

# Management Principles *for* Health Professionals

*Seventh Edition*

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# Preface

This book is intended for healthcare professionals who regularly perform the classic functions of a manager as part of their job duties—planning, organizing, decision making, staffing, leading or directing, communicating, and motivating—yet have not had extensive management training. Healthcare practitioners may exercise these functions on a continuing basis in their roles as department directors or unit supervisors, or they may participate in only a few of these traditional functions, such as training and development of unit staff. In any case, knowledge of management theory is an essential element in professional training, because no single function is ever addressed independently of all others.

In this book, emphasis is placed on definitions of terms, clarification of concepts, and, in some cases, highly detailed explanations of processes and concepts. The examples reflect typical practices in the healthcare setting. However, all examples are fictitious and none are intended as legal, financial, or accreditation advice.

Every author must decide what material to include and what level of detail to provide. The philosopher and pundit Samuel Johnson observed, “A man will turn over half a library to make one book.” We have been guided by experience gained in the classroom, as well as in many training and development workshops for healthcare practitioners. Three basic objectives determined the final selection and development of material:

1. *Acquaint the healthcare practitioner with management concepts essential to the understanding of the organizational environment within which the functions of the manager are performed.* Some material challenges assumptions about such concepts as power, authority, influence, and leadership. Some of the discussions focus on relatively new concepts such as appreciative inquiry approaches to motivation and conflict management, cultural proficiency and diversity training, changes in credentialing, and job duties of technical support personnel. Practitioners must keep abreast of developing trends in management, guarding against being “the last to know.”

2. *Provide a base for further study of management concepts.* Therefore, the classic literature in the field is cited, major theorists are noted, and terms are defined, especially where there is a divergence of opinion in management literature. We all stand on the shoulders of the management “giants” who paved the way in the field; a return to original sources is encouraged.
3. *Provide sufficient detail in selected areas to enable the practitioner to apply the concepts in day-to-day situations.* Several tools of planning and control, such as budget preparation and justification, training design, project management, special reports (e.g., the annual report, a strategic plan, a due diligence assessment, a consultant’s report), and labor union contracts, are explained in detail.

We have attempted to provide enough information to make it possible for the reader to use these tools with ease at their basic level. It is the authors’ hope that the readers will contribute to the literature and practice of healthcare management as they grow in their professional practice and management roles. We are grateful to our many colleagues who have journeyed with us over the years and shared their ideas with us.

*Joan Gratto Liebler  
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# About the Authors

**Joan Gratto Liebler**, MA, MPA, RHIA, is Professor Emerita, Health Information Management, at Temple University, Philadelphia, Pennsylvania. She has more than 36 years of professional experience in teaching and research in healthcare settings. In addition to teaching, her work and consulting experience include engagement with community health centers, behavioral health settings, schools, industrial clinics, prisons, and long-term care, acute care, and hospice facilities. She has also been an active participant in area-wide healthcare planning, end-of-life care coalitions, and area-wide emergency and disaster planning.

Ms. Liebler is also the author of *Medical Records: Policies and Guidelines* and has authored numerous journal articles and contributed chapters relating to health information management.

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Mr. McConnell received a Master of Business Administration and a Bachelor of Science degree in Engineering from the State University of New York at Buffalo.

# What's New in the *Seventh Edition*

*Management Principles for Health Professionals, Seventh Edition* continues to present foundational principles of management in the context of contemporary health care. The *Seventh Edition* reflects current issues by linking them to basic principles. Newly added examples include corporate compliance, standards of conduct and mandatory reporting, eHealth (its expansion, plus issues relating to reimbursement), revenue cycle considerations, cultural competency and diversity training, and comparative effectiveness reviews. There is continuing expansion of material relating to the Health Insurance Portability and Accountability Act (HIPAA), electronic health records/personal health records, due diligence reviews, and healthcare reform legislation.

Examples and exhibits have been updated throughout. Examples reflect a wide variety of settings, including acute care, observation units, urgent care, rural critical access care facilities, neighborhood health centers, secure personal care units, continuing care facilities, and rapid treatment centers. These examples feature various patient groups, including the frail elderly, at-risk youth, and homeless youths and adults. A full-scale plan, with 500-day implementation schedule, is included to illustrate project management. Newly emerging jobs/positions are included, such as compliance officer, privacy specialist, data quality and analysis specialist, and contractual management teams.

## SPECIFIC CHAPTER UPDATES

Chapter 1, “The Dynamic Environment of Health Care,” presents a template for analyzing megatrends in health care with attention to clients, families as caregivers, professional practitioners, the healthcare marketplace and settings, the impact of technology (including eHealth and virtual health), data mining, the health information exchange, and social/cultural factors. An expanded section on financing and reimbursement is included. The characteristics of the effective manager are delineated.

Chapter 2, “The Challenge of Change,” includes detailed examples relating to the continued implementation of the electronic health record (including outreach campaigns and meaningful use initiatives), the organizational restructuring resulting from marketplace forces, and continuing impact of healthcare reform legislation.

Chapter 3, “Organizational Adaptation and Survival,” includes expanded discussion of competition and adversarial relationships. Extensive analysis of the effects of mergers, partial or full closure of a facility, and the final stages in the organizational life cycle is made. The main features of the manager’s concerns and activities during this phase are amplified.

Chapter 4, “Leadership and the Manager,” was formerly Chapter 12, “Authority, Leadership, and Supervision.” The material concerned with knowing one’s own leadership style has been expanded. Information presented on orders and directives has been moved to Chapter 11, “Communication,” and the discussion of supervision and discipline has been moved to Chapter 10, “Adaptation, Motivation, and Conflict Management.”

Chapter 5, “Planning and Decision Making,” adds material relating to the consequences of delaying decision making or not making decisions at all, along with the second- and third-order impact of decisions. More examples of the after-action report are included. Under the topic of planning, project management is presented, including the role of the project manager along with project evaluation through process and outcome reviews. A complete project, coupled with a 500-day implementation plan, is provided to illustrate the extensive nature of project delineation, activity description, and evaluation cycles.

Chapter 6, “Organizing,” provides additional discussion of the job analysis, classification, and job description interrelationship. New/emerging/changing job titles and responsibilities are included (e.g., corporate compliance officer, data quality specialist, privacy officer). Standards of conduct and mandatory reporting are added to the orientation module. The role and function of the external, contract management team is delineated. The changing characteristics of the work force are highlighted. The management inventory to forecast staffing needs is developed. The consultant report reflects current issues relating to transition from hard copy to electronic health records, and the resulting legacy systems, changes in data entries, studies relating to shorter stay admissions compared to balance-of-life admissions in skilled care, the necessity of studies relating to patterns of readmission to acute care, and studies about secure personal care units (including suspected elder abuse because of involuntary seclusion).

Chapter 7, “Committees and Teams,” offers refined and expanded information concerning employee teams and their legality and advice and guidance for building and maintaining a departmental team.

Chapter 8, “Budget Planning and Implementation,” is essentially the same as the former Chapter 7, “Budgeting: Controlling the Ultimate Resource.”

Chapter 9, “Training and Development: The Backbone of Motivation and Retention,” includes new material that reflects diversity and cultural competence. New material has also been added to

address the mutual responsibilities, and the elements of an affiliation agreement/contract between the healthcare organization and external academic programs for clinical practice rotations. Additional aspects of the training design are included to reflect the needs assessment for training, aspects of interpersonal skills, and challenges associated with difficult client interaction.

Chapter 10, “Adaptation, Motivation, and Conflict Management,” includes an explanation of motivational strategies for dealing with crisis incidents. The impact of downsizing is explained in detail, including the environment created when layoffs occur, the effects on employees who must be released, and the reactions of “survivors” who are expected to do more with less at a time when morale and motivation have been adversely affected. Labor union trends and issues are highlighted, and the sample labor contract has been updated.

Chapter 11, “Communication: The Glue That Binds Us Together,” formerly Chapter 14, stresses plans and preparations for addressing communication during a crisis via the need for disaster planning. Material concerning “the grapevine” and the manager’s role in rumor control is presented, and information concerning orders and directives has been moved here from an earlier chapter.

Chapter 12, “The Middle Manager and Documentation of Critical Management Processes,” includes full-scale examples of reports, strategic plans, and due diligence reviews. Current points of emphasis, including regional health information exchanges, telecommuting issues, upgrading job titles and content (including certifications and qualifications), participation in clinical practice programs, and achievements related to external rating reviews (e.g., Medicare Five-Star rating) are described.

Chapter 13, “Improving Performance and Controlling the Critical Cycle,” discusses ideas for topics for studies that reflect current issues such as comparative effectiveness evaluation, outcome measurement, Recovery Audit Contractor audits and payment error reviews, American Health Information Management Association (AHIMA) governance principles, issues specific to critical access/rural facilities (e.g., use of and reimbursement for telehealth, swing bed usage, pattern of transfer to regional tertiary centers), no-show and cancelled appointment patterns, and cultural and linguistic services. Seven categories of performance improvement studies are also described. In addition, selected strategies of improvement processes are noted, including rapid cycle improvement, waterfall/cascading impact reviews, and root cause analysis. An application of dashboard reporting is given, reflecting its use in a disaster situation. Three examples are given to reflect the unanticipated consequence of planning: when an improvement fails and negative outcomes occur.

Chapter 14, “Human Resources Management: A Line Manager’s Perspective,” formerly Chapter 13, is essentially unchanged from the previous edition, although laws applicable to employment are reviewed for updates.

Chapter 15, “Day-to-Day Management for the Health Professional-as-Manager,” has been slightly expanded to address the development and management of one’s own career.