

Visionaries Wanted: Responding to the Challenges of Reform

Health care needs creative leaders with the skills and passion to imagine how the pieces of the healthcare puzzle could be put together differently.

The latest battle over health reform has not left the industry's leaders with a roadmap for a better future. Sadly, the health reform battles of 2009 were fought on old battlegrounds. Politicians and special interests were so focused on trying to solve the problems of the 20th century delivery system that they failed to imagine how a better system could be built on the solid foundations of emerging science and technology.

Bringing health care into the 21st century is the real challenge facing us today. Good management practice—as desperately as it is needed—can make the current system work well. But it will not necessarily create a better system. For that, we need visionaries.

Doing Business Better

The conjuncture of an unforgiving economy and political floundering on reform will compel leaders to make dramatic improvements in the operations of their medical enterprises. Tighter management will be the price of staying in business. The reform debate produced lots of evidence that waste is rampant in the industry, so managers must take unprecedented control of production processes.

The tools for efficient and effective production are well-known but not widely used in health

We need managers who can ably apply the principles of Peter Drucker right now, but we'll do even better if we cultivate a few Frank Lloyd Wrights to redesign the overall environments where good managers do the business of health care.

care. They are taught in every MHA and MBA program. Books and seminars on performance improvement in health care are widely available. Information systems are able to provide the data for appropriate management decisions. Managers cannot use ignorance or lack of information as excuses to keep doing business as usual.

Several delivery systems around the country have convincingly demonstrated that good management is possible in today's medical marketplace. Hence, the challenge is not to learn good management practices. Rather, it is to develop the courage, confidence, and skill to impose good management practices in an industry that has not been compelled to follow them in the past.

Total support from the organization's governance board is a corollary requirement because considerable opposition will be encountered as managers start doing what must be done in health care. The board, not executives, must demand and defend the execution of management improvements in response to inevitable resistance within the organization. Indeed, executives who are ready and able to manage well may need to relocate if they currently work in an organization where the board is not 100 percent behind required transformation in daily operations and strategic redirection.

Doing Better Business

Although most healthcare businesses have operated inefficiently and ineffectively—that is, wastefully—in the past, bringing good management to traditional enterprises will not necessarily create a good healthcare system. Remarkable advances in medical science and information/communications technology are creating an exciting new realm of possibilities for meeting American's healthcare needs in different and better ways.

Eliminating waste in hospital operations definitely represents progress in a resource-limited economy, but it is not necessarily the best overall use of resources if even better outcomes could be obtained with different ways of doing business. For example, imagine how much money could be saved if telemedicine were developed to its full potential, enabling treatment of patients in their homes and alleviating the need for relatively expensive (albeit well-managed) hospitals and medical office buildings. Or imagine using a coordinated team approach to care as an alternative to today's disconnected (albeit highly skilled) medical specialists.

Artistic Vision and Reverse Engineering

In addition to good managers, health care needs creative leaders with the skills and passion to imagine how the pieces of the healthcare puzzle could be put together differently. We need visionaries who see viable ways to create more value with limited resources and disruptive technologies. Good things can happen in health systems that give freedom and encouragement to trustees, senior executives, and managers who bring solution-focused imagination to their regular assignments.

Of course, we need managers who can ably apply the principles of Peter Drucker right now, but we'll do even better if we cultivate a few Frank Lloyd Wrights to redesign the overall environments where good managers do the business of health care. Wright, an originator of "outside the box" thinking, invented systemic ways for form and function to improve our lives. We need visionaries like him to advance the organization and performance of health care from an equally global perspective.

Jeffrey C. Bauer, PhD, medical economist and health futurist, is a Chicago-based partner in management consulting for ACS Healthcare Solutions, and a member of HFMA's First Illinois Chapter (jeff.bauer@acs-inc.com).