# INTRODUCTION

The main focus of this textbook is on the growing global importance of the healthcare manager role and the corresponding need for managers to develop the necessary skills to improve healthcare organizations. The book's content is guided first by the notion that, to be an effective change agent in a complex and dynamic global health context, healthcare managers must possess and develop a specific body of knowledge and competencies. The book's second guiding principle is that the aim of effective global healthcare managers is to improve and maintain the health of individuals and populations.

Global Healthcare Management

This book does not focus on global health, international health, or world health systems; instead, all of these concepts provide the frame of reference for *global healthcare management*. A framework for global healthcare management is shown in exhibit I.1 and described in the paragraphs that follow. Employing this framework, the competent global healthcare manager can lead
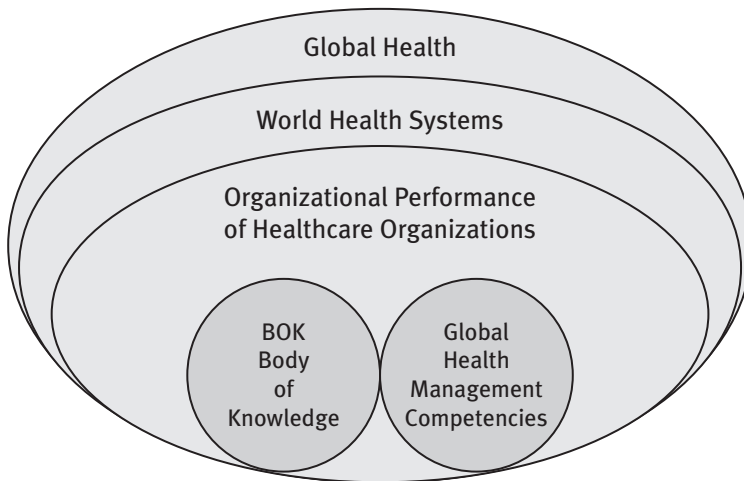
EXHIBIT I.1
Global Healthcare Management Framework

health provider teams and shape the performance of healthcare organizations in achieving individual and population health outcomes.

Global Health

Global health represents the broadest influence of our framework of analysis, and it circumscribes the context of our area of study. The term *global health* has a variety of definitions, many of which have derived from adaptations of public health and international health or evolved from earlier notions of hygiene and tropical medicine. Koplan and colleagues (2009), working with the Consortium of Universities for Global Health Executive Board, crafted and adopted the following comprehensive definition:

> Global health is an area for study, research and practice that places a priority on improving health and achieving equity in health for all people worldwide. Global health emphasizes transnational health issues, determinants and solutions; involves many disciplines within and beyond the health sciences and promotes interdisciplinary collaboration; and is a synthesis of population-based prevention with individual-level clinical care.

Other authors continue to discuss and define the elements of global health that remain essential and influence funding, education, leadership, governance, constituency behavior, international partnerships/cooperation, and policy. Health and sustainable development are inseparable (Frenk, Góméz-Dantes, and Moon 2014). Meanwhile, interconnection and interdependence are fundamental to addressing the real challenges of global health that reside in what Frenk and colleagues call the "triple burden" of disease—the unfinished agenda related to communicable diseases; the growing worldwide importance of chronic diseases and longevity; and the health risks associated with globalization. As we shape the idea of a global society, we should shift our understanding of global health from the health of the poorest to the health of an interdependent global population.

As the nature of collaborative global health interventions evolves, the United Nations (UN) has requested that its members adopt the recommendations and strategies contained in a 2014 report from the director-general of the World Health Organization (WHO). The report calls for enhanced partnerships to advance the priorities of sustainable comprehensive healthcare systems; to achieve better health outcomes, shared responsibility, accountability, and inclusiveness; and to accelerate the transition to universal health coverage (UN 2014). It is worth noting that the coordination of multiple stakeholders presents significant challenges for global health governance.

World Health Systems

Most countries around the world have been experiencing a rapid evolution and transformation of their health systems. This trend was accelerated by the

global health focus of the World Bank's 1993 World Development Report, titled "Investing in Health." For the first time, the idea of "investing in health" transcended beyond the health sector and into the realm of the ministers of finance, with significant attention to socioeconomic issues. Twenty years later, a *Lancet* Commission report set forth a framework for transforming global health, within one generation, by the year 2035. The report highlighted four key premises (Jamison et al. 2013):

1. "There is an enormous payoff from investing in health."
2. "A 'grand convergence' in health is achievable within our lifetimes."
3. "Fiscal policies are a powerful and underused lever for curbing of non-communicable diseases and injuries."
4. "Progressive universalism, a pathway to universal health coverage (UHC), is an efficient way to achieve health and financial protection."

Starting in 2007, a series of UN-sponsored meetings began advancing the global health and foreign policy agenda. In December 2012, the UN member countries adopted a General Assembly resolution recognizing that governments have a responsibility to "scale up efforts to accelerate the transition towards universal access to affordable and quality health-care services" (UN 2012). Health systems around the word have already mobilized in pursuit of diverse strategies to achieve this goal within their very different and complex national settings.

Healthcare Organizational Performance

Every health system is dependent on first-contact hospitals that provide access to high-quality, appropriate care and use resources efficiently. Improving the performance of these first-contact hospitals is essential for strengthening any health system. A key objective of healthcare managers is to identify and suggest innovative, scalable solutions and conduct basic operations research using a practical, small-area demonstration strategy. Healthcare managers should use performance improvement techniques to measure output, improve processes, and develop managerial procedures.

Resource management involves the efficient and effective use of an organization's human, financial, and information resources. In healthcare settings, resources vary by country, region, geography, and locality, and many facilities and systems must operate under critical low-resource conditions. Effective healthcare managers possess appropriate skills for low-resource management and can obtain the best possible results under the circumstances. The combination of creativity, perseverance, and hard work can help overcome such issues as reduced access to medications, limited availability of equipment or supplies, and partial or restricted capability for advanced technological procedures.

Many organizations and authors have classified countries, or regions within countries, based on the level of socioeconomic and other types of

resources available. This approach has led to such classifications as *least developed countries* (LDCs), *low-income countries* (LICs), and *lower middle-income countries* (LMICs), which many times reflect the priorities or interests of a particular development program. The challenge remains to apply management strategies that truly promote global health development. As Filerman (2013) suggests, some classification systems and nomenclatures can stand in the way of a unifying approach for global health development that addresses quality of life and health status across all populations without boundaries.

A number of frameworks have been set forth for the improvement of organizational performance in healthcare. For example, the WHO's framework, titled *Everybody's Business: Strengthening Health Systems to Improve Health Outcomes*, proposes six "building blocks" (WHO 2007):

1. Good *health services delivery* performance
2. A *health workforce* that achieves the best possible health outcomes
3. Reliable and timely *health information*
4. Equitable and cost-effective access to *medical products, vaccines, and technologies*
5. A *health financing system* that ensures needed services with financial protection and incentives for efficient use of services
6. Effective *leadership and governance* that ensures the involvement of the constituency in all aspects of health services

The Role of the Global Healthcare Manager

The role of the global healthcare manager has changed dramatically as areas of management have developed, as healthcare organizations have evolved and transformed, and as health reforms have been implemented around the world. The growth and diffusion of managerial concepts, theories, and technologies present unique challenges, and the challenges faced by healthcare managers vary depending on organizational level, type of facility or organization, country or region, resource level, and other factors. To meet these challenges, healthcare managers must possess appropriate knowledge and competencies.

Body of Knowledge and Competencies

Members of the Association of University Programs in Health Administration (AUPHA) Global Faculty Forum, under the leadership of Dr. Daniel Dominguez and with the collaboration of the editors of this textbook, developed a Body of Knowledge (BOK) for Global Healthcare Management, and the BOK has been adapted for this book. As the authors of the various chapters developed their learning objectives and competencies (which are presented at the start of each chapter), we modified the BOK into the final version provided in appendix 1.

The BOK facilitates the development of a variety of competencies, including cognitive abilities, behavioral skills, attitudes, and characteristics, that support effective and appropriate professional interactions across a variety of cultural contexts. Within the profession of healthcare administration, such competencies would include (1) current and relevant knowledge of global health issues; (2) attitudes and behaviors required for multicultural understanding and effective transcultural communication; (3) the conceptual and analytical skills required for identifying and effectively applying global managerial best practices; and (4) attitudes, behaviors, and skills necessary for developing international partnerships, networks, and other collaborative and professional relationships for research, global learning abroad, teaching/coaching, and service learning.

Readers of this book can use the BOK in appendix 1 to further develop their competencies across any training or educational curricula. The first column shows the key domains or topics, and the second column describes the areas of knowledge. Consistent with the principles of the Bloom taxonomy, the BOK focuses on the two basic levels—knowledge and comprehension—for undergraduate students; it emphasizes the four top levels—application, analysis, synthesis, and evaluation—for graduate students. Finally, the third column in the appendix indicates some subdisciplines and areas of application that fit within each of the domains or topics.

The Goal and Organization of This Textbook

The goal of this textbook is to provide students and practitioners with an integrative framework of knowledge and policy that addresses the growing diffusion of diverse managerial concepts, theories, and technologies. The book analyzes key concepts from the perspectives of clinicians and administrators of various nations, recognizing opportunities for public and private differences. The focus of the book is not directed toward global health or macro-level policy concerns; instead, such concerns serve only as a contextual framework for the effective leadership and decision-making processes of healthcare managers in their organizations.

The authors of this book developed the chapter contents to assist students in developing leadership and managerial competencies to become effective healthcare managers. The competencies and learning objectives are listed at the start of each chapter. The learning objectives focus on concepts that the students are expected to master, and the attainment of competencies requires application and practice. The level of competency attained will grow through achievement of the leaning objectives, as well as through work experience and opportunities provided through discussion questions, vignettes, cases, and other exercises.

The text takes into consideration several major cross-cutting themes affecting the globalization of healthcare management, stimulating the reader to think about the intersection and interrelation of the chapters' content. The book also provides opportunities for application and reflection through case studies, vignettes, and practical recommendations, as well as such tools as checklists and guidelines.

Cross-Cutting Themes

Major cross-cutting themes throughout the book include the following:

1. *Sociocultural factors.* The book recognizes the unique qualities and characteristics of every country and its cultures. To work effectively, managers need to understand that organizations are social systems composed of individuals and groups. Culture helps shape values, behaviors, attitudes, and the nature of work.

2. *Clinician–manager relationships and leadership.* Positive outcomes in healthcare require the formation of clinical/management teams with professionals and health workers from a variety of disciplines who work together to address complex problems. Effective teams are typically supported by leaders who respect the team members and help develop, carry out, and evaluate processes that enhance quality of care, performance, and patient safety.

3. *Performance improvement and value-based management.* This theme focuses on mechanisms that improve health outcomes, support provider and patient satisfaction, and lower the cost of healthcare. These mechanisms include, but are not limited to, management and reimbursement models such as risk sharing and pay-for-performance, as well as innovative mobile/virtual technologies that focus on wellness and value.

4. *Resource management.* This theme considers how resources are distributed among organizations in the same country, within diverse types of healthcare systems (e.g., public, private, charitable), and within the same type of healthcare system but in different geographical/cultural/social/economic subregions. It particularly recognizes the management challenges associated with low availability of resources.

5. *Decision making, data analytics, and evidence-based management.* With advances in information technology, more effective collection and analysis of data become critically important for management decisions. Many countries have adopted electronic health record systems that allow for the collection of substantial amounts of data. Through data analytics, managers can become better informed about quality of care, the costs and benefits of various clinical procedures, and measures of

organizational efficiency and effectiveness. The available evidence and analytical insights can facilitate the evaluation of managerial practices and support decision making to achieve organizational improvement.

Sections and Chapters of the Book

This book is organized into four sections, with the chapters of each section contributing to a common theme. Section I, "Essential Health Services Management Concepts and Practices," focuses on organizational structure, financing and financial management, human resources, and information technology. Section II, "Leadership, Organizational Design, and Change," addresses leadership principles, governance, strategic planning, marketing, ethics, and organizational change. Section III, "Managing the Organization–Environment Interface," focuses on the impact of the external environment on organizational performance. The chapters of this section discuss health policy, demographic shifts, and the growing importance of population health management and long-term care. Section IV, "Looking Forward," concludes the text with a look at future trends in global health.

Detailed summaries of the individual chapters are provided in the paragraphs that follow.

Section I—Essential Health Services Management Concepts and Practices
Chapter 1—Function, Structure, and Physical Resources of Healthcare Organizations

The central idea of this chapter is that function defines structure. Healthcare organizations vary—not only from country to country but also within each country—as they address access, quality, and cost issues influenced by social, economic, and political factors. The principles described in this chapter can be applied to ambulatory, acute, chronic, and home care organizations with varying levels of resources and local organizational response capacity.

The first part of the chapter examines the key functions of healthcare organizations, with an emphasis on the need for a continuum of patient-centered care. The chapter reviews the main components of a healthcare organization and the ways those components interact to produce and measure outcomes and drive performance improvement. It then explores and contrasts ways of designing and structuring organizations to effectively and efficiently carry out the key functions. Finally, the chapter proposes a scheme for the analysis and design of physical resources and functions to support the successful operation of a healthcare organization. This chapter provides important context for the rest of the chapters in section I, as well as for the quality and process design discussions later in the book.

Chapter 2—Healthcare Systems, Financing, and Payments

The purpose of this chapter is to provide a general overview of global healthcare expenditures, to discuss the macroeconomic drivers of variation among

countries, and to provide insight into the primary models that countries have used to finance and deliver healthcare. The chapter starts by defining *healthcare financing* and exploring its functions, from revenue collection to pooling to purchasing and setting the benefit package. It also provides an introduction to the mechanics of health insurance and a discussion of the natural incentives associated with the way clinical providers are paid. The chapter provides relevant groundwork for the more detailed financial, quality, and managerial content contained in later chapters.

Chapter 3—Financial Management of Healthcare Organizations

This chapter focuses on micro-level considerations unique to the types of financial decisions faced by healthcare managers in complex national and multinational environments. It begins with a discussion of the primary long-term financial planning process and the major financial decision-making tool used by healthcare managers. It then addresses the long-term financial risks and implications that organizations must address when operating within existing markets, when expanding their scale or scope of operations within existing markets, or when entering new markets. The chapter also discusses the primary short-term financial planning methods and the short-term financial risks and implications that organizations face when financing day-to-day healthcare delivery in national and multinational settings.

Chapter 4—Human Resources Management: A Global Context

Within a global context, the healthcare sector is essentially a human enterprise, and the connections that exist between people engaging in health work has been of the utmost importance. This chapter, therefore, focuses on human resources (HR) principles and effective HR management practices. Best practices (based on evidence-based management), sociocultural perspectives, and the impact of culture are incorporated in the discussion, as are lessons from the global health workforce. Additional HR lessons deal with self-management and emotional intelligence in the context of being an effective manager and leader of others.

Chapter 5—Information Technology for Healthcare

This chapter seeks to provide a basic understanding of information technology in healthcare. It offers an introduction to electronic health records (EHRs), discussing the exchange of data between records and the ways EHR data can be used in clinical support systems to improve patient care. The chapter also addresses privacy, security, and the protection of patient information. The chapter concludes with a discussion of the steps involved in assessing, selecting, and implementing EHR systems.

Section II—Leadership, Organizational Design, and Change
Chapter 6—Principles of Effective Leadership
Efforts to improve healthcare outcomes and quality require competent and effective leaders. Global healthcare leaders must possess the knowledge, skills, and competencies to develop and modify systems of care, build effective inter-professional teams, and drive continuous change and improvement. This chapter examines leadership qualities, traits, and characteristics; the leader's responsibilities and professional identity; and contemporary leadership issues—all while allowing for country-specific and regional variation. Applied examples help underscore the importance of managing resources wisely, ensuring sustainable projects, and meeting the needs of vulnerable populations. Discussion questions, case studies, and vignettes provide opportunities for the application and integration of key concepts and ideas.

Chapter 7—Strategic Management and Marketing
This chapter introduces the basic process of strategic planning, and it connects that process with the strategic marketing efforts needed to help the organization meet its goals and objectives. Examples and short cases from various countries and from different sectors of the healthcare arena promote systems thinking from diverse perspectives. Upon completing this chapter, readers will be able to draft a strategic plan with the ability to communicate with desired audiences through targeted channels of communication.

Chapter 8—Process Design and Continuous Quality Improvement for Operational Change in Health
A variety of operations management principles, models, tools, techniques, and quality improvement (QI) methods are widely prevalent across global health settings, and this chapter provides an overview of several of those that are most relevant for global health students and managers. The tools described in this chapter, once mastered and applied, can help ensure process improvements that truly add value to clients, constituents, stakeholders, communities, and the health sector as a whole. A key point highlighted by the chapter is that health management professionals and policy makers must understand the level of operational change desired and choose QI instruments that are most appropriate for that change and for their organizations or systems.

Chapter 9—Managerial Ethics
This chapter addresses managerial ethics in the global health context. It discusses the importance of ethics in managerial decisions, with attention to the additional sensitivity that is required in situations where two or more cultures

come together. The chapter provides examples of the difficult ethical issues that may arise in global health contexts.

Chapter 10—Governance of Healthcare Organizations

An organization's governing body, often called the board of directors or board of trustees, is a group of community, business, and health sector leaders who make decisions about the organization's purpose, plans, and overall direction. One of the aims of this chapter is to show how health system leaders in low-resource countries can explore the power of the board to foster conditions within which the people who deliver and manage health services are more likely to succeed. The chapter lists 5 key practices and 11 essential elements of good infrastructure for effective board work.

Section III—Managing the Organization–Environment Interface
Chapter 11—Health Policy Design

This chapter aims to help readers develop the knowledge base necessary to understand, effectively influence, and adapt to global (national) health policies. It focuses on key concepts of policy design that are employed throughout the world and are of particular importance for health managers and organizational leaders.

Chapter 12—Global Demographics: Long-Term Care Services and Management

Global healthcare delivery systems in the twenty-first century face numerous demographic challenges, many of which are associated with the aging of the population and the growing number of individuals with chronic and disabling conditions. The ways countries address these issues will depend heavily on their traditions and cultures, their healthcare systems' plans and policies, and their access to resources and technology. This chapter provides an overview of the demographic, historical, and cultural forces affecting the demand for long-term care, and it discusses management issues such as the need for trained staff in the long-term care field and the use of technology in care management. In addition, the chapter highlights five countries at different stages of aging—China, Japan, Sweden, Turkey, and the United States—and examines their unique experiences and solutions.

Chapter 13—Managing the Health of Populations

This chapter helps readers develop the knowledge and skills necessary to understand, plan for, and manage the health of a constituent population. It focuses on key concepts in population health management strategies that are employed around the world and are of particular importance to health managers.

Section IV—Looking Ahead in Global Health Management
Chapter 14—Future Trends in Global Health
This chapter describes current and future global health trends that are affecting healthcare managers and health system design. Areas of focus include health policy, technology, public health, human rights, workforce planning, changes in health sectors, catastrophic events, and trends in consumer behavior. The chapter takes a forward-looking approach to critical issues impacting global health status.

Epilogue
The epilogue concludes the book with an overview and summary of the key elements of global healthcare management, with an emphasis on the interrelations between global health, global health systems, and the performance and leadership of healthcare managers. It synthesizes the book's content into a set of building blocks to support future healthcare mangers and foster effective healthcare management across the globe.

> ## Instructor Resources
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> This book's Instructor Resources include an instructor's manual and a test bank.
>
> For the most up-to-date information about this book and its Instructor Resources, go to ache.org/HAP and browse for the book's title or author name.
>
> This book's Instructor Resources are available to instructors who adopt this book for use in their course. For access information, please email hap-books@ache.org.

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