A Look Back, A Look Ahead: Operation Restore Human Values

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Hindsight is safer than foresight. But if you look hard enough at the present, says trend-watcher Wanda Jones, an outline of the future takes shape. Among other commentators to our pages, Jones urges planning with a "long boom" in mind-an economic surge expected to last the next 20 years. Yet one person's outline is another's blur: Physician and writer Arnold Relman looks through a dark glass at where for-profit managed care seems headed. At best, he sees uncertainty.

Author and lecturer Jeff Goldsmith writes about health care's strides from cottage industry to corporate player-but he perceives as much unhappiness as economic hope: Doctors, nurses, and others are alienated to the point of launching a union movement that could single-handedly revive American labor. Consultant John Leifer has similar misgivings. He wonders whether the field has traded compassion for computer chips. Both urge a return to health care's bedrock values.

There's always another view. Author and university professor Rosemary Stevens takes heart in the resilience of not-for-profit hospitals, seeing challenges where others warn only of pitfalls. A mixed bag of opinions, maybe-but then, the future remains to be seen.

OPERATION RESTORE HUMAN VALUES

It's hard not to be impressed by the sweep of change, both in the capabilities of the American health system and in health care organizations, over the last 20 years.

In the space of a single generation, health services have evolved from a cottage industry into a substantial corporate enterprise. A breathtaking array of new technologies has been added to the hospital's diagnostic and therapeutic capability. Hospitals have also managed-though not always gracefully the transition to a more ambulatory and community-based model of care. Through all these changes, the hospital has remained a central actor in the health system -- and despite periodic political challenges, its economic position has significantly strengthened.

But this success has come at a terrible price: the increasing alienation of professionals who are the lifeblood of health care and who bear most of the moral risk of the health care transaction. As organizations have integrated structurally, they have disintegrated culturally. Not merely physicians, but also nurses, technicians, and social workers have seen themselves transformed into commodities and marginalized by the corporate ethos of health services. Professional discontent has intensified as physician practice has become increasingly incorporated into the hospital and as health systems have begun rationing care through captive health plans.

The gulf between managers and professionals -- and even between senior and middle management -- has widened into a chasm. At its peak financial strength and amid a record economic expansion, the health field has grown ripe for unionization. In fact, the labor climate among health professionals has become so hostile toward management that organizing health services could single-handedly revive the dying union movement in the United States.

Some of this tension is a by-product of the pressure to reduce the excess hospital capacity that health systems have inherited. To move from the present concentration of ownership to consolidation of excess capacity will inevitably mean workforce reductions or redeployment. The fact that little actual reduction in hospital workforce capacity has taken place so far doesn't mean that the pressure to cut jobs and improve productivity isn't real and tangible -- or that it won't increase in the future.

But the origin of workforce problems in hospitals and health systems runs deeper than the pressure to consolidate. In little more than a generation, management of hospitals has moved from a passive, custodial, and largely benign "administrative" tradition to an aggressive, growth-oriented entrepreneurial management framework. It's hard to dispute the economic success of these growth strategies. Since 1978, hospitals' net revenues have increased almost five-fold, from $71 billion to more than $350 billion. Despite the challenges of managed care, hospital profitability soared to a record level in 1997.

At the same time, operations -- the critical interface between technology, professionals, and patients-have taken a back seat to deal-making and "positioning" relative to managed care in most executive suites. This migration didn't occur overnight. Over the past two decades, in breathless sequence, hospitals have reorganized, diversified, consolidated, "integrated," built regional health care networks, evolved captive financing vehicles, and incorporated an astonishing array of new technologies and services.

The resulting modem enterprise is often a billion dollars large. Health systems, without realizing it, have grown to the point where they dwarf both the patient and caregiver who must work within them. However powerful their capabilities, many health care enterprises have grown beyond human scale and have lost their focus on the daily life-and-death struggles occurring within their walls.

The focus on growth also has led to a failure to develop or encourage the culture of operational excellence needed to run health systems thoughtfully, efficiently, and safely. Only recently have health service researchers begun tallying the cost of using our increasingly complex health system.

In the past 20 years, the hospital nosocomial infection rate has risen 36 percent. Up to 180,000 Americans die in hospitals each year of treatment-related causes-and about half those deaths are preventable. Adverse drug reactions are thought to kill 100,000 patients a year in U.S. hospitals. In many metropolitan areas, as much as a fivefold variation in mortality risk for common surgical procedures exists among hospitals, Given our health system's capabilities, the human cost of using it is unacceptably steep.

Most Americans understand neither the magnitude nor the type of risk they run. They believe that some invisible force-the government, perhaps-has created a uniformly high-quality standard that protects them when they use the health system. But the illusion is dissolving, replaced by a heightened consumer vigilance.

The variation in quality provides a marvelous strategic segue for managed care firms under siege for allegedly interfering with the practice of medicine and damaging quality of care. The best way for health plans to change their image from consumer adversaries to advocates is to become "transparent" to the substantial quality and cost variation in the nation's health care system. By giving patients both information and economic incentives to select the highest-value providers that pose the lowest risk, managed care plans can help families make intelligent use of the choice they have demanded.

Mastering health care operations and instilling a culture of continuous clinical quality improvement can provide the critical missing ingredient in health systems.

Fostering operational excellence is the logical next step in the evolution of health system management. Creating a culture intolerant of avoidable systemic medical error and setting up a collaborative framework for defining what constitutes best medical practice will help reintegrate professionals and managers, specialists and primary care providers, supervisors and caregivers.

After all, as everyone ages, everyone eventually uses the health system. Efforts to achieve a higher standard of excellence will have measurable benefits for individual patients and for society as a whole.

Hospital and health system executives privately applaud the public's increasingly hostile view of managed care -but they fail to see that the same brush tars them. The American people do not like the new corporate face of medicine. They do not distinguish between for-profit and not-for-profit health care or, amazingly, between managed care plans and provider conglomerates. Americans believe increasingly that money, not meeting their care needs, is the driving force of the new health care enterprise. This is not an image problem: It is a reality problem. Addressing it should be an urgent priority for health care managers and trustees.

Health care enterprises large and small are stewards of community health, Restoring a human scale and human values to the health system is vital for those who manage our health enterprises. Unless those enterprises can organize to provide measurable value to consumers, and unless managers can unify their organizations to improve the lives and well-being of those in their communities, the management revolution in health services will prove short-lived.

Reconnecting with health care professionals and reconciling professional and managerial values inside hospitals and health systems are essential pre-conditions for creating a safer, more responsive health system.