

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

Fall Semester: 2017
Class time Thursdays 9:35-12:35 Room G 105
Office Hours Tuesdays 9-noon by appointment
Delivery Format: On-Campus/On line
Course managed on the Canvas System

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Office Hours:	Tuesday Mornings 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

[Course Overview](#)

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 (imagine) appropriate and a practicable strategic responses, to persuasively articulate the vision of 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 land the

first year courses in Health Policy, Finance, Basic Management and other categorical studies and to prepare students for internship and or job placement in a practical working environment.

Instructional Methods

Lectures, classroom exercises, classroom discussion of readings, online discussions of special topics and an Individual project with iterative instructor feedback.

DESCRIPTION OF COURSE CONTENT

HSA6188 - Strategic Management of Health Organizations 2017

Required Texts

Porter HBR, "On Strategy?"

Mosely, "Managing Healthcare Business Strategy"

Getting Started

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 a cyclic process
- Organizational structure massively influences behavior –submarines can't fly
- Strategic cases (aka business plans) vary widely and necessarily by audience and situation
- Modern strategy involves milestones, measurement, feedback and adaptation

Strategic direction – Take the organizational point of view to envision a desired state and enroll stakeholders

Strategy versus tactics

Son useful Metaphors: Maps, Directors, Rapids, Pipe

Health System Basics

Three Interacting “horizontal” Subsystems:

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

Optimization and sub optimization

Project management as a “vertical” exercise

Sticker Exercise

Ex Nihilo Nihil Fit – Lucretius – see modules sidebar articles

Historical antecedents and accretion – canvas entries and discussions

Nine elemental organizational structures and their major variants (see modules) side bar

Structural Analyses

Structure		Volunteer Discussant	Origin	Function	Discussion/Examples
Sole proprietorship	1				
Charities and foundations	2				
Governmental Agencies					
Military	3a				
Non military	3b				
Research	3c				
Partnerships					
Single specialty	4a				
Multi-specialty (Prepaid)	4b				
Corporations					
Hospitals	5a				
Academic Medical Centers	5b				
Insurance	5c				
Medical Industry	5d				
Franchises	6				
Co-Ops					
Patient	7a				
Industry	7b				
Networks					
Provider	8a				
Patient	8b				
Research	8c				
Insurance	8f				
Membership Organizations					
Guilds & professional	9a				
Pharma & Technology	9b				
Accrediting associations	9c				

At the Movies visualizing strategy

Mosely Chapter 1

Porters “What is Strategy?”

“The Founder”

Discussion issues - the movie is to be discussed in concert with the Michael Porter article “What is Strategy?” The technical terms are direct references to that work.

How would you describe the “productivity frontier” at the outset of “The Founder” movie? How would you describe it today?
What is/are the fundamental disruptive technology/ies involved in the Founder?

Which of Ray Kroc’s decisions in the Founder might you consider strategic? Which are tactical?
How did Ray Kroc and McDonalds achieve “sustainable competitive advantage”?
When was “strategic momentum” achieved in the movie? How was it sustained? Relate this to the restaurant scene where Ray meets his second wife.
Who are the innovators? What are the rights of the innovators? How were the rights of innovators defined?
What is the role of “brand”? What brands are dominant in American medicine and how would you characterize them? What is the influence of brand in healthcare?
What is the significance of the slogan “MacDonald’s is family” as a core ideology?
How was control established? What are the limits of control? Would this same system of control be effective all management settings?
Discuss the limits of legal contracts and contract enforcement.
Would you have liked to work for Ray Kroc? How would you describe his managerial style?
What is the role of “staff” in the movie? How are “line managers” differentiated from “staff”? How does the span of control differ between line and staff?
How do you feel about Ray Kroc’s communication style? Would this same communication style be effective all management settings? Would it work with professionals in clinical practice? What determines appropriate communication style?
What motivational devices (incentives) are involved at various parts of the movie?
What are the strategic implications of “Hamburger University”?
Where is McDonald’s stock trading today? How is it positioned for the millennial generation?
What characterizes the franchise model? How might responsibility be split between franchiser and franchisee? Would you characterize McDonald’s as a strong or weak type of franchise model? Why?
Name some instances where health care is being franchised? What are some of the strengths and weaknesses of franchising as a health care strategy?

Discussion point: Critics say the movie “offers no sense of the wider implications of the spread of the franchise, no sense of what it has meant to the world, and no sense of what it means to the characters in the story—not even to Kroc himself.” <http://www.newyorker.com/culture/richard-brody/the-founder-a-fast-food-visionary-on-shaky-moral-ground>

In the movie very little is discussed about the reliance on part time and entry level employees. What was the strategic advantage? What are some downstream consequences?

Some of McDonald’s best and most enduring ideas, such as the Egg McMuffin and the Big Mac, were developed by franchisees themselves. Tie this fact to the modern notion of network growth.

The Styrofoam McDonald’s clam shell containers sit on display in the National Museum of American History. What do you infer from this?

Situational Assessment

Mosely Chapters 2 through 5

Supply Chain / Value Chain - including patients!

The evolving character of Referral Patterns

Community hospital – Hill Burton

Academic referral hospital – Flexner Report
Regional hospitals – Competitive Markets
Insurance Networks – Virtual Health Systems

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

Internal Assessment - Competencies and Capabilities

SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis

Pestel Analysis Political Economic Social Technological Environmental Legal

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”

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

Graded Assignment - 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. Use consistent engagement style (see Smith Article)

1 page draft memo from the boss to the proposed team - 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 use first names of team members (except board members). You can decide how you want to address the boss.

A typical adaptive project process

1 Establish authority
2 Assess the entire situation - quantify where appropriate – identify stakeholders – identify competitors
3 Envision mental model / straw man proposal
4 Gather / involve stakeholders -communicate clearly
5 Build toward a shared vision / obtain principal stakeholder approval in concept
6 Iteratively refine the straw man into a position – narrative, diagrams, data models
7 Revisit stakeholders to solidify position
8 Establish and ratify a measurement system

Products and levels of "packaging"

- Procedures
- Episodes
- Conditions - Patient Subpopulations – carve outs
- Populations

Pricing

- The Pindyke examples (Modules)
- Brill article Time Magazine (Modules)

Complex Organizations

	SWOT Volunteer	Packaging	Discussion
Fully integrated with an Insurance Wrapper			
Academic City States			
Franchise Models			
Virtual and Contractual Networks			
Ankle biters like the MacDonald Brothers			

Competitors

Read: Porter (HBR Redbook) "Five competitive forces that shape Strategy"

Schedule First Round individual sessions (approximately 15-12 minutes) – Required – individual sessions August 15, 22 and 29

Select one of 20 structures as discussed in previous session

Identify a SBU (Strategic business unit)

Sticker Exercise

Identify local area examples of Porters forces and make a brief presentation in class

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

Mid Term Exam (20 points) (October 13)

Graded Assignment Adaptive Strategy - Interim draft (15 points) - Due November 17

Structural Assessment,
Environmental Assessment (Description of Strategic Position), SWOT, Pestel
Desired State
Individual Meetings Optional - Time available September 12, 19, 26

Final Graded Assignment Adaptive Strategy (30 points) Due December 3 midnight.

Three practical “Things”: Conceptual diagrams, narrative, supporting analytics

Alternatives Assessment
Intervention
Measurement
Communications Plan

Course Participation (20 Points)

Historical Inflection Points
Scenario Planning
HBR Redbook Reports
Special Assignments
Professionalism of process

Important Notes

Other readings and assignments may be added on an as needed basis.
The sequencing of materials is subject to change.
In general all students are expected to read the HBR Redbook and the Mosely text in their entirety.