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BOSTON UNIVERSITY MEDICAL CENTER

The University Hospital

Managing for CHANGE

A Publication for the Managers of The University Hospital

Dear Leader,

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The Hospital makes a strategic change

Market research has shown time and again that although The University Hospital is well-known and highly respected in hospital and physician circles, the general public often does not recognize us by our name. Too often we have heard "which university hospital?" or "you mean Boston University hospital?" As most of you know, name recognition is a vital strategic tool in a competitive market such as Boston. With input from trustees, physicians and managers, as well as market research, the Hospital has decided to align its name more closely with Boston University, a "brand name" which has overwhelmingly positive public awareness among the groups important to the Hospital. Thus, as of July 1, the 30th anniversary of the inception of Boston University Medical Center by UH and BU, the Hospital will become known as BOSTON UNIVERSITY MEDICAL CENTER/The University Hospital. We recognize that this identity can eliminate confusion and create additional strategic market opportunities.

Key themes are guiding our planning

In carrying out the Hospital's strategic plan, management has identified four principal themes over the next year:

- **Clinical and service excellence.** A coordinated approach to quality management in clinical care and Hospital service will be introduced next year. We will work to demonstrate in a measurable way that we are providing quality to patients, purchasers of care, referring physicians and peer groups.
- **Market-share growth.** The Hospital must gain a larger share of the inpatient and outpatient volume in its region. We have seen this year that the inpatient market is highly competitive and the outpatient market is expanding, although slowly. To achieve this objective, we must expand our clinical relationships and be price-competitive with hospitals with which we are compared. Our aim is to achieve the lowest cost per unit of service as possible.
- **Clinical leadership succession and development.** We must maintain our commitment to recruit outstanding clinical leaders as positions become available, and to support the management development of those physician leaders. In the past

NEWS TO USE

"Service awareness" being pursued in admitting/outpatient registration

The Admitting/Outpatient Registration unit is taking a leadership role in pursuing "service awareness." Lee Rodgers, director of the Division of Patient Support Services, reports that a specific work plan to improve service to all admitting/outpatient registration "customers" has yielded a reportable success. For instance, realizing that registrars and admitting clerks often present the first image of the Hospital to patients, an employee-run Dress Code task force was created to adopt for itself a dress code. The task force successfully did so and even went beyond its charge and developed a system to enforce the code, according to Rodgers.

BC/BS negotiations proceeding

According to Michael Blaszyk, executive vice president for Corporate Services, a June 4 meeting with Blue Cross/Blue Shield officials went extremely well. The meeting succeeded in reaching a tentative pricing agreement for all BC/BS products, except HMO Blue, the company's newest product. The BUMC/TUH negotiating team made clear its desire to be involved in HMO Blue, but a final agreement was not reached. Another meeting with BC/BS officials will be scheduled for the near future.

The negotiations with BC/BS were made more interesting by the company's offer to purchase Bay State Health Care, the state's second largest HMO, with 300,000 members and a debt of $100 million. Should this purchase come to pass, it could

— over —

year, we have recruited some outstanding leaders in Douglas V. Faller, M.D., Ph.D., director of the Cancer Center; Charles Arkin, M.D., chief of Laboratory Medicine; Patricia Barry, M.D., chief of Geriatrics and the Home Medical Service, and Thomas Delaney, M.D., chief of Radiation Oncology. Search committees currently are seeking new chiefs for Rehabilitation Medicine, Orthopedic Surgery and Radiology.

- **Governance structure development.** As I stated last month, our trustees are in the process of examining the effectiveness of Board operations and of our corporate structure. An intensive two-day retreat was held last week for trustees, administrators and clinical leaders to discuss this effort.

In devising these themes, senior management realized that financial stability must be maintained in order to support the objectives set forth in the strategic plan. Vital to our ability to carry out the plan is the strengthening of our ties with our affiliates, and the expansion of our network of referring physicians and community hospitals.

CHIP improvement process is never-ending

I have gotten the impression from some that CHIP's successful transition is being viewed as something of a "panacea" for all of our inefficiencies. This is the wrong perspective to embrace. In keeping with the tenets of total quality management/continuous quality improvement, we must see CHIP as a tool that constantly needs to be evaluated and re-evaluated to ensure that it is serving the needs of its customers. If not, we must make refinements and adjustments so that it does. Our current objective is to have CHIP operate at its maximum capacity within the next few months. At that point, we will assess its effectiveness. Beyond that, planning has begun to take our management information systems to their next level of usefulness, focusing on recording aspects of clinical care.

Support-staff awareness campaign aims to capture referrals

The Hospital, under the direction of Michael Blaszyk, executive vice president for Corporate Services, and Linda Viano, director of the Division of Diagnostic and Therapeutic Services, has undertaken an awareness campaign, called "Just Say Yes To Admissions," to capture all referral requests. In the past, some referrals, specifically cardiac referrals, have been turned away or at least have not been responded to appropriately. When we don't respond to such requests right away, physicians send their patients elsewhere. This is unacceptable. Now, support staff who receive requests from community physicians for urgent or emergent admissions are being told to always say "yes" instead of "I don't know, let me check and get back to you." There is no reason why any referral should ever be turned away. The Hospital has an excellent track record of always finding a bed for MedFlight patients, which leads me to believe that this campaign should be effective. This program is intended to instill in all of us a sense of service orientation, and managers should be leaders in this effort.

J. Scott Abercrombie Jr., M.D.
President and Chief Executive Officer

make the Hospital's relationship with BC/BS more important, even though it is not expected that any drastic changes will be made to Bay State in the short term.

Injury management program demands managers' involvement

By now, all supervisors and managers should have participated in the injury-management training sessions being conducted through the Occupational Health Program. The passage last year of Chapter 398 by the Massachusetts legislature set forth new restrictions on workers' compensation that will allow businesses to simultaneously improve employee health and safety and to lower costs. The BUMC/TUH injury-management program is intended to offer injured employees a safe work environment and a personal, responsive and effective injury management system. However, the involvement of managers with their injured employees is key to the program's success. Formerly, injured employees dealt only with an OHP staff person during their injury period, which often alienated employees from their department. The new program, however, encourages managers to keep in touch with and follow the progress of their injured employees, on the premise that lost labor expense will affect managers' budgets. The program now provides an option for "modified work duty," which will get many employees back on the job more quickly in some capacity.

Leading Indicators update

Despite year-to-date gross patient revenue being nearly $13 million over budget, deductions from revenue (contractual allowances and free care) are almost $15 million over budget, creating a net revenue shortfall of about $2 million. However, this shortfall is aided by the fact that expenses are almost $2 million under budget, resulting in an operating bottom line that is $196,000 under budget.

Admissions continue to draw some concern, as they are almost 150 under budget. On a more positive note, length of stay still is performing well at 8.2 days, and ambulatory visits have increased from 282 to 512 visits over budget since Period 8.

The Hospital's operating margin (a gauge of operating performance), .85 percent last month, improved to 1.12 percent this month, but still is below its budget of 1.97 percent.