



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.

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TrendLeader Connections
406-586-8775
www.ForYourAdvantage.com

Turning Up the Heat -

What's Hot and What's Not in Healthcare Innovation

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

This month's column completes a yearlong series focused on healthcare innovation. One of my favorite aphorisms is, "You can't navigate forward by looking at your wake." So our focus is not on what we have been doing, but rather what we need to do in the future - "What's Hot and What's Not Hot" in 2008 innovation. It's almost 2008, so let's look at what your hospital or health system can do to "stay hot" in the coming year.

Healthcare Innovation 2008

What's Hot	What's Not
Growing Return on Investment (ROI) from operations	Capital expenditures for new technology and facilities
Developing people and relationships	Developing IT systems
Purpose, trust and optimism	Power, compliance and competition
Local knowledge, ingenuity and innovation	Consultants and manufactured innovation
Transforming your culture	Fighting entrenched cultures
Multi-purpose hospitals	Specialty hospitals

The Hot List

Return on Investment – Hospitals have invested heavily in large Electronic Medical Record (EMR) systems. The problem is – although you won't hear it from the wonks, gurus or IT vendors – the EMR has not only failed to live up to its promise, it has added large fixed costs and dysfunctional inefficiencies. The Hot hospitals will not keep spending, but rather work differently. There are alternatives, for example, Rick Kneipper of PHNS, a regular contributor to FYA, has unique solutions to the EMR dilemma. You can make ROI "Hot," and spending more "Not."

Developing People and Relationships – So what's the alternative to more IT spending? The answer is tried and true; it's developing your people. You can't buy your way out of this problem. Success depends on increasing positive cash flows from operations – and that means developing people and relationships. The future is not another expensive "big fix;" it's developing the latent capacity in our wonderful workforce. For example, Ascension Health, the largest not-for-profit hospital system in America, has made developing people to focus on the patient experience management's primary focus. You can too.

(Continued...)

Turning Up the Heat (Continued...)

Purpose, Trust and Optimism – Developing people means shifting from a mechanistic concentration on power, compliance and control to challenging your people with purpose while building trust and optimism. Fred Lee, the best-selling author of *If Disney Ran Your Hospital, 9 1/2 Things You Would Do Differently* and another regular *FYA* columnist, has shown how hospitals can be like Disney and leverage purpose, trust and optimism directly to their bottom line. In my experience, the four essential, primary deliverables of every change must be high performance, innovation, trust and optimism.

Local Knowledge, Ingenuity and Innovation – If purchasing big technology is not hot, then, as Jim Collins outlined in *Good to Great*, local, homegrown "technological accelerators" are warming up. Many hospitals use Adaptive Design (see www.kenagyassociates.com) to stop buying innovations and start making them. Developing people and relationships gives you the local, real-time data essential to make high performance and innovation everyone's job, every day. Instead of copying somebody else's best practices, the healthcare leaders of 2008 will be continually creating their own new best practices. And that means changing your culture.

Revitalizing your culture is an essential managerial skill set for 2008 because "culture eats strategy for lunch." Developing people, relationships, trust, optimism and innovation means moving from

battling entrenched cultures to revitalizing them to a new culture of high performance and innovation. In our experience, it's not breaking bad habits, but creating new habits that really makes the difference.

The Multi-Purpose Hospital – This new culture breaks the mold of a reactionary focus on a shrinking number of profitable services and reestablishes the experience of all patients and families as number one. Healthcare fragmentation has created more silos for patients. We do not need more silos at the point of care – the transaction costs among those silos are gigantic. We need multi-purpose hospitals that are empowered to be much, much more flexible, responsive and adaptive. This is the hot opportunity of 2008.

So who wants to get started? In the spirit of the season, I say Happy Holidays to all - and let's count our blessings. We are so fortunate to work in the wonderful, life-giving, life-affirming world of healthcare. Let's celebrate it. And since it's almost the New Year, let's resolve to do something different in 2008. Hospitals making the future; now that's different; and that's "hot." Join in, and let's turn up the heat.



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MPA, Director, Kenagy &
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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.

Increasing Questions About Increasing Hospital IT \$\$\$

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

Red flags are increasingly popping up to challenge the popular view that information technology ("IT") is the silver bullet to solve many of healthcare's ills. Consider the significance of the following recent, unrelated IT red flags:

- 25 percent of the 145 regional health information organizations ("RHIOs") are now defunct and only 20 of the existing programs have actually shared information, according to a new study by Harvard researchers that was recently published in *Health Affairs*. According to a *Modern Healthcare HITS* article, "the findings cast a doubt over current health information technology policies that would have doctors, hospitals, laboratories and other groups freely exchange health data in an effort to streamline patient care and manage the high volume of clinical data." A recent *Heath Data Management Breaking News* article cites a report from the Information Technology & Innovation Foundation that states "the results of the national health information network initiative have been disappointing." Thus the dream of creating a nationwide electronic clinical data exchange/network may be much harder to turn into reality than the political and visionary proponents had envisioned. And a major part of the problem is a missing source of funding to create such a gigantic, very expensive nationwide exchange/network.
- A growing number of British physicians are rebelling against the huge effort by the British National Health Service to implement electronic health records that are accessible through a national data warehouse, according to a survey by *The Guardian* newspaper that was reported in a recent *Heath Data Management Breaking News* article. According to the article, 75 percent of physicians surveyed believe that the proposed national system of electronic records will be less secure than the present record-keeping systems, and 70 percent do not believe that the electronic records program is a good use of the National Health Service's resources – little wonder when the original \$3 billion (U.S.) cost has escalated to over \$16 billion (U.S.)
- An increasing number of hospitals are experiencing incredible cost overruns (2x, 3x and even 4x) and

never-ending implementation delays from electronic medical record or electronic health record implementations. Actually I think that the number has been large for a long time, but unhappy hospital execs are finally breaking the code of silence and starting to talk about their failed implementations. And more hospital executives and boards are starting to question the clinical or financial return on the huge investments that are required. It is paradoxical that a U.S. hospital will pay tens of millions of dollars for an electronic medical record implementation (some have paid many hundreds of millions of dollars), yet I recently visited hospitals in South America that spent only hundreds of thousands of dollars or a little over a million dollars for electronic medical record implementations.

Maybe it's time for hospitals to reassess their huge IT commitments, both past and future, to determine whether their IT investments are indeed a silver bullet or a misfire.



I would like to hear your comments.

Send them to:

Richard.Kneipper@phns.com

About

TrendLeader
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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."

Doctors Don't Tell on Doctors

The public trusts doctors more than most professionals. That's why it's surprising to learn that doctors fail to report colleagues who make mistakes or are incompetent. At least that's the findings of a recent medical magazine article published earlier this month.

The first-of-its-kind survey of more than 1,600 physicians, published in the *Annals of Internal Medicine*, found that 45 percent said they did not always report an incompetent or impaired colleague to the appropriate authorities – even though 96 percent agreed that doctors should turn in such people.

Moreover, 46 percent said they had failed to report at least one serious medical error that they knew about, despite the fact that 93 percent of doctors said physicians should report all significant medical errors that they observe.

"We found large gaps between physicians' espoused attitudes and what they do in actual practice," said Eric Campbell, the lead author and an assistant professor at Massachusetts General Hospital's Institute for Health Policy.

"Failing to report incompetent physicians and allowing them to practice will have an impact on the welfare of patients," Campbell added. "It's clearly something that people should be aware of."

The survey was conducted between November 2003 and June 2004 and funded by the nonprofit Institute on Medicine as a Profession, a think tank that promotes medical professionalism through a center at Columbia University.

As was reported in the *Washington Post*, the survey uncovered notable gaps between ideals and practice in the areas of self-regulation, managing financial conflicts and conserving limited resources.

It was uncomfortable to learn that a majority said they would refer patients to an imaging facility in which they had a financial interest, but only 24 percent would inform patients of that financial tie. Yet 96

percent told researchers that doctors should put their patients' welfare above their own financial interests.

Also, more than a third of physicians, 36 percent, said they would order an unneeded MRI (magnetic resonance imaging) test if it were requested by a patient with low back pain, though most doctors say they do not want to waste scarce resources.

And while 93 percent said doctors should provide necessary medical care regardless of a patient's ability to pay, only 69 percent currently accept uninsured patients who are unable to pay.

The study's authors later spoke at a meeting in Washington, DC, and said that not all the findings were negative and that some must be understood in context.

Donald Wesson, chairman of the American Board of Internal Medicine, said the fact that doctors nearly unanimously agree on standards means they do not need to be convinced that these issues are important. Some behaviors, such as caring for the poor, are determined by the policies of the organizations the physicians work for, the authors noted. And several experts lamented cultures in some medical workplaces in which doctors fear retribution for reporting a colleague or legal action for perceived failures in care.

"We need to change a system that currently encourages defensive medicine," said James Thompson, head of the Federation of State Medical Boards.

David Blumenthal, a study author and the director of the Institute for Health Policy, said most physicians are trying to do the right thing, and he called for a renewed focus on professionalism, not simply more regulation.

"If the medical board and regulatory apparatus were monstrous, it wouldn't solve our problems," he said. "Sure, regulation has an important role. Yes, patient information has an important role. But in the end, if the profession doesn't step up, we will all be the worse for it."