



Contrarian **Edge**

Think Global, Act Local

The future arrives—as Carl Sandburg described the fog—on little cat feet. It's pretty silent. Nobody slaps you upside the head and says, "Future's here." And it doesn't happen all at once. But here and there one glimpses America's healthcare future.

Somebody has to say it and be the shot-at messenger, so I volunteer. The day of the small community hospital is coming to an end, and so too is the idea that American healthcare is better than anybody else's. The future has arrived, and, if hospitals want to survive, they have to begin thinking globally and act locally. Here's a rundown on the new paradigm and a prescription from the good doctor for those struggling to adjust.

Think Global

- Hospital chain consolidation of the industry is well along. Control is passing from the local community to Nashville or some other burg due to capital and technology requirements. **Rx: Get connected to the money, if you aren't already.**
- Patients by the thousand stream across the nation's borders daily to Canada and Mexico for prescriptions and procedures. Aiding this natural migration, American employers and insurers are sending covered employees to regional specialty hospitals or overseas for care. When it's cheaper to fly people to Europe for surgery than to have it done in the States, it sounds like a wakeup call. **Rx: Rethink supply chain in and referral patterns out—there may be better options.**
- The Commonwealth Fund and PBS Frontline special, "Sick Around the World" is only the latest documentary to show that other nations health systems are worthy of consideration, and nearly all are superior to our own in one form or another. Yes, boys and girls, America was the best in most things, but that was 50 years ago. Knowledge

spreads around the world at Internet speed—anyone can access it, and nations like China and Brazil rise almost overnight.

Rx: Keep up by importing best practices from beyond our borders as healthcare becomes a globalized commodity. Recognize that customers are casting a wider net for cost and quality.

- Given America's declining economy, we can't afford the non-system we have. It will either change because leaders are willing to consider some new ideas, or it will dwindle into oblivion serving a declining population. Unfortunately, our politicians think this is primarily an insurance coverage question—they don't yet get it that the delivery model itself has to be completely redesigned. **Rx: Innovate like crazy—you're better off relying on your peoples' creativity than waiting for Washington to ride to your rescue.**
- Self treatment, home diagnostics, even direct control of Web-based patient records is passing into the hands of the consumer and away from doctors and hospitals that couldn't figure out c-o-m-p-u-t-e-r-s. **Rx: Develop the ability to receive information from Microsoft HealthVault and get your doctors wired with AllScripts software—other options are already falling behind these early leaders. And don't forget to get online with information sites.**

Act Local

Given the emerging global picture, what actions need to be applied right here, right now?

- Adopt NCQA, Leapfrog, and other standards being set by the more aggressive standards groups. Move away from Joint Commission minimalism, with a strategy of pursuing highest standards and reworking

processes to meet them. Either embrace a rigorous standards process, or watch your successor do it.

- Profile the DRGs your organization performs excellently in terms of lowest cost and best quality, and build on those strengths by marketing them to insurers and providers to build volume and reputation. Conversely, take a look at high cost, high volume, and high risk processes—they are either candidates for improvement or discontinuance.
- Create a "Think Global, Act Local" team, to apply additive process techniques using the top three physician providers in your DRG family of choice to create best product offerings. Move physicians and support staff into alignment, with these new standardized approaches. While standardization is a political hot button, this tide has to be mastered. Take a look at how the airlines are dying, unable to compete with simpler, standardized Southwest Airlines.
- Package your product for ease, comfort, and attraction to the patient and support members.
- Create online communities of patients with similar disease situations. Include periodic education and information inserts for these user forums.
- And, as always, invest in both strong selection and development actions in leadership and staff. Stay center focused in building human assets—it's their brains that are going to get you there.

Clay Sherman is author of Creating the New American Hospital and Raising Standards in American Healthcare. A member of the Healthcare Management Hall of Fame, Clay provides an extensive free resource library of management high performance materials at www.GoldStandardManagement.org.