath Corp	7/25 8:30 AM

Grading of Written Work

One of the most important skills anyone can take to a job is the ability to write clearly and persuasively. The grading of written work will be based on two basic ideas: decision-makers value good writing and inept writers lose credibility. Students must demonstrate that they have analyzed the situation and have used the knowledge gained from this course to explain and predict in response to the call of the question. There will likely be several different approaches to take; however, consideration of certain pieces of evidence, or certain theoretical approaches, may be essential. Failure to consider the evidence or approaches may constitute a major flaw and could result in the deduction of 10 to 20 points, depending on the importance of the information.

An “A” response will apply the concepts and tools learned in class to carefully analyze the problem or issue. It will provide a detailed and logically coherent argument that fully addresses the question. Further, it must combine concepts in creative and unanticipated ways.

A “B” response will have some analysis of the problem, but will likely not fully address all the issues raised by the question or will have gaps or holes in the analysis.

A “C” response will contain some analysis, and will demonstrate a basic knowledge of the concepts relevant to the problem set out in the question.

A “D” response will have no, or severely flawed, analysis, or will have omitted vital information that the student should have known. The essay fails to demonstrate a basic grasp of the concepts relevant to the problem set out in the question. Mere repeating of material from the texts or lecture notes will result in a “D.”

An “F” response will fail to address the call of the question, or will contain no analysis and little indication that the student understood the question.

Class Format

Sessions will consist of a variety of activities, and generally will begin with a brief review (5-10 minutes) of the topics from the previous class and clarification of any difficult or complex issues. Most sessions will include a brief lecture explaining and amplifying key points from assigned readings. Lectures will also include material that is not covered in the readings.

Sessions will include student discussions, in-class exercises and group activities that will provide hands-on experience applying the various concepts. Breaks will be taken as needed.

Academic Integrity

All students are expected to abide by the standards set forth in *SCampus*. The following activities are prohibited and may result in failure of the course, and/or expulsion from the University: Copying answers from other students on exam; allowing another to cheat from your exam or assignment; possessing or using material during exam (notes, books, etc.) which is not expressly permitted by the instructor; removing an exam from the room and later claiming that the instructor lost it; changing answers after exam has been returned; possession of or obtaining a copy of an exam or answer key prior to administration; having someone else take an exam for oneself; plagiarism (use of someone else's work without citation); submission of purchased term papers or papers written by others; submission of the same term papers to more than one instructor, where no previous approval has been given; unauthorized collaboration on an assignment; falsification of data or using fictitious data. Any instance of academic dishonesty will be dealt with as severely as university policy allows.

Academic Accommodations based on a Disability

Any student requesting academic accommodations based on a disability must register with Disability Services and Program (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP, located in STU301, open 8:30 AM to 5:00 PM Monday – Friday, phone number (213) 740-0776. The letter must be given to the instructor as early in the semester as possible.

Instructor's Profile

Earl Greenia has worked in healthcare administration for over twenty years; he is currently employed by Hawaii Health Systems Corporation as the Regional Chief Executive Officer for the West Hawaii Region (2 hospitals, a medical group and an ambulatory surgery center). A Fellow of the American College of Healthcare Executives, he holds a BA (Political Science) from the University of Vermont, a Master of Health Administration and a Ph.D. (Public Administration) from USC. His professional, teaching and research interests include strategic planning, operations management and quality management.

LEARNING THROUGH THE CASE METHOD

The case-study method is an innovative approach to supplementing traditional educational experiences with real-world situations. This method, employed widely in curriculums of major business schools, will be used to evaluate your understanding and application of the concepts and tools learned in class. It is by no means a be-all end-all approach to education; nor is it an easy one. The method is demanding and time-consuming, but when used effectively, it can enrich your learning experience.

Sufficient time must be spent to carefully analyze the case and to present findings in a manner that reflects careful assessment of the problem and sensitivity to the issues and contexts involved. One way to ensure that your analysis is on target is to take the time to fully understand the important issues. A good strategy is to first preview the case, noting any issue, situation, or fact that deserves closer attention. With these points in mind, carefully reread the case to gain a clear understanding of the issue that is being presented. This should provide you with a sense of the root problem and the important factors to be considered - either in the problem definition, alternative development, or solution selection stages. Be aware that problems emerge in contexts and that solutions must similarly be sensitive to those contexts. Thus, part of your analysis should focus on issues or factors that impinge on the problem or its solution. A useful place to begin is the goals and objectives of the organization or its key policy makers. Other factors that may affect your decision include organizational restrictions and constraints, and strengths and weaknesses.

If you have looked at the situation from multiple perspectives, you should be able to clearly state the problems to be addressed. At the same time, you should also be able to explicitly identify the criteria for selecting the most preferred solution. With the completion of these steps, attention can focus on the development of alternative ways for resolving the issue or problem. Since most problems have more than one solution, be sure that your analysis has developed more than one realistic and viable alternative. The next step is to assess the extent to which each of the alternative solutions satisfies the various criteria. Frequently, no single alternative completely meets the criteria developed. In these situations, new alternative development and assessment should be continued until a preferred solution evolves. The final step is to develop an action plan to bring about the changes needed, and to establish a mechanism for evaluating and sustaining the selected solution.

In writing your analysis it is not necessary to detail each step. Rather, the intent is to capture the essential elements in the analysis, including your recommendations and plan for implementation and evaluation. The submitted report must be action oriented. A concise, cogent report will provide: 1) Identification of Key Problems with brief background information (2-3 pages); 2) Recommended course of action with justification as to why this course was selected over other alternatives (2-4 pages) and 3) the Implementation plan (2-3 pages). Please double space and include a cover sheet. Please, no fancy plastic covers.

PROBLEM-BASED LEARNING & SHORT-CASE ACTION MEMOS

Like the longer cases, this approach examines real-world situations. Sufficient time must be spent to carefully analyze the situation and address the problem in a direct manner. The 9-Step Problem-Based Learning (PBL) Model is one example of an approach to help you understand and examine the case. Your action-oriented memo must not exceed 2 single-spaced pages – the audience is the hospital CEO who has many demands on his/her time. Do not spend time providing excessive background information that is known by the CEO, nor should you try to impress him/her with your understanding of the theory or concepts. The key is demonstrating that you can pragmatically apply the knowledge – a good approach is to focus your final memo on steps 7, 8 and 9 in the PBL model.

Step 1 - Understand the Situation
- Identify key concepts
- Identify issues and opportunities
- Compare/Contrast rights and interests of different key stakeholders.

Step 2 - Frame the "Right" Problem
- Start with a broad problem statement
- Think about the opportunities - ask, "What does the organization aspire to be?"
- Ask, "What is the major challenges to this vision?"

Step 3 - Understand the "End-State" Goals
- What does the ideal future end state look like?
- What are the goals that define it?
- Consider: Mission, Growth, Finance, Quality, Service, Employees, Physicians and Patients, Innovation, Social Responsibility, etc.

Step 4 - Identify the Alternatives
- Do the possible solutions support the problem statement?
- Can you combine several into a blended solution?

Step 5 - Evaluate the Alternatives
- Seldom is there a single "best solution."
- Second-tier alternatives often integrate the best of various alternatives
- Consider your assumptions and constraints
- What are some best-case solutions?
- Eliminate all but the best three or four solutions.

Step 6 - Identify and Assess Risks
- Evaluate the best two or three to identify potential risks and negative consequences.
- If the risks or consequences are severe enough, a solution might be eliminated.
- Identify tactics to address potential risks.

Step 7 - Make the Decision
- What are the reasonable alternatives to consider?
- What are pros and cons of each?
- What is the best decision given the facts and considering your intuition?

Step 8 - Develop and Implement the Solution
- Define the work to be completed.

- Identify the time needed to complete the work.
- Identify the resources (budget, people, supplies, etc.) needed

Step 9 - Evaluate the Results

- What is the expected outcome?
- Does the outcome align with the end-state goals?
- How will you measure the outcome?
- How will the measurement be tracked?

Required Materials

Cases:

Barro, Jason R., Aaron M.G. Zimmerman, and Kevin J. Bozic. 2003. Performance Pay for MGOA Physicians (A). Harvard Business School. Product Number: 9-904-028.

Bohmer, Richard and Ann Winslow. 1999. The Dana-Farber Cancer Institute. Harvard Business School. Product Number: 9-699-025.

Bohmer, Richard, Amy C. Edmondson, Laura R. Feldman. 2002. Intermountain Health Care. Harvard Business School. Product Number: 9-603-066.

Garvin, David A. and Michael A. Roberto. 2002. Paul Levy: Taking Charge of the Beth Israel Deaconess Medical Center (A, B and C). Harvard Business School. Product Numbers: 303080, 303081, and 303058.

Herzlinger, Regina. 2002. MedCath Corp. (A). Harvard Business School. Product Number: 9-303-041.

Kovner, Anthony R. 2004. "Whose Hospital," in Health Services Management: Readings, Cases and Commentary (8th Edition), Anthony R. Kovner and Duncan Neuhaser, eds. PP 341-360. Chicago: Health Administration Press.

McAfee, Andrew, Sarah Macgregor, Michael Benari. 2002. Mount Auburn Hospital: Physician Order Entry. Harvard Business School. Product Number: 9-603-060.

Porter, Michael, Sachin Jain. 2007. ThedaCare: System Strategy. Harvard Business School. Product Number: 9-708-424.

Zenios, Stefanos, Kate Surman, and Elena Pernas-Giz. 2004. Process Improvement in Stanford Hospital's Operating Room. Stanford University. Product Number: OIT41.

Other:

Paul Levy: Taking Charge of the Beth Israel Deaconess Medical Center (Multimedia Case). 2003. Harvard Business School. Product Number: 9-303-058. Note: You must order this directly from HBS – it is not included in the reader. Be sure to review the case (A, B, C) and multi-media product by July 25.

Session 1: Introduction and Course Organization
Governance and Governing Boards

READINGS

- Précis of Paul Starr's The Social Transformation of American Medicine. Journal of Health Politics, Policy & Law 29 (4/5): 575-620.
- Kanak Gautam. 2005. "Transforming Hospital Board Meetings: Guidelines for Comprehensive Change," Hospital Topics 83 (3) (Summer 2005): 25-31.
- Anthony Kovner, Wagner, Robert F and Curtis, Robert S. 2001. "Better Information for the Board," Journal of Healthcare Management 46 (1): 53-67.
- Robert Blomberg, et al. 2004. "One More Time: Improve Your Board through Self-Assessment." Hospital Topics 82 (1): 25-29.

LECTURE TOPICS

- Board roles and responsibilities
- Characteristics of effective governing boards
- Building boardroom culture
- Supporting the board's decisions
- Measuring board effectiveness
- Preventing governance failures

SKILL/STYLE INVENTORY

1. Review ACHE's Healthcare Executives Competencies Assessment Tool (2008) available at: http://www.ache.org/pdf/nonsecure/careers/competencies_booklet.pdf
2. Complete the modified Healthcare Executives Competencies Assessment Tool posted on our blackboard site. Bring the last page to class on day 1.

Session 2: The Chief Executive Officer

READINGS

- Griffith, John R and White, Kenneth. 2005. "The Revolution in Hospital Management," Journal of Healthcare Management 50 (3): 170-190.
- Papadimos, Thomas J. and Marco, Alan P. 2004. "Machiavelli's Advice to the Hospital Chief Executive Officer." Hospital Topics 82 (2): 12-17.
- Freshman, Brenda; Rubino, Louis. 2004. "Emotional Intelligence Skills for Maintaining Social Networks in Healthcare Organizations." Hospital Topics 82 (3): 2-9.
- Khaliq, Amir A.; Thompson, David M.; Walston, Stephen L. 2006. "Perceptions of Hospital CEOs about the Effects of CEO Turnover." Hospital Topics 84 (4): 21-27.
- Garman, Andrew and J. Larry Tyler. 2004. CEO Succession Planning in Freestanding U.S. Hospitals: Final Report. American College of Healthcare Executives.

LECTURE TOPICS

- Characteristics of effective executives
- Governance-Management Relationship
- CEO Turnover and Succession Planning

DISCUSSION QUESTIONS

1. What are the critical skills a CEO brings? What are the professional obligations of the CEO? How does the board know that those skills are present and those obligations fulfilled? What makes the relationship effective, and what erodes the relationship?
2. What conflicts might arise between hospital governance (the board) and management (the CEO)? How could they be avoided or resolved?

CASE: Whose Hospital?

In evaluating this case, focus on Ken Wherry competence as a CEO and the Board's decision to terminate his employment. Your analysis should review Wherry's mistakes and the reasons behind them. What could Wherry have done differently to preserve his job and yet move the hospital forward? How does this hospital board differ from the "ideal" described in the Griffith and White article? What should Tony DeFalco, the board chair, have done differently?

Session 3: Provision of Care I

READINGS

- McMahan, Eva M and Kathleen Hoffman. 1994. Physician-nurse relationships in clinical settings. Medical Care Research & Review 51 (1): 83-112.
- Radcliff, Tiffany A.; Côté, Murray J.; Duncan, R. Paul. 2005. "The Identification of High-Cost Patients." Hospital Topics 83 (3): 17-24.
- White, Kenneth R. et al. 2002. Hospital provision of end-of-life services: who, what, and where? Medical Care 40 (1): 17-25.
- Carnett, William G. 2002. Clinical practice guidelines: A tool to improve care. Journal of Nursing Care Quality 16 (3): 60-70.
- Richard Bohmer. 2000. Changing Physician Behavior. Harvard Business School. Product Number: 9-699-124.
- Exline, Joan L.; Topping, Sharon; Baxter, Cathy. 2004. "CEO's Perceptions of Hospitalists: Diffusion of the Strategy." Hospital Topics 82 (1): 8-24.

LECTURE TOPICS

- Nursing services
- Clinical Guidelines, Protocols and Evidenced-based Medicine
- Physician Profiling
- Managing High-Cost Admissions

SHORT-CASE / ACTION MEMO ASSIGNMENT #1

After graduating from USC, you've landed a job as an Associate Administrator in a 100-bed acute care hospital. The CEO assigned you to serve as the executive liaison to the Utilization Review Committee (a medical staff committee). For years, the committee has reviewed physician-specific length of stay data. Two of the physicians consistently keep many of their patients in the hospital longer than the average LOS for several DRGs. When confronted, they claim that their patients are sicker and older and that they are practicing higher-quality medicine than their colleagues. The CEO has asked you to "look into this" and to think about developing a formal approach to reducing length of stay while maintaining quality.

Session 4: Provision of Care II

READINGS

- Haraden, Carol and Roger Resar. 2004. “Patient Flow in Hospitals: Understanding and Controlling It Better,” Frontiers of Health Services Management 20 (4): 3-15.
- Henderson, Diana, Christy Dempsey and Debra Appleby. 2004. “A Case Study of Successful Patient Flow Methods: St. John's Hospital,” Frontiers of Health Services Management 20 (4) 25-30.
- Fottler, Myron and Ford, Robert. 2002. “Managing Patient Waits in Hospital Emergency Departments,” Health Care Manager 21 (1): 46-61.
- Vega, Victoria; McGuire, Stephen J. J. 2007. “Speeding Up the Emergency Department: The RADIT Emergency Program at St. Joseph Hospital of Orange.” Hospital Topics 85 (4): 17-24.
- Studer, Quint. 2003. “How Healthcare Wins with Consumers Who Want More,” Frontiers of Health Services Management 19 (4): 3-16.
- Quinn, Gwendolyn P., et al. 2004. “Real-Time Patient Satisfaction Survey and Improvement Process.” Hospital Topics 82 (3): 26-32.

LECTURE TOPICS

- Capacity Management and Improving Patient Flow
- Patient Satisfaction
- Service Excellence & Service Recovery

SHORT-CASE / ACTION MEMO ASSIGNMENT #2

You wake up Monday morning eager to get to work at 6:00AM, knowing your boss arrives at 6:30 AM. When the CEO arrives, happy to see you there early, he tells you he was impressed with your last action memo; “No good deed goes unpunished,” he says with a smile and tells you he has another special assignment for you. After rambling about some rare bottle of wine he has added to his collection, he summarizes a series of phone calls he had over the weekend from the evening shift nursing supervisor. Larry Johns first called at 11:15 PM to report that there was only one bed open in the Intensive Care Unit and that the ER was just slammed with ten patients and things were backing up in the lab and CT-Scan. The nearest hospital is also slammed and on ER-diversion (not accepting patients), so if any more patients arrive, things are going to get even worse. Luckily, everything “worked out.” Knowing you learned something about patient flow at USC he asks you to develop another one of your brilliant action memos to propose a policy or program to address this challenge.

CASE: Process Improvement in Stanford Hospital's Operating Room.

In June 2004, members of the Material Flow Committee at Stanford Hospital and Clinics were faced with the challenge of implementing important process improvements in the operating room. Though notable progress had been made in the recent past, complaints from surgeons, nurses, and technicians regarding the availability of surgical instrumentation had reached an all-time high. Finding a solution was urgent, but opinions varied widely regarding the best course of action. Some individuals believed that instrumentation sterilization and processing should be adopted as a core competency (and made central to employee training and compensation). Others felt the hospital should invest in additional instruments and information technology to improve efficiencies. A third faction believed that instrumentation issues resulted, in large part, from low morale and a lack of cross-functional camaraderie and teamwork within the operating room. A decision had to be made to devote Stanford's limited time and resources to the solution that would have the greatest, most immediate impact on its operating room effectiveness.

Session 5: Organizational Performance Management

READINGS

- Alexander, Jeffrey A, et al. 2006. "The Role of Organizational Infrastructure in Implementation of Hospitals' Quality Improvement," Hospital Topics 84 (1): 11-20.
- Batalden, Paul and Mark Splaine. 2002. "What Will it Take to Lead the Continual Improvement and Innovation of Health Care in the Twenty-first Century?" Quality Management in Health Care 11 (1): 45-54.
- Nelson, Eugene et al. 2004. "Good Measurement for Good Improvement Work," Quality Management in Health Care 13 (1): 1-16.
- Inamdar, Noorein and Kaplan, Robert. 2002. "Applying the Balanced Scorecard in Healthcare Provider Organizations," Journal of Healthcare Management 47 (3): 179-195.
- McAlearney, Ann Scheck, et al. 2005. "Developing Effective Physician Leaders: Changing Cultures and Transforming Organizations." Hospital Topics 83 (2): 11-18.

LECTURE TOPICS

- TQM/CQI Overview
- Organizing for Quality
- Using information strategically
- Balanced Scorecard
- Change Management

CASE: Intermountain Health Care.

Dr. Brent James' goal is to focus management attention both physician decision-making and care processes, with the aim of boosting physician productivity and improving care quality, while saving money. Evaluate the structure, implementation strategy, and assess whether it can be achieved in other health systems. You should also examine the benefits and costs of standardization against the high variability and need for customized service delivery faced by health care delivery organizations.

Session 6: Patient Safety

READINGS

- Regina E. Herzlinger and Seth Bokser. 2006. Note on Accountability in the U.S. Health Care System. Harvard Business School. Product Number: 9-302-007.
- Richard Bohmer. 2000. Complexity and Error in Medicine. Harvard Business School. Product Number: 9-699-024.
- Amalberti, René et al. 2005. "Five System Barriers to Achieving Ultrasafe Health Care," Annals of Internal Medicine 142 (9) 756-W167.
- Olden, Peter C.; McCaughrin, William C. 2007. "Designing Healthcare Organizations to Reduce Medical Errors and Enhance Patient Safety." Hospital Topics 85 (4) 4-9.
- Hosford, Steven B. 2008. "Hospital Progress in Reducing Error: The Impact of External Interventions." Hospital Topics 86 (1): 9-20.

LECTURE TOPICS

- JCAHO National Patient Safety Goals
- IHI Patient Safety Goals

CASE: The Dana-Farber Cancer Institute

Evaluate how this medical error lead to the death of a cancer patient in one of the nation's premier cancer treatment centers. What organizational and process characteristics contributed to the medical error? How can organization structure, culture and processes be designed to reduce the occurrence of sentinel events?

DISCUSSION QUESTIONS

1. Why should clinical performance be focused on outcomes? Why is it necessary to differentiate the concepts of quality, appropriateness, economy, and efficiency? Why is it important that medical decisions involve probabilities?
2. When do you hold "the system" responsible for medical errors? When do you hold individuals responsible for medical errors?
3. What is the role of individualized patient care plans and case management? How can these functions improve patient safety?

Session 7: Medical Staff Organization

READINGS

- Wilson, C. Nick; Iacovella, Anthony. 2000. “Physician Credentialing.” Hospital Topics 78 (4): 15-19.
- Darr, Kurt. 2001. “Credentialing: The Special Problem of Locum Tenens Physicians.” Hospital Topics 79 (2): 33-36.
- Agee, Charlie. 2007. Professional Review Committee Improves the Peer Review Process. Physician Executive 33 (1): 52-55.
- Lauve, Richard. 2006. Peer Review and Privileging: One pill cures all-but it's tough to swallow. Physician Executive 32 (4): 40-45.
- Leape, Lucian and John Fromson. 2006. “Problem Doctors: Is There a System-Level Solution?” Annals of Internal Medicine 144 (2): 107-116.
- Yeon, Howard B. et al. 2006. Physician Discipline. Journal of Bone & Joint Surgery 88 (9): 2091-2096.
- Williams, Betsy W. 2006. The Prevalence and Special Educational Requirements of Dyscompetent Physicians. Journal of Continuing Education in the Health Professions 26 (3): 173–191.

LECTURE TOPICS

- Physician Organization
- Medical Staff Bylaws and Rules & Regulations
- Credentialing and Peer Review
- Physician Engagement
- Disruptive Physician Behavior

SHORT-CASE / ACTION MEMO ASSIGNMENT #3

In your first six months as the Associate Administrator, you’ve achieved super-star status with your boss and many members of the medical staff. Nothing can stop you now! The recently elected President of the Medical Staff (Chief of Staff) has only met you once before and decides to pay you a visit since you’re in charge this week while the “old man” is on vacation in Napa. She stops by at lunch time to tell you that many members of the medical staff are unhappy about your recent attempts to implement cookbook medicine (clinical guidelines), economic credentialing (use of physician utilization profiles) and meddling with patient flow. She tells you, “We doctors believe in the separation of church and state, and that management should not practice medicine.” You reluctantly call your CEO on his cell phone, even though he asked you to call when anything “hot” comes up. He says, “Welcome to my world,” and tells you not to worry about it – but instead to draft a memo that explores some ideas to better engage the Chief of Staff (and other members of the Medical Staff Leadership) in the hospital’s PI (Performance Improvement) Program. Since he brought his laptop and has internet access, he suggested that you do this today or tomorrow.

Session 8: Physician Relations

READINGS

- Waldman, JD, Howard L. Smith, and Jacqueline N. Hood. 2006. "Healthcare CEOs and Physicians: Reaching Common Ground," Journal of Healthcare Management 51 (3): 171-184.
- Bohmer, Richard and Melanie Harshbarger. 1999. Note on Physician Compensation and Financial Incentives. Harvard Business School. Product Number: 9-699-151.
- Berenson, Robert, Paul Ginsburg and Jessica May. 2007. "Hospital-Physician Relations: Cooperation, Competition or Separation?" Health Affairs 26 (1): w31-43.
- Curtis, Robert S. 2001. Successful Collaboration Between Hospitals and Physicians. Hospital Topics 79 (2): 7-13.
- Holt, Ann. 2006. "Improving OB/GYN Physician Coverage Through a Redesigned Call System." Journal of Healthcare Management 51 (2): 137-140.
- Moy, Mark M. 2008. EMTALA Answer Book. Chapter 6: EMTALA and On-Call Physicians.

LECTURE TOPICS

- Physician Relations
- Physician Contracting
- ER Call Coverage
- Physician Leadership Development

CASE: Performance Pay for MGOA Physicians (A)
Examines the transition of an orthopedic surgical group at a premier teaching and research hospital from a system in which the surgeons are compensated with flat salaries to a system where they are compensated based on profitability. Allows for an examination of several critical issues in incentive strategy, including pay-to-performance in a not-for-profit environment, whether a compensation system is truly aligned with value creation (issues of quality of care and research time), and the difficulty in designing a compensation system in a competitive labor market when the objectives of the institution extend beyond pure profit maximization.

Session 9: Accountability, Licensing & Accreditation

READINGS

- ❑ Review the JCAHO Survey Activity Guide posted on Blackboard.
- ❑ Review the Staff Education Newsletters posted on Blackboard.
- ❑ Review the CMS Conditions of Participation posted on Blackboard.

LECTURE TOPICS

- JCAHO Accreditation
- California Title 22
- CMS Conditions of Participation
- The Survey Process

DISCUSSION QUESTIONS

1. Is accreditation really voluntary?
2. Given that JCAHO surveys are all unannounced, how can a hospital be "always ready" for the survey?

GROUP PROJECT: Responding to a JCAHO Survey

Each team will be assigned a different Survey Report (document can be found in the Session 9 "Group Exercise" folder). These are actual reports from JCAHO, with the organization's identifying information removed. There are two components for this assignment:

1. Develop a 5-10 page (double-spaced) written action plan that provides specific, tactical actions that the organization will implement to address the opportunities identified by the JCAHO. The audience for this document is the hospital's Executive team and Medical Staff Leadership.
2. The group will make a presentation (not to exceed 30 minutes) that explains the survey outcomes and the hospital's plan to address the findings. The audience for this presentation is the hospital's department managers, their staff and physicians. Some specific items that you should address include:
    a. System changes required to address the findings (such as policy and procedures, forms, etc)
    b. Engaging staff and physicians in the change
    c. Monitoring Progress and Plan Adjustment
    d. Ensuring Success

Session 10: Human Resources Management

READINGS

- Myron Fottler, Robert Phillips, John Blair and Catherine Duran. 1990. "Achieving Competitive Advantage Through Strategic Human Resource Management," Hospital and Health Services Administration 35 (3): 341-363.
- Khatri, Naresh, et al. 2006. “Strategic Human Resource Management Issues in Hospitals: A Study of a University and a Community Hospital.” Hospital Topics 84 (4): 9-20.
- Chandra, Ashish. 2006. “Employee Evaluation Strategies for Healthcare Organizations--A General Guide.” Hospital Topics 84 (2): 34-38.
- Sandra Swearingen & Aaron Liberman. 2004. “Nursing Generations: An expanded look at the emergence of conflict and its resolution,” Health Care Manager (23) 1: 54-64.
- Buerhaus, Peter, et al. 2006. State of the Registered Nurse Workforce in the United States. Nursing Economics 24 (1): 6-12.
- Buerhaus, Peter; David Auerbach and Douglas Staiger. 2007. Recent Trends in the Registered Nurse Labor Market in the U.S: Short-Run Swings on Top of Long-Term Trends. Nursing Economic$ 25 (2): 59-67.
- Chandra, Ashish; Willis, William K. 2005. “Importing Nurses: Combating the Nursing Shortage in America.” Hospital Topics 83 (2): 33-37.
- Weil, Thomas. 2003. “Hospital downsizing and workforce reduction strategies: some inner workings.” Health Services Management Research 16 (1): 13-23.

LECTURE TOPICS

- Employee empowerment and participatory management
- Labor relations
- Workforce Shortages
- Workforce Reductions
- Cultural and Generational Diversity

SHORT-CASE / ACTION MEMO ASSIGNMENT #4

Through hard work, some luck, and solid mentoring from your CEO, you’ve survived your first year as an Associate Administrator! Hoping to be rewarded with a Vice President or Chief Operating Officer title soon, you’re eager to take on more. And your wish is about to come true. Although you were minding your own business, you couldn’t help but notice that the Human Resources Director (HRD) left the CEO’s office crying. He calls you in. A little nervous, you sit down and can tell that your mentor has something on his mind. He tells you that the HRD has been dismissed and until a replacement has been hired – which will take about three months – your now responsible for the function. Fortunately, you decided not to sell your HR textbook back to the bookstore when you graduated, and started looking at it again. Just two days pass, when an employee from the business office comes to speak with you privately. He tells you that he was elected by his peers to meet you to let you know that they feel employee evaluations are unfair and poorly executed and used as an excuse for not paying higher salaries. You know that the hospital is committed to employee development and that the strategic plan supports a culture that values its people. You’ve learned that your boss now expects you bring alternative solutions to the table when you want to discuss problems with him. So, without being told, you take the initiative and create your latest action memo for his review.

Session 11: Cost Management

READINGS

- Langabeer, J. 2008. "Hospital Turnaround Strategies." Hospital Topics 86 (2): 3-12.
- Lewis, Audie G. 2001. Chapter 14, Special Concerns: Drive Out Waste in Streamlining Health Care Operations. San Francisco: John Wiley & Sons, Inc. (ISBN: 0787955035)
- Cleverley, William and Cleverley, James, 2005. "Scorecards and Dashboards: Using Financial Metrics to Improve Performance," Healthcare Financial Management 59 (7): 64-69.

LECTURE TOPICS

- Portfolio Analysis
- Strategic Cost Management

SHORT-CASE / ACTION MEMO ASSIGNMENT #5

The hospital's pediatric unit has ten beds. The average daily census is 1.1 patients - there are many days when there are no patients. Because it is licensed specifically for pediatrics, you can not use it for over-flow for other types of patients (e.g., medical-surgical or obstetrics). The 11% occupancy rate is causing a financial strain. Fixed costs are high – the unit has a core staffing of one RN and one Nurse Assistant. So are variable costs – on those rare days when census reaches 4 or 5, you need to call-in staff and offer overtime; when no regular employee are available, you use staff from a registry/agency – the hourly rate is twice what you pay hospital employees. Your competitor also has a pediatrics unit of the same size and with a similar occupancy rate. The hospital has a busy obstetrics program and a small (and very profitable) neonatal intensive care unit (NICU). These units are located on the same floor as the pediatrics unit. Hoping that you will earn your VP title soon and open a bottle of champagne with your former USC classmates – if you can fix this problem you're sure the promotion will follow - but you're scratching your head. You know that OB, Peds, and the NICU are the major components of the Women & Children Service line and the physicians in these specialties share a strong collegial relationship. Having wisely kept the reader from your USC Hospital Administration course, you start looking through materials <u>from all sessions</u>. You begin writing some notes and thoughts in preparation for what will become your best action memo ever for the "old man." After an hour of painful brain-storming you look at all the words you scribbled down and then organized them into the five pillars of the strategic plan:

PEOPLE: Staffing, Training, Competency, Physician Reaction?, Physician Referral Patterns…
SERVICE: Community Reaction, Bad Press, Mission and Vision…
QUALITY: Mission and Vision; Patient Transfers, Patient Safety…
GROWTH: Joint Venture?, Merger?, Synergies, Market Share…
FINANCE: Line Management, Cost Reductions?, Revenue Enhancement, Closure?...

Confident, you think, "Well, every other action memo started with an empty page on my computer," and you start typing.

Session 12: Information Systems

READINGS

- Bernstein, Mariel L.; McCreless, Tamuchin; Côté, Murray J. 2005. “Five Constants of Information Technology Adoption in Healthcare.” Hospital Topics 85 (1): 17-25.
- Saleem, Naveed, et al. 2005. “Forming Design Teams to Develop Healthcare Information Systems.” Hospital Topics 84 (1): 22-30,
- Brigl, B, et al. 2005. “Preparing strategic information management plans for hospitals: a practical guideline.” International Journal of Medical Informatics 74 (1): 51-65.

LECTURE TOPICS

- Data Management and Decision Support
- Electronic Medical Records

CASE: Mount Auburn Hospital: Physician Order Entry.
Mount Auburn Hospital is preparing to introduce a physician order entry (POE) system throughout the hospital, starting with the labor and delivery ward. POE systems replace paper-based and oral medication ordering processes with an information system; the physician uses the system to enter medication orders, which are then transferred to the hospital's pharmacy. As the implementation team leader, you must determine how best to introduce this complex technology to the physicians and other personnel who will use it.

Session 13: Organizational Strategy I

READINGS

- Alan Zuckerman. 2006. "Advancing the State of the Art in Healthcare Strategic Planning," Frontiers of Health Services Management 23 (2): 3-15.
- Begun, James W.; Hamilton, James A.; Kaissi, Amer A. 2005. "An Exploratory Study of Healthcare Strategic Planning in Two Metropolitan Areas." Journal of Healthcare Management 50 (4): 264-274.
- Tozzio, Mark; Rowe, Gary; Cook, Robert; and Griffith John. 2003. "Strategic Planning for a Turnaround," Health Progress 84 (3): 35-40.
- Nutt, Paul C. 2004. "Expanding the search for alternatives during strategic decision-making." Academy of Management Executive 18 (4): 13-28.
- Goldman, Ellen F.; Dubow, Mark J. 2007. "Developing and Leading Successful Growth Strategies." Healthcare Executive 22 (3): 9-13.

LECTURE TOPICS

- Strategy and Environment
- Strategic Planning Methods and Approaches
- Developing and Managing Strategy

*** Be sure to review the Paul Levy multi-media product **by July 25** ***

Session 14: Organizational Strategy II

READINGS

- Peter Budetti, et al. 2002. “Physician and Health System Integration,” Health Affairs 21 (1): 203-210.
- Shortell, Stephen M., Morrison, Ellen, and Hughes, Susan, 1989. "The Keys to Successful Diversification: Lessons from Leading Hospital Systems," Hospital & Health Services Administration 34 (4): 471-492.
- Sinay, Tony and Campbell, Tony. 2002. “Strategies for More Efficient Performance Through Hospital Merger,” Health Care Management Review 27 (10): 33-49.
- John Blair, and Grant Savage. 1990. "Hospital-Physician Joint Ventures: A Strategic Approach for Both Dimensions of Success," Hospital & Health Services Administration 35 (1): 3-26.

LECTURE TOPICS

- Multi-institutional models and relationships
- Diversification, Mergers and Joint Ventures

CASE: MedCath Corp (A).
MedCath is a horizontally integrated chain of heart hospitals that partners with local cardiologists and claims that its focus leads to better and cheaper results than those of a general hospital. What are the benefits and costs of their focused approach from the perspectives of the patients, providers, rival hospitals, insurers, and society as a whole? Community hospitals generally oppose their entry into a new area. What options does MedCath have?

CASE: ThedaCare: System Strategy.
Over the 1980s and 1990s, America's changing health care payer environment resulted in mergers of numerous community hospitals into hospital systems. ThedaCare stood out among community hospital systems in its pursuit of service rationalization, clinical quality improvement, and value-based delivery. Driven by determined leadership, ThedaCare began site-based service line rationalization and introduced innovative care delivery models. The case illustrates the challenges faced by a typical health care system beginning to focus on transparently improving the value of care and strategically rationalizing its service lines.

Session 15: Innovation & Transformation

READINGS

- Herzlinger, Regina E. 2006. "Why Innovation in Health Care Is So Hard," Harvard Business Review 84 (5): 58-66.
- Fahey, Daniel F.; Burbridge, Gregory. 2008. "Application of Diffusion of Innovations Models in Hospital Knowledge Management Systems: Lessons to Be Learned in Complex Organizations." Hospital Topics 86 (2): 21-31.
- Young, Gary J. 2000. Managing Organizational Transformation: Lessons from the Veterans Health Administration. California Management Review.
- Tucker, Anita L.; Edmondson, Amy C. 2003. "Why Hospitals Don't Learn from Failures." California Management Review 45 (2): 55-72.

LECTURE TOPICS

- Environmental dynamics and organizational strategies
- Managing transformational processes
- Future organizations and future managers

CASE: Paul Levy: Taking Charge of Beth Israel Deaconess Medical Center (A, B, C).

DISCUSSION QUESTIONS

*** Be sure to review the multi-media product **by July 25** ***

1. How would you describe the situation Levy inherited at BIDMC? What challenges did he face? Why did previous turnaround efforts fail?
2. How did Levy get started in his new job? What were his objectives and accomplishments prior to his first day of work, on his first day of work, and during his first week? What was distinctive about the way Levy went about formulating, announcing, and executing the recovery plan?
3. How did he overcome resistance? How did Levy tackle the problem of the BIDMC's "curious inability to decide?"
4. He speaks of the "CEO as teacher." How does he define that role? Why has he chosen to focus on it? What skills does it require? In what settings is it likely to be useful?

Student Profile

Name: _____

Mailing Address: _____

Primary E-Mail: _____

Home Phone: _____ Work Phone: _____

Program (MHA, MBA, etc): _____

Expected Graduation from USC: _____

Previous Academic Preparation (School, Degree):

Current Job/Residency (Where and What):

Other Work Experience:

Short-term (1-5 years) Career Goals:

Long-term (5-10 years) Career Goals:

Personal Interests / Hobbies: