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Managing for Change

1992-01-29

Managing for change: January 29, 1992

v. 3, no. 1

<https://hdl.handle.net/2144/25918>

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The
University
Hospital

Managing for

CHANGE

A Publication for the Managers of The University Hospital

January 29, 1992
Volume 3, Number 1

UH supports Chapter 495, new state health-care finance law

Late in December, Governor Weld signed Chapter 495, which we at UH believe to be an adequate health-care financing and access law. UH supports Chapter 495 in its approved form because it provides a 90-percent revenue cap that we can live with, sufficient support for the Uncompensated Care Pool, and a novel approach to funding needed services—vaccines, well-baby care and substance-abuse programs. Our chief concern was the revenue cap. Were it reduced, as some had proposed, to, say, 80 percent, UH stood to lose an estimated \$11.5 million in FY92.

Our acceptance of Chapter 495 does have a caveat attached to it, relating to the law's provision for deregulating the hospital payment system. This provision advances the administration's attempt to create a Darwinian-style health-care system, with the intention of slowing the rate of health-care inflation. In theory, this provision appears to be a double-edged sword. On one hand, hospitals no longer will have to contend with a slow-moving, slow-paying, overregulated system. On the other hand, though, deregulation now empowers health-care payers to negotiate more strongly for, if not demand, larger pricing discounts from hospitals. This loss of bargaining leverage by hospitals could severely affect those institutions that do not already offer high-quality care at competitive prices. As you well know, UH already practices effective cost management and price negotiation, and competitive pricing scales are a major element of the business plans being created for our clinical services. I will inform you more specifically about how Chapter 495 will impact UH.

UH fares well in DPH "validation" survey

Jacqueline Dart, our executive vice president for operations, informs me that we did quite well in a January survey of UH that was mandated by the federal Health Care Financing Administration and was conducted by the state Department of Public Health. Typically, about one or two months following a reaccreditation review by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO), HCFA randomly selects a handful of hospitals to "validate" the JCAHO's findings and recommendations, and to see that hospitals are complying with Medicare requirements. The state DPH's are funded to assess the accuracy of JCAHO's work. This year UH was randomly selected as a survey site. According to Mrs. Dart, the comprehensive three-day study

NEWS TO USE

AIDS task force is making progress

Managers should know that an AIDS task force has been created to develop a UH policy to protect our employees and patients from transmission of the HIV virus. This group, which is chaired by Dr. Elcinda McCrone of the Section of Infectious Diseases, has a difficult challenge associated with a very sensitive issue.

According to Dr. McCrone, the greatest obstacle blocking the path to a sound policy is that science and government, particularly Centers for Disease Control in Atlanta, have yet to identify specific procedures or health-care workers at "high-risk" for transmitting the HIV virus. Until such scientific evidence exists, hospitals will have difficulty devising anything more than a functional policy. The AIDS task force, which meets monthly, is made up of clinical and nonclinical representatives from throughout the Hospital, the School of Medicine and the School of Graduate Dentistry.

UH expands its ophthalmology program

The Hospital has worked with the Department of Ophthalmology, under the direction of Dr. Howard Leibowitz, to broaden the reach of its current practice in the Gundersen Eye Center. A not-for-profit UH corporation known as University Eye Associates has acquired the assets of a large private ophthalmology practice on the South Shore that has offices in Taunton and Middleboro, and a state-of-the-art, free-standing ambulatory surgery center in Raynham. The University Eye Associates practice will be staffed

differed from the JCAHO survey in that it focused on the quality of the facilities and the practices of care delivery more than measuring quality based on clinical outcomes, which is the JCAHO's focus. She also said that the reviewers made several laudatory comments about the superior quality of UH's staff and facilities. Congratulations and thanks to those involved in this inspection.

Health-care Proxy Law is humane and patient-focused

It is becoming clear with the implementation of the federal Patient Self Determination Act and the state Health Care Proxy Law that people want to control their own medical destinies through various types of advance directives. An advance directive is a legal document that provides specific instructions for how a person would like care directed should he or she become incapacitated. In Massachusetts we use the health-care proxy directive, through which patients can designate other adults to make health-care decisions on their behalf. Under the new state law, hospitals must take the initiative to provide their patients with information about health-care proxies. I support advance directives on the basis that allowing a person to determine his or her own medical destiny is both humane and patient-focused.

Under the direction of Linda Burns, vice president for operations, and Edward Christiansen Jr., UH's legal counsel, a policy of Health Care Proxy has been developed for UH. Health Care Proxy forms will be presented to all inpatients, all outpatient ambulatory surgery patients, and all special procedures patients at the time of their admission.

Exceptions to smoking policy must meet certain criteria

I am pleased to know that, in general, there has been impressive compliance with the Hospital's "smoke-free" policy. In November, the Medical Staff Executive Committee (MSEC) approved a new policy that is the only exception to the "No Smoking" policy, allowing physicians to prescribe smoking for patients if there is a medical reason for the prescription. The reason for each and every exception must be written as a medical order by the attending physician and/or resident physician or consulting psychiatrist. The justification for each and every exception must be documented in the medical record. Under no circumstances can the order directly or indirectly endanger the health of any patients or employees. And under no circumstances can any such order take precedence over fire or safety regulations; no exceptions to the rule are allowable in areas supplied by oxygen, or in areas currently used by other patients or employees. To obtain a copy of the MSEC policy, contact the administrative offices at x6900.

As many of you know, I recently had the opportunity to see the Hospital first-hand as an inpatient. My experience has been positive from a medical and surgical vantage point, and it afforded me the opportunity to see UH as a consumer of health services. I plan to comment on this experience soon; in fact, the February issue of Connections will feature an interview in which I express some of my findings. In the meantime, my thanks to the many managers who expressed concern for my welfare during my forced convalescence.

J. Scott Abercrombie Jr., M.D.
President & Chief Executive Officer

and operated by the ophthalmologists previously practicing at those sites, including a fellow-trained neuro-ophthalmologist and a fellow-trained ophthalmologic plastic surgeon. Each physician is to receive a staff appointment at UH and a faculty appointment at Boston University School of Medicine. This expansion will allow UH to provide the optimal combination of community practice and tertiary care for our eye patients, and it will provide an additional outpatient setting for training residents and fellows in ambulatory eye surgery. It is anticipated that the physicians in this practice will be primary instructors for new ophthalmologic techniques, such as phacoemulsification, the newest technique for cataract extraction.

UH receives approval for pancreas transplants

The Hospital's Determination of Need (DoN) application for pancreas transplantation was approved on Dec. 17, 1991. This approval allows the Hospital to perform simultaneous pancreas-kidney transplants, pancreas-only transplants and transplants of the islets of Langerhans from the pancreas. Dr. Sang Cho, chief of our Transplant Section, and Miriam Pollack, director of planning, are to be commended for their efforts in this process. A major strength of our application was the Hospital's close association with Boston City Hospital because the two institutions serve a high combined population of diabetic patients, who are most likely to need a pancreas-kidney or islet transplant.

New study reveals that CEOs favor TQM

A Massachusetts Hospital Association study, published in the MHA's *Update* newsletter, found that 64 percent of surveyed Massachusetts hospital CEOs have committed to a total quality management (TQM) program, and 31 percent were considering such a program. The survey was done to see how CEOs were responding to the call for hospitals to increase quality with less reimbursement.

The leading motivations for implementing a TQM program, according to CEOs, are:

1. Improvements in internal operations
2. Changes in JCAHO standards
3. Improvement of staff morale/commitment to organization
4. Enhanced competitive advantage/market share
5. Financial considerations