

CHAPTER 1

HEALTH, HEALTHCARE, AND HEALTHCARE ORGANIZATIONS

We think it is important not only to be a great performer in the medical model (that is, treating sickness, illness, and injury) but also to be an excellent . . . organization in the health model (that is, keeping people healthy, fit, and vibrant).

Philip A. Newbold, healthcare executive

LEARNING OBJECTIVES

Studying this chapter will help you to

- explain what health and population health are;
- describe the major forces that determine the health of a population;
- identify healthcare services in the continuum of care;
- identify types of healthcare organizations;
- explain the external environment and how it affects healthcare organizations;
- state trends that are shaping the future of healthcare; and
- describe the wide variety of healthcare management jobs and careers.

HERE'S WHAT HAPPENED

Partners HealthCare is an integrated healthcare delivery system that combines healthcare organizations (HCOs) such as community health centers, physician practices, hospitals, long-term care facilities, and others. Together, these HCOs offer the continuum of care from prenatal to end-of-life, including preventive, diagnostic, treatment, and long-term services. Thousands of employees perform many different kinds of jobs—including important management jobs. Based in Boston, Partners is committed to its community, and it values innovation, technology, openness, and preparation. Its managers have watched developments in the external environment such as demographic trends, the rise of social media, and the effect of the health-care reform law on healthcare services and payment. They are transforming Partners HealthCare to better fit the changing external environment in which their HCO operate. For example, the managers are forming patient-centered medical homes and are striving to keep the local population healthy with prevention (rather than just cure). One important development has been the implementation of its Connected Cardiac Care Program that uses telehealth (healthcare based on information and communication technologies) to connect with remote rural patients to prevent and care for their heart disease.

People are needed to manage HCOs, as the opening example shows. We will follow what happens at Partners HealthCare and use it as a continuing case study throughout the book. (The entire case study is presented in an appendix.) This book will help you learn how to manage HCOs to help people live healthier lives. By doing this, you can do work that has meaning and value (in addition to earning a good paycheck). This chapter explains health, healthcare, health services, and the main forces that determine health. It identifies health services in the continuum of care and then identifies the types of HCOs forming the healthcare sector. The chapter explains the external environment and trends that affect HCOs, the healthcare industry, and the healthcare sector. The chapter ends with information about healthcare management jobs and careers, for which this book will prepare you. After reading this chapter, you will understand better why communities need HCOs—and need people such as you to manage them.

HEALTH AND WHAT DETERMINES IT

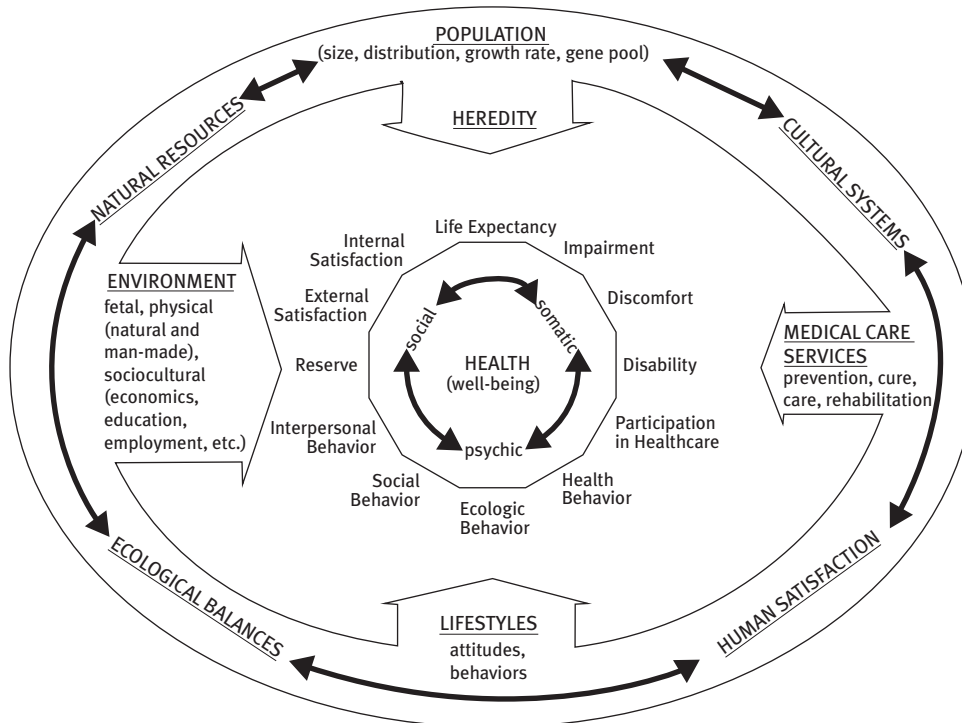
What is health? In a well-established definition still used today, the World Health Organization (WHO 1946, 100) says that **health** is “a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity.” **Note that the definition of health is based on being well rather than just not having a disease or problem.**

To further understand health, we can look at Henrik Blum's (1983) classic model (Exhibit 1.1), which shows the dimensions of health and four forces that determine it. Like

Health

A state of complete physical, mental, and social well-being; not merely the absence of disease or infirmity.

EXHIBIT 1.1
Force Field Model
of Health



SOURCE: Blum (1983).

WHO's definition, this model also views health as physical (somatic), mental (psychic), and social well-being. Some writers include other types of health, such as spiritual health (Moorhead et al. 2013) or emotional health (Fos and Fine 2005). An individual's health status may be measured by how well that person feels and functions physically, mentally, and socially. Health status can be evaluated through measures of physical disability, emotions, social behaviors, blood pressure, and ability to care for oneself. For a group or population, health status may be measured by birth rates, life expectancy, death rates, commonality of diseases, and group averages for individual measures.

THE FORCE FIELD MODEL OF HEALTH

Four forces—heredity, medical services, environment, and lifestyle—simultaneously determine the health of a population. These forces (determinants) are described in the following paragraphs and shown in Exhibit 1.1.

Heredity is the starting point of health. Genes and characteristics inherited from parents make a person more likely or less likely to develop certain health problems and to be or not be healthy and well. Perhaps your parents have mentioned some genetic traits

Heredity

Genes, traits, and characteristics inherited from parents.

Medical care

Diagnosis and treatment in the care of patients, sometimes limited to care by physicians and sometimes more broadly including care by nurses, therapists, and others who care for patients.

Healthcare

Services that promote health, prevent health problems, diagnose and treat health problems to cure them, and improve quality of life.

Lifestyles

Patterns of attitudes and behaviors that make up one's way of living.

Environment

The world in which one exists and that exists beyond oneself. Environment can include people, organizations, laws, societies, natural events, external forces, and many other elements outside of oneself.

and characteristics that run in your family. Genes were considered fixed until genetic reengineering emerged in the late twentieth century. A manager cannot really change genetics to improve the health of patients and the community.

Medical care (or more broadly, healthcare) refers to the many medical services (and health services) provided by the healthcare system to help people be well. **Medical care** is diagnosis and treatment in the care of patients, sometimes limited to care by physicians and sometimes more broadly including care by nurses, therapists, and others who care for patients (Slee, Slee, and Schmidt 2008, 340). **Healthcare** is services that promote health, prevent health problems, diagnose and treat health problems to cure them, and improve quality of life (Slee, Slee, and Schmidt 2008, 245). Healthcare services exist for all ages and stages of life from womb to tomb. They form a continuum of care that is presented later in this chapter. You have probably used some medical and health services. Medical and health services are important, yet they have the weakest effect of the four forces on health, as shown in Exhibit 1.1 by the reduced thickness of the medical care services arrow.

Lifestyles—attitudes and behaviors such as smoking, seat belt use, diet, exercise, feelings about cancer prevention, and the value one places on health—strongly affect health. Currently, obesity is a prevalent health problem that has been linked to unhealthy lifestyle choices, such as lack of exercise. Although individuals cannot do much to change heredity, medical services, and environment, they can change their lifestyles. For example, some college students are choosing to eat healthier foods and get more exercise. Healthcare managers can improve people's health by helping them improve their lifestyles.

Environment includes the physical and sociocultural setting in which someone lives. Many environmental elements affect health, such as sanitation, violence, sunlight, employment opportunities, neighborhoods, population density, and air pollution. The environment includes elements created by both nature and people. Henrik Blum believed environment has the most powerful effect on health, as indicated by environment having the thickest (strongest) arrow in Exhibit 1.1. That view is still supported today (Kindig 2014). We can understand the importance of environment by considering the life-threatening sanitation problems (and other health problems) caused by floods, hurricanes, and tornadoes. Consider too the differences in health and health problems between safe, wealthy neighborhoods and violent, poor neighborhoods. Notice that in Exhibit 1.1 the environment includes social as well as physical elements. In recent years, some researchers have presented these elements separately as the physical environment and the social environment (Kindig 2014). Doing so emphasizes the social determinants of health (e.g., social support, class, education, income, neighborhood), which have gained importance in the past decade (Shier et al. 2013). According to this approach, five (rather than four) broad forces determine health. The following Here's What Happened reports how an HCO in Newark, New Jersey, improved the local environment to improve health in the neighborhood. Can you think of efforts in your community to improve the environment to improve health?

HERE'S WHAT HAPPENED

A 2012 NOVA Award was given to Newark Beth Israel Medical Center for its success in improving health in the community. The staff had seen that the lifestyles and environment of many people led to unhealthy eating and then obesity, diabetes, and health problems. Like hospitals in other cities, Newark Beth Israel set up school-based education and nutrition programs for healthier diets. The staff also tried something unique by creating a community garden and farmers market in an abandoned parking lot. These became sources of fresh fruits and vegetables, which had been hard to find in the urban neighborhood “food desert.” Plans include a greenhouse to enable year-round gardens (Stempniak 2012). The neighborhood had lacked convenient sources of fresh fruits and vegetables, which created a harmful environment for health. When the hospital improved the environment (the neighborhood), it changed a negative determinant of health into a positive one.

Heredity, medical services, lifestyle, and environment interact and affect each other while they also affect health. For example, the environment in which someone lives affects that person's lifestyle and access to medical care services—and all three forces affect the person's health.

Scholars have studied these forces and concluded that specific elements of them (e.g., where one lives, diet, income level) differently affect the health of specific subpopulations (e.g., those based on race, ethnicity, and gender) (Diez Roux 2012; Harris 2013). These **disparities** are common among groups and in communities. Many healthcare managers strive to eliminate disparities so that everyone can live healthy lives. The US population will continue to become more diverse (as shown in the population trends later in this chapter). As a manager, you will have to pay attention to disparities in health status and work to overcome them.

Managers should understand that disparities are linked to heredity, environment, lifestyle, and use of medical care services. Knowing this, managers can plan solutions for health problems experienced by groups of people.

How can healthcare managers use Blum's force field model to improve people's health? First, realize that factors other than healthcare services are important. Managers have three general ways to improve people's health: (1) improve their environment, (2) improve their lifestyles, and (3) improve their medical care. **Environment and lifestyle—which can help prevent disease, illness, and injury from occurring in the first**

Disparities

Differences in health problems, health status, and use of health services among people who differ in ethnicity, gender, and other characteristics.



CHECK IT OUT

The US Department of Health and Human Services develops health objectives for the country to pursue during each decade. The 2020 national health objectives are available at www.healthypeople.gov/hp2020. The American Hospital Association's NOVA Awards webpage (www.aha.org/aha/news-center/awards/NOVA.html) gives interesting examples of hospitals collaborating with other organizations to improve health by improving people's lifestyles and environments.

place—have a bigger effect on health than does healthcare that is usually provided to treat people after they are ill or injured.

In light of how important lifestyles and environment are for health, many HCOs and their managers have actively improved environment and lifestyles in their communities while also improving healthcare services (Olden and Hoffman 2011). These HCOs have implemented innovative approaches, such as offering wellness programs to seniors, helping children adopt healthy lifestyles, building walking trails and playgrounds, using social media to communicate health information, and other initiatives. These programs have improved nutrition, reduced obesity, and prevented tobacco use, thereby preventing diseases. Think about your community—what have HCOs done there to improve health?

In recent years, healthcare leaders, clinicians, policymakers, and others have become more concerned about **population health**. This approach may be thought of as **measuring a community's health outcomes and the factors that cause them, and then using those measures to coordinate the community's people and organizations to improve health** (Stoto 2013). Population health has gained prominence because of the population health provisions in the Affordable Care Act of 2010. Also, population health is one of the three goals of the Institute for Healthcare Improvement's (IHI 2014) Triple Aim that has been widely presented and accepted by the US healthcare system. Researchers at the University of Wisconsin Population Health Institute report that medical care accounts for only 20 percent of health outcomes; the other 80 percent of people's health is the result of factors such as lifestyle behaviors and the environments in which they live (Kindig 2014). Population health will continue to be important, and managers in many HCOs will try to improve it. The techniques presented in this book will help you manage programs, activities, and services to improve population health in your community. This chapter's opening quote reflects a hospital executive's population health approach to managing his HCO. He and his HCO have earned praise and awards for it. And as we learned in the opening Here's What Happened, Partners HealthCare's managers are also doing more to improve population health.

Population health

Measuring a community's health outcomes and the factors that cause them, and then using those measures to coordinate the community's people and organizations to improve health.



TRY IT, APPLY IT

Suppose you were asked to serve on a college task force to recommend what the college could do to help students improve their health. Using what you have learned in this chapter about the determinants of health, suggest how to improve students' environment, lifestyles, and use of health services to improve their health. Discuss your ideas with other students.

HEALTH SERVICES

There are many different health services. Which ones have you heard of? Some services prevent problems, some diagnose problems, some treat problems, and some support people at the end of life. The hundreds of different health services can be grouped into categories, such as preventive services, diagnostic services, treatment services, rehabilitative services, and so on. These categories can then be arranged in a **continuum of care** to provide womb-to-tomb care as shown in Exhibit 1.2. All of these services must be managed and coordinated to work together for people to be as healthy as possible.

Continuum of care

The full range of healthcare, beginning with prenatal care and continuing to end-of-life care.

HEALTHCARE ORGANIZATIONS

The Here's What Happened at the beginning of the chapter introduced Partners Health-Care—a large, complex HCO (one made up of smaller HCOs) that we will follow throughout the book. What are some HCOs you have heard of, worked at, or given volunteer service to? Some HCOs, such as large general hospitals, provide a wide range of acute care and other services spanning many parts of the continuum of care. Other HCOs, such as hospices, specialize and provide only a narrow range of services in one part of the continuum. Hospitals may also specialize, such as hospitals for only psychiatric care or for only rehabilitation services. Medical group practices and physician offices are another type of HCO. These practices might provide many medical services—such as cardiology, pulmonology, and neurology—or instead focus on a single specialty, such as orthopedics. Many medical groups now offer diagnostic testing, on-site therapy services, outpatient surgery, and other care.

Ambulatory HCOs provide healthcare services to people who come for care and do not stay overnight. One example is an outpatient diagnostic center, which performs lab tests, medical imaging, and other services to diagnose health problems. Other ambulatory options

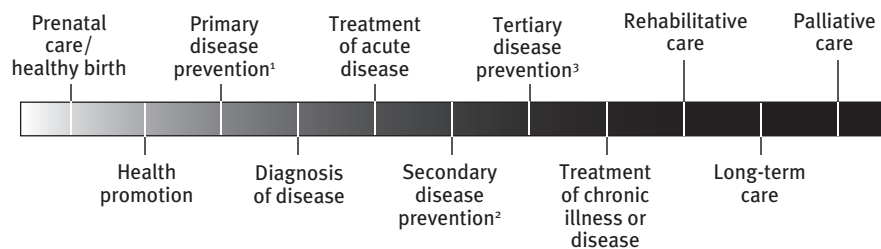


EXHIBIT 1.2

Continuum of Care

NOTES: 1. Primary disease prevention is preventing agents from causing disease or injury. 2. Secondary disease prevention is early detection and treatment to cure and/or control the cause of disease. 3. Tertiary disease prevention is ameliorating the seriousness of disease by decreasing disability and the dependence resulting from it. SOURCE: Barton (2010).

include ambulatory surgery centers, urgent care facilities for minor problems, mental health clinics, and primary care clinics. Home care organizations provide an array of nursing and therapy services in people's homes. Some organizations, such as nursing homes, provide services for people (not all of whom are elderly) needing care for an extended period of time.

In addition to HCOs that provide hands-on healthcare services to patients and directly affect health, other types of important HCOs indirectly affect people's health. Organizations such as the American Cancer Society and American Lung Association affect people's health by funding research, developing educational programs, and assisting people who need treatment. Medical supply firms and pharmaceutical companies such as Johnson & Johnson produce and distribute the thousands of supplies, drugs, and equipment that other HCOs use to provide healthcare. Companies such as General Electric make high-tech equipment, including magnetic resonance imaging (MRI) scanners and robot surgical systems. Other companies make less sophisticated devices, catheters, intravenous (IV) solutions, wheelchairs, antibiotics, bandages, and many other items. Health insurance companies, such as Blue Cross, are another type of HCO. These businesses assist in the financing of and payment for healthcare services. Trade organizations, such as the Medical Group Management Association, and professional associations, such as the American College of Healthcare Executives, are other types of HCOs. Colleges and universities educate people to work in hundreds of distinct healthcare jobs. Other organizations accredit, license, and regulate HCOs. The list could go on and on. Try to think of other kinds of HCOs. There is no absolute boundary between HCOs and the rest of the economy and society because HCOs overlap and interact with other economic sectors. **Managers should realize that their organization must interact with many other HCOs and organizations that together produce a continuum of care and healthcare services for a population.**

THE ENVIRONMENT OF HEALTHCARE ORGANIZATIONS

An HCO exists in an external environment of people, organizations, industries, trends, forces, events, and developments that are mostly beyond its control. Part of this environment consists of the other HCOs that make up the larger healthcare sector. The HCO's environment beyond healthcare includes citizens, schools, colleges, banks, computer companies, labor unions, stock markets, governments, research laboratories, and more. The environment includes economic, demographic, cultural, legal, and other kinds of developments in society. For example, in the opening Here's What Happened, the environment of Partners HealthCare includes enactment of the healthcare reform law and invention of new devices for mobile technology.

Let's analyze the environment of a nursing home in Baltimore, Maryland. The other nursing homes around the city are part of the environment. They exist in the healthcare sector, which also includes hospitals, home care agencies, health insurers, and all the other

HCOs and health industries in and around Baltimore. This sector exists in the larger society, which includes telecommunications, housing, government, banking, transportation, education, and many other industries and sectors—all part of the environment. In addition, the environment includes potential customers, volunteers, employees, donors, and suppliers. We can also think of this environment in terms of forces and influences—cultural, social, financial, political, and technological—that affect the HCOs.

These other organizations, forces, and people affect HCOs in many ways. For example, the nursing home depends on people to use its services, but those clients may want more weekend activities and social media interaction. They will take their business elsewhere if their preferences aren't met. The nursing home depends on the government to license it and allow it to legally operate. The government could force the nursing home to make improvements to maintain its license and stay open. The nursing home depends on businesses to provide services and supplies, so it will have to contract with an Internet service provider and with a medical supply company.

An HCO exists in, and is influenced by, a larger world. The HCO must be open to its environment and interact effectively with it. To paraphrase an old saying, no HCO is an island unto itself. An HCO depends on people and organizations in its environment just as a person does. The nursing home must be open to its environment to obtain clients, staff, information, funds, equipment, supplies, licensure, and information. When you are a manager, pay attention to your environment!

To better understand the big environment beyond a single HCO, we can divide it into ten distinct sectors (Daft 2013, 149):

1. *Industry sector*: related businesses and competitors that offer products and services similar to what your organization offers
2. *Raw materials sector*: suppliers, manufacturers, and service providers, from some of which your organization obtains needed supplies, equipment, and services
3. *Human resources sector*: employees, labor unions, schools, colleges, employment agencies, and labor markets, from some of which your organization obtains human resources (employees)
4. *Financial resources sector*: banks, lenders, stock markets, and investors, from some of which your organization obtains loans, credit, and other financial resources (this does not include customers who pay your organization for products and services)
5. *Market sector*: actual and potential customers, clients, and users of your organization's products and services

6. *Technology sector*: science and technological methods of producing products and services, some of which your organization uses
7. *Economic conditions sector*: levels and rates of employment, inflation, growth, investment, and other economic circumstances in which your organization exists (this is not financial resources or money for your organization)
8. *Government sector*: laws, regulations, court rulings, political systems, and governments at the local, state, and federal levels, some of which affect your organization
9. *Sociocultural sector*: characteristics of society and culture (e.g., education, values, attitudes) in which your organization exists
10. *International sector*: other countries and globalization of the world in which your organization exists

When you think about an HCO, think too about its environment because that will strongly affect the HCO. Managers must develop good relationships between their HCO and its environment, which is explained further in chapters on planning and organizing. For example, HCO managers use social media tools such as Twitter to interact with their environments (Cooper 2013).

HEALTHCARE ISSUES, TRENDS, AND FUTURE DEVELOPMENTS

Healthcare is always changing—you have probably noticed that. Many powerful trends and developments affect health, healthcare, healthcare organizations, and managers in HCOs. Managers can use the methods, tools, principles, and techniques taught in this book to help their HCOs monitor and adjust to these changes. However, trends sometimes unexpectedly stop, change, reverse themselves, or start anew, making it hard to accurately predict the future. Managers should know “how to create a healthcare organization that can succeed in an unpredictable future” (Olden and Haynos 2013, 1). This book will help you learn how to do that.

Listed here are a few trends occurring in US healthcare and its environment:

- ◆ What will the US population be like during your career? To whom will your HCOs provide care during your career? Whom in your communities will you help to live healthier lives? Here are projections from the US Census Bureau (2012, 1) for the 50-year period between 2010 and 2060 (students in other countries may check their countries’ census bureaus online for similar data):

The population age 65 and older is expected to more than double between 2012 and 2060, from 43.1 million to 92.0 million. The older population would represent just over one in five U.S. residents by the end of the period, up from one in seven today. The increase in the number of the “oldest old” would be even more dramatic—those 85 and older are projected to more than triple from 5.9 million to 18.2 million, reaching 4.3 percent of the total population. . . .

The non-Hispanic white population is projected to peak in 2024, at 199.6 million, up from 197.8 million in 2012. Unlike other race or ethnic groups, however, its population is projected to slowly decrease, falling by nearly 20.6 million from 2024 to 2060. . . .

The Hispanic population would more than double, from 53.3 million in 2012 to 128.8 million in 2060. Consequently, by the end of the period, nearly one in three U.S. residents would be Hispanic, up from about one in six today.

The black population is expected to increase from 41.2 million to 61.8 million over the same period. Its share of the total population would rise slightly, from 13.1 percent in 2012 to 14.7 percent in 2060.

The Asian population is projected to more than double, from 15.9 million in 2012 to 34.4 million in 2060, with its share of nation’s total population climbing from 5.1 percent to 8.2 percent in the same period. . . .

All in all, minorities, now 37 percent of the U.S. population, are projected to comprise 57 percent of the population in 2060. (Minorities consist of all but the single-race, non-Hispanic white population.) The total minority population would more than double, from 116.2 million to 241.3 million over the period.

- ◆ People and organizations are becoming much more connected locally, regionally, nationally, and globally. Communications technology and devices have made wireless electronic communication possible almost anywhere and at any time, and healthcare rapidly is becoming more connected and mobile. Electronic health records are replacing paper medical records (although this transformation is occurring more slowly than expected). Healthcare organizations are using social media, such as Twitter and Facebook, to enable two-way (rather than just one-way) conversations, feedback, interaction, and engagement with stakeholders. All this activity will increase in the future—probably in new and unexpected ways.
- ◆ Healthcare consumers are becoming more knowledgeable about their own health and more demanding of healthcare organizations. People are more

engaged in their health and healthcare including their wellness, health literacy, decision making, and self-management. Employers want employees (as consumers) to be more self-directed with health insurance, wellness, and use of lower cost options. This involvement will escalate in the future (Darling 2014). More patients are actively participating in their care: “Patient-centered care is a method of care that relies upon effective communication, empathy, and a feeling of partnership between doctor and patient” (Ricker 2012, 1).

- ◆ The healthcare system and HCOs are expected to give more attention in the future to population health and healthy communities. This will involve increased use of epidemiology, risk factors, and public health services. HCOs that have focused on fixing the ill and injured will become more involved in health promotion, disease prevention, and wellness (Jorna and Martin 2014). Doing so will require improving upstream social, economic, behavioral, environmental, and educational factors that affect health. Given the population trends, HCOs will have to do more to reduce disparities in health and healthcare.
- ◆ The number of uninsured Americans had been increasing for many years, but implementation of the Affordable Care Act—often referred to as the ACA—is reversing that trend. In the future, more Americans will have insurance to pay for more health services. But the multiyear implementation of the ACA has been erratic with successes, failures, and surprises. The ACA will continue to create big challenges for HCO managers.
- ◆ HCOs will continue to join together in a variety of organizational forms. Hospitals, medical groups, insurers, ambulatory clinics, long-term care companies, community agencies, and other HCOs will form mergers, alliances, networks, integrated delivery systems, accountable care organizations, patient-centered medical homes, and other collaborative structures. These structures are expected to improve coordination throughout the continuum of care, reduce fragmentation of services, share scarce resources, gain economies of scale (size), increase power, and improve quality (Parrington 2014).
- ◆ More physicians are choosing to be employed by hospitals and health systems rather than to work for their own independent medical practice (Birk 2013). This trend will continue in the future because of declining reimbursements, increasing costs, day-to-day struggles of running a physician practice, and, for new doctors, large student debts (Nester 2014). Hospital managers face many

challenges in forming hospital–physician relationships with both employed and independent physicians.

- ◆ Demand for primary care is increasing—and so is the shortage of primary care physicians, physician assistants, and nurse practitioners. Primary care will continue to become more common in retail settings such as supermarkets, discount department stores, and pharmacies. Consumers will like the convenience, but retail medicine will further fragment healthcare (Nester 2014).
- ◆ The annual rate of growth of healthcare spending has been declining over the past few years, but total spending is still increasing and the percentage of all spending that goes to healthcare has been increasing—and will continue to increase. Soon, more than 20 percent of all spending in the country will be for healthcare, which will leave less for other needs. Meanwhile, average spending per person for health in the United States continues to exceed that of other countries. People in the United States—on average—spend twice as much per person on healthcare than people in other industrialized countries. Yet, individuals in the United States do not live longer lives, have lower infant mortality, or enjoy better quality of care than people in many other countries (Schoen et al. 2013).
- ◆ Payers and purchasers have begun to hold HCOs more accountable for performance and value. In the future, payments to providers will be based less on the volume of services and more on the value of services. HCOs' performance will become more transparent (open and visible) with more healthcare assessment and data analytics to guide stakeholders in making health-related choices. This transparency will drive HCOs to further analyze, redesign, and improve processes and reduce waste to create better value, improve quality, and lower cost for customers. In the future, expect more financial incentives to reduce use of expensive inpatient care and expand use of outpatient and wellness services (Tyson 2014; Darling 2014).
- ◆ Science and technology lead to new methods of health prevention, diagnosis, and treatment. This trend will continue in the future, especially in telemedicine, robotics, genetics, bioengineering, information technology and connectivity, cloud technology, pharmaceuticals, molecular imaging, implantable chips, health monitoring, e-health, neuroscience, customized medicines, gene therapy, tissue engineering, regenerative medicine, data analytics, and smart devices (Kraft 2013).

**CHECK IT OUT**

Interested in the future of healthcare and healthcare jobs? Trends can be found at the websites of the US Bureau of Labor Statistics healthcare section (www.bls.gov/ooh/healthcare/home.htm) and the American Hospital Association Chartbook (www.aha.org/research/reports/tw/chartbook/ch1.shtml). Check them out—now and throughout your career.

HEALTHCARE MANAGEMENT JOBS AND CAREERS

Earlier we read about the many services and organizations that make up our healthcare system. As a result, many healthcare management jobs exist in settings and specialties such as those shown in Exhibit 1.3. According to the Bureau of Labor Statistics (2014), there were 315,500 jobs in health services management in 2012; by 2022, this number is expected to grow by 23 percent (faster than for all jobs combined). New graduates should expect to begin their careers in

entry-level jobs. From there, promotions can lead to middle-management and then upper-management positions. After getting some experience, you will be able to move between different types of HCOs, such as from a hospital to a health insurance company or a medical group practice. There are many opportunities for students to develop exciting, rewarding healthcare management careers. This book was written to help you prepare to enter this profession, yet its lessons, principles, tools, and methods will be useful throughout your career.

Two healthcare management professors have described dozens of careers in healthcare management (Friedman and Kovner 2013). Their work covers jobs and careers in

EXHIBIT 1.3

Types of
Healthcare
Management
Organizations and
Jobs

Managers work in these and other types of HCOs:

- Clinics
- Consulting firms
- Health insurance organizations
- Healthcare associations
- Hospitals
- Nursing homes
- Physician practices
- Mental health organizations
- Public health departments
- Rehabilitation centers
- Research institutions

Specialized areas for managers include these and others:

- Finance
- Government relations
- Human resources
- Information systems
- Marketing and public affairs
- Medical staff relations
- Nursing administration
- Patient care services
- Planning and development
- Supplies and equipment management

SOURCE: ACHE (2014).

HCOs for long-term care, ambulatory care, mental health, hospital services, physician and medical care, health insurance, medical equipment, pharmaceuticals, health education, voluntary associations, and other healthcare fields that were briefly described earlier. The range of jobs is enormous and includes the titles listed in Exhibit 1.4. Partners HealthCare (in the opening Here's What Happened) has many of these jobs.

People who are preparing for a healthcare management job (or who are already in one) likely realize that HCOs offer many types of jobs and career tracks. The demand and supply differ among jobs and careers, so students should follow hiring trends and be alert for new opportunities. For example, the numbers of management jobs in ambulatory care and long-term care are likely to increase more than the number of management jobs in inpatient hospital care will. Healthcare management jobs that focus on quality, process improvement, social media, and population health are likely to increase more than the average for all healthcare management jobs. Further, healthcare evolves so rapidly that new kinds of management jobs will emerge in the coming years (Honaman 2013). There will be an exciting variety of jobs, so a healthcare manager need not be stuck in a dead-end job if she is prepared for a job change. This book can help prepare you for future opportunities.

Titles for healthcare management jobs include these and others:

- | | |
|--------------------------------------|--------------------------------------|
| • Director of materials management | • Claims representative |
| • Chief information officer | • Administrator |
| • Budget analyst | • Director of human resources |
| • Director of physician relations | • Insurance coordinator |
| • Compliance officer | • Risk manager |
| • Director of business development | • Director of government affairs |
| • Community resource advisor | • Program manager |
| • Chief quality officer | • Account manager |
| • Director of environmental services | • Sales representative |
| • Marketing associate | • Director of marketing |
| • Project manager | • Managed care coordinator |
| • Director of patient admissions | • Director of safety |
| • Information management specialist | • Volunteer services coordinator |
| • Education and training director | • Billing manager |
| • Research analyst | • Director of utilization management |
| • Public health program manager | • Quality assurance coordinator |
| • Director of finance | • Chief executive officer |
| • Emergency management coordinator | • Health systems specialist |
| • Community health center director | • Associate administrator |
-

EXHIBIT 1.4

Healthcare
Management Job
Titles

ONE MORE TIME

Health is more than the absence of disease. It includes complete well-being—physical, mental, and social. People’s health is determined by four broad forces: heredity, environment (physical and social), lifestyle, and medical care (which is the least important of the four forces). Healthcare managers improve environments, lifestyles, and medical care to improve a population’s health. Healthcare services provide medical care, and these services range from prenatal care to end-of-life palliative care to form a womb-to-tomb continuum of care. Many kinds of healthcare organizations exist. Some of them provide these health services in the continuum of care. Others (e.g., suppliers, insurers) do not directly provide the health services but are essential because they support the service providers. HCOs interact with each other and with many other elements in their (external) environment. All HCOs depend on many other organizations and their environment. The environment strongly affects an HCO, and when the environment changes, it might affect the HCO. Thus, HCOs must monitor and adapt to changes in their environment. Healthcare managers work in a wide variety of jobs and HCOs.



FOR YOUR TOOLBOX

- Force field model with determinants of health
- Continuum of care
- Environment divided into ten sectors

FOR DISCUSSION

1. Based on what you learned in this chapter, discuss the forces that affect health and well-being in the community where your college is located. Give an example of each force. Which of these forces do you think healthcare managers can control and change the most to improve people’s health?
2. What are disparities in healthcare? Why are disparities important for healthcare managers to understand?
3. Why is the external environment so important to healthcare organizations?

4. Discuss several future trends and issues presented in this chapter. Which of these trends and issues do you think will be the most challenging for HCOs?

CASE STUDY QUESTIONS

These questions refer to the Integrative Case Studies at the back of this book.

1. All cases: What kinds of healthcare management jobs are evident in these cases?
2. All cases: What kinds of healthcare services and HCOs are evident in these cases?
3. Taking Care of Business at Graceland Memorial Hospital case: Explain how the external environment has affected the hospital.
4. Decisions, Decisions case: Think about the ten environmental sectors explained in this chapter. Which forces and factors in which sectors of the external environment should the HCO's managers consider when making their decision?
5. Disparities in Care at Southern Regional Health System case: What are some important forces and factors in the HCO's external environment? How is the population health approach evident in this case?



TRY IT, APPLY IT

Name seven to ten healthcare organizations in the community where you grew up, such as specific medical groups and nursing homes. (Do some quick online research if necessary.) List several big changes that are occurring in the community and external environment of those HCOs. Describe how those environmental changes might affect each HCO. Discuss your ideas with a colleague from another community.