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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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More Time With Patients

By Dorothy (Dolly) Bellhouse, Director, Rule 4 Consulting

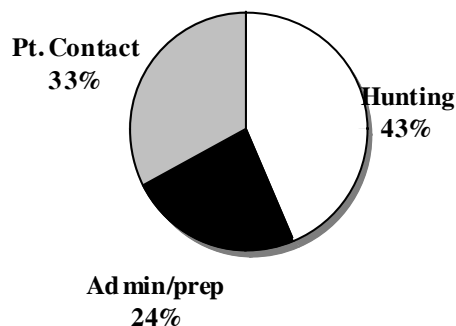
I recently saw a bumper sticker that read:

Better Care = Fewer Patients

I am not sure who sponsored this message. It could be someone supporting legislated nurse staffing ratios. Or a nurses' association making a case for lower nurse-to-patient ratios. Unfortunately, patients and families could interpret this message that the owner of the vehicle just wants fewer patients in their institution.

After briefly speculating the intent of the message, I began to question the message itself. In a hospital, would having fewer patients be better if nothing else changed? If nurses couldn't get medications when they needed them for patients? If aides were constantly searching for wheelchairs to discharge patients? If the way to get supplies when staff needed something for patients remained that they "steal" what was needed from another unit? Tucker and Edmondson, in their article¹, "*Why Hospitals Don't Learn From Failure*," describe these types of workarounds as first order problem solving. They go on to say that first order problem solving really hides the problems and so, the problems become part of the way the work happens – they become systematized.

How does a nurse spend her or his time? Hundreds of hours of observations have shown the following distribution:



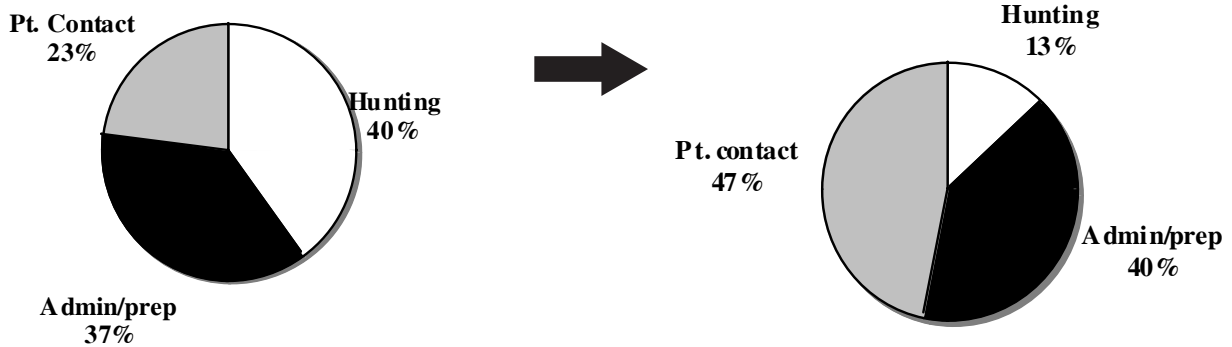
So in an eight-hour shift, a nurse spends about 2.5 hours with patients. Instead of fewer patients, shouldn't we get more time for patients?

A hospital in the Midwest sought to do just that. It focused on getting patients exactly what they needed, where and when they needed it. It solved problems when they were small - actually each time a patient did not get what she or he needed or each time staff did not have what it needed to get a patient what was needed. By keeping the problems as small as possible and closing the gap between problem

(Continued...)

¹ Tucker, A. L. & Edmondson, A. C. (2003). Why hospitals don't learn from failure, California Management Review, 45(2), 55-72.

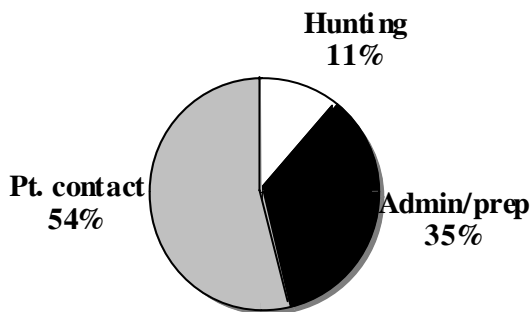
More Time With Patients (Continued...)



identification and problem solution, staff was able to learn while the information about the problem was fresh. For example, why couldn't nurse Kelly get the medication out of the Pyxis needed for the patient in 418 THIS morning? They kept repeating this scientific problem solving over and over and found that, in five months, they indeed got more time for patients – twice as much in fact. See pie charts above.

Importantly, the staff had learned how to improve its work as part of its work. That skill set enabled it to keep improving to make care more ideal for patients. The staff on this learning unit continued to identify workarounds as problems and was able to begin whittling away at the amount of time they spent in administrative tasks as well. It viewed any task that took staff away from patients as an opportunity to improve. In essence, staff began challenging the "way we do things around here" mindset.

The hospital's nurse to patient ratios did not change. However, within another nine months it increased the amount of time it spent with patients another 15 percent. Now more



than half of its shift was spent with patients.

It seems to me that maybe the bumper sticker should read:

More Time With Patients = Better Care
Shouldn't that be our focus?

Dolly Bellhouse has 25 years experience in healthcare management developing and utilizing financial, negotiation and general management skills. She recently became a Director of Rule 4 Consulting. Her Web site is www.rule4consulting.com.



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."

Reader Response

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

Reader Response: Please consider the following reader response to my last *FYA* commentary entitled "More Bad News About Healthcare" regarding escalating healthcare costs and the serious need for reform of our healthcare system (10/20/08):

"I appreciated your views in "More Bad News About Healthcare." Truly we need to increase value in our healthcare system both real and perceived. While I must agree that the healthcare system, as it is, is indeed broken, based on the events over the past month, I would have to say that our financial industry is also broken. The changes and proposed consolidation in the auto industry, in spite of 50 years of the quality movement, would indicate that it is also broken. And what I am seeing in the press indicates, that in a couple of months we may be reading where our national election system is broken. Perhaps a case can be made that the United States is broken.

The amazing thing is that the common thread of what is not identified as broken is our political system. I believe the brokenness of the healthcare system can be attributed to a broken government system that has and continues to say they want to fix what is broken while at the same time adding to the fundamental issues that have created this gigantic failure. To implement Medicare Part D before a method of paying for this expansion was identified and contributing to Proton Beam therapy centers at a cost \$125 million per unit

while complaining about the expanding cost of Medicare is beyond human understanding. It would take a god to understand such efforts. Mere mortals could only look upon this as insanity.

What is needed is a new leadership dynamic that can stand up to the political dysfunction to drive real change. It is time to talk about a private sector solution that will lead to real change and stop waiting on the government to change. Winston Churchill said, "You can always count on Americans to do the right thing - after they've tried everything else." We are still in the process of "everything else" in the U.S. healthcare system and have no idea how long this can go on before it is over, however I suspect it is between healthcare consuming somewhere between 20 percent – 100 percent of the GDP.

Thanks for the opportunity to share my thoughts."

Ed Gamache
Administrator/CEO
Deckerville Community Hospital
Deckerville, Michigan

Ed makes some very sound, and disturbing, points-what do you think?



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

The Direction of Healthcare

Expanding on the response to Richard Kneipper's column on page three is part of an edited commentary in a recent issue of The Economist magazine.

Tommy Thompson, a former secretary of health who made his name spearheading health and welfare reforms when he was governor of Wisconsin, is convinced that "2009 will be the biggest year for the transformation of healthcare." On the face of it, it seems a strange assertion, given the global financial mess that is sure to dominate the next president's first year.

After all, that financial panic shows obvious signs of spreading into the real economy, as the perilous state of Detroit's car manufacturers makes clear. But soaring health costs are one of the big factors that have brought those car firms to the brink in the first place. Detroit's automobile manufacturers claim they spend over \$1,500 per car on health costs, far more than is paid by foreign firms from countries with taxpayer-funded healthcare. So a coming recession may end up as a powerful impetus for healthcare reform.

Thanks to a pact made by big business and labor half a century ago, most Americans receive their health coverage through their employers. Government has encouraged this compact by not classing company-provided health coverage as a taxable benefit; people who buy their own, by contrast, have to do so with post-tax dollars. Economists criticize this tax concession, which is reckoned to cost the federal treasury over \$200 billion, for a variety of reasons: it favors the rich, discriminates against the self-employed and hinders labor mobility.

But companies are starting to rebel. Tax break or no tax break, increases in healthcare costs, which have long outpaced inflation, have meant that employers are spending ever greater amounts on providing coverage. Those costs have nearly

doubled this decade alone, and a new report by Towers Perrin, a benefits consultancy, forecasts they will surge by another six percent in 2009. This, companies argue, burdens them with unfair costs. "The price tag for this care makes many American goods and services relatively more expensive," complains the National Business Group on Health (NBGH), which represents many of the country's biggest employers.

Not everyone buys industry's arguments about rising healthcare costs imposing a competitive disadvantage on firms. Conventional economic theory maintains that firms should be indifferent to whether they pay employees cash wages or benefits. The two are seen as fungible, and are both tax deductible. So if the cost of health benefits rises, employers ought to be able simply to cut wages – or pass on those costs as higher prices to customers.

This theory is correct over the long term but falls apart in the short term, argues Len Nichols of the New America Foundation, a Washington, DC-based think-tank. In competitive global markets, firms usually cannot pass on healthcare costs as easily as price increases since rivals overseas do not pay nearly as much via taxes to support state health systems.

And many firms cannot simply slash wages to offset increases in healthcare costs. Employees guard their salaries more fiercely than other benefits and unions still have clout. Towers Perrin calculates that employers are, therefore, being forced to absorb about four-fifths of the increase in healthcare costs. Soaring health costs depress wages below where they would otherwise be, and make for a sicker, more disgruntled workforce and poor labor relations.

What, then, to do? Depending on which candidate wins the presidential election tomorrow, we may have a direction. Stay tuned.

About



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