

Instructor Resources Sample

This is a sample of the instructor materials for *Essentials of Strategic Planning in Healthcare, Third Edition*, by Jeffrey P. Harrison.

The complete instructor materials include the following:

- Test bank
- PowerPoint slides
- Answers to end-of-chapter and case study questions
- Syllabus planner
- Sample syllabus
- Transition guide

This sample includes the PowerPoint slides, answers to the end-of-chapter and case study questions, and syllabus planner for chapter 3.

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THIRD
EDITION

ESSENTIALS of
**STRATEGIC
PLANNING**
in HEALTHCARE

JEFFREY P. HARRISON

CHAPTER 3: FUNDAMENTALS OF STRATEGIC PLANNING

*EXPERIENCE IS A HARD TEACHER BECAUSE SHE GIVES THE TEST FIRST, THE
LESSON AFTERWARD.*

—VERNON LAW

IF YOU CAN'T MEASURE IT, YOU CAN'T IMPROVE IT.

—PETER DRUCKER

Learning Objectives

- Assess actual strategic planning problems in healthcare and, using the various knowledge disciplines, develop comprehensive and practical solutions
- Exercise business planning techniques and demonstrate skills in professional writing and verbal communication
- Demonstrate a deeper understanding of the healthcare system and the management of costs, quality, and access
- Make sound business decisions, and develop a strategy for change
- Successfully participate in teamwork
- Use critical-thinking skills and create an environment that supports innovation and an entrepreneurial spirit.

KEY terms and concepts

- Ambulatory surgery centers
- Balanced scorecard
- Benchmarking
- Dashboard
- Efficiency frontier
- Fixed costs
- Gap analysis
- Healthy People 2030
- Medicare Payment Advisory Commission
- Payer mix
- Safety-net providers
- Total cost
- Variable cost

Introduction – Why Do Strategic Planning?

- To position the organization for success in an environment of uncertainty
- To reduce costs, improve quality and service, and ensure access to care
- To allocate resources more effectively
- To enhance the value of its services and better meet the community's healthcare needs



Introduction – Healthcare Statistics

In 2019

- Healthcare employed 20.5 million people in the US workforce (BLS 2020).

In 2018

- Healthcare expenditures reached \$3.6 trillion (CMS 2018).

In 2018

- Healthcare reached 17.7% of GDP, double the percentage since 1980.

1980–2018

- Federal and state government funding for healthcare increased from 31% to 44%.

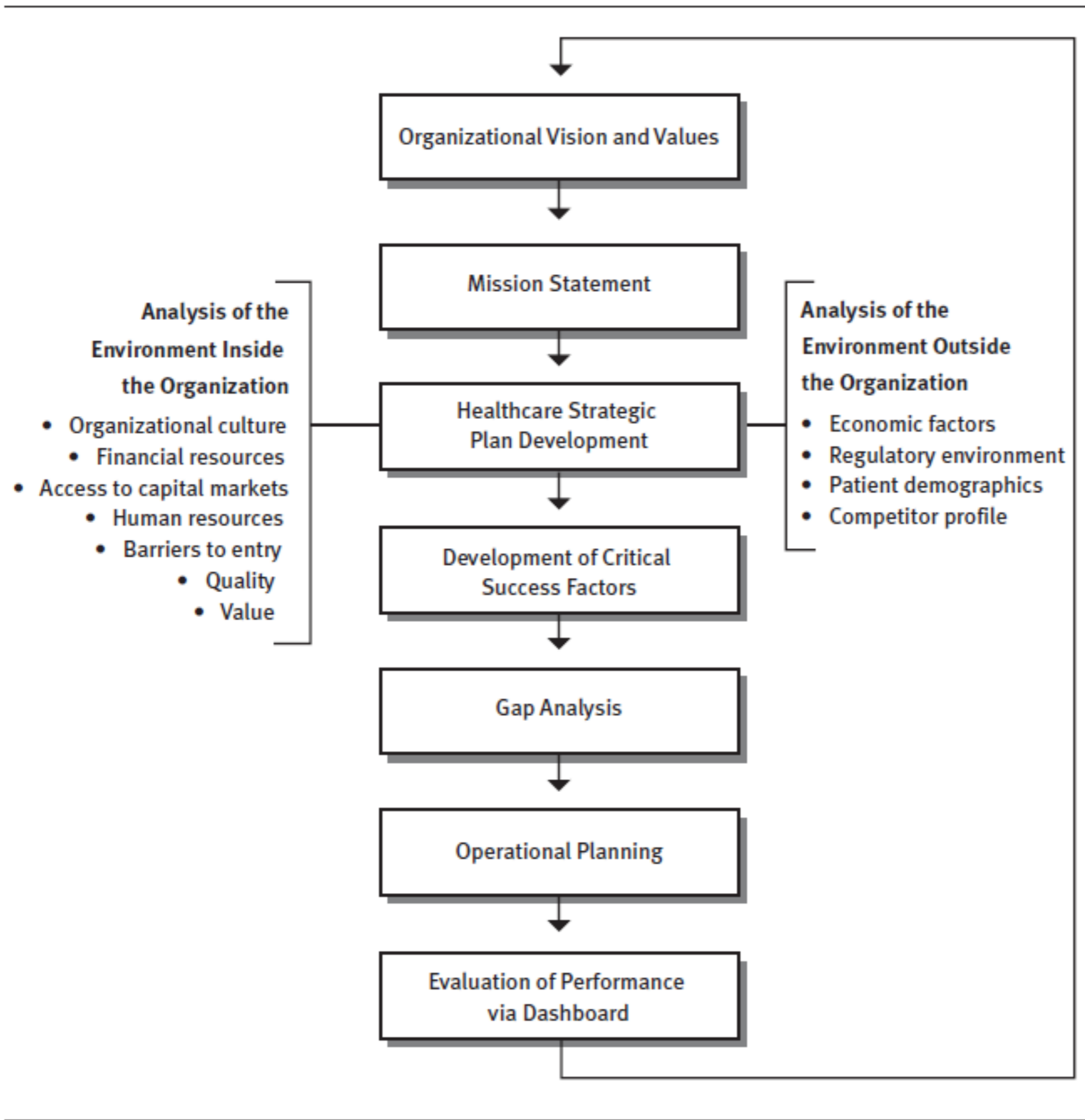


EXHIBIT 3.1
Healthcare
Strategic Planning
Model



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The Environment Inside the Organization

- Mission, Vision, and Values
 - Clear links between all three enhance the strategic planning process
- Culture
 - The invisible architecture of the organization
- Critical Success Factors
 - Healthcare quality
 - Patient access
 - Employee retention
 - Differentiation in the market
 - Alignment of resources



Healthcare leaders must prepare annual operating goals and update the strategic plan every three years.



The Environment Outside the Organization

- Accountable care organizations
 - ACOs with hospital and physician networks are an effective mechanism to control healthcare costs and reduce medical errors.
- Expanded insurance coverage
 - 22 million Americans are newly insured through the ACA exchanges and Medicaid expansion (CBO 2019).
 - In 2018, only 8.5% of the US population remained uninsured.
- Increased participation in healthcare systems
 - Benefits include lower interest rates on loans, greater negotiating power with third-party payers, and savings through group purchasing.
- Growth in ambulatory surgery centers and outpatient surgery
 - By 2017, outpatient procedures in hospitals accounted for 46% of payments by Medicare but only 14% of the volume.

Gap Analysis

- Comparison of an organization's current standing and its target performance
- Consider possible competitive advantages
 - Healthcare technology
 - Electronic health records allowing for seamless exchange of clinical information
 - Research shows increased the quality of care, reduced medication-related errors, improved follow-up on test results, and improved care coordination and communication in the care team
 - Must follow HIPAA requirements
 - Provides detailed information on patient services and current payer mix
 - Diversity as a competitive advantage
 - Statistics show that of the over 20 million healthcare workers, 75% are women, 12.6% are black, 9.9% are Asian, and 8.5% are Hispanic.
 - Diversity in healthcare management is both an ethical and a business imperative.

Health Insurance Portability and Accountability Act (HIPAA) and Patient Information

- Passed in 1996 to protect the privacy and security of patient health information, particularly that which could be used to discover a patient's identity.
- One of the most quoted acts in healthcare ("That's a HIPAA violation.") Also one of the most misunderstood.
- Sets national standards for the security of health information stored electronically.
- Permits the confidential use of health information to analyze patient safety events and improve patient care.
- Affirms that patients own their health records and have the right to access their records.
- Sets rules regulating information exchange between providers, payers, and referrals.

Planning Areas of the Strategic Plan

- Financial planning
- Efficiency
- Value
- Management of healthcare personnel
- Current and long-term strategies
- Mix of products and services
- Operational planning

Financial Planning

- Faced with inadequate reimbursement, greater price competition, and a growing shortage of professional staff, healthcare organizations are forced to improve their financial performance to gain greater access to capital and remain competitive.
- Benchmarking is a key method for examining other organizations' business practices and products for purposes of comparing and improving one's own company.
- Review key financial and hospital operations data to ensure efficient use of hospital resources, including personnel.
- Complete a price analysis to ensure that reimbursement will cover the organization's fixed costs (e.g., buildings, equipment, and some salaried labor).
- Variable costs change with volume or use (e.g., medications, supplies, etc.).
- Important to understand government reimbursement because it is set by regulation rather than market factors, and commercial payers often follow suit.

Efficiency

- Individual hospital performance can be benchmarked against the efficiency frontier of best-in-class facilities, which model the best use of inputs (investment of resources) for the best possible outputs (profits and outcomes of care).
- Efficiency increases with greater hospital size because of economies of scale.



Value

Use of technology

Provider alignment

Lean processes

Population health

V
(VALUE)

=

Q + **S**
(QUALITY) (SERVICE)

\$
(COST)

Access & patient flow

Improved patient experience

Successful organizations need to strike a balance between the volume-driven approach and the value-driven approach to service delivery.



Management of Healthcare Personnel

- Monitor personnel costs and productivity against industry benchmarks.
- Conduct surveys to compare their salary rates with those of local and state peers.
- Evaluate nurse-to-patient ratios and safe patient outcomes.
 - Research shows adequate RN staffing can reduce medication and other medical errors, decrease patient complications, decrease mortality, and improve patient satisfaction.
- Nursing shortages require innovative models of care.



Short- and Long-Term Strategies

- Accurate data on community demographics, market share, payer mix, costs, and medical staff performance allows executives to make sound decisions
- Good data enables them to accurately forecast future demand over the next five to ten years.
- Short-term performance also must be monitored for consistency with the organization's long-term vision.

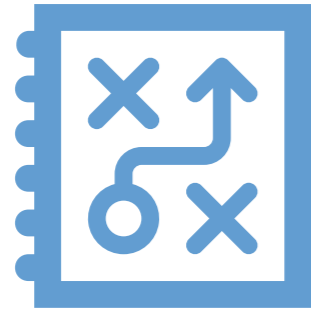
Mix of Products and Services

Strategies to consider:

- Expanding inpatient and outpatient service lines
- Consolidating unprofitable services such as obstetrics, pediatrics, and emergency services
- Joint ventures with physicians to improve clinical quality and develop a more varied product mix
- Joint ventures with other organizations to preserve capital, expand services, and better meet community healthcare needs
- Maximize clinical services while ensuring a profitable mix
- Competitive analysis to assess community needs and service options
- New service lines
- Development of facilities that are more convenient for patients
- High-level services that enhance the hospital's reputation

Goals to attain value:
increase clinical volume,
greater market share, or
limit competition from
other hospitals

Operational Planning



Operational plans set strategic plans in motion and carry out the tasks prescribed.



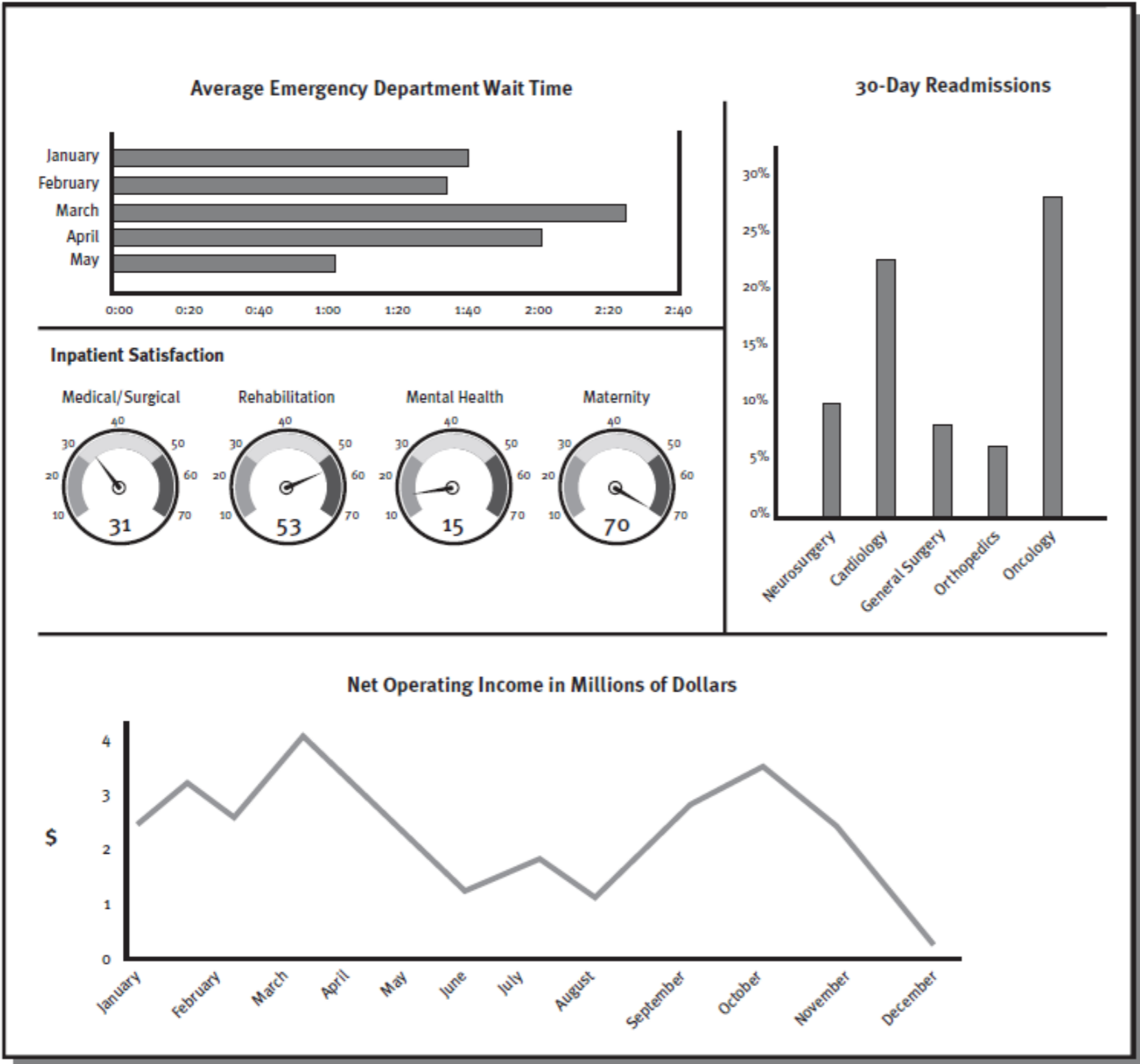
Involve leaders to make the strategic plan a reality for all staff.



Prioritize operational goals according to the resources available.

Evaluation of Performance – Dashboard

EXHIBIT 3.2
Sample Hospital
Dashboard

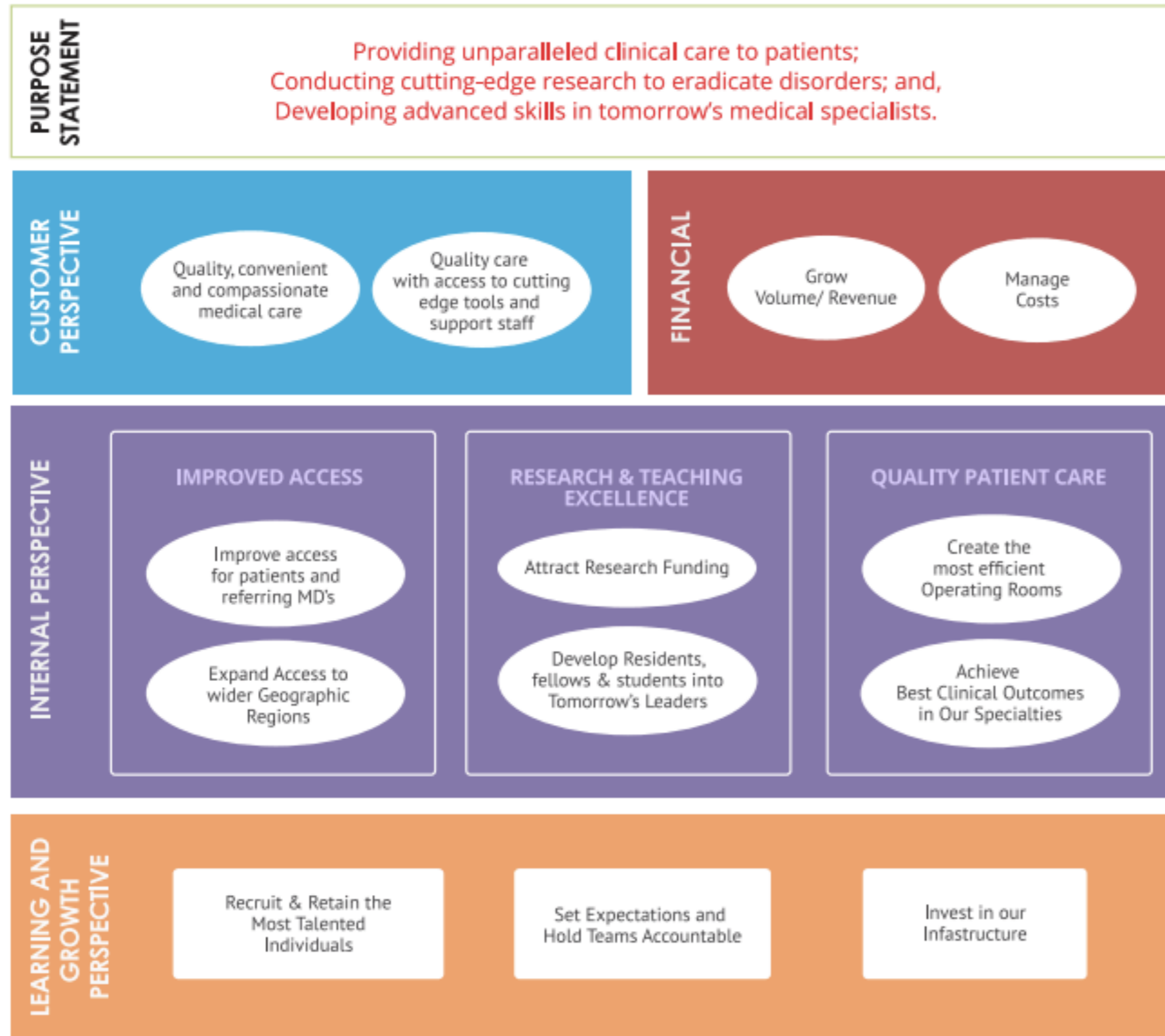


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Hospital Strategy Map

* Strategy Map is Modified for Educational Purposes

To care for our patients and their families as if they were our own



Evaluation of Performance – Balanced Scorecard

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Planning at the Local, Regional, and National Levels

- Local Planning
 - Healthcare in the US is a local commodity produced to meet local demand
 - Community needs assessment is a requirement
 - Assess economic factors affecting local planning, e.g., per capita income and unemployment rate
- Regional Planning
 - Healthcare complexity lends itself to regional planning to reduce costs and improve quality
 - Analysis of population demographics and predictive modeling
- National Planning
 - ACA National Strategic Plan for healthcare
 - Healthy People 2030 – A comprehensive HHS analysis of the US population's healthcare needs and a statement of goals and measures for local and regional planning

Summary

- An important part of strategic planning is the allocation of resources to maximize the delivery of healthcare services.
- Healthcare strategic planning is grounded in an organization's mission, vision, and values.
- Plan is based on analyses of the internal environment of the organization and the external environment in which it operates.
- Identify what is needed for outstanding performance and, through gap analysis, identify where the organization must improve.
- Measurement of performance via a dashboard and balanced scorecard are part of an ongoing feedback process that drives future strategic planning.

Review Questions

1. What roles do boards of directors, senior leaders, physicians, employees, and community organizations play in a healthcare organization's strategic planning process?
2. Do you agree that healthcare organizations should monitor key business metrics throughout the year? Evaluate this idea and use an example from the chapter to illustrate the monitoring of organizational performance.
3. Should a healthcare organization do a community health assessment as part of its strategic planning? Why or why not?
4. Does the diversity of a healthcare organization's staff have any impact on organizational performance?

Coastal Medical Center Case Study

- According to this chapter and the Coastal Medical Center (CMC) case study, does CMC have the organizational capabilities for future success?
- Richard Reynolds, the newly hired CEO, has been actively investigating the declining performance of CMC. During the hiring process, the board of directors assigned him the responsibility of getting the organization back on track. Help Mr. Reynolds develop a strategic planning process that will place CMC on a new road to success by considering five new business initiatives, creating a dashboard, and evaluating CMC according to the metrics shown on the dashboard.
- Outline a strategic planning process appropriate for CMC.

Coastal Medical Center Questions and Exercises

1. Many stakeholders described the past CEO of CMC, Don Wilson, as a visionary who helped the organization grow and prosper for more than 20 years. His successor, Ron Henderson, took the organization from profitability to significant financial losses within two years and was fired as a result. Name five areas in which Mr. Henderson's performance was weak.
2. Of the five areas of new business initiatives to improve performance, which one should be the first priority?
3. How is CMC positioned relative to its competitors?
4. How should CMC create new and innovative approaches to community needs?
5. What do you see as the future of strategic planning at CMC?

Online Exercise

- Epworth HealthCare (2018) describes its strategic plan for 2018–2022 in a self-published video: www.youtube.com/watch?v=MfWDk5MjiV0
- The video is an example of the communication effort by a large not-for-profit private hospital group in Australia.
- Using this video or another one you choose on hospital strategic planning, write a one- or two-paragraph reflection about the following observations:
 - Whether the mission, vision, and values were clear
 - Whether the leadership style seemed transformational
 - Whether the strategic plan was evident and communicated well

Questions?



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Chapter 3: Fundamentals of Strategic Planning

Review Questions

1. What roles do boards of directors, senior leaders, physicians, employees, and community organizations play in a healthcare organization's strategic planning process?

Example answer: The board of directors should be involved in CEO succession planning as well as in supporting future leadership development. In addition, the board should approve new business service lines and monitor quality of care. The board also plays a large role in challenging assumptions made during the strategic planning process and in ensuring that new business initiatives meet the organization's mission and goals.

The senior leaders should use their technical knowledge and shareholder relationships to help make the organization's decisions. High-performing leaders use formal management processes to improve efficiency and quality.

Physicians should be part of the strategic planning process because they are instrumental in allocating resources and developing new clinical services. Physicians are critical to enhancing the quality of patient care and should use their leadership skills, innovation, and technical expertise to improve organizational performance. Physicians should also be part of the feedback loop to monitor quality.

Employees at the front line and managers in middle management positions can be valuable in identifying the strengths and weaknesses in the organization. They often know what is or is not working well, and leaders who listen to those perceptions will find themselves a step ahead in strategic planning.

Community organizations help identify the healthcare needs of the local population and can recommend new services to meet unfilled needs. These services should improve the well-being of the community and enhance the reputation of the healthcare organization.

2. Do you agree that healthcare organizations should monitor key business metrics throughout the year? Evaluate this idea and use an example from the chapter to illustrate the monitoring of organizational performance.

Example answer: Healthcare organization should monitor key business metrics throughout the year to ensure that the organization is on track. Organizational performance should be monitored on a quarterly basis, and changes in the external environment should be incorporated in the strategic planning process as rapidly as possible. The following measures should be monitored: patient satisfaction, mortality rates, readmission rates, infection rates, quality indicators, and profit margin. The dashboard should include visual cues, with green representing favorable performance, yellow representing areas of growing concern, and red representing areas of poor performance.

The chapter has illustrated a few examples for monitoring the performance of the healthcare organization. Key in this process are the development of process improvement teams and the use of real-time data to monitor performance on key metrics. Accurate data such as community demographics, market share, payer mix, DRG cost data, and medical staff profiles allow executives to make sound decisions. Monitoring personnel cost and productivity, when compared to competitor and industrywide benchmarks, allows for the development of a sound strategic plan and financial targets.

3. Should a healthcare organization do a community health assessment as part of its strategic planning? Why or why not?

Example answer: Yes, a healthcare organization will greatly benefit from performing a community health assessment during the strategic planning process. In fact, the 2010 Affordable Care Act began requiring not-for-profit hospitals to conduct a community health needs assessment (CHNA) and adopt an implementation strategy at least once every three years. This CHNA gathers information on the health status of individuals and families within the community. The assessment should focus on local assets, resources, and activities as well as gaps, barriers, or emerging needs. The assessment will help the organization identify the main healthcare services it wants to provide, the delivery mechanisms used to provide these services, the legal and regulatory environment under which the organization will operate facility locations, etc.

Strategic planning is the process by which a healthcare organization determines its overall direction for future years. The community health assessment allows a healthcare organization to determine the services required in the local community.

There are several components to the strategic planning process that require gathering information about the internal and external environment and having meaningful discussions on the future of the organization. By many accounts, healthcare in the United States is a local commodity produced to meet local demand. As a result, much of an organization's strategic plan is developed using local data.

By performing the community assessment, healthcare organizations can better allocate staffing and financial resources. The assessment can determine which resources create the greatest value within the community. The organization can also consider the local economic factors that affect planning, such as an individual's ability to pay and the number of uninsured. Healthcare organizations' strategic plan should emphasize clinical service lines that enhance profitability while meeting demonstrated community needs.

4. Does the diversity of a healthcare organization's staff have any impact on organizational performance?

Example answer: Yes, research shows that greater diversity within a healthcare organization's staff results in improved financial performance. In addition, there must be sufficient diversity

to assist with any language that is represented within that community. Cultural diversity should be a high priority within a healthcare organization.

Coastal Medical Center Questions and Exercises

According to this chapter and the Coast Medical Center (CMC) case study, does CMC have the organizational capabilities for future success?

Example answer: Yes, but it will take work to identify the strengths, weaknesses, opportunities, and threats; develop a strategic plan; and then implement the objectives.

Richard Reynolds, the newly hired CEO, has been actively investigating the declining performance of CMC. During the hiring process, the board of directors assigned him the responsibility of getting the organization back on track. Help Mr. Reynolds develop a strategic planning process that will place CMC on a new road to success by considering five new business initiatives, creating a dashboard, and evaluating CMC according to the metrics shown on the dashboard. Outline a strategic planning process appropriate for CMC.

The questions below help to outline this process.

Coastal Medical Center Questions

1. Many stakeholders described the past CEO of CMC, Don Wilson, as a visionary who helped the organization grow and prosper for more than 20 years. His successor, Ron Henderson, took the organization from profitability to significant financial losses within two years and was fired as a result. Name five areas in which Mr. Henderson's performance was weak.

Example answer:

- a. Planning
 - b. Budgeting (costs, expenses, revenues)
 - c. Market research / target market for programs launched
 - d. Leadership (motivation, monitoring, assessment)
 - e. Operational management
2. Of the five areas of new business initiatives to improve performance, which one should be the first priority?

Example answer: Unfortunately, CMC had no strategic plan for new business development. Mr. Henderson and the board just went ahead with whatever ideas were presented without any plan or analysis. Implementing a strategic planning process is essential for organizational survival and future success. Many areas would have benefited from a plan:

- General operations: operational planning
- Budget (expense/revenues): cost analysis, profit ratio, pro forma financial statement to ensure adequate profitability

- SWOT: to determine if this initiative has competitive advantage
- Planning analysis: to ensure that new business initiatives will benefit the organization and to determine key factors
- Performance measures: benchmarking/dashboard

The following strategic planning process is appropriate for Coastal Medical Center:

Goals-based planning—because everyone involved needs to reevaluate and understand CMC’s goals.

1. Renew/revise mission statement
2. Renew/revise vision and values
3. Strategic planning/development
 - a. Internal analysis
 - i. Organizational culture
 - ii. Financial resources
 - iii. Access to capital markets
 - iv. Human resources / human capital
 - v. Barriers to entry
 - b. External analysis
 - i. Economic factors
 - ii. Regulatory environment
 - iii. Patient demographics/socioeconomics
 - iv. Competitor profile
4. Development of critical success factors
5. Gap analysis:
 - a. Determining internal factors
 - b. Determining external factors
6. SWOT analysis
7. Operational planning
8. Evaluation of performance / dashboard

3. How is CMC positioned relative to its competitors?

Example answer: From a quality perspective, as shown in appendix G, Value-Based Purchasing, of the six emergency department metrics, CMC performed below both state and national averages for all six. For the remaining 16 CMS quality scores, CMC rates below its competitors and below the state and national averages in most indicators. Appendix C shows a similar pattern for the HCAHPS (patient perception) scores.

From a financial perspective, CMC’s net income dropped from \$52,527,920 in 2016 to a negative \$16,095,431 in 2019 (see appendix E). This was due primarily to a significant loss in operating income while seeing an increase in expenses.

The case shows that CMC falls behind its competitors in almost all measures and is operating at a loss. However, with the new CEO and a renewed focus on the strategic planning process, CMC has the potential for future success.

4. How should CMC create new and innovative approaches to community needs?

Example answer: CMC can address community needs through goals-based planning. This requires everyone involved to reevaluate and understand CMC's goals through the following:

Step One:

The first step in the strategic planning process is to develop a clear mission and vision statement. This process will help CMC determine where it wants to go, how it is going to get there, and how it will know if it got there. Strategic planning requires resource allocation, communication of goals to stakeholders, measurement of organizational performance, and measurement of quality.

Step Two:

The CEO should perform an assessment of the organization to address whether the leaders are truly committed to the effort, and whether everyone is able to devote the necessary attention to the "big picture." Five tasks need to be accomplished:

1. Identify specific issues or choices that the planning process should address.
2. Clarify roles (who does what).
3. Create a planning committee.
4. Develop an organizational profile.
5. Identify the information that must be collected to help make sound decisions.

Step Three:

Take a good look at the current situation—make a database of quality information that can be used to make decisions and a list of the most critical issues that the organization needs to deal with.

Step Four:

Develop strategies, goals, and objectives to deal with the issues.

Step Five:

Develop a written strategic plan and communicate it to the organization's stakeholders.

Step Six:

Develop an annual operational plan and monitor through benchmarking, a balanced scorecard, and a dashboard for quality metrics. This represents closing of the feedback loop.

5. What do you see as the future of strategic planning at CMC?

Example answer: CMC must implement a more comprehensive and formalized strategic planning process. The board, executives, and staff should work together to develop a plan that

will lead to future success. CMC should use the diversity of its staff as a catalyst to incorporate new and innovative ideas into the strategic plan. The new CEO appears to be an effective leader and is implementing the strategic processes necessary for future success.

Everyone should be involved with the strategic planning process. The leadership team should design a plan that will be presented to the board of directors. The board will review the strategic plan to ensure it is consistent with CMC's mission. Once the board has determined that the strategic plan reflects the direction in which they want CMC to go, the plan should be passed to the departments for input about operational aspects. Members of the departments should review the strategic plan, including specific business proposals in their areas of interest, to determine whether the proposal will enhance the performance of the organization. Departments should be involved in planning for new business initiatives by participating in the SWOT analysis and establishing performance measures. These will be incorporated into the organization's day-to-day operation.

It is important that a diverse group be involved in the planning process because the individuals provide different perspectives and different levels of technical expertise. More importantly, it is critical that everyone understand the mission and vision of CMC so they know how their individual contributions lead to the desired outcome.

Some key factors of success include improved financial indicators, excellent patient satisfaction, strong national quality indicators, and improvement in other outcome measures that relate to the organization's mission.

Online Exercise

Epworth HealthCare (2018) describes its strategic plan for 2018–2022 in a self-published video: www.youtube.com/watch?v=MfWdk5MjiV0.

The video is an example of the communication effort by a large not-for-profit private hospital group in Australia. Using this video or another one you choose on hospital strategic planning, write a one- or two-paragraph reflection about the following observations:

- Whether the mission, vision, and values were clear

Example answer: Dr. Lachlan Henderson, group chief executive, is the primary speaker and talks about the reason they exist. He highlights their purpose (mission): “Every patient matters. We strive to improve health outcomes and experience through compassion, collaboration, learning & innovation”; and their vision: “Caring for people. Innovating for a healthy community.” Both are in print on the screen and easy to read.

He also mentions that their *tagline*—“Every patient matters”—is really important. It encourages staff to be aware that every moment they have with a patient or their family really matters:

“Give outstanding care, not sometimes but all times.”

- Whether the leadership style seemed transformational

Example answer: One of the managers talked about wanting to make sure their staff are empowered and enjoy working at Epworth. They assure they have the training and education they need, and that includes staff, volunteers, donors, partners, all working together. Staff are driven by purpose: “Every day I come to work and I ask myself whose life am I going to touch today.” The best ideas come from the staff working directly with patient care, which represent transformational concepts that carry down from a transformational leader.

- Whether the strategic plan was evident and communicated well

Example answer: Four key parts of the strategic plan were briefly described, and the words were highlighted on the screen:

- Connected Care
- Empowerment
- Innovation
- Sustainability

Diagram of the strategic plan was very simple, readable, and connected to the presentation.



He encouraged all staff to get involved in the new strategy: “Learn about it, read about it—you’ll have plenty of information coming your way. If there is an opportunity for you to engage in a new project that might come up that’s related to our strategy, then put your hand up. We need all of you to get involved.” Very clear communication, and they planned multiple methods of communication.

Strategic Plan Reflection Rubric

Criteria	Met (10 pts)	Somewhat Met (5 pts)	Barely Met (2 pts)	Not Met (0 pts)
<i>Video Reflection</i>	Reflection briefly but completely answers the three questions posed.	Some of the questions not answered or answered superficially and not reflective of critical thinking.	Most answers were superficial.	Not submitted.

Unit 3: Fundamentals of Strategic Planning

Unit Outcomes / Unit Learning Objectives

UO 2: Demonstrate communication and presentation skills through business planning, professional writing, and verbal communication.

- Exercise business-planning techniques and demonstrate skills in professional writing and verbal communication.
- Successfully participate in teamwork.

UO 3: Analyze and discuss the healthcare system and the management of costs, quality, and access.

- Assess actual strategic planning problems in healthcare and, using the various knowledge disciplines, develop comprehensive and practical solutions.
- Make sound business decisions, and develop a strategy for change.

UO 6: Explore trends in the healthcare industry.

- Use critical-thinking skills and create an environment that supports innovation and an entrepreneurial spirit.

Readings

Read: Chapter 3

Unit Activities

Activities for this unit are divided by course introduction, sessions, and recommended outside of class work.

➤➤ **Content Outline, Session 1: Introduction to Strategic Planning**

Unit Objectives

- Assess actual strategic planning problems in healthcare and, using the various knowledge disciplines, develop comprehensive and practical solutions.
- Exercise business-planning techniques and demonstrate skills in professional writing and verbal communication.

Topics

✓✓ **Estimated time: 15–20 min**

✓✓ **Resources: Instructor PowerPoint slides, Chapter 3: Slides 1–8**

- Introduction to strategic planning
 - Purpose of strategic planning
 - Definition of strategic planning
- Terminology
 - Organizational structure
 - Hierarchical or participatory
 - Stable versus unstable environments
- Healthcare strategic planning model
 - Vision, values, and mission statement
 - Analyzing internal factors
 - Critical Success Factors
 - Analyzing external factors

In-Class Discussion

✓✓ **Estimated time: 15–20 min**

- What factors are important to consider in strategic planning?
- Chapter 3 begins with the sentence: “In any business realm, strategic planning brings leaders and stakeholders together to position their organization for success in an environment of uncertainty.” Give examples of what creates an “uncertain” healthcare environment.

In-Class Activity

✓✓ **Estimated time: 20–30 min**

Divide students into two groups. Assign each group either internal or external environment. Using the Coastal Medical Center Case study from the textbook, have each group analyze the internal or external environment for the case. As an alternative, you can assign specific elements of each environment to smaller groups such as economic factors, organizational culture, etc.

- What issues emerged as a result of your team's analysis? Give specific examples from the case study.

Note: For online courses, have students complete this activity using the available technology of your choice (e.g., through a discussion board or in a video or text chat).

Follow-up Activity: Presentation and Discussion

- Reconvene the class and have them present their analysis to the class for further discussion.

➤➤ Content Outline, Session 2: Critical Success Factors

Unit Objectives

- Assess actual strategic planning problems in healthcare and, using the various knowledge disciplines, develop comprehensive and practical solutions.
- Analyze and discuss the healthcare system and the management of costs, quality, and access.
- Make sound business decisions, and develop a strategy for change.
- Successfully participate in teamwork.

Topics

✓✓ ***Estimated time: 15–20 min***

✓✓ ***Resources: Instructor PowerPoint slides, Chapter 3: Slides 9–10***

- Gap Analysis
 - Define gap analysis
 - Competitive advantages:
 - Technology
 - Diversity
- Health Insurance Portability and Accountability Act (HIPAA)
 - Confidentiality
 - Protected patient information

In-Class Discussion

✓✓ ***Estimated time: 15–20 min***

- What are some examples of how technology has improved the healthcare industry in terms of costs, quality, or access?
- In what ways has technology created challenges to costs, quality, or access?

In-Class Activity: Privacy and Security of Patient Information

✓✓ **Estimated time: 15–20 min**

Divide the class up into two to four groups. Conduct research on the internet for a recent story of an issue related to patient privacy and security of patient information.

- What was the source of the issue?
- How did the organization address the issue?
- Based on your online research, how did the public respond? (For example, what was said on social media?)
- In what ways would this type of issue affect the organization's strategic planning process?

Note: For online courses, have students complete this activity using the available technology of your choice (e.g., through a discussion board or in a video or text chat).

Follow-up Activity: Presentation and Discussion

- Reconvene the class and have them present their examples for further discussion, relating it to the strategic planning process. For example, if the source of the issue was IT security or staff not following procedure, how might that be incorporated at a strategic level?

➤➤ **Content Outline, Session 3: Strategic Planning Areas**

Unit Objectives

- Assess actual strategic planning problems in healthcare and, using the various knowledge disciplines, develop comprehensive and practical solutions.
- Analyze and discuss the healthcare system and the management of costs, quality, and access.
- Make sound business decisions, and develop a strategy for change.
- Exercise business-planning techniques and demonstrate skills in professional writing and verbal communication.

Topics

✓✓ **Estimated time: 15–20 min**

✓✓ **Resources: Instructor PowerPoint slides, Chapter 3: Slides 11–27**

- Strategic planning areas
 - Financial planning
 - Efficiency
 - Value
 - Management of healthcare personnel
 - Current and long-term strategies

- Mix of products and services
- Operational planning
- Performance evaluation
- Local and regional planning

In-Class Discussion

✓✓ Estimated time: 15–20 min

- What roles do boards of directors, senior leaders, physicians, employees, and community organizations play in a healthcare organization's strategic planning process?
- What are ways an organization can measure their goals or monitor their performance? What might be some challenges with measuring goals or monitoring performance?

In-Class Activity: Critical Success Factors and Strategic Planning Areas

✓✓ Estimated time: 15–20 min

Divide the class up into small groups. Revisit the idea of critical success factors and strategic planning areas.

- Critical success factors:
 - Improvement of healthcare quality
 - Increased patient access
 - Improved employee retention
 - Differentiation in the market
 - Improved alignment of resources
- Strategic planning areas
 - Financial planning
 - Efficiency
 - Value
 - Management of healthcare personnel
 - Current and long-term strategies
 - Mix of products and services
 - Operational planning
- Divide the class into groups. You can use the same groups as the previous activity/discussion. For these questions you can have each group use the textbook case study or the online examples they found in the previous activity.
 - Based on the critical success factors and your review of the organization, what is one strategic planning area the organization might focus on?
 - Generate an example of at least one action the organization can take to support one area of strategic planning. For example, if your group identified management of healthcare personnel as an issue,

- o a specific action might be developing a training program to address an issue.
- o What would you measure in this action to determine the success of this initiative?

Note: For online courses, have students complete this activity using the available technology of your choice (e.g., through a discussion board or in a video or text chat).

Follow-up Activity: Presentation and Discussion

- Reconvene the class and have them present their examples for further discussion.

➤➤ **Outside of Class Work (Homework)**

Individual Work: Coastal Medical Center Case Study Questions

Review the Coastal Medical Center Case study of your textbook, and answer the following questions on page 103:

- Many stakeholders described the past CEO of CMC, Don Wilson, as a visionary who helped the organization grow and prosper for more than 20 years. His successor, Ron Henderson, took the organization from profitability to significant financial losses within two years and was fired as a result. Name five areas in which Mr. Henderson's performance was weak.
- Of the five areas of new business initiatives to improve performance, which one should be the first priority?
- How is CMC positioned relative to its competitors?
- How should CMC create new and innovative approaches to community needs?
- What do you see as the future of strategic planning at CMC?
 - o UO 2: Demonstrate communication and presentation skills through business planning, professional writing, and verbal communication.

Discussion Board Questions

- In what ways does the diversity of a healthcare organization's staff have an impact on organizational performance? (Adapted from Harrison, p. 102.) Give specific examples to support your perspective.
- Do you agree that healthcare organizations should monitor key business metrics throughout the year? Evaluate this idea and provide an example from the chapter that illustrates the monitoring of organizational performance (Harrison, p. 102).
- Should a healthcare organization do a community health assessment as part of its strategic planning? Why or why not? (Harrison, p. 102)

- UO 3: Analyze and discuss the healthcare system and the management of costs, quality, and access.