

1990-09-11

# Managing for change: September 11, 1990 v. 1, no. 4

---

<https://hdl.handle.net/2144/25907>

*Boston University*



The  
University  
Hospital

# Managing for

# CHANGE

A Publication for the Managers of The University Hospital

September 11, 1990  
Volume 1, Number 4

## Successful fundraising starts at home

With continual cuts to Medicare, Medicaid and research funding, the University Hospital, like other teaching hospitals, is going to become more reliant on philanthropy to support future growth. And as Dr. Abercrombie has said several times, "If UH is to be as strong as we plan to be, and if we wish people to have confidence in our mission, then we, the managers and employees, must first show our confidence by supporting that mission." An increased emphasis on philanthropy and what it takes to raise funds successfully is an important new objective of the Hospital.

Adds Bonnie Clendenning, vice president for development, "Each gift is important, no matter what the size or purpose, because it does represent a tangible demonstration of confidence in, and satisfaction with, our hospital. Likewise, each individual affects the success of our fundraising program, since we are all good-will ambassadors for the Hospital, whether we're on or off the job."

Here's how to donate to UH:

1. Make your own gift first—whether it's to the Employee Giving Campaign, the Annual Fund, the Building Fund or to a special project or research activity. Send your gift to the Development Office.
2. If an individual—whether a patient, visitor or colleague—expresses an interest in supporting UH or one of its programs, direct him or her to the Development Office (D-616 or call x8990).
3. If someone expresses a desire to make a specific type of gift—for instance, transferring stock or property, or constructing a proposal for a pledge, bequest or life income—to the Hospital or one of its programs, he or she should contact Clendenning directly at the above number.
4. If you or a colleague wishes to make a gift proposal to an individual, a corporation or a foundation, you should discuss it with the Development Office before any action is taken. They can help gather background information and form a strategy, assist in drafting copy or arranging personal presentations, and, most importantly, coordinate the effort so as to avoid having more than one UH department approaching the same prospect.

What happens to gifts and donations? Clendenning notes that all gifts or pledges of any type are processed through her office and are acknowledged with special gratitude by UH officials. In addition, the Development Office monitors all Internal Revenue Service (IRS) requirements for the Hospital and the donor to ensure tax deductibility. Gifts are then deposited into the correct account by the Accounting Office and, where appropriate, a gift is recognized and privileges are bestowed upon the donor, such as inclusion on the annual donor list and invitations to certain Hospital functions.

## Improvements in receivables fuel payables, boost cash flow

According to Anthony Voislow, senior director for finance, dramatic improvements to Accounts Receivable in FY90 has caused subsequent improvements to Accounts Payable and the Hospital's general cash position.

At the beginning of FY90, UH had a gross accounts receivable balance of \$48.7 million, but that balance has since dropped to \$38.7 million—an improvement of \$10 million. Pat Guarente, director of patient financial services, adds that, over the same period, the Hospital's average days to be billed has dropped from 24 to 10 days; (in FY87, the average was nearly 80 days). In addition, FY90 has seen the average receivable days decrease from 101 to about 75 days (as of Period 12, using an average annual daily revenue).

Guarente points to several factors when explaining her department's turnaround. First, the department's management structure was reorganized so



that managers are no longer generalists; instead, each manager is assigned to, and made accountable for, a certain function. Second, they have developed good working relationships with financial counseling, admitting, data processing and medical records—four departments that have themselves made impressive strides to improve performance. Managers from these areas meet weekly to discuss problems and issues. And third, the channels of communication have been opened up within the department so that there is candid discussion.

"There has been a lot of hard work and persistence from many people, but, most importantly, we've had tremendous support from administration," says Guarente.

As a byproduct of improved receivables, the Hospital has reduced its days of accounts payable from an average of about 85 days as of last October to its current level of 55 to 60 days. Much of the improvement is simply the result of the Hospital's improved financial position. That is, with increased revenue from operations, continuing efforts to decrease nonsalary expenses, improvements in accounts receivable, and solid returns on investments, UH has been in a better cash position from which to update and even advance its payables.

"There has just been more money in the system," says Ann Dekas, manager of accounts payable. "But we've really worked hard to improve our payables by digging up old invoices and paying due and past-due debts. And a lot of people in my area have worked very hard to help make this happen."

### Leading Indicators

- With four weeks remaining in fiscal year 1990, the Hospital is 340 admissions over budget and 365 admissions ahead of last year's pace.
- Average length of stay appears to have leveled off at around 8.70 days, almost 10 percent better than its budget of 9.53 days.
- Patient days currently total slightly more than 86,000 days, which is more than 5,000 days better than budget.

### Training & Development courses for managers

Trip Folland, manager for Training & Development in the Department of Human Resources, announced that several management training courses will be offered in the next year.

There will be a three-part series of courses on effective communication. The fall session will focus on interviewing for the selection of new employees. The winter course will concentrate on reading and interpreting "cues" during the interviewing process. And the final spring module will emphasize difficult management tasks, such as the evaluation interview.

Of this communications series, Folland says, "Sound communication skills are essential to be an effective, trusted manager. In fact, the level of communication between an employee and manager should get to the point where the two can sit in an office and say almost anything to each other without the fear of repercussions."

Folland also mentioned that a separate course on basic management skills, involving such topics as "coaching" and effective discipline, is planned for the winter. Other possible future courses include financial management and quality management. If you have questions or suggestions regarding these courses, call Trip Folland at x8897.

### Parking and transportation issues being addressed

Action is being taken in anticipation of the many factors that are expected to affect parking and transportation at the Medical Center. Such projects as the Central Artery/Third Harbor Tunnel project and development along Albany Street will affect access to UH.

- The Hospital and Medical Center are working to create a variety of parking and transportation options for those who use the Medical Center. Paramount among the concerns is that access to UH is provided, and that parking services are sensitive to the needs of patients, staff, employees and visitors.
- A part-time transportation coordinator funded by a government grant is working to increase employee awareness and use of alternate transportation, such as carpools, vanpools and public transportation. This is part of an effort among the Hospital, the medical and dental schools, and Boston City Hospital to deal with parking and transportation needs cooperatively and coherently.



- The MBTA will have expanded its bus service to and from the Medical Center by September 8. The number of bus routes that include the Medical Center as a regular stop has increased from two to three. Buses going inbound to Boston will stop at East Newton Street, and buses heading outbound will stop at East Concord Street. The construction of well-lit "T" shelters is planned for both sites.
- With all of the departmental relocations and construction within the Hospital, it is undoubtedly difficult to find one's way to, and around, the complex. To improve "way-finding" around the Hospital, an internal way-finding group and an external way-finding group have been formed to address signage needs.

If you have questions or concerns about transportation or parking, contact Don Giller, vice president for marketing/planning/public affairs, at x6900.

### ***Doucette named ambulatory director***

A *Gold Top* issued last week announced that Donna V. Doucette has been selected as the Hospital's director of the Division of Ambulatory Services following a national search. Doucette, who has been director of the Evans Medical Group for the past 12 years, will assume her new duties on October 22. In her capacity of director, she will be responsible for the planning, managing and fiscal integrity of UH's ambulatory services. She will work under the direction of Linda A. Burns, vice president for clinical operations, and will work closely with managers from radiology, laboratories, pharmacy, registration and billing, and other departments to improve the functioning of ambulatory physicians and other ambulatory programs.

### ***The emerging role of business in health-care delivery***

In his August *Hospital Topics*, Dr. Abercrombie echoed a sentiment that is sweeping the nation's health-care community: Businesses increasingly are demanding that health-care providers control the rising health costs that industry often must absorb.

Making reference to a recent address delivered by Dr. Richard H. Egdahl, director of BUMC, Dr. Abercrombie reemphasized that businesses are becoming a driving force in shaping how health care is delivered in the United States. Egdahl's presentation to the American Association of Medical Colleges (AAMC) Group on Faculty Practice in Asheville, N.C., focused on three specific changes in how corporations are affecting health-care delivery: Negotiating with providers through managed-care plans; developing new health-care "products" to monitor and contain costs; and influencing changes in the future organization of health-care delivery in the U.S.

How is UH responding to this demand?

- The Hospital is very active in the managed-care arena. Richard Morse, director of Managed Care Services, is working with administration and the Medical-Dental Staff to attract new patients to UH by offering mutually beneficial pricing agreements with insurers and, subsequently, with their corporate clients and employees. Indicative of these efforts is the exclusive contract UH signed to provide all tertiary care services to greater Boston U.S. Healthcare plan members. In addition, the Hospital is working with various groups to create opportunities for selective contracting of specific clinical services.
- Internally, multispecialty care is being encouraged, such as that delivered in the Laser Center, the Breast Health Center, the Skin Oncology Program and the Stone Center. These cooperative services offer expert care and expedient service. Dr. Abercrombie believes that this approach, complemented by ongoing efforts to streamline Hospital systems and improve the flow of patients, will result in health-care delivery that is clinically effective, yet less costly for insurers, patients and their employers.
- Through the Department of Neurology's growing Occupational Health Program (which recently became one of 28 accredited residency training programs in the U.S.), businesses can help ensure—through treatment, research and preventive medicine—that their workers are at minimal risk for developing job-related health problems.

### ***Quality improvement is a never-ending process***

In an editorial entitled "Six principles guide 'never-ending' quality-improvement process," G. Rodney Wolford, president of Alliant Health System in Louisville, Ky., asserts that it is clear that the next competitive factor in health care is "quality relative to cost."

Paramount to understanding the principle of quality relative to cost, Wolford says, is to realize that all facets of health care are quantifiable. Using a courier or cab delivery is a direct cost. The expiration date on an inventory item translates to a cost. Taking time to give directions to a lost patient even has a cost.



In an August 20 *AHA News* editorial, Wolford listed six guiding principles that arose during his organization's research of quality management:

1. The definition of quality is meeting defined requirements. These requirements may be established based on quality in fact (technical, functional or professional standards) or quality as perceived by the customers served.

2. An error is anything that is contrary to established quality requirements. Errors may relate to structure, process or outcome measures. Errors cost money. The reduction of errors in work processes and outcomes is quality improvement.

3. Prevention means anticipating errors and taking steps to avoid them. It also means that, when errors occur, the root causes are identified and eliminated.

4. Quality can be measured proactively by screening for errors, or it can be measured reactively by monitoring the effectiveness of steps taken to eliminate errors. Quality in health care can be measured through six components: competency, appropriateness, resource utilization, effectiveness, safety and customer satisfaction.

5. Quality improvement requires a systematic process for defining the problem, identifying the root cause, determining appropriate steps to eliminate the root cause, taking such action and measuring the effectiveness of the actions taken.

6. For quality improvement to work, everyone in the organization must feel a sense of ownership—responsibility, pride and involvement. To achieve this culture, management must support innovation, recognize and reward quality improvement and remove barriers to high-quality services and work processes.

### **Food for thought**

The following excerpts were taken from "The Deming Management Method," a pseudo-biography of W. Edwards Deming, an acclaimed statistician/management consultant. Deming, called by many the "guru" of modern management principles, played a major consulting role in the revitalization of the Japanese economy in the 1950s, 60s and 70s.

*"I want to make it clear that as you improve quality, your costs go down. That is one of the lessons that the Japanese learned and that American management doesn't even know about and couldn't care less about. Interested in finance, creative accounting. That's all right. But when it means that you ignore the fundamentals of improvement, it is not right. Improve quality. Your costs go down. Fewer mistakes, fewer breakdowns."*

*"How to improve quality and productivity? 'By everyone doing his best.' Five words—and it is wrong...The system is such that almost nobody can do his best. You have to know what to do, then do your best...Not just with what seem to be brilliant ideas, but with a system of improvement."*