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### About FYA

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With every issue, FYA provides insights into the topics that concern healthcare leaders today and the challenges that will be faced in the near future.

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## Dissatisfaction Is the Father of Improvement

By Fred Lee

If necessity is the mother of invention, dissatisfaction must be the father of improvement. Necessity may invent the mousetrap, but dissatisfaction builds a better one. The curious truth is that being good is the enemy of being great. Complacency is the adversary of excellence.

Martin Stankard, a national Malcolm Baldrige Award examiner who trains other examiners, shares this formula for a culture of continuous improvement and excellence:

Dissatisfaction with the status quo, plus the dream of what greatness would look like and the knowledge of how to get there, must be greater than an organization's natural inertia.

Notice that the formula begins with dissatisfaction. How do you overcome the comfort zone of personal and organizational inertia without being dissatisfied with the way things are? Plus, all this has to happen before the hard work of improvement can even begin.

Behavioral science confirms this equation. If I want to lose 15 pounds, it starts with dissatisfaction over my current state of being. In addition, I will need to have a vivid picture of how I want to appear, how my slacks will fit, how a flatter tummy will look, how much younger people may think I am. Dreams give us the fuel for desire, the energy to get up and do the work. Knowledge of how to lose 15 pounds and keep it off permanently is also important. But my worst enemy is going to be the kind of thinking that says, "Fifteen pounds doesn't really seem that bad. I am actually in pretty good shape for a guy my age. We all gain some weight when we get older. It's natural." Complacency is the human equivalent of inertia.

At every level in an organization where there is work to do, this formula for change applies – at the level of individual effort, at the unit level, at the division level and even the highest level of administration. That's why it is important to cultivate an entire culture of dissatisfaction in order to maintain a momentum for improvement that leads to sustained excellence. Having a few stars who do it is not enough. A department here and there dedicated to improvement won't be able to lift the whole organization.

We are a culture that believes there must be an easier way to do anything. We come up to a challenge and want an easy way around it instead of the hard way through it. We are wooed by books and programs that promise quick and effortless solutions to something difficult. With such-and-such a supplement you can lose those pounds without exercising and still eat all

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## Dissatisfaction Is the Father of Improvement (Continued...)

you want. You can raise your self-esteem by writing affirmations and telling yourself in the mirror that you're wonderful. You can build muscle strength and tone with our electrical stimulator. You can build up your cardiovascular system in 10 minutes a day on our machine without breaking a sweat. You can simply "think" and grow rich, "think" and grow thin, "think" and get smart, "think" and play tennis, "think" and feel great about yourself.

The dream (the "think" part of these self-help approaches) is vital for improvement. We rarely accomplish anything without a dream, or great things without a vivid obsession. But there are many with the dreams who do not overcome inertia to follow through with the hard work. The dream alone takes you nowhere. If you want the muscles, you have to do the exercises.

The equivalent in leadership psychology is the notion that creating a dream of greatness is the vital ingredient that is missing in most organizations. First, hospitals went through exercises in writing mission statements. When that did not move organizational inertia, we decided we needed statements of core values. Then it was vision statements. We weren't making our mission statements and core values vivid enough. Lance Secretan says our problem is that all these vision statements lack inspiration. He says inspirational

leadership is what is needed and that people do not work for a mission, they work for a cause. Semantics aside, it takes the whole formula to overcome inertia.

Vision alone, regardless of what we call it, is not enough to muster the huge effort it takes to defeat the inertia of standard practices, bureaucratic structures, systems and management processes. We still need a relentless dissatisfaction with our performance and a map of how to improve, to get up finally and scale the walls, move the mountains, dam the rivers and drain the swamps that stand in the way of true greatness. It has to be relentless because being the best, or being the greatest, is not done in a day or a month or a year. Ask any accomplished athlete. He might tell you about the dream he has had since childhood, but the truth is, the hard work of reaching that dream is relentless. And even if he breaks a world record, he is still not satisfied!

Never being satisfied is the driving force behind individual effort. And, we might add, corporate effort.

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*Fred Lee is a highly popular speaker; and the author of "If Disney Ran Your Hospital." His book was named the 2005 book of the year by the ACHE.*

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## Why Is Healthcare Affected by Geography?

By Rick Kneipper, Chief Administrative Officer and Co-Founder of PHNS

**W**hy does geography have such a significant influence on the quality and cost of healthcare? I don't get it – studies have repeatedly shown that healthcare is significantly different depending on the part of the country in which the healthcare is provided – and yet no one seems to do much about such disparities. United Health Foundation's "America's Health Rankings" for 2006 reports that the following states were the "healthiest" and "unhealthiest" in the U.S. based on 18 criteria (as reported in the 12/18/06 edition of *Modern Healthcare*):

<u>Healthiest States</u>	<u>Unhealthiest States</u>
1. Minnesota	50. Louisiana
2. Vermont	49. Mississippi
3. New Hampshire	48. South Carolina
4. Hawaii	47. Tennessee
5. Connecticut	46. Arkansas

And that isn't news: I wrote a column in November 2003 about the sixth annual "HealthGrades Hospital Quality in America Study" that concluded that the quality of U.S. healthcare services is much better in northern states and less populated states, and much worse in southern states; and prior studies reached the same conclusion.

Not only does geography affect healthcare **quality**, but a just released "Medical Expenditure Panel Survey" by the Agency for Healthcare Research and Quality found that the **cost** of healthcare also varied widely depending on geography. Consider the following significant differences found by the study in healthcare costs based solely on geography (amounts shown as median/mean in each category):

Type of Expense	Northeast	Midwest	South	West
Total health services per person	\$1,159 /4,198	\$1,164 /4,064	\$1,079 /3,654	\$1,006 /3,766
Hospital inpatient services-zero night stays-facility expenses only	\$5,870 /14,416	\$5,932 /13,038	\$5,506 /10,589	\$5,159 /11,559

This study could be read to suggest that the quality of healthcare in the northeastern and midwest states is better than the southern states because of the amount of healthcare expenses charged and received. But is that a valid interpretation? What other factors account for the significant disparity in quality and cost of healthcare depending on where in the country the patient seeks healthcare services?

Even more puzzling to me is why this geographical disparity hasn't become a major issue with the media and the public in states such as the southern states that deliver significantly less quality healthcare services – but perhaps that will change as more and more healthcare provider quality and cost information is made available to the public so it can choose healthcare providers more wisely.



Please send your suggestions to me at [Richard.Kneipper@phns.com](mailto:Richard.Kneipper@phns.com)

### About



FYA - For Your Advantage is brought to you by TrendLeader Connections. The function of TrendLeader Connections is producing educational materials and seminars that help healthcare executives differentiate between fads and trends; and making connections with "Trend Leaders" within the healthcare industry.

We are committed to delivering new perspectives and ideas, creative and innovative healthcare solutions, provocative concepts and quality educational materials to today's healthcare leaders. We want to concentrate on "what comes after what comes next."

## The Nation Revisits a Universal Health Plan

**B**i-coastal attention on healthcare marks the beginning of the New Year. On the east coast, Massachusetts Gov. Mitt Romney, has drafted a state plan that is getting a great deal of attention as a political and structural model for the nation's 46 million uninsured. On the west coast, Gov. Arnold Schwarzenegger has been meeting with advisers in the past few weeks to come up with a plan to provide health coverage to the state's 6.5 million uninsured and underinsured.

In the middle is Iowa, the site of the nation's first presidential caucuses, which is also pushing the healthcare issue to the forefront

Massachusetts passed legislation this year to provide nearly universal healthcare coverage to state residents. But, according to the *Wall Street Journal*, policy observers say that a measure in California – where the number of uninsured roughly equals the Massachusetts population – would have a more sweeping effect. California has been a leader in addressing national issues; earlier this year, a bill signed by Gov. Schwarzenegger set the toughest limits in the country on greenhouse gases linked to global warming.

"I think a successful healthcare plan in California would begin to be the catalyst to change the country's healthcare system," says Andrew Stern, president of the Service Employees International Union, which has 1.8 million members nationwide. "People look at California as almost its own country, with all the complexities any state could find."

The California governor has signaled that in his annual State of the State address Jan. 9 he will make health care the top priority for 2007 and likely include a plan to cover the uninsured. The Schwarzenegger speech will come as Democrats, who plan to make expanding healthcare coverage a priority, take over Congress. One of Gov. Schwarzenegger's fellow Republican governors, Mitt Romney of Massachusetts, is making his state's plan for expanding health insurance coverage a centerpiece of his 2008 presidential bid.

Two factors driving the debate, nationally and in California, are the cost of health care and public concern

about affordability. National expenditures on health care have doubled in the past decade, and are projected to double again in the next 10 years, according to federal estimates.

In July, Gov. Schwarzenegger convened a summit on healthcare affordability in Los Angeles, where representatives from hospitals, labor unions, insurers and others debated how to contain costs of medical coverage. "The spiraling cost of health care is nearing the breaking point – not just in California but across the nation," Gov. Schwarzenegger said at the time. "We must find ways to lower the cost of health care. We cannot continue as we have."

Others at the summit agreed on the need to streamline administrative costs by computerizing more medical records, said Kim Belshe, secretary of California's health and human-services agency. Many doctors and their assistants still rely on paper files. The governor signed an order over the summer calling for a program to improve the flow of information in the industry.

But there is disagreement in California, and across the U.S., over what else to do. One approach, favored by some labor unions and social advocacy groups, entails a "single payer" – like the system in the United Kingdom and elsewhere. Under a "single payer" system, consumer medical bills are paid by a government agency, not by private health insurers or others. This year, the California Legislature passed a bill introduced by Democratic Sen. Sheila Kuehl that would have provided universal healthcare coverage to state residents through such a system operated by the state. But Gov. Schwarzenegger vetoed the bill, saying "such a program would cost the state billions and lead to significant new taxes on individuals and businesses." Aides to the governor say he isn't inclined to use taxes to pay for universal healthcare.

Gov. Schwarzenegger has said he is keeping an open mind as he shapes the effort. "Every idea is being debated: market-based solutions, employer mandates, individual mandates, new regulations, removing old regulations."