

University of Florida
College of Public Health & Health Professions Syllabus
HSA 6188 Strategic Management of Health Systems

Fall Semester: 2019
Class time Tuesdays 8:30 – 11:30 Room 1102
Office Hours Tuesdays after class by appointment
Delivery Format: On-Campus/On line
Course managed on the Canvas System

Instructor Name:	Ralph E Horky
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Office Hours:	After class by appointment preferred
Course Communications:	Canvas Email

Prerequisites

Students will have graduate level competency with PowerPoint and Excel.
Students will have graduate level narrative writing and data analytical skills.
Students will have taken foundational courses in finance, health policy and introduction to health management or have equivalent professional experience.

PURPOSE AND OUTCOME

The purpose of this course is to better understand and apply modern concepts of strategic planning and management in health systems: to adapt skills and techniques necessary to interpret often ambiguous strategic situations, to distinguish stakeholder needs and aspirations, to evaluate component internal and external structures and influences, to envision appropriate and a practicable strategic responses, to persuasively articulate a desired state and to participate and influence the successful implementation of strategy across a health care systems or within a major organizational component or subsystem.

Relation to Program Outcomes

This course is designed to facilitate the pivot from categorical and knowledge-based learning to a more emergent and synthetic understanding of the behavior of complex health organizations. Multiple systems, structures, processes and cultures will be considered in the context of a whole situation. The course is positioned within the curriculum to build on background and techniques acquired in first year courses in Health Policy, Finance, Basic Management and other categorical studies and to prepare students for job placement in a practical working environment.

Instructional Methods

Each class session will be divided into two, roughly equal parts with a short break in the middle. The first half will use traditional instructional methods such as lectures with slides. The second half will be reserved for, classroom exercises, student presentations, and classroom discussion of readings and special topics. In some instances, students will be specifically assigned as discussants or presenters. Presenters be asked to volunteer to make formal slide presentations based on articles. Discussants are to be prepared to take the lead in discussing a subject with the teacher.

DESCRIPTION OF COURSE CONTENT

HSA6188 - Strategic Management of Health Organizations 2018

Required Texts

Porter HBR, "On Strategy?"

Mosely, "Managing Healthcare Business Strategy"

Getting Started (traditional)

Some principles of the Course

Broad Strategy formation is a function of executive management - adaptive strategy runs throughout
Execution cannot be divorced from planning - it is an iterative, cyclic process
Organizational structure massively influences behavior –submarines don't fly
Strategic cases (such as business plans) vary widely and necessarily by context and audience
Modern strategy involves systems, milestones, real time measurement, feedback and adaptation

Some Starting Definitions (traditional)

Strategic direction – taking the organizational point of view to envision a desired state and enroll stakeholders
Systems Thinking – developing an integrative approach to management
Strategic Momentum – achieving accumulating “buy in” and progress toward a desired state
Strategy - positioning; Tactics – Operations; not always cleanly divided

Some metaphors: that will be dispersed as useful throughout the course

Blueprints, Maps and Compasses
Producers, Directors and Actors
Mountain Streams and Whitewater
The Systems Zoo (systems thinking ala Meadows)
The Blind Men and the Elephant
Stocks, Pipes and Flows (systems thinking ala Meadows)
Racing Sailboat Construction (systems thinking ala Meadows)
The Drunk in the Lamplight

Health System Specific Fundamentals (traditional)

Three Interacting “horizontal” Subsystems:

- Clinical – Patient Pathways
- Managerial – Operations
- Systems – Background; Lateral Control Planes

Optimization and sub optimization
Project management as a “vertical” exercise
Product lines and Strategic Business Units (SBU)

A Brief Introduction to a planning process to be revisited – A Cookbook Version (Traditional)

1 Establish authority
2 Assess the entire situation - quantify where appropriate – identify stakeholders – identify competitors
3 Assess the mission, internal competencies and capabilities
4 Envision mental model / create a straw man proposal
5 Gather / involve stakeholders -communicate clearly
6 Build toward a shared vision / obtain principal stakeholder approval in concept
7 Iteratively refine the straw man into a position – narrative, diagrams, data models
8 Revisit stakeholders to solidify position
9 Establish and ratify a measurement and feedback system
10 Ratify and thank all participants and stakeholders to maintain engagement
11 Allow time to mature
12 Measure, Reassess, Adjust

Organizational Structures (traditional combined with student discussants)

Ten fundamental organizational structures will be discussed in some detail: 1) charities and foundations 2) sole proprietorships 3) hospitals, 4) corporations, 5) franchises, 6) networks, 7) cooperatives, 8) partnerships, 9) membership organizations, 10) agencies of government. A student will be asked volunteer as discussant with the teacher for each structure. These will later be shown to be typical components of complex health systems.

- Source of Mandate and Purposes
- Ownership
- Funds Flow
- Organizational Roles and Distribution of Authority
- Decision Making Processes
- Examples from Modern Health Systems

Situational/External Assessment (Traditional plus assignments and discussants)

Review Mosely Chapter 1

A brief introduction to systems thinking - the relationship between the organization and its environment.

- Terms: accretion (gradual buildup),
atrophy (gradual disuse),

teleology (direction)

Michael Porters “What is Strategy? (volunteer presentation)

Michael Porters Five Forces That Shape Strategy (volunteer presentation)

Mintzberg – The Rise and Fall of Strategic Planning (volunteer presentation)

<https://hbr.org/1994/01/the-fall-and-rise-of-strategic-planning> (volunteer presentation)

Two ways to explore the complex nature of American Healthcare and its subsystems

Internet Exercise - An accretive history – Historical inflection points in the development of the American Health System: Each student will post an entry and be a discussant for one of the inflection points enumerated in modules document.

Class Exercise - A dialectical history: Six potent “influencers” within the modern health system will be examined to show their waxing and waning influence over time.

- Philanthropy (volunteer discussant)
- Medical Profession (volunteer discussant)
- Corporations (volunteer discussant)
- Government (volunteer discussant)
- Business of Insurance (volunteer discussant)
- Hospital Industry (volunteer discussant)

Mosely Chapters 2 through 5

Supply Chain / Value Chain

Where do patients come from?

The evolving character of Referral Patterns

- Private Practitioners – Individuals and small groups
- Community hospital – Hill Burton
- Academic referral hospital – Flexner Report
- Regional hospitals – Competitive Markets
- Insurance Networks – Virtual Health Systems

Competition - Porter’s Five Competitive Forces that Shape Strategy (volunteer presentation)

Volunteer	Force	Gainesville Examples
	Rivals	
	Threat of New Entrants	
	Power of Suppliers	
	Power of Replace	
	Threat of Substitutes	

Insurance - Indemnity insurance vs the prepaid group <https://www.nytimes.com/2017/06/19/opinion/health-insurance-american-medical-association.html> (volunteer presentation)

PESTL - Political Economic Social Technological and Legal (volunteer presentation –healthcare example from the internet)

Internal Assessment - Competencies and Capabilities

SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis

Kaplan and Norton – Using a Balanced Scorecard as a Strategic Management System (*volunteer presentation*)

Stakeholder Identification

Internal Capacity and Capabilities

Roles versus Positions

Line versus staff

- Patients (consumers)
- Board members and other volunteers
- Partners and Strategic Alliances
- Stockholders
- Corporate
- Vendors
- Community, Region, State

Stakeholder Engagement

Mental models, straw men and evolving to a shared vision.

Read: Smith (Modules) “Building Shared Vision: How to begin” (*volunteer presentation*)

Read: Collins and Porras (HBR Redbook) Building You Company’s Vision” with special emphasis on “Envisioned Futures” (*volunteer presentation*)

Graded Assignment – Engagement style - Piney Hills -Call to action (15 points) Based on Piney Hills Case (Modules) - two pages (Word Format)

Dos

1 page word transmittal memo (or email) to the boss (Porter) laying out rationale and suggestions. (see Smith Article)

1 page draft memo from the boss to the proposed team Use consistent engagement style - straight forward, succinct, simple language to (1) clearly define your role (you are an intern) (2) engage people for their individual skill contributions and (3) give clear sense of process expectations and required time commitments and (4) thank people in advance

Don'ts

Don't try to solve the entire problem in the memo – that is what the group is going to do. Don't rely on Porter's raw authority – do not use Smith's “tell” mode. Don't get too cute – you are working with seasoned vets. Don't overstate the urgency

OK's

OK to use Email format all around (more formal than a text message, less formal than a letter of reference. OK to attach one or two exhibits (e.g agenda, schedule, role definitions, data, or

conceptual diagram) less than one page. OK to us first names of team members (except board members). You can decide how you want to address the boss.

Nelson, Martin, and Powers “The Secrets to Successful Strategy Execution” (volunteer presentation)

Products and levels of “packaging” (Traditional)

Procedures
Episodes
Conditions - Patient Subpopulations – carve outs
Populations

Pricing

The Pindyke examples (Three Volunteer Presentations - Modules)

Modern Complex Organizations (Traditional)

Fully integrated with an Insurance Wrapper
Academic City States
Franchise Models
Virtual and Contractual Networks
Independents

The Modern Disfunction (Traditional)

Stephan Brill “The Bitter Pill” – modules (volunteer presentation)

Envisioning a “Future”

Scenario Planning Peter Schwartz “Taking the Long View” (traditional, interactive, assignment)

The exhaustive list story board
Megatrends
Forcing some plausible future environments
Nicknames
Scenario Development

Piney Hills Call to Action (15)

Mid Term Exam (30 points) (on or about October 15)

Scenario Planning (15 points)

Adaptive Strategy “Elevator Pitch” (20 points) this will involve an individual meeting with the teacher where the student will seek authority to initiate an adaptive project. Deliverables and documentation required to be filed three days prior to the scheduled meeting.

Structural Assessment,
Environmental Assessment (Description of Strategic Position), SWOT, PESTL
Desired State
Alternatives Assessment

Intervention
Measurement
Communications Plan

Course Participation including stickers (20 Points)

One point will be accrued for each time a student accepts a responsibility as a discussant.

Two points will be accrued for each time a student accepts responsibility for a presentation.

Historical Inflection Points
Structural Components
HBR Redbook Reports
Special Assignments

Students will only be allowed one topic until 50% of the class has participated. An exception will be made if no student has volunteered by Friday morning prior to class time.

Important Notes

Other readings and assignments may be added on an as needed basis.

The sequencing of materials is subject to change.

All students are expected to read the HBR Redbook and the Mosely text in their entirety.