

Last Chance Hospital: The “Real Picture” Behind the Scenes

CASE FOR CHAPTER 5

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The Operating Room (OR) director accomplished the decrease in operating budget by reducing staff (both clinical and administrative), cutting back on inventory levels, and consolidating surgeon block times (the blocks of OR time reserved for each specific surgeon), such that each surgeon now had all of their block times on the same day. Surgeons were upset about their lack of flexibility for scheduling time, and began to seek OR privileges at competing hospitals. Anesthesiologists were frustrated with the lack of administrative support in scheduling and the reduction of clinical support staff, and showed their discontent by showing up late for each surgery. Patients were upset because they often had to be rescheduled or were delayed for hours due to a lack of equipment or staff.

Graveyard was able to decrease nursing vacancy not due to increased recruitment and retention, but due to decreased staff positions. The OR director's clinical staff cuts in the OR, combined with graveyard's replacement of many floor RNs with lesser qualified staff, led to fewer nursing openings to fill. As a result of this change of staffing on the floors, patient complaints had increased significantly.

The remainder of the senior management staff, although not “directly involved” with the strategy, tried to support Marvelous Marvin's goals by applying a physician-focused approach to their day-to-day decisions. This was achieved by turning prime patient parking spaces into physician parking. Additional key physician leadership positions were also created, costing hundreds of thousands of dollars, and physician support staff had nearly doubled, requiring

patient waiting areas to be reduced in size to make room for the increase in staff.

Meanwhile, with the increase in information available due in part to the Internet, patients were becoming increasingly more knowledgeable and powerful in health care decision-making. They were no longer relying solely on physicians for their health care decisions, but had become accidental partners with them in things such as the choice of hospital. As such, the consumer-physician partnership had become an incredibly powerful market force, one that Last Chance Hospital had not planned for.

Resources

Association for Strategic Planning, <http://www.strategyassociation.org/>

Fineran, C., & Matson, N. (2015). After the planning is over. *Trustee*, 68(2), 6–7.

Lenert, L. (2010). Transforming healthcare through patient empowerment. *Information Knowledge Systems Management*, 8(1–4), 159–175. doi:10.3233/IKS-2009-0158

Society for Healthcare Strategy and Market Development of the American Hospital Association, <http://www.shsmd.org/>

Strategic Planning Basics, Balanced Scorecard Institute,

<http://balancedscorecard.org/Resources/Strategic-Planning-Basics>