

**HEALTH SERVICES 432  
OPERATIONS MANAGEMENT OF HEALTH SERVICES ORGANIZATIONS  
Tuesdays 3-6 PM  
Winter Quarter, 2007  
CHS Room**

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**COURSE BACKGROUND AND OVERVIEW**

Healthcare is an extremely complex service industry, with many functioning units and parts. In many of the courses that you have already taken, the broad environment of healthcare in the United States has already been discussed, as well as the public and private policies that shape that environment. Also, in many of the courses that you have already taken, the skills and abilities that are used in healthcare management have been described and discussed in some detail, as have been the shape, size, and structure of many of the healthcare organizations that make up the broader American healthcare system.

In this class, we will examine the actual operations of these individual units and organizations that make up the broader system and we will explore the ways in which they actually function. We will also examine the roles, activities and daily challenges of managers and how these challenges can best be met on a day-to-day basis. The emphasis in this course will be on applied practice with the intent being the improvement of students' managerial competencies.

Emphasis in the course will be on developing skills around managing the operational processes in the field of health primarily directed to improving the effectiveness, efficiency and quality of health care services. The methods of the course will be a mix of traditional lecture, visiting lectures and interviews with practicing managers, group projects within healthcare organizations, and case studies involving relevant issues and practices. All of the individual sessions will be led or moderated by one or the other of the two instructors, usually both.

The sequence of course sessions will be as follows. In the first section of the course, there will be a general discussion of the operating environment for different types of health care organizations, together with an examination of the major operational issues facing these organizations. Next, the students will be provided with a general framework for analyzing and understanding healthcare operations, as well as a framework for planning and organizing the manager's operational activities. Guest speakers, who are currently involved in the concepts we are discussing, will join us.

## OBJECTIVES OF THE COURSE

**When you complete this course, we expect you will be able to:**

- (1) Identify and evaluate selected core processes and operations of health care organizations;
- (2) Understand and apply a systems framework;
- (3) Apply various problem solving tools provided in this course to assess and improve health care organization operations;
- (4) Develop and apply appropriate measures for performance assessment;
- (5) Think managerially about how healthcare operations function;
- (6) Present findings and recommendations in a professionally competent and concisely written format.

Competencies expected in the professional arena for which this course will prepare you include:

COMPETENCY	DEFINITION	LEARNING TOOL
<b>Analytical Thinking</b>	Understand a situation, issue or problem by breaking it into smaller pieces or tracing its implications in a step-by-step way	Through your case analyses and final process mapping assignment
<b>Communication Skills</b>	Ability to speak and write in a clear, logical and grammatical manner	Through preparation and leading of case presentation
<b>Impact and Influence</b>	The ability to persuade, convince, influence, or impress others (individuals or groups) to get them to go along with your preferences	Through the case analysis and trying to persuade your instructors and fellow students of your position and decisions
<b>Information Technology and Management</b>	Ability to see potential in and understand the use of administrative and clinical technology and decision support tools	Through understanding and using modeling techniques and measures for operations improvement
<b>Innovative Thinking</b>	Ability to apply complex, develop creative solutions, or adapt previous solutions in news ways	Through application of concepts presented in class to case analyses and process mapping project/assignment
<b>Organizational Awareness</b>	Ability to understand and learn the formal and informal decision-making structures and power relationships in organizations and an industry	Through the need to understand how organizations work in order to solve their operational problems
<b>Process Management and Organizational Design</b>	Ability to analyze and design to improve an organizational process including quality management and customer satisfaction	Reinforced through the final process mapping assignment

## GRADING

Grades for the course will be based on the case study analyses, a group project involving an on-site analysis of an operational process, a classroom presentation of the group's operational process analysis, and individual participation during class sessions.

3 Case Analyses @ 10	30	A+ 99-100	C+ 78-79
Final Paper	50	A 92-98	C 72-77
Participation	20	A- 90-91	C- 70-71
<b>Total</b>	<b>100%</b>	B+ 88-89	Fail <70
		B 82-87	
		B- 80-81	

## SOME RELEVANT WEB-SITES

[www.freequality.org](http://www.freequality.org) Free Quality.org  
[www.IHL.org](http://www.IHL.org) Institute for Healthcare Improvement

## READINGS

The text for the course will be. Focused Operations Management for Health Services Organizations. Boaz Ronen and Joseph S. Pliskin. Jossey-Bass, 2006.

Readings marked below with a ▲ can be found on e-reserves in the Biomed Library. Go to [www.library.ucla.edu](http://www.library.ucla.edu), Under the *Search and Find* menu, select the UCLA Catalogue Click the Course Reserves tab and then find this course # or "Hilberman" under faculty. Or try this link: <http://catalog.library.ucla.edu>

The material from Harvard Business School Press is on-line. You will have to purchase directly the three items we are using from Harvard Business School.

Click on the link below to order the course materials.  
<http://harvardbusinessonline.hbsp.harvard.edu/relay.jhtml?name=cp&c=c09456>

If you have not registered with Harvard Business Online, you will be required to do so. This URL will provide you with a list of required materials for use in this course. The products are listed below. Note that the products' format may differ; some may require that a hardcopy be shipped to you via air mail. The downloaded course materials are encrypted using SealedMedia. Use the following link to download the plug-in.

<http://download.sealedmedia.com/unsealer/index.asp>

You will have immediate access to the materials upon placing your order, for subsequent access, you must login to <http://harvardbusinessonline.org>

For technical assistance, please view the [Quick Tips](#) section or contact Harvard Business School Publishing at 1-800-810-8858 or 617-783-7700. They are open 8am-6pm Eastern Standard Time. They can also be reached at [techhelp@hbsp.harvard.edu](mailto:techhelp@hbsp.harvard.edu)

Course Information:

Course Name: Health Services Operations Mgmt

Course Number: HS 432

Course Level: NON\_BUS\_GRAD

Course Start Date: 01/2007

Expected Enrollment: 10

Reference Code: c09456

Professor Display Names: DIANA W HILBERMAN

Student Access URL:

<http://harvardbusinessonline.hbsp.harvard.edu/relay.jhtml?name=cp&c=c09456>

Product Information:

Product #: 9-697-034

Product Format: Hard Copy

Product Title: Project Management Manual

Product Type: Miscellaneous Educational Material

Publisher: Harvard Business School Publishing

Product #: 9-603-066

Product Format: Sealed Electronic Download

Product Title: Intermountain Health Care

Product Type: Case (Field)

Publisher: Harvard Business School Publishing

Product #: 9-699-024

Product Format: Sealed Electronic Download

Product Title: Complexity and Error in Medicine

Product Type: Note

Publisher: Harvard Business School Publishing

Additional articles, case studies, and commentaries *may* be distributed by the instructors at various times throughout the course.

## COURSE SCHEDULE

Session	Topic and Readings
1/9/07	<p><b>Introduction and Framework for Healthcare Operations Management</b></p> <ul style="list-style-type: none"> <li>➤ R&amp;P: 1, 2, 20</li> <li>➤ ▲ John Griffith and Ken White, <i>The Well Managed Health Care Organization</i>, 6<sup>th</sup> Ed, Health Administration Press, 2007, Chpt 4</li> </ul>
1/16/07	<p><b>Performance Management: Control and Accountability; quality; role of IT: Baldrige</b></p> <ul style="list-style-type: none"> <li>➤ R&amp;P: 13, 14, 17, 19</li> <li>➤ ▲ Spath, Patrice. <i>Leading your Healthcare Organization to Excellence: A guide to using the Baldrige Criteria</i>. Health Administration Press, 2005. <ul style="list-style-type: none"> <li>• Chpt. 1: Advancing Healthcare Excellence</li> </ul> </li> <li>➤ <b>Case 1 – Class Discussion: A Personal Memorandum on the Hospital Experience</b> by Elias Cohen (in Kovner, A and Neuhauser, D. <i>Health Services Management</i>, 8<sup>th</sup> Ed., HAP, 2004)</li> </ul>
1/23/07	<p><b>Product and Service Line Management – Guest: Dr. Leah Vriesman</b></p> <ul style="list-style-type: none"> <li>➤ R&amp;P 8, 9, 10, 11</li> <li>➤ Complexity and Error in Medicine: Harvard Business School Press – On-line Access</li> <li>➤ ▲ <u>“Clinical Service Lines: Evolving Beyond Borders at Memorial Health Care System”</u> in J. Griffith and K. White. <i>Thinking Forward</i>, HAP, 2003, 57-85.</li> </ul>
1/30/07	<p><b>Process Mapping; Design of Care</b></p> <ul style="list-style-type: none"> <li>➤ R&amp;P: 3, 7, 15</li> <li>➤ ▲ Spath, Patrice. <i>Leading your Healthcare Organization to Excellence: A guide to using the Baldrige Criteria</i>. Health Administration Press, 2005. <ul style="list-style-type: none"> <li>• Chpt. 8: Achieving Sustainable Gains: Process Management</li> </ul> </li> <li>➤ ▲ <b>Case 2 – Class Discussion and written case due: “Clinical Service Lines: Evolving Beyond Borders at Memorial Health Care System”</b> in J. Griffith and K. White. <i>Thinking Forward</i>, HAP, 2003, 57-85.</li> </ul>
2/6/07	<p><b>Queuing - Guest: Ariella Herman*, Ph.D., Professor Anderson School of Management</b></p> <ul style="list-style-type: none"> <li>➤ ▲ <i>Frontiers of Health Services Management</i>, Vol. 20(4), Summer 2004 <ul style="list-style-type: none"> <li>• Haraden, C., and Resar, Roger, “Capacity Management: Breakthrough Strategies for Improving Patient Flow”</li> <li>• Horton, S., “Increasing Capacity While Improving the Bottom Line.”</li> <li>• Henderson, D., Dempsey, C., and Appleby, D., A Case Study of Successful Patient Flow Methods: St. John’s Hospital.”</li> <li>• Lambert, M, “Improvement and Innovation in Hospital Operations: A Key to Organizational Health.”</li> </ul> </li> <li>➤ Walley, P., Sylvester, K., and Steyn, R. “Managing Variation in Demand: Lessons from the UK National Health Service,” <i>Journal of Healthcare Management</i>, 51(5), pp.309-22:  <a href="http://ucelinks.cdlib.org:8888/sfx_local?sid=Entrez:PubMed&amp;id=pmid:17039690">http://ucelinks.cdlib.org:8888/sfx_local?sid=Entrez:PubMed&amp;id=pmid:17039690</a></li> <li>➤ Murray, M. and Berwick, D., “Advanced Access: Reducing Waiting and Delays in Primary Care,” <i>JAMA</i>, Vol. 289(8), February 26, 2003: <a href="http://jama.ama-assn.org/cgi/content/full/289/8/1035">http://jama.ama-assn.org/cgi/content/full/289/8/1035</a></li> <li>➤ IHI –Boston Medical Center Video – <a href="http://www.ihl.org">www.ihl.org</a></li> </ul>

2/13/07	<p><b>Project Management: Guest: Mr. Greg Zeisler, Project Manager II, Kaiser Permanente Sunset Hospital Transition Planning</b>  Implementation, critical path, PERT, MS Project, Ops planning</p> <ul style="list-style-type: none"> <li>➤ ▲ Davidson-Frame, “Operating Within the Realities of Organizational Life,” in <i>Management Skills: A Jossey-Bass Reader</i>, 2005, 488-520</li> <li>➤ Project Management Manual, Harvard Business School Press, On-Line access</li> </ul>
2/20/07 No Paul	<p><b>Theory of Constraints</b></p> <ul style="list-style-type: none"> <li>➤ R&amp;P: 4, 5, 6</li> <li>➤ <b>Case 3</b> : Intermountain Health Care: HBS Press, On-line Access</li> </ul>
2/27/07	<p><b>Service Excellence: Providing and Measuring Satisfaction</b></p> <ul style="list-style-type: none"> <li>➤ ▲ Myron Fottler, Robert Ford and Cherrill Heaton, <i>Achieving Service Excellence: Strategies for Healthcare</i>, Health Administration Press, 2002 <ul style="list-style-type: none"> <li>• Chpt. 4: Creating a Healing Environment;</li> <li>• Chpt. 5: Developing a Culture of Customer Service;</li> <li>• Chpt. 11: Delivering the Service;</li> <li>• Chpt. 14: Measuring the Quality of the Healthcare Experience</li> </ul> </li> <li>➤ Kenagy, JW, Berwick, DM, and Shore, MF, “Service Quality in Health Care,” <i>JAMA</i>, Vol. 281(7), February 17, 1999. <a href="http://jama.ama-assn.org/cgi/content/full/281/7/661">http://jama.ama-assn.org/cgi/content/full/281/7/661</a></li> </ul>
3/6/07	<p><b>Facilities Planning: Guest: George Pressler, AIA, Planning Decision Resources</b></p> <ul style="list-style-type: none"> <li>➤ ▲ Hayward, C. <i>Healthcare Facility Planning: Thinking Strategically</i>, Health Administration Press, 2006 <ul style="list-style-type: none"> <li>• Chapter 1: Rethinking the Facility Planning Process</li> <li>• Chapter 4: Coordinating Operations Improvement Initiatives...</li> </ul> </li> <li>➤ ▲ Pressler, George, “Born to Flex: Flexible Design as a function of Cost and Time,” <a href="http://www.HFMMAGAZINE.com">www.HFMMAGAZINE.com</a>, June 2006</li> <li>➤ ▲ Pressler George, “Building on a Plan,” <i>Mississippi Medical News</i>, February 2006, pp. 9, 13.</li> </ul> <p>Field trip to new hospital</p>
3/13/07	<p><b>Resource Management; Supply Chain</b></p> <ul style="list-style-type: none"> <li>➤ R&amp;P: 3, 12</li> <li>➤ Byrnes, Jonathan, “Fixing the Healthcare Supply Chain,” 2004 <a href="http://hbswk.hbs.edu/archive/4036.html">http://hbswk.hbs.edu/archive/4036.html</a></li> <li>➤ ▲ Schneller, ES and Smeltzer, LR, <i>Strategic Management of the Health Care Supply Chain</i>, 2006, Jossey-Bass Publishers <ul style="list-style-type: none"> <li>• Chpt.1: Framing and Repositioning Management of the Health Care Supply Chain;</li> <li>• Chpt. 3: Internal Customer Relationship and Performance Management;</li> <li>• Study 2: Clinician, Supplier, and Buyer Working as One to Improve Patient Outcomes.</li> </ul> </li> <li>➤ Student Presentations, time permitting</li> </ul>

## Guidelines for Case Analyses

A “case” is a description of a situation or problem actually faced by a manager and requiring analysis, decision, and planning a course of action. Generally, cases have no right answer. Most cases are ambiguous, presenting many viable alternatives, some of which are better than others. Cases present a lot of information, some of which is more useful than other information. You may not have all of the information you need or want. Managers make decisions based on incomplete information and must make assumptions. The future is uncertain. There are no guarantees. Judgment is risky in case analysis as it is in real life.

A case analysis is the closest you will get to making real managerial decisions while you are in school. To achieve the biggest impact, you need to come to class prepared to discuss the case. Your and your classmates input and experience will help contribute to the discussion. Did I say there was no right answer?

Case analysis is a reflection of your logic and thinking. It should reflect a problem solving logic. However, while data gathering and analysis may be logical and linear, solutions should be more creative.

All students must come to class with their written assignment and prepared to discuss the case. If the student has NOT completed the assignment, (s)he will not be able to stay, participate in, and benefit from the class discussion. If a student misses the class for failure to prepare (s)he may turn in the case late. In this circumstance, the student will receive a grade that is one less than the quality of the paper might warrant. For example, if the student would otherwise receive an A- on the case, he or she will actually get a B+.

### Requirements:

- 6-10 pages depending on the case, see table above. Do NOT write more.
- Demonstration and application of theory and concepts to the analysis. These must be from this class, but we expect you will also include concepts from other classes as well, particularly in the quantitative areas. You **MUST** select and use analytical frameworks from the lectures and readings.
- Attention to excellent written English, including grammar, diction, syntax, and spelling. Grading will take into account the quality and clarity of the writing.
- Creative but realistic solutions.

### Preparation:

Here are some tips to help you prepare the written case. Remember, solving a case is similar to solving any problem: define the issues, collect and analyze the data, evaluate alternatives based on the data, and select your managerial response.

- Read the first and last paragraph and quickly skim the contents of the case to get the overall picture. Check out the Exhibits.
- Read the case more thoroughly noting issues and problems. You may have to read the case several times. Marginal notes are helpful. Remember, you are the manager, so read the case as if you are there. Get immersed and try to see the case from the manager’s perspective. Get inside the decision makers head.
- Ask yourself what are the most pertinent issues surrounding each problem or concern.
- Use the data and exhibits (as relevant) to conduct any analyses you feel are appropriate.
- Specify your recommendations using your empirical evidence as support. When making recommendations, it might be useful to ask questions such as (not inclusive):
  - Does the organization have the financial resources to do what you recommend?

- Does it have the personnel?
- Does it have the human resource and skill base?
- Does it have appropriate measures and controls in place to support the decision you make?

**Class Discussion:**

Did I say there were no right answers? The value of the class discussion depends on you and what you bring. Therefore preparation is critical to exchange of good learning dialogue. Dr. Torrens and I may or may not participate in the discussion, but we will probably not provide our own views during the discussion. Management is a skill that comes from practice, practice, practice. A case analysis and discussion is the closest you will get to actually making managerial decisions while you are in school. Involvement is the best way to learn this skill.

**Maximizing your Learning from Case Analysis and Discussion:**

- Come prepared
- Review your ideas with your classmates, but remember to do the work yourself. Do not try to arrive at a consensus because did I say there are no right answers?
- Relate your past experiences to this case and try to identify similarities or differences. Learning management has a lot to do with understanding principles that travel across experiences.
- Continually apply what you are learning to the current management situations in which you find yourself. Not how different people from different situations, organizations, cultures, etc analyze the situation differently. This may provide creative ways of evaluating a situation.
- Actively participate in the discussion and share your ideas. Take risks. It is okay if your classmates have different opinions. You are the leader here. Articulating your views help to clarify them and provides you with the opportunity to defend your decisions – an important managerial skill.

**CASE 2: DEVELOPING SERVICE LINES AT CATHOLIC HEALTHCARE WEST**  
(Complements to John Griffith, MBA, at University of Michigan School of Public Health,  
Program in Health Services Management)

The COO of Catholic Healthcare West is struggling to implement a service line program and has sent you to Chattanooga to learn about their services lines and assess whether this concept can be implemented at CHW. She wants an evaluation of what Memorial has done, and a checklist that CHW corporate office and its hospitals can use to identify opportunities for improvement.

The checklist should include what constitutes best practices in service line organization and management, as well as the cultural issues that CHW will have to deal with as it evolves to a new service delivery design.

For this assignment, you will have to do the class reading as well as some research on service line management. Please identify sources that are empirical studies as well as examples of service line excellence. You may want to visit the National Science Foundation website and look at the Healthcare Winners for the Baldrige Awards for Excellence. They will probably have some pretty good materials. The entire application is usually on line.

This is a very non-directive assignment. I have told you as little as I possible can. Please use all the tools in your toolkit for this problem solving exercise.

## STUDENT FIELD PROJECT

12 pages

The major course deliverable will be an analytical study of a specific operational situation in a healthcare organization. You are expected to use the class presentations and readings to develop the basis for this paper. This paper will provide a thorough understanding of operational practices in the specific study setting.

A system may be defined as a sequence or interaction of work tasks an organization uses to accomplish a goal. Basically, this sequence is the fundamental system for the organization to achieve its mission. Systems can be improved, but a change in one part of the system will, of necessity, cause a change or reaction in another part of the system. This project will be focused on the core technology or operating core of an organization. Your task is to evaluate the effectiveness of the performance of you selected process and to make recommendations for improvement as needed.

Identify an operational process in an organization of your choice. This may be the organization in which you spent your summer or another of interest. Examples of processes might include admitting in the hospital, enrollment in a health plan, obtaining managed care contracts, billing, a clinic patient flow, or something else of interest to you. The process must have at least 10 step and not be strictly linear.

Using the frameworks developed in this course, analyze your process according to the following:

1. The framework developed in the introduction of the course. Place your process in its environmental context. You may, of course (and are encouraged), to identify and add more variables to the environmental evaluation of your organization. Suggest how the particular factors in your assessment might affect the operations of your organization or unit of choice.
2. Conduct an analysis of your specific process. Below are some issues you may wish to include. Consider these the minimum.
  - The tasks in your selected core process;
  - The order of the tasks – remembering this is systematic not only linear. A graphic or flow chart is probably appropriate;
  - An assessment of the process' efficiency or effectiveness. Queuing theory would probably be helpful here.
  - Methods of improving the process;
  - Measures to assess effectiveness or efficiency of your process. These measures may be existing measures or be those you develop. ( Minimum = 4 measures)
  - Benchmarks from the literature
  - Control or run charts for your measures or other measurement tools to improve your core process.
3. Recommend and justify managerial actions.

I'm sure you understand that we expect reference to relevant evidence-based literature with appropriate citations.