

**CASE MANAGEMENT FUNCTIONS AND SYSTEMS ENGINEERING
FOR HEALTH CARE FACILITIES
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THE PROCESS OF PAYING FOR PERFORMANCE:

- PLANNING
- ORGANIZING
- DIRECTING
- CONTROLLING

PLANNING:

In health care (Care) Planning has been an art form due to the policy of the medical and nursing schools to expect the students to build care plans from scratch. I have been told that the hated care planning process was because the students had to buy 4 to 5 different books and take 4 to 5 hours to develop one plan of care.

There was and still is no use of standardization nor tools for performing this meaningful task... there lies the problem with manually developed care plans. The plans were different each time and had subjectivity written all over them. To this day nurses would rather die than plan and doctors fly by the seat of their pants in the pursuit of treatment rather than be accountable for performance.

So health care is not managed. It is an individualized art form...inefficient, ineffective and wasteful. Costs escalate and quality deteriorates. It is estimated that 45% of the cases are missed diagnosed. Medication errors persist and ER is full and out of control. Not only that the costs are doubling every 10 years.

ORGANIZING:

Without effective planning there is nothing to organize towards. In health care the process is therefore inductive and not focused on a deductive outcome. It is each artist's version of the pursuit of treatment without adequate analytical tools for direction.

DIRECTING:

Process management is the analytical device that will define direction and outcome. Unfortunately, health care has defied process standards and does not pursue objectives as any other business would. Therefore, the artists determine their own direction without accountability or controls. Ineffectiveness and lack of quality prevails.

CONTROLLING:

Health care gives lip service to quality...quality assurance, quality measures, quality indicators...but effectively has avoided the only meaningful word which is control. We must have a control mechanism to control anything. Since there is no effective plan, no practical organization to the work, no definitive direction towards objectives there can be no control. This result is just an exercise in good ole Plato logic.

In the book Cost Containment Through Systems Engineering written by David Johannides in 1979 it was said "There is abundant evidence that systems engineering makes organizations more effective by better utilizing resources in the delivery of quality patient care. It is

unfortunate that only recent national pressure for cost containment has stimulated consideration of systems engineering. It would have been better for both the providers and the consumers of health care if the concept had gained impetus earlier, in the 1960's, from a revised financial reimbursement policy of insurance companies and the government."

Almost 20 years later it is still not there...it is still too bad that the 21st century providers do not embrace process management (systems engineering standards) in their operations.

THE BENEFITS OF SYSTEMS ENGINEERING AND PROCESS MANAGEMENT:

THE PLAN:

Care planning needs to be a science. The design and development of care models have been around since 1979. The use of critical pathways and models and blueprints have come and gone. Why? Because the artists did not want to give up their art form. Doctors do not use them. Hospitals barely use them and nursing homes do not use them to manage or control the care.

What is needed is a giant step towards ISO 9000 standardization of the health care business model with Six Sigma processes isolating and preventing waste. At that point the payment system can be based on performance not treatment. Then planning for outcome will rise to the top of the priorities.

ORGANIZING WORK FLOW AND BALANCING WORK LOAD:

Organizing work flow and balancing work load are 19th century concepts that seem to have eluded health care. "There are too many variables to be able to predetermine the tasks in a work day". "I don't have the time to organize my time". "How can I know what the future holds"? From this mindset emanates gross inefficiency and disorganization. The E-Myth Manager is famous for the statement "that you cannot manage anything without a management system".

So why not organize 80% of the work flow and customize the remaining 20% rather than winging it 100% of the time. Models of care based on diagnosis and assessed problem statements can give organization to the work flow and work load by staff type. Then the interventions can be set up as approaches and goals established for the expected outcome. We then have a way to measure performance. Just basic management principles.

DIRECTING EFFECTIVE AND QUALITY WORK (Case Management Systems):

"If we don't give them too much work to do they will loaf and waste my money"...the autocratic approach to organizational structure. What this attitude does is to encourage slow down and lacks any semblance of accountability for matching efficient input with effective output. Just show them what you expect in the work day give them the time to do it and the average Joe wants to please. That is the simplicity of time and quality management that organizes the work flow and balances work load with worker capacity.

Direction in an art form is anyone's guess, but in an organized form it is no one's guess. The only guessing is when the goals will be attained and that can be predicted 80% of the time based on past performance.

Case management meets the objectives of directing effective and quality work to a positive end. The Case management focus is on each case and that patient's problems utilizing a Case Management library of computerized model care plans that are customized by the Case manager for action on each case. The Case Management team then carries out the action plan in the

pursuit of planned outcomes for their caseload. A very specific and detailed blue print of care that delivers a quality of life everytime.

CONTROLLING:

Quality Control is in the eyes of the beholder...will it come at the end of the production line, in the middle or at the beginning?

The Americans traditionally have it at the end of the production line and dump it as waste or pass it on to an unsuspecting consumer in the form of inferior quality.

The Japanese learned process management from Deming and have their quality control during the production process...stop the production line and fix the defect...at the end of the production line there should be no waste. They still beat the Americans on quality and price.

In health care the control should be at the beginning of the process in the form of the planning, organizing and directing the care. In the service business with a large number of variables the controls must be established in the beginning and monitored and interventions changed as the care is delivered. I we Americans cannot comprehend this maybe we should have the Japanese manage our health care system.

SUMMATION:

What does this mean to the ordinary health care provider? What it should mean is we must eliminate the "hidden costs" in delivering defect free care. Those major hidden costs are as follows:

- Over medication
- Missed diagnosis
- Wasted time and effort
- Excess capacity (empty beds)
- Re-hospitalization
- Ineffective outcomes
- High insurance costs (injury to patients and staff)
- High staff turnover
- High staff absenteeism
- Lack of affordable preventive and health preservation services
- Theft and waste of tangibles
- and the bottom line...Poor quality and low profits

It is estimated that the "hidden costs" of doing business in health care is at least \$1 to 10 million dollars per provider. Systems engineering or process management will solve these costly operational defects. To do this the 21st century manager must become schooled in the use of Case management systems, computerized modeling, probability formulas, time and motion standards, outcome definition and measurement or in the vernacular of Drucker become an Effective Executive.