

How Effective Is Hillwood Medical Center?

Sharon Lawson is the administrator of Hillwood Medical Center, a large hospital located in Boston, Massachusetts. She has been its administrator for almost five years. Although it has been a rewarding position, it has not been without its frustrations. One of Sharon's primary frustrations has been her inability to determine how she should measure the effectiveness of the hospital.

The chief medical officer, Dr. Ben Peters, thinks that the only way to measure the effectiveness of a hospital is the number of human lives saved, compared with the number saved in other,

similar hospitals. But the board to which Sharon reports is highly concerned about the costs of running the hospital. Hillwood is nonprofit but has no outside sponsors, and so it must remain financially solvent without contributions from another major institution.

In order to be reimbursed for Medicare and Medicaid patients, the hospital must meet the licensing requirements of the state health department, as well as the requirements of the U.S. Department of Health and Human Services. Sharon finds that

some of these requirements reflect minimum standards, whereas others are more rigid. She also finds that the demands of the administrative board and those of doctors on the staff frequently are in conflict. She must mediate these conflicting demands and make decisions to maximize the effectiveness of the hospital.

Sharon's day begins when she arises at 6:00 a.m., exercises, showers, has a quick breakfast, and heads for the office. She usually arrives at the office around 7:15 a.m. She likes to arrive before others so that she can review and plan her day's activities without interruption. Today she sees that she has an appointment at 8:30 a.m. with a member of the state health department concerning its recent inspection. At 10:00 a.m., she has an administrative staff meeting. At 2:00 p.m., she has scheduled a

Sharon thought, "Cash-flow problems. I wonder how those fit into Dr. Peters's definition of effectiveness."

It is finally decided that Sharon will make a new and stronger request to the board for the new software.

At 11:00 sharp, Dr. Garcia comes stomping into Sharon's office, exhibiting his usual crusty demeanor. "Sharon, we have a serious problem on our hands. I've heard through the grapevine that a malpractice suit will be filed against one of our surgeons, Dr. Chambers."

"That's nothing new; we get several of those a year."

"Yes, but I think this one may have some merit, and the hospital is jointly named in the suit."

"What do you mean?"

some of these requirements reflect minimum standards, whereas others are more rigid. She also finds that the demands of the administrative board and those of doctors on the staff frequently are in conflict. She must mediate these conflicting demands and make decisions to maximize the effectiveness of the hospital.

Sharon's day begins when she arises at 6:00 a.m., exercises, showers, has a quick breakfast, and heads for the office. She usually arrives at the office around 7:15 a.m. She likes to arrive before others so that she can review and plan her day's activities without interruption. Today she sees that she has an appointment at 8:30 a.m. with a member of the state health department concerning its recent inspection. At 10:00 a.m., she has an administrative staff meeting. At 2:00 p.m., she has scheduled a meeting with the medical staff, and at 4:00 p.m. she has an appointment with the hospital's attorney. (She also has a luncheon appointment with an old college friend who is in town for a few days.) It looks as if her day is well planned.

At 8:15, Sharon receives a call from Dr. Ramon Garcia, chief of surgery.

"Sharon, I must see you. Do you have time now so that we could talk about an important matter?"

"Ramon, I have an appointment in fifteen minutes and probably won't be free until about eleven this morning. Would that be okay?"

"I guess so. I don't have much choice, do I?" With that, he hangs up.

At 8:30, Sharon ushers in Holly Wedman from the state health department. She learns that Hillwood has passed the general inspection but that some areas need to be improved. The kitchen meets only minimum standards for cleanliness, and some other areas are questionable. The inspectors also questioned hospital procedures that allow many people access to the drug supplies. (Sharon recalls that she tried to tighten up those procedures only two months ago, but the medical staff complained so strongly that she relented and made no change.) The state health

Sharon thought, "Cash-flow problems. I wonder how those fit into Dr. Peters's definition of effectiveness."

It is finally decided that Sharon will make a new and stronger request to the board for the new software.

At 11:00 sharp, Dr. Garcia comes stomping into Sharon's office, exhibiting his usual crusty demeanor. "Sharon, we have a serious problem on our hands. I've heard through the grapevine that a malpractice suit will be filed against one of our surgeons, Dr. Chambers."

"That's nothing new; we get several of those a year."

"Yes, but I think this one may have some merit, and the hospital is jointly named in the suit."

"What do you mean?"

"Well, I've suspected for several months that Dr. Chambers has been drinking a lot. He may have performed an operation while under the influence. I've talked to several people who were in the operating room at the time, and they believe that he was drunk."

"Oh, no! If you suspected this why didn't you do something?"

"What was I supposed to do? Accuse one of the oldest and most respected members of our surgical staff? You just don't accuse a person like that without proof. We've got to meet with Chambers now and confront him."

"Well, set up a meeting."

"I already have. His only free time was at lunch, so I took the liberty of scheduling a meeting with him for you and me at that time."

"I already have an engagement. I can't do it today. Try to set one up tomorrow."

Dr. Garcia, obviously feeling a great deal of stress, explodes, "You administrators are never available when we need you. Your only concern is holding down costs. We're talking about human lives here. Chambers may do it again before tomorrow."

Sharon seethes at his insinuation. "If that mattered to you,

eral inspection but that some areas need to be improved. The kitchen meets only minimum standards for cleanliness, and some other areas are questionable. The inspectors also questioned hospital procedures that allow many people access to the drug supplies. (Sharon recalls that she tried to tighten up those procedures only two months ago, but the medical staff complained so strongly that she relented and made no change.) The state health department representative requests that appropriate changes be made and notes that these areas will be given especially rigorous scrutiny at the next inspection in six months. As the meeting ends, Sharon looks at her watch. It is 9:55—just enough time to make it to the conference room for her next meeting.

The administrative staff meeting begins normally, but after about 30 minutes, Helen Mathis, controller, asks to speak.

"Sharon, when are we going to get the new software we requested six months ago?"

"I don't know, Helen. I've discussed it with the board, but they've been noncommittal. We'll have to try to build it into next year's budget."

"But we need it now. We can't process our billing efficiently. Our accounts receivable are too large. We're going to run into a cash-flow problem soon if we don't find other ways to increase our billing efficiency."

"I already have an engagement. I can't do it today. Try to set one up tomorrow."

Dr. Garcia, obviously feeling a great deal of stress, explodes, "You administrators are never available when we need you. Your only concern is holding down costs. We're talking about human lives here. Chambers may do it again before tomorrow."

Sharon seethes at his insinuation. "If that mattered to you, why did you wait until you heard of the malpractice suit to do something about it?"

Garcia leaves, slamming the door.

Sharon goes to lunch with her friend, but she can't enjoy it. Her mind is on problems at the hospital. She can hardly wait for the 2:00 p.m. medical staff meeting.

The meeting begins with only about half of the doctors in attendance, which is not unusual. Most of them will show up before the meeting is over. Much of the time is taken up discussing why the hospital has not purchased an upgraded piece of standard diagnostic equipment used in body scanning. Of course, it "only" costs \$3 million. The meeting ends without resolving the problem. Sharon agrees to buy the equipment next year but does not have the money for it in this year's budget. The doctors do not fully understand why it cannot be purchased now if it can be purchased next year.

442 Chapter 13 Organizational Structure and Culture

As soon as Sharon gets back to her office, her secretary gives

The hospital's attorney has to wait for almost 20 minutes

cash-flow problem soon if we don't find other ways to increase our billing efficiency."

not fully understand why it cannot be purchased now if it can be purchased next year.

442 Chapter 13 Organizational Structure and Culture

As soon as Sharon gets back to her office, her secretary gives her a message to call Terry Wilson, one of the third-floor pediatric nurses. Terry had said it was urgent.

"Terry, this is Sharon Lawson. What can I do for you?"

"Ms. Lawson, I thought you should know. The nurses in pediatrics are planning a walkout tomorrow."

"What? A walkout? Why?" Sharon is beginning to get a headache.

"Yes, a walkout. The nurses feel that Supervisor Tyson is a tyrant, and they want her replaced."

"Terry, can you get a group of those nurses together and meet me in my office in 15 minutes? Be sure to leave several to cover the floor while you're gone."

"Okay. See you in a few minutes."

Sharon and the nurses meet and discuss the situation. The nurses are quite adamant but finally agree to give Sharon a week to investigate the situation and attempt to resolve it. A meeting is scheduled for next week to review the situation.

The hospital's attorney has to wait for almost 20 minutes because Sharon's meeting with the nurses runs past 4:00 p.m. Finally they meet, and as Sharon feared, he brings news of the malpractice suit filed against Dr. Chambers and Hillwood. They discuss the steps that should be taken and how the situation with Dr. Chambers should be handled from a legal viewpoint. Obviously, some hard decisions will have to be made.

The attorney leaves at 5:30, and Sharon sits in her office pondering the day's problems. She also thinks of her original problem: how to measure Hillwood's effectiveness.

Discussion Questions

1. Describe the culture or cultures at Hillwood. Are there subcultures?
2. How would you recommend that Sharon measure effectiveness at Hillwood? What do you think some of the effectiveness criteria might be?