

Understanding Health Care Management: A Case Study Approach

Seth B. Goldsmith, ScD, JD

Professor Emeritus
University of Massachusetts
School of Public Health and Health Sciences
Amherst, Massachusetts



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Dedicated to Olivia, Tessa, William, and Elise





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ABOUT THE AUTHOR

Seth B. Goldsmith, ScD, JD, is Professor Emeritus of Health Policy and Management at the University of Massachusetts at Amherst. Since 1995 he has been a director of Extendicare, a Toronto, Canada-based publicly owned company that is one of the leading providers of long-term care services in the United States and Canada. Dr. Goldsmith has also served on the faculties of Tulane University and Columbia University where he was director of the graduate program in health services administration. From 1996 through December 1998, Dr. Goldsmith served as Chief Executive Officer of the Miami Jewish Health System (formerly known as the Miami Jewish Home and Hospital for the Aged). For 15 years he was editor of the *Journal of Ambulatory Care Management* and for more than a decade he was Of Counsel to the Massachusetts law firm of Bowditch and Dewey. Dr. Goldsmith has served on numerous national and local boards, and he is the recipient of numerous awards. He is the author and editor of 16 books.





ABOUT THE CASE CONTRIBUTORS

Jonathan Bloomberg, MD, is a clinical psychiatrist and director of the Bloomberg Institute in Northbrook, Illinois.

Andrew R. Cagnetta Jr. is president of Transworld Business Advisors, a national firm that values and sells a broad range of businesses including healthcare companies (healthcarebizsales.com). Andrew has served on numerous nonprofit and industry boards and is the former president of the International Business Brokers Association. He is a graduate of Lehigh University.

James S. Davis, MD, is a general surgery resident at Jackson Memorial Hospital, Miami, Florida. He is currently on a 2-year leave to pursue a research fellowship in trauma, burns, and surgical education.

Jill Sanko is a research and simulation education specialist at the University of Miami–Jackson Memorial Hospital Center for Patient Safety. In her position, she teaches teamwork communication skills, invasive bedside procedures, resuscitation using simulation, and manages multiple patient-safety research projects. Prior to moving back to her native Miami, Jill ran the simulation service at the National Institutes of Health. She has

an undergraduate degree in anthropology and both bachelor and master's degrees in the field of nursing.

Ilya Shekhter is the medical simulation manager at the University of Miami–Jackson Memorial Hospital Center for Patient Safety. In his position, Ilya works with physicians and nurses from different clinical departments to create simulation courses based on the curricular needs of their learners and the safety needs of their patients. Before coming to Miami, he was the senior simulation engineer at the University of Rochester Medical Center in Rochester, New York. Ilya's educational background includes biomedical engineering and business administration.

Alexander Szafran, MSPH, is director of radiology at the Maine Medical Center in Portland, Maine. He has held similar positions with Baystate Medical Center in Springfield, Massachusetts, and the Lahey Clinic in Burlington, Massachusetts.

Sheila H. Szafran, MS, OTR/L, is a practitioner, consultant, and educator in Portland, Maine. She has practiced for more than 30 years in the field of rehabilitation medicine and has extensive experience in management, program development, and quality improvement.



PREFACE



INTRODUCTION

Learning via the case method is an established tradition in education. When Steve Jobs, the distinguished cofounder of Apple, passed away in 2011, a number of stories appeared in the press about “Apple University.” The idea behind Apple University was to train the next generation of Apple leaders on the Jobs style and substance of management. This training was to be done via case studies of the critical decisions made in the company.

This book presents the opportunity for learners, whether they are experienced practitioners or novice students, to examine issues within the context of real organizations (almost all of which I have attempted to fictionalize). These cases are presented in a variety of settings including hospitals, nursing homes, medical centers, group practices, and public health agencies.

Every one of these cases is based on an actual situation that has required managerial decision making! It is my hope that the readers, in studying these cases, will, regardless of the problems presented and the organizational setting of the case, become more effective and efficient decision makers with a greater understanding of the implications of the decisions they are making.

Finally, allow me to note that despite the organization of the book around nine different themes, the fact is that there is an enormous overlap among these cases. Many of them could easily be placed in several categories, and it is well within the province of the reader or instructor to shift these cases for their own purposes.

Organization of the Book

This book has been structured around nine themes that I believe are at the heart of effective healthcare management.

The first theme, found in Chapter One, is patients and their families. The cases in this section should serve to orient the reader to the reason we are in the healthcare business—that is, to serve the sick and needy. As a graduate student doing my administrative residency at Brookdale Medical Center in Brooklyn, New York, I was fortunate to have as one of my mentors a gentleman named Sydney Peimer who was an operating room nurse before he moved into hospital administration. On the first day of my residency, just as I was getting comfortably ensconced in the administrative offices, Peimer came in, told me to pack up, and sent me to nursing for an intensive course on being a nurse's aide. And so began a month of shift work on the patient floors. After that, I was transferred to a week in the operating room. Five weeks after first walking through the front door of Brookdale, I was finally back in the Executive Suite but with a new and profound appreciation for what patients and staff go through each day in receiving and delivering care. These cases are an introduction to the perspective of patients and their families.

The next group of cases, Chapter Two, focuses on corporate governance. Generally, we think of boards as governing the not-for-profit entities in the healthcare system, but clearly investor-owned facilities are also greatly influenced by their boards. The nine cases in this chapter will provide useful insights into boards and the board–management relationship.

Chapter Three focuses its numerous cases on human resource management. Years ago, the great management guru Peter Drucker noted in his book *Management* that the essential function of management was staffing. Indeed, the best and worst decisions managers typically make are related to HR issues. These cases address the myriad HR issues that managers deal with on both a day-to-day and a strategic basis.

In Chapter Four the cases examine a host of organizational issues that are oftentimes presented to managers. These cases offer the opportunity to consider real problems and how they might be effectively handled.

The theme of Chapter Five is managing change. Each of the cases in this section is about doing something different, new, or innovative. Change, as these cases illustrate, is difficult and demands considerable managerial expertise.

Chapter Six presents cases that revolve around the theme of planning—including one case about personal planning. A key aspect of effective management is planning for the future. These cases present an opportunity to consider management's role in the planning function.

Marketing is the focus of Chapter Seven. There was a time in the not-so-distant past when healthcare providers simply did not market themselves. Pick up any newspaper or magazine or examine any media source such as radio, TV, or the Internet, and it is absolutely clear that marketing in health care is a significant component of management.

No book on healthcare management would be complete without the themes of the final three chapters: financial and legal issues and planning for corporate compliance. Chapter Eight, "Financial Issues," presents cases on various aspects of financial management that challenge healthcare executives. The next chapter offers cases on various aspects of law and dabbles in corporate compliance. The last chapter focuses on avoiding problems through the mechanism of the Office of Inspector General's Advisory Process. The student will here be faced with figuring out the situation before it becomes a serious problem.

Conclusion

In a federal legal case in which an issue might be a person's character, the Federal Rules of Evidence (Rule 405) allow for methods of proving character. The first method is reputational or opinion, and this happens when a lawyer wants to get in evidence a person's general character. For example, "In my opinion Jim Jones is a good guy." The standard of proof is essentially quite minimal because the judge or jury is just listening to one opinion. However, when an element of a person's character or a character trait such as honesty is an essential aspect of a charge or perhaps a defense, then the Federal Rules of Evidence allow

the admission of “specific instances of conduct.” The admission of specific instances of conduct are held to a higher standard than general opinion. Why?

In my judgment it is because the authors of the Federal Rules understood human nature and psychology. If a witness says to the jury, “Jim Jones is a good guy,” that isn’t as memorable or powerful as, “I saw Jim Jones race over to a burning car and pull an unconscious driver out of the car and give the driver CPR and save his life. Boy that Jim Jones is a good guy.” So it is with case studies! I hope that as you read and work through these cases they prove to be useful as well as memorable.



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The cases presented in this book have been generated over my many years of work as an academic, administrator, consultant, attorney, and researcher. In the course of preparing this manuscript, I have called on several colleagues and friends for advice, counsel, and material. I would specifically like to thank the following people for their contributions to this book: Alex Szafran; Michael Barrett; Jonathan Bloomberg, MD; James Davis, MD; Sheila Szafran, Ilya Shekhter, Jill Sanko, Andrew Cagnetta, and Drew Ben Aharon. I would also like to express my appreciation to Joel Dalva and Sol Goldner for their invaluable input to Chapter 8 of this text.

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