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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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Problems or Errors: What Makes the Biggest Difference in Health Care?

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

In the 2003 issue of *California Management Review*, two researchers and colleagues from the Harvard Business School, Anita L. Tucker, at the time a doctoral candidate, and Amy C. Edmondson, an associate professor of business administration, published their findings from an exhaustive observational study of nurses in nine different hospitals. Their objective was to better understand the root cause of failures in the clinical setting. At the time, I was a Visiting Scholar at Harvard Business School and had a small part in the research by teaching them how to observe the point-of-care. What they learned from their observations was startling.

Following 239 hours of observation, they learned that failures fell into two main categories: *errors*, defined as the execution of a task that was either unnecessary or incorrectly carried out, and *problems*, defined as a disruption in the worker's ability to execute a prescribed task. The nurses made relatively few medical errors. But they encountered an enormous number of problems – many of these system-based – in the course of their everyday work. The majority of failures were problems resulting from the fact that workers did not have what they needed (supplies, equipment, information, a person, etc.) to accomplish an essential task or because something was in the way – interfering with the designated task that needed to be performed. In large measure, the failure was not the people, but the system.

Since 86 percent of the failures the researchers found were problems rather than errors, let's focus only on these. Tucker and Edmondson observed that nurses experience five broad categories of problems in performing their work. These were:

- Missing or incorrect information
- Missing or broken equipment
- Waiting for a (human or equipment) resource
- Missing or incorrect supplies
- Multiple and simultaneous demands on their time

My work with Adaptive Design confirms these problems are a hidden, but very big, issue for hospitals. In thousands of hours of observation of nurses, we find they spend about 43 percent of their time hunting, fetching, clarifying, and waiting, 24 percent in administrative activities, *e.g.*, charting and the grand total of 33 percent of their time in direct patient care.

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Problems or Errors: What Makes the Biggest Difference in Health Care? (Continued...)

This discovery creates a unique common interest in problems:

- What does the nurse want to do? Take care of patients.
- What does management want the nurse to do? Take care of patients.
- What does the patient want the nurse to do? Take care of patients.

So if we all want nurses to spend more time with patients and their need to continually solve problems gets in the way, why don't we just fix it? Therein lies the rub. Our systems are perfectly designed to encourage nurses to do the wrong type of problem solving. For example, how do we identify a "good nurse?" Here is a typical description:

"That Jane, she's the greatest nurse. She never bothers me, takes care of all those little problems and only let's me know about the big important ones."

But what does Jane actually do? Research on quality improvement has distinguished between two types of responses to problems – short-term remedies that "patch" problems and more thorough responses that seek to change underlying organizational routines to prevent recurrence. Short-term fixes are termed "first-order problem solving," while enduring, system-changing solutions are "second-order problem solving."

For example, what does Jane do when pillows are missing from her linen cart? In Tucker and Edmondson's research and our experience, the answer almost always is, "Get the patients what they need quickly," and that means slipping over to the next unit to get a pillow from their linen cart. In fact, we "empower" and encourage our staff to do first-order problem solving. "That Jane, she's the best nurse." The real problem is, without a change in the system that caused this pillow to be missing

today (second-order problem solving) that missing pillow will happen over and over again. And what about the pillow supply on the adjacent unit?

Our work with Adaptive Design makes second-order problem solving easy by providing the teaching, skills and tools for frontline staff to make systematic change a part of everyone's work every day. So instead of a culture of band-aid fixes, we create a culture so intolerant of mediocrity that everyone does second order problem solving as part of her or his regular work every day. If you would like more information on creating second-order problem solving in your hospital, please contact me at jkenagy@kenagyassociates.com. It makes a difference.

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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."

Scared Enough About the Economy?

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

The media is saturated with scary stories about how bad our U.S. economy is and what needs to be done to fix it. We've heard more than we ever wanted to know about the collapse of subprime loans and the effect on esoteric securities that most of us have never heard of such as auction rate securities, credit default swaps, CDOs (collateralized debt obligations), CMOs (collateralized mortgage obligations), CMBS (collateralized mortgage backed securities), ABS (asset backed securities) and SIVs (structured investment vehicles). Plus we're watching major financial firms write off tens of billions of dollars as a result of their forays into subprime loans and those esoterics; we're seeing U.S. automotive companies, airlines, real estate and other companies losing tons of money; and we're seeing bankruptcies of many companies in a variety of industries. Scary!

I just read a great analysis of these scary market conditions that concludes that the Fed's series of recent actions to "fix" the economy haven't worked because "while fundamental economic issues exist, this crisis has mostly to do with fear." "The bad news about crises which are more confidence-based than fundamental is they are rare, scary and more difficult to fix" according to this analysis, which is

contained in the April 2008 issue of *Perspective*, published by Wells Capital Management. However, it further states that the good news is that "all that is really required to end a crisis of confidence is for Wall Street to come to work and say, 'Gosh, I guess the king does have clothes!'"

To support these views, the analysis contains detailed charts that compare the number of "scare articles" (defined by a subset of scare words found in articles published monthly in *The Wall Street Journal*) compared to movements in the S&P 500 Composite Stock Price Index. Interestingly, that comparison shows that "Typically, when the media gets really scary...the stock market often bottoms," and the number of scare articles spiked in March to its highest level since at least 1983! The analysis concludes with the following positive opinion: "Both things are evident today and we think the news may finally be 'bad enough' to get the stock market rising again. It is always bleakest right before the storm is over!" Let's hope they're right.



I would like to hear your comments.
Send them to:
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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.

Hospitals Advertise To Lure Paying Patients

Bill Hendrick, writing in *The Atlanta Journal-Constitution* earlier this month, told this story: When dentist Augustine Berge heard an ad on his car radio for an inexpensive heart scan, he almost dropped his teeth.

The 54-year-old from suburban Atlanta had been worried about his heart because of high blood pressure and cholesterol levels, though not quite enough to see a specialist. But the Emory Healthcare ad touting a \$150 CT scan caught him by surprise and spurred him to action.

"It was cheap, so I figured, why not?"

Good thing. He made the call, got the scan and was told within minutes to see a cardiologist.

He's one of 2,278 from the Atlanta area who has responded to the Emory radio ad in the first two months it ran, 75 percent of whom made appointments. Like several hundred of them, Berge was told by doctors that he needed to see a specialist, hopefully at Emory, the Healthcare system concedes.

Experts say nonprofit hospitals are advertising more than ever.

Competition has become fierce for paying patients to keep the nonprofits afloat, said Dr. Greg Simone, chief executive of Marietta-based WellStar Health System.

"We have no choice but to advertise," he said. "To fund our mission, we have to be able to pay for everything from tongue depressors to salaries. We have to run a profitable business. Every dollar we make gets plowed back into community benefit."

Emory's ad campaign cost more money to run than it has brought in so far, but it raised awareness about its cardiology programs. And other big Atlanta hospitals have similar ideas.

They spend many thousands of dollars a year to promote everything from sleep, pain and eye clinics

to cancer, allergy and obstetrics centers to possessing the newest technologies, ranging from scanning and imaging devices to robots with arms that help doctors perform surgery.

In Atlanta, Northside Hospital, which delivers more babies than any other hospital in the nation, promotes obstetrics and gynecology. Saint Joseph's pushes "minimally invasive robotic procedures such as heart and partial knee replacements." Piedmont Hospital touts its new Piedmont Heart Institute with more than 50 cardiologists. And Gwinnett Medical Center promotes its proximity to 750,000 people.

Arthur Levin, director of the New York-based Center for Medical Consumers advocacy group, said hospital ads are exploding, though no one knows exactly how much is being spent because the figures are secret. Hospitals are spending on broadcast media, billboards, Web sites and newspapers and magazines.

He said health prices are rising at double-digit rates, which make it critical for hospitals to "scrape for all they can get."

Arthur Caplan, director of the Center for Bioethics at the University of Pennsylvania, said some hospital ads have gotten "outrageous" because of "the lucrateness" of certain types of treatment. "There's a tremendous amount of advertising to come in and get your stomach stapled," he said.

Bill Custer, director of the Center for Health Services Research at Georgia State University, said the ads are hospitals' reaction to their financial pressures. "Hospitals have to be nonprofits, but also take care of the uninsured or Medicaid patients," he said.

Rick Wade, senior vice president of the American Hospital Association, said hospitals would "like to junk their ad budgets" but can't, to stay competitive.