

SPECIAL ARTICLE

Strategic management of Public Hospitals' medical services

Aimin Hao^{1*}, Tao Yi^{2*}, Xia Li³, Lei Wei⁴, Pei Huang⁵, Xinzhou Xu¹, Lihua Yi⁶

¹Hospital Office, ²Publicity Department, ⁴Logistics Department, ⁵Outpatient Department, ⁶President's Office, Wuxi No.2 People's Hospital, Jiangsu, China; ³Information Department, Wuxi Hospital of Traditional Chinese Medicine, Jiangsu, China

*These authors contributed equally to this work and should be regarded as co-first authors

Summary

Purpose: The quality of medical services provided by competing public hospitals is the primary consideration of the public in determining the selection of a specific hospital for treatment. The main objective of strategic planning is to improve the quality of public hospital medical services. This paper provides an introduction to the history, significance, principles and practices of public hospital medical service

strategy, as well as advancing the opinion that public hospital service strategy must not merely aim to produce but actually result in the highest possible level of quality, convenience, efficiency and patient satisfaction.

Key words: medical service, public hospital, strategic planning

Introduction

The primary consideration of the general population, as prospective hospital patients, in determining the selection of a specific hospital for treatment, is the relative quality of medical services provided by competing public hospitals. With increased health awareness, income, diversification in the demand for medical services and renewed insistence on medical reform, improvement in the quality of medical services has become the focus of competing public hospitals.

Currently, the study of service strategy, as applied to Chinese public hospitals, remains in its infancy, typically deals only with single issues, is neither systematic nor scientific and excludes strategic management planning. Thus, it is necessary to introduce standardized practices to enable the examination and strategic reform of public hospital medical services.

What is strategic management and how can it be used to improve medical services?

According to the dictionary, strategy means the application of overall, high-level planning and guidance to the solution of major problems [1]. The strategic management discipline originated in the 1950s and 1960s and was later introduced into business management [2,3]. Gradually, it has been applied to hospital management.

Porter once defined strategy as the creation of a position of unique value [4]. Hospitals are existing locations of unique management value, providing services distinct from others, and having a unique form of competitiveness. Hospitals can be summarized as dynamic systems comprised of the most fundamental managerial elements, primarily consisting of what each hospital director is considering, doing and evaluating daily.

As the essential product of a hospital, medical services should be planned from a strategic perspective so that scientific, standardized medical services can be reliably provided to meet the diverse needs of the patients. Furthermore, the

inherent aim of strategic planning should be not only to attain outstanding service but to surpass the service expectations of both patients and staff. Ideally, strategic planning should encourage an environment that enables staff to independently conceive, and continuously initiate creative improvements in the quality and delivery of competitive service solutions.

The underlying service strategy of public hospitals

Patient-centered hospital service strategy consists of core hospital values, basic policies and methods intended to achieve goals, consideration of future competition and social change, long-term survival, the continuous development of the hospital, and the provision of totally efficient quality care and service [5].

1. Public welfare orientation of service strategy

The absolute foundation of medical service strategy is to establish the concept of public welfare as the primary purpose of medical service, a practice entirely consistent with the current emphasis in medical reform policy. Public hospitals are the main agents of realization of the intention of current medical reform: that the public good is the objective of employing strategic planning to public hospital services [6].

The fundamental prerequisite of hospital development is to maximize social and patient benefit. The primary objective of hospital management is to provide safe, efficient and proper medical service to patients. Currently, hospitals must balance public welfare and business income; however, public welfare takes precedence [7]. Above all, hospital service strategy must orient itself toward public welfare; first and foremost, hospital staff must understand the value of serving patients in order to sincerely and effectively provide quality care and efficient medical services.

2. Determining the requirements of medical services

One study shows that 34% of hospital service consumers would change their treatment habits based on their medical experience [8]. Since patients are the objects of service, without them hospitals would not exist. Thus, "patient-centered" is recognized as the first principle of medical service strategy and already established as an essential principle of current hospital management [9].

In order to provide quality medical services, it is necessary to know the needs and individual requirements of patients, otherwise medical ser-

vices would be unacceptable to patients, a waste of medical resources and the cause of patient dissatisfaction. Therefore, establishing standard practices that meet the individual needs of patients will increase patient hospital loyalty [10].

3. Introducing independent evaluation improves performance analysis

Many hospitals have established a strict system of medical service assessment, and most employ a combination of patient evaluation with internal assessment [11]. The results are not always objective since the hospital simultaneously plays the role of both "referee" and "player". It is therefore necessary to introduce an independent third-party to objectively investigate and assess service attitudes, medical quality, technical expertise, nursing services, treatment processes and medical expenses, in order to supply data that reflect the genuine quality of existing medical services, and to provide important feedback that can be used to establish meaningful indexes that enable the staff of various hospital departments to assess and improve the quality of both service and performance [12].

4. Continuous improvement of medical services

Improvements to hospital services are limitless. Perpetual improvement of medical services must involve all staff in every department in a progressive process in order to change existing medical service behavior, determine problems, propose solutions, carry out improvements and obtain feedback.

Hospitals must take the initiative to listen to patients in order to discover unfavorable factors negatively influencing medical services and to prescribe measures that pinpoint and eliminate such adverse influences, improve related management systems and begin the next phase of Plan, Do, Check, Action, or PDCA, for continuous quality control improvement.

Existing practice of service strategy

With a history of over 100 years, and being the primary regional health care resource, Wuxi No.2 Hospital has, through adherence to the principles of service strategy, come to be regarded as one of the most important innovators of hospital service strategy in China.

1. Implement innovative medical care services

Service strategy results are reflected not only by improvements to medical services but by pa-

tients' positive reactions. Since 2004, following strategic service initiatives, Wuxi No. 2 Hospital adopted 5 new models of service: (1) applying the model of "one doctor meets one patient at a time in one examination room/clinic" to respect the privacy of patients; (2) opening only one dispensary window to optimize process flow; (3) establishing one comprehensive service center to provide 'housekeeping' services; (4) providing one internal "168" hotline support service to meet the needs of inpatients; (5) implementing a red wrist-ribbon for seriously ill patients to prioritize their medical services [13]. These new service initiatives were diffused by news media municipally, provincially and nationally. More than 2,600 hospital directors from 1,300 hospitals in China visited Wuxi No.2 Hospital during the last 3 years who then re-applied its patterns to their own institutions.

2. *Establish a coordinated appointment system to streamline service*

Coordinating service flow is a necessary process enabling hospitals to fulfill basic service functions. The quality of the process is crucial to determining whether a hospital can provide fast, convenient and effective treatment [14]. Service strategy must not only optimize service quality but provide convenient medical service. Wuxi No.2 Hospital uses the Hospital Information System (HIS) platform to manage appointment services. Patients can make appointments by phone call, internet or in person. Intelligent outpatient service applications, including an intranet and the "114" hotline platform, accept various appointment programs and shorten patient waiting time for services such as ultrasonic B, CT, MRI, HOLTER, ultrasonic cardiography, gastroscopy and coloproctoscopy. Now, patients can finish all required lab testing and examinations and obtain the results in a day.

3. *Centralized outpatient diagnosis and treatment services meet patient needs*

Patients' needs are diverse. Hospital service strategy must define successive levels of medical service. Since 2008, Wuxi No.2 Hospital has set up 8 major diagnosis and treatment centers, including a brain center, an imaging center and a cardiovascular center. Doctors in different disciplines now have the flexibility to diagnose and treat a patient, conduct ward rounds, and consult with colleagues.

4. *Establishing service emblems and implementing*

service promises

Service emblems are important icons of service strategy and a motivating force underlying continuous hospital service improvements. They also improve patient identification of hospital services. Wuxi No.2 Hospital has devoted itself to the establishment of one new service emblem every year. In 2014, it launched "Operation Woodpecker" and proposed 8 additional service promises to treat the 'stubborn diseases' in medical service.

Hospital leaders, together with functional and clinical departments, are responsible for specifying and carrying out the promises. To encourage voluntary external supervision, the following promises were publicly announced through news media, internet and window displays.

(1) Encouraging surgical operation and outpatient service clinic punctuality

Surgeons and staff in Wuxi No.2 Hospital promise to start the first operation before 8:30 am every day. The surgeon's arrival time is recorded by fingerprint attendance and the results are checked every month. Those who fail to fulfill their promise are first given a warning. Repetitive lapses risk increasingly restrictive penalties.

Hospital staff promise punctual outpatient clinic service.

The use of mobile phones is forbidden while medical staff are attending patients, performing operations, during handover duties and ward rounds.

As with other performance assurances, repeated lapses incur escalating penalties, commencing with a warning. Wuxi No.2 Hospital also provided a public complaint phone number.

(2) Standardized service behavior

Wuxi No.2 Hospital staff promises that internal consultations will be completed within the same day. If, during a consultation, a doctor is called upon to perform an emergency operation, a substitute must be found to complete the consultation.

Medical and support staff also promised 100% hand-hygiene during ward rounds, before and after contact with the patients, during operations and in the venous infusion preparation, ICU and supply rooms.

In addition to internal supervision, third-parties are also invited to conduct independent evaluations.

(3) Communication and patient health education

Wuxi No.2 Hospital promises that doctors will perform at least two ward rounds every day, communicate with each patient for at least 5 minutes, tell patients the results of common tests upon availability and provide the results of special tests within 24 hours.

Every ward must provide a doctor to answer questions raised by patients or their family members, between 4 pm to 5 pm, daily, and keep clear records of the questions raised. Head Nurses must confirm all such communications.

In addition, health education must be provided to all wards. Each clinical department must supply health counseling materials concerning 2-3 common diseases, to the wards and the out-patient departments, free of charge. Every ward must organize a monthly health education program for both inpatients and discharged patients.

(4) Inpatient bedside account settlement and night staff complimentary refreshments

For the convenience of inpatients, Discharge Office staff must, according to daily discharge scheduling, settle accounts and handle discharge procedures one hour prior to patient discharge.

Medical staff on night duty must be provided with complimentary light refreshments.

Since the introduction of performance pledges at Wuxi No.2 Hospital, 17,000 surgical operations were performed, daily initial operations attained 97% punctuality, doctor-patient communication achieved 97.5% satisfaction, outpatient clinic punctuality reached 97%, health education accomplished 100% delivery, hand-hygiene produced 100% compliance, 1,896 bedside accounts were settled and 20,000 light refreshments were provided.

Results and reflection

The implementation of medical service strategy at Wuxi No.2 Hospital has eradicated many inherent obstructions inhibiting improvements to medical services. Encouraging continuous improvement has widened the scope and extended the provision of medical services, and simultaneously improved medical quality and patient satisfaction.

Consequently, Wuxi No.2 Hospital received recognition as both a "Reliable National Hospital" and an "Exemplary Chinese Medical Institution, 2014," and, that same year, scored the highest evaluation among Grade A research hospitals in Jiangsu Province. Specifically, medical services complaints decreased more than 50%. Nursing

care received a comprehensive satisfaction rating of 98% by discharged patients and achieved 100% satisfaction in a third-party evaluation.

1. Comprehensive public hospital service strategy is urgently required

Providing timely, efficient, convenient, quality medical service is the paramount requirement of renewed medical reform [15]. In recent years, the directors of many public hospitals have attached great importance to hospital service strategy; however, precise plans and test-locations have yet to be determined. Developing a comprehensive service strategy is urgently required to deliver outstanding quality service and performance.

To be a competitive service means that each hospital must develop its own unique service strategy reflective of its own distinct nature and characteristics. Understanding 'competition' in public hospital service is, quite simply, to understand and know what a particular hospital can best provide, whether it is staff, facilities, equipment, location, specialization, etc. Therefore, to be 'competitive', each hospital must first examine, assess and determine its own inherent qualities, strengths, advantages, features and weaknesses. Only then can a service strategy begin to be developed that best exploits a particular hospital's uniquely significant features, qualities and attractions. Only then can it begin to attempt to deliver on its first and most important promise: to serve the public good and, equally, to serve it well.

Wherever standardized, scientific medical service reflects excellence, patients enjoy better medical services, and hospital staff will naturally strive to constantly improve overall performance.

2. Public hospital service strategy must aim to provide convenience and efficiency

Providing patients with the experience of convenient and efficient quality medical treatment, and follow-up with a standardized patient-feedback mechanism, will help to evaluate and improve the overall effectiveness of public hospital service strategy.

Public hospitals are the main instruments of the Chinese medical service system [16]. The primary aim of public hospital service strategy is to provide safe, efficient and proper medical service for the public good. Throughout the process of registration, diagnosis, treatment and lab testing, each patient is aware of whether or not the service is fast, convenient, safe and comfortable.

To develop an effective service strategy, public hospitals must assess the diverse needs of pa-

tients correctly. Serving the public good includes providing individualized, humane care. Therefore, patient assessment must also take into consideration patients' cultural background, social position and economic conditions. Collecting patient evaluations will help to adjust and improve hospital service strategy and constantly improve patient satisfaction.

3. Patient satisfaction is the highest goal of public hospital service strategy

Placing patient satisfaction first means changing service assumptions, and delivering quality service. Placing patient satisfaction first is the only way public hospitals can survive and develop [17]. Patient satisfaction takes precedence in systematic medical service assessment and is the apex of standardized hospital service strategy [18].

Conclusions

How can hospitals satisfy patients? Service

strategy analysts can utilize scientific, analytical performance examination tools to systematically solve problems, improve medical services, reduce faults and risks, meet and surpass patient needs and service expectations. The rest of us, however, might consider operating from the perspective of patients. Assuming that most people prefer to be treated well is an excellent place to start.

Medical service strategy is the main theme of hospital innovation and development. Implementation of medical service strategy is a major measure that will improve competitiveness and promote sustained development of public hospitals.

Along with improving the quality of medical services and increased patient satisfaction, the rational implementation of comprehensive, scientific and systematic medical service strategy will increase the respect of popular opinion toward public hospitals and, ultimately, furnish public hospitals with enduring competitive superiority.

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