

By S. Harvey Price



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About FYA

FYA - *For Your Advantage*, is a free twice - monthly newsletter published by TrendLeader Connections.

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.

The newsletter is provided free to healthcare CEOs only. CEOs may use the material in any way they wish—except for the editorial content that is copyrighted by the author. You are welcome to print copies of FYA.

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Time To Increase Focus on Prevention?

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

With the onset of a new year, perhaps it's time for a short retrospective and a prospective review of the state of healthcare in the U.S. Let's start with an historical perspective. In 1910 an educator, Abraham Flexner, wrote a report on medical services and medical education in the U.S. that stated: "One of the problems of the future is to educate the public itself to appreciate that very seldom, under existing conditions, does a patient receive the best aid which it is possible to give him in the present state of medicine." Flexner's report, which has been called by some "the most important document in the history of American medicine," led to widespread changes in U.S. medical education and training.

As our healthcare system continues to consume an ever-increasing percentage of dollars in our economy and reaches the financial breaking point (maybe it already has), we may have no choice but to undertake a Flexner-style analysis to determine whether we are giving patients the best possible care at the best possible cost.

I suggest that one part of that analysis ought to reconsider whether the primary emphasis of the U.S. healthcare system should continue to be on curative, rather than preventive, medicine. While that analysis may not be warmly welcomed by those in our healthcare system that have huge investments in curative medicine, it is increasingly clear that our healthcare system has to figure out how to do more with less, and in any event the curative business isn't going to go away anytime soon.

For example, the National Committee for Quality Assurance's *The State of Health Care Quality 2005* found that the lack of preventative measures such as prenatal care, diabetes care, smoking cessation and colorectal cancer screening continue to result in 39,000-83,000 avoidable deaths, between \$2.8-\$4.2 billion in avoidable medical costs and \$13.5 billion in lost productivity from sick days.

Interestingly, other major countries have placed major emphasis on preventative medicine.

- o **China:** A 1987 Library of Congress study of healthcare in the People's Republic of China found that its "emphasis has been on preventative rather than on curative medicine on the premise that preventative medicine is 'active' while curative medicine is 'passive,'" and that such emphasis has dramatically improved the health of Chinese people as measured by increases in average life expectancy.

(continued...)

Time To Increase Focus on Prevention? (...Continued)

- o **India:** From 1999 to 2003 India saw a 25 percent growth in preventative healthcare, and a CEO of a major hospital has called for a review of government tax incentives since "The government gives tax benefits to the curative healthcare, but neglects preventive healthcare."
- o **Europe:** A 2003 Conference of European Health Ministers concluded that governments need to reassess whether they are "fulfilling their duty in responding to health needs-both preventive and curative of all sectors of the population" and concluded *that high priority should be given to ensuring "a proper balance between preventive and curative care, with a marked insistence on the development of healthy lifestyles. For this purpose measures should be taken to develop individual responsibility towards one's own health, and ensure citizen participation in the decision making process concerning health care."*

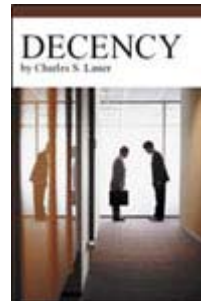
Maybe it's time to start emphasizing preventive healthcare, and thus individual responsibility, in an effort to conserve diminishing financial resources for curative care that cannot be prevented.



I would like to hear your comments.
Send them to:
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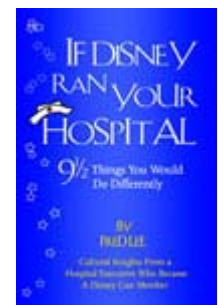
[BOOK CONNECTIONS]

Two excellent books to start out the New Year. One, a motivational book and the other a book on service excellence and patient loyalty.



A new "off the press" motivational book by Chuck Lauer of *Modern Healthcare* magazine called **Decency**. [Click here](#) to read more about the book and to also order this book.

The 2005 ACHE Book of the Year by Fred Lee, **If Disney Ran Your Hospital**. [Click here](#) to read more about the book and to also order this book.



Also available is the Chuck Lauer "Trilogy" - **Reach for the Stars**, **Soar with the Eagles** and **Decency**. Available at a special price. [Click here](#) for more information and to order online.

About



PHNS is an innovative healthcare services company providing strategic outsourcing services in information technology, health information management and receivables management to approximately 160 hospitals. PHNS is not a consultant, vendor or software company but a partner, a solution. PHNS understands healthcare because our partners are healthcare and healthcare only. Unlike its competitors, PHNS strategically aligns itself with a hospital's clinical and financial goals and objectives. Through its unique business model, PHNS reduces costs by aggregating, consolidating and sharing resources among its participating hospital partners. PHNS helps hospitals manage information systems, computer technology, patient records, coding and patient billing to improve patient care, safety and efficiency and increase profitability and efficiency. For more information, visit www.phns.com.

When Customers Are Satisfied, There Are No Stories

By Fred Lee

Sometimes I will ask people to tell about a place that has captured their loyalty. Every time there is a story. Or I might ask about a place that has lost their loyalty and where they would never return. Again, there is always a story. What seems to be a major component of both loyalty and dissatisfaction are stories. A satisfied person has no story to tell. Everything went just as expected. It is the unexpected event that makes a stay memorable. For every loyal customer, there is usually a special story.

I like Chinese food. My parents were missionaries to China, where I grew up. Chinese food was home cooking for me. When I first moved to Orlando, I tried a different Chinese restaurant every week. My requirements were that they cook in the spicy Szechuan style my mother preferred and speak Mandarin to me. This was my only chance to practice the language that was fading in my memory. If they did these two things in a courteous way and made over my ability to speak their language, I was satisfied. I kept trying new restaurants, not because I wasn't satisfied but because I was curious. It meant more variety and more Chinese people to meet.

I happened to return to one of the restaurants, the Orient IV, after several weeks, and the owner remembered me by name. During the meal he came over to our table and carried on a lengthy conversation in Chinese with me. He asked me if I especially liked any particular dish when growing up in China. I told him about a dish our family cook used to make in Taiwan. It had three ingredients: dofu-gan (an especially firm, savory tofu), tsa-tsai (a pickled vegetable from central China), and bell peppers. He laughed and said he had hoped to make the dish for me but he didn't know where he could get the very rare (for those days) dofu-gan and the pickled vegetable. I told him that in all my travels in America I had not found that style of tofu either. It's too bad, really, because Americans think the only kind of tofu is the white, tasteless variety that is familiar here. Actually there are as many kinds of tofu in China as there are cheeses in America.

A month or two later I returned to the Orient IV where I had had the conversation about my favorite dish, and the manager exclaimed, "Where have you been? We have been watching for you. I have found the things to make your special food. When you left last time, I asked my cook if he knew where to find the dofu-gan. He said he knew a family in Miami who made it. We called them and they sent it right away. It is in my freezer. We also got a can of the tsa-tsai.

Now I can make your favorite dish. Tell me how to make it, and I will make it for you."

And so that night I had a dish I had not tasted since I was a boy. You can imagine what happened to my loyalty. Instead of Chinese food once a week, I was now going several times a week to the same restaurant and bringing all my friends. Why? Because I had a story to tell. A story about someone going out of his way to please a guest.

Is it hard? Yes, but not as hard as one might think. It takes just one person, during one visit, becoming personally involved by doing something special. The owner even put the dish on his menu when he had new ones printed up, and called it the Fred Lee Special. I once asked him if anybody ever ordered the Fred Lee Special, and he said, "Yes. Many times. They think Fred Lee is me!"

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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About

TrendLeader Connections

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."

END PIECE: Forget Winning the Game

It's a new year. It's a time when we reflect on our accomplishments in 2005 and our **TODO** list for 2006. For many hospital leaders it's a time to kick start a new strategy. It's a time when words like *competition* and *winning* are repeated more frequently. Especially so as we approach the Super Bowl and we adopt sports analogies.

Sports analogies are used particularly to grapple with hospitals or systems in a game in which they were once the dominant player. But sports metaphors are dangerously misleading. William Bridges, a former college professor who became a successful business consultant and author, points out that sports metaphors suggest that there is a coherent game going on, and that the *winners* will come out ahead because they *beat their opponents*. It suggests that they win because they are a better *team*, with better talent, training and strategy.

Actually, in our world of non-stop change only short-term victories are experienced by hospitals that set out to beat the opposition. The long-term advantages occur to those organizations that focus on the environment as a whole, not just on the competition.

Dr. Bridges suggests we are in one of those periods of evolutionary shift, and becoming preoccupied with the competition is short-sighted. It is not by competing but by capitalizing on change that today's organizations will survive. The key to capitalizing on change lies in understanding and utilizing the cycle of challenge and response.

Historian Arnold J. Toynbee demonstrated this in his book *A Study of History*. He wrote that the great civilizations have risen to power not because of their advantages but because they treated their disadvantages as challenges to which they discovered creative responses.

Toynbee shows that Athens rose to dominance in the Classical world after its soil was depleted. Instead of being destroyed by that major setback, the Athenians treated it as a challenge to find a new way to participate actively in the economy of their day. Their creative response was to turn to the cultivation of olives, which could draw on much deeper water than could field crops. The Athenians rebuilt their economy around the export of olive oil, which further challenged them to build a merchant marine organization to transport it, a mining industry to create the coin to pay for

goods and a pottery industry to build the amphorae to contain the oil.

A less serious example is the contemporary television sitcom that grew out of the original *I Love Lucy* show. Lucy and Desi didn't want to live in New York City, where all the TV comedies were filmed and broadcast to relay stations. Instead, they decided to shoot the show on 35mm film in Los Angeles and distribute the show like movies through CBS affiliates. Their response not only worked, it changed network distribution patterns and created the possibility of TV reruns, because the movie film kept its quality much longer than did the then-current kinescopes.

Dr. Bridges makes it clear that the competition is not worth thinking about. Competition is only of critical importance when the *game* is not changing very significantly. When an industry is going through a profound transformation, competition blinds people to the real challenge, which is *capitalizing on that change*. Competing for market share in today's markets is too much like fighting for deck chairs on the *Titanic*.

An airlines executive recently commented that he wasn't worried about competition from other airlines. His real problem, he said, came from the emerging possibilities of teleconferencing and the potential for reduced business travel. Telecommunications companies, not other airlines, were the real threat. Having identified the real challenge, he needed a creative response.

We see similar examples in the healthcare industry. Free-standing surgery centers, specialty hospitals, preventative care and alternative medicine threaten the traditional way of delivering medical services. Stem cell research, the developments associated with DNA and other revolutionary changes will challenge the portfolio of services offered by a hospital. The movement from defined benefits to defined contributions will shift our definition of our primary customer.

Responding to the challenges in the total industry environment is the key to success. Most strategic planning is superficial by comparison because it concentrates only on getting a bigger slice of the existing pie—a pie that is not likely to be around much longer.

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