FYA
For Your Advantage™
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An Essential Tool for Healthcare Leaders

From TrendLeader Connections

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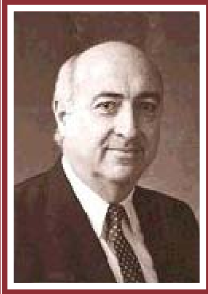


S. Harvey Price is editor of *For Your Advantage*. A health care industry strategist based in Boca Raton, Fla., Mr. Price has worked as an independent consultant since 1971. His clients are community hospitals, hospital systems and major corporations.

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.

TrendLeader Connections
406-586-8775
www.ForYourAdvantage.com

Change the Concept of Work from Service to Theater

By Fred Lee

Everyone expects Disney to regard entertainment work as theater. After all, they are in the entertainment business. They are trying to create an escape from reality. When guests enter the world of Disney, they enter a make-believe world of fantasy and fun.

But a hospital is about as real as life can get and as far from most people's fantasy of fun as anyone can imagine. Here, where patients are hurting, sad, anxious and depressed, entertainment is not what they are looking for.

Would Disney really define work as theater if they ran your hospital?

Absolutely. And here's why: Disney World is not a service; it's an experience. So are movies and plays. Hospitalization is not a service either; it's an experience. Disney World provides a stage to facilitate the experience of fun. Hospitalization provides a stage to facilitate the experience of healing. For both Disney and hospitals, it is more accurate to describe their business as providing a transforming dramatic experience than delivering a service. Not all drama is meant to be fun. But all successful drama is a transforming experience.

Using the word "service" to describe hospital work has never felt quite right, especially to bedside caregivers. Improving patient care by calling it service excellence may have been the best we could come up with in the last two decades, but it misses something that is hard to put your finger on until you understand Disney's business model, which focuses on how to improve the guest's experience instead of how to provide better service. In fact I have found that the best way to revitalize many stalled service-excellence initiatives in hospitals is to make this shift in emphasis from the caregiver's service to the patient's experience. Just changing the language of service and courtesy to one that highlights experience and theater is refreshing and often energizing.

We need to shift the service-excellence paradigm.

Hospital work is theater whether we call it that or not. In this context the word "theater" is not a metaphor. Scores of management metaphors abound – soaring with eagles, leading like geese, flying with the buffalo, herding cats, swimming with sharks, dancing with elephants, training whales, moving with the cheese – to name a few. But even though each of these spotlights a particular aspect of leadership, none is a comprehensive model. Hospital work is not like theater; it is theater. It is a business model, every bit as differentiated from services as services are differentiated from goods.

For a comprehensive analysis of and detailed process for applying the power of the theater business model in the latest evolution to gain and keep customers, read *The Experience Economy* by B. Joseph Pine II and James H. Gilmore. They describe four ascending levels of economic offering: commodities, goods, services and experiences. With each offering, value and profits increase exponentially.

(Continued...)

Change the Concept of Work from Service to Theater (Continued...)

Take coffee for example. As a commodity, it goes for about two cents a cup. Packaging it and selling it as goods, jumps the price to 20 cents a cup. Sell it as a service in a coffee shop, and it's worth about a dollar. However, include that cup of coffee as part of an experience staged with all the ambience of an exclusive restaurant or the stimulation of a bookstore that encourages you to "have a cup of coffee with your favorite author," and consumers will gladly pay $2 to $5. As the authors state:

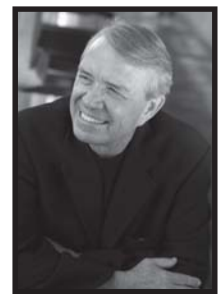
> Experiences are a fourth economic offering, as distinct from services as services are from goods, but one that has until now gone largely unrecognized. Experiences have always been around, but consumers, businesses and economists lumped them into the service sector along with such uneventful activities as dry cleaning, auto repair, wholesale distribution and telephone access...
>
> But this doesn't mean that experiences rely exclusively on entertainment; entertainment is only one aspect of an experience. Rather, companies stage an experience whenever they engage customers, connecting with them in a personal, memorable way.
>
> While commodities are fungible, goods tangible and services intangible, experiences are memorable...
>
> All prior economic offerings remain at arms-length, outside the buyer, while experiences are inherently personal. They actually occur within any individual who has been engaged on an emotional, physical, intellectual or even spiritual level. The result? No two people can have the same experience – period. Each experience derives from the interaction between the staged event and the individual's prior state of mind and being.

Can there be any question where a hospital fits along this continuum? To paraphrase the authors' definition: Hospitals are providing experiences that engage patients on an emotional, physical, intellectual, and, yes, spiritual level, whether the patients frame it as such in their minds or not. Hospital guests do not talk about the services they received. They talk about the experiences they had. Poor service is the surest way to turn a service into a bad experience, remembered and talked about for years.

When hospital personnel view their work as engaging the patient in a memorable experience, instead of just trying to give "excellent service," the shift is one of substance, a true paradigm shift. And no business provides better proof of the value of this shift than Disney, where, according to Pine and Gilmore, the idea originated and is now being emulated by bookstores (Barnes and Noble, Borders), airlines (Southwest), restaurants (Chucky Cheese, McDonald's), car dealers (Saturn, Lexus), and retail stores (Brookstone, Sharper Image) and a host of other businesses.

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.

You can contact Fred at
FredLee@patientloyalty.com



About

PHNS is an innovative healthcare services company providing strategic outsourcing services in information technology, health information management and receivables management to over 400 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.

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E-Prescribing

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

We've all heard lots of very persuasive arguments in favor of e-prescribing instead of our current handwritten prescriptions, including the following (according to the Institute of Medicine and a commentary in *The Wall Street Journal*):

- Americans average one medication mistake for every day spent in the hospital, or more than 1.5 million mistakes and related injuries per year;
- Medication errors kill at least 7,000 Americans per year; and
- Over one-third of the more than three billion prescriptions written every year in the U.S require clarification and follow-up between the physicians and the pharmacies.

However, handwritten prescriptions continue their stranglehold on our healthcare system, with an estimated 95 percent of all prescriptions being transmitted on handwritten, often illegible prescriptions. According to a 2007 survey, only about seven percent of physicians said that they transmit prescriptions electronically and 63 percent said that implementing e-prescriptions was not a priority, even though 85 percent of the physicians polled said that they think e-prescribing is a good idea and 81 percent said that e-prescribing would reduce medication errors. E-prescribing also has long been favored by organizations such as The Leapfrog Group, which tries to use the collective leverage of its large corporate employers and public agencies to initiate breakthrough improvements in the safety, quality and affordability of healthcare for Americans. Another example is an initiative led by Chrysler, General Motors and Ford that encourages doctors to write e-prescriptions in the Detroit area, which has thus far resulted in over one million prescription alerts that have saved lives, money and unnecessary hospitalizations.

Why so much talk and so little action on something that most agree would improve quality, reduce errors and save lives? Not surprisingly, it's about money (i.e., who'll pay for the new e-prescribing technology), and doctors don't believe it's reasonable to have them bear the sole cost of acquiring and implementing e-prescribing, and neither do the hospitals and insurers. It's also about convincing doctors to change the way they order prescriptions (i.e., requiring them to learn to use computers or PDAs, which may initially slow them down rather than speed them up), but that may be more manageable, since I believe most doctors will agree to do the right thing when patient quality and errors are involved.

So, if the healthcare industry won't move on its own with this very important technology improvement, maybe it's time for the government to act according to two well-known political leaders from opposite sides of the aisle – John Kerry and Newt Gingrich. In a strong commentary in *The Wall Street Journal*, Senator Kerry and former Speaker of the House Gingrich suggest that government take the following actions to force e-prescribing:

- Initially, offer bonus payments to Medicare doctors who prescribe electronically; and
- Eventually, require all doctors who do business with Medicare to convert to e-prescribing.

According to a Department of Health and Human Services estimate, Senator Kerry and Speaker Gingrich say that if only 18 percent of doctors in Medicare adopt e-prescribing it would save the government about $4 billion and would prevent three million adverse drug events over five years. These leaders make a persuasive argument for e-prescribing:

"While we continue to debate how to cover the uninsured, improve quality, and lower costs, there is too little being done to modernize healthcare. E-prescribing for Medicare is just the beginning of the modernization and digitization our ailing health-care system urgently needs."

I'm persuaded – are you?

I would like to hear your comments. Send them to:
Richard.Kneipper@phns.com

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."

Outsider Wants to Fix Healthcare

Andy Grove co-founded Intel. He went on to become one of the most important technologists of the modern age. Now he wants to fix the U.S. healthcare system. He began touring the country last year giving lectures on his solutions.

Grove became interested in healthcare in the '90s after surviving prostate cancer. More recently, he was diagnosed with a mild form of Parkinson's disease. He believes the healthcare problem must be divided into sub-problems that can be solved separately. Tackling healthcare as a whole won't happen without a cataclysmic event (think New Deal Grove says in his lectures).

Grove breaks the problem of healthcare into three segments. First: Keep elderly people at home as long as possible (an idea he calls "shift left"). Use high-tech gadgets to help them remember to take their medicine and monitor their health. In one year, if a quarter of the people now living in nursing homes went home, it would save more than $12 billion, Grove says.

Second, Grove advocates addressing the uninsured by building more "retail clinics" – basic healthcare centers in drugstores and other outlets that can take care of problems that are presently, and expensively, addressed in emergency rooms.

Lastly, unify medical records using the internet. In his vision, every patient carries a USB drive containing his or her medical records, which any doctor can download.

A while back he was interviewed by Kristen Philipkoski for *WIRED* magazine. In the interview he explained his ideas.

WIRED: Can you describe your "shift left" idea?

Grove: The direction left comes from a chart – left is less expensive and right is a departure from home living. A portion of the population doesn't need expensive care-keeping. An older person who is disabled can stay at home for a number of years before he or she needs the expensive right-side-upper-level care by making changes to the home. Technology can unobtrusively watch that you are adhering to your medications, take your readings and call for help when it is needed, or alarms are set off depending on what it finds. This can approach the quality of a good nursing home at an expense that should not be more than a cable TV subscription.

WIRED: You described retail clinics as a disruptive technology that could be the answer to the emergency room problem. Can you explain?

Grove: There is an incredible need of medical help for the 70 percent or 80 percent of medical care that is routine ... where the diagnosis is straightforward and treatment is basically codified. They are conveniently located to where people live or shop or show up for emergency care. And by concentrating on effective delivery of standard care, they can do it conveniently but also much less expensively than doing the standard production. That's the complex manufacturing logic – this inflames doctors when I describe it that way, but it's exactly what I'm talking about. You wouldn't think about building a toy on the same production line as putting up airplanes. The factories will be different and the cost structure will be different.

WIRED: Will reliance on retail clinics increase the chance of incorrect diagnosis and generally result in lower-quality care?

Grove: You have to ask: as compared to what? The current system has 50 million people who have no insurance and, therefore, no primary care provider or clinician at their disposal. Relative to what those people experience, the risk is greatly reduced. Relative to going to the Mayo Clinic or the Cleveland Clinic or University of California at San Francisco, it's obviously riskier.

WIRED: It recently took about two hours to get my mother admitted to a hospital in Pennsylvania, because every person we spoke to asked the same questions over and over. Why are hospitals still having such a hard time with unified health records?

Grove: In the cardiology department, one of the doctors says: "Let's use this." A year later the internal medicine department buys a different healthcare package. Five years later, another hospital is less likely to have the same technology as your hospital.

So I'm proposing to embrace the basic unwashed Internet, which has developed over 30 to 40 years. Use the capital of the normal Internet as the default standard, just like e-mail goes from one organization to another because it uses the Internet standards. The theme is to keep it simple.