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America's Healthcare Environment:
Uncertainty and Unhappiness

- Malaise about Quality
  - To Err is Human
  - Trial Bar
  - General Public
  - Big Business
  - Doctors

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Malaise cont.

- Malaise about Costs & Expenditures
  - Public is unhappy
  - Hospitals are unhappy
  - Big Business is unhappy
  - Unions are unhappy
  - Doctors are unhappy
  - Government is unhappy
  - Uninsured are getting hurt

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Malaise cont.

- Malaise about Regulatory Burden
  - Hospitals unhappy
  - Doctors unhappy
  - Patients unhappy

America's Healthcare Environment:

Who Is Happy

- Insurance Companies
- Accounting Firms
- Consulting Firms
- Law Firms
- Regulators

America's Healthcare Environment:

Charles Darwin Lives: Only the Strong Survive

- Playing "Old Maid"
- More and more doctors doing business instead of doing good
- Blind adherence to concepts of "capitalism" and "free enterprise"
- Make all I can while I can
- Hospitals: Rich get richer

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Study Sites

- Eighteen private not-for-profit hospitals
- Six states– Midwest and east coast
- 100 to 550 beds
- Several were system owned or affiliated– but all operated autonomously with respect to quality improvement

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Methodology

- Each hospital visited by two person study team
- Board leaders, CEO, Chief Medical Officer, QI staff and medical staff leadership were interviewed
- Each person was asked same set of questions
- Interview limited to ninety minutes– most lasted less
- Average of six persons interviewed per hospital

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Findings

- Impressive institutions– impressive people all
- All were aware of "quality" as an issue. BUT often not well defined. And all were "doing enough to get by."
- A lot of rhetoric– reality still to come.
- No arrogance

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Findings cont.

- Frustration over too many, often conflicting, regulations. Makes quality improvement difficult to sell.
- Pay-for-Performance by CMS: Chickenfeed! But a step in the right direction
- *JCAHO*. Came late to the party. Should have been leading the way. In some instances not viewed as relevant. BUT– all institutions *JCAHO* accredited.

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Findings cont.

- Where's the beef?! CEO's noted absence of reimbursement for often times expensive QI activity. Busy doctors, all in private practice, made same notation. Some respondents felt more strongly about this point than others
- All respondents felt that quality is an important issue to be addressed. None rated it to be among the top three issue facing the organization
- Not one mention made of QIO

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Findings cont.

- CEO's cited industry environmental issues generally and medical staff committent issues specifically as barriers
- Board members all aware of "quality" as an institutional issue or possible goal. Some more aware than others.
- Board members felt need to defer to physician leaders primarily-- then to CEO-- on matters of quality.
- Boards need much more education

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Findings cont.

- All hospitals in study had chief medical officer (CMO). Several were part time CMO's
- All CMO's were aware. Surprisingly, not always consulted. All cited the numerous environmental factors which serve as barriers to greater medical staff involvement.
- Younger doctors less frustrated and easier to get involved.

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Conclusions and Recommendations

- The time is now. Necessary cultural shifts in hospitals and healthcare systems must take place.
- CEO is the key. Others are important but the necessary change will not take place without the commitment and involvement of the CEO.

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Conclusions and Recommendations cont.

- Board members and medical staff leaders need to be even more involved. They need to be compensated for their time and efforts
- The federal government working through CMS should become much more involved and should lead the American healthcare system toward the establishment of continuous quality improvement programs in healthcare institutions
- Consider airlines. Consider meat packers. Why not hospitals and other institutional providers!