



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

The Line Between Coaching and Supervising

By Fred Lee

When I take a tennis lesson from my coach, Charlie O'Brian, I want criticism so much I am willing to pay for it. Imagine that: a subordinate asking – even paying – for criticism!

Calling the evaluation process in most organizations "coaching" is a misnomer. It may be a form of supervision, but it is not coaching. The true coaching experience happens when a subordinate wants constructive feedback and wants to learn so he or she can do a better job. However, when the evaluation session is forced on an employee so that pay can be adjusted according to how one compares to others in a competitive environment, the most helpful element of the coaching model is destroyed. Threats and bribes make us conform, but they do not make us receptive to criticism, even if we call it "constructive criticism." We get defensive. A defensive person is not open to learning. If every time my tennis coach tried to change part of my form I became resentful, argumentative and defensive, what learning would take place?

There are five questions to ask yourself.

By now the pay-for-individual-performance approach has been largely discredited as a de-motivational disaster, and stories about companies that have abolished it and achieved legendary results abound in the literature. It is not my intention to prove the case to a skeptic for removing competitive rewards as motivators. I am simply giving my conclusions on the matter with a few observations, especially the fact that Disney, my former employer, has not used the practice through all its years of growth and excellence.

To anyone who is still skeptical, just look inside yourself and answer these five questions:

1. If there was no bonus at stake, or if everyone got the same bonus for achieving collective goals, would your work deteriorate?
2. If your manager points out to you that you missed some of your goals, would you work any harder to improve if your manager docked your pay or your bonus?
3. If other people on your team were to get 100 percent of the bonus, but you didn't, would you feel motivated or de-motivated? Inspired to excel or depressed? Rewarded or punished?
4. If you were to get less than 100 percent of the raise that others got, would you feel more like helping out the whole team or competing with its individual members to prove yourself, even if it is at their expense?
5. Would you be likely to be more honest or less honest with your boss

(Continued...)

The Line Between Coaching and Supervising (Continued...)

about your performance and areas for improvement if there was a financial reward or punishment attached to the evaluation?

Probably the most thorough examination of this topic has been done by Alfie Kohn in two books: *Punished by Rewards* and *No Competition*. Kohn and his investigators have collected and examined all the research that can be found on the effectiveness of rewards and competition in various environments. The results are astonishingly congruent, given the passion of opposing sides on the subject.

For those readers who like sports analogies for work teams, and believe that this kind of thinking is contrary to the seemingly self-evident fact that competition is the essential force behind athletic success, keep in mind the difference between internal individual competition between team members, and a team's competition with other teams. John Wooden, arguably the greatest college basketball coach of all time, often said, "A player who makes a team great is more valuable than a great player." Although he coached some great individual stars like Kareem Abdul-Jabbar and Bill Walton, he placed higher value on their character and teamwork than on their individual skills, and showed he could win national championships with teams without superstars. He was the one who invented the now-common practice of insisting that any player who scores must acknowledge, with a nod or hand-signal, the player who set up the score with a good pass. His

basketball players also knew that he was more pleased in games where four or more players had scored in double digits than when one player got conspicuously more points than his teammates.

Better than sports analogies for work, are analogies with work as theater, orchestra or jazz group. The actors or musicians work every bit as hard as any sports team to achieve excellence, but there is no competition, no winners and losers and no prize other than the praise of the audience. These groups are so different from sports teams, we call them something else – ensembles. To succeed, an ensemble doesn't even need a leader as long as they all know the script or musical score. They may improvise and take turns starring in solo moments, but they never stray from the intentions of the script or the score. But it is in the rewards where they are the most different.

The only reward for an ensemble is not in beating another ensemble, or in winning a trophy, but in how they are perceived by the audience. When the audience applauds, they have their reward. And likewise, when our patients applaud, we have ours.

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.

Is Performance A New Healthcare Standard?

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

Is performance becoming a new standard for the delivery of healthcare services? Putting aside the interesting and disturbing question of why performance would be a new standard for a service business as important as healthcare, consider the following recent indications that healthcare is going to have to start meeting performance standards:

- Consider CMS' recent rule that denies payments under Medicare for the additional costs of treating hospital patients who acquire one of eight conditions during a hospital stay. This new performance standard thus eliminates the current practice of paying hospitals for treatments that involve medical errors and then again to fix their errors. When you put it that way, it sounds perfectly reasonable, although "the devil is in the detail" and since many of these conditions can be community acquired, the new rule will impose a very difficult and expensive burden on hospitals to screen for these conditions or risk non-payment. This rule becomes effective on October 1, 2007, as part of the inpatient prospective payment system under the Deficit Reduction Act of 2005. Quality experts say that this new rule will significantly reduce the odds that patients will acquire any of such conditions in hospitals and thus save patient lives,
- Also consider the IRS' proposed rules that would require not-for-profit hospitals to provide more public information regarding the medical care and other community benefits that such hospitals provide in exchange for their federal tax breaks. The IRS and an increasing number of commentators want evidence that the U.S. Government is getting a reasonable return on its huge investment in healthcare provided by not-for-profit hospitals. See my September 18, 2006, FYA commentary entitled "Not For vs. For Profit" about this highly controversial but serious issue.
- The increasing press for preventative instead of curative medicine also suggests a push for improved performance. According to U.S. Preventive

Medicine, the U.S. spends \$2.2 trillion on healthcare annually, yet only four percent of that amount is devoted to preventative medicine. See my January 3, 2006, FYA commentary entitled "Time To Increase Focus on Prevention?"

- Also consider the increasing importance of P4P (pay for performance) programs in improving quality and reducing costs in healthcare, thanks to a wide variety of advocates such as CMS, payers (such as United Healthcare), the National Quality Forum and physician groups (such as the American Medical Association). See my March 20, 2006, FYA commentary entitled "Are You Into P4P? If Not, Time to Innovate!"

Perhaps these separate initiatives indicate the start of a movement to add performance standards to the delivery of healthcare services in the U.S – and, if so, why isn't that a good thing and long overdue?!?!?



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."

Two Leading Candidates Have a Health Plan

The candidates for the White House are beginning to disclose their healthcare plans. No serious candidate can avoid the topic. That's politics. The two leading candidates for leadership of the Web, Google and Microsoft, are also working on their plans to improve the nation's healthcare. That's business.

Both companies are betting they can enable people to make smarter choices about their health habits and medical care by combining better Internet search tools, the vast resources of the Web and online personal health records

A *New York Times* reporter thought it was too soon to know whether either Google or Microsoft will make real headway. Healthcare, experts note, is a field where policy, regulation and entrenched interests tend to slow the pace of change – and technology companies have a history of losing patience.

Google and Microsoft recognize the obstacles, and they concede that changing healthcare will take time. But the companies see the potential in attracting a large audience for health-related advertising and services. And both companies bring formidable advantages to the consumer market for such technology.

Microsoft's software inhabits more than 90 percent of all personal computers, while Google is the default starting point for most health searches. And people are increasingly turning to their computers and the Web for health information and advice. A Harris poll, published in July, found that 52 percent of adults sometimes or frequently go to the Web for health information, up from 29 percent in 2001.

If the efforts of the two big companies gain momentum over time, that promises to accelerate a shift in power to consumers in healthcare, just as Internet technology has done in other industries.

Today, about 20 percent of the nation's patient population have computerized records – rather than paper ones – and the Bush administration has pushed the healthcare industry to speed up the switch to electronic formats. But these records still tend to be controlled by doctors, hospitals or insurers.

The Google and Microsoft initiatives would give much more control to individuals, a trend many health experts see as inevitable. "Patients will ultimately be the stewards of their own information," John D. Halamka, a doctor and the chief information officer of the Harvard Medical School, told the *Times*.

Already the Web is allowing people to take a more activist approach to health. According to the Harris survey, 58 percent

of people who look online for health information discussed what they found with their doctors in the last year.

Microsoft and Google are hoping this will lead people to seek more control over their own health records, using tools the companies will provide. Neither company will discuss their plans in detail. But Microsoft's consumer-oriented effort is scheduled to be announced this fall, while Google's has been delayed and will probably not be introduced until next year.

A prototype of Google Health, which the company has shown to health professionals and advisers, makes the consumer focus clear. The welcome page reads, "At Google, we feel patients should be in charge of their health information, and they should be able to grant their healthcare providers, family members, or whomever they choose, access to this information. Google Health was developed to meet this need."

A presentation of screen images from the prototype then has 17 other Web pages including a "health profile" for medications, conditions and allergies; a personalized "health guide" for suggested treatments, drug interactions and diet and exercise regimens; pages for receiving reminder messages to get prescription refills or visit a doctor; and directories of nearby doctors.

At Microsoft, the long-term goal is similarly ambitious. "It will take grand scale to solve these problems like the data storage, software and networking needed to handle vast amounts of personal health and medical information," said Steve Shihadeh, general manager of Microsoft's health solutions group. "So there are not many companies that can do this."

There are plenty of competitors these days in online health records and information from start-ups like Revolution Health, headed by AOL's founder, Stephen M. Case, and thriving profit-makers led by WebMD.

Specialized health search engines – notably Healthline – are gaining ground and adding partners. AOL recently began using Healthline for searches on its health pages, even though Google is a close partner.

Still, 58 percent of people seeking health information online begin with a general search engine, according to a recent Jupiter Research report, and Google dominates the field. "Google is the entry point for most health search, and that is a huge advantage," said Monique Levy, a Jupiter analyst.

It is the market reach and deep pockets that Google and Microsoft can bring to consumer health information that intrigues medical experts.