

This is a sample of the instructor materials for *Management of Healthcare Organizations: An Introduction*, third edition, by Peter C. Olden.

The complete instructor materials include the following:

- An instructor's guide with answers to the end-of-chapter discussion questions
- PowerPoint slides for each chapter
- A test bank

This sample includes the instructor's guide section and PowerPoint slides for chapter 1, "Health, Healthcare, and Healthcare Organizations."

If you adopt this text, you will be given access to the complete materials. To obtain access, e-mail your request to [hapbooks@ache.org](mailto:hapbooks@ache.org) and include the following information in your message:

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**Management of Healthcare Organizations: An Introduction, 3rd edition**  
**Suggested Answers for Discussion Questions**

## **Chapter 1**

*1. Based on what you learned in this chapter, discuss the determinants that affect health and well-being in the community where your college is located. Give an example of each determinant. Which determinants do you think healthcare managers can change the most to improve population health?*

*Genetics* is the starting point of health. Genes and characteristics inherited from parents make a person more likely or less likely to develop certain health problems, including heart disease, cancer, and cystic fibrosis. *Healthcare* is maintaining and restoring health by the prevention and treatment of disease and injury. Lab tests, surgery, and physical therapy are examples. *Individual behavior* such as smoking, seat belt use, diet, and exercise strongly affect health. *Physical environment* is the physical setting (natural and built) where people live. Its characteristics—such as sanitation, parks, sunlight, and air pollution—affect the health of people in that environment. *Social environment* is the social setting in which people live. Its characteristics—such as job opportunities, neighbors, discrimination, language, and prevailing attitudes—also affect people’s health.

Managers cannot control or change heredity. However, they can change the other determinants to improve people’s health. Of these, healthcare managers have the most control over healthcare, and they make changes in that area to improve population health. However, healthcare has less effect on health than does one’s individual behavior and the environments. To improve population health, healthcare managers and their HCOs need to help improve people’s physical and social environments and help them improve their behaviors.

*2. What are disparities in health? Give examples. Why must healthcare managers understand these disparities?*

Disparities are differences in health that are closely related to social, economic, or environmental disadvantages. These disparities are common among groups and subpopulations in communities. For example, people with more education are likely to have better health status. People with less income are likely to have worse health status. Managers must pay attention to disparities and try to eliminate them, so that everyone in the community can live healthy lives. The US population will continue to become more diverse, as shown in population trends in this chapter. Managers can use the population health approach to identify and reduce disparities and improve population health.

*3. Why is the external environment so important to healthcare organizations? Which sectors of the environment do you think are most important for HCOs? Give examples.*

A healthcare organization exists in—and is strongly influenced by—the external environment of people, organizations, industries, trends, forces, events, and developments that exist outside of the HCO. This environment has cultural, social, financial, technological, and political forces that affect the HCO in various ways and force the HCOs to adapt in order to survive. To paraphrase an old saying, no HCO is an island unto itself. An HCO must be open to its environment and interact effectively with it, because an HCO depends on its environment just like a person does. An HCO must be open to its environment to obtain clients, patients, customers, staff, funds, equipment, supplies, resources, and information. The HCO obtains inputs from the environment to produce its outputs, and then it provides those outputs to people in the environment.

Many students may think the industry, raw materials, human resources, financial resources, and market sectors are most important. Arguments can be made for why all the other sectors are important. Class discussion of this question can strengthen and deepen understanding of what each sector involves and how each sector is important to HCOs.

*4. Discuss several trends and issues presented in this chapter. Which of these trends and issues do you think are the most challenging for specific types of HCOs?*

Students should use critical thinking and creative thinking for this discussion. This question should help them think more about how the external environment affects HCOs. It should also help them realize why HCO managers must pay attention to trends and issues. Students should understand that a wide variety of evolving factors outside of “healthcare” affect HCOs and HCO managers. From discussion with others, students might see that people differ in their answers to this question. Managers of HCOs also have different opinions about which trends will be most challenging.

*5. After students graduate with degrees in healthcare management, what are some HCOs and jobs that they could work in? Which of these are you interested in?*

Exhibit 1.5 lists some HCOs (and specialized areas of responsibility within HCOs) that healthcare management graduates could work in. Exhibit 1.6 lists some jobs that they might work in. These lists should lead students to realize there are many jobs and career opportunities for them in many types of healthcare settings. Continued use of these exhibits during the semester can help students to think further about future jobs and careers.

# CHAPTER 1

# HEALTH, HEALTHCARE, AND HEALTHCARE ORGANIZATIONS

*Management of Healthcare Organizations: An Introduction*

Third Edition

Peter C. Olden

# Learning Objectives

*Studying this chapter will help you to*

- ▶ explain what health and population health are,
- ▶ describe major forces that determine health of a population,
- ▶ identify types of health services in the continuum of care,
- ▶ identify types of healthcare organizations,
- ▶ explain the external environment and how it affects healthcare organizations,
- ▶ describe trends that will affect management of healthcare organizations, and
- ▶ appreciate the variety of healthcare management jobs and careers.

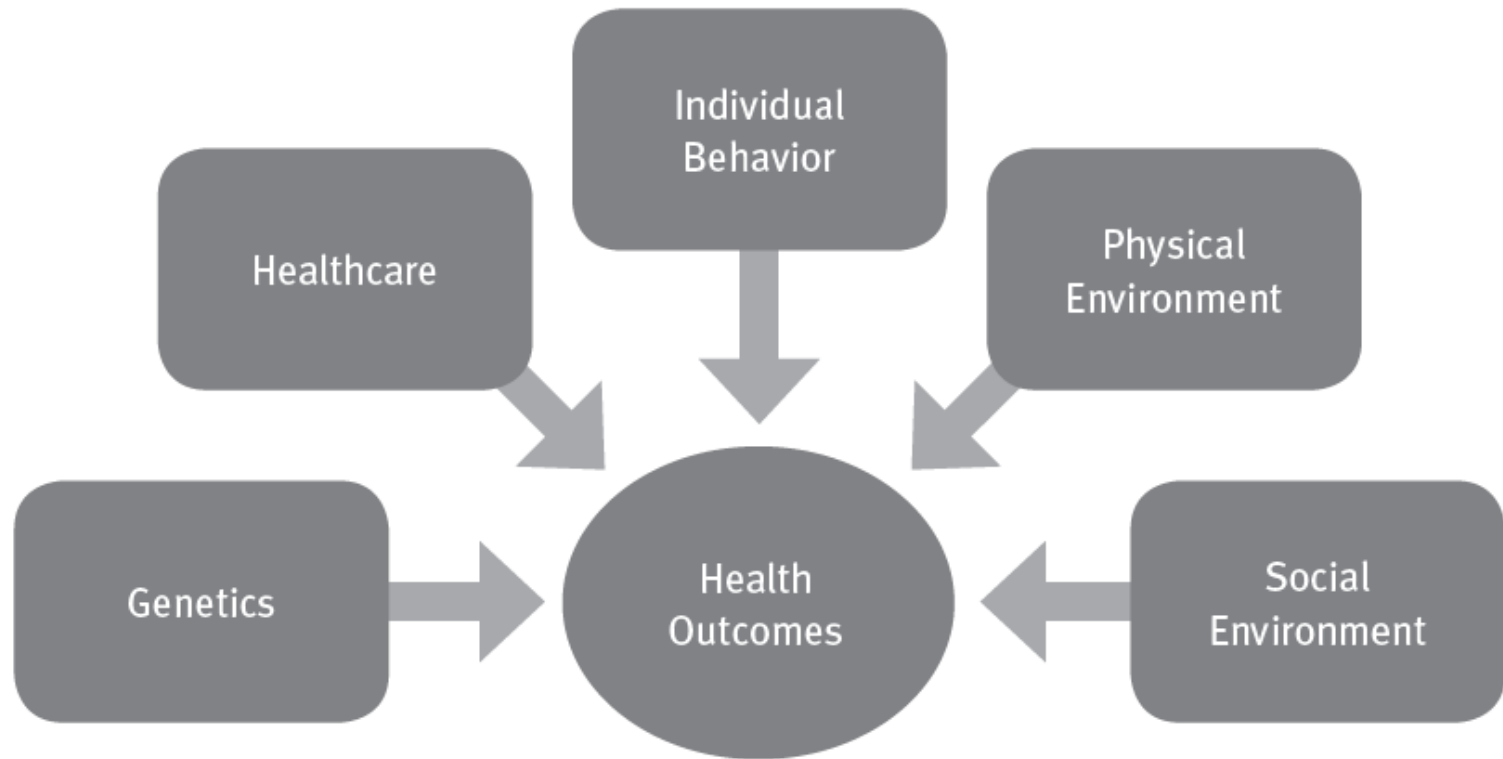
# What Is Health?

**Health:** A state of complete physical, mental, and social well-being; not merely the absence of disease or infirmity

**Population health:** The health outcomes of a group of individuals, including the distribution of outcomes within the group

# Determinants of Health

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*Source:* Data from Kindig (2017).

# Healthcare and Health Services

Acute care

Assisted living

Chronic care

Dental care

Health promotion

Hospital care

Mental health care

Personal lifestyle care

Preventive care

Rehabilitative care

Skilled nursing care

Subacute care

Adult day care

Behavioral health care

Community health services

Diagnostic care

Home care

Inpatient services

Office-based care

Physician care

Primary care

Respite care

Specialty care

Urgent care

Ambulatory care

Chiropractic care

Complementary care

Emergency care

Hospice/palliative care

Long-term care

Outpatient services

Post-acute care

Public health services

Self-care

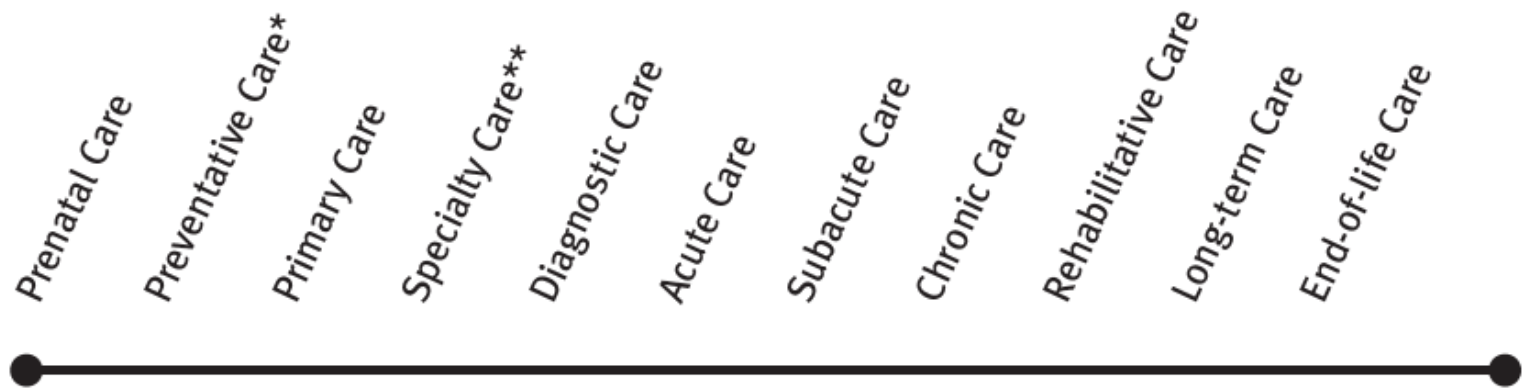
Sports medicine

Virtual care



# Continuum of Care

**Continuum of care:** A range of services needed to care for a person or population



*Source:* Adapted from Barton (2010) and Shi and Singh (2015).

\*Preventative Care occurs at many stages of the continuum to prevent occurrence and reoccurrence of disease, illness, and injury.

\*\* Specialty Care occurs at many stages of the continuum.

# External Environment Affects HCOs

- ▶ An HCO exists in and is influenced by external environment
  - Environment includes people, organizations, industries, trends, forces, events, developments outside an HCO
  - Environment is mostly beyond control of an HCO
- ▶ HCOs:
  - Depend on people and organizations in environment
  - Must be open to external environment
  - Must interact effectively with environment
  - Must understand and adapt to changes in environment
  - Can try to influence environment

*“No HCO is an island unto itself.”*

# Sectors of External Environment

- ▶ Industry sector
- ▶ Raw materials sector
- ▶ Human resources sector
- ▶ Financial resources sector
- ▶ Market sector
- ▶ Technology sector
- ▶ Economic conditions sector
- ▶ Government sector
- ▶ Natural sector
- ▶ Sociocultural sector
- ▶ International sector

# Healthcare Trends and Future Developments

- ▶ Demographics
- ▶ Workforce
- ▶ Payment
- ▶ Connectedness
- ▶ Patient experience
- ▶ Population health
- ▶ Consolidation
- ▶ Health science and technology
- ▶ Big data and predictive analytics

# Stakeholders

**Stakeholders:** For a designated organization, people and other organizations who have a stake (interest) in what the organization does

For example:

- ▶ Employees
- ▶ Patients
- ▶ Media and press
- ▶ Creditors
- ▶ Physicians
- ▶ Businesses
- ▶ Other HCOs
- ▶ Governments
- ▶ Special interest groups
- ▶ Accreditation commissions
- ▶ Vendors and suppliers
- ▶ Neighbors

# Managers Work in These and Other HCOs

- ▶ Accountable care organizations
- ▶ Integrated health systems
- ▶ Ambulatory clinics
- ▶ Medical supply companies
- ▶ Community health alliances
- ▶ Mental health organizations
- ▶ Consulting firms
- ▶ Outpatient surgery centers
- ▶ Diagnostic centers
- ▶ Personal care homes
- ▶ Health insurers
- ▶ Pharmaceutical businesses
- ▶ Health-related charities, advocacy groups, and voluntary organizations
- ▶ Physician practices
- ▶ Public health departments
- ▶ Healthcare associations
- ▶ Rehabilitation centers
- ▶ Home care businesses
- ▶ Respite care facilities
- ▶ Hospitals
- ▶ Research institutions

# Managers Work in These and Other Specialized Areas

- ▶ Business development
- ▶ Clinical integration
- ▶ Community relations
- ▶ Diversity and inclusion
- ▶ Facilities management
- ▶ Finance
- ▶ Government relations
- ▶ Human resources
- ▶ Information systems
- ▶ Innovation
- ▶ Logistics for supplies and equipment
- ▶ Marketing and public affairs
- ▶ Medical affairs
- ▶ Patient access
- ▶ Patient experience
- ▶ Population health
- ▶ Professional services
- ▶ Strategic planning
- ▶ Transformation

# For Your Toolbox

- ▶ Five determinants of health model
- ▶ Continuum of care
- ▶ External environment divided into sectors



# One More Time

- ▶ Health is complete well-being—physical, mental, social.
- ▶ Health determined by five broad forces: genetics, healthcare, individual behavior, physical environment, social environment.
- ▶ Healthcare services
  - range from prenatal care to end-of-life palliative care and
  - form a continuum of care.
- ▶ HCOs exist in, are affected by, and must adapt to external environment.
- ▶ Managers work in wide variety of jobs and HCOs.