

Estimate of the Situation

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Positioning for the Future

"It's not hard to make decisions when you know what your values are." - Roy Disney

That's the problem with "T" Intersections on new and unfamiliar routes. We have to make choices and we've never been on this road before.

All of us have standard ways of making decisions. We talk to other people in the same boat. We read everything we can find that might cast light on the topic. We listen to "experts". We consider what we've done in the past. Then we choose. More often than not, our choices will tend to steer us toward the middle of the road. In the old days, that was safe enough. The attentive observer will note that the middle of the road as shown above will take us pretty quickly into the tall grass.

Every hospital in the United States is making the decision about the future based on its own situation and what it understands to be its available options. Here's a short list of questions that decision makers should consider and answer.

- How much elasticity is there in the demand for primary care? If the answer is, "a great deal", what are the implications for all health care demand?
- Considering economic and demographic trends, what are the most likely community health care needs now? What do we expect those needs to be in 5 years? 10 years?
- Considering the development trajectory of technology and medical knowledge, which forms of organization and which service delivery settings will produce the best cost benefit?
- If we were starting from scratch today, which hospital departments would be operating completely or partially outside the acute care hospital, possibly in subsidiary or separate corporate structures? What would be the financial impact on the hospital and any new organizational structures?

- How will health care services be compensated going forward? Is the current cost/price trend sustainable? Will the insurance model survive? Should the insurance model survive? Is Medicare sustainable? Is Medicaid sustainable?
- Which of these health care delivery forms are going to produce the lowest cost, highest quality and most success going forward?
 - Large bureaucratic corporate systems created by consolidating former stand alone hospitals and smaller systems financed through a system of government and private insurance that rations health care delivery through regulatory mechanisms.
 - Market driven, decentralized, distributed, entrepreneurially-managed delivery systems, financed by the consumer and, when necessary, low interest loans.



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