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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.

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EDs-Time to Innovate

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

Emergency departments ("EDs") are under increasing pressures since the number of ED visits is rising significantly faster than population growth, according to recent findings by the Center for Studying Health System Changes ("HSC"). The HSC study found that during the past decade the number of ED visits nationally rose 26 percent (from 90 million to 114 million in 2003), much faster than the 11 percent growth in the U.S. population during the same period.

The study also found that since 2001 ED visits by Medicaid patients increased 23 percent while privately insured ED visits decreased 5 percent. And, not surprisingly, it found that the rate of non-urgent or semi-urgent ED visits for Medicaid patients rose from 20 to 30 per 100 visits from 1997 to 2003. That proves what hospital CEOs have known for a long time, Emergency Departments, their most costly medical treatment service alternative, are increasingly being used to provide primary and non-urgent care to Medicaid and uninsured patients.

Even more disturbing is a recent report by the American College of Emergency Physicians that gave a C- grade to the emergency medicine system in the U.S., with more than 80% of states getting poor or near-failing grades (C+ to D).

Congress bears some of the blame for this increasing problem since its Emergency Medical Treatment and Labor Act ("EMTALA") requires all general hospitals to provide emergency care to all patients regardless of ability to pay. In 12 communities studied HSC found that access to primary care providers was increasingly inadequate, especially for Medicaid enrollees and the uninsured, and that primary care physicians routinely refer Medicaid and uninsured patients to EDs for non-urgent care. Yet Congress has not provided adequate funding to the safety-net hospitals that bear the ever-increasing volumes of indigent EMTALA care in their EDs. Instead Congress continues to rely on archaic and little-understood funding mechanisms such as disproportionate-share ("DSH") reimbursement that ends up with those hospitals unfairly bearing a larger and larger share of the costs of indigent care, much of which shouldn't be provided in their high cost EDs. And many states use the float off of federal DSH monies to fund their general budgets.

Isn't it time for Congress to redo DSH to provide compensation directly to the hospitals that are providing the uncompensated care that EMTALA requires?

Another finding of the HSC study is that EDs have increasingly become the primary care provider for mental health patients. This is because public mental health services have been severely cut back because of state and federal budget distress. Since public mental health systems' ability to care for people with chronic mental illnesses is "in serious decline and disarray", those people often look to EDs for care. EDs are the most costly vehicle to provide that care, and EDs often aren't staffed to deal with mental illnesses. Isn't it time for Congress and our state governments to allocate proper funding for these chronic mental illness patients instead of pushing them off to hospital EDs?

Isn't it time to creatively rethink some of these burdens being placed on our hospital ED infrastructure?

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



Competition Is a Lose/Lose

By Fred Lee

Many years ago, on a plane from Kansas City to Los Angeles, I was impressed by the outstanding personality and graciousness of a flight attendant. When I got a chance, I said to her, "You're terrific. I was impressed by the way you handled that woman who was so upset."

The flight attendant thanked me and a few minutes later came back with a little compliment card with her name carefully filled in on one of the blanks. "That was such a nice thing you said about me," she said. "Would you mind putting your remarks on this card? If I get enough cards, I might win a vacation to Hawaii."

I filled out the card, but as I did so, something didn't feel right. The kindness I had witnessed seemed tarnished. As I looked at the card, I began to doubt the sincerity of her actions. I didn't like the cynical thoughts this card aroused, but I couldn't help it. In analyzing what had just happened from a psychological point of view, I envisioned a possible chain reaction of unintended consequences that could easily outweigh any gains (if indeed there were any gains worth getting) from an individual competitive-reward system designed to improve customer service.

1. Somebody in management knows you can get more of a desired behavior if you offer a reward or monetary incentive.
2. Somebody in management also believes that people will outdo themselves and go the extra mile if you make rewards competitive.

3. Employees who are truly talented at reading and handling the emotional reactions of their customers and teammates will automatically know that participating in the reward system will breed cynicism and rivalry between team members and might even render suspect the moment of kindness in the customer's eyes. Consequently the best relators will probably not hand out the cards.
4. In the end the people who turn in the cards and win the reward will be resented, not admired. This will diminish the spirit of great teamwork in which they respect each other and pitch in to help each other succeed.
5. The manager will not likely see the unintended negative consequences because he or she will notice only the many cards that were turned in, thus validating the "effectiveness" of the reward system.
6. The winners may actually be the least sensitive people on the team, but their cards will earn them special praise and recognition.
7. The insensitive person who has won the prize and alienated her coworkers is now seen as outperforming her peers and will eventually be promoted into management.
8. Since it worked for her, and since her competitiveness was rewarded, she will manage in the same way, and the cycle of trying to motivate people with competitive rewards will be perpetuated, as it is in many organizations.

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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.

Competition Is a Lose/Lose (Continued...)

Any manager considering a reward system designed to motivate people to give better service needs to examine these eight potential outcomes and consider the long-range consequences of shifting the employee's focus from intrinsic values to extrinsic rewards-and from cooperation to competition. This is not a minor shift. It is a shift that has dramatic consequences, mostly negative, on corporate cultures. It underscores the authority of those who dispense the rewards and tell people what to do, reinforcing a culture of compliance and hierarchy. It is certainly not compatible with transformational leadership or servant leadership models that are proving their value in today's companies.

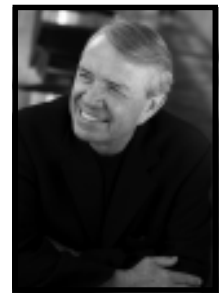
Business practices are often years behind business thinking. Organizational inertia and long-standing practices are hard to break, even when everybody believes the old system is not very effective. Stephen Covey's book, *Seven Habits of Highly Effective People*, has been a best-seller since 1990. In fact it has been reported that no nonfiction book has ever sold so many copies in so short a time as this book. Added to the hundreds of companies that have participated in Covey's leadership seminars, listened to his tapes, and underlined his manuals, you would think individual competitive rewards like pay for performance, merit pay, employee of the month, and a host of other practices would be virtually gone by now. In *Seven Habits* he chastises managers who are "trying to get the fruits of cooperation from a paradigm of competition."

Covey's model has three human developmental stages: (1) dependence, (2) independence, and (3) interdependence. Stage three is the most mature stage and represents the real world after our education. Schoolchildren and young adults compete for grades and establish their independence by showing what they have learned independently. But as soon as an adult enters the mature world of marriage, family, and work, he enters an interdependent reality. The competitive activities whereby people learn and establish their individual competencies and independence no longer work as they used to and are actually a hindrance to success in an interdependent reality. As Covey says, "The moment you step from independence to interdependence in any capacity, you step into a leadership role."

Leaders are people who work with others to create a win-win environment at home and at work. However, according to Covey and other experts on corporate culture, "The spirit of Win/Win cannot survive in an environment of competition and contests."

It is generally believed that salespeople are a unique breed: highly competitive and driven by the desire to be number one and beat out their peers for a trip to Bermuda or some other grand prize. According to conventional wisdom, sales organizations have to use contests to motivate and get the maximum production from its sales force. Covey cites several examples that dramatically disprove that notion, in which sales companies have far exceeded all their previous sales records when rewards were based on teamwork instead of individual competition and most salespeople felt like winners instead of only a few.

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."

BOOK CONNECTIONS: *DECENCY*

By S. Harvey Price

A note: This is not an entirely objective book review. Chuck Lauer has been a friend for the past 22 years. I have admired his communications skills. I have respected his enthusiasm for the healthcare industry. I have enjoyed hearing about his family. (Ask him how he met his wife Maggie.) I have admired his ability to remember people and the details of their lives. I like listening to and reading his stories about people. They are affectionate, and they always lead to a lesson to be learned. But most of all, I appreciate his decency. It is only fitting that this be the title of his latest book.

You know what to expect. You experienced it in his two previous books, *Soar with the Eagles* and *Reach for the Stars*. And you have a chance to read his "letters" every week in *Modern Healthcare* magazine. Chuck Lauer, publisher of the magazine for more than 25 years, and now publishing and editorial director, tells inspiring stories.

Sometimes the stories inspire you to be a better member of a team. Sometimes they ask you to dress more professionally. And sometimes they advise you on writing better e-mails.

There are many stories that are stirring examples of customer service.

He writes about leaders and leadership and along the way offers advice to the next generation of leaders.

Chuck is a successful salesman for his weekly magazine. He writes about his successes, and those of others, in connecting with customers.

He has stories to tell and advice to give to his beloved healthcare industry. He wants patients to experience the best service along with the compassion they deserve.

A tear will come to your eye when you read his salute to Sister Irene Kraus shortly after her death.

And you will be fascinated by the many vignettes of leaders "who espouse management tenets that are a little out of the ordinary and reveal empathy and sensitivity, traits missing in many leaders."

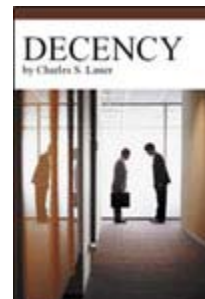
Chuck's decency comes through when he writes about ethics, integrity, trust and values. His enthusiasm is infectious when he writes about personal growth- "don't let others set your agenda."


And finally Chuck tugs at your heart when he writes about his losing a beloved dog and a friend losing a son. He speaks for all grandparents when he writes a letter to his new granddaughter and later to his new grandson.

It's all here in his new book. Although the book consists of two or three page topics; and therefore can be read a little at a time. Beware. The book is infectious. You'll be tempted to read the book in one or two sittings.

Thank you, Chuck, for inspiring us to the highest calling of our industry.

You can order copies of his new book, "*DECENCY*," by going to www.ChuckLauer.com or www.SecondRiverHealthcare.com or by calling the publisher, Second River Healthcare Press, at (406) 586-8775.





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.