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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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How Your Hospital Can Deliver an Exceptional Patient Experience

By John W. Kenagy, MD, MPA, Director, Kenagy & Associates

For *For Your Advantage* columnist Fred Lee knows all about providing a great patient experience. His book, *If Disney Ran Your Hospital*, was named the 2005 Book of the Year by the ACHE for good reason – it delivers a powerful message that focuses on how your hospital can make a difference in healthcare, like Disney has made in entertainment.

For example, Fred's last *FYA* column January 12, 2008, focused on the importance of changing the focus of your organization from providing patient *service* to delivering an exceptional patient *experience*. It is a great column and deserves your review.

Fred's focus on developing a Disney-like culture of excellence at the point-of-care fits my experience and discoveries as a patient, physician, hospital executive and Visiting Scholar at Harvard Business School. At Harvard, I researched great organizations that excelled in complex, unpredictable environments. In particular, for two years I brought Toyota experts to healthcare to study how their management methods, not process improvement, could create a culture of excellence at the point of care.

Disney and Toyota, entertainment and manufacturing, what can your hospital learn from the best in two such different industries? According to Fred, if Disney ran your hospital, you would drop the word "service" and start talking about the patient "experience." As he said in last month's *FYA*,

"Using the word 'service' to describe hospital work has never felt quite right. 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... 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."

The connection to Toyota becomes obvious when you understand their business model; their focus is not "Lean" or great process improvement, but rather to develop people to meet each individual

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How Your Hospital Can Deliver an Exceptional Patient Experience (Continued...)

customer's needs ideally. Toyota leadership says, "customer first" in everything; and then they make "customer first" real for every employee by managing their work very differently from their competitor's more traditional production methods.

For one example, Toyota does not seek to generate economies of scale by making batches of cars. Unlike their competitors, its never "10 red Camrys in a row," but a different color, model, even a completely different car, every time a worker has a new vehicle arrive at his or her station. Therefore, every employee's work affirms they are making this car for a specific customer and responsible to flexibly change their work to meet this customer's needs ideally. Toyota does not mandate "make great Camry's," but rather manages the frontline so that 4,000 employees are enabled to provide each customer the experience of receiving his or her car, exactly as ordered, defect-free.

We use Adaptive Design[®] to translate these Toyota management principles to healthcare. For example, we create an operational framework that fosters high performance by making an exceptional patient experience every person's job, every day. The focus is not more projects, initiatives, consultants, in-services, mandated scripts or more best practices, but instead managing people to create the capability and flexibility to respond when needed

to meet patient needs ideally.

The secret is to manage like Toyota and make customizing each individual patient's experience every person's job, everyday. Results always follow because units led by managers trained in Adaptive Design excel at delivering an exceptional patient experience. For example, Jane Braaten and Dorothy Bellhouse (another *FYA* columnist), publishing in *Nursing Economic*, volume 25:3, May 2007, described how an Adaptive Design cardiac unit achieved and sustained a "world-class" patient experience for years. On a larger scale, we are currently assisting a large health system ensure each of their hospitals develop the *managerial capability* to deliver an exceptional patient experience every day as part of each employee's regular work.

They and many others have made the paradigm shift from service quality projects and mandates to patient experience performance as part of everyday work. So can you. For questions or inquiries, contact me at jkenagy@kenagyassociates.com. It's not rocket science; it's, like Disney and Toyota, just different.

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About



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Another Reader Response to "Best or Worst?!"

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

Consider the following very articulate response to my 1/22/08 FYA "Best or Worst?!" commentary (regarding a recent study that ranked the U.S. "worst" among 19 leading industrialized nations on preventable deaths) and a 2/4/08 FYA reader response:

I need to respond to Rick Kneipper's comment on Mr. Babcock's "very thoughtful" response in Mr. Kneipper's 1/22/08 "Best or Worst?!" FYA column. While Mr. Babcock's response is indeed "thoughtful" regarding lack of access to care being a major issue with U.S. healthcare quality statistics, his letter suggests a standard, widely held naivete regarding the complex issues feeding America's dismal statistics on recognized world health statistics. And his question "Do our providers do a terrible job compared to the rest of the world?" is too narrow. Of course, U.S. providers are among the best, if not *the* best in the world, and they do a great job – in spite of the monstrosity of the complex healthcare system that is an active deterrent to their being able to see their excellent efforts generate the results we should be seeing in U.S. healthcare statistics.

The Institute of Medicine (IOM) long ago identified the quality/cost problems of U.S. healthcare as rooted in four factors: "Overuse, underuse, misuse and waste." Mr. Babcock addresses only one of these issues: underuse, i.e., lack of access to care. In fact this same IOM almost 10 years ago demonstrated that nearly 100,000 people in hospitals alone die from medical errors, which fit into the categories of "overuse, misuse and waste." It is vitally important for leaders to understand that not only underuse, but overuse, misuse and waste are at this moment actively feeding U.S. healthcare preventable death, and so many other health statistics. Boston's Institute for Healthcare Improvement (IHI) is now engaged in a commendable "5 million lives" campaign, implying that this number of lives can be saved in the U.S. in the near future *if we simply apply known methodologies in addressing preventable deaths*. Assuming the success of IHI's campaign, this means that in the future five million potentially preventable deaths will not contribute negatively to future U.S. public health statistics. I certainly agree with Mr. Babcock that underuse is a contributing factor to the comparatively dismal U.S. statistics on preventable deaths, but it is disturbing that healthcare leaders as of 2008 remain so apparently oblivious of the harm being inflicted on US patients via "overuse, misuse and waste," and their very real contribution to our U.S. health statistics. No other country has so complex and technology-intensive healthcare system as the U.S., and the

wonderful caregivers within this system achieve medical miracles daily. But it remains vitally important not only for us to increase access for those now excluded from proper, preventive healthcare, as Mr. Babcock properly suggests, but also for more leaders like him to understand that we must fundamentally redesign our healthcare services such that they

- safety above all
- appropriate, evidence-base care for all
- elimination of excessive and inappropriate care via widespread deployment of such tools as practice guidelines, especially in the treatment of chronic illnesses
- far greater efficiency, via the redesign of care processes

The key to improving U.S. health statistics lies in eliminating unnecessary harm and deaths due to all four factors of "overuse, underuse, misuse and waste." We will gain much by increasing access to care and a far greater emphasis on preventive care, as opposed to our current focus on "disease care," at which the U.S. excels. But our numbers will continue to lag until we aggressively and successfully deal also with "overuse, misuse and waste." It is high time for healthcare leaders in the U.S. to stop congratulating themselves on how great U.S. healthcare CAN be for those who have access, and get down to the far more challenging task of fundamentally redesigning how we are delivering services to those with access, such that we can achieve at some future date the multiple goals of access, safety, superb clinical and experiential outcomes and cost effectiveness. Our providers are already great. Leaders owe it to them and their patients to design delivery systems that are worthy of both their efforts and the needs of those patients and communities they serve.

Martin D. Merry, MD

Sanbornton, New Hampshire

Dr. Merry is a clinician, educator and medical organization improvement consultant. He is also associate clinical professor of health management and policy at the University of New Hampshire.

Dr. Merry's views make great sense to me – what are your views?

I would like to hear your comments.

Send them to:

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Consumerism Will Shake Up Healthcare

Industry observers have long predicted that healthcare "consumerism" will take hold across the country, but only with an influx of technology have such predictions gained any traction.

Consumerism is generally defined as giving patients better tools and information to make informed decisions on how their healthcare dollars are spent. It includes consumer-driven health plans (CDHPs), health savings accounts, health retirement accounts, "pay for performance" plans or any portal that allows the free flow of healthcare information to consumers.

"Consumerism will dramatically realign traditional relationships between hospitals and physicians, providers and payors, and providers and employers," says Bill Hannah, a principal in KPMG's Advisory Services practice in Atlanta.

"Traditionally, hospitals were where physicians practiced and the physician was in control of where their patients came to see them. With consumerism, the patient has the ability to compare quality data, and choose a different hospital if they decide to."

Historically, there has been little benefit for patients to shop for their healthcare, as employers and insurers picked up the tab. But employers are pushing back, and their employees are faced with reduced coverage, forcing them to pay more of the bill.

"Employers are shifting more of that first-dollar coverage to employees, making them more responsible for cost of care," Hannah says. "And part of the employer's role will be to better support their decisions by providing the tools they need to make better informed decisions."

In a survey of 2,000 adults conducted by the Regence Group, a Blue Cross/Blue Shield-affiliated health insurer in the Northwest, 70 percent said they are seeking out information such as price and quality for medical services. Almost half said they would be "very likely" to compare provider quality, seek out information from reputable medical sources and to rely on the reputation of the service provider.

According to KPMG, many are saying that consumerism represents a move toward the idea that healthcare is simply another market like any other.

"Consumers are going to make [healthcare] decisions based on what they know and about what they need, just like other things in their lives," said Roy Schoenberg, CEO, American Well Systems, a healthcare technology company focused on consumerism.

"If you look at other industries and see why they have successful business models, it's because they all provide a selling

venue," he said. "Imagine the travel site Expedia having a venue where all a traveler is able to do is gather information on a flight, but they were unable to make a purchase – that's where healthcare is today."

American Well Systems is launching a service that will allow members to log on to a network of physicians available online to diagnose patients via Webcams. Not only does this provide an informational model, Schoenberg said, but a venue where healthcare is being purchased. Patients can purchase several levels of membership based on frequency of their "visits."

Health insurer Humana is offering "Virtual Me," which gives consumers a venue to take control of their health behaviors. The online product resembles a personal health record; patients can upload their healthcare information and plot health outcomes.

"This product can show costs, personal appearances and long-term benefits or consequences to health-related choices," stated Grant Harrison, a Humana vice-president. "It gives consumers an opportunity to track their choices and foresee where they will be in years to come."

But with all these new initiatives and information available, there are responsibilities on how this information is presented to the consumer. "The information, both written and verbal, must be in a way that consumers are able to understand their options, navigate the complex healthcare system and be able to act on that information by making good decisions about their health," says KPMG's Hannah. "That information must not only be available, but it has to be comprehensible."

About

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