

## The Importance of a Collaborative Framework for Healthcare Decision-Making: The Melding of Clinical and Business Perspectives

By David Fuller

Cardiovascular programs are one of the few profitable service lines in healthcare today. In fact, they tend to financially support other less-profitable areas of an acute care hospital. Typically, a cardiovascular program accounts for 20-40% of a hospital's bottom line, and in some cases, up to 60% of net revenue for a facility. For this reason, poor financial decisions made in the cardiovascular program can and will have a ripple effect that impacts the entire organization. Thus, decision-making support that melds the clinical and business implications can be especially critical when it comes to the cardiovascular program at any hospital, regardless of the scope of services offered.

Many times, middle managers in hospitals are confronted with important decisions that will impact clinical practice, daily operations, *and* hospital finances. In these situations, clinicians may be left with no choice but to "do the right thing" for the patient, while sacrificing profitability. This can lead to a negative financial impact on the hospital. But during these times, is there a designated liaison in finance, information systems, human resources, and planning to assist with far-reaching decisions? Are they alone in their quest to do what is right for the patient *and* the hospital? These are pertinent questions to consider when evaluating current clinical-business decision-making.

Often, clinical managers are expected to make sound business decisions, without the benefit of formal training. To some, a business sense comes naturally, but for many, this is not the case. The most successful organizations create a system wherein clinical managers have access to partners in finance and information systems (among other areas) to support decision-making.

Clearly, effective decision-making in a hospital requires a system that integrates the clinical and business perspectives. And, with any successful relationship, this framework must be structured, collaborative, and involve reliance on expertise from both the clinical and business aspects of operations and changing technology.

### A Structure to Support Decision-Making

Before identifying a decision-making team for the cardiovascular service line, a clear set of goals must be developed. These goals may be as simple as gaining a clear understanding of how a specific area is performing against budget or can be as complicated as analyzing the fiscal and case mix implications of drug eluting stents.

It may be difficult to pull a clinical-business partnership together when vying for time with competing agendas. For this reason, it is absolutely necessary to have the support of hospital leadership in creating this collaborative structure. Along with leadership support, it is important to depart from the tradition of a vertical decision-making process in healthcare, to a framework that works horizontally across multiple departments and disciplines within an organization.

### Collaboration as the Key to Growth

A strong commitment to collaboration is essential when dealing with program stakeholders. It is important that representatives, whether

from finance, information systems, marketing, or other areas, understand the type of data clinical managers require, what purpose it is to serve, and how it will be put into practice. Likewise, the clinical manager must understand not only the purpose of the collected data, but also its limitations.

When communication between clinical managers and business liaisons is non-existent or disconnected, efficiency and excellence are compromised. Clinical managers who receive canned reports with information not suited to their needs, or obtain data that is too general or too confusing, will deem these efforts all but useless. Much can be gained by working collaboratively, to understand the data needed and ultimate purpose, how information can be modified to specific needs, and how to access follow-up assistance. Even more importantly, allowing the prospective opportunity for joint planning and input on the information needed will eliminate frustration and multiple changes later.

### Mutual Reliance on Expertise

There is expert knowledge throughout an organization---the challenge is to bring it together to navigate through complex situations and problems. For example, a Cath Lab manager could likely describe effective staffing for the lab and which type of diagnostic equipment the cardiologists prefer. But does this manager know how to retrieve a labor/cost report from the finance system to evaluate productivity? Members of the finance department may be able to extract the average cost per case and develop complex pro formas to evaluate new business ventures. But they will likely find it difficult to estimate the cost and type of equipment needed for a Heart Center expansion. Individual agendas will center on the hospital's mission, market performance and bottom line, and the clinician's practice. These situations highlight why clinical and business expertise must be integrated to arrive at the best decision, delivering the solution that best addresses the interests of all parties involved, including the patient.

It takes time, diligence and recognition that there are experts in every area to effect a collaborative and committed process for joint clinical and business decision-making – one based on a formal structure, mutual respect, and a sharing of expertise. With this approach, the seemingly disparate and conflicting business and clinical perspectives will meld to bring the best solutions and long term success to an organization.



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