HOSPITAL OF THE FUTURE

Summary of the study 'Hospital of the Future –hospital care in 2010'

INTRODUCTION:

What will the hospital of the future be like? How will demographic changes, technological innovation and the opening up of national healthcare sectors under influence of European law affect the organization of the hospital and the forces it is subject to?

These questions are adressed in the study 'The Hospital of the Future', an exploration of the healthcare sector in 2010 executed by Boer & Croon/Public SPACE for the Dutch Hospital Association (NVZ). This study provides an insight in the choices that lay before hospitals now, in order to prepare themselves for the future in which national healthcare systems will be eroded.

Based on an in depth analysis of all relevant trends (see appendix) and an international survey in ten countries we defined four, non-exclusive strategic paths to future change in the organization of hospital healthcare:

- The open and connected hospital
- Specialization in modular form
- The hospital as high-risk professional organization
- The hospital as a civil enterprise

It is important that individual hospitals adopt one, some or a combination of the strategies described in this outline. The choice itself should be the result of a careful consideration of a multitude of aspects: for example, the strength and innovative abilities of the management, the reputation of the hospital, the traditional role and position of the medical professionals within the organization, the competitiveness of the region in which it operates and the development of the demand for healthcare.

THE OPEN AND CONNECTED HOSPITAL

Contemporary hospitals are often islands within the healthcare sector often characterized by an almost obsessive focus on the hospital's own operations, procedures and budget constraints. Understandable as this may be due to the particulars of the national health systems, the patient is reduced to being a passive recipient of cure rather than the orchestrator of it.

The hospital of 2010 will be different in this respect. Current trends indicate the emergence of a new breed of patient, one who is able and willing to articulate his needs and desires and, if a hospital is negligent or unresponsive, a patient who is willing to turn to another hospital, to turn to consumer or patient organizations or even court procedures in order to strengthen his demands.

In 2010 it is the patient who is central to the thinking and organizing of care rather than the hospitals own concerns. The organization of cure will have to incorporate the concept of start-to-finish healthcare or home-to-home logistics: the care and cure process starts roughly from the moment the patient perceives himself as having a problem to the moment the patient is cured, but still may need some extra attention, monitoring or out patient's treatment. The medical technology to support this will increasingly become smaller, more mobile, and more available at home. What needs to be stressed here is that it is the patient's treatment and recovery process is the guiding principle and not the date of entry and dismissal from the hospital: the hospital is often only a part of the entire treatment and recovery process and it cannot afford to remain but an island.

When adopting such a concept it becomes clear that strategic alliances are an important component in the organization of care as to span the entire length of a patient's treatment. Connecting the various organizations in the care chain alleviates the problems surrounding the transfer of a patient to another link in the chain and it presents an opportunity to truly optimize the treatment and recovery of a patient.

There are roughly six different options for strategic alliances that a hospital can adopt. Each represent a different role for the hospital and these alliances can be combined with other options such as specialization which will be discussed later.

A strategy aimed at vertical alliances will have general hospitals ally themselves with academic hospitals on one side and with general practitioners and homecare on the other. An alliance with the General Practitioner (GP) enables the hospital to take advantage of the fundamental role of the GP as a gatekeeper. Such an alliance would entail logistical, professional and administrative support from the hospital to the GP with the aim to support the GP in his role as both gatekeeper and casemanager. This would also allow the employment of allied GPs within a hospital-organized emergency care concept. Such alliances should entail an extensive human resource strategy.

The forming of horizontal alliances resulting in integrative cure- and care-chains, will enable hospitals to provide door-to-door coverage of patients. This is becoming increasingly relevant in an ageing society.

Alliances based on newly developing core-competencies such as joint-research with the farmaceutical industry and the implementation of ICT systems in care and cure processes.

Alliances based on the creative dual-use of facilities, such as the use of hospital facilities by hotel-proprietors, the use of the hospital building and grounds as a shopping-mall, sportscenter or neighborhood activity-center. It is this dual-use character and the additional services that can be provided in such an environment, that greatly strengthens both the roots of the hospital in its neighborhood and patient appreciation of the hospital.

Allying oneself with health-insurers, according to the Health Maintenance Organizationmodel.

SPECIALIZATION IN MODULAR FORM

In most national healthcare systems the all-in-one general hospital is a common sight. It is our belief that due to the forces of emerging trends in the healthcare sector, this form of hospital organization will become rare. Increased competition, greater and more specific patient demands, coupled with increasing cost and chronic lack of resources, will fuel the drive towards specialization. Here are some of the specialization strategies:

Specializing in particular medical afflictions*;* Hospitals can distinguish themselves by choosing to concentrate efforts in providing high quality treatment for particular afflictions. Chronic or common illnesses are an obvious choice.

Specializing in technology*;* Hospitals can opt to become experts in the application of particular technology, such as robotics or advanced diagnostical- and scanning-technology.

Specializing in patient and patient family services; Hospitals can also specialize in providing non-cure services to both the patient and his family. Examples include facilities for the recuperation of patients or a hotel for extended stay of family. This specialization centers completely on the patient's needs.

Specializing in support and facilitation services; It is also possible to specialize in the provision of support services vis-à-vis other care and cure providers. Examples include management support, risk management, technical and organizational IT-support and specialized consultancy.

Specializing in community care; Hospitals can aim to maximize their bond with the regional/local community. This entails a strong presence outside the hospital, undertaking numerous activities in the community and maintaining close connections to other local healthcare organizations.

Specializing in medical disciplines*;* Hospitals can specialize in particular medical disciplines. Such a hospital would aim to reach excellence in its field.

Specializing in real-estate management; Hospitals can choose to adopt a particular strategy on the utilization of real estate. Examples include adoption of a satellite system to provide a medical oriented ICT network or local care facilities, or strategies aimed to use real estate for non-care purposes, such as a hotel or shopping mall.

Specializing in emergency or chronic care; Hospitals can specialize in providing a particular category of care such as emergency or chronic care. This would include the know-how, infrastructure and capacity to provide such care.

This development of specializing will have a big impact on organizational structures and reward systems (more business unit like), public relations and reputation management (more profile) and physical structures (more like pavilions) than is often the case nowadays.

THE HOSPITAL AS A HIGH-RISK PROFESSIONAL ORGANIZATION

The hospital of the future will increasingly develop into a 'normal' professional organization, away from the more-or-less bureaucratic organizations commonly found in Europe. In terms of structure, strategy and organizational culture, the future hospital will resemble current day professional organizations in the private sector such as law firms and accountancy.

Characteristic of such organizations is the strategic and operational dependence on their highly skilled and highly trained operational workforce who are experts in their field and who require a great deal of autonomy in the fulfilling of their tasks. This autonomy is strengthened even more by the particulars of the tasks at hand in which the expert is often the sole person able to determine the needs of the client/patient and the necessity of the treatment. This characteristic puts a lot of pressure on the organization in defining and creating its added value for these professionals. The most potent steering-mechanism in such organizations is therefore its human resource management, where talent is hotly pursued, both domestically and internationally. The most important added value is mainly in the area of reputation management, external communication and strategic decision making.

Hospitals as organizations have a high-risk profile: the stakes are high and negligence can result in death, handicapped people, and lawsuit. Malpractice cases are detrimental to the reputation of a hospital and as the healthcare sector becomes more competitive, the greater the importance of a good reputation. Transparency, risk management and reputation management are methods to adapt and prepare an organization for the rigors of providing healthcare services now and tomorrow.

This combination of a mobile internationally oriented professional workforce and high risk organization will be the challenge of hospital management to the future.

CIVIL ENTREPRENEURSHIP:

The hospital as a civil enterprise is a hospital operating on different frontlines: the commercial competitive market, the involvement of the public sector, and the people, both as a patient and as a concerned citizen. As a civil enterprise a hospital is able to be competitive in its commercial dealings, responsible and transparent towards the public sector and public interests, and act socially responsible towards the man in the street.

Civil entrepreneurship is more than just the responsibility for quality of one's own core business and the responsible and efficient use of public funds. Civil entrepreneurship also entails the following:

Putting the patient first; healthcare is a constant trade-off between the lack of resources and the ever-growing demand for healthcare, but the patient and what is best for the patient should always come first. Starting from that premise, the hospital has both the responsibility to support its staff in those difficult trade-offs and rationing

processes the responsibility to empower patients as well as to inform them on the prevention of health risks.

Communication is a must; hospitals have to adopt a policy of active communication regarding their own behavior, and quality, good or bad.

Being connected to regional healthcare; the hospital bears responsibility for its own physical, financial, mental accessibility in the region as well as for the interconnection with other healthcare organizations in the region.

Responsibility for regional public health; the hospital also bears a certain responsibility for the public health status of the population in the health-zone, especially for the not for profit provision of expertise, and medical and technical support.

Responsibility for the working of the hospital as a community; the hospital is a community in its own. As such the hospital has the duty to maintain a pleasant working and living environment in the widest sense of the word, including aspects such as the openness to different cultures, safe working conditions and safety on the premises.

LIBERALIZING NATIONAL HEALTHCARE SYSTEMS

The western hospital of today is a typical result of national healthcare systems as created during the second half of twentieth century. These systems are based on the premise of providing free, or cheap, quality care for everyone. The cost of the healthcare system is invariably picked up by the government and by means of collective health insurance based on a premise of solidarity. Variations exist of course, for example the level of private funding in the system or the existence of private clinics, but *de facto* most European healthcare systems are remarkably similar.

Due to the similar origins and premises of the healthcare systems, these systems also face similar problems in coping with emerging trends in demography, disease treatment and socio-economic trends. These trends exert pressure on healthcare systems because they cause both the demand for and the cost of healthcare to rise. Unfortunately, the financial resources available within this collective system of healthcare funding, is insufficient to adequately deal with this increasing cost. Moreover, the resources that are available are usually heavily regulated because it concerns public funding, introducing all the problems of a planned economy.

Incapable of responding to the mounting pressure, the old national healthcare systems need reforming. A first step to reform is to liberalize the straightjacket of rules and procedures that envelop the healthcare systems. This is no easy feat: to a certain extent, these rules embody the premises of solidarity and of nationally professionals and organizations to maximize the utility of scarce resources in response to the increasing pressure on the sector. Invariably, this will mean opening up the sector to alternative sources of funding, dismissing the myth of uniform healthcare and allowing competition. But the extent to which a country decides to liberalize is an

important issue as it limits the government's ability to directly insure the fulfillment of public goals such as solidarity and universal affordable access to care.

IN CONCLUSION:

It is important for an organization to be successful that it is proactive in the determination of its fate. Hospitals, faced with increasing demand, are finding their old organization funding and the mechanisms employed to be inadequate. As such, rethinking their strategic vision is a necessary step. That was the drive behind this study by Boer & Croon in assignment of the Dutch Association of Hospitals that was executed in the year 2001.What we have presented in this brief summary is an outline of the various organizational strategies that can be chosen to transform a hospital. The determination what strategy is the most appropriate requires insight in the market, demand for health services and available resources, both material and human. There are no magic cures, however, and each individual hospital will have to determine its own best path to success.

TRENDS:

What will the future bring? Although it is impossible to predict the future, a great number of international trends has emerged in our study on the Hospital of the Future. These trends are responsible for the need to change the organization of healthcare in general and the hospital in particular. Some of these trends are discussed briefly below. A more general overview of national trends and system is presented in our study 'A survey of hospital care in ten western countries.'

Consumerism and patient empowerment: patients are organizing themselves thus becoming a counterforce to both healthcare providers and health insurers. It results in patients being better informed of their illnesses, possible treatments and their rights. Hospital treatment will have to center on the patients instead of the hospital itself.

Demographic change: the western world is ageing rapidly as the babyboom generation reaches retirement age. The demand for healthcare will rise dramatically, causing the limited healthcare capacity to be strained to the limits. Most European countries are re-examining the way in which they provide healthcare efficiently and effectively. Some of the typical ageing diseases will need a specialized treatment.

Hospital care and cure at home: technological and farmaceutical innovations enable us to rethink how and where we provide care and cure. With medical apparatus becoming small enough in some case to allow cure at home, healthcare is moving beyond the walls of the hospital. Medical care is brought closer to the patient, either in local health centers and small clinics or perhaps even in the home of the patient.

The impact of wide-spread ICT usage: as an instrument for streamlining logistical and organizational processes, information technology is unparallelled. Hospitals that adopt innovative ICT systems will be able to maximize their resources and to offer a wide range of telemedicine services (telemonitoring, telesurgery, telediagnosis). A successful ICT strategy opens up many of the strategies discussed earlier.

Pharmacogenetics: our expanding knowledge of the human genome has an immense impact on pharmacotherapy. In the coming decade we will see the increased usage of tailor-made drugs which will have a a dramatic effect on both the prevention and on the treatment of illnesses. Pharmacotherapy will offer a substitute for the old-fashioned invasive treatment, thus relieving hospital capacity problems and decreasing the impact of treatment on the patients daily life.