Engineering a Hospital Turnaround: Proven Strategies for Reinvigorating Financial and Operating Performance

Richard A. Baehr, editor

*American Hospital Publishing, Chicago, 1993, 228 pp., $36 (AHA members), $45 (nonmembers) (paperback)*

Potential readers may be put off by the title of the book *Engineering a Hospital Turnaround*, and in some ways the title hides the gems that it contains. The book's subtitle, *Proven Strategies for Reinvigorating Financial and Operating Performance*, is a better reflection of its breadth and audiences. It really is about operational assessment and improvement and covers this broad subject quite well. As the healthcare delivery system evolves, these issues are becoming more relevant to a greater number of hospitals.

The book is aimed at institutional managers, board members, and medical staff members who are committed to supporting and strengthening their hospitals. Also, any senior executive assuming a new role as chief operating officer could use the book as a tool for assessing the institution's operational aspects.

*Engineering a Hospital Turnaround* is a compilation of chapters written by a number of different authors. The breadth of experience they bring to the task adds to the book's interest and depth. It is easy to read, well organized, thorough, and full of valuable information. A brief summary at the end of each chapter would be useful for experienced healthcare executives, who would not find much new in some of the chapters.

The first chapter provides an overview, states the purpose, and indicates the targeted audience. The second chapter identifies the characteristics of a financially distressed hospital. Because it is so elementary, the first two thirds of the second chapter would not be of interest to a well-informed executive. But the last section of this chapter provides such a thorough review of the characteristics of a financially stressed hospital that it would be especially pertinent for senior nonfinancial executives, board members, and medical staff leaders.

The third chapter, on strategic repositioning, is comprehensive and full of insights into how to assess the hospital's current position and change its course. The fourth chapter covers an extremely important and often overlooked topic: How can we affect the institution's culture and support the people who have to carry out the change process? The authors of this chapter did a good job in limited space, but it would have been more helpful if they had provided more in-depth information about how to deal with some of the issues that usually surface during a turnaround situation, such

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**BOOK BRIEFS**

**Death in the Family: Orphans of the HIV Epidemic**

Carol Levine, ed., *United Hospital Fund, New York City, 1993, 159 pp., $10 plus $3.50 shipping (paperback)*

By the year 2000 as many as 125,000 children will be orphaned by AIDS. The nation's foster care and social services systems must be revamped if they are to deliver the mental healthcare, social services, and financial and legal support that these children will need. The book includes presentations by healthcare professionals and persons personally affected by AIDS, given at a 1992 conference sponsored by the Orphan Project and the United Hospital Fund. Topics include the dimensions of the problem, family members' experiences, coping with illness and death, and new service models.

**Hospita|Physician Integration: Strategies for Success**

Terence M. Murphy and C. Thompson Hardy, *American Hospital Publishing, Chicago, 1994, 217 pp., $46 (AHA members), $57.50 (nonmembers) (paperback)*

In 13 chapters the authors offer advice to physicians and hospitals considering some form of integration. The first half of the book discusses the affiliation process, integration structures and models, basic business issues, and legal issues. The second half, based on seven case studies, addresses the various aspects of hospital-physician integration. Although the authors focus on highly
as how to change an organization's culture and how to communicate openly and honestly in ways that will not make matters worse.

The fifth chapter, on revenue and cash management enhancement, is complete and useful for those unfamiliar with hospital operations. It certainly would be a good review for experienced healthcare executives in a difficult turnaround situation, but would not add to their store of knowledge.

The sixth chapter offers important advice on cost reduction and quality improvement, especially on a system's approach to dealing with cost and quality while focusing on the consumer. One particularly good point is the use of comparative data to speed up the turnaround. The chapter fails to mention, however, that sometimes these data are difficult to get in a way that is useful to the managers in a position to affect the outcome.

The seventh chapter brings in the importance of establishing a close working relationship between the executive staff and the medical staff to successfully complete the turnaround process.

From chapters 8 through 10, the direction changes from turnaround to more drastic solutions such as phaseout and bankruptcy. These chapters provide good information on a subject unfamiliar to most healthcare executives. The phaseout section is particularly valuable, calling attention to Medicare rules, which can be important in deciding the course of action. The chapter on capital restructuring has a good series of review questions addressed at specific problem areas. This chapter is the first to mention the need for outside help. Chapter 10 gives an overview of the issues raised if an institution chooses to file for bankruptcy, as well as the kinds of filings, the control of the process, and how the outcome can be affected by all the parties involved. It offers a good explanation of the differences in the types of bankruptcy and the requirements of each, as well as the problems to be addressed.

The last two chapters of the book are case studies of turnaround situations. These chapters, written by people who have actually experienced the process, would be most helpful to anyone involved in a turnaround. One interesting topic not covered is why the hospitals involved in a turnaround. One interesting topic not covered is why the hospitals involved in a turnaround. My guess is that there are some common underlying threads. It would have been helpful, based on the authors' experience, to have an analysis of the causes of decline of hospitals in general terms.

Although I have 30 years' experience as a healthcare executive, Engineering a Hospital Turnaround brought out some new and useful information. I would recommend it for anyone in a difficult position. Many others will find it a useful tool to assist with operational review.

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