

Case 13: Emanuel Medical Center: Crisis in the Health Care Industry by Randall Harris, Kevin

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In health care, issues of strategic planning are indispensable for both public and private health care providers. Through strategic planning, leaders can articulate their road maps to revamping the operational efficiency as well as the corporate image of the institutions they lead. There are varied outcomes of healthcare strategic planning. These outcomes revolve around the alignment of available resources with emerging procedures from the external environment, offering meaning differentiation of the quality of health services and the sustenance of value advantage. This project aims to use the case scenario *Emanuel Medical Center: Crisis in the Health Care Industry* to provide a situational analysis on Emanuel Medical Center as a basis for the recommendations for the best course of action.

Overview

Emanuel Medical Center (EMC) experienced several problems which were worsened by the inability of the organization's emergency department (ED) team to help a patient, Haley Eckman, on time. The external environment in which the facility was operating in was becoming increasingly hostile regarding the propensity of EMC to offer professional health care services the way it did initially. The enactment of EMTALA (Emergency Medical Treatment and Active Labor Act) prohibited health care organizations from denying emergency medical services to patients who were financially disadvantaged. For this reason, EMC's resources experienced resource constraints in dealing with emergencies. Consequently, staff morale dwindled; meaning, Emanuel Medical Center found it exceedingly difficult to retain its team of practitioners (Harris, Vogt & Gilinsky, 2008). However, the organization's leaders under Robert Moen, the CEO, had

a resilient mindset based on the EMC's mission of "establishing a healthier community" and a vision of "a caring community" (Harris, Vogt & Gilinsky, 2008).

Situational Analysis

EMC's Approach to Strategic Planning

Based on EMC's mission and vision statements, the health care provider's approach to strategic planning was one that involved forecasting future challenges as the foundation for installing its commitment to effective implementation of service excellence. For example, the facility's vision of "a caring community" is apparent when CEO Moen, toward the end of the case study, points that in spite of the multitude of challenges that EMC faced, the option of shutting down the health facility was unfeasible. Likewise, the mission of "establishing a healthier community" is clear when the Moen goes ahead to elucidate that the organization needs to obtain external funding a significant pathway to ascertaining that it continues to provide critical services to the community it serves.

Prevailing Issue

The pertinent issue in the case scenario is the inability of Emanuel Medical Center to offer essential services such as emergency care in the wake of a challenging operating environment. As such, EMC was experiencing a mass exodus of many health care practitioners. The reduction in the reimbursements from health and maintenance organizations (HMOs) further aggravated the situation at Emanuel Medical Center. From a critical angle, EMC was experiencing a crisis in the provision of quality health care services.

Overall Strategic Concerns

There are varied strategic planning issues that pertain to the inability of EMC to offer quality emergency care and other clinical services as a result of the operational inefficiencies that have been caused by different factors. Firstly, EMC's leadership underrated the significance that the reduced reimbursements from the health and maintenance organizations could have had on their employee retention. In their study on health care strategic planning, Swayne, Duncan, and Ginter (2012), argued out that health care managers and leaders should maintain a sharp focus on their proclivity to mitigate issues of staff shortage. While Moen and his team had the opportunity of instituting backup measures for retaining their employees despite potential operational hardships, they seemingly downplayed this issue. Secondly, the health care organization did not develop driving strategies for ascertaining that the legal environment that the EMTALA legislation created did not work against the organization. This concerns the development of proximate goals for offering emergency care to all patients while sustaining the cutting edge of the organization's mission and vision statements.

Role of the Health Care Manager on the Issue

The health care manager, according to Hans, Van Houdenhoven, and Hulshof (2012), has a professional obligation to systematically envision a health care organization to achieve specific milestones irrespective of the operational challenges that might necessitate a change in the normal operations of the organization. From a critical angle, this proposition shows that the health manager has to align their decision-making criteria with the future situations. In the case study, Robert Moen had a role of conducting elaborate consultations for devising the mechanisms for motivating EMCs health care professionals in a way that could have influenced them to offer personalized patient care to all patients, such as the case of Eckman, brought into the emergency department.

The Main Stakeholders involved in the Issue

The first stakeholder that is involved is the team of health care specialists at Emanuel Medical Center. The financial challenges at EMC have a direct bearing on their morale. The second stakeholder HMO. Through cutting the reimbursements, it contributed considerably to the health care crisis at EMC. Thirdly, is the federal government. Through the ratification of the EMTALA regulation, Emanuel Medical Center had little choice, if any, to attend to all emergency cases in spite of the fiscal implications. Thirdly, is the executive management of Emanuel Medical Center. They have a crucial role to play in devising a workable structure of new procedures for ascertaining that Emanuel Medical Center stays on the course of its long-term targets. In strategic planning, these stakeholders serve the purpose of influencing the planning and decision-making process either indirectly or directly (Zuckerman, 2012). For example, government regulations set an elemental framework for adjusting certain strategic operations. Additionally, the employees can liaise with the health care manager to come up with techniques for minimizing a high turnover through professionally presenting their requirements.

Extent to Which the Organization's Policies Address the issue

Emanuel Medical Center's policies slightly address the issue. For example, the organization lacks comprehensive measures for mitigating the mass departure of qualified practitioners. This means that in so far as the organization might strive to rebuild its corporate image, its team of clinicians could still opt out for greener pastures.

Alignment of EMC's Mission and Vision to Strategic Planning

Emanuel Medical Center's strategic planning around the major issues in the case study markedly aligns with the overall goals and objectives. The organization's strategic plan of

seeking financial support to sustain its operations are in line with the mission of “establishing a healthier community” and the vision of “a caring community.” This means that this particular strategic plan endeavors to jolt back the health care organization as one that is geared toward caring for its clientele which would lead to a healthier community.

SWOT Analysis

Through a SWOT (strengths, weaknesses, opportunities, and threats) analysis, it is apparent that EMC’s first strength is that the health care provider has a resilient leadership. Robert Moen is an epitome of a willingness to bounce back to operational and corporate success (Harris, Vogt & Gilinsky, 2008). Secondly, the mission and vision statements form an essential framework for making financial comebacks.

Concerning the weaknesses, there is a considerable level of the negative public image following the Eckman emergency department scandal. Secondly, the mass exodus of clinicians limits the organization’s capacity to address patients’ needs. Thirdly, for the remaining staff, there is low staff morale.

For the opportunities, Emanuel Medical Center could have another shot to rebuilding its corporate social responsibility as a result of the potential base support of the community it has served extensively since its establishment. Also, EMC can solicit support from entrepreneurial and individual donors to rise on its feet again (Harris, Vogt & Gilinsky, 2008). The major threats are the presence of organizations like the Kaiser Permanente, Catholic Healthcare West, and Sutter Medical Centers that have improved financial capability and EDs that offer better emergency care services. Additionally, the EMTALA poses a threat to staff motivation.

Environmental Factors Based on the SWOT Analysis

There are two primary environmental factors which are at play in the delivery of care within EMC. Firstly, is the competitive environment. The competing health care organizations such as the Kaiser Permanente that have superior diagnostic facilities are likely to pose a stiff challenge to the number of clients who visit the Emergency Medical Center. Secondly, the legal environment is likely to affect the staff morale in that they will have to offer emergency services without having the certainty of receiving their dues for the emergency services they offer based on the provisions of the EMTALA.

Current Organizational Policies and the External Factors

The current corporate policies do not attempt to address the influence of the external factors adequately. For the competition that similar healthcare organizations pose, the current organizational policies do not lay the needed mechanisms for elevating the services that EMC offers to be above that of the competitors. Also, the case study does not mention that organizational policies that EMC had for ensuring that the EMTALA requirements do not take a toll on Emanuel Medical Center.

Internal Policy Changes

To address the prevailing issues, internal policy changes are indispensable. Firstly, there should be a policy that requires a designated number of on-call nurses to attend to patients in the emergency care. These nurse practitioners should be dedicated to handling emergency cases only. Additionally, EMC should have an internal policy for an annual assessment of its operations through comparing them with those of the competitors. According to Swayne, Duncan, and Ginter (2012), this is vital in maintaining a sharp focus on current health care trends.

Role of the Health Care Manager in Spearheading Strategic Planning

The health care manager's role in the policy revision in the organizational strategic planning is that of evaluating the feasibility of individual policy changes. Through assessing the practicability of notable policy developments, the health care manager can identify the policies that are likely to hamper the long-term sustainability and operational efficiency of Emanuel Medical Center. This will save the health care provider the agonies of confusion and severe damages on the corporate image. More importantly, checking the feasibility of policy changes means that the health care manager can forecast the potential financial implications of the strategic policy changes.

Influence of the Stakeholders on Strategic Planning and Policy Development

Stakeholders play an important role in shaping policy development and adjustments. The government, for example, directly influences policy changes. According to Zuckerman (2012), this is attributable to the marked degree to which federal legislations criminalize particular things. Since the Emergency Medical Treatment and Labor Act disallows health care practitioners from denying emergency services to patients on their financial grounds, it means that health care providers have to come up with internal policies for guiding their nurses and clinicians to attend to different emergency cases without an escrow payment from the patients. The health and maintenance organizations' reduction in the reimbursements channeled to health care providers means that health care managers have to come up with a rational process that will place them along an active trajectory of their objectives while identifying alternative ways of financing their core service activities. This implies that the identified stakeholders significantly influence the strategic planning process.

Recommendations

Course of Action Concerning Strategic Planning

The health care manager should cultivate a culture of communication around the clock. According to the argument that Hans, Van Houdenhoven, and Hulshof (2012) brought forward, it is through rigorous communication within all echelons of the health care organization that the health care manager can come up with a diversified and multifaceted approach to dealing with the operational challenges such as staff shortage and diminished employee morale. Subsequently, Emanuel Medical Center will place itself in a good position to foresee the impact that individual strategic plans will have on its predisposition to sustain itself. This is a vital component of strategic planning. Zuckerman (2012) argued out that this is imperative to combating uncertainties which arise from contingencies like those that EMC experienced.

Stakeholders in Driving the Strategic Planning Process

To drive the strategic planning process, firstly, the health and maintenance organizations should liaise with health care facilities like EMC that offer emergency care facilities before embarking on a unilateral technique of trimming down the reimbursements. Through collaborating with health care providers, the HMO can drive the strategic planning process through enabling these organizations to adjust their strategic plans without necessarily compromising their operational efficiency. Swayne, Duncan, and Ginter (2012) mentioned that through consultations, the strategic planning process becomes more informed. The government should consult health care organizations before enacting laws that are likely to take a toll on an organization's operations. For the employees, they can drive the strategic planning initiatives through making their grievances, working conditions, and concerns known to the health care manager as a way of informing the strategic planning process. Zuckerman (2012) also articulated that communication on key employee issues is significant in the strategic planning process.

Better Alignment of Strategic Planning with EMC's Mission and Vision

To align the policy process with Emanuel Medical Center's overall vision and mission, the organization should endeavor to review its internal operational processes, from time to time, to reflect the vision of "a caring community" and the mission of "establishing a healthier community." Through assessing its internal operational processes using an iterative approach, a healthcare organization can identify issues that are likely to deconstruct the policy processes (Hans, Van Houdenhoven & Hulshof, 2012). In broad terms, positioning the strategic planning processes with EMC's vision and mission necessitates iteratively evaluating all proposed strategic operations with Emanuel Medical Center's core values.

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