

About AG&L Group
About Our Sponsor, Eclipsys Corp.

By S. Harvey Price



S. Harvey Price is editor of *For Your Advantage*. A health care industry strategist based in Boca Raton, Fla., Mr. Price has worked as an independent consultant since 1971. His clients are community hospitals, hospital systems and major corporations that have products or services for the healthcare industry.

About FYA

FYA For Your Advantage, is a free twice-monthly newsletter published by American Governance & Leadership Group and sponsored by Eclipsys.

With every issue, Editor S. Harvey Price provides insights into technology and e-health and how they relate to healthcare management and leadership today and into the future.

The newsletter is provided free to healthcare CEOs. The editorial content is not copyrighted and readers may use the material in any way they wish.

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In the beginning...

Many of us started in the healthcare industry before it was an industry, before patients and doctors were customers and when markets were still service areas.

You can dwell on the advantages of the "good old days." But, if you do it for too long, you will be the curator of your hospital—not the CEO. Culture, technology, economics and politics have all combined to produce a different healthcaring world.

FYA is a new resource that will address this changing world. It will do it by commenting on the impact that technology and the Internet is having on reshaping our industry. It will also concern the culture of change. Your change as a leader. And your role as a change leader.

FYA is different from anything else you receive. First, it comes to you at no cost, thanks to generous sponsorship. Second, it is not copyrighted. You are free to use my words as yours. Third, you will receive it every first and third Monday of each month. And finally, it is e-mailed directly to you.

Here's what that means.

*If I told you a topical joke and you didn't see Jay Leno last night, I'm a funny person. If you saw *The Tonight Show* and realize where my joke comes from, I'm not funny at all. If you go to a meeting of your staff, a medical meeting, a board meeting or a service organization meeting in your community and you talk about the changing healthcare scene, you are impressive. That is unless the source of your talk is the Wall Street Journal, Modern Healthcare or another publication available to your group.*

The world is changing around us. The healthcare model that was formed in the 1950s is no longer relevant. A social enterprise has become a business. A public that was grateful for help now expects results. Hospitals have dealt exclusively with services that are reimbursed. Reimbursement is shrinking as a \$27 billion cash complementary and alternative medicine business emerges. Entrepreneurs have established medical niches in surgery that make patients look better or feel better. Frequently these businesses are formed by doctors on our medical staff competing with us.

We can seek legislative or regulatory protection. We can sue to prevent competition. Or we can accept the reality of change and redefine our business model.

Imagine owning a radio station when television was introduced. Those that thought they had a monopoly on family entertainment soon failed. Radio station owners that changed their formats to music, weather and traffic information, and conceded the drama and comedy shows to television, survived. The successful ones concentrated on what radio did better. Those radio stations that owned television stations as well, thrived. Both had a common denominator: they sold time.

Imagine owning television stations and delivering your product free of charge, when along comes cable. The business model changes. Videocassette players

In the beginning... (continued)

change the business model again. People can record programs, view them at their convenience and fast forward past the commercials. Then along comes Blockbuster. The business model changes once more.

Now we have digital video recorders (DVRs) like TiVo and ReplayTV entering the market. These devices make it extremely easy to program and play back shows without videotape—by storing 30 or more hours on a hard drive. People can now ignore the schedules of the networks by watching prime-time programs late at night or late-night shows early the next evening—and bypass the commercials. This plays havoc on programming strategies and the value of prime time viewers to advertisers.

The CEO of Turner Broadcasting was quoted recently

in the *New York Times*: “There is no Santa Claus,” he said. “If you don’t watch the commercials, someone’s going to have to pay for television and it’s going to be you.” His words don’t seem to have an effect on DVR sales. The broadcast model is in for still more change.

We can learn from the television industry about constant change. We must change to serve our “customers” the way they want to be served—or another organization will.

This leads to discussions of tools that add convenience, and the growing impact of the Internet and much more. We’ll cover these and other topics in future FYAs.

That’s my opinion. What’s yours? Send it to HPrice@americangovernance.com

Information Technology Can Improve Healthcare Efficiency

By Randy Thomas

Welcome to the first of our columns, in which healthcare information technology experts help you uncover strategies for leveraging information technology (IT) to transform the delivery of health care in your organization.

Until now, IT has typically been built using a silo’d approach. Systems were designed to automate billing or pharmacy functions to achieve departmental efficiency gains rather than with the overall organizational efficiency in mind. Little attention was paid to how individual systems should work together—or more importantly, how they fit into the care delivery process.

An IT system worth its salt should be designed on the premise that physicians, nurses, or clinicians in their interactions with patients initiate most healthcare activities. A physician’s single order begins a sequence of actions in multiple processes, including patient care, customer relationship management, revenue, access, supply and decision support.



Randy Thomas is senior vice president of marketing and advanced strategies for Eclipsys Corporation. Eclipsys is on the leading edge of innovation in software and services solutions that are being used to improve healthcare outcomes.

Effective IT systems designed with the overall care delivery process in mind are made available in components—much the same way a stereo is offered—as individual pieces that make a larger whole. These components can integrate with systems already in place, empowering you to preserve your existing IT investment even as you achieve improvements in effectiveness and efficiency of care. For example, you should be able to add a computerized physician order entry system without replacing your existing pharmacy or radiology systems.

Healthcare organizations today stand to realize the greatest return on investment from IT systems that help them reach strategic goals. For most organizations, this usually means leveraging existing systems for their entire useful life. Flexible components that integrate with existing systems and that can be added as need and budget evolve are a safe bet for achieving your organization’s goals.

About American Governance & Leadership Group LLC

American Governance & Leadership Group is a partnership of the American Hospital Association, futurist and governance consultant James E. Orlikoff, and publisher and educational developer Jerry F. Pogue, and recently joined by governance experts Dennis D. Pointer and Mary K. Totten.

The philosophy of the American Governance & Leadership Group is that there are new issues, new challenges and fundamental changes facing health care that will need new perspectives and new innovative presenters. Our goal is to assist the healthcare industry as it moves from the Industrial Age to the Digital Age. We are committed to delivering quality education to healthcare organizations that are serious about improving their governance and management.

In addition to our educational conferences, we now offer three publications: the *American Governance Leader* for trustees, *Healthcare Leadership & Management Report* for the executive staff and physician leaders, and *Disease Management & Quality*



Improvement Report, a journal for the clinical and quality improvement leadership and your source for the latest in disease management, quality improvement and outcomes measurement.

We have also recently launched a new membership program, the Governance & Leadership Forum, a one-stop source of tools and solutions for governance and leadership education. For more information about the Governance & Leadership Forum, please contact Jerry F. Pogue at the AG&L Group office at 909-336-1586.

Officers

James E. Orlikoff is the Executive Director of AG&L Group as well as President of Orlikoff & Associates, Inc., a consulting firm specializing in healthcare governance and leadership, quality, organizational development, strategy and risk management. He is the National Advisor on Governance and Leadership to the American Hospital Association and Health Forum and a founder and contributing editor for *American Governance Leader*, a monthly newsletter on leadership issues and trends for healthcare organization board members. He has written ten books and more than 50 articles, and currently serves on hospital and civic boards.

Jerry F. Pogue is the Chief Operating Officer of AG&L Group. He was formerly the Director and founder of Integrated Healthcare 2000 and a founder of the former Integrated Healthcare Symposium. He is also the publisher of all three AG&L Group publications.

About Eclipsys Corporation, The Outcomes Company

Known as The Outcomes Company®, Eclipsys Corporation® is the recognized leader in providing advanced, knowledge-driven healthcare information technology (IT). At Eclipsys, we understand that health care starts and ends with the patient, and that physician decisions drive most processes within the healthcare setting. In fact, we design our systems with those important factors in mind.

Our award-winning systems are built to help you meet your goals for improving care delivery and patient flow, revenue and administrative man-



agement and customer relations. We also offer a host of information management services, such as business transformation, systems integration, remote hosting, and on- and off-site IT outsourcing.

SunriseXA™, our next-generation Web-based solutions, are built using the Microsoft .NET Framework and other industry standards. This innovation empowers your organization to use our

products as components, integrate them with existing systems and add components as needs and budget change. Most important, with this strategic approach you can preserve existing IT investment and maximize ROI even as you prepare for future needs.

Founded with the mission of better health care through knowledge™, Eclipsys' 1,500-member team is committed to exceeding your expectations by focusing on your strategic goals. For more information, visit www.eclipsys.com or e-mail info@eclipsys.com.