LECTURE OBJECTIVES:

1. Analyze economic, social, and demographic forces that drive the development of healthcare organizations.

2. Contrast and compare strategic planning, goal setting and marketing strategies.

3. Analyze the relationships among vision, mission and philosophy statements and organizational structure.

4. Compare and evaluate the various types of organizational structures, relating their functions and benefits.

5. Analyze the major factors that are escalating costs of healthcare compared to cost containment.

6. Analyze the pros and cons for the five nursing care delivery strategies and role of the nurse in each.

7. Describe the variable that the nurse manager considers in developing a fair, balanced work schedule that meet personnel scheduling needs and continuity of patient care.

8. Explain the budgeting process and the necessity of variance evaluation.

READING ASSIGNMENT:

Yoder-Wise (3rd ed.) - Ch. 6, pp 91-105; Ch. 7, pp 107-120; Ch. 9, pp 139-153; Ch. 10, pp 155-172; Ch 13, pp 215-234; Ch 15, pp 253-274; and Ch. 16, pp 275-292.

LECTURE OUTLINE:

I. Healthcare Organizations

A. Introduction

1. Types of Service

   a. Restorative
   b. Preventative (wellness)
   c. Full spectrum of health

   d.
B. Characteristics of Organizations

1. Institutional Providers
   a. Services offered
   b. Length of service
   c. Ownership
   d. Financial provision
   e. Teaching status
   f. Geographic location
   g. Accreditation and licensure status

2. Consolidated systems - 5 levels
   a. Investor owned
   b. Large voluntary affiliated systems
   c. Regional systems
   d. Metropolitan based
   e. Special interest

C. Driving Forces

1. Economics
2. Social
3. Demographic

D. Role of Nurses -

1. Continuum of care
2. Leadership and management
3. Political involvement
4. Strategic planning
5. Work efficiency -

II. Strategic Planning, Goal Setting and Marketing

A. Strategic Planning

1. Introduction -
   a. Definition - a process designed to encompass the organizations mission statement, strategic action plans, changes in policies and procedures, environmental factors affecting the organization and the development of new services.
   b. Proactive vs reactive -

2. Reasons for planning
   a. Survival
   b. Achievement of goals and objectives
   c. Meaning to the work
   d. Provides direction
   e. Efficient use of resources

3. The planning process/phases
a. Assessment -
b. Opportunities and threats
c. Strengths and weaknesses
d. Objectives
e. Strategies
f. Plans
g. Implementation

4. Phases of the planning process.
   a. Assessment
   b. Review of mission statement, philosophy, goals and objectives
   c. Identify strategies
   d. Implementation
   e. Follow-up evaluation

B. Marketing
   1. Definition - activities designed to generate and facilitate exchanges intended to satisfy human wants and needs.
   2. Process - similar to strategic planning.
      a. Assessment: identify and research target market and conduct a cost analysis.
      b. Planning : outline the services and package the product
      c. Implementation: communicate the benefits and sell to the target groups.
      d. Evaluate: obtain feed-back and determine consumer satisfaction and needs.

III. Organizational Structure
   A. Vision Statement(s) - future oriented, brief purposeful statements designed to identify the desired future of the organization.
   B. Mission Statement - defines the organizations reason for being and is an essential prerequisite to designing an organization.
      1. Defines services -
      2. Defines customers -
      3. Enacts the vision statement
      4. Organizational and departmental
   B. Philosophy - states values and beliefs held about the nature of the work required to accomplish the mission and the nature and rights of people being served and those providing services. Department philosophy supports the organizational philosophy.

C. Factors Influencing Organizational Development - (Organization chart)
1. Define the work organization
2. Where decisions are made
3. Lines of authority
4. Responsibility of workers
5. Map of communication
6. Decision making paths

D. Influences for Re-engineering - necessitated by competition for clients

1. Change -
2. Consumerism -
3. Competition -

E. Types of organizational structure

1. Bureaucracy - services in short supply, limited knowledge bases, undeveloped technology and information systems.
   a. Formal
   b. Centralized
   c. Hierarchical
   d. Division in labor
   e. Decisions flow from the top. (Autocratic) -

2. Matrix Structures (hybrid)- focus on product and function (tasks)
   a. Interdisciplinary teams (teamwork)
   b. Diversified responsibilities
   c. Models
      i. Focused care (product line)
      ii. Specialty services (service line)

3. Flat structure - removes the hierarchy.
   a. Participatory management
   b. Decision at lowest level
   c. Informal
   d. Problems solved at the customer level

F. Fluid Relationships

1. Vertical Integration -
2. Practice in systems vs settings -

V. Managing Costs and Budgets

A. Introduction - Gross domestic product (13%) -

B. Escalating costs factors

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1. Formula - cost = price x utilization.
2. Administrative inefficiency
3. Prevention vs “fixing” - Consumer attitudes and behaviors
4. Reimbursement
5. Unnecessary care
6. Changing population
7. Disease patterns

C. Changing healthcare - requires “financial thinking” of nurses
1. Managed Care -
2. Organized delivery systems
3. Competition-based prices -

D. Cost Conscious Practices
1. Know costs and reimbursement
2. Capturing all charges -
3. Time efficient care -
4. Discuss cost of care with patients.
5. Meeting patients needs
6. Evaluate cost effectiveness of new technology -
7. Predicting and using nursing resources efficiently.
   a. Fixed costs -
   b. Variable costs -
   c. Classification systems -
   d. Budget management -
   e. Managing staffing -
   f. Decreased Length of stay (LOS) -

8. Research of Nursing Practice-

E. Budget type = financial planning
1. Operating budget -financial plan for day-to-day operation.
   a. Capacity of service -
   b. Patient acuity
   c. Salary budget
   d. Staffing plan - FT, OT, Diffs., raises and benefits (20-25%)
2. Capital Budgets
   a. Major expenses - equipment Greater than $300 with a designated useful lifetime
      and physical plant upkeep and/or expansion.
      i. Justification - use, space, personnel, operation costs, revenue, and
         contribution to strategic plan.
3. Cash budget - month cash for short run increases in expenses

F. Budget process
1. Assess projected operational needs and costs
2. Plan for known and projected costs: Operational and capital budget
3. Negotiate and revise -
4. Evaluate: month-to-month variances analysis.

G. Budget Management: > 5% requires a correction plan.
1. Evaluate Productivity: Cost conscious Nursing Practices and Patient Outcomes (Quality)

VI. Care Delivery Strategies - method used to provide care to patients

A. Purpose - to evaluate the method of providing patient care for the purpose of saving money, while still providing quality care.

B. Methods of Nursing Care Delivery

1. Case Method (Total Patient Care) - oldest method.
   a. Advantages
      i. Consistent care
      ii. Mutual trust
      iii. Comprehensive
      iv. Continuous
      v. Holistic
   b. Disadvantages
      i. Costly
      ii. Level of service
      iii. Skill level
      iv. Communication skills
   c. Staff Nurse Role - holistic

2. Functional Nursing -( WWII shortage to nurses.) - a method of providing patient care by which each licensed and unlicensed staff member performs a specific task for a large group of patients.
   a. Advantages:
      i. Efficient
      ii. Competency in skill/task
      iii. Cost effective
   b. Disadvantages:
i. Fragmented care
ii. Psychological and spiritual needs not met.
iii. Patient confusion
iv. Difficult to evaluate patient response/outcome
v. Change of condition not recognized
vi. Ineffective communication
vii. Patient-family dissatisfaction
viii. RN frustration

c. Manager Role
   i. Patient outcome(s)
   ii. Assignment rotation
   iii. Encourage communication
   iv. Empower

d. Nurse’s Role: Competency of skill/task

3. Team Nursing (modified functional nursing) - Hallmark: “Care through others”

   a. Advantages:
      i. Improved patient satisfaction
      ii. Organized decision making
      iii. Cost effective

   b. Disadvantages:
      i. Novice with poor leadership skills -
      ii. Weak teams vs strong teams
      iii. Potential fragmentation

c. Manager Role
   i. Assignment of team leaders
   ii. Provide adequate staffing and mix
   iii. Relinquish authority

d. Staff Nurse Role
   i. Identify strengths and weaknesses of team members (Competency)
   ii. Delegation -
   iii. Mentor -
   iv. Update care plans

4. Primary Nursing -

   a. Functions
      i. Consult physicians and allied team members
      ii. Communicate with supervisor
      iii. Communicate with associate nurses -

   b. Advantages:
i. Autonomy
ii. Motivation
iii. Increased communication
iv. Increased patient rapport
v. Work with professional staff

c. Disadvantages:
  i. Costly
  ii. Inexperienced RN
  iii. RN not wanting responsibility

d. Manager Role
  i. Desire
  ii. Educate staff
  iii. Role model
  iv. Coach
  v. Consultant

e. Staff nurse
  i. Caregiver
  ii. Patient advocate
  iii. Decision maker
  iv. Teacher
  v. Collaborator
  vi. Manager
  vii. Comprehensive care

5. Partnership Models - modified Primary Nursing
   a. Basic partnership - RN and PCT
   b. Skilled partnership - RN + LPN
   c. Patient focused care-
      i. RN facilitates continuity of care
      ii. Collaboration -
      iii. Nurse Manager - accountable and responsible to manage nurses and other staff.

   a. Purpose: to coordinate care, maintain quality, and contain cost, while focusing on outcome of care.
   b. Function: Collaboration
      i. Internal - manage D/C Planning
      ii. External - manage placement, expenses, equipment
   c. Tools: evaluate expected outcomes by DRG’s
i. Critical pathways -
ii. Care maps -

iii. Process: retrospective chart reviews to establish a standard of care and key patient care expectations.

d.  Variance identification - a MUST.

i. Patient complications
ii. Operational causes - delay in service/equipment
iii. Patient motivation.

e. Advantages

i. Improve care outcome
ii. Decrease LOS
iii. Efficient use of services

f. Disadvantages

i. Financial barriers
ii. Lack administrative support
iii. Resource inequities
iv. Turf battles
v. Lack of information support systems

g. Nurse Manager Role

i. QI activities
ii. Assess patient satisfaction
iii. Communication with administration, MD’s, and staff

h. Staff nurse Role - evaluate and develop new systems of care delivery to maintain quality of care

VII. Staffing and Scheduling

A. Introduction:

1. Staffing: Labor Costs comprise 75% of budget costs.
2. Scheduling decisions - make or break budget, affect patient satisfaction.

B. Staffing Process

1. Project need in budget
2. Accountable for balance: Monitor, evaluate and modify, based on volume and acuity
3. External variable
   a. State Licensing standards
   b. JCAHO/Regulatory Agency Standards
   c. ANA Standards
   d. Consumer Expectations
4. Internal variable
   a. Organizational Staffing Policies
b. Structure and Philosophy fo Nursing Service Department
c. Organizational Support Systems -

C. Forecasting Unit workload - unit activity reporting of patient care hours delivered

D. Forecasting Unit Staffing
1. Full Time Equivalent (FTE) - based on 40 hour week
2. Productive time: Direct and Indirect hours -
3. Non-productive time -

E. Scheduling - Fair and balanced staffing
1. Variables affecting staffing
   a. Hours of operation
   b. Shift rotations and weekends
   c. Approved benefits (PTO)
   d. Approved LOA
   e. Meetings
   f. Filled vs vacant positions
   g. Part-time employees
   h. Increasing staff FTE’s time -
   i. Floating staff -

2. Agency Staff -

3. Mandatory Overtime (stay over scheduled shift) -

F. Constructing the Schedule - biweekly vs monthly
1. Decentralized Scheduling -
2. Centralized Staffing -

G. Evaluating Productivity
1. Patient Classification System-
2. Staffing Mix and Distribution-
3. Labor costs per unit (Patient Care Hours)-

H. Impact of leadership
1. Coach
2. Mentor
3. Communication

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TYPICAL SUBJECT MATTER OF PHILOSOPHY
1. A specific nursing theory, which can be referred to or incorporated in its entirety.
2. Nursing practice values.
3. Nursing education values, with respect to staff education or to education of students.
4. Nursing research values with respect to active research or application of research findings of others.
5. Relationship of nursing practice to nursing administration of the institution’s.
6. Relationship of nursing to the client.
7. Relationship of nursing to the extended client (the community or society).
8. Relationship of nursing to the rest of the organization.
9. Relationship of nursing staff with other health professionals.
10. Relationship to the goals of other departments.
11. Relationship to other value systems such as religious groups or societal groups.
12. Nursing management values, with regard to mode of management.
13. Relationship of the nursing division to professional nursing - organizational or conceptual.
14. Coordinative and cooperative relationships of nursing to other institutions.
15. Values related to patient rights and other beliefs about patients/people.
16. Values related to employee rights or professional growth and development.
17. Values related to promotions, retention, and transfer within the organization.