Course Title Strategic Management of Healthcare Organizations

Course HMGT 6321-001

Call Number 20361

Term Spring 2011

Meetings Tuesday 4pm-6.45pm

Classroom SOM 2.801

Instructor Kannan Ramanathan

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Office Hours Mon, Wed, 5:30-6:45pm

And also by appointment

General Course Information

Pre- Co- requisites HMGT 6320 The American Healthcare System

Course Description

This course explores how healthcare organizations can create sustainable competitive advantage in a volatile, reimbursement driven industry. Topics include external and internal environmental analysis, strategy formulation, organizational design and control and the impact of mergers and alliances on industry performance. Healthcare case studies are used to illustrate key concepts.

Healthcare organizations face an environment unlike any other firm. They are highly regulated, they are politicized, and they do not behave according to normal supply and demand economics. The effects of shifting demographics and technological changes are amplified on the health care industry. Third party payees and the societal aspects of health care interrupt the usual transactional nature of the business. Health care employees are atypical – they tend to be independent professionals, who may consider their organizational commitment to be lower than that to their profession, and who would not consider themselves providers of a business service. In addition, health care organizations may be for profit, nonprofit, or state funded – each category carrying its respective strategic problems.

The strategic management course integrates learnings from accounting, finance, marketing, MIS, organizational behavior, and other business courses in the creation of sustainable competitive advantage for health care organizations.

Learning Objectives

- Communicate a health care organization's strategic vision by creating a clear and comprehensive mission statement
- Identify the external environmental trends affecting health care organizations
- Determine the value chain of a health care organization and its related competitive advantage

- Identify the strategic position of the health care organization within its competitive environment
- Determine the advantages and disadvantages of alternative strategies such as mergers, internal development, and entry into new markets
- 6. Develop health care service delivery strategies that fit the value chain and external environment
- Integrate skills acquired in finance, accounting, marketing, and MIS courses to craft a successful strategy
- 8. Explain the importance of health care organization culture and top management team leadership on strategic implementation

Required Text

Strategic Management of Health Care Organizations

Linda E. Swayne, W. Jack Duncan, & Peter M. Ginter

6th edition

Blackwell Publishing

ISBN: 978-1-4051-7918-8

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Case Studies

The text includes the cases students will analyze in this course.

Assignments & Academic Calendar

| 1 | 11 Jan | Chapter 1. The Nature of Strategic Management | | |
|----|--------|--|--|--|
| 2 | 18 Jan | Review of Chapter 1 Chapter 2. Understanding and Analyzing the General & the Health Care Environment Preparation for Case Studies: Analyzing Cases | | |
| 3 | 25 Jan | Review of Chapter 2 Chapter 3. Service Area Competitor Analysis | | |
| 4 | 01 Feb | Review of Chapter 3 Chapter 4. Internal Environmental Analysis and Competitive Advantage | | |
| 5 | 08 Feb | Review of Chapter 4 Chapter 5. Directional Strategies Creating the Future - (Dr. Gary Hamel Video) | | |
| 6 | 15 Feb | Chapter 5. Directional Strategies Review of Chapter 4 and 5 Dealing with Crisis and Transition | | |
| 7 | 22 Feb | Quiz I - Chapters 1 through 5 - Scantron 882-E Required | | |
| 8 | 01 Mar | Review of Quiz I Chapter 6. Developing Strategic Alternatives | | |
| 9 | 08 Mar | Guest Speaker Case study presentation Case 1 - The Pharmaceutical Industry | | |
| 10 | 15 Mar | Case study presentations Case 2 - Salix Pharmaceuticals Inc Case 4 - OR Solutions Reaches a Crossroad | | |

| | 11 | 22 Mar | Review of Chapter 6 Chapter 7. Evaluation of Alternatives and Strategic Choice Case study presentation - Case 6 - Ellen Zane - Leading Change at Tufts |
|--|----|--------|---|
| | 12 | 29 Mar | Review of Chapter 7 Chapter 8. Value Adding Service Delivery Strategies Case study presentation - Case 15 - "So, Doctor, Can You Fix This?" |
| | 13 | 05 Apr | Review of Chapter 8 Chapter 9. Value Adding Support Strategies Case study presentation: Case 9-Governance Challenges at Good Hands Healthcare (A) |
| | 14 | 12 Apr | Guest speaker Review of Chapter 9 Chapter 10. Communicating the Strategy and Developing Action Plans |
| | 15 | 19 Apr | Review of Chapter 10 Case study presentations Case 8 - Dr. Louis Mickael: The Physician as Strategic Manager Case 17 - Pacific Cataract and Laser Institute |
| | 16 | 26 Apr | Review of Chapters 6-10 |
| | 17 | 03 May | Quiz II - Chapters 6 through 10 - Scantron 882-E Required |

Course Requirements and Grading Policy

The course content will be presented and discussed through a combination of lectures and class discussions. My intent is to help you think through the issues in a given context, and to help you articulate your participation in class discussions clearly and concisely. Students are expected to attend all classes and to read the assigned material. You need to come to class after having studied the material that will be discussed in a given class. University guidelines recommend that you study 2-3 hours per week for every credit hour in which you are enrolled. Your grade will be based on the following:

| Quiz I | 32% | Multiple choice questions - chapters 1 through 5 |
|---------------------------|-----|---|
| Quiz II | 32% | Multiple choice questions - chapters 6 through 10 |
| Case Study & Presentation | 20% | see below |
| Concept Examples | 6% | see below |
| Class Participation | 10% | see below |
| Case Study & Presentation | | |

Teams of students will analyze and present six cases. Each team will consist of (about) three students. Each case will be presented by a pair of teams, i.e., for each case there will be two presentations of the same case by two teams. Students will chose their own team members. Cases will be randomly assigned to teams. Grading will be based on depth of analysis and professionalism of presentation. Peer evaluation - of the presentation, and of team participation - will be part of the grading process. Students will submit their PowerPoint presentation via e-learning one week before their scheduled presentation date. (For additional details on criteria for case study and presentation, see note at end of this syllabus**).

Concept Examples

Students will review current news and literature on healthcare management. (Any publication in 2010/2011 will be considered current). Each student will submit two articles each illustrating a different concept (relevant to healthcare) that we will discuss in class. E.g., we will discuss 'service competition'. The article a student submits will illustrate service competition between two healthcare organizations. Each student can decide which two concepts to choose. Please make sure the article is submitted - in an electronic format only - at least three days before that concept is discussed in class. (Yes, this means you will have to read each chapter before class). Each article can contribute a maximum of 3 points towards your grade. Each submission will be graded on relevance of the article. I may call upon the student to discuss the article in class. Submit your article only on eLearning and only as a pdf or Word document. Do not submit links.

Class Attendance & Participation

Points for class participation will be based on your punctuality, regular attendance, quality and extent of discussion in class, and during guest lectures. Class participation requires your studying class materials before the class. I may test this with one or more surprise quizzes. Exclusive of the participation grade, you are allowed two excused absences. (You need to be in class before attendance is taken to be counted as present). After that, each absence results in a reduction of 5

percentage points from your total grade. <u>Use of cell phones, texting, emailing, and surfing the internet are strictly forbidden during class hours.</u>

Please Note:

Grades will NOT be curved.

There are no make up quizzes.

There is no provision for extra credit.

Grades will be based on the following point ranges which may differ from other classes:

| Range | Letter Grade |
|----------|--------------|
| 93 - 100 | Α |
| 88 - 92 | Α- |
| 83 - 87 | B+ |
| 78 - 82 | В |

| Range | Letter Grade |
|---------|--------------|
| 73 - 77 | B- |
| 68 - 72 | C+ |
| 63 - 67 | С |
| 0 - 62 | F |

Student Conduct and Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, A to Z Guide, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3, and in Title V, Rules on Student Services and Activities of the university's Handbook of Operating Procedures. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

Academic Integrity

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course may use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

Email Use

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

Withdrawal from Class

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

Student Grievance Procedures

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's Handbook of Operating Procedures.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations.

If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the deal will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

Incomplete Grades

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of F.

Special Assistance

For help with test anxiety or time management, the following resources are available: your academic advisor, the Learning Resource Center (MC2.402), the Counseling Center (SU1.608), the New Student Programs Office (SU1.610), your instructor.

Disability Services

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union.

The contact information for the Office of Disability Services is: The University of Texas at Dallas, SU 22 PO Box 830688 Richardson, Texas 75083-0688 (972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

Religious Holy Days

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

Off-Campus Instruction and Course Activities

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm. Additional information is available from the office of the school dean.

** Criteria for grading Case Study & Presentation

Case study and presentation grade (20% of total grade) will be determined as follows:

- 30 points for content
 - Demonstrate critical thinking and analysis of the content
- 30 points for organization, structure and presentation of content
 - · Emphasize how your presentation meets case objectives
- 25 points for delivery
 - Be concise
 - Focus on key issues
 - · Answer questions clearly
- 15 points for visuals
 - · Present your case professionally, i.e.,
 - · has to be appealing
 - · not too many bullets
 - not too much text on one slide
 - simplify content for your audience
 - no sound effects (or anything fancy too many fonts/colors/graphics)
 - · keep it simple