

# ESSENTIALS OF STRATEGIC PLANNING IN HEALTHCARE

## Third Edition

Jeffrey Harrison

Corrections Sheet 9-30-2021

*The following errors appeared in the first printing of this book and were corrected in subsequent printings.*

**Page 119:** Near the bottom of the page, "twice" should be changed to "four times" so that the sentence reads: "However, the numbers also suggest that the percentage of ED patients leaving without being seen is four times the state or national average."

**Page 120:** In the bottom table, the seven numbers in the "CMC" column should be changed to 624, 277, 226, 55, 84, 8, and 55 to match the data on page 26.

***PDFs of the corrected pages are attached.***

an organization's delivery of care. SWOT analysis and the supplementary analyses promote (1) a better understanding of the barriers to change, innovation, and the transfer of knowledge to practice; (2) improved outcomes; and (3) more efficient allocation of healthcare resources.

A review of potential revenue sources enables hospitals to use strategies other than expense management to maximize financial performance. These products and services can often have a high profit margin and downstream revenue when there is an associated reasonable payback period. Organizations can explore internal and external environmental issues as potential opportunities as part of their SWOT analysis.

## EXERCISES

### REVIEW QUESTIONS

1. How does SWOT analysis set the stage for strategic planning?
2. Discuss the use of force-field analysis in promoting change in a healthcare organization.
3. Provide examples of how gap analysis can be used to improve the quality of healthcare services.
4. Provide an example of how a hospital's strategic plan can affect downstream revenue.

### COASTAL MEDICAL CENTER QUESTIONS AND EXERCISES

#### 1. SWOT Analysis and Hospital Emergency Department Expansion Exercise

Using the four steps of SWOT analysis discussed in this chapter, create a panel of experts and perform a SWOT analysis for Coastal Medical Center (CMC). Use SWOT analysis to identify factors that would help CMC get back on track and move forward on a new road to success.

CMC CEO Richard Reynolds has met with Dr. John Warren, the chief medical officer, and Dr. Debra Jones, the director of the CMC emergency department (ED). They discussed the data included in the following two tables. They also discussed a workload report of the ED service volume for the past year. The data shows high ED utilization. (The average charge for a hospital ED visit is \$1,000 plus \$500 in ancillary charges such as laboratory, radiology, and pharmacy.) However, the numbers also suggest that the percentage of ED patients leaving without being seen is four times the state or national average. Mr. Henderson, Dr. Warren, and Dr. Jones are concerned about lost revenue because hospital data shows that, in addition to the ED charges, patients generate an average of \$100 in profit per inpatient-day if they are admitted to the hospital.

**CMC Hospital Data**

Annual discharges	40,720
Average length of stay (days)	5.1
Average daily census	423
Inpatient surgeries	13,000
Outpatient surgeries	14,900
Births	2,400
Outpatient visits	245,000
Emergency department patients (not admitted)	36,400
Emergency department patients (admitted)	24,700
Total emergency department patients	61,100

**Comparison of CMC Emergency Department (ED) Quality of Care**

Measure	CMC	State Average	National Average
Average (median) time patients spent in ED before admission (minutes)	624	282	272
Average (median) time patients spent between decision to admit and departing for inpatient room (minutes)	277	108	97
Average time patients spent in ED before being sent home (minutes)	226	143	133
Average time patients spent in ED before being seen by a healthcare professional	55	23	24
Average time patients with broken bones waited for pain medication	84	56	55
Patients who left ED before being seen (%)	8	2	2
Patients who came to ED with stroke symptoms and received brain scan results within 45 minutes (%)	55	67	61