

**14th Annual Arnoff Lecture on the Practice of
Management Science**

***“How Are We Ever Going to
Fix Our Health Care
System? Doesn’t Anyone
Have Any Workable Ideas?”***

William P. Pierskalla

Distinguished Professor and Dean Emeritus
Anderson Graduate School of Business, UCLA, and
Ronald A. Rosenfeld Professor Emeritus
The Wharton School, University of Pennsylvania

7:30 P.M., Thursday, May 12, 2005

112 Carl H. Lindner Hall, College of Business, UC

Our health care system faces fundamental changes over the next decade. How will we be better off & how will we be worse off? Quality gaps, safety issues, increasing costs, waste, outmoded systems, & restricted access abound. Better diagnostics, therapies, measurements, accountability, & preventions have manifested. Work being done to greatly improve quality, safety, costs, & access will be presented.

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*Fourteenth Annual E. Leonard Arnoff Memorial Lecture
on the Practice of Management Science*

*“How Are We Ever Going to Fix Our Health Care System?
Doesn't Anyone Have Any Workable Ideas?”*

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*112 Lindner Hall, College of Business, University of Cincinnati
7:30 P.M., Thursday, May 12, 2005. Reception at 8:30 P.M.*

Our health care system faces fundamental change over the next ten years. But where is the change going and how will we be better off and where will we be worse off? The bad news is: Quality gaps are still everywhere. Safety is scary and risks are everywhere. Costs are increasing at near or into double-digit rates. Waste is extensive. Delivery systems are outmoded. Access for many is restricted.

So what is the good news? Technologies are bringing new and better diagnostics and therapies. Outcomes are being measured better. Best practices and accountability is better understood. Patients, families and consumers are more informed and taking more control over their health treatment and disease prevention.

Will the good news solve the problems of the bad news? Perhaps a little, but largely no and in some cases matters could be made worse. Then where can many of the answers to improvement be found? In most cases the bad news problems are the result of poor systems and process designs and not due to poor people. Indeed the persons delivering health care in the U.S. are the best in the world. So the answers can be found by improving the systems and processes of delivery. And we know how to do this improvement by using a management science systems approach based on information and decision-aiding models coupled with outcome measures, best practices and systems accountability. This approach has made the United States the envy of the world in business and military sectors. Can it be applied in health care delivery with similar results? The short answer is yes but it will not be easy and will take some time. Fortunately, an increasing number of operations research/management science persons are working on these improvements in the health care sector. Also because of several Institute of Medicine white papers, many providers in the health care delivery community are beginning to embrace systems thinking to help solve many problems.

I will discuss the bad news, the good news and the pending system and operational changes and challenges facing health care delivery. Then I will conclude with some of the new and excellent work being done and what still needs to be done to greatly improve quality, safety, costs and access for American citizens.

Biographical Sketch

William P. Pierskalla, Ph.D., is a Distinguished Professor Emeritus of Decisions, Operations, and Technology Management in the Anderson Graduate School of Management at UCLA. He is also the Ronald A. Rosenfeld Professor Emeritus, The Wharton School, University of Pennsylvania. He was recently the John E. Anderson Professor of Management and Dean of the John E. Anderson Graduate School of Management at UCLA. He holds the A.B. in Economics and M.B.A. degrees from Harvard University, an M.A. in mathematics from the University of Pittsburgh, and a M.S. in statistics and a Ph.D. in operations research from Stanford University. His current research interests include operations research, operations management, issues of global competition, and the management aspects of health care delivery.

Dr. Pierskalla is a Past President of the International Federation of Operational Research Societies. He is on the Editorial Advisory Boards of *Production and Operations Management*, *Encyclopedia of Operations Research & Management Science*, *International Transactions in Operational Research*, *Journal of the Operational Research Society*, and *Health Care Management Science Journal* and has served on many other editorial boards. He was recently Vice President for Publications of the Institute for Operations Research and Management Sciences. He is a Past President of the Operations Research Society of America, and is past Editor-in-Chief of *Operations Research*.

Previously he was the Deputy Dean for Academic Affairs, the Director of the Huntsman Center for Global Competition and Leadership, Executive Director of the Leonard Davis Institute of Health Economics and the Chairman of the Health Care Systems Department at the Wharton School of the University of Pennsylvania. Prior to his positions at Wharton, he was on the faculties of Northwestern University, Southern Methodist University, and Case Institute of Technology and has worked at Westinghouse Electric Corporation. He is a current board member of Northern Wilderness Adventures Inc. and the Bush Foundation (chairman). He was a board member of the Griffin Funds, the Northern Trust Bank of California, the iRise Corporation, and the Office Tenants Network Corporation. He has consulted many business, educational, and governmental organizations. He has given numerous lectures and seminars at Universities and organizations in the North and South Americas, Europe, Australia, and Asia and has over fifty refereed articles in mathematical programming, transportation, inventory and production control, maintainability, and health care delivery.

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