College of Allied Health Sciences

MGMT 7022: Healthcare Strategy

William Banks, MA, MHA

Summer, 2017

June 26, 2017 – Aug 5, 2017
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Faculty & Staff

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Facilitator

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Care Fear Valley Health System
Email: jfiser@capefearvalley.com (please put ‘Health Economics’ in subject line)
Office hours: as needed
Syllabus

Program Name: Master of Health Administration

Course Title: Healthcare Strategy

Course Number: MGMT 7022  Quarter: Summer, 2017

Course Description
This course follows ECON 7021 and introduces the principles, methods and concepts of three different aspects of strategic management as it relates to health care organizations: 1) strategic planning and management, 2) competitive positioning and 3) alliances, mergers and acquisitions.

Methods of evaluating and analyzing the external environment will include discussions of regulatory control, consolidation of industries, disruptive technologies and crisis/prevention management. The interaction of forces inside the organization such as structure, governance, resource management and culture will be analyzed for their impact on the organization’s competitive position and strategic direction.

Prerequisites: HCA 7001, 7002

Course Credits: 3 Semester credits

Textbook(s), Readings and Assignments:
We will not be using a textbook for this class. Rather, we’ll be reading a series of articles, mostly from the Harvard Business Review that will be available to you from the UC Library at the following link:

http://guides.libraries.uc.edu/c.php?g=222214&p=1471016

Wahib Nasrallah is the library's dedicated business librarian and is available to help if you can't locate what you need. His contact info is:

Wahib Nasrallah
Senior Business Librarian
Langsam Library, University of Cincinnati
Phone: 513-556-1866
e-mail: mailto:wahib.nasrallah@uc.edu
Webpage: http://www.libraries.uc.edu/business
Office Hours and Responding to Questions:
We will be conducting a live class session each Wednesday evening at 6pm. These live sessions will be your best chance to ask questions and get immediate feedback. Please email questions to me or your assigned assistant instructor at any time. My office phone number is 859-655-4328. (I certainly don’t mind phone calls, but you should know that I’m not going to be very available during most work days)

Course Objectives:
By the end of the course students must demonstrate mastery of the following competencies:

- Basic familiarity with key strategic principles and practices
- An understanding of the unique roles and specific challenges for the major drivers in our health care system
- Ability to discuss complex strategic issues in health care, especially as various forces are sometimes in conflict with each other
- Ability to synthesize the lessons learned and apply them to real-world solutions most likely to achieve the goals of increasing margin and market share.

Learning Activities
A variety of learning activities are designed to support the course objectives, facilitate different learning styles, and build a community of learners. Learning activities for the modules include the following:

1. Reading assigned articles
2. Viewing and listening to live lectures
3. Completing group project case studies
4. Completing writing assignments as detailed below

Working with a Facilitator
It is our goal to have no more than 35-40 students assigned to an instructor in this course. As such, it is likely that many students will be assigned to a facilitator as you move through the course. As the primary instructor, I designed the course and the assignments. It will also be my voice you hear in the live weekly sessions. The facilitator’s job will be to assist by guiding online discussion groups and grading written assignments

Group Projects
We will work as groups on a number of case study projects throughout the semester. They are meant to give you a chance both to demonstrate that you’ve understood and absorbed the lessons of the course, and to learn from others as you go through the exercise. I will be assigning you to small groups at the start of the course. You will find group assignments and tools you’ll need to do this work in the course toolbox.
Grading Policy

Method for Calculation of Course Grade

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Module One</th>
<th>Module Two</th>
<th>Module Three</th>
<th>Module Four</th>
<th>Module Five</th>
<th>Module Six</th>
<th>Total Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written Assignment</td>
<td>20</td>
<td>20</td>
<td>30</td>
<td>20</td>
<td>20</td>
<td>40</td>
<td>150</td>
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<tr>
<td>Group Assignments</td>
<td>20</td>
<td>20</td>
<td>20</td>
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<td>20</td>
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<td>Total Points</td>
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</table>

Suggestions for writing assignments:

1. The weekly written assignments should be comprehensive, containing a central thought and supporting arguments. It should **not** run more than three printed pages. Citations from the text or other outside literature are fine, but aren’t necessary. Spelling and grammar will count!

2. The weekly team projects are meant to be real-world case studies and will contain a mix of spreadsheet work and short answers. Obviously, it’ll be important to get to correct answers. Equally important will be the brief explanation of the case that should accompany your work. You should clearly explain what’s going on and why your answer is the correct one.

Grading Scale

- 93%-100% = A
- 90%-92% = A-
- 87%-89% = B+
- 83%-86% = B
- 80%-82% = B-
- 75%-79% = C+
- 70%-74% = C
- 0 – 69% = F

**Grade Center:** All grades will be maintained in Blackboard’s online Grade Center. Students are responsible to track their progress by referring to the online grade book. Email me with any questions on this.

Course Policies

**Participation Policies:** Students are expected to actively participate in class and in the Blackboard learning environment and to complete all assignments in a timely manner. Infrequent and inconsistent participation and work completion will negatively influence the benefits that may be obtained from the course as well as lead to a lower grade.
**Make-Up Policy:** Assignments are due by 11:59 PM [Day of week] of the week they are due. All work will generally be graded and returned within [number of days] calendar days. If you have a SERIOUS problem that can be documented/verified and that keeps you from participating on time, please contact me immediately. I will determine if the seriousness of your problem warrants an exception to the late assignment rule. If you are not passing the class at any point due to missing work, you might be asked to drop the class.

You are responsible for timely assignment submission. Should your personal computer system or network go down, you must still turn in your work in a timely manner. Don’t wait until the last minute. Plan ahead by seeking alternative means for submitting your work before you need to. Local libraries and the University of Cincinnati campuses can serve as alternative resources. Not having access to the required software on your home or work computer is NOT a legitimate excuse for turning in assignments late.

Academic Integrity Policy: The University Rules, including the Student Code of Conduct, and other policies of the department, college, and university related to academic integrity will be enforced. Any violation of these regulations, including acts of plagiarism, cheating, or falsifying field work will be dealt with according to the severity of the misconduct. Dishonesty in any form may result in a failing grade in a course and/or suspension or dismissal from a program (e.g., graduate or undergraduate).

**Electronic Communication / Email Policy:** Students are required to use a University of Cincinnati email address for all program activity. The primary reasons for the new policy relate to issues of confidentiality, security and the receipt of information from the University of Cincinnati and the Educational Leadership Program.

The University of Cincinnati is now sending many official notices, announcements and important information to students via email. For example, student bills are now sent by email and are no longer mailed through the U.S. Postal Service. To ensure this type of confidential information is sent to the correct individual, items are only sent to student UC email accounts. A UC email address is clearly identified with the student’s name and only a student can register for her/his own email account. Therefore, there is a high level of confidence by the University the student will receive the email.

I can be reached via email and will try respond to all emails within 48 hours. If something is urgent, you can call me at the numbers listed.
**MGMT 7022 Course Schedule**

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<th>PowerPoint Presentation</th>
<th>Writing Assignments</th>
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<td>Module 1</td>
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<td>Lecture 1</td>
<td>What is Strategy?</td>
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<tr>
<td>June 26th – July 2nd</td>
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<td>Case Study 1A</td>
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<tr>
<td>Module 2</td>
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<td>Lecture 2</td>
<td>How are you positioned ...</td>
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<tr>
<td>July 3rd – July 9th</td>
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<td>Written Assignment #2</td>
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<td>Case Study 1B</td>
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<tr>
<td>Module 3</td>
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<td>Lecture 3</td>
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<td>July 10th – July 16th</td>
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<td>Written Assignment #4</td>
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<td>Module 4</td>
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<td>Lecture 4</td>
<td>Conducting SWOT Analysis</td>
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<td>July 17th – July 23rd</td>
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<td>Written Assignment #5</td>
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<td>Case Study 2A</td>
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<td>Module 5</td>
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<td>Lecture 5</td>
<td>Creating New Value</td>
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<td>July 24th – July 30th</td>
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<td>Written Assignment #6</td>
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<td>Case Study 2B</td>
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<tr>
<td>Module 6</td>
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<td>Lecture 6</td>
<td>Designing and Maintaining</td>
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<td>July 31st - Aug 5th</td>
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<td>Written Assignment #7</td>
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<td>Written Assignment #8</td>
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<td>Case Study 3</td>
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**Unless otherwise specified, all assignments and discussion board postings due by 11:55 PM (EDT) of specified date.**
Module 1
What is Strategy?
June 26th – July 2nd 2017

Topic Overview
In this module, you will explore...
   The basics of strategic thinking and planning

Learning Outcomes
By the end of this module, students will be able to:
   1. Understand and articulate why organizations must engage in strategic thinking
   2. Understand and articulate the difference between strategy and management
   3. Understand and articulate the difference between strategy and operational effectiveness

Module Checklist
Your tasks for this module are:
   1. Read the assigned articles
   2. Listen to the recorded lectures
   3. Answer the short-answer questions.

Readings

Media
- Lecture 1 – recorded lecture - What is Strategy?

We will hold a live session each Wednesday evening at 6pm for anyone who feels they could benefit from additional re-cap of the material. Questions will be answered and helpful hints dropped for those who tune in. For those who can’t tune in live, we will record the sessions for later viewing.

Link to WebEx Meeting Room:
https://ucincinnati.webex.com/join/banksw
Assessment

Written Assignments #1
After reading Porter’s article, “What is Strategy?”, and the background to Case #1, comment on how you believe the management team of St. Sebastian has done instilling a strategic management culture. What have they done well? What have they done poorly or failed to do? If they have fallen short, what would you advise them to do to recover? Be as specific as possible throughout.

Written assignment is an individual assignment, and is worth 20 points and should be completed and submitted NLT 11:55 (EST) on 7/2/17

Case Study Assignment #1
As a group, you’ll work to complete case study #1, Part A

Group Project assignment is worth 20 points and should be completed and submitted NLT 11:55 PM (EST) on 7/2/17
Module 2
How are you positioned within your industry?
July 3rd – July 9th 2017

Topic Overview
In this module, you will explore...
How physician practices are organized and deliver healthcare

Learning Outcomes
By the end of this module/chapter you will be able to:

1. Analyze the role of competition in the healthcare industry.
2. Interpret and apply the five forces that shape strategy
3. Learn to apply the concept of an industry analysis to Healthcare
4. Understand competitive positioning within an industry

Module Checklist
Your tasks for this module are:
- Read the assigned material
- Listen to the recorded lectures
- Answer the short-answer questions
- Complete the Group Project Assignment

Readings

Media
Lecture 2 – Recorded lecture – The Five Forces in Healthcare

We will hold a live session each Wednesday evening at 6pm for anyone who feels they could benefit from additional re-cap of the material. Questions will be answered and helpful hints dropped for those who tune in. For those who can’t tune in live, we will record the sessions for later viewing.

Link to WebEx Meeting Room:
https://ucincinnati.webex.com/join/banksw


**Assessment**

**Written Assignment #1**
After reading Porter’s Five Forces paper, refer back to St. Sebastian and the facts laid out in the background reading and Case #1 and consider:
What products are in this industry vs. part of another distinct group?
What is the geographic scope of competition?
Identify the participants and segment them. Who are
- The buyers and buyer groups?
- Suppliers and supplier groups?
- The competitors?
- The substitutes?
- The potential entrants?
Which of these forces is strong/weak and why?
If possible, analyze the industry structure.
- Why is the level of profitability what it is?
- Which are the controlling forces for profitability?
What are the recent and likely future change in each force, both positive and negative?

Written assignment is worth 20 points and should be completed and submitted **NLT 11:55 (EST) on 7/9/17**

**Case Study Assignment #1**
As a group, you’ll work to complete case study #1, Part B

Group Project assignment is worth 20 points and should be completed and submitted **NLT 11:55 PM (EST) on 7/9/17**
Module 3
Defining Value in Healthcare
July 10th – July 16th 2017

Topic Overview
In this module, you will explore…
How organizations articulate and enact a value proposition

Learning Outcomes
By the end of this module you will be able to:

1. Understand how to develop a customer value proposition for a customer segment
2. Distinguish how a customer value proposition captures the distinctiveness of your strategy, the things that set you apart from the competition
3. Analyze how industry change can be interpreted in terms of its impact on your organization’s core assets and its core activities
4. Learn how industry change has the potential to transform a customer value proposition
5. Identify the four strategic options that a company has when allocating resources for organic growth

Module Checklist
Your tasks for this module are:

- Read the assigned material
- Listen to the recorded lectures
- Answer the short-answer questions
- Complete the Group Project Assignment

Readings
View video – “What is a Value Proposition?”
https://youtu.be/PyG5k0QtKOQ


Media
- Lecture 3a – Recorded lecture - What is Value in Healthcare?
- Lecture 3b – Recorded lecture – Price-Setting in Healthcare Organizations
We will hold a live session each Wednesday evening at 6pm for anyone who feels they could benefit from additional re-cap of the material. Questions will be answered and helpful hints dropped for those who tune in. For those who can’t tune in live, we will record the sessions for later viewing.

Link to WebEx Meeting Room:
https://ucincinnati.webex.com/join/banksw

Assessment

Written Assignment #1
Find the person(s) in your organization most responsible for setting prices for the product or service that you produce and interview them. Discuss how he/she determines priorities and revenue targets and then conducts rate negotiations. As you’re discussing, consider how this process is or isn’t aligned with the value proposition of your organization espoused by your organization’s leadership.

Written assignment is worth 20 points and should be completed and submitted NLT 11:55 (EST) on 7/16/17

Written Assignment #2
In no more than 2-3 sentences per system, write what you believe the value proposition is for each of the four systems that we are studying (St. Sebastian, Mercy, General Pediatric and University).

Written assignment is worth 10 points and should be completed and submitted NLT 11:55 (EST) on 7/16/17
Module 4
Conducting SWOT Analysis
July 17th – July 23rd 2017

Topic Overview

In this module, you will explore...
How to evaluate an organization’s strategic position through a ‘Strengths, Weaknesses, Opportunities, Threats’ lens.

Learning Outcomes

By the end of this module, students will be able to:
1. Understand the concept of SWOT analysis and how that relates to health insurance.
2. Understand how to apply the SWOT model in developing strategic plans

Module Checklist

Your tasks for this module are:
- Read the assigned articles
- Listen to the recorded lectures
- Answer the short-answer questions
- Complete the Group Project Assignment

Readings

Read - Berry, T What Is a SWOT Analysis?
http://articles.bplans.com/how-to-perform-swot-analysis/

Media

- Lecture 4 – Recorded lecture – Conducting SWOT Analysis

We will hold a live session each Wednesday evening at 6pm for anyone who feels they could benefit from additional re-cap of the material. Questions will be answered and helpful hints dropped for those who tune in. For those who can’t tune in live, we will record the sessions for later viewing.

Link to WebEx Meeting Room:

https://ucincinnati.webex.com/join/banksw
**Assessment**

**Written Assignment #1**
After learning about SWOT analysis and reading Case #2, consider St. Sebastian’s likelihood of success in their venture by conducting a SWOT analysis specific to their approach to serving the Medicare recipients in the region. Does this SWOT analysis cause you to reconsider the case study that we’ll work on this week? In what way?

Written assignment is worth 20 points and should be completed and submitted **NLT 11:55 (EST) on 7/23/17**

**Case Study Assignment #3**
As a group, you’ll work to complete case study #2, Part A

Group Project assignment is worth 20 points and should be completed and submitted **NLT 11:55 (EST) on 7/23/17**
Module 5
Creating New Value
July 24th – July 30th 2017

Topic Overview
In this module, you will explore…
   How healthcare industry defines value and creates new value

Learning Outcomes
By the end of this module you will be able to:

1. Evaluate how healthcare industry defines value
2. Analyze and comprehend the challenges associated with defining value from the patient’s perspective in the US healthcare industry
3. Study a case example of a world leader in the treatment of a chronic disease
4. Learn about the design of multidisciplinary teams in healthcare delivery
5. Identify the choices a healthcare organization has to make to manage financial viability
6. Use your knowledge about collaborative advantage (from Chapter 5) to design alliances for maximizing value

Module Checklist
Your tasks for this module are:
   • Read the assigned readings
   • Listen to the recorded lectures
   • Answer the short-answer questions
   • Complete the Group Project Assignment

Readings


We will hold a live session each Wednesday evening at 6pm for anyone who feels they could benefit from additional re-cap of the material. Questions will be answered and helpful hints dropped for those who tune in. For those who can’t tune in live, we will record the sessions for later viewing.

Link to WebEx Meeting Room:

https://ucincinnati.webex.com/join/banksw

Written Assignment #1
After reading the Blue Ocean Strategy paper, comment on St. Sebastian’s recent (past decade) history of attempts to establish new service lines/ better compete. Have these been Blue Ocean or Red Ocean strategies? What new strategy would you suggest for St. Sebastian that would fit the authors’ definition of Blue Ocean? Be as specific as you can.

Written assignment is worth 20 points and should be completed and submitted NLT 11:55 (EST) on 7/30/17

Case Study Assignment #4
As a group, you’ll work to complete case study #2 Part B

Group Project assignment is worth 20 points and should be completed and submitted NLT 11:55 (EST) on 7/30/17
Module 6

Designing and Maintaining Alliances
July 31st – Aug 5th 2017

Topic Overview

In this module, you will explore...
How strategic alliances in healthcare can be built to enhance value creation

Learning Outcomes

By the end of this module you will be able to:

1. Analyze the rules for making business alliances work
2. Use your knowledge of these rules to evaluate the collaborative advantage (or lack thereof) of your organization
3. Study case examples of organizations who have used these rules
4. Evaluate healthcare collaborations aimed at improving effectiveness and productivity
5. Understand and critically evaluate the “Wal-Mart approach” to leveraging specialization and economies of scale in healthcare
6. Evaluate the implications of the Wal-Mart approach for your organization’s collaborations

Module Checklist

Your tasks for this module are:
- Read the assigned textbook chapters
- Listen to the recorded lectures
- Answer the short-answer questions

Readings


Hrudayalaya, N “A Model for Accessible, Affordable Healthcare” Knowledge @ Wharton 7/1/2010

Lowry, R - How Stand-Alone Hospitals Can Continue as a Community Asset Warburg Consulting Partners 2014 1-7

Bohmer, RMJ – Virginia Mason Medical Center (Abridged) Harvard Business School Jun 2010 1-14
Media

Lecture 6 – Recorded lecture – “Designing and Maintaining Alliances”

Lecture 7 – recorded lecture – “Creating a Long-range Financial Plan”

We will hold a live session each Wednesday evening at 6pm for anyone who feels they could benefit from additional re-cap of the material. Questions will be answered and helpful hints dropped for those who tune in. For those who can’t tune in live, we will record the sessions for later viewing.

Link to WebEx Meeting Room:

https://ucincinnati.webex.com/join/banks

Assessment

Written Assignment #1

For this question, refer to the case study you will complete this week. Assume you are the orthopedic service line leader of the winning bidder. What strategies will you now employ to be sure your hospital performs well (i.e. profitably) under this new deal? Given the organizational structure of each system bidding, describe the advantages and disadvantages each faces as they attempt to maximize performance under this contract.

Written assignment is worth 20 points and should be completed and submitted NLT 11:55 (EST) on 8/5/17

Written Assignment #2

As you’ve experienced, teamwork has been an important part of this course. You now get the chance to rate your teammates. On a scale of 1-5, one being lowest and 5 being highest, please rate each member of your team - including yourself! - in terms of how well they helped the group accomplish the goal of getting the case studies done. If you had a team member who was just absent or was just not helpful at all, feel free to assign a zero. Include additional thoughts if you like, but the numbers are the important thing. I will be the only one who sees what you write.

Written assignment is worth 20 points and should be completed and submitted NLT 11:55 (EST) on 8/5/17

Case Study Assignment #5

As a group, you’ll work to complete case study #3

Group Project assignment is worth 20 points and should be completed and submitted NLT 11:55 (EST) on 8/5/17