

No Assumptions

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

As a healthcare executive, I am sure you have had this experience. Relatives seek you out at a family gathering to relay their latest encounter with their local healthcare system, especially if it was less than ideal.

I just had this experience and it has made me think about how we work. Let me start with my relative's (I'll call him John) story about his experience:

He had been having a number of health issues and had been referred to an endocrinologist. On a visit back with his primary care physician, the doctor asked if the endocrinologist has ordered a thyroid scan. John said no. So, John's primary care physician ordered one.

John is an extremely disciplined individual and an extraordinarily compliant patient. He has had numerous encounters with physicians and hospitals and some of those have had all kinds of glitches. So, a week before the scan he called the testing facility to make sure he knew where the

test would be – at the hospital or the outpatient center? The staff confirmed it would be the next Tuesday at 7:30 am at the hospital. The next day John called the hospital testing facility again because no one had said anything about any kind of prep before the scan and he wanted to make sure there wasn't something he needed to do. The staff cheerily responded that there was not and again confirmed that they would see him the following Tuesday at 7:30 am. On Monday (the day before the scan), a staff person from the hospital called to remind him of his appointment at 7:30 the next morning and asked if he had any questions. John couldn't think of any more questions, so he said no.

The next morning, John arrived at the hospital early hoping to get off to work as soon as possible. When his name was called, he followed a staff person back and she gave him something to drink and then told him they'd see him back at 1

(Continued on Page Two...)

Celebrating 150 Issues

This copy of *FYA* marks the 150th consecutive issue of the pioneering electronic newsletter for health system and hospital leaders. That's 150 issues over six and a quarter years.

We thought we would take this occasion to introduce you to the people that make *FYA* possible.

First and foremost is our loyal sponsor. **PHNS** has supported *FYA* from almost the beginning.

PHNS is an innovative healthcare services company that provides strategic solutions in information technology, health information management and patient financial services to over 425 hospitals and healthcare customers across the nation. **PHNS** implements changes in culture, business processes and technology of hospitals that result in bottom-line savings and improved patient safety and employee care. Its services include:

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- Patient Financial Services/Business Office
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PHNS is not a consultant or a software company, but a long-term partner directly aligned with its hospital customers' goals and objectives. **PHNS'** goal is to provide a significant, immediate service and financial impact for its hospital partners and to assist in their continued growth and streamlined operating costs.

With more than 1,500 experienced employees and over \$60 million in cost savings for its hospital partners, **PHNS** knows how to implement the necessary process re-engineering, technologies and services to the benefit of its healthcare customers.

You can learn more about the company at www.phns.com.

(Continued on Page Four...)

No Assumptions (Continued...)

pm. John was incredulous. He was here now and had arranged his schedule to accommodate this test and now they were telling him he had to come back! The staff person explained that the contrast needed time to process. So, he should come back at 1 o'clock and he would have to come in again the next morning. You can imagine John's surprise. He had had three phone conversations with staff and no one mentioned that this was a staged test over two days! When he protested, the staff person said, "the doctors never tell their patients what they need for these tests." John thought it would have been good if his doctor had told him, but wondered why no one had mentioned the staging when he had called with questions.

How would John have known to ask either his doctor or the staff at the hospital specifically if this test took more than the original 7:30 am appointment? He had never had a thyroid scan before.

On the other hand, what should staff at the hospital have done? What should you as a leader do? Do you have a way to learn from problems like this in your organization?

Let's look at the hospital staff and John in a customer-supplier relationship. John is the customer and his responsibility is to make a defect-free request from the supplier (the hospital), and the hospital supplier needs to deliver a defect-free response or service. However, sometimes the supplier has knowledge that the customer does not. Think of ordering a pizza. If you call and just ask for a pepperoni pizza, your supplier (the pizza maker) will begin to ask clarifying questions – what size? Thick or thin crust? Regular crust or whole wheat? The pizza supplier is helping you make a defect-free request. In the same vein, the hospital staff needs to recognize

when their customers (patients) make defective requests. They have information the patient does not. They probably have more repeat thyroid scan customers, but just like the pizza shop, they should not assume that the patient knows (or remembers) the three components of the scan. They need to help their customers so they can provide a defect-free scan.

Finally, and most importantly, the hospital suppliers in this case, need to learn from problems. That's really what John wanted, so another patient would not have this hassle. Staff need to recognize when a patient experience is less than ideal and signal that problem so they can learn from it immediately – not chalk it up to "the doctors never tell their patients about the test." However, only management can create the environment for staff to signal problems as they occur. And only management can help develop staff by approaching the root cause of a problem – in real-time – and experimenting with solutions. You cannot assume that satisfaction surveys will surface problems like these.

You need to develop a safe environment where staff does not assume that things will never change and help them learn from problems as they happen. That is the essence of a learning organization.

Dolly Bellhouse joined Kenagy & Associates (K&A) from a senior vice-president position in the Yale New Haven Health System. She has 25 years experience in health care management developing and utilizing financial, negotiation and general management skills. She recently became a Director of Rule 4 Consulting—a sister organization of K&A. dbellhouse@kenagyassociates.com



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.

Reader Response/Other Thoughts

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

Reader Response: Please consider the following interesting reader response to my last *FYA* commentary entitled "\$700 Billion of Healthcare Inefficiencies" regarding a recent Congressional Budget Office report that found massive inefficiencies in the U.S. healthcare system (7/21/08):

"I'm not sure I have enough information to formulate an argument for or against the CBO findings identified in your article; however I do have an opinion about using the dramatic spending figure of \$700 billion.

Here is my simple analysis; it is estimated that 50%-65% of healthcare costs represent salary and benefit expenses. So if you take the \$700 billion you can conservatively estimate that 50% or \$350 billion is salary and benefits. If you use an average annual expense of \$100,000 per employee, another conservative estimate, and divide that into the estimated salary/benefit figure you get 3.5 million employees. Do you really think we have 3.5 million people working in healthcare that do not contribute to health outcomes?

So, if as many national leaders are demanding, we can achieve perfection in our healthcare system and reduce Medicare costs by 30%, we have a bigger problem; a layoff of workers that will make the downturn in the auto industry look like a blip.

I fear, few politician or leaders understand that healthcare is the economic engine of the US at this point."

Thanks

Ed Gamache

Administrator/CEO

Deckerville Community Hospital

Deckerville, Michigan

Other Thoughts on Healthcare Inefficiencies: Consider the following rather controversial excerpts from a presentation by well-known business author Tom Peters to the Healthcare Financial Management Association in Las Vegas on June 26, 2008:

- Dartmouth Professor Elliott and colleagues "discovered that patients who went to hospitals that spent the most-and did the most procedures-were 2 to 6 percent more

likely to die than patients that went to hospitals that spent the least;"

- Dartmouth's Dr. Jack Wennberg and colleagues "found it's not just that the renowned hospitals and their specialists tend to engage in massive overtreatment. They also tend to be poor at providing critical but routine care."
- "The more doctors and specialists around, the more tests and procedures performed. And the results of all these tests and procedures? Lots more medical bills, exposure to medical errors, and a loss of life expectancy."
- "The results are deadly. In addition to the 98,000 killed by medical errors in hospitals and the 90,000 deaths caused by hospital infections, another 126,000 die from their doctor's failure to observe evidence-based protocols for just four common conditions: hypertension, heart attack, pneumonia and colorectal cancer."

I really don't like to dwell on these types of negative comments about our generally excellent U.S. healthcare system, but perhaps it's time for the hospital industry to face up to the serious issues raised by these increasing frequent negative comments. What do you think?

I would like to hear your comments.

Send them to:

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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."

Celebrating 150 issues (Continued...)



Rick Kneipper

Instead of advertisements in *FYA*, the company's chief administrative officer and co-founder authors a provocative column on current critical issues facing the healthcare industry. Rick Kneipper writes from his perspective as a lawyer at prestigious law firms, his eight years experience with PHNS and as a member of the Board of Managers of Parkland Health and Hospital System in Dallas.

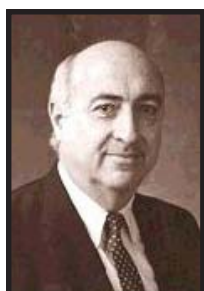
His column has received praise from readers of *FYA* over the years and requests for reproduction.

FYA was started by two partners from their company known as TrendLeaders Connections. Jerry Pogue assumed the role of managing the business of the electronic publication as publisher. Harvey Price became the editor responsible for the written material that goes into *FYA*.

Jerry has spent many years as a hospital leader, the chairman of an insurance company, the co-founder of highly successful hospital industry conferences and currently publishes best selling books under the imprint Second River Healthcare Press and operates a popular speakers bureau known as Innovative Healthcare Speakers. He is based in Bozeman, MT.



Jerry Pogue



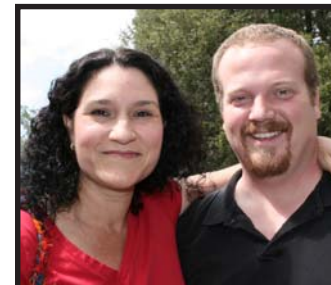
S. Harvey Price

Harvey Price has been an independent healthcare industry strategist for 37 years. His clients have included hospital systems, hospitals and large organizations – including several Fortune 500 companies – that have products or services for the healthcare industry. He has been writing printed newsletters and electronic publications for 35 years. He is based in Boca Raton, FL.

Our Webmaster is Progressive Design. It makes the magic happen converting written material into an electronic document that is sent to you.

Progressive Design is a Southern California based web design and development company that has provided web design, web hosting and computer consulting to its clients for over 11 years. Owned by Joel and Susan Schlarb of

Lake Arrowhead, CA, their clients cover a wide scope of business practices. Their services have helped small businesses, as well as, larger corporations, such as ski resorts, law offices and Business to Business consulting firms. With both Joel and Susan active in the day to day business operations, they offer complimenting skills and teamwork to bring their clients an excellent product and personal service.



Joel and Susan Schlarb



John W. Kenagy, MD

Kenagy & Associates led by John W. Kenagy, MD, has reorganized to include Rule 4 (R4) Consulting. The directors of R4 worked, studied and innovated with Dr. Kenagy, the author of years of outstanding columns in *FYA*.

R4 was founded to help healthcare organizations improve. Its name and its work is built on the premise that any improvement to work should be made in a disciplined, testable way, as close to the people doing the work as possible and under the guidance of a teacher or coach. The directors of R4 are teacher/coaches to healthcare organizations across the country that are seeking solid, sustainable improvement.

In coming issues of *FYA*, you will find thought-provoking columns by three of R4's directors: Dorothy (Dolly) Bellhouse, Jimmy Udall and Jon Roberts.

Dr. Kenagy is busily finishing a book that will be published later this year and as his columns in *FYA* indicate, it is focused on how management creates organizational capacity for innovation.

Dr. Kenagy will continue to contribute to *FYA*, focusing on giving you the evidence-base, skills and tools for creating competitive advantage based on adaptive capacity.

We're very proud of the team that makes *FYA* possible. We hope we are a valuable addition to your continuing leadership education.



Dolly Bellhouse