

Health Care Industry
And
William Beaumont Hospital
By
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INTRODUCTION

When considering this assignment, a great deal of thought was given to the industry and the company I would research and write about. All people, in this country, other than for religious reasons, have some contact with Health Care and most will have some contact with a hospital, either for themselves or for a loved one. With this in mind, I felt that a study of the health care industry would be an interesting and useful task.

Personal circumstances and experiences over the past several years gave me more direct contact with the health care industry and William Beaumont Hospital than I would have cared for. For almost a year, for myself, and for about two years for my wife, there have been a considerable number of visits to William Beaumont Hospital for diagnostic examinations and tests, and some treatments. These experiences, and living in close proximity to William Beaumont Hospital – Troy, is why I have chosen this hospital. During these visitations, I have been a participant/observer of some of what transpires at this organization. This paper is undertaken from the dual perspectives of an outside researcher and as an observer/participant. I have also had some informal interviews (i.e., discussions and conversations) with a number of people, on their feelings and perspectives of health care and of William Beaumont Hospital.

HEALTH CARE INDUSTRY

Health Care is the largest industry in the United States. In 2004, Health Care provided a total of 13.5 million jobs. Of these, 13.1 million jobs for wage and salary workers and about 411,000 jobs for the self-employed. Of the 20 fastest growing occupations, eight are in health care. Expected job growth in health care, for the period 2004 through 2014, is projected to be about 19%, or 3.6 million, more than for any other industry. While most jobs require less than four years of college education, those involving diagnosis and treatment are among the most

educated workers in any industry. (United States Department of Labor Bureau of Labor Statistics)

There are several reasons attributed to the increased demand for health care workers.

These include:

- ◆ an increasing proportion of the population in older age groups, requiring increased medical care,
- ◆ advances in medical technology which increase survival rates of severely ill and injured, with the attendant increase in long term medical treatment,
- ◆ improved technology for diagnostics, making possible treatment of conditions that were not previously treatable,
- ◆ larger and more complex, integrated health system requiring increased office, administrative, and other non-medical support workers, and
- ◆ Shift from costly inpatient care to less expensive outpatient care and home health care.

(United States Department of Labor Bureau of Labor Statistics)

The very strengths of the Health Care industry, noted above, also present its greatest opportunities, weaknesses, and threats. Other than the non-medical support staff, the workers in most demand, as noted above, will be the most highly trained and skilled workers in Health Care. For the health care industry, overall, the primary challenges would seem to be how to address the expected increased demand for health care services and health care workers. Then, secondarily, determining in which technologies to invest and how to fund the investments. And, thirdly, providing administrative support for Health Care facilities and workers.

Benjamin Brewer, M.D. of Forrest, IL, a recipient of the Illinois Academy Of Family Physicians “President’s Award”, writes a bi-weekly column on health matters, for the Wall Street Journal. His column is focused on issues faced by a family physician. Several of his columns describe the affects of technology on health care. In his October 24, 2006 column, *When*

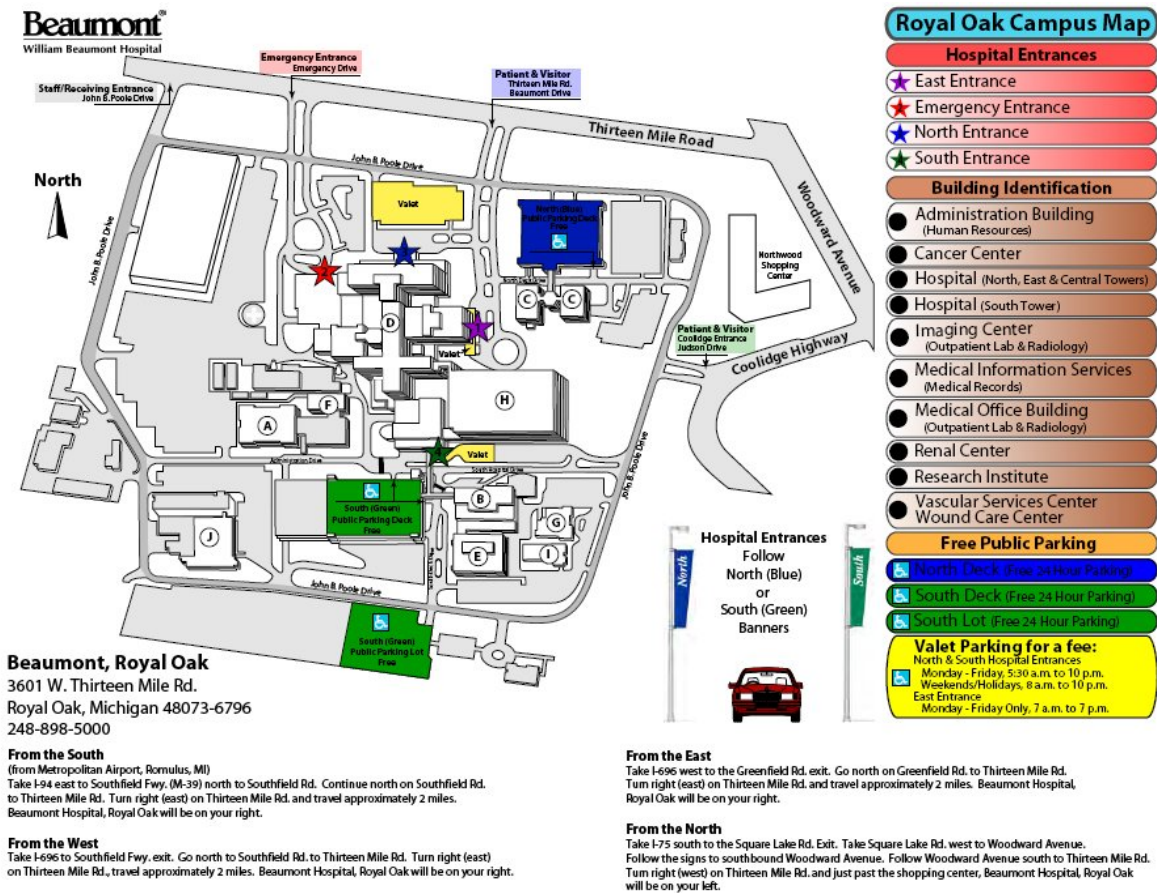
It Pays More to Do A Test Than an Exam, Dr. Brewer explains why many doctors have expanded their offices into diagnostic facilities. In the August 8, 2006 article, *Virtual House Calls Can Cut Costs Without Hurting Quality of Care*, Dr. Brewer describes a technology which can, potentially, be better for both the patient and the doctor. He describes an Internet based computer program where the patient can enter questions and symptoms for the doctor to review and determine if an office visit is needed or (for long term patients) if a prescription (refill) will suffice or if more intensive care, such as emergency room treatment, is warranted. The programming is sophisticated enough to tailor questions to the patients responses. Dr. Brewer states that some persons are more apt to give more detail to a computer than to a nurse or doctor. The ability of physicians to do diagnostic testing in their offices and the technology to take a patient's medical questionnaire via an interactive computer program could have significant impacts on the health care industry.

William Beaumont Hospital

About the Hospital

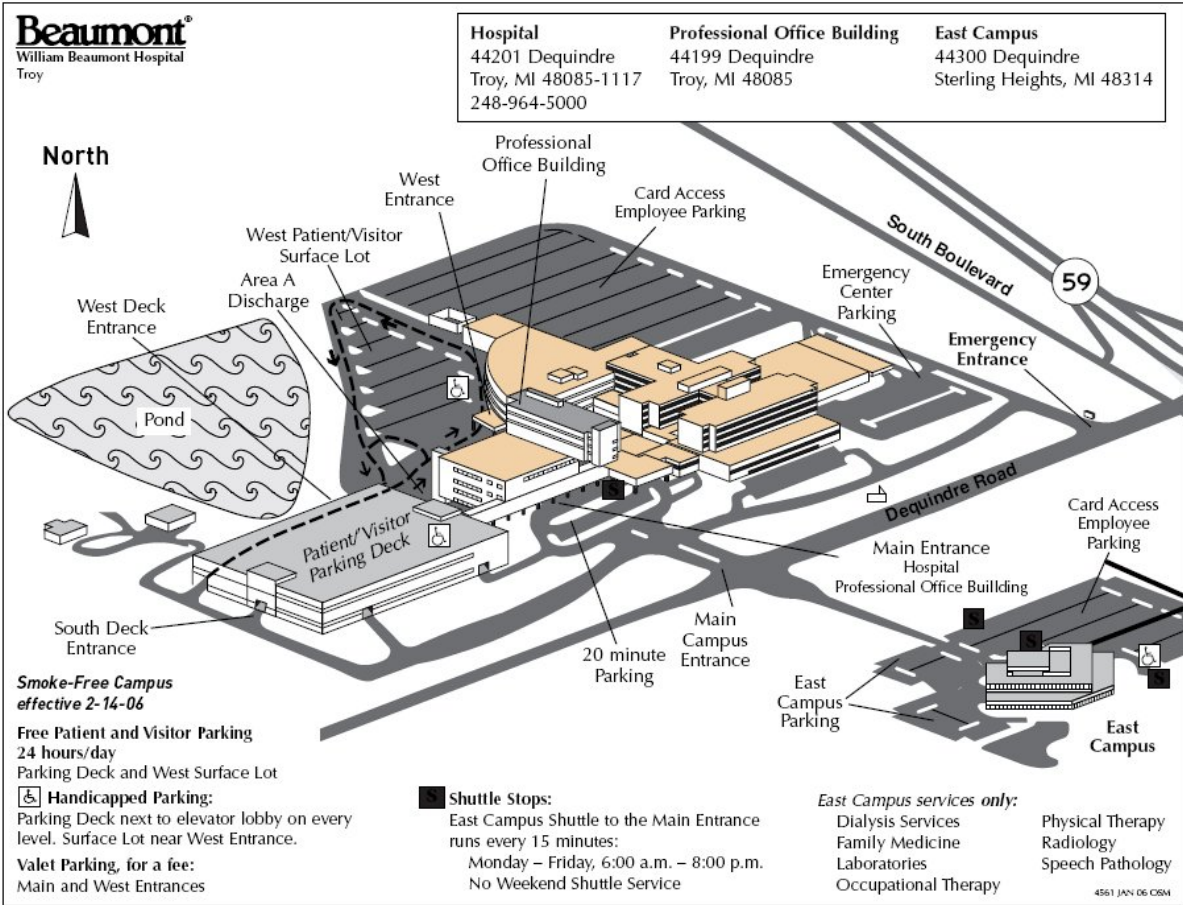
William Beaumont Hospital is a private, not for profit, institution, consisting of two teaching hospitals, with over 1,060 beds between the two campuses. One is located in Royal Oak, MI and the other in Troy, MI. University affiliations include University of Michigan Medical School, Wayne State University School of Medicine, and Oakland University. In addition to the teaching hospitals, other facilities include a rehabilitation center, several nursing homes, home health care services, a research institute, and primary and specialty care clinics. (William Beaumont Hospital Company Profile, William Beaumont Hospital - Royal Oak, William Beaumont Hospital - Troy)

While both campuses primary purpose is to house the teaching hospitals, there are medical office buildings and other health care facilities on each of the campuses. This is shown below in Figure 1 for the Royal Oak facility and Figure 2 for the Troy facility.



Source: http://www.beaumonthospitals.com/images/pdf/royaloak_campus_basic.pdf

Figure 1: William Beaumont Hospital – Royal Oak Campus



Source: http://www.beaumonthospitals.com/images/pdf/troy_campus.pdf

Figure 2: William Beaumont Hospital – Troy Campus

Strength and Weaknesses

Strengths

William Beaumont Hospital provides a wide range of services in both Royal Oak and Troy. In addition, there are a number of “satellite” facilities providing outpatient care and services. Both campuses are easily reached. Beginning in 1998, the Troy facility began a \$23.4 million expansion of its outpatient facilities. (Crain’s Detroit) Both the Royal Oak hospital and the Troy hospital received high ratings in the 2006 Michigan Health and Safety Coalition Consumer Report. (2006 Michigan Health and Safety Coalition Consumer Report, Beaumont

Hospital - Royal Oak, and 2006 Michigan Health and Safety Coalition Consumer Report, Beaumont Hospital – Troy)

Weaknesses

As noted above in discussing the Health Care Industry, Health Care is expected to grow larger than any other segment of the economy, through 2014. Because of this, William Beaumont Hospital faces several challenges, which, if not properly addressed, could become weaknesses to the hospital. First, as with any organization in an industry experiencing rapid growth, there is the challenge of attracting qualified, talented workers. Secondly, there will continue to be a need for more facilities to treat patients. And, finally, there will be a tremendous increase in the data that must be stored and available for retrieval. Any of these items, if not properly planned for, can become a weakness to the organization.

Opportunities and Threats

Opportunities

In addition to over 1,000 patient beds for in - patient care at its two teaching hospitals, Beaumont Hospital has a number specialized treatment centers and research facilities. The hospital also has associations, as previously noted, with several well know universities. The expansion of facilities, in Troy, has recently been completed. These facts should give the hospital administration added means to recruit, and offer training to, the talented health care providers that the hospital will need for the foreseeable future.

Threats

The top three competitors to William Beaumont Hospital are usually accepted to be; Detroit Medical Center, Henry Ford Medical System, and Trinity Health. (William Beaumont Hospital Company Profile) However, there is another threat, from physicians and from independent urgent care centers. (See Appendix for Definition of Urgent Care) As more

physicians install diagnostic equipment in their offices and there are more, independent, urgent care centers, hospitals could lose some highly profitable business. From observation would appear that urgent care centers are becoming almost as prevalent as fast food takeout restaurants. An internet search on www.google.com/maps for Urgent Care in Troy, Mi, yielded 11 results, only one having hospital affiliation. As more independent urgent care centers become available, there is the threat of lost emergency room and urgent care businesses to these facilities. William Beaumont Hospital will need to continue to attract top talent to its staff in order to mitigate the first of these threats. Proximity to the hospital is an issue that is not easily addressed once facilities are built, nor is the increase in urgent care centers. Satellite treatments center could help mitigate this.

Problems and Strategies

The most important problems that William Beaumont Hospital faces are:

- ◆ Competition from urgent care centers,
- ◆ Recruitment, continued training, and retention of talented health care professionals, and
- ◆ Administration of two hospital complexes and many outpatient facilities.

Independent (not hospital affiliated) urgent care centers are a serious threat to William Beaumont Hospital. As anyone who has been to a hospital emergency room or a hospital urgent care center can attest, waiting times can be staggering. At independent urgent care centers there appears to be much less time spent waiting. There is less time waiting to be examined and less time waiting for tests, or diagnostic procedures, to be administered. Hospitals need to address these issues. For the testing and diagnostic procedures, the hospital could invest in having the most often used equipment at the urgent care center so patients do not need to be queued into the

main hospital facility where long waits often occur. Also, this would be a place to use the latest technology which may be faster performing than that in the main hospital facility

The most talented professionals typically will gravitate to those organizations which provide a challenging, stimulating environment with potential for professional and personal growth. These attributes of an organization will also help with retention of these same professionals. Providing continued training and education goes along with professional growth. William Beaumont Hospital will need to provide continued investment in the latest medical technology to keep its staff up to date in the field, and make their jobs easier, as well as to provide the best care possible for its patients (customers). The computer software noted by Dr. Brewer, earlier in this paper, is an example of this technology. Why should a patient have to repeat the same information multiple times when making an appointment for testing, or another procedure? This technology will help provide much of the background information any medical professional needs. It would also alleviate the time spent asking redundant questions of the patient. The health care provider would just need to ask question as needed to “fill in the gaps” when meeting with the patient. Along with this, there is the technology available to do training virtually. This is often more cost effective and allows more time flexibility than traditional training.

Administration of multiple facilities usually means paperwork, and lots of it. Computer data bases are the answer to this. A common system needs to be used at all facilities to ensure accurate recording, sharing, and retention of all information. With the proper infrastructure, the same data base will file patient medical information and administrative information.

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Appendix

Bibliography
Learning Experience
Urgent Care Definition

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Learning Experience

I had several learning experiences from the research in doing this paper. Not all of the learning, however, was concerned with technology.

I learned that complicated diagnostic procedures are much more profitable for doctors than routine office visits and that this is one of the reasons that more and more doctors offices contain equipment to perform diagnostic procedures.

I learned that computer technology has progressed to the point that a program can be written which tailors questions based on responses by the person "being interviewed". I knew there was research in this area, but was unaware how far it had come.

Many of the peer reviewed journals had little, if any, articles of relevance. Those that were relevant were often several years old and would be of little value in determining a business strategy in a world of rapid change and technological advancement. This being said, the researcher needs to take extra care in which sources to accept. For instance, while the *Wall Street Journal* is generally accepted to be a reliable, credible resource for business information, the same would not be said for the *National Enquirer*.

Urgent Care Definition

Definition of Urgent Care: Urgent care is defined as the delivery of ambulatory medical care outside of a hospital emergency department on a walk-in basis without a scheduled appointment.

Scope of Urgent Care: Urgent care centers treat many problems that can be seen in a primary care physician's office, but urgent care centers offer some services that are generally not available in primary care physician offices, for example: X-Ray facilities allow for treatment of minor fractures and foreign bodies, such as nail gun injuries.

Minor trauma rooms facilitate repair of minor and moderate-severity lacerations can be treated in an urgent care center.

Value of Urgent Care: Urgent care centers provide significant savings to patients and insurers over the alternative of hospital emergency departments for episodic care that can not be delayed until an appointment at a physician office is available.

Convenience of Urgent Care: According to the Centers for Disease Control (CDC), patient visits to hospital emergency departments currently average 3.2 hours (emergency department overcrowding). Many of the problems currently treated in hospital emergency departments, however, can receive timely treatment in less than one hour in an urgent care center.

Urgent Care Hours: Most urgent care centers offer extended hours in evenings and on weekends for patients to receive treatment when their personal physician is not available.

Appropriateness: The CDC has reported that approximately 40% of visits to hospital emergency departments are for non-urgent or semi-urgent problems (many ED visits more appropriate to urgent care). These problems aggravate the overcrowded emergency departments of the country, and many would be better treated in an urgent care center.

Industry Growth: With the first urgent care centers opening about 20 years ago the industry has seen rapid growth, with multiple urgent care centers serving most communities in America.

Compliment to Primary Care: By definition urgent care centers function as overflow valves for the public, when timely appointments to a primary care physician office are not available or after regular office hours when patients needing immediate attention would otherwise be diverted to a hospital emergency department.

Future Developments

Training: Fellowship and residency training is much needed for the rapidly growing specialty of urgent care medicine. The Urgent Care Association is sponsoring the development of university-sponsored fellowships for physicians who are board-certified or board-eligible in a primary care specialty. These physicians will be able to develop and hone clinical and administrative skills to practice excellence in urgent care medicine. Physicians interested in undergoing fellowship training in urgent care medicine should contact UCAOA for further information of urgent care medicine fellowship training.

Source: Urgent Care Association of America