MBA in Health Care Management

A Proposal for the Initiation of a New Instructional Program Leading to the Master of Business Administration Degree in Health Care Management

Oregon Health & Science University and Portland State University

July 25, 2008

Note: Text in bold, red print indicates changes made to the proposal in response to the comments and suggestions of the External Review committee.
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>Description of Proposed Program</td>
<td>4</td>
</tr>
<tr>
<td>1. Program Overview</td>
<td>4</td>
</tr>
<tr>
<td>2. Purpose and Relationship of Proposed Program to the Institution’s Mission and Strategic Plan</td>
<td>6</td>
</tr>
<tr>
<td>3. Course of Study</td>
<td>8</td>
</tr>
<tr>
<td>4. Recruitment and Admission Requirements</td>
<td>17</td>
</tr>
<tr>
<td>5. Accreditation of the Program</td>
<td>18</td>
</tr>
<tr>
<td>Need</td>
<td>19</td>
</tr>
<tr>
<td>6. Evidence of Need</td>
<td>19</td>
</tr>
<tr>
<td>Outcomes</td>
<td>21</td>
</tr>
<tr>
<td>7. Program Evaluation</td>
<td>21</td>
</tr>
<tr>
<td>8. Assessment of Student Learning</td>
<td>22</td>
</tr>
<tr>
<td>Integration of Efforts</td>
<td>23</td>
</tr>
<tr>
<td>9. Similar Programs in the State</td>
<td>23</td>
</tr>
<tr>
<td>Resources</td>
<td>33</td>
</tr>
<tr>
<td>10. Faculty</td>
<td>33</td>
</tr>
<tr>
<td>11. Reference Sources</td>
<td>37</td>
</tr>
<tr>
<td>12. Facilities, Equipment, and Technology</td>
<td>37</td>
</tr>
<tr>
<td>13. External Reviewers</td>
<td>38</td>
</tr>
<tr>
<td>14. Budgetary Impact</td>
<td>38</td>
</tr>
<tr>
<td>Appendix I. Academic Director Curriculum Vitae</td>
<td>40</td>
</tr>
<tr>
<td>Appendix II. Health Care Management Advisory Board</td>
<td>44</td>
</tr>
<tr>
<td>Appendix III. Health Care Management References</td>
<td>45</td>
</tr>
<tr>
<td>Appendix IV. Syllabus for Course: Managing Operations and the Value Chain - Operations &amp; Quality Management in Health Care</td>
<td>46</td>
</tr>
<tr>
<td>Appendix V. Information for Prospective Students</td>
<td>54</td>
</tr>
<tr>
<td>Appendix VI. Health Care Leaders Interviewed in Needs Analysis</td>
<td>65</td>
</tr>
<tr>
<td>Appendix VII. Market Segment Analysis</td>
<td>67</td>
</tr>
<tr>
<td>Appendix VIII. Letters from OHSU and PSU Librarians</td>
<td>70</td>
</tr>
<tr>
<td>Appendix IX. External Review Committee Report and Response</td>
<td>75</td>
</tr>
<tr>
<td>Appendix X. Program Financial Plan</td>
<td>106</td>
</tr>
</tbody>
</table>

Note: **Text in bold, red print** indicates changes made to the proposal in response to the comments and suggestions of the External Review committee.
Executive Summary

This proposal describes a Master of Business Administration (MBA) in Health Care Management degree program to be offered jointly by the Oregon Health & Science University Division of Management and the Portland State University School of Business Administration.

This 72-credit program takes as its starting point the specific environment and needs of health care leaders and managers and weaves in the appropriate mix of business and management knowledge, skills, and tools. Thus, health care will be the contextual foundation of the curriculum with critical competencies and key threads integrated throughout.

This program is designed in the first instance for working professionals in health care who will take the program on a part-time basis, but it will also be available to full-time students with prior work experience in health care. It particularly targets practicing managers in health care and those preparing for a transition into management. Potential students include physician/dentist managers, nurse managers, and managers/administrators from the full spectrum of health care organizations (hospitals, clinics, non-profit community providers, private practices, insurance companies, bioscience companies selling into health care, etc.). The program will also consider applications from individuals with significant work experience in other industries who wish to make a career transition into managing in health care organizations.

Through this program students will acquire:

- A systemic understanding of the American health care industry and the characteristics of that industry which distinguish it from other economic sectors
- The relevant business knowledge, skills, and tools to be effective managers in health care
- The required interpersonal and organizational skills to manage cross-professional teams and lead change in health care organizations.

These learning objectives will be accomplished through a series of courses which are classified into the following thematic categories:

- Leadership and Management
- Financial Management
- Operations and Quality
- Marketing, Business Planning and Strategy
- Understanding the Health Care Industry
- Application Projects and Capstone

The courses that populate these categories have been taken in large measure from the existing PSU MBA+ curriculum and the OHSU Health Care Management Certificate. All courses will make specific reference to health care through cases, examples, and guest speakers.
1. Program overview:
   a. **Proposed CIP number:** xxxxx

   **b. Overview:**
   Oregon Health & Science University and Portland State University propose to offer a new joint degree – Master of Business Administration (MBA) in Health Care Management. This proposal describes a 72-credit MBA program which integrates the specific environment and needs of health care leaders and managers with the appropriate mix of business and management knowledge, skills, and tools.

   This program is designed in the first instance for working professionals in health care who will take the program on a part-time basis, but it will also be available to full-time students with prior work experience in health care. It particularly targets practicing managers in health care and those preparing for a transition into management. Potential students include physician/dentist managers, nurse managers, and managers/administrators from the full spectrum of health care organizations (hospitals, clinics, non-profit community providers, private practices, insurance companies, bioscience companies selling into health care, etc.). The program will also consider applications from individuals with significant work experience in other industries who wish to make a career transition into managing in health care organizations. Finally, the program will potentially attract students from outside the region seeking a high-quality MBA in Health Care Management. The existence of the program may also aid recruitment of health care professionals from outside the region.

   OHSU developed the initial concept of the MBA in Health Care Management two years ago, independently of PSU. Thus, much of the market research on the regional demand for the program as well as on similar programs elsewhere in the country was conducted by OHSU, and the initial framework for the program structure was developed based on those findings. The research led OHSU to focus on the leadership components of health care management and to recognize that a MBA from a AACSB institution provides greater value to the candidates. Portland State University’s School of Business Administration (SBA) is AACSB accredited, and in addition, had introduced a strong leadership development component into the MBA program in 2004, which has been very successful. The SBA is also aware of the growing importance of health care in the region, and while it had developed a limited option in health care for its MBA students, does not have the depth of expertise to develop a specialized MBA in the field itself.

   Discussions between the two institutions uncovered these mutually beneficial overlaps and the fact that much of the core business knowledge of the OHSU-designed program is already taught in the SBA MBA program core courses. Thus, the synergies from the two institutions offering the program as a joint degree were apparent and that a joint program leverages the region’s resources much more effectively than an independent program. The proposed joint program that was developed by a small, joint committee was reviewed and approved by the School of Business Administration’s Graduate Curriculum Committee, presented to the full
faculty of the SBA for discussion, and received approval by ballot vote of the SBA faculty (16 “yes” and 0 “no” votes). The proposed program was also reviewed and approved by the internal graduate curriculum committees at OHSU.

c. When will the program be operational, if approved?
This joint degree will become operational in September 2008.

d. What is the governance model for this program?
Governing Council: The program will be governed by a council composed of the Dean of the School of Business at Portland State University and Dean of the School of Medicine or his designee who together will approve all major decisions concerning curriculum, budgets and admissions.

Academic Committee: A joint academic committee will be appointed consisting of one faculty from each institution plus the Associate Dean for Graduate Programs in the School of Business Administration at PSU and the Head of the Division of Management in OHSU’s School of Medicine. A fifth member of the committee will be appointed from outside both institutions, probably from the health care field. This committee will be the operations committee for the program. All changes to curriculum must be approved by the graduate curriculum committees at both institutions. All major decisions concerning curriculum, staffing and faculty qualifications, and admission requirements must receive approval from both the Associate Dean of the PSU School of Business Administration and the Division of Management Head at OHSU to ensure compliance with accreditation requirements.

Administration: The administrative responsibilities for the joint degree will be overseen by the Division of Management Head at OHSU and the Associate Dean of Graduate Programs of the PSU School of Business Administration. The Division of Management Head at OHSU will also be appointed as the Academic Director of the program to provide day-to-day advising to students and support for marketing, recruiting and administrative decisions. (The initial Academic Director will be James J. Huntzicker, PhD, and his curriculum vitae is included as Appendix I.) Because the students will be attending class on the OHSU campus, and because the Division of Management Head at OHSU has the greatest expertise in the health care management area and was the initial designer of the program, he is in the best position to provide both initial and ongoing advising to the students concerning their curricular and other questions. He can also provide oversight to the administrative staff dedicated to this program at OHSU. This position will grow into 0.5 appointment as the number of students in the program grows (probably by the third year of the program). In addition, a full-time office manager for the program will be appointed and located at OHSU (reporting to the Division of Management Head) to assist with admissions, student administrative advising, student support, faculty support, faculty hiring letters, budget tracking and all other administrative duties. The office manager will be physically co-located with the primary classrooms for students in this program, creating a “home” for the program, which we expect will be at OHSU. Finally, a student worker will be hired for a 0.5 position to help support the Administrative Director and the office manager with clerical duties.
Allocation of costs and net revenues: This program will operate in self-support mode. The responsibilities and costs of top level support (associate dean, budget officer, graduate program marketing director) will be jointly shared between the two institutions. Thus, for example, marketing and recruiting for the program will be incorporated into the marketing and recruitment efforts of the PSU SBA’s Graduate Program Office as well as into OHSU’s marketing and recruitment efforts. The costs will be equally allocated between the two schools (OHSU Division of Management and SBA). Net revenue after program costs have been met will be split equally between the two schools.

2. Purpose of the program and relationship to each institution’s mission and strategic plan:

   a. What are the objectives of the program?

   The mission of the program is to train students who are highly capable of managing in their respective organizations but who are also capable of driving the changes necessary to improve access to health care, reduce its cost, and improve its quality. More specifically, we want our graduates to be capable of
   - Improving medical outcomes
   - Delivering higher quality of service
   - Controlling or reducing the cost of health care
   - Improving patient experience
   - Improving provider experience
   - Fostering economic development in Oregon by laying the foundation for a more rational, cost effective health care system

   To this end, graduates of the program will acquire:
   - A systemic understanding of the American health care industry and the characteristics of that industry which distinguish it from other economic sectors
   - The relevant business knowledge, skills, and tools to be effective managers in health care
   - The required interpersonal and organizational skills to manage cross-professional teams and lead change in health care organizations.

   b. How does the proposed program support the mission and strategic plan of the institution? How does the program contribute to attaining long-term goals and directions of the institutions and programs?

   Oregon Health & Science University: The proposed MBA in Health Care Management directly supports the OHSU mission, which can be summarized through its tag line: “where healing, teaching, and discovery come together.” Specifically, Oregon Health & Science University is the state's only comprehensive academic health center. Its fundamental purpose is to improve the health and well being of people in Oregon and beyond. As part of its multifaceted public mission, OHSU strives for excellence in education, research and scholarship, clinical practice and community service. Through its dynamic interdisciplinary environment, OHSU
stimulates the spirit of inquiry, initiative, and cooperation among students, faculty and staff. Setting the example for integrity, compassion and leadership, OHSU strives to:

- Educate tomorrow's health professionals, scientists, engineers and managers in top-tier programs that prepare them for a lifetime of learning, leadership and contribution
- Explore new basic, clinical and applied research frontiers in health and biomedical sciences, environmental and biomedical engineering and information sciences and translate these discoveries, wherever possible, into applications in the health and commercial sectors
- Deliver excellence in health care, emphasizing the creation and implementation of new knowledge and cutting-edge technologies
- Lead and advocate for programs that improve health for all Oregonians, and extend OHSU's education, research and health care missions through community service, partnerships and outreach.

In support of OHSU’s commitment to “lead and advocate for programs that improve health for all Oregonians,” the proposed program recognizes the need for innovative approaches to address the high cost and quality shortcomings that characterize too much of the American health care system. We believe that embedding modern management practices and systems thinking in the health care framework provides an opportunity to significantly and substantially improve the organization, financing, and delivery of health care. Thus, the proposed program will teach management practice in the context of health care with a focus on:

- Managing health care organizations in a professional, business-like fashion in order to enhance compassionate care
- Understanding the underlying processes and systems of health care organizations in order to improve care delivery and management practices
- Leading innovation within health care organizations
- Translating research into practice and policy.

Portland State University: The mission of Portland State University is to enhance the intellectual, social, cultural and economic qualities of urban life by providing access throughout the life span to a quality liberal education for undergraduates and an appropriate array of professional and graduate programs especially relevant to metropolitan areas. The proposed OHSU-PSU MBA in Health Care Management fits firmly within the mission of providing graduate programs that are especially relevant to the metropolitan area. In addition, the School of Business Administration’s mission is to serve the economic vitality of the region. By providing advanced professional business preparation for managers of health care services, the proposed program will enable local health care institutions to achieve greater operational and economic effectiveness and become leaders in their industry, thereby increasing the economic vitality of the city and region. The MBA+ program of the School of Business Administration is designed around the core concepts of innovation, leadership and sustainability. The program is built upon the notion of enabling participants to become leaders within the organizations where they work and to develop the leadership skills to lead change. As noted in the introduction, the health care industry is undergoing great changes in a number of areas, which will require managers who understand the leadership of change and can perform well in
innovating, dynamic environments. Thus the OHSU/PSU MBA in Health Care Management fits firmly within the strengths and mission of the PSU graduate programs in business.

c. How does the proposed program meet the needs of Oregon and enhance the State’s capacity to respond effectively to social, economic, and environmental challenges and opportunities?

The Oregon Business Plan <http://www.oregonbusinessplan.org/healthcare.html> has designated the improvement of health care and the control of health care costs as one of its major initiatives. The proposed program will educate managers and leaders who will be responsible for:

- Improving medical outcomes
- Delivering higher quality of service
- Controlling or reducing the cost of health care
- Improving patient experience
- Improving provider experience
- Fostering economic development in Oregon by laying the foundation for a more rational, cost effective health care system.

The proposed program will also contribute to addressing present and future health care workforce shortages by educating managers of health care organizations in practices that will aid in attracting and retaining an engaged, committed workforce. Simply put, better informed, more effective managers make for better working conditions for all health care workers, and the goal of this program is to produce such managers.

The proposed program is intended to be a resource for all health care organizations in Oregon and the Pacific Northwest. This includes hospitals, clinics of all sizes, private practices, insurance companies, and bioscience companies that sell into health care.

3. Course of Study

a. Description of Proposed Curriculum.

An advisory board (see Appendix II) of experienced health care leaders was convened to guide our thinking in regard to the curriculum. Additional input was obtained from needs analysis interviews with Oregon health care executives and experts as well as detailed research into the published literature, including such sources as the Institute of Medicine, National Center of Healthcare Leadership, Institute for Healthcare Improvement, and the Baldrige Criteria for Health Care Excellence. (See Appendix III for a list of literature resources.)

In 2001 the Institute of Medicine (IOM) published its landmark monograph Crossing the Quality Chasm (Institute of Medicine, National Academy of Science, 2001). According to the IOM, health care should be safe, effective, patient-centered, timely, efficient, and equitable. In a subsequent monograph, Health Professions Education: A Bridge to Excellence (Institute of Medicine, National Academy of Sciences, 2003), IOM declared that all health clinicians, regardless of their discipline, should be able to:
- Provide patient-centered care
- Work in interdisciplinary teams
- Employ evidence-based practice
- Apply quality improvement
- Utilize informatics.

The curriculum has been designed in part to leverage existing PSU MBA courses and the OHSU Certificate in Health Care Management courses. Rather than start completely from scratch, our proposed program builds on the foundation of the existing MBA at PSU and the Certificate in Health Care Management at OHSU. An advantage of this approach is its expeditious approval through the both the PSU and OHSU processes and its accreditation (AACSB) from the beginning. Nonetheless, we recognize the important differences between health care management and other types of management. Thus, the standard MBA courses (e.g., *Managing Operations and the Value Chain*) will incorporate examples of health care case studies and challenges. In other words, although the first round of courses will be built on the existing MBA foundations, cases, examples, and guest speakers will come primarily from health care. The principal exception to this will be when we want to focus on something from another industry that can be applied to health care.

The resultant curriculum embodies the IOM concepts and competencies and builds on the pre-existing OHSU and PSI programs as noted above. The actual courses can be grouped into the six thematic categories listed below.

- **Leadership and management.** Students will assess and refine their leadership strengths and learn to observe the impact of their actions on others. Critical competencies learned will equip the students to become change agents within their organizations. Specifically, they will learn how to communicate compelling vision for the future, build coalitions for action, to lead diverse teams and manage conflict and crisis, and to work through others for high performance.

- **Understanding the health care industry.** Completion of these courses will provide the student with a solid grounding in the payment, delivery, and regulatory structures of the American health care system. Courses will cover the intersection of the health care power base (i.e., insurance plans, physicians, dentists, and hospitals) with the primary consumers (patients, employers, and the government). Courses will also cover trends and future directions in reimbursement, cost control, and quality improvement.

- **Operations, quality, and information technology.** This group of courses is designed to provide the students with a basic understanding of managing operations in the context of health care with an emphasis on service excellence, processes, and process improvement. *Managing health care operations will be one of the cornerstones of the program.* Three courses
will deal with process management and process improvement. These are ISQA 552 Managing Operations and the Value Chain in Healthcare, BMI 557 Health Care Quality, and MST 562 Health Care Program Management. ISQA 552, in particular, deals with the application of process improvement methodologies (e.g., Lean/Toyota Production System and Six Sigma) to health care situations, including metrics for tracking and measuring improvement. The syllabus for the course Managing Operations and the Value Chain, which deals with operations and quality management in health care and is the principal course in this category, is included as Appendix IV.

- Financial management. This series of courses provides the students with the basics of financial statements from an external perspective to an internal perspective on how financial processes and tools are used in management and decision making. Particular attention is paid to the unique features of health care finance, including the various payment systems in health care.

- Marketing, business planning, and strategy. Core courses in this group provide the students with a basic understanding of marketing, project management, and strategy. Cases from both health care and other industries will be used to equip the students with the necessary knowledge, skills, and tools to manage in the “here-and-now” as well as leading the changes that are so necessary in the health care industry. The concept of innovation in health care, and particularly process innovation, will be an important component of these courses. The role of technological innovation in health care and the impact of technology on the cost of health care will be elucidated. Students will be introduced to the concept of evidence-based decision making in the selection of new technologies.

- Application Projects and Capstone. For the Application Projects students will seek sponsorship from key individuals in their workplaces and, in collaboration with faculty advisors and workplace sponsors, will design and deliver projects that apply their learning to problems faced by their employers. The goal is to contribute value back to the student’s employer, to stretch the students in their capabilities and career development, and to anchor the classroom learnings in the students’ lived experiences. In the Capstone integrative consulting engagement, teams of students under the supervision of faculty advisors will contract for and deliver consulting services to health care organizations in the region, with particular preference for projects and organizations meeting the needs of underserved populations. The goal is to contribute value back to the community and to integrate and anchor the classroom learning. Effective strategies for working together as a cross-professional team are an additional focus of learning.

The specific courses comprising the themes are listed below. Courses were designated as either core or required elective. A required elective is a course outside the PSU MBA+ core that students must take to qualify for the MBA in Health Care Management. Whereas in the PSU MBA+ program students can chose 16 credits
from a wide array of elective courses that are offered, because of the focused nature of the OHSU/PSU joint MBA in Health Care Management, all students will take the same set of required electives unless there is a compelling and accepted reason for a divergence. Overall, 72 credits are required to graduate, as in the MBA+ program. Of these, 58 credits are core, 14 credits are required electives. For those core courses which originate from within the PSU MBA+ curriculum, special sections will be taught for the MBA in Health Care Management. These special sections will have the same fundamental structure as in the MBA+ courses, but the majority of cases, examples, and guest speakers will come from health care. No waivers based on previous courses or expertise for any of the courses will be accepted for the OHSU/PSU MBA in Health Care Management, and all students must complete 72 credits for the degree. However, students may be able to transfer in up to 22 credits of appropriate courses from other programs to substitute with approval of the Admissions committee.

<table>
<thead>
<tr>
<th>Leadership and Management</th>
<th>Core Credits</th>
<th>Required Elective Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA 508 Leadership Development &amp; Assessment</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>BA 509 Leadership Immersion</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Mgmt 560 Ethics in Organizations</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Mgmt 550 Organizational Management</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Credits</strong></td>
<td><strong>9</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Management</th>
<th>Core Credits</th>
<th>Required Elective Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actg 511 Financial Reporting</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Actg 512 Managerial Accounting and Control.</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Fin 561 Financial Management</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>NEW Payment Systems in Health Care</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Credits</strong></td>
<td><strong>10</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing, Business Planning, and Strategy</th>
<th>Core Credits</th>
<th>Required Elective Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mktg 511 Pioneering Innovation</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Mgmt 562 Business Strategy Capstone</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Mktg 544 Marketing Research and Strategy</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Credits</strong></td>
<td><strong>12</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>
### Operations, Quality, and Information Technology

<table>
<thead>
<tr>
<th>Course</th>
<th>Title</th>
<th>Core Credits</th>
<th>Elective Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISQA 511</td>
<td>Managerial Decision Making</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>ISQA 551</td>
<td>Management Information Technology</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>ISQA 552</td>
<td>Managing Operations and the Value Chain</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>BMI 537</td>
<td>Health Care Quality</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>MST 562</td>
<td>Health Care Program Management</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Credits</strong></td>
<td></td>
<td><strong>12</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

### Understanding the Health Care Industry

<table>
<thead>
<tr>
<th>Course</th>
<th>Title</th>
<th>Core Credits</th>
<th>Elective Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fin 514</td>
<td>Economic Environment of the Firm</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>MST 560</td>
<td>Organization, Financing, and History of Health Care Delivery in the US</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>MST 563</td>
<td>Legislation and Regulation of Health Care Delivery</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>BA 531</td>
<td>Executive Briefings</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total Credits</strong></td>
<td></td>
<td><strong>9</strong></td>
<td><strong>4</strong></td>
</tr>
</tbody>
</table>

### Capstone and Application Projects

<table>
<thead>
<tr>
<th>Course</th>
<th>Title</th>
<th>Core Credits</th>
<th>Elective Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA 506</td>
<td>Capstone: Integrative Consulting Engagement</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>NEW</td>
<td>Application Project: Program Learning Applied in the Workplace (taught as a 1-credit course; two required)</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Credits</strong></td>
<td></td>
<td><strong>6</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

To accommodate working professionals in health care, who often have difficult work schedules, the program is designed to be finished in three years of part-time study. A typical student might take 2 courses (8 credits) per quarter for three quarters (excluding summer) per year. The tentative schedule, broken out by year and quarter is given on the following pages.
## First Year Courses

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Fall</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>MST 560</td>
<td>Organization, Financing, and History of Health Care Delivery in the US</td>
<td>4</td>
</tr>
<tr>
<td>Actg 511</td>
<td>Financial Reporting</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Winter</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mktg 511</td>
<td>Pioneering Innovation</td>
<td>4</td>
</tr>
<tr>
<td>BA 508</td>
<td>Leadership Development &amp; Assessment</td>
<td>2</td>
</tr>
<tr>
<td>Actg 512</td>
<td>Managerial Accounting and Control</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Spring</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISQA 511</td>
<td>Managerial Decision Making</td>
<td>4</td>
</tr>
<tr>
<td>Fin 514</td>
<td>Economic Environment of the Firm</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Summer</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW</td>
<td>Application project</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>
## Second Year Courses

<table>
<thead>
<tr>
<th>Year 2 Fall</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>MST 563 Legislation and Regulation of Health Care Delivery</td>
<td>4</td>
</tr>
<tr>
<td>ISQA 552 Managing Operations and the Value Chain</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 2 Winter</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW Payment Systems in Health Care</td>
<td>2</td>
</tr>
<tr>
<td>Fin 561 Financial Management</td>
<td>4</td>
</tr>
<tr>
<td>Mgmt 560 Ethics in Organizations</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 2 Spring</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgmt 562 Business Strategy Capstone</td>
<td>4</td>
</tr>
<tr>
<td>BA 509 Leadership Immersion</td>
<td>1</td>
</tr>
<tr>
<td>BMI 537 Health Care Quality</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 2 Summer</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW Application project</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>
### Third Year Courses

<table>
<thead>
<tr>
<th>Year 3 Fall</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>MST 562 Health Care Program Management</td>
<td>3</td>
</tr>
<tr>
<td>BA 531 Executive Briefings</td>
<td>1</td>
</tr>
<tr>
<td>Mgmt 550 Organizational Management</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 3 Winter</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA 506 Capstone: Integrative Consulting Engagement</td>
<td>4</td>
</tr>
<tr>
<td>Mktg 544 Marketing Research and Strategy</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 3 Spring</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISQA 551 Management Information Technology</td>
<td>4</td>
</tr>
<tr>
<td>BA 506 Capstone: Integrative Consulting Engagement</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Quarter Credits</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

### b. Description of New Courses
Because the new MBA curriculum was built on the foundation of the PSU MBA+ and OHSU Health Care Management Certificate programs, there are only two courses that are not found in some form in either program. OHSU will be developing the course proposals for these two courses as they will be listed at that institution, and will obtain approval of the courses from OHSU. A short description of the topic areas for each of these two new courses is listed below. All courses that are from OHSU will be listed on the PSU transcript as BA 699 (section xx) Special Studies: OHSU + title of course (as per Maureen Orr Eldred’s information on 2/28/08). This is the standard approach of all joint programs in the OUS system.
Payment Systems in Health Care (2 credits)
(new course)
This course provides (1) a current overview of the dominant payment systems for health care and (2) an introduction to new innovations in payment methodologies. We describe fee-for-service, capitation, and blended methods, and identify the prominence of these mechanisms among different provider and payer groups.
The course will examine specific payment methods, including the hospital inpatient diagnosis-related groups (DRG), ambulatory payment classification (APC), relative value units (RVU), and the resource-based relative value scale (RBRVS). Based on these foundations, the course explores new payment methods, including pay-for-performance, pay-for-condition, and disease management programs. The course concludes with a discussion of the promise, pitfalls, and incentives associated with different payment systems. Themes and topics include:

- Medical Care Payment Systems - Fundamentals
  - Fee-for-service
  - Capitation
  - Blended Methods
- Medical Care Payment Systems - Specifics
  - Prospective Payment: DRG & APC
  - Physician Payment: RVU & RBRVS
  - Capitation, risks, and outliers
- Innovations
  - Pay-for-Performance
  - Pay-for-Condition
  - Disease Management & Case Management
  - Assessment of incentives & future trends

Application Project: Program Learning Applied in the Workplace (1 credit each; taken twice)
Students will seek sponsorship from key individuals in their workplaces and, in collaboration with faculty advisors and workplace sponsors, will design and deliver projects that apply their learning to problems faced by their employers. The goal is to contribute value back to the student’s employer, to stretch the student in their capabilities and career development, and to anchor the classroom learnings in the student’s lived experience.

c. Non-Traditional Learning Modes to be Utilized in the New Courses
Because working professionals will comprise a significant fraction of the student body, it is very important that the program learnings be immediately transferable into the workplace. This will be accomplished through “Application Projects” in which students apply the specific learnings in the context of their own work environment in order to “anchor” their learning. Such projects will require the students to develop projects in consultation with their supervisors; program faculty will serve as mentors to the students for these projects. Additionally, the course of study will also include an integrative, capstone experience in which student teams will conceive and execute consulting projects for regional health care organizations.
\section*{d. Learning Outcomes}
The MBA in Health Care Management program is designed to enable graduates to be effective managers in a health care enterprise. Through the program they will acquire:

- A systemic understanding of the American health care industry and the characteristics of that industry which distinguish it from other economic sectors
- The relevant business knowledge, skills, and tools to lead and innovate in today’s health care system and its constituent organizations
- The required interpersonal and organizational skills to manage cross-professional teams and lead change in health care organizations in the community.

\section*{4. Recruitment and Admission Requirements}
\subsection*{a. Is the proposed program intended primarily to provide another program option to students who are already being attracted to the institution, or is it anticipated that the proposed program will draw students who would not otherwise come to the institution?}
From the perspective of OHSU the MBA in Health Care Management will leverage OHSU’s strengths as one of the nation’s leading academic medical centers. It will attract working professionals to the university who would not otherwise attend OHSU, but it will also provide opportunities for medical, nursing, and dental students to combine the MBA degree with their health care professional degree, if desired. Our intention is to have physicians comprise about a third of the cohort, and our early recruiting efforts indicate that physicians are interested in the program. However, it might take several years to achieve this goal. Importantly, however, we want the class mix to be representative of the management cadre typically found in health care organizations. In addition to physician managers, this includes nurse managers as well as administrators who might not have a specific health care background but who work in a health care organization. The Dean of OHSU’s School of Medicine has initiated a scholarship program to support several SOM faculty in the initial cohort of the MBA, most of whom are likely to be physicians.

From the perspective of PSU it will provide another program option for an already strong MBA program with an excellence in leadership development. PSU is already serving working professionals from the health care industry through its MBA+ program, and this new degree will allow it to expand its coverage of the business of health care.

\subsection*{b. Are any requirements for admission to the program being proposed that are in addition to admission to the institution? If so, what are they?}
Preference will be given to students who have three or more years of work experience in a health care organization. Although this program will be open to managers at all levels of experience, we will actively recruit individuals who are in first- and second-level managerial roles as well as working professionals in health care who are planning a transition into management. Applicants who are seeking to transition their
careers from other industries into health care will be evaluated on a case-by-case basis. Our primary recruiting geography will be the greater Portland metropolitan area.

In addition, the standard admission requirements required for admission to the PSU School of Business Administration MBA program (i.e., GMAT, baccalaureate degree, acceptable performance in prior degrees, interview and letters of recommendation) apply. Final approval of admission for each candidate will be granted by both universities. At Portland State University approvals must come from the Graduate Program Office of the School of Business Administration to ensure compliance with AACSB requirements and the Graduate School. At OHSU approval must come from the Division of Management and the Admissions Committee of the School of Medicine.

All prospective students will apply to the Portland State University School of Business Administration for admission into the graduate programs. All candidates will be interviewed by the Head of the Division of Management at OHSU as part of the application process, and must obtain his approval for admission. If a candidate fulfills all the admission requirements for the program, he will be admitted to PSU and the SBA as any graduate student is and will become enroll at PSU. At the same time, OHSU will grant admission to based on the SBA’s acceptance of the candidate. As a consequence, the student will be enrolled at both institutions simultaneously, but the transcripts for all courses for the program will be at PSU. Tuition will be paid to PSU, and dispersal of funds as per the contractual agreement with OHSU will occur each term. As noted elsewhere in this document, the courses taken at OHSU under OHSU designations will be transferred in under a BA699 designation, and will appear on the students’ transcript at PSU. The final diploma will list both institutions names. Information for prospective students is included in Appendix V.

As a consequence of being enrolled in both institutions, the students will have access to the full library resources at both institutions for the duration of their participation in the program.

c. Will any enrollment limitation be imposed? If so, please indicate the limitation and its rationale. How will students be selected if there are enrollment limitations?

No specific enrollment limitation will be applied. However, we are aiming for cohorts of up to about 30 in order to maximize the learning environment.

5. Accreditation of Program:

a. If applicable, identify any accrediting body or professional society that has established standards in the area in which the proposed program lies.

The program will be accredited by the AACSB (Association to Advance Collegiate Schools of Business) through the PSU School of Business Administration. In addition, both institutions (PSU and OHSU) are accredited by the Northwest Commission on Colleges and Universities.

b. If applicable, does the proposed program meet professional accreditation standards? If it does not, in what particular areas(s) does it appear to be deficient?
What steps would be required to qualify the program for accreditation? By what date is it anticipated that the program to qualify it for accreditation? If accreditation is a goal, what steps are being taken to achieve accreditation? The program will meet the AACSB accreditation standards.

NEED

6. Evidence of Need
   a. What evidence does the institution have of need for the program?
      Post-completion interviews were conducted by OHSU faculty with graduates of the existing OHSU Health Care Management certificate program and revealed an interest in expanding the program to a full Master’s degree. They were told by these graduates that the certificate program had, for the first time in their careers, provided them with the context, knowledge, and tools for managing in health care and that they wanted more.

      A preliminary series of interviews with executives from Portland-area health care organizations clearly indicated that the degree of choice was the Master of Business Administration (MBA). We also convened an advisory board consisting of experienced health care executives, who also affirmed the MBA as the degree of choice. Members of this advisory board are listed in Appendix II.

      We have also conducted an extensive series of interviews with senior executives from Kaiser Permanente, Providence Health System, OHSU Healthcare, Legacy Health System, Tuality Health Alliance, Oregon Department of Human Services, Regence Blue Cross Blue Shield, Oregon Clinic, Greenfield Health System, Oregon Health Forum, HemCom Corp., etc. (See Appendix VI for a list of people interviewed.) In each of these interviews they asked whether the proposed MBA program was one that would meet real needs in their organizations. Without exception each organization answered affirmatively.

      Additionally, we contracted with BlueResearch to conduct focus groups with prospective MBA students in the health care field to assess their priorities in evaluating graduate management education, and to gauge their response to the proposed curriculum and format of the degree offering. The responses indicated that the new degree would be attractive to prospective students.

   b. Identify statewide and institutional service-area employment needs the program would assist in filling?
      Appendix VII presents a detailed Market Segment Analysis for health care managers in Oregon and Southwest Washington. Briefly, State of Oregon statistics indicated that in 2004 there were 2941 people employed statewide in health care managerial roles out of a total health care workforce of about 130,000. Addition of physician practice managers and managers from related industries (e.g., health insurance companies) plus Clark County grows this number to over 5100 (Total Available Market). Of these, approximately 2362 are located in the Portland metropolitan area plus Clark County in Washington (determined on a pro rata population basis). The target audience for this program includes entry level managers through level 2, and
we assume that this group comprises 80% of the total. Thus the estimated size of the target population (Served Available Market) in 2004 was 1890. The State of Oregon projects that over the 2004-2014 period the number of people employed as managers in health care is expected to grow by 21%. The proposed OHSU/PSU MBA in Health Care Management would serve both incumbent managers who have not previously had formal management training and new managers who will benefit from the MBA training as they move into their new roles.

We also note that this program will fit well with the goals of the Oregon Healthcare Workforce Institute (OHWI). Several of the members of the Board of Directors of the OHWI have been involved in the development of the program, either directly or indirectly (e.g., Lesley Hallick is Provost of OHSU and is Secretary-Treasurer of the Board of Directors. Other members who have been consulted or involved include June Chrisman, Lita Colligan, Bruce Goldberg, Michael Kirshner, and John Lee.

c. What are the numbers and characteristics of students to be served? What is the estimated number of graduates of the proposed program over the next five years? On what information are these projections based?
The goal is to enroll a cohort of up to 30 each fall, and we believe this is possible based on both the market segment analysis and the many needs analysis interviews and focus groups that we conducted. The program can be completed in three years on a part-time basis although some students will take four years. Full-time students will be able to complete the program in two-plus years. The first graduations will occur at the end of Year 3, and we would expect to see 20+ people graduating in Years 3, 4, and 5 for a total of 60 over the first five years. If the demand for the program grows beyond 45 per year, we will add a second cohort if demand warrants it. These estimates are based on the market segment analysis of Appendix VII and a separate business plan that has been developed for this program.

Our intention is to have physicians comprise about a third of the cohort, and our early recruiting efforts indicate that physicians are interested in the program. However, it might take several years to achieve this goal. Importantly, however, we want the class mix to be representative of the management cadre typically found in health care organizations. In addition to physician managers, this includes nurse managers as well as administrators who might not have a specific health care background but who work in a health care organization. The Dean of OHSU’s School of Medicine has initiated a scholarship program to support several faculty in the initial cohort of the MBA, most of whom are likely to be physicians.

d. Are there any other compelling reasons for offering this degree?
The needs analysis interviews clearly indicated a strong preference for an MBA degree specifically focused on the health care industry. Health care executives have come to realize that their operations must be managed in a professional, business-like manner while at the same time enhancing compassionate care. Moreover, the need for significant, systemic change in health care delivery is widely acknowledged. The graduates of the program will have not only the requisite knowledge, skills, and tools to manage effectively in health care but also a deep understanding of the health care
industry and how to be change agents within that industry. In every instance the health care executive interviewed affirmed that a health care-focused MBA program designed for early-stage managers would be a valuable asset to them. Additionally, there was recognition that health care must, where appropriate, adapt best practices from other industries.

**e. Identify any special interest in the program on the part of local or state groups.**

The needs analysis interviews indicated that this program will serve the needs of hospitals, clinics, group medical practices, dental practices, payer organizations (insurance companies). Potential students include physician, dentist, and nurse managers, administrators, and individuals transitioning into management.

**f. Discuss considerations given to making the complete program available for part-time, evening, weekend, and/or placebound students.**

The program is intended in the first instance for part-time students who are working in the health care sector. It will also be available to full-time students with prior experience in health care. The program will be taught in hybrid format which is a blend of online and in-class sessions. A typical 4-credit course will have two 4-5 hour in-class sessions, one near the beginning of the term and the other near the end of the term. The remainder of the class will be taught online.

**OUTCOMES**

7. **Program Evaluation**

a. **How will the institution determine the extent to which the academic program meets the objectives (section 2a) previously outlined? (Identify specific post-approval monitoring procedures and outcome indicators to be used.)**

As stated in Section 2a, the objective of the MBA in Health Care Management is to provide students with:

- A systemic understanding of the American health care industry and the characteristics of that industry which distinguish it from other economic sectors
- The relevant business knowledge, skills, and tools to be effective managers in health care
- The required interpersonal and organizational skills to manage cross-professional teams and lead change in health care organizations.

We will monitor these objectives in four ways: (1) we shall establish a permanent program advisory board consisting of appropriate executives from among the major health care stakeholders in the Portland region; (2) we shall build a network of human resource executives from the same stakeholders who will be able to comment on how this program has affected their employees; (3) we shall survey students at the end of each year of their study and at graduation to determine their level of satisfaction; and (4) we shall survey graduates of the program at one and three years after completion of the degree.

We will also examine the feasibility of engaging individuals to whom we offered admission but did not accept and obtaining their agreement for us to track their
careers for the purpose of assessing the differential impact of the MBA in Health Care.

In addition, in keeping with AACSB mandates concerning assessment of learning, the program will establish one to two measurable learning goals for each of the three program objectives above. Assessment will be conducted both through course-embedded activities (such as projects) as well as demonstration assessments (such as student portfolios or leadership assessment simulations). Appropriate criteria and standards will be set, and data will be systematically gathered, analyzed and interpreted to determine if the three objectives are being met. This information will be incorporated into a continuous learning loop for re-examination of program content and delivery in order to improve attainment of the program objectives.

b. How will the collected information be used to improve teaching and programs to enhance student learning?
The information will be shared among the faculty in the form of a summary report. Each year we will convene an all-faculty meeting to discuss the results, brainstorm on ways to improve the program, and develop action plans as necessary. The information will also be shared with the program advisory board, and their input will be used to enhance the program.

8. Assessment of Student Learning
As stated above, the program will follow AACSB recommended procedures for establishing clear goals for each objective of the program, aligning the curriculum with the goals, and assessing student learning through both course-embedded and demonstration performance activities. The data from assessment will be used to continuous improve attainment of program objectives.

a. What methods will be used to assess student learning? How will student learning assessment be embedded in the curriculum?
We will conduct student evaluations of individual courses at the end of each academic quarter. The results of the course evaluations will be shared with the faculty, who are expected to make any necessary changes in the content or style of their teaching. We will maintain an ongoing file of the course evaluations, and if problems arise with a particular course or instructor, corrective action will be taken by the Academic Director.

b. What specific methods or approaches will be used to assess graduate (completer) outcomes?
Graduates of the program will be surveyed at graduation, one year after graduation, and three years after graduation. Because this is a professional program targeted at working adults, we will want to know how the program has affected their ability to perform in their jobs and how it has impacted their careers. We will want to know what worked, what did not, what we should keep, and what we should change.

c. Is a licensure examination associated with this field of study?
No
INTEGRATION OF EFFORTS

9. Similar Programs in the State:

a. List all other closely related OUS programs

This will be the only MBA program in the OUS schools that is focused specifically on management in health care. Multi-industry MBA programs exist at Portland State University, Oregon State University, University of Oregon, and Eastern Oregon University. Additionally, there is the Oregon Executive MBA (OEMBA), which is a joint program of PSU, UO, and OSU. There is also a Master of Management program at Southern Oregon University. The Master of Public Health (MPH) programs at both Oregon State University and Portland State University have tracks in Health Management & Policy. Finally, the Portland State University Master of Public Administration (MPA) has a concentration in Health Administration.

b. In what way, if any, will resources of other institutions be shared in the proposed program? How will the program be complementary to, or cooperate with, an existing program or programs?

The OHSU/PSU MBA in Health Care Management will be the only MBA program in Oregon that is part of a health science university. As such, it will be able to leverage the strengths of OHSU’s highly regarded Schools of Medicine, Dentistry, and Nursing. Additionally, this will allow us when appropriate to pair subject matter experts with health care domain experts for some courses. This is for the explicit purpose of exposing students to best practices from other industries and showing them how such practices could be appropriately adapted into health care.

The MBA in Health Care Management will have many of the same core courses as the PSU MBA+ program (e.g., Managerial and Financial Accounting). In almost all cases, these core courses when delivered in the OHSU-PSU MBA program will have material and themes with roots in health care. This means that examples, cases, and guest speakers will come primarily from the world of health care although perspectives from other industries will be included to explore their relevance for health care.

Moreover, the OHSU-PSU MBA will draw on the leadership focus of the MBA+ at PSU. Leadership is a key component of effective health care management today, particularly the ability to enact change in organizations to adopt effective management practices drawn from other industries. The leadership component of the PSU MBA+ has identified twelve key competencies required for organizational leadership today. These are systematically evaluated, developed through coaching and teaching, and utilized throughout the program, making the OHSU-PSU MBA in Health Care Management a unique offering that draws on the strengths of both institutions.

Our courses will be available as electives for students from OUS universities, particularly the MBA, MPH, and MPA programs at PSU and OSU if desired by those institutions.
Table 9.b.1 compares the curriculum for the proposed MBA program with the Health Management and Policy track in the PSU Master of Public Health (MPH) program. The MBA (72 credits) is significantly longer than the MPH (61 credits). Inspection of Table 9.b.1 shows a significantly stronger emphasis in the MBA program on such business topics as leadership, finance, marketing, and operations. In contrast the MPH program requires courses in biostatistics, health behavior, and environmental health that are not covered in the MBA curriculum. Additionally, there is a stronger health policy emphasis in the MPH than in the MBA. The focus of the MBA is on the management, business, and operations aspects of delivering health care. The focus of the MPH is on public health, policy, and management with a significantly smaller emphasis on the business aspects, particularly finance. Clearly, the MBA is well-differentiated from the PSU MPH program.
Table 9.b.1  Comparison of OHSU-PSU MBA Curriculum with PSU MPH Curriculum (HMP: Health Management & Policy; PH: Public Health). Blacked out cells indicate a lack of corresponding course in the particular program.

<table>
<thead>
<tr>
<th>MBA Course</th>
<th>Cr</th>
<th>Type</th>
<th>MPH Course</th>
<th>Cr</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA 508 Leadership Development &amp; Assessment</td>
<td>2</td>
<td>Core</td>
<td>Leadership and Governance in Health Care</td>
<td>3</td>
<td>Elective</td>
</tr>
<tr>
<td>BA 509 Leadership Immersion</td>
<td>1</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mgmt 560 Ethics in Organizations</td>
<td>2</td>
<td>Core</td>
<td>Values and Ethics in Health</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Mgmt 550 Organizational Management</td>
<td>4</td>
<td>Core</td>
<td>Organizational Behavior in Health Services Organizations</td>
<td>3</td>
<td>HMP required</td>
</tr>
<tr>
<td>Actg 511 Financial Reporting</td>
<td>4</td>
<td>Core</td>
<td>Financial Management of Health Services</td>
<td>3</td>
<td>HMP elective</td>
</tr>
<tr>
<td>Actg 512 Managerial Accounting and Control.</td>
<td>2</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fin 561 Financial Management</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mktg 511 Pioneering Innovation</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mgmt 562 Business Strategy Capstone</td>
<td>4</td>
<td>Core</td>
<td>Strategic Management in Health Care Organizations</td>
<td>3</td>
<td>HMP required</td>
</tr>
<tr>
<td>Mktg 544 Marketing Research and Strategy</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISQA 511 Managerial Decision Making</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISQA 551 Management Information Technology</td>
<td>4</td>
<td>Core</td>
<td>Health Care Information Systems Management</td>
<td>3</td>
<td>HMP elective</td>
</tr>
<tr>
<td>ISQA 552 Managing Operations and the Value Chain</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fin 514 Economic Environment of the Firm</td>
<td>4</td>
<td>Core</td>
<td>Introduction to Health Economics</td>
<td>3</td>
<td>HMP required</td>
</tr>
<tr>
<td>MST 563 Legislation and Regulation of Health Care Delivery</td>
<td>4</td>
<td>Core</td>
<td>Health Care Law and Regulation</td>
<td>3</td>
<td>HMP elective</td>
</tr>
<tr>
<td>BA 531 Executive Briefings</td>
<td>1</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBA Course</td>
<td>Cr</td>
<td>Type</td>
<td>MPH Course</td>
<td>Cr</td>
<td>Type</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>----</td>
<td>----------</td>
<td>--------------------------------------------------------</td>
<td>----</td>
<td>-------</td>
</tr>
<tr>
<td>BA 506 Capstone: Integrative Consulting Engagement</td>
<td>6</td>
<td>Core</td>
<td>Organizational Experience</td>
<td>6</td>
<td>HMP required</td>
</tr>
<tr>
<td>NEW Payment Systems in Health Care</td>
<td>2</td>
<td>Required Elective</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BMI 537 Health Care Quality</td>
<td>3</td>
<td>Required Elective</td>
<td>Continual Improvement in Health Care</td>
<td>3</td>
<td>HMP Elective</td>
</tr>
<tr>
<td>MST 562 Health Care Program Management</td>
<td>3</td>
<td>Required Elective</td>
<td>Program Evaluation and Management in Health Services</td>
<td>3</td>
<td>HMP Elective</td>
</tr>
<tr>
<td>MST 560 Organization, Financing, and History of Health Care Delivery in the US</td>
<td>4</td>
<td>Required Elective</td>
<td>Health Systems Organization</td>
<td>3</td>
<td>HMP required</td>
</tr>
<tr>
<td>NEW Application Project: Program Learning Applied in the Workplace (taught as a 1-credit course; two required)</td>
<td>2</td>
<td>Required Elective</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Policy</td>
<td>3</td>
<td>PH required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Epidemiology Survey</td>
<td>3</td>
<td>PH required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introduction to Biostatistics</td>
<td>4</td>
<td>PH required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principles of Health Behavior</td>
<td>3</td>
<td>PH required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concepts of Environmental Health</td>
<td>3</td>
<td>PH required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Administration</td>
<td>3</td>
<td>HMP Elective</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Health Policy (3 Credits)</td>
<td>3</td>
<td>Elective</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 9.b.2 compares the curriculum for the proposed MBA program with the Health Administration track in the PSU Master of Public Administration program. The difference between these two programs is even stronger than between the MBA and the MPH. Again, the MBA (72 credits) is much longer than the MPA (60 credits). The MBA has a much stronger business focus, and the MPA has a very strong public administration focus. It is clear that the MBA is well-differentiated from the MPA.

Table 9.b.3 compares the curriculum for the proposed MBA program with the Health Management and Policy track in the Oregon State University Master of Public Health (MPH) program. The MBA (72 credits) is significantly longer than the MPH (61 credits). Inspection of Table 9.b3 shows a significantly stronger emphasis in the MBA program on such business topics as leadership, finance and operations. In contrast the MPH program requires courses in biostatistics, health behavior, and environmental health that are not covered in the MBA curriculum. Additionally, there is a stronger health policy emphasis in the MPH than in the MBA. The focus of the MBA is on the management, business, and operations aspects of delivering health care. The focus of the MPH is on public health, policy, and management with a significantly smaller emphasis on the business aspects, particularly finance. Clearly, the MBA is well-differentiated from the OSU MPH program. OSU also has an undergraduate program in Health Management & Policy offered through the College of Health & Human Sciences. This covers some of the same ground as the MBA but an undergraduate level.

PSU also offers a Master of Social Work (MSW) with a three-course concentration in Social Service Administration and Leadership. Electives include a course (SW 545) in Theories of Leadership and Organizational Change, (SW 585) Fundraising & Grantwriting, (SW 555) Perspectives on Mental Health Disorders, (SW 523) Health Care Policies & Programs, (SW 526) Social Work and the Law, and (SW 510) Advanced Social Policy Analysis. The focus of the MSW/Social Service Administration and Leadership program is very different from the MBA, and there will be no conflict.

c. **Is there any projected impact on other institutions in terms of student enrollment and/or faculty workload?**
Because this program will focus on working professionals, it will primarily attract students from the greater Portland metropolitan area. Consequently, we do not believe that there will be any impact on programs outside of Portland, including the OSU MPH program.
Table 9.b.2  Comparison of OHSU-PSU MBA curriculum with PSU MPA (Health Administration) curriculum.  PA Core: public administration core courses; Skill Dev: skill development courses; Core Spec: required core specialization courses; (Elective): four elective courses are listed, but only three are required.  Blacked out cells indicate a lack of corresponding course in the particular program.

<table>
<thead>
<tr>
<th>MBA Course</th>
<th>Cr</th>
<th>Type</th>
<th>MPA Course</th>
<th>Cr</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA 508 Leadership Development &amp; Assessment</td>
<td>2</td>
<td>Core</td>
<td>PA 544 Leadership and Governance in Health Care</td>
<td>3</td>
<td>(Elective)</td>
</tr>
<tr>
<td>BA 509 Leadership Immersion</td>
<td>1</td>
<td>Core</td>
<td>PA 573 Values &amp; Ethics in Health</td>
<td>3</td>
<td>PA core</td>
</tr>
<tr>
<td>Mgmt 560 Ethics in Organizations</td>
<td>2</td>
<td>Core</td>
<td>PA 541 Organizational Behavior in Health Service Organizations</td>
<td>3</td>
<td>PA core</td>
</tr>
<tr>
<td>Mgmt 550 Organizational Management</td>
<td>4</td>
<td>Core</td>
<td>PA 587 Financial Management in Health Services</td>
<td>3</td>
<td>(Elective)</td>
</tr>
<tr>
<td>Actg 511 Financial Reporting</td>
<td>4</td>
<td>Core</td>
<td>PA 576 Strategic Management of Health Care Organizations</td>
<td>3</td>
<td>Skill Dev</td>
</tr>
<tr>
<td>Actg 512 Managerial Accounting and Control</td>
<td>2</td>
<td>Core</td>
<td>PA 579 Health Care Information Systems Management</td>
<td>3</td>
<td>Skill Dev</td>
</tr>
<tr>
<td>Fin 561 Financial Management</td>
<td>4</td>
<td>Core</td>
<td>PA 586 Introduction to Health Economics (3)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Mktg 511 Pioneering Innovation</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mgmt 562 Business Strategy Capstone</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mktg 544 Marketing Research and Strategy</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISQA 511 Managerial Decision Making</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISQA 551 Management Information Technology</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISQA 552 Managing Operations and the Value Chain</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fin 514 Economic Environment of the Firm</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBA Course</td>
<td>Cr</td>
<td>Type</td>
<td>MPA Course</td>
<td>Cr</td>
<td>Type</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>----</td>
<td>--------</td>
<td>---------------------------------------------------------</td>
<td>----</td>
<td>------------</td>
</tr>
<tr>
<td>MST 563 Legislation and Regulation of Health Care Delivery</td>
<td>4</td>
<td>Core</td>
<td>PA 577 Health Care Law and Regulation (Elective)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>BA 531 Executive Briefings</td>
<td>1</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BA 506 Capstone: Integrative Consulting Engagement</td>
<td>6</td>
<td>Core</td>
<td>Integrative Experience</td>
<td>6</td>
<td>Core</td>
</tr>
<tr>
<td>NEW Payment Systems in Health Care</td>
<td>2</td>
<td>Required Elective</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BMI 537 Health Care Quality</td>
<td>3</td>
<td>Required Elective</td>
<td>PA 578 Continual Improvement in Health Care (Elective)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MST 562 Health Care Program Management</td>
<td>3</td>
<td>Required Elective</td>
<td>PA 588 Program Evaluation &amp; Management in Health Services</td>
<td>3</td>
<td>Skill Dev</td>
</tr>
<tr>
<td>MST 560 Organization, Financing, and History of Health Care Delivery in the US</td>
<td>4</td>
<td>Required Elective</td>
<td>PA 570 Health Administration (3)</td>
<td>3</td>
<td>Core Spec</td>
</tr>
<tr>
<td>NEW Application Project: Program Learning Applied in the Workplace (taught as a 1-credit course; two required)</td>
<td>2</td>
<td>Required Elective</td>
<td>PA 571 Health Policy</td>
<td>3</td>
<td>Core Spec</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PA 510 Human Resources Management in Health Care</td>
<td>3</td>
<td>PA core</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PA 511 Public Administration</td>
<td>3</td>
<td>PA core</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PA 533 Public Policy: Origins and Processes</td>
<td>3</td>
<td>PA Core</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PA 534 Administrative Law and Policy Implementation (3)</td>
<td>3</td>
<td>PA core</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PA 551 Analytic Methods in Public Administration I</td>
<td>3</td>
<td>PA core</td>
</tr>
<tr>
<td>MBA Course</td>
<td>Cr</td>
<td>Type</td>
<td>MPA Course</td>
<td>Cr</td>
<td>Type</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----</td>
<td>------</td>
<td>---------------------------------------------------------------------------</td>
<td>----</td>
<td>--------</td>
</tr>
<tr>
<td>PA 552 Analytic Methods in Public Administration II</td>
<td>3</td>
<td>PA core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA 582 Public Budgeting</td>
<td>3</td>
<td>PA core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA 510 Human Resources Management in Health Care</td>
<td>3</td>
<td>PA core</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 9.b.3  Comparison of OHSU-PSU MBA Curriculum with OSU MPH Curriculum (HMP: Health Management & Policy; PH: Public Health). Blacked out cells indicate a lack of corresponding course in the particular program.

<table>
<thead>
<tr>
<th>MBA Course</th>
<th>Cr</th>
<th>Type</th>
<th>MPH Course</th>
<th>Cr</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA 508 Leadership Development &amp; Assessment</td>
<td>2</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BA 509 Leadership Immersion</td>
<td>1</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mgmt 560 Ethics in Organizations</td>
<td>2</td>
<td>Core</td>
<td>Public Health Ethics and Issues</td>
<td>3</td>
<td>HMP required</td>
</tr>
<tr>
<td>Mgmt 550 Organizational Management</td>
<td>4</td>
<td>Core</td>
<td>Health Care Organization Theory &amp; Behavior</td>
<td>3</td>
<td>HMP required</td>
</tr>
<tr>
<td>Actg 511 Financial Reporting</td>
<td>4</td>
<td>Core</td>
<td>Financial Management of Health Care Organizations</td>
<td>3</td>
<td>HMP Elective</td>
</tr>
<tr>
<td>Actg 512 Managerial Accounting and Control.</td>
<td>2</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fin 561 Financial Management</td>
<td>4</td>
<td>Core</td>
<td>Strategic Management of Health Care Organizations</td>
<td>3</td>
<td>HMP required</td>
</tr>
<tr>
<td>Mktg 511 Pioneering Innovation</td>
<td>4</td>
<td>Core</td>
<td>Health Care Marketing</td>
<td>3</td>
<td>HMP Elective</td>
</tr>
<tr>
<td>Mgmt 562 Business Strategy Capstone</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mktg 544 Marketing Research and Strategy</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISQA 511 Managerial Decision Making</td>
<td>4</td>
<td>Core</td>
<td>Health Care Information Systems Management</td>
<td>3</td>
<td>HMP Elective</td>
</tr>
<tr>
<td>ISQA 551 Management Information Technology</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISQA 552 Managing Operations and the Value Chain</td>
<td>4</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fin 514 Economic Environment of the Firm</td>
<td>4</td>
<td>Core</td>
<td>Economic Issues in Health &amp; Medical Care</td>
<td>3</td>
<td>HMP required</td>
</tr>
<tr>
<td>MST 563 Legislation and Regulation of Health Care Delivery</td>
<td>4</td>
<td>Core</td>
<td>Health Care Law and Regulation</td>
<td>3</td>
<td>HMP Elective</td>
</tr>
<tr>
<td>BA 531 Executive Briefings</td>
<td>1</td>
<td>Core</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBA Course</td>
<td>Cr</td>
<td>Type</td>
<td>MPH Course</td>
<td>Cr</td>
<td>Type</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>----</td>
<td>---------</td>
<td>---------------------------------------------------------</td>
<td>----</td>
<td>---------</td>
</tr>
<tr>
<td>BA 506 Capstone: Integrative Consulting Engagement</td>
<td>6</td>
<td>Core</td>
<td>Organizational Experience</td>
<td>6</td>
<td>HMP required</td>
</tr>
<tr>
<td>NEW Payment Systems in Health Care</td>
<td>2</td>
<td>Required Elective</td>
<td>Cost Effectiveness Analysis/Reimbursement Mechanisms</td>
<td>3</td>
<td>HMP Elective</td>
</tr>
<tr>
<td>BMI 537 Health Care Quality</td>
<td>3</td>
<td>Required Elective</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MST 562 Health Care Program Management</td>
<td>3</td>
<td>Required Elective</td>
<td>Health Systems Organization</td>
<td>3</td>
<td>HMP required</td>
</tr>
<tr>
<td>MST 560 Organization, Financing, and History of Health Care Delivery in the US</td>
<td>4</td>
<td>Required Elective</td>
<td>Health Policy</td>
<td>3</td>
<td>PH required</td>
</tr>
<tr>
<td>NEW Application Project: Program Learning Applied in the Workplace (taught as a 1-credit course; two required)</td>
<td>2</td>
<td>Required Elective</td>
<td>Principles &amp; Practices of Epidemiology</td>
<td>3</td>
<td>PH required</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Introduction to Biostatistics</td>
<td>4</td>
<td>PH required</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Principles of Health Behavior</td>
<td>3</td>
<td>PH required</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Environmental &amp; Occupational Health</td>
<td>3</td>
<td>PH required</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Public &amp; Private Health Insurance</td>
<td>3</td>
<td>Elective</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Management of Human Resources</td>
<td>3</td>
<td>Elective</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Systems Thinking and Practice</td>
<td>3</td>
<td>Elective</td>
</tr>
</tbody>
</table>
RESOURCES

10. Faculty
   a. Identify program faculty, briefly describing each faculty member’s expertise/specialization

The program will draw on faculty from both OHSU and PSU, as well as selected industry experts and some faculty from other institutions of higher education in the state. At least 70% of the classes will be taught by academically qualified faculty and the balance by professionally qualified faculty. The CVs of all faculty will be reviewed by both OHSU and PSU Associate Deans, and approval must be given by both in order for a faculty member to be hired.

Physicians will play an important role in the teaching, and we intend to use them where appropriate. Currently, we have three physicians involved in teaching. Dr. Thomas Culhane, a practicing primary care physician who recently completed the Master of Science in Health Care Management at Harvard School of Public Health, will co-teach MST 560 Organization, Financing and History of Health Care in the United States. He will also teach the new course, Payment Systems in Health Care. Dr. William Hersh, who is Chair of the OHSU Department of Medical Informatics and Clinical Epidemiology, will teach ISQA 551 Management Information Technology. Dr. David Dorr, who is a practicing internist and assistant professor in the Department of Medical Informatics and Clinical Epidemiology, will co-teach BMI 557 Health Care Quality. Another possible physician instructor is John Ma, MD, who has introduced new management concepts (Lean, Good to Great, etc.) into the Department of Emergency Medicine. Additionally, as discussed below, additional physician involvement will be provided via physician guest speakers.

Because this will be a self-support program, PSU faculty will be teaching in the program on largely an out-of-load basis. This will encourage faculty to develop the industry knowledge and focus for teaching their core subjects (e.g., finance, accounting) and to become sustaining members of a cross-institutional faculty group teaching the OHSU-PSU MBA in Health Care Management. Periodic meetings of all the faculty may be held to identify ways to improve the program as well as address any issues that arise in the first few years. Future faculty hires in the PSU SBA will be considered in part on their knowledge of the health care management field. OHSU faculty will be teaching in this program as part of their regular academic duties.

If the program achieves its financial goals, it will generate sufficient funds to hire dedicated, academically qualified faculty. The OHSU Division of Management also intends to pursue philanthropic funding to support faculty expansion. Faculty who are hired in this way will be expected to develop an active research program through grant and contract-based funding.

Continuity of faculty is an important goal for us. In addition to expanding the dedicated faculty, we will also seek to engage existing faculty in the mission and vision for this program as well as to ensure that their teaching experiences are sufficiently rewarding to attract their continued involvement with the program.
Where appropriate we will seek courtesy joint appointments across the universities as an acknowledgement of the faculty members’ continuity of engagement with the program.

The program will be carefully monitored by both the SBA and OHSU and if the coverage of classes by academically qualified faculty relative to adjunct faculty consistently falls below AACSB norms, participation by the SBA in the program will need to be reconsidered.

OHSU Faculty

**Thomas Culhane, MD, MS Health Care Management**, Adjunct Professor  
*Payment systems in health care; care delivery systems*

**David Dorr, MD**, Assistant Professor, OHSU Department of Medical Informatics and Clinical Epidemiology  
*Health care quality*

**Karen Eden, PhD**, Assistant Professor, OHSU Department of Medical Informatics and Clinical Epidemiology  
*Patient and clinician decision making*

**Tom Flora, EdD**, Associate Dean for Finance, School of Medicine  
*Financial management in health care, clinical operations*

**William Hersh, MD**, Professor and Chair, Department of Medical Informatics and Clinical Epidemiology *Information retrieval in health care, evidence-based medicine*

**James Huntzicker, PhD, M. Management (2008)**, Professor and Head, Division of Management, *Driving change in health care organizations*

**John McConnell, PhD**, Assistant Professor, Department of Emergency Medicine  
*Health economics, Medicaid policy, insurance coverage, delivery of health care*

**Michael Neal, M.Sc.**, Adjunct instructor in Division of Management Health Care Management Certificate, former Director of Product Quality for Intel Corp.  
*Operations and quality management in health care*

**Jeff Oltmann, M. Eng**, Adjunct instructor in Division of Management Health Care Management Certificate, formerly Program Manager at Sequent Computer Systems/IBM  
*Project and program management*

**Nicole Steckler, PhD**, Associate Professor, Division of Management,  
*Information sharing across organizational boundaries; leading organizational change; interpersonal communication and influence in organizations; and tools for diagnosing and improving leadership effectiveness.*
**PSU Faculty**

Carolyn McKnight, DBA. MBA Director and professor of Leadership and Coaching. *Leadership and Coaching.*

Charla Mathwick, Ph.D. Associate Professor of Marketing. *Marketing and Innovation.*

Jorge Walter, Ph.D. Assistant Professor of Management. *Strategy.*

Donna Philbrick, Ph.D. Professor of Accounting. *Financial Accounting.*

Gudrun Granholm, MBA, Adjunct Professor, *Health care finance*

Janet Hamilton, Ph.D. Associate Professor of Finance. *Corporate Finance.*

Pam Tierney, Ph.D. Professor of Management. *Organizational Behavior.*

Talya Bauer, Ph.D. Professor of Management. *Organizational Behavior.*

Dave Gerbing, Ph.D. Professor of Quantitative Analysis. *Managerial Decision Making and Statistics.*

Jeanne Enders, Ph.D. Adjunct Professor of Management. *Ethics; Organizational Behavior.*

Mellie Pullman, Ph.D. Assistant Professor of Operations Management. *Operations Management.*

Robert Harmon, Ph.D. Professor of Marketing. *Marketing Research and Strategy; Pioneering Innovation.*

The program will make substantial use of guest speakers, including a significant number of physicians. Possible guest speakers include the following:

- Charles Kilo, MD, CEO Greenfield Health System, CEO Trust for Healthcare Excellence, and former Vice President Institute for Healthcare Improvement (IHI). Dr.
- John Saultz, MD, Head, Department of Family Medicine, OHSU
- Ed Wagner, MD, Group Health Cooperative, Seattle (Dr. Wagner is the originator of the “chronic care model.”)
- Ron Stock, MD, Medical Director, Gerontology Institute, Sacred Heart Heart Medical Center, Eugene, Oregon (expert in care delivery teams)
- Glenn Rodriguez, MD, Chief Operating Officer, Providence Health & Services
- J. Bart McMullan, MD, President, Blue Cross Blue Shield of Oregon
b. Estimate the number, rank, and background of new faculty who would need to be added to initiate the proposed program in each of the proposed program’s operation (assuming the program develops as anticipated). What commitment does the institution make to meeting these needs?

No new full-time faculty will need to be added to launch the program or operate during the first few years. We will be able to rely on the faculty identified above plus additional professionally qualified faculty whom we will recruit from the community. In all instances we will seek out people of exceptional accomplishment. For example, we have had preliminary conversations with a retired senior executive at a local health insurer about being involved in teaching the program’s leadership classes.

Looking beyond the first two years, we intend to add a research component to the program, and that will require us to recruit additional, academically qualified faculty. If the program achieves its financial goals, it will generate sufficient funds to hire these faculty. The OHSU Division of Management also intends to pursue philanthropic funding to support faculty expansion. Faculty who are hired in this way will be expected to develop an active research program through grant and contract-based funding. However, even in the event that we are unable to raise the necessary funds to hire more full-time faculty, this will not jeopardize our ability to offer the MBA in Health Care Management to working professionals.
c. Estimate the number and type of support staff needed in each of the first four years of the program.

<table>
<thead>
<tr>
<th>Position</th>
<th>Year 1 FTE</th>
<th>Year 2 FTE</th>
<th>Year 3 FTE</th>
<th>Year 4 FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Director</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Office Manager</td>
<td>0.5</td>
<td>0.5</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Student worker</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
</tbody>
</table>

The Academic Director position is not a new hire but will be filled by a current faculty member. This Academic Director, who is also the MST Department Head at OHSU, will be filled by James Huntzicker, Ph.D. He was the initial designer of the MBA, and has the greatest expertise in the area of health care management. His curriculum vitae is attached as Appendix I.

11. Reference Sources
   a. Describe the adequacy of student and faculty access to library and department resources that are relevant to the proposed program.
      The PSU library and the OHSU library are adequate to meet the needs of the faculty and students. In particular, the OHSU library subscribes to all the major journals that deal with management in health care (e.g., Health Affairs, New England Journal of Medicine, Journal of the American Medical Association, Journal of Quality & Patient Safety, Milbank Quarterly, and many more). All faculty and students will have access (in most cases, both physical and on-line) to library databases, journals, and books at both institutions’ libraries. As noted by from Helen Spalding, University Librarian/Professor, PSU, Letters from the respective head librarians affirming the ability of the OHSU and PSU libraries to support the proposed program can be found in Appendix VIII.

   b. How much, if any, additional financial support will be required to bring access to such reference materials to an appropriate level? How does the institution plan to acquire these needed resources?
      No additional financial support is required.

12. Facilities, Equipment, and Technology
   a. What unique resources (in terms of buildings, laboratories, computer hardware/software, Internet or other online access, distributed-education capability, special equipment, and/or other materials) are necessary to the offering of a quality program in the field?
      No unique buildings, laboratories, computer resources, or other special resources are needed. Classes will be taught at the OHSU Center for Health & Healing on its South Waterfront campus. As previously discussed, classes will be taught in hybrid mode with two in-class sessions taught on a Friday evening or Saturday morning and the remainder online.

   b. What resources for facilities, equipment, and technology, beyond those now on hand, are necessary to offer this program? Be specific. How does the institution propose that these additional resources will be provided?
      No resources beyond those on hand are necessary to offer this program.
13. If this is a graduate program, please suggest 3 – 6 potential external reviewers.

The three reviewers who have agreed to participate are listed below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Institution</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Lindrooth, PhD</td>
<td>Medical University of South Carolina</td>
<td>Associate Professor of Health Administration &amp; Policy</td>
</tr>
<tr>
<td>Amy Edmondson, PhD</td>
<td>Harvard University</td>
<td>Professor of Leadership and Management and Chair of Doctoral Programs at Harvard Business School</td>
</tr>
<tr>
<td>Richard M. Levy, PhD</td>
<td>Varian Medical Systems</td>
<td>Chairman of the Board; member; Board of Directors for Sutter Health; first vice chair, Board of Trustees, Palo Alto Medical Foundation</td>
</tr>
</tbody>
</table>

The report of the External Review Committee, including our response, is included as Appendix IX.

14. Budgetary Impact

Because this will be a self-support program, the budgetary impact will be positive for both institutions. Final determination of the budgetary impact will be calculated (and must be positive for final approval) once faculty compensation rates, institutional overhead rates and other details have been agreed upon by both institutions. Both institutions have committed to an initial investment of $50,000 each to launch the program.

Estimated budgets for new resources follow below. With the exception of the above-mentioned institutional investments, the program will rely on the tuition which it generates to cover the costs of the new resources.

A detailed financial projection is presented in Appendix X. If enrollment projections are met, the program will be positive from the beginning. Year 1 will require the $100,000 investment noted above, but after that, the program will be totally self-supporting on the basis of the tuition revenue that it generates.

This program will become the major revenue driver for the OHSU Division of Management (formerly Department of Management in Science & Technology) and an important revenue source for the PSU School of Business Administration.
## Budget Outline—New Resources Only

**Institution:** Oregon Health & Science University and Portland State University  
**Program:** MBA in Health Care Management  
**Academic Years:** 2009 - 2012

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>2008-2009</th>
<th>2009-2010</th>
<th>2010-2011</th>
<th>2011-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Year</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Personnel (Salaries + OPE)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Support Staff</td>
<td>$64,025</td>
<td>$69,316</td>
<td>$71,083</td>
<td>$72,904</td>
</tr>
<tr>
<td><strong>Total Personnel</strong></td>
<td><strong>$64,025</strong></td>
<td><strong>$69,316</strong></td>
<td><strong>$71,083</strong></td>
<td><strong>$72,904</strong></td>
</tr>
<tr>
<td>Other Resources</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Physical Facilities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$64,025</strong></td>
<td><strong>$69,316</strong></td>
<td><strong>$71,083</strong></td>
<td><strong>$72,904</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. All salaries include OPE. (OPE is essentially fringe benefits.)  
2. The program will be self-supporting from its own revenues apart from the initial $50,000 investments by PSU and OHSU.  
3. Support staff includes: Office Manager and Student Worker
Appendix I. Academic Director (Huntzicker) Curriculum Vitae

BIOGRAPHICAL SKETCH
Provide the following information for the key personnel in the order listed for Form Page 2. Follow the sample format for each person. DO NOT EXCEED FOUR PAGES.

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>James J. Huntzicker, PhD</td>
<td>Head, Division of Management</td>
</tr>
</tbody>
</table>

EDUCATION/TRAINING (Begin with baccalaureate or other initial professional education, such as nursing, and include postdoctoral training.)

<table>
<thead>
<tr>
<th>INSTITUTION AND LOCATION</th>
<th>DEGREE (if applicable)</th>
<th>YEAR(s)</th>
<th>FIELD OF STUDY</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Michigan, Ann Arbor, MI</td>
<td>B.S.</td>
<td>1963</td>
<td>Chemistry</td>
</tr>
<tr>
<td>University of California, Berkeley, CA</td>
<td>Ph.D.</td>
<td>1968</td>
<td>Chemistry</td>
</tr>
<tr>
<td>University of California and Lawrence Berkeley Laboratory, Berkeley, CA</td>
<td></td>
<td>1968-69</td>
<td>Postdoctoral physicist</td>
</tr>
<tr>
<td>California Institute of Technology, Pasadena, CA</td>
<td></td>
<td>1972-74</td>
<td>Research fellow in Environmental Health Engineering</td>
</tr>
<tr>
<td>McGill University, Montreal, Canada</td>
<td>M. M.</td>
<td>2008</td>
<td>Management (International Masters in Health Leadership)</td>
</tr>
</tbody>
</table>

PROFESSIONAL EXPERIENCE:

2008 Head, Division of Management, Oregon Health & Science University
2003-2008 Head, Department of Management in Science & Technology, Oregon Health & Science University
2002-2008 Associate Dean, Industry Relations, School of Science & Engineering, Oregon Health & Science University
1996-2008 Executive Director, Center for Professional Development, Oregon Health & Science University
1985- Professor of Environmental Science and Engineering, Oregon Graduate Institute/Oregon Health & Science University
1994-2001 Senior Vice President, Oregon Graduate Institute
1989-94 Senior Vice President and Provost, Oregon Graduate Institute
1987-88 Acting President and CEO, Oregon Graduate Center
1986 Executive Vice President, Oregon Graduate Center
1994-95 Acting Head, Department of Management in Science and Technology, Oregon Graduate Center
1990-91 Head, Department of Chemical, Biological, and Environmental Sciences, Oregon Graduate Center
1976-83 Head, Department of Environmental Science, Oregon Graduate Center
1977-85 Associate Professor of Environmental Science, Oregon Graduate Center
1974-76 Assistant Professor of Environmental Science, Oregon Graduate Center
1972-74 Research fellow, Environmental Health Engineering, California Institute of Technology
1971-72 Visiting assistant professor of physics, Indian Institute of Technology-Kanpur, representing University of California-Berkeley
1969-70 Guest professor of physics, I. Physikalisches Institut, Freien Universitat, Berlin, Germany
1968-69 Postdoctoral physicist, Department of Physics and Lawrence Radiation Laboratory, University of California-Berkeley

RECENT GRANTS AND AWARDS: none

PUBLICATIONS:


Appendix II. Members of the OHSU Health Care Management Advisory Board

External Members
- **John Lee** (former Senior Vice President, Providence Health System)
- **Denise Honzel** (former executive with Kaiser Permanente and currently director of the Oregon Institute of Technology Center for Health Professions)
- **Diane Lund** (former publisher, *Oregon Health News*)
- **Sharon Perot, MBA, EdD** (OHSU Division Director of Professional Development and Education)
- **Ralph Prows, MD** (Chief Medical Officer, Regence Blue Cross Blue Shield of Oregon)
- **Douglas Walta, MD** (former CEO of Oregon Clinic and currently Vice President for Physician Services, Providence Health & Services)
- **David Witter** (former Executive Director of OHSU Hospital)

Faculty Members
- **Nicole Steckler, PhD** (Associate Professor, OHSU Division of Management)
- **John McConnell, PhD** (Assistant Professor, OHSU Department of Emergency Medicine)
- **Michael Neal, MSc** (Adjunct Professor, OHSU Division of Management)
- **James J. Huntzicker, PhD** (Professor and Head, OHSU Division of Management)
Appendix III. Health Care Management References


2. Employment in Oregon’s Health Care Industry—A Brief Background (draft for public comment, May 2006)


4. Institute of Medicine, *To Err is Human: Building a Safer Health System* (National Academy Press, 2000)

5. Institute of Medicine, *Crossing the Quality Chasm: A New Health System for the 21st Century* (National Academy Press, 2001)

6. Institute of Medicine, *Health Professions Education: A Bridge to Quality* (National Academy Press, 2003)


Appendix IV. Syllabus: Operations & Quality Management in Healthcare

(This syllabus is from the OHSU Healthcare Management Certificate Winter 2008 offering of MST 570 Operations & Quality Management in Healthcare. It will be the basis for the corresponding course in the MBA, ISQA 552 Managing Operations and the Value Chain.)

Instructor:

Mike Neal (Adjunct Professor)
Email: nealm@ohsu.edu
Phone: Office: (971)327-6953
Cell: (503)708-2482

Course Overview

In its ground-breaking report, Crossing the Quality Chasm (2001), the Institute of Medicine highlighted the need for more attention to care processes and a systems approach to health care delivery. This course is designed to explore the progress that has been made and the challenges that remain in bringing the concepts, practices and tools that have been developed in engineering and manufacturing to the health care industry. Drawing on concepts and materials from many industry sectors, the course will start from the fundamentals of operating systems and explore the opportunities and challenges managers face in the application of information/communication technology, concurrent engineering, human factors research, risk management, and supply chain management.

Learning Objectives

In keeping with this theme the learning objectives for this class include the following key results:

- Develop an understanding of the systems of care and how they translate into operational strategies and activities;
- Understand the relationship between business strategy and operations;
- Understand the components of operations and quality management and their relevance to today’s health care environment;
- Understand operations as a system and the role of customers, suppliers and processes within that system;
- Be aware of the frameworks, processes and tools used in operations and quality management;
- Learn the elements of service design and how these apply to the delivery of health care services;
- Explore the role of technology and its effective application;
- Understand risk in operations and quality and methods for mitigating risk;
- Explore the challenges in driving change in organizations;
Learning Methods

The foundation material for this course is contained in the text and a number of articles. Building on this foundation, students will explore the application of concepts, principles and practice through a number of case studies and associated class discussions. Experts from both the clinical and administrative sides of health care will join the class for discussion on topics related to their specialty and fields of work.

Course Materials

Text Books: The course has been structured around a lean text designed to be used in conjunction with articles and case studies to provide depth in key areas.

Operations Management for MBAs, 3rd Edition by Jack R. Meredith, Scott M. Shafer (ISBN: 0-471-00060-4 Paperback) - a well known and popular text in Operations Management is directed at MBA students, especially those that have some real-world experience. It is a concise review of operations management, focusing on the relationships between strategy and operations and the basic and conceptual frameworks in operations science to build a competitive enterprise.

Articles and Cases:

The articles and cases used in this course are available at Harvard Business Online. The following link will take you to this course on the HBO site. You may purchase these materials either individually or as a package.

http://harvardbusinessonline.hbsp.harvard.edu/relay.jhtml?name=cp&c=c12288

Evaluation

<table>
<thead>
<tr>
<th>Participation (Joint Assessment)</th>
<th>20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quiz Results (on text materials)</td>
<td>30%</td>
</tr>
<tr>
<td>Case Analyses</td>
<td>30%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>20%</td>
</tr>
</tbody>
</table>

Advising Hours

I will be available via email most days throughout this course checking in at least once per day. Students are strongly encouraged to schedule a phone conference or face-to-face meeting to get help or address issues that need an in-depth conversation.

Course Agenda

Week by week details for the course including assignments and deliverables are described in the following pages:
Week 1 - January 8, 2008

Theme and Topics:
- The Nature of Operations
  - Systems of Care
  - Operating Systems
  - Two Views of Organizations

Reading:
- Text - Meredith & Shaffer - Ch. 1
- Articles - Fixing Health Care from the Inside, Today
- Cases - Istituto Clinico Humanitas (asset focused care management)
- Cases - Intermountain Health Care (disease focused care management)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the article on Fixing Health Care from the Inside and be prepared to discuss how this course might help you, as a health care professional, improve patient care quality.
3. Read the Istituto Clinico Humanitas case. This case focuses on an asset based model for hospital operation. Make notes on the case using the following questions as a guide:
   - How well is Istituto Clinico Humanitas performing?
   - How do they realize this level of performance?
   - Why does ICH do it this way?
   - Should ICH affiliate with the University of Milan?
4. Read the Intermountain Health Care case. This case focuses on a disease or outcome based model for hospital operation. Make notes on the case using the following questions as a guide:
   - How well is Intermountain Health Care performing?
   - What is Intermountain’s approach to health care delivery?
   - Why does Intermountain do it this way?
   - Why don’t all health care delivery organizations do this?

Class Agenda:
1. Introductions
2. Course Overview
3. Discussion - Fixing health Care from the Inside
4. Lecture/Q&A: The Nature of Operations
5. Discussion: Humanitas/Intermountain case comparison
Week 2 - January 15, 2008

Theme and Topics:
- Strategy and Operations
  - Strategic Frameworks
  - Balanced Scorecard
  - Lean Management

Reading:
- Text - Meredith & Shaffer - Ch. 2, 10
- Articles - Why Innovation in Health Care Is So Hard
- Cases - Montefiore Medical Center (balanced scorecard)
- Cases - Virginia Mason Health Care System (Toyota Production System)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the article on Why Innovation in Health Care Is So Hard. Be prepared to discuss the forces that can help or hinder innovation.
3. Read the Montefiore Medical Center case. This case focuses on the efforts of a new VP of operations to develop and implement a new business strategy. Make notes on the case using the following questions as a guide:
   - Why does Elaine Brennan need to develop a new strategy now?
   - Does the GRIP strategy meet the needs of this organization?
   - What did Brennan expect the Balanced Scorecard project to do for MMC?
   - Why was implementing the scorecard concept in the medical staff difficult?
   - What could Brennan have done better?
4. Read the Virginia Mason Medical Center case. This case focuses on the application of principles from the Toyota Production System to the operations at this hospital. Make notes on the case using the following questions as a guide:
   - What is Gary Kaplan trying to achieve at Virginia Mason?
   - How does the Toyota Production System fit his strategy?
   - What is your view of the “people are not cars” debate??
   - Is Kaplan's approach transferable to other US hospitals?

Class Agenda:
1. Lecture/Q&A: Strategic Frameworks and Balanced Scorecard in Health Care
2. Discussion: Why Innovation in Health Care Is So Hard
3. Discussion: Montefiore Medical Center.
4. Discussion: Virginia Mason Health Care System (Toyota Production System)
Week 3 - January 22, 2008

Theme and Topics:
- Process Planning & Design
  - Service Design
  - Customer Driven Design
  - Designing for Quality

Reading:
- Text - Meredith & Shaffer - Ch. 3
- Articles - Lets Put Consumers In Charge of Health Care
- Cases - Massachusetts General Hospital: CABG (care path development)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the article on ‘Putting Consumers in charge of Health Care’. Think about the implications of this case in terms of the drivers behind the reengineering of health care processes.
3. Read the Massachusetts General Hospital: CABG Surgery case. This case focuses on the concept of ‘care paths’ to improve the tasks and activities that occur following coronary artery bypass graft surgery. Make notes on the case using the following questions as a guide:
   - What are the primary challenges in improving operating processes in a health care environment such as MGH?
   - What kind of payoff would you expect to result from these process improvements?
   - What implementation approach should Bohmer and Torchiana select? Where would you start, what resources would you bring to bear, what performance would you expect, and what timeline would you hope to follow?
   - How should MGH balance the tension between process standardization and process customization? What are the hazards of standardizing the process too rigorously? What are the dangers of allowing too much freedom to compromise?

Class Agenda:
1. Lecture/Q&A: Process Planning and Design
2. Discussion: Lets Put Consumers In Charge of Health Care
3. Discussion: Massachusetts General Hospital: CABG (care path development)
Week 4 - January 29, 2008

Theme and Topics:
- Process and Quality Improvement
  - Understanding Variation
  - Continuous Improvement
  - Six Sigma Principles

Reading:
- Text - Meredith & Shaffer - Ch. 4
- Article - Why Hospitals Don’t learn from Failures (challenges in leading change)
- Cases - The Dana-Farber Cancer Institute (quality in health care)
- Cases - Deaconess-Glover Hospital (A) (process mapping and improvement)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the article on ‘Why Hospitals Don’t Learn From Failures. Think about why it is difficult for hospital workers to use problems as opportunities for improvement, and what might be done to overcome these challenges.
3. Read the Dana-Farber Cancer Institute case. This case focuses on medical errors and the conditions that allow these to occur. Make notes on the case using the following questions as a guide:
   - Who or what caused the death of Betsy Lehman?
   - What was Dana-Farber’s system for ensuing patient safety?
   - How should Dana-Farber respond to the Globe story of March 23, 1995?
   - What are the key issues that must be addresses in the first few days after the error was discovered?
   - How should Dana-Farber reduce the risk of future errors?
4. Read the Deaconess-Glover Hospital case. This case focuses on principle-based system design, analysis and improvement. Make notes on the case using the following questions as a guide:
   - What has Carter been doing at DGH and why?
   - What problems has he discovered?
   - What solutions do you think he will propose to Dalton and Bonenfant, the hospital executives?
   - How do you predict Dalton and Bonenfant will react to these recommendations

Class Agenda:
1. Lecture/Q&A: Quality in Health Care (Chris Slusarenko).
2. Exercise: Understanding Variation
3. Discussion: The Dana-Farber Cancer Institute (quality in health care)
4. Discussion: Deaconess-Glover Hospital (A) (process mapping and improvement)
Week 5 - February 5, 2008

Theme and Topics:
- Operations Planning and Improvement
  - Capacity and Location Planning
  - Forecast and Schedule Management
  - Process Improvement

Reading:
- Meredith & Shaffer - Ch. 5, 6
- Cases - Shouldice Hospital Limited (capacity planning/managing service operations)
- Cases - Pharmacy Service Improvement at CVS (A) (process design)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the Shouldice Hospital Limited case. This case focuses on the alternatives for possible expansion of the hospital’s capacity, and their unique approach to the performance of hernia operations in which it specializes. Make notes on the case using the following questions as a guide:
   - How successful is Shouldice Hospital?
   - How do you account for its performance?
   - As Dr. Shouldice, what actions, if any, would you take to expand the hospital’s capacity?
   - How would you implement the changes you propose?
3. Read the Pharmacy Service Improvement at CVS case. This case focuses on the reengineering of pharmacy services at CVS. Make notes on the case using the following questions as a guide:
   - What changes would you recommend to CVS’s existing pharmacy fulfillment process?
   - How can you be sure that the new process you propose will be an improvement?
   - What groups, if any, are likely to have problems with your proposed solution?
   - How can you ensure that there will be no backsliding - that there will be no wooden boxes in use six months from now?
   - Does PSI represent a significant opportunity for CVS? Would improving customer service be a significant financial benefit to the company?

Class Agenda:
1. Lecture/Q&A: Operations Planning
2. Discussion: Shouldice Hospital Limited (capacity planning/managing service operations)
3. Discussion: Pharmacy Service Improvement at CVS (A) (process design)
Week 6 - February 12, 2008

Theme and Topics:
Value Chain Management
  Supply Chain Strategy
  Supply Chain Design
  Operations and IT

Reading:
  • Meredith & Shaffer - Ch. 7
  • Cases - Global Healthcare Exchange

Preparation:
  1. Review the Global Healthcare Exchange case. This case focuses on group buying exchange corporate environment, exploring the reasons for undertaking IT projects, the perils of an unexamined business process, and the benefits of partial process automation. Make notes on the case using the following questions as a guide:
     • How important is GHX to the healthcare industry?
     • What are the potential benefits of providing a common platform for sharing information and streamlining business transactions across industry boundaries?
     • Who are the key stakeholders of GHX in 2003? What are the expectations of each stakeholder (or stakeholder group)?
     • How well are these expectations being met today? What benefits does GHX deliver to each stakeholder?

Class Agenda:
  1. Lecture/Q&A: Information Systems in Health Care (Steve Rallison)
  2. Discussion: Global Healthcare Exchange
Appendix V. Information for Prospective Students

The information in the following pages is intended for prospective students and covers program details such as application procedures, financial aid, schedule, frequently-asked-questions, etc.
MBA in Healthcare Management

*Transforming the Business of Healthcare*

The OHSU Department of Management in Science & Technology and the Portland State University School of Business Administration are developing a joint MBA in Healthcare Management. Pending approval by the Oregon University System, this program will launch its first cohort in September 2008. The new MBA is built on the foundation of two currently successful programs—OHSU’s Certificate in Healthcare Management and PSU’s accredited MBA+ program.

The underlying premise of this program is that healthcare is an industry greatly in need of transformation and that the application of modern management practices can contribute greatly to the needed transformation. Ultimately, the goal is *value to the patient*, and this can only be achieved if healthcare organizations operate both efficiently and effectively.

The overarching goal of the program is to train healthcare managers and leaders who will transform the organizations in which they work. Aspects of this transformation include improved medical outcomes (i.e., significantly reduced medical errors), higher quality of service yielding a better experience for both patients and providers, and controlled or reduced costs.

**Who is this program for?**

The MBA in Healthcare Management is intended for working professionals in healthcare—physicians, dentists, nurses, managers, administrators, etc.—anyone with management responsibilities in a healthcare organization (hospitals, clinics, provider practices, insurance companies, companies selling into healthcare, etc.). The program is intended for healthcare managers at all levels, with particular emphasis on first- and second-level managers, as well as individual contributors transitioning into management. Individuals in other industries desiring to move into healthcare might also find this program appropriate.

**Information Sessions**

May 29
12 noon and 4:30 pm
(OHSU Center for Health & Healing, room 12181)

June 12
9:30 am and 3:30 pm
(OHSU Center for Health & Healing, room 3171)
MBA in Healthcare Management

*Transforming the Business of Healthcare*

**Admission to the Program: How to Apply**

All admissions will take place through Portland State University School of Business Administration. Please follow the admission procedures outlined on the PSU MBA+ website: [http://www.gradbusiness.pdx.edu/graduate_business_programs/mba+/admissions/application_process_and_requirements](http://www.gradbusiness.pdx.edu/graduate_business_programs/mba+/admissions/application_process_and_requirements). This website includes a checklist that describes each requirement in detail, and links to the application and other helpful information.

You will have to apply to both Portland State University Office of Graduate Studies (step one) and to PSU School of Business Administration (step two). Please be sure to mark the Joint MBA in Healthcare Management program on the SBA application.

All students must take the GMAT test ([http://www.mba.com/](http://www.mba.com/)) and have their scores sent directly to the Portland State University School of Business Administration. Prospective students should immediately register for the GMAT test and begin whatever preparations are deemed necessary.

To insure adequate time for review of your application, you should have required materials, including GMAT test scores to us by July 31, 2008. Applications received after that date will still be considered on a space-available basis. Candidates who meet the admission requirements will be scheduled for an interview with the Program Director.

**Further Information**

Further information is available in the MBA Frequently Asked Questions (FAQ). You may also e-mail Colman Joyce, OHSU Director of Academic Marketing & Recruitment at joycecc@ohsu.edu or call at 503-748-1210. Mr. Joyce will be happy to arrange a meeting with the program director, Dr. James Huntzicker, if you so desire.
MBA in Healthcare Management

Transforming the Business of Healthcare

What will I learn in this program? What is the curriculum?
Students will learn the knowledge, skills, and tools to become effective managers in healthcare organizations. Specifically, graduates will be able to:

- Manage healthcare organizations in a professional, business-like fashion in order to enhance compassionate care
- Understand the underlying processes and systems of health care organizations in order to improve care delivery and management practices
- Manage cross-professional teams and lead profound change in healthcare organizations.

The curriculum incorporates the Institute of Medicine’s six criteria (safe, effective, efficient, patient-centered, timely, efficient, and equitable) for a 21st Century healthcare system. It consists of 72 credits of courses from these thematic categories:

- Understanding the Healthcare Industry
- Leadership and Management in Healthcare
- Financial Management in Healthcare
- Operations and Quality in Healthcare
- Marketing, Business Planning, and Strategy
- Application Projects and Capstone

Healthcare is thoroughly integrated throughout the curriculum, and guest speakers, cases, and examples will be primarily from healthcare. However, where appropriate, attention will be called to best practices in other industries that could be beneficial in healthcare. Students will be able to apply new knowledge immediately in the workplace.

Schedule of Courses

Courses will generally be taught at the Center for Health & Healing on OHSU’s South Waterfront Campus. Classes will generally involve a combination of in-class and online learning, i.e., a hybrid format. For example, a typical 3- or 4-credit class will have in-class sessions near the beginning and end of the quarter. In-class sessions will be taught on weekends: Friday 4 PM – 9 PM and Saturday 9 AM – 2 PM. For classes with less than 3 credits the format will be variable—hybrid, in-class, or online—depending on the needs of the specific class. The schedule of classes for the first cohort is listed below.
<table>
<thead>
<tr>
<th>Semester</th>
<th>Course Code</th>
<th>Course Title</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fall 2008</strong></td>
<td>MST 560</td>
<td>Organization, Financing, and History of Healthcare Delivery in the US</td>
<td>4 credits</td>
</tr>
<tr>
<td></td>
<td>Actg 511</td>
<td>Financial Reporting</td>
<td></td>
</tr>
<tr>
<td><strong>Winter 2009</strong></td>
<td>Mktg 511</td>
<td>Pioneering Innovation</td>
<td>4 credits</td>
</tr>
<tr>
<td></td>
<td>BA 508</td>
<td>Leadership Development &amp; Assessment</td>
<td>2 credits</td>
</tr>
<tr>
<td></td>
<td>Actg 512</td>
<td>Managerial Accounting and Control</td>
<td>2 credits</td>
</tr>
<tr>
<td><strong>Spring 2009</strong></td>
<td>ISQA 511</td>
<td>Managerial Decision Making</td>
<td>4 credits</td>
</tr>
<tr>
<td></td>
<td>Fin 514</td>
<td>Economic Environment of the Firm (Healthcare Economics)</td>
<td>4 credits</td>
</tr>
<tr>
<td><strong>Summer 2009</strong></td>
<td>MST 502</td>
<td>Application Project</td>
<td>1 credit</td>
</tr>
<tr>
<td><strong>Fall 2009</strong></td>
<td>MST 563</td>
<td>Legislation and Regulation of Healthcare</td>
<td>4 credits</td>
</tr>
<tr>
<td></td>
<td>ISQA 552</td>
<td>Managing Operations and the Value Chain</td>
<td>4 credits</td>
</tr>
<tr>
<td><strong>Winter 2010</strong></td>
<td>MST 506</td>
<td>Payment Systems in Healthcare</td>
<td>2 credits</td>
</tr>
<tr>
<td></td>
<td>Fin 561</td>
<td>Financial Management</td>
<td>4 credits</td>
</tr>
<tr>
<td></td>
<td>Mgmt 560</td>
<td>Ethics in Organizations</td>
<td>2 credits</td>
</tr>
<tr>
<td><strong>Spring 2010</strong></td>
<td>Mgmt 562</td>
<td>Business Strategy Capstone</td>
<td>4 credits</td>
</tr>
<tr>
<td></td>
<td>BA 509</td>
<td>Leadership Immersion</td>
<td>1 credit</td>
</tr>
<tr>
<td></td>
<td>BMI 537</td>
<td>Healthcare Quality</td>
<td>3 credits</td>
</tr>
<tr>
<td><strong>Summer 2010</strong></td>
<td>MST 502</td>
<td>Application Project</td>
<td>1 credit</td>
</tr>
<tr>
<td><strong>Fall 2010</strong></td>
<td>MST 562</td>
<td>Healthcare Program Management</td>
<td>3 credits</td>
</tr>
<tr>
<td></td>
<td>BA 531</td>
<td>Executive Briefings</td>
<td>1 credit</td>
</tr>
<tr>
<td></td>
<td>Mgmt 550</td>
<td>Organization Management (in Healthcare)</td>
<td>4 credits</td>
</tr>
<tr>
<td><strong>Winter 2011</strong></td>
<td>BA 506</td>
<td>Capstone: Integrative Consulting Engagement</td>
<td>4 credits</td>
</tr>
<tr>
<td></td>
<td>Mktg 544</td>
<td>Marketing Research &amp; Strategy (in Healthcare)</td>
<td>4 credits</td>
</tr>
<tr>
<td><strong>Spring 2011</strong></td>
<td>ISQA 551</td>
<td>Management Information Technology (in Healthcare)</td>
<td>4 credits</td>
</tr>
<tr>
<td></td>
<td>BA 506</td>
<td>Capstone: Integrative Consulting Engagement</td>
<td></td>
</tr>
</tbody>
</table>
MBA in Healthcare Management

Transforming the Business of Healthcare

Frequently Asked Questions

1. **For whom is the program intended?**
The program is intended for working professionals in healthcare and specifically for anyone who has—or expects to have—management responsibilities in a healthcare organization (e.g., hospital, clinic, physician or dental group practice, mental health facility, insurance company, etc.) or organizations selling into healthcare. The program is appropriate for physicians, dentists, nurses, other healthcare professionals, and administrators in healthcare organizations. Students in this program will learn how to manage in the here-and-now but will also be equipped to drive the transformation of healthcare which is so urgently needed in the United States.

2. **Why an MBA in healthcare?**
Healthcare in the United States is provided through a very complex system and has a unique business model in comparison with other businesses. The challenge is to provide and enhance compassionate care while at the same time operating in a sound businesslike manner. *No margin, no mission!*

3. **How is it different from a general MBA?**
The MBA in Healthcare Management covers the same ground as a general-purpose MBA, but all topics are addressed through the lens of healthcare. Most cases, examples, and guest speakers are from the world of healthcare. However, examples of best practices from other industries such as manufacturing, high technology, and service are used to point the way toward how healthcare can transform itself.

4. **How is it different from an MPH?**
All Master of Public Health programs, including those which focus on health administration and policy, have as their end goal improving the health of the public. The focus of the MBA is to train managers who can operate healthcare organizations in a professional, businesslike manner while at the same time being the change agents who will drive the transformation of the American healthcare system.
5. **What are the requirements for admission?**
   We are looking for students who have had at least two years experience working in a healthcare organization. Students who are working in a management role or preparing for a transition into management will receive preference. Additionally, applicants must have:
   - The equivalent of a US four-year bachelor’s degree from an accredited institution.
   - A cumulative grade point average (GPA) of either 2.75 or higher in undergraduate transcripts or 3.0 or higher in 9 or more graduate credits from an accredited university.
   - Official GMAT score sent directly from the Educational Testing Services to the SBA. Scores should indicate a strong aptitude for business studies.
   - Resume illustrating a solid two years of work experience.

6. **How do I apply for his program?**
   All admissions will take place through Portland State University School of Business Administration. Please follow the admission procedure outlines on the PSU MBA+ [application process and requirements web site](#). You will have to apply both to Portland State University Office of Graduate Studies (step one) and to PSU School of Business Administration (SBA). Please be sure to mark the Joint MBA in Healthcare Management program on the SBA application.

7. **Can I enroll as a non-matriculated student in the MBA classes?**
   No, but non-matriculated students wishing to take courses in healthcare management are invited to explore the Healthcare Management track in the OHSU M.S. in Management in Science & Technology program.

8. **Which institution grants my degree?**
   The degree is granted jointly by Oregon Health & Science University and Portland State University. Students are matriculated into both universities.

9. **Can I transfer in graduate credits from another institution or program?**
   Up to XX graduate credits may be transferred into the program. However, all decisions regarding credit transfer are made on a case-by-case basis.

10. **How much does it cost?**
    For students beginning the program in the 2008-2009 academic year the tuition is $525 per credit, and this tuition will be fixed through the 2010-2011 academic year. The total number of credits required to complete the degree is 72, and therefore the cost of the degree is $37,800.
11. Is financial aid available?
Yes. All Federal subsidized and unsubsidized Stafford Loans are awarded through the PSU Office of Financial Aid to those eligible. It is recommended that you fill out your FAFSA before you are accepted into the Joint MBA in Healthcare Management.

Student loans are funds that are borrowed and must be repaid over a period of time, usually after you leave school or drop below half-time enrollment. PSU participates in the Federal Direct Lending Program, which means that loan funds are borrowed from the federal government instead of a banking institution.

To be eligible for federal aid, you will need to file a Free Application for Financial Aid (FAFSA). The FAFSA institutional code number for PSU is 003216. You can and should apply for financial aid before you are formally accepted to the MBA+ Program Your aid will then be awarded after you have been officially admitted to Portland State University. Visit the official FAFSA website at http://www.fafsa.ed.gov/ for more information and to begin an application.

The lowest interest educational loans usually come in the form of a Federal Stafford Loan. For graduate students this loan has a maximum award of $20,500 per academic year (usually a combination of subsidized and unsubsidized loans). To be eligible for these loans, you must complete the FAFSA form.

Additional alternative loans may available; however, you must apply for these loans separately through a preferred provider. The Financial Aid Office can assist you with this.

Federal Perkins Loan funds and Federal Work-Study funds are available to qualified applicants as well, and may require an additional application.

**Permanent Residents and Other Non-citizens**
Permanent residents are eligible for federal financial aid. Certain other non-citizens may also be eligible; you should contact the PSU Financial Aid Office for details.

**International Students**
Students in the U.S. on any type of visa are not eligible for federal financial aid. You may be able to apply for a non-federal alternative loan with a U.S. cosigner; contact the PSU Financial Aid Office for details.

**Refunds**
If your enrollment status changes during the MBA+ program, or you choose to alter your credit load, the tuition charges will be refunded according to PSU’s refund policy. For more information, please click here: refund policy.

**PSU Payment Plans**
PSU provides students the option of establishing a tuition payment plan by opting into the revolving charge account system through your PSU account online. This will allow you to make three payments each term on your tuition bill.
Contact PSU Office of Financial Aid
If you have any questions about the financial aid process, please contact the Portland State University Office of Financial Aid at askfa@pdx.edu or (503) 725-3461.

<table>
<thead>
<tr>
<th></th>
<th>PSU Financial Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mailing Address:</td>
<td>P.O. Box 851</td>
</tr>
<tr>
<td></td>
<td>Portland, OR 97207</td>
</tr>
<tr>
<td>Location:</td>
<td>Room 174 Neuberger Hall</td>
</tr>
<tr>
<td>Phone:</td>
<td>1-800-547-8887 or (503) 725-3461</td>
</tr>
<tr>
<td>TDD:</td>
<td>503-725-6501</td>
</tr>
<tr>
<td>Fax:</td>
<td>503-725-5965</td>
</tr>
<tr>
<td>Title IV School Code:</td>
<td>003216</td>
</tr>
<tr>
<td>Regular Office Hours:</td>
<td>Monday-Thursday 9:00-6:00, Friday 9:00-5:00</td>
</tr>
<tr>
<td>Summer Office Hours:</td>
<td>Monday-Friday 9:00-5:00</td>
</tr>
<tr>
<td>Web Address:</td>
<td><a href="http://www.pdx.edu/finaid">www.pdx.edu/finaid</a></td>
</tr>
</tbody>
</table>

12. How long does it take?
   The program is designed to be completed in 3 years by taking an average of 8 credits per quarter in each of the Fall, Winter, and Spring quarters. The MBA in Healthcare Management has been designed as a cohort program in which the cohort of students moves through the program together.

13. Is this a cohort program?
   Yes, in general you will be working your way through the courses with a specific group of students. Individuals requiring more flexibility are invited to meet with the Program Director.

14. Does this program have specialty accreditation?
   The MBA in Healthcare Management is accredited through Portland State University by the Association for the Advancement of Collegiate Schools of Business (AACSB)
MBA in Healthcare Management

Transforming the Business of Healthcare

Financial Aid

Student loans are funds that are borrowed and must be repaid over a period of time, usually after you leave school or drop below half-time enrollment. PSU participates in the Federal Direct Lending Program, which means that loan funds are borrowed from the federal government instead of a banking institution.

To be eligible for federal aid, you will need to file a Free Application for Financial Aid (FAFSA). The FAFSA institutional code number for PSU is 003216. You can and should apply for financial aid before you are formally accepted to the MBA+ Program. Your aid will then be awarded after you have been officially admitted to Portland State University. Visit the official FAFSA website at http://www.fafsa.ed.gov/ for more information and to begin an application.

The lowest interest educational loans usually come in the form of a Federal Stafford Loan. For graduate students this loan has a maximum award of $20,500 per academic year (usually a combination of subsidized and unsubsidized loans). To be eligible for these loans, you must complete the FAFSA form.

Additional alternative loans may be available; however, you must apply for these loans separately through a preferred provider. The Financial Aid Office can assist you with this. Federal Perkins Loan funds and Federal Work-Study funds are available to qualified applicants as well, and may require an additional application.

Permanent Residents and Other Non-citizens

Permanent residents are eligible for federal financial aid. Certain other non-citizens may also be eligible; you should contact the PSU Financial Aid Office for details.
International Students
Students in the U.S. on any type of visa are not eligible for federal financial aid. You may be able to apply for a non-federal alternative loan with a U.S. cosigner; contact the PSU Financial Aid Office for details.

Refunds
If your enrollment status changes during the MBA+ program, or you choose to alter your credit load, the tuition charges will be refunded according to PSU’s refund policy. For more information, please click here: refund policy.

PSU Payment Plans
PSU provides students the option of establishing a tuition payment plan by opting into the revolving charge account system through your PSU account online. This will allow you to make three payments each term on your tuition bill.

Contact PSU Office of Financial Aid
If you have any questions about the financial aid process, please contact the Portland State University Office of Financial Aid at askfa@pdx.edu or (503) 725-3461.

| Mailing Address: | PSU Financial Aid  
P.O. Box 851  
Portland, OR 97207 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Room 174 Neuberger Hall</td>
</tr>
<tr>
<td>Phone:</td>
<td>1-800-547-8887 or (503) 725-3461</td>
</tr>
<tr>
<td>TDD:</td>
<td>503-725-6501</td>
</tr>
<tr>
<td>Fax:</td>
<td>503-725-5965</td>
</tr>
<tr>
<td>Title IV School Code:</td>
<td>003216</td>
</tr>
<tr>
<td>Regular Office Hours:</td>
<td>Monday-Thursday 9:00-6:00, Friday 9:00-5:00</td>
</tr>
<tr>
<td>Summer Office Hours:</td>
<td>Monday-Friday 9:00-5:00</td>
</tr>
<tr>
<td>Web Address:</td>
<td><a href="http://www.pdx.edu/finaid">www.pdx.edu/finaid</a></td>
</tr>
</tbody>
</table>
## Appendix VI. Health Care Leaders Interviewed in Needs Analysis

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jonathan Avery</td>
<td>Hospital Administrator, Legacy Salmon Creek Hospital</td>
</tr>
<tr>
<td>Julie Bulrice</td>
<td>Continuing Medical Education and Leadership Development, Northwest Permanente Physicians and Surgeons, Kaiser Permanente</td>
</tr>
<tr>
<td>Matthew Calais</td>
<td>Sr. Vice President, Quality, Legacy Health System</td>
</tr>
<tr>
<td>Homer Chin, MD</td>
<td>Assistant Regional Medical Director, Clinical Information Systems, Northwest Permanente Physicians and Surgeons, Kaiser Permanente</td>
</tr>
<tr>
<td>Kumar Chatani</td>
<td>Regional CIO, Kaiser Permanente</td>
</tr>
<tr>
<td>June Chrisman</td>
<td>Chief Human Resource Officer, Providence Health System</td>
</tr>
<tr>
<td>Susan Coombes</td>
<td>Legacy Health System (currently Regulatory Affairs Manager, OHSU)</td>
</tr>
<tr>
<td>Russ Danielson</td>
<td>CEO, Providence Health System, Oregon</td>
</tr>
<tr>
<td>Leonard Friedman, PhD</td>
<td>OSU Health Care Administration Program</td>
</tr>
<tr>
<td>Bruce Goldberg, MD</td>
<td>Director, Oregon Department of Human Services</td>
</tr>
<tr>
<td>Cynthia Grueber</td>
<td>COO, OHSU Healthcare</td>
</tr>
<tr>
<td>Lesley Hallick, PhD</td>
<td>Provost, OHSU</td>
</tr>
<tr>
<td>Walter Hardin, DO</td>
<td>Medical Director, Tuality Health Alliance</td>
</tr>
<tr>
<td>Sue Hennessy</td>
<td>Vice President, Kaiser Foundation Health Plan of the Northwest</td>
</tr>
<tr>
<td>Deryl Jones</td>
<td>CEO, Adventist Medical Center</td>
</tr>
<tr>
<td>Jodi Joyce</td>
<td>Legacy Health System</td>
</tr>
<tr>
<td>Edward Keenan, PhD</td>
<td>Associate Dean for Medical Education, OHSU</td>
</tr>
<tr>
<td>Charles Kilo, MD</td>
<td>CEO, Greenfield Health System</td>
</tr>
<tr>
<td>Peter Kohler, MD</td>
<td>Retired President, OHSU</td>
</tr>
<tr>
<td>Ceva Knight</td>
<td>Legacy Health System</td>
</tr>
<tr>
<td>Diane Lund</td>
<td>Oregon Health Forum</td>
</tr>
<tr>
<td>Andrew Lum, MD</td>
<td>President and Executive Medical Director, Northwest Permanente Physicians and Surgeons, Kaiser Permanente</td>
</tr>
<tr>
<td>A. Roy Magnusson, MD</td>
<td>Chief Medical Officer, OHSU Health Care</td>
</tr>
<tr>
<td>Pam Maric, RN, MBA</td>
<td>COO, Tuality Health Alliance</td>
</tr>
<tr>
<td>Keith Marton, MD</td>
<td>Sr. Vice President &amp; Chief Medical Officer, Legacy Health System</td>
</tr>
<tr>
<td>J. Bart McMullan, MD</td>
<td>President, Regence Blue Cross Blue Shield of Oregon</td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>John Morgan</td>
<td>CEO, HemCon, Inc.</td>
</tr>
<tr>
<td>Michael Mudrow</td>
<td>Vice President, Legal, The Regence Group</td>
</tr>
<tr>
<td>Sheila Murthy</td>
<td>Legacy Health System</td>
</tr>
<tr>
<td>Mohan Nair</td>
<td>Executive Vice President, The Regence Group</td>
</tr>
<tr>
<td>Jody Pettit, MD</td>
<td>Health Information Technology Coordinator, State of Oregon</td>
</tr>
<tr>
<td>Peter Rapp</td>
<td>Executive Director, OHSU Hospitals &amp; Clinics</td>
</tr>
<tr>
<td>Sonja Steves</td>
<td>Vice President, Legacy Health System</td>
</tr>
<tr>
<td>Pam Vukovich</td>
<td>Sr. Vice President &amp; CFO, Legacy Health System</td>
</tr>
<tr>
<td>David Witter</td>
<td>Former Executive Director of OHSU Hospital</td>
</tr>
</tbody>
</table>
Appendix VII. Market Segment Analysis

To assess the demand for the proposed program, a detailed Market Segment Analysis was conducted. This involved determining the Total Available Market (TAM), Served Available Market (SAM), and Share of Market (SOM). TAM is defined as the number of health care managers in the State of Oregon and Clark County in Washington. SAM is defined as the number of entry level through second level health care managers in the Portland metropolitan area plus Clark County. SOM is defined as the estimated share of market that the proposed program can obtain.

**Total Available Market (TAM) and Served Available Market (SAM)**

The Oregon Employment Department (Draft Public Statement, May 2006) has provided estimates of the number of medical and health services managers for the State of Oregon as well as projected growth rates. These data are shown in Table VII.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Managers in Oregon</th>
<th>Projected Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>2941</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>3004</td>
<td>2.14%</td>
</tr>
<tr>
<td>2006</td>
<td>3067</td>
<td>2.10%</td>
</tr>
<tr>
<td>2007</td>
<td>3130</td>
<td>2.05%</td>
</tr>
<tr>
<td>2008</td>
<td>3193</td>
<td>2.01%</td>
</tr>
<tr>
<td>2009</td>
<td>3256</td>
<td>1.97%</td>
</tr>
<tr>
<td>2010</td>
<td>3319</td>
<td>1.93%</td>
</tr>
<tr>
<td>2011</td>
<td>3382</td>
<td>1.90%</td>
</tr>
<tr>
<td>2012</td>
<td>3445</td>
<td>1.86%</td>
</tr>
<tr>
<td>2013</td>
<td>3508</td>
<td>1.83%</td>
</tr>
<tr>
<td>2014</td>
<td>3569</td>
<td>1.74%</td>
</tr>
</tbody>
</table>

Because we expect that this program will attract working professionals from Clark County in Washington, we also include them in this analysis. The number of health care managers in Clark County is prorated according to population. The Clark County population is approximately 25% of the Portland Tri-County population, which is approximately 42.5% of the State of Oregon population. Thus, the number of health care managers in Clark County is estimated to be 10.6% of the number of health care managers in the State of Oregon.

To these numbers must be added the number of managers associated with physician practices and related industries such as insurance. Based on an analysis by David Witter for the Oregon Health Care Quality Corporation, this number is estimated to be almost 1900 in...
Oregon and Clark County. This number is assumed to grow at the projected growth rates indicated above.

The Total Available Market for health care managers in Oregon and Clark County is given in Table VII.2. The Served Available Market (SAM) is also shown. The SAM assumes that the principal market to be addressed by this program consists of health care managers in the Portland Tri-County area plus Clark County. Additionally, since the target audience for the program is the early-stage manager, we estimate that of the total number of health care managers 80% are entry level through level 2 managers.

Table VII.2

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Available Market</th>
<th>Served Available Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>5136</td>
<td>1890</td>
</tr>
<tr>
<td>2005</td>
<td>5246</td>
<td>1930</td>
</tr>
<tr>
<td>2006</td>
<td>5356</td>
<td>1971</td>
</tr>
<tr>
<td>2007</td>
<td>5466</td>
<td>2011</td>
</tr>
<tr>
<td>2008</td>
<td>5576</td>
<td>2052</td>
</tr>
<tr>
<td>2009</td>
<td>5686</td>
<td>2092</td>
</tr>
<tr>
<td>2010</td>
<td>5796</td>
<td>2133</td>
</tr>
<tr>
<td>2011</td>
<td>5906</td>
<td>2173</td>
</tr>
<tr>
<td>2012</td>
<td>6016</td>
<td>2214</td>
</tr>
<tr>
<td>2013</td>
<td>6126</td>
<td>2254</td>
</tr>
<tr>
<td>2014</td>
<td>6233</td>
<td>2293</td>
</tr>
</tbody>
</table>

Share of Market (SOM)

Table VII.3 below shows the target growth rates for both the current Health Care Management Certificate Program and the proposed MBA in Health Care Management program. Upon approval of the MBA program we will retain the certificate option as the first five quarters of the MBA program.
Table VII.3

<table>
<thead>
<tr>
<th>Year</th>
<th>Served Market</th>
<th>MBA in Health Care Management Students (entering cohort)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1890</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>1930</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>1971</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>2052</td>
<td>22</td>
</tr>
<tr>
<td>2009</td>
<td>2092</td>
<td>25</td>
</tr>
<tr>
<td>2010</td>
<td>2133</td>
<td>30</td>
</tr>
<tr>
<td>2011</td>
<td>2173</td>
<td>35</td>
</tr>
<tr>
<td>2012</td>
<td>2214</td>
<td>35</td>
</tr>
<tr>
<td>2013</td>
<td>2254</td>
<td>35</td>
</tr>
<tr>
<td>2014</td>
<td>2293</td>
<td>35</td>
</tr>
</tbody>
</table>
Appendix VIII. Letters from OHSU and PSU Head Librarians
March 28, 2008

Dr. Sully Taylor
Associate Dean
School of Business Administration
Portland State University
P.O. Box 751
Portland, OR 97207

Dr. James J. Huntzicker
Head
Department of Management in Science & Technology
Oregon Health & Science University
20000 NW Walker Rd.
Beaverton, OR 97007

Dear Drs. Taylor and Huntzicker,

I am writing to confirm that students who are matriculated into the joint PSU-OHSU MBA in Health Care Management will have full access to OHSU Library resources, including electronic resources.

It is our understanding that students information in this program will reside in the OHSU Banner system as well in the PSU system. This will give them access to OHSU electronic library resources. In addition, we also understand that PSU faculty who teach in the program will be appointed as adjunct faculty at OHSU. This will also give them access to the OHSU Library and its electronic resources.

Sincerely yours,

Jim

James E. Morgan
University Librarian
To: Sully Taylor  
Associate Dean  
School of Business Administration  
660D SBA

From: Helen H. Spalding University Librarian/Professor

CC: Kerry Wu, Business & Economics Librarian, Gretta Siegel, Science Librarian/Professor, Graduate Council Library Representative

Date: 3/27/2008

Re: Library Support for Proposed joint MBA degree in Health Care Management with OHSU

This memo assesses the ability of the Library to support a Master of Business Administration (MBA) in Health Care Management degree program to be offered jointly by the Oregon Health & Science University (OHSU) Department of Management in Science & Technology and the Portland State University (PSU) School of Business Administration (SBA).

Executive Summary

The current library collection provides sufficient business-related (both print and electronic) resources for the new program. Resources pertaining specifically to health care management will be provided by OHSU. The new program will have minimal impact on budget, acquisitions, and personnel. The students must be enrolled at PSU to have full access to the Library resources, both in print and online, on campus or remotely.

Other than increased inflation costs in 2008/2009 of about 8% for journals and databases and 4% for monographs, the School of Business Administration is relatively well supported by the Library. As described in the proposal, the proposed joint MBA degree in Health Care Management with OHSU should not require additional Library resources.

Assessment

Funding

Library fund allocation for SBA for the 2007-08 academic year is $156,733.10, 90% of which ($142,407.88) is committed to journals and databases. In addition, the Social Sciences Cluster fund spent over $180,000 on interdisciplinary databases and journals that benefit the business field, including over $50,000 on key business databases, such as Hoover's Online, Investext Plus, and Standard & Poor's Industry Survey. Furthermore, the Core Fund ($574,975.00) also pays for big-ticket business
items such as *Wall Street Journal*, *ReferenceUSA*, and *STAT-USA*. Although there is always the need for more resources, currently these funds provide sufficient support for the research and curricular needs of the SBA.

**Existing Resources**

The Library has a substantial number of resources in the field of business. A search in the catalog (Vikat.pdx.edu) conducted on March 16, 2008 yields the following results:

<table>
<thead>
<tr>
<th>Call Number Ranges</th>
<th>Subject Areas</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD,HE</td>
<td>Industries, Labor, Transportation</td>
<td>34137</td>
</tr>
<tr>
<td>HF</td>
<td>Business Accounting, Marketing</td>
<td>13,849</td>
</tr>
<tr>
<td>HG</td>
<td>Finance</td>
<td>8666</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>56,652</strong></td>
</tr>
</tbody>
</table>

The items can be books or journals, both online and in print.


Major interdisciplinary databases related to business include: PAIS, PsycINFO, CQ Researcher, other EBSCOhost databases, and more.

The books, journals and databases cover all business disciplines, including the ones mentioned in the proposal: Leadership and Management; Financial Management; Marketing, Business Planning, and Strategy; Operations, Quality, and Information Technology.

It is understood that resources related to healthcare ("Understanding the Health Care Industry") should be primarily provided by OHSU. However, the PSU Library does have an existing, if minimal, coverage on this area. Information on the healthcare industry is available from business databases such as *Business Source Premier*, *LexisNexis Academic*, *Hoover's Online*, *Standard & Poor's NetAdvantage*, *Investext Plus*, and *Mintel Reports*. Furthermore, the PSU Library also offers databases covering the following subject areas: community health, Medicine, and Health Education. Core databases in these areas include: *Medline*, CINAHL *(Nursing & Allied Health)*, *Health Source (Consumer Edition)*, *Health Source (Nursing/Academic Edition)*, and *Alt Healthwatch*. 
Impact on Non-Material Library Resources

The impact on the Business & Economics (BE) Librarian's time is not significant. The impact on time for ordering materials is not expected to change dramatically. For reference & instruction, the BE Librarian will continue to provide personal appointments on general company and industry research to individuals and groups, as well as workshops to classes. However, the more in-depth "healthcare management" type questions/instruction should be handled by OHSU staff because of their richer resources and higher expertise.

Budgetary Considerations

In the increasingly digital and "vendor package"-driven environment for journal subscriptions, it is impossible to say that there will not be more subscriptions desired. However, the collection focus is in a constant state of flux based on the changing directions, needs and interests of teaching and research from the SBA and its faculty. Therefore, it's possible that less relevant resources will be dropped to balance the budget and collection composition. Currently, the Library's coverage on businessrelated subjects for the SBA is significant enough for one to assume that, other than accounting for inflation (8% increases for journals and databases, and 4% increases for monographs in 2008/2009), there will be no net increase in journal/database subscriptions to support the joint MBA program.

Other Possible Concerns

The students must be enrolled at PSU to have access to the PSU Library collection, both in print and online, on campus and remotely. If students are not on the PSU Banner system (i.e., not enrolled at PSU), per PSU Library's database licensing agreements, they won't have remote access to electronic resources (databases and electronic journals). As enrolled PSU students they are also eligible to do SUMMIT loan or Interlibrary Loan. The current target number of graduates proposed (35-40) should not have a significant impact on the prices of licensed databases.

Conclusion

The PSU Library has sufficient existing resources to support the "business side" of the program, as long as OHSU provides resources and support on topics specifically related to healthcare. The proposed joint MBA degree in Health Care Management with OHSU should not require additional PSU Library personnel or acquisitions.
Appendix IX

External Review Committee Report and Response
MBA in Health Care Management

Oregon Health & Science University  Portland State University

July 25, 2008
The External Review Process

The process for the external review of the proposed MBA in Health Care Management consisted of the following steps:

1. Permission was granted by the Oregon University System Council of Provosts to do an “abbreviated review.” Such a review would not require the review committee to come to Portland.
2. A three-person review committee, consisting of the following experts in health care management, was established:
   - Amy Edmondson, PhD, Professor, Harvard Business School
   - Richard Levy, PhD, Chairman and retired CEO, Varian Medical Systems
   - Richard Lindrooth, PhD, Director, Center for Health Economic and Policy Studies, Medical University of South Carolina
3. The committee was sent a copy of the proposal and a collection of faculty curricula vitae. Also included were the specific questions and criteria specified by the OUS to be addressed in the review.
4. The individual committee members submitted their written responses. In one case a telephone interview between the committee member and program director, James Huntzicker, was conducted, and the written response was constructed from the notes of that interview.
5. Using the individual responses, the MBA Program Development Committee wrote a draft report and revised the degree proposal accordingly.
6. The draft report and revised proposal were sent to the External Review Committee on July 21, 2008.
7. On July 24, 2008, the External Review Committee and the Program Development Committee reviewed the draft report and made final changes in both the report and the proposal as necessary, resulting in this final report.

Summary

The consensus of the External Review Committee was that the proposal addressed an important need, was well designed, and should succeed. Specific concerns were identified by the individual reviewers, and the most important were the following:
- Not enough involvement of physicians as instructors and students.
- Insufficient focus on managing operations, including process improvement and metrics.
- Establishing the proper context for teaching “innovation” in health care.
- Not enough faculty dedicated to the program.
- Lack of support for faculty scholarship.

All concerns were addressed on a point-by-point basis in the body of this report, and the proposal has been modified to incorporate those responses. Additionally, this report has been included as Appendix IX in the final version of the proposal.

The External Review Committee concludes that the needs for this program and the programmatic strengths far outweigh the weaknesses, and the Committee recommends that the proposal for the establishment of an OHSU-PSU MBA in Health Care Management be approved. See confirming e-mail approvals in Appendix IX. A.
Comments by Richard Levy, PhD

(In the text below the plain type represents the comments of the reviewer. The bolded type is the response of the Program Development Committee. The underlined text refers to the specific criteria identified by OUS.)

General Observations:
This is an ambitious program which is greatly needed and will almost definitely improve health care delivery. It could be further strengthened by several additions and/or enhancements:

- More emphasis on the techniques of process management and process improvement.

Managing health care operations will be one of the cornerstones of the program. Three courses will deal with process management and process improvement. These are ISQA 552 Managing Operations and the Value Chain in Healthcare, BMI 557 Health Care Quality, and MST 562 Health Care Program Management. ISQA 552, in particular, deals with the application of process improvement methodologies (e.g., Lean/Toyota Production System and Six Sigma) to health care situations, including metrics for tracking and measuring improvement. The syllabus for MST 570 (Operations & Quality Management in Healthcare), which is essentially the health care version of ISQA 552, is included as Appendix IX.B in this report and as Appendix IV in the revised proposal.

- As many physicians as possible enrolled in the courses and teaching the courses.

Our intention is to have physicians comprise about a third of the cohort, and our early recruiting efforts indicate that physicians are interested in the program. However, it might take several years to achieve this goal. Importantly, however, we want the class mix to be representative of the management cadre typically found in health care organizations. In addition to physician managers, this includes nurse managers as well as administrators who might not have a specific health care background but who work in a health care organization. The Dean of OHSU’s School of Medicine has initiated a scholarship program to support several faculty in the initial cohort of the MBA, most of whom are likely to be physicians.

In regard to physicians as instructors, we want to use them where appropriate. Currently, we have three physicians involved in teaching. (This is an increase from the original proposal.) Dr. Thomas Culhane, a practicing primary care physician who recently completed the Master of Science in Health Care Management at Harvard School of Public Health, will co-teach MST 560 Organization, Financing and History of Health Care in the United States. He will also teach the new course, Payment Systems in Health Care. Dr. William Hersh, who is Chair of the OHSU Department of Medical Informatics and Clinical Epidemiology, will teach ISQA 551 Management Information Technology. Dr. David Dorr, who is a practicing internist and assistant professor in the Department of Medical Informatics and Clinical Epidemiology, will co-teach BMI 557 Health Care Quality. Another possible physician instructor is John Ma, MD, who has introduced new management concepts (Lean, Good to Great, etc.) into the Department of Emergency Medicine. Additionally, as discussed below, additional physician involvement will be provided via physician guest speakers.

However, there are other areas where we believe that non-physicians would be more appropriate as instructors. For example, we want to expose the class to good management
practices found in other industries that might be appropriately adopted by health care. Thus, Michael Neal, a retired Director of Product Quality at Intel, has been teaching a health care operations management course at OHSU for several years and has become familiar enough with the medical environment that his students can effectively learn and apply such concepts as the Toyota Production System in their work. Another area where the primary instructors will not be physicians is in the leadership and management courses. This is an area where both PSU and OHSU have significant, real world strength. However, even in this area we will seek out physicians who can serve as guest lecturers (e.g., as noted below, Dr. Ron Stock).

- More emphasis on the differences between classical business management and healthcare management:
  - Doctors are not employees and must be managed differently than employees;
  - Patients are not educated consumers—the laws of supply and demand do not usually apply;
  - There are immense variations in practice and fewer recipes for success.

This is an important point and will be addressed in multiple courses including MST 560 Organization, Financing and History of Health Care in the United States and Mgmt 550 Organizational Management. The instructor for Mgmt 550, Dr. Niki Steckler, is an expert on communication and collaboration across professional boundaries. Particular attention will be given to the evolving importance of care delivery teams, and Dr. Ron Stock, who is Medical Director of the Gerontology Institute at Sacred Heart Medical Center in Eugene, Oregon, and an expert on medical teams, will be a guest speaker.

1. Program objectives and requirements
The main objective is to improve quality, access, cost, and compassion in health care delivery. This will require many changes. Since physicians are the heart and soul of any health care system, their resistance to change can sabotage the good intentions of better management and their leadership of change can catalyze progress.

- There should be an emphasis on including doctors in the student mix and in the instructor mix.

See comments above.

- I am also concerned about the program losing focus if the student composition includes people from the insurance industry, the pharmaceutical industry, or the medical device and equipment industry.

This is an important concern. Our hypothesis was that the students, who will derive much of their learning from their fellow students, would benefit by socializing and working with students from very different parts of the industry (e.g., physician managers, health care finance managers, insurance company managers, etc.). Given the demographics in our region, we expect the number of students from payer organizations and bioscience firms to be small, with the majority of each cohort likely to be employed by regional health care provider organizations.

- According to the proposal, the evaluation of whether the program meets the objectives depends mostly upon surveys and subjective comments. Since many of the students will already be in
management positions, it would be appropriate to ask each student to set a specific, measurable goal for improvement of some metric and to report on progress.

This is a good suggestion. We will do this as part of the program orientation during the students’ first residency in October 2008, and revisit it again in the context of BA 508 Leadership Development and Assessment, which is taught in the second term, and in Mgmt 550 Organizational Management, which is taught in the final year of the program.

2. **Alignment with the institution’s mission and strategic objectives.**
   - The mission of “improving health for all Oregonians” is pretty broad. It could include reducing the speed limit, outlawing fast food facilities, criminalizing smoking, screening for genetic defects, etc. Wouldn’t it be better to focus on improving the quality, access, and cost of the healthcare delivery system?

See discussion for next bullet. The mission of OHSU is indeed broad (including among other things “improving health for all Oregonians”), but as noted below the mission of the MBA in Health Care Management is much more focused.

- The six bullets at the top of page 8 are excellent. Why not state those as the objectives?

  **The following text has been inserted on p. 6 of the proposal.**

The mission of the program is to train students who are highly capable of managing in their respective organizations but who are also capable of driving the changes necessary to improve access to health care, reduce its cost, and improve its quality. More specifically, we want our graduates to be capable of:

- Improving medical outcomes
- Delivering higher quality of service
- Controlling or reducing the cost of health care
- Improving patient experience
- Improving provider experience
- Fostering economic development in Oregon by laying the foundation for a more rational, cost effective health care system

To this end, graduates of the program will acquire:

- A systemic understanding of the American health care industry and the characteristics of that industry which distinguish it from other economic sectors
- The relevant business knowledge, skills, and tools to be effective managers in health care
- The required interpersonal and organizational skills to manage cross-professional teams and lead change in health care organizations.

- I am also concerned about the traditionally academic emphasis on innovation. There are many, myself included, who believe that too much innovation is one of the causes of the problems in health care. It has led to increased specialization among doctors, higher costs, increased variability in practice, irrational reimbursements, and competition between providers who should be sharing resources. There should be more attention devoted to better use and understanding of current technology as opposed to innovation of new technology.
Our intention is to focus on process innovation rather than innovation in the creation of new technologies. See discussion under next bullet.

- If the word “innovation” is used, it should refer as much or more to process innovation as to product innovation.

These two bullets are very important, and we agree completely with them. To that end, the course, Mktg 511 Pioneering Innovation, will focus primarily on process innovation and how that can be achieved in health care. This course will also be a vehicle for leveraging OHSU’s strength in primary care and family medicine, which must be at the core of a re-designed delivery system. The role of technological innovation in health care, including the influence of new technology on the cost of health care, will also be treated in this course. Particular attention will be give to how to make informed, evidence-based choices when selecting new technology. This course will be co-taught by Dr. Ronald Sakaguchi, DMD, PhD, MBA, of OHSU who is an expert on disruptive innovation in health care.

3. The depth and breadth of coverage......within and external to the institution.

- I’m concerned that there is too much piggybacking on existing courses and instructors. There are huge differences in the requirements for being a change agent in industry and being a change agent in a health care provider. I’d suggest that more doctors who are successful health care leaders be brought in for guest presentations, e.g. visionaries like Gary Kaplan, Jack Wennberg, Don Berwick, or hospital CEOs who have successfully turned around ailing hospitals like Lee Domanico (late of Legacy in Portland).

The curriculum has been designed in part to leverage existing PSU MBA courses and the OHSU Certificate in Health Care Management courses. Rather than start completely from scratch, our proposed program builds on the foundation of the existing MBA at PSU and the Certificate in Health Care Management at OHSU. An advantage of this approach is its expeditious approval through the both the PSU and OHSU processes and its accreditation (AACSB) from the beginning.

Nonetheless, we recognize the important differences between health care management and other types of management, and each course taught in this new MBA offering will have the health care industry and context woven throughout the course content. Thus, the standard MBA courses (e.g., Managing Operations and the Value Chain) will incorporate examples of health care case studies and challenges, taught by a high proportion of instructors who have experience in health care organizations. In other words, although the first round of courses will be built on the existing MBA foundations, cases, examples, and guest speakers will come primarily from health care. The principal exception to this will be when we want to focus on something from another industry that can be applied to health care. Once the Health Care version of each MBA course has been taught we will begin the new course initiation process to add new specialized course descriptions into the course catalog at PSU.

As discussed below, extensive use will be made of guest speakers in all the courses. One course in particular, however, BA 531 Executive Briefings, provides an opportunity to expose the students to “luminaries” of health care management. To the maximum extent possible, we will involve luminaries who are resident on the West Coast (e.g., Lee Domanico, formerly
of Legacy Health System, Gary Kaplan, MD, CEO of Virginia Mason Medical Center, etc.) It would also be highly desirable to bring others (e.g., Don Berwick, MD, of IHI, Jack Wennberg, MD, Dartmouth, Ezekiel Emmanuel, MD, of NIH) to speak as guest lecturers in the program, but we will have to do some fund raising to support this.

4. **The relationship of this program to other programs**
   - Same comment as above. If anything, the relationship is too close.

As noted above (#3), the new program is built on the foundation of the existing PSU MBA program. In order to expedite approval on the PSU side, the same course titles that are present in the standard MBA courses were used. However, special versions of these courses, (including the accounting and finance courses) that focus on the application of the business and management fundamentals to health care will be actually taught. Thus, cases, examples, and guest speakers will come primarily from health care. After the first go-round of the courses and the learning that results from that experience, new courses with health care appropriate titles will be developed to distinguish them from the generic MBA courses. For example, *Managing Operations and the Value Chain* will become *Managing Operations in Health Care*. *Pioneering Innovation* will become *Developing New Services, Processes, and Products in Health Care*. These courses will have as their foundation the principles of business and management as found in any MBA program but will be taught in the context of health care. Each of these new courses will be approved by the appropriate committees at both PSU and OHSU.

5. **The justification in terms of state needs**
   - The justification appears compelling based upon the statistics presented. Not counting physicians’ practices, there is one manager for every 44 people. A very efficient manufacturing company would strive for a ratio like that, but health care is not an efficient industry.
   - Oregon is already acknowledged as having one of the better health care systems in the country. Amplifying that superiority would benefit Oregonians as well as setting an example for other states.

Our curriculum will highlight Oregon’s strength as a health care innovator by using Oregon health care reform as an in-depth case example of health care innovation. For example, the Fall 2008 offering of MST 560 *Organization, Financing and History of Health Care in the United States* will use both national and Oregon state legislative proposals for health care reform as lenses through which students come to understand the current systems and the implications of proposed changes.

6. **The probable impact of the program on current programs**
   - As stated above, the estimate of incremental costs may be too low. However, it is possible that the incremental revenue will be higher than expected if the program is branded properly and shown to be successful.

This is the essential marketing challenge that the program faces. Preliminary evidence suggests that in the first year or two there might be substantial pent-up demand. However, in subsequent years, dedicated and professional marketing will be necessary, and it is possible
that more resources will have to be committed to this. If necessary, we will re-direct salary support from the academic director to the marketing budget.

7. Faculty
   • Of the 27 faculty members involved, only one is an MD. To me, this is the biggest weakness in the program. Many of the most successful providers have MDs as leaders. The program needs to attract local MDs into the courses and they would be attracted to some extent by having respected MDs teaching some of the sessions.

   As noted above, the revised version of the proposal now has three—and possibly four—physicians as instructors. Wherever possible as we add to our faculty, we will seek additional physician and nurse leaders as instructors. Additional input from physicians will be sought through guest speakers as discussed below.

   • This weakness could be diminished by bringing in prominent guest speakers.

   The program will make substantial use of guest speakers, including a significant number of physicians. Possible guest speakers include the following:

   Charles Kilo, MD, CEO Greenfield Health System, CEO Trust for Healthcare Excellence, and former Vice President Institute for Healthcare Improvement (IHI). Dr. Kilo has a close relationship to Don Berwick, MD, CEO of IHI. We will work with him to find a way to bring Dr. Berwick to Portland.

   John Saultz, MD, Head, Department of Family Medicine, OHSU

   Ed Wagner, MD, Group Health Cooperative, Seattle (Dr. Wagner is the originator of the “chronic care model.”)

   Ron Stock, MD, Medical Director, Gerontology Institute, Sacred Heart Heart Medical Center, Eugene, Oregon (expert in care delivery teams)

   Glenn Rodriguez, MD, Chief Medical Officer, Providence Health & Services, Oregon

   J. Bart McMullan, MD, President, Blue Cross Blue Shield of Oregon

   Ralph Prows, MD, Chief Medical Officer, Regence Blue Cross Blue Shield of Oregon

   James Tuchschmidt, MD, Executive Director, Portland VA Medical Center

   Jody Pettit, MD, Health Information Coordinator, State of Oregon

   Richard Gibson, MD, Chief Information Officer, Legacy Health System

   Homer Chin, MD, Medical Director, Clinical Information Systems, Kaiser Permanente Physician Group

   Cynthia Grueber, MBA, Chief Operating Officer, OHSU Healthcare
Pam Vukovich, Interim CEO, Sr. Vice President, and CFO, Legacy Health System

Deryl Jones, CEO, Adventist Medical Center

Pam Marlea-Nason, RN, MBA, Director, Public Policy & Community Affairs, CareOregon

David Witter, MBA, Oregon Healthcare Quality Corp., former Executive Director, OHSU Hospital

Rick Bentzinger, VP Human Resources, OHSU (expert in managing lean process improvement)

Gil Munoz, MPA, CEO, Virginia Garcia Clinic (a safety net clinic)

Also, as stated above, there seems to be an emphasis on technology savvy instructors but not on process management, i.e., faculty members who are knowledgeable about manufacturing, lean six sigma, pull systems, etc. My bias here is based upon my knowledge of radiation therapy, where an efficient institution can do a treatment in 10 minutes while others take 35 minutes for the identical treatment. My experience has been that very few institutions know how to fix a problem like this.

Process management will be an important part of the curriculum. The director of this part of the program is Michael Neal, who, as noted above, was formerly Director of Product Quality for Intel. Since retiring from Intel, he has taught Operations Management and Quality Management courses for the OHSU Division of Management. He has done significant internal consulting within OHSU on the application of Lean, Six Sigma, and other operations methods to improving the efficiency and quality of both clinical research and health care delivery in OHSU. He will be responsible for insuring that the appropriate health care process perspectives are present in the following courses:

- Operations Management and the Value Chain
- Pioneering Innovation
- Health Care Quality
- Management Information Technology
- Program Management in Health Care

In other courses where the primary instructor comes from a non-health care background, we will use co-instructors and/or guest speakers who can speak about the specific application of the particular course (e.g., Mktg 544 Marketing Research and Strategy) to the health care environment. In all courses we will require the instructors to include in an appropriate way the themes of cost, quality, and access and how their specific courses relate to driving change in these areas. Moreover, we will require the instructors to address the important ethical questions that are always present in health care, remembering that the ultimate bottom line is value to the patient but at the same time recognizing that there in no mission without a margin.
I cannot comment on the quality of the individual faculty members. But my evaluation would be based upon the following key points:

- Under leadership and management: teaching the importance of connecting mission, vision, strategy and tactics, communicating the connection, and benchmarking best practice of other institutions.
- Under operations and information technology: teaching the techniques for reducing unwarranted variability in medical practices and protocols.
- Under payment systems: explaining the complexities of billing and coding (this could almost be a course by itself).
- Under Marketing 511, Pioneering Innovation: I’d prefer “Rationally controlling the use of innovation.”
- Under marketing research and strategy: coverage of branding, physician communication, and patient communication—all very important parts of a marketing plan.
- Under MST 560, Organization…: pros and cons of different organizational and governance structures in health care. Probably would best be taught by someone who has been there and done that.
- The new course, Payment Systems in Health Care, looks excellent. This is a good example of a course with little or no overlap in a traditional MBA program.

These are all appropriate suggestions and will be incorporated into the referenced courses. MST560 and other courses will be explicit about the different organizational structures and practices required for managing a group practice or independent practice association as contrasted with managing a hospital.

We expect that the projected positive margins for the program in Years 3 and beyond will allow the program to add dedicated faculty, who will build strong research programs in health care management, with particular emphasis on managing delivery systems, processes, and quality. Any research conducted in the department will be strongly based in practical application to actual health care delivery. The ideal faculty person in this regard would be someone who combines real world experience in health care management with the appropriate academic credentials. The addition of such faculty could form the basis for a PhD program in health care management several years into the future.

8. Need

- Part of the problem in health care is that few people realize that our system is on a burning platform. Doctors have secure jobs and good compensation, most hospitals have good EBITDA; insurers and big pharma are making good profits; and patients who have insurance are largely satisfied with their doctors and not looking for change.
- The biggest demand for a program like this would possibly come from mid-level managers in physician groups or from providers, people who are struggling with problems and not seeing continuous improvement. Some demand can be created by targeting this group, which appears to be the intent of the program.
- A second part of the demand might come from doctors who are disillusioned by being doctors and want to get into management. In my experience this is an increasing number given the administrative complexities and the fear of malpractice suits.
• A third stimulus for demand would be successful execution of application projects. If patient throughput, patient satisfaction, employee satisfaction, or similar metrics can be improved in one department via an application project, this will provide convincing evidence that the program works.

• Few people would disagree about the need for and value of a course like this. If the strategies for marketing the course are well conceived and executed, the demand will be there.

We agree with all of the above. The point about Application Projects is particularly important. Not only do we want to anchor the learning back into the work environment as strongly as possible, but we also want the employers, many of whom will be providing tuition reimbursement, to realize immediate value from their investment.

9. Resources

• The quantity of resources planned seems adequate. My comments above refer to the quality. With regards to source materials and textbooks, there are hundreds, maybe thousands of books written about how to fix the ailing healthcare system. A few are mentioned in the program description. The problem won’t be finding the resources; it will be choosing the best ones.

• I do believe the program can and should be self sustaining, if not in the first year, shortly thereafter.
Comments by Amy Edmondson, PhD

(In the text below the plain type represents the comments of the reviewer. The **bolded type** is the response of the Program Development Committee.)

1. Program goals are good.

2. The fact that this is truly a joint program with courses coming from both schools is a strong point.

3. The focus on working professionals is appropriate.

4. Evaluation is very important. How will you know that you are positively impacting a student’s career trajectory? If possible, it would be interesting to follow longitudinally your graduates’ careers as well as the careers of people who were accepted into the program but chose not to attend.

**We will develop a mechanism for staying in touch with our graduates and at a minimum will communicate with them annually. Following people who did not accept our offers will be more difficult. We will examine the feasibility of engaging these non-matriculants and obtaining their agreement for us to track their careers. It will be difficult to tease out the differential impact of the MBA in Health Care as compared to other graduate management degrees that non-matriculants might pursue, and at the same time we agree that this goal is well worth pursuing.**

5. The courses dealing with leadership and management should recognize the following points:
   - Leadership in health care is weird and messy.
   - The inter-professional dynamics of management in health care are unique and challenging.
   - The pace of change of knowledge is staggering.
   - Individual managers must “do a lot of doing.” They must be hands-on.
   - The nature of care delivery is increasingly complex.
   - Team decision making and leading change is essential.

**We agree with these observations about the specialized leadership challenges in health care. Courses including Mgmt 550 Organizational Management will utilize adult learning methodologies aimed at enhancing students’ cognitive, affective, and behavioral learning about effective inter-professional communication and collaboration.**

6. The course “Managing Medicine” by Richard Bohmer, MD, of Harvard is a good model of the type of course that should be taught in the curriculum.

**We have contacted Dr. Bohmer, and he has graciously supplied us with his syllabus. This syllabus has a wealth of Harvard cases and publications and is applicable across a major part of our curriculum. We will identify appropriate opportunities for these concepts and teaching materials to be woven throughout multiple courses in our curriculum.**
Comments by Richard Lindrooth, PhD

In the text below the plain type represents the comments of the reviewer. The **bolded type** is the response of the Program Development Committee. The underlined text refers to the specific criteria identified by OUS.

**1. The program objectives and requirements; the mechanisms for program administration and assessment.**

The program is targeted at healthcare professionals in the Portland Metropolitan Area. Currently OHSU offers an M.S. in Management program with a healthcare management certificate; this program will convert this certificate into an actual MBA degree. It will allow the students to take more courses in the MBA curriculum that are specifically tailored to the business of healthcare. Such a course of study is not currently available beyond the certificate program. The increased focus on the business aspects of health care will undoubtedly draw additional students to the MBA degree and improve the quality of health care management in the Portland area.

There will be an academic committee consisting of faculty from OHSU and PSU and an outside member representing the health care field. This committee will be responsible for operations. Curriculum will be approved by committees from both OHSU and PSU with final approval granted by the OHSU’s MST Department Head and the Associate Dean at PSU’s School of Business Administration.

The administration of the program is sufficient to be successful. The head of OHSU’s Division of Management will be the program director. This position is expected to grow to 50% FTE as the program grows. There will also be a full-time staff member and a half-time student at OHSU to help with admissions, student advising, faculty support and recruitment, and other administrative duties.

**The administrative aspects of the program were kept intentionally lean but should be adequate to conduct a high quality program.**

**2. The program's alignment with the institution's mission and strategic objectives.**

The program is clearly aligned with the mission and strategic objectives of both institutions. It is a natural fit for both universities as it builds upon the health care strengths and focus of OHSU and the business/management strength of the PSU SBA. In particular, it is a natural way to contribute to OHSU’s strategic objective of offering top-tier educational programs to train health professionals, scientists, engineers and managers and PSU’s objective to enhance the economic vitality of the region.

**One of the original motivations for the program was to leverage OHSU’s recognized strength in primary care. With the growing attention focused on primary care as the centerpiece of a re-designed delivery system, the role of effective management in health care operations is even more important.**

**3. The depth and breadth of coverage in terms of faculty availability and expertise, regular course offerings and directed study, and access to and use of support resources within and external to the institution.**

The program has both the depth and breadth of faculty expertise to adequately staff the courses. All of the fields sufficient for AACSB accreditation are represented at PSU; this expertise is combined with both the clinical expertise at OHSU as well as expertise in engineering management; health informatics; health economics. The program will be housed at OHSU where it clearly has support from several
departments. In addition, the PSU SBA clearly supports the program and shares in its administration and oversight. The expertise at PSU supplements the existing OHSU faculty to round out the program.

AACS B accreditation is the hallmark of all top-tier MBA programs, and it was felt essential to have this from the beginning.

4. The relationship of this program to undergraduate and other graduate programs at the institution, and other institutions in the state, if appropriate. Consider collaborative arrangements, partnerships, interdisciplinary programs, service functions, joint research projects, support programs, etc. This program is clearly an interdisciplinary, collaborative effort between OHSU and PSU. The partnership is clear and well documented and is likely to be successful. It seems likely that joint research collaborations will evolve out of the program as it grows.

5. The justification in terms of state needs, demand, access, and cost-effectiveness (if this program represents System duplication). The appendices in the report credibly measure the expected demand. The program has clearly differentiated itself from existing programs in the Portland area as well as the state. The MBA is targeting students who will manage health care organizations in the private sector. The existing health track within the MPA program is more focused on persons in the private sector who do not need in-depth training in finance and accounting. The program improves upon the existing health track within the MBA because the courses will be focused on health care management. The private health care sector is unique in that there are many non-profit organizations and the financial and accounting issues are quite different than other businesses. Furthermore, reimbursement, licensure and staffing issues are also quite different in health care compared to other industries.

There is a Master’s in Public Health degree with a health administration and policy track at Oregon State University. The curriculum of the MPH is more similar to PSU’s MPA than the MBA. Clearly the MBA curriculum fills a niche that is currently not being offered elsewhere. The MBA curriculum is focused more on the usual business school strengths such as finance and strategy. These additional courses will be useful for students who intend to work in other settings, as well as hospital settings. The MBA is focused on managers in early-stage management positions whereas MHA students tend to be younger and often go on to do administrative residencies.

As noted in the original proposal, we will continue to seek opportunities to collaborate with faculty in the Oregon MPH program wherever appropriate.

6. The probable impact of the program on the department or academic unit, as well as its effect on current programs. The program will undoubtedly have a positive effect on the PSU SBA and OHSU’s Division of Management and other departments. As stated above the program will be a platform for future interdisciplinary research collaborations across the institutions. In addition, the additional classes could increase the financial stability of the department because tuition revenues are more stable than grant and contract revenues.

The program is budgeted to have a positive carryover that will grow over time. This budget is realistic. OHSU and PSU will invest $50,000 a piece to get the program started. This initial investment will cover the cost of getting the program up and running.
We expect that the projected positive margins for the program in Years 3 and beyond will allow the program to add dedicated faculty, who will build strong research programs in health care management, with particular emphasis on managing delivery systems, processes, and quality. See also page 9 of this report.

7. The program’s major strengths and weaknesses.

The strengths of program include:
- MBA Curriculum focused on the Health Care Industry
- Need for such a program in the Portland Area
- Designed to fill a niche that is currently only partially filled by the Health Care Management Certificate
- Combination of OHSU’s and PSU’s strengths
- Potential for interdisciplinary research and collaboration
- Likelihood of success

The weakness of the program:
- Lack of funds to support faculty scholarship
- Few dedicated faculty assigned to the program

The weaknesses reflect the difficulty of starting a program that is to be sustained in a tuition-sharing model when tuition is set at state-supported levels. It would require an unrealistically large investment to assemble faculty prior to the start of the program. Over time, the program would need a mechanism to bring in additional dedicated full-time faculty involved in active health administration research, consulting and teaching to achieve national stature. This would improve the quality of the education and health care delivery in the state as whole. Overall the strengths outweigh these weaknesses.

If the program achieves its financial goals, it will generate sufficient funds to hire dedicated faculty. The OHSU Division of Management also intends to pursue philanthropic funding to support faculty expansion. Faculty who are hired in this way will be expected to develop an active research program through grant and contract-based funding. It is also worth noting that tuition for the program is not set by the state but by the two institutions’ assessment of market forces; so there will be no regulatory limits on the financial success of the program.

Continuity of faculty is an important goal for us. In addition to expanding the dedicated faculty, we will also seek to engage existing faculty in the mission and vision for this program as well as to ensure that their teaching experiences are sufficiently rewarding to attract their continued involvement with the program. Where appropriate we will seek courtesy joint appointments across the universities as an acknowledgement of the faculty members’ continuity of engagement with the program.

Faculty

1. The quality of the faculty in terms of training, experience, research, scholarly contributions, ability to generate external support, stature in the field, and qualifications to serve as graduate faculty.

The proposed faculty members are well-qualified to teach the proposed courses. The OHSU faculty members generally have terminal degrees in their respective fields. They also have an impressive record of research that is directly related to the proposed curriculum. They have assembled an excellent group
that is unusually well-qualified, despite the fact that it is a new degree. The PSU faculty is similarly well-qualified. They already meet the accreditation standards for the MBA degree and most faculty members have terminal degrees in their respective fields. The PSU faculty members also have been active scholars in their respective fields.

2. The faculty in terms of size, qualifications for area(s) of specialization offered, and the student body served. Include analysis of program sustainability in light of such factors as upcoming retirements, etc. As stated above, the program could be improved if it had more dedicated faculty. Currently the faculty is spread throughout OHSU and will likely have multiple responsibilities beyond the proposed program. Similarly, the focus of the PSU faculty is on the general MBA and additional faculty dedicated to the Health Care MBA would improve the degree. Nevertheless, this situation is not unusual for a new program. However, over time it could be difficult to find faculty to teach the courses if there aren’t more full-time faculty dedicated to the program.

3. Areas of faculty strength and weakness. The strengths include:
   • Quality of research relevant to the degree by existing faculty
   • Preponderance of faculty with terminal degrees
   • Reasonable use of adjunct professors

   The weaknesses:
   • Few full-time faculty dedicated to the degree

   The strengths of the faculty greatly outweigh the weakness.

   Faculty growth will occur as the result of significant margins from the program’s operations and/or from philanthropic support. New faculty hired by the program will be expected to develop externally fundable research programs.

4. Faculty workload, including availability for student advising, research oversight, mentoring, and teaching effectiveness. The PSU faculty will teach the courses as an add-on and be compensated for their effort. The OHSU faculty will also be compensated though some will likely use the compensation to offset other responsibilities. The program will be physically located at OHSU where faculty will be available to advise students. Student research oversight and mentoring is generally not a large issue with an MBA degree. Nevertheless, the research-focus of OHSU will give students opportunities for research if they desired.

5. The credentials, involvement of, and reliance upon support faculty from other departments within the institutions, from other institutions, and/or adjunct faculty. The reliance on adjunct faculty is reasonable for a new, professional program. The program will rely on faculty from several departments at OHSU and the PSU SBA. Ideally, there would be more faculty dedicated to the program at OHSU. However, it is not unusual to piece together faculty across departments to start a new degree.

   See above comments regarding dedicated faculty.
Need

1. The evidence that there is significant demand for this program.
The demand for the program is well-documented. Based on interviews with key stakeholders and an assessment of current health care facilities it is clear that there is sufficient demand to sustain the program. Furthermore, the majority of cities the size of Portland have a dedicated health care management degree (either health-focused MBA or a Master’s in Health Administration). The lack of such a degree is the exception, rather than the norm.

2. The evidence of sufficient and relevant employment opportunities for graduates of this program.
The curriculum of the program is designed with ultimate employment opportunities in mind. Many of the students will already be employed at the beginning of the program. The health care industry will likely grow in importance over time and there will likely be a growing demand for individuals with graduate business training.

3. The overall need for the program within the institution, the Oregon University System, state and/or region, and nation.
As stated above there is a well-documented need for the program in the institution, the Oregon University System and state. The program is also likely to draw students from Washington State proximate to Portland. This program fills a niche that is currently only partially filled by the existing certificate. The needs of the target student population are unlikely to be filled by programs in Seattle and elsewhere in the region.

The State of Oregon is embarking on another round of health care reform, and we want our faculty and students to be participants in that effort. Moreover, the hybrid delivery format should allow us to draw students from the Seattle area and throughout the Northwest.

Resources

1. The adequacy of library, computer, laboratory, and other research facilities and equipment; offices; classrooms; and support services for the program; and, if relevant, the program’s utilization of resources outside the institution (e.g., field sites, laboratories, museums, libraries, and cooperative arrangements with other institutions).
The facilities are top-notch. There are no concerns in this area.

2. The proposed budget and any need for new resources to operate the program effectively. Where appropriate, review resources available to support graduate students (e.g., fellowships and other scholarships, teaching and research assistantships).
The proposed budget is reasonable for a professional program. Teaching and research assistantships are not relevant. Over time the program would be improved if scholarships were made available for exceptional students.

3. In terms of national standards, the institution’s commitment to the program as demonstrated by the number of faculty relative to workload and student numbers, support for faculty by nonacademic personnel (e.g., support, staff, technicians), financial support for students, and funds for faculty research and professional activities (e.g., conferences, visiting lectures).
This is a new program and institution has demonstrated commitment to the departments that house the faculty. The existing department structure will be leveraged to make it possible to attain the national standards. Over time, as the program grows, more resources will need to be devoted to faculty in order to avoid potential problems of finding faculty to teach the courses.

4. Institution leaders' commitment to this program in the long term.
This program is designed as a self-support program. The institutions have committed to the program as long as it is supported by tuition revenues.

5. The institution's ability to sustain the program in the foreseeable future along with its current and future projected commitments.
Both institutions have the ability to sustain the program over the long-term. The financial commitment is an initial $50,000 investment by each institution and after that the sustainability will depend on the tuition revenues and the availability of qualified faculty to teach the courses. There is a clear need for the program and, as a result, the tuition revenues should be adequate to keep the program solvent.

It is our expectation that this program will be financially successful. The hybrid nature of the course delivery (i.e., a mixture of face-to-face and online) should allow us to draw from a broader geographic market than if the program were strictly classroom based. Because this is a self-support program at both universities, sustainability depends on the financial success of the program itself, and we are determined to achieve that.
Jim Huntzicker  
Head, Division of Management  
School of Medicine  
Oregon Health & Science University  
20000 NW Walker Rd.  
Beaverton, OR 97006

Dear Dr. Huntzicker:

My review of the proposal to establish a joint MBA in Health Care Management at Oregon Health & Science University and Portland State University follows below. Thank you for the opportunity to review this program. The proposal is both thorough and convincing. As a result, I enthusiastically endorse this new degree.

Sincerely,

Richard C. Lindrooth, Ph.D.  
Director, Center for Health Economic and Policy Studies
Appendix IX.A. E-Mail Approvals from External Review Committee

Richard Levy, PhD
Amy Edmondson, PhD
Richard Lindrooth, PhD
E-Mail Approval from Richard Levy, PhD

From: Dick Levy [mailto:Richard.Levy@varian.com]
Sent: Friday, July 25, 2008 3:57 PM
To: James Huntzicker
Subject: RE: OHSU-MBA External Review Final Report

Jim,

The response to the reviewers' comments has been more than responsive and I recommend approval of the degree proposal with no reservations.

From: huntzicj@ohsu.edu [huntzicj@ohsu.edu]
Sent: Friday, July 25, 2008 10:52 AM
To: aedmondson@hbs.edu; Dick Levy; lindrorc@musc.edu
Cc: hallick@ohsu.edu
Subject: OHSU-MBA External Review Final Report

Amy, Dick and Rich:

I spoke with our Provost, Lesley Hallick, this morning, and she emphasized to me that she will need your affirmative approval for two items:

1. We have been responsive to your comments and suggestions.
2. You recommend APPROVAL of the degree proposal

I have attached a copies of the External Review without our responses (i.e., the direct input that you provided) and with our responses (i.e., what we discussed yesterday).

You can give us your approval by responding to this e-mail. Thanks again for all your help, and I look forward to hearing back from you.

Best regards,

Jim
E-Mail Approval from Amy Edmondson, PhD

From: Edmondson, Amy [mailto:aedmondson@hbs.edu]  
Sent: Friday, July 25, 2008 12:50 PM  
To: James Huntzicker; Richard.Levy@varian.com; lindrorc@musc.edu  
Cc: Lesley Hallick  
Subject: Re: OHSU-MBA External Review Final Report

Dear Jim,

I believe that you have been very responsive to my comments and suggestions. I recommend immediate approval of the degree proposal.

Best regards,

Amy Edmondson

----------------------------------------
Amy C. Edmondson  
Novartis Professor of Leadership and Management  
Harvard Business School  
Boston, MA 02163  
617-495-6732

Assistant: Susan Thyne (sthyne@hbs.edu)  
617-496-0792

----------------------------------------
E-Mail Approval from Richard Lindrooth, PhD

From: Lindrooth, Richard C. [mailto:lindrorc@musc.edu]
Sent: Friday, July 25, 2008 12:00 PM
To: James Huntzicker
Subject: RE: OHSU-MBA External Review Final Report

Dear Jim,

You have been very responsive to my comments and suggestions in the revised proposal. I recommended approval of the MBA in Health Care Management degree proposal.

Thank you for the opportunity to the review the proposal.

Sincerely,
Richard C. Lindrooth, Ph.D.
Director, Center for Health Economics and Policy Studies
Medical University of south Carolina
Charleston, South Carolina

From: huntzicj@ohsu.edu [mailto:huntzicj@ohsu.edu]
Sent: Friday, July 25, 2008 1:52 PM
To: aedmondson@hbs.edu; Richard.Levy@varian.com; Lindrooth, Richard C.
Cc: hallick@ohsu.edu
Subject: OHSU-MBA External Review Final Report

Amy, Dick and Rich:

I spoke with our Provost, Lesley Hallick, this morning, and she emphasized to me that she will need your affirmative approval for two items:

1. We have been responsive to your comments and suggestions.
2. You recommend APPROVAL of the degree proposal

I have attached a copies of the External Review without our responses (i.e., the direct input that you provided) and with our responses (i.e., what we discussed yesterday).

You can give us your approval by responding to this e-mail. Thanks again for all your help, and I look forward to hearing back from you.

Best regards,

Jim
Appendix IX.B. Syllabus: Operations & Quality Management in Healthcare

(This syllabus is from the OHSU Healthcare Management Certificate Winter 2008 offering of MST 570 Operations & Quality Management in Healthcare. It will be the basis for the corresponding course in the MBA, ISQA 552 Managing Operations and the Value Chain.)

Instructor:

Mike Neal (Adjunct Professor)
Email: nealm@ohsu.edu
Phone: Office: (971)327-6953
Cell: (503)708-2482

Course Overview

In its ground-breaking report, Crossing the Quality Chasm (2001), the Institute of Medicine highlighted the need for more attention to care processes and a systems approach to health care delivery. This course is designed to explore the progress that has been made and the challenges that remain in bringing the concepts, practices and tools that have been developed in engineering and manufacturing to the health care industry. Drawing on concepts and materials from many industry sectors, the course will start from the fundamentals of operating systems and explore the opportunities and challenges managers face in the application of information/communication technology, concurrent engineering, human factors research, risk management, and supply chain management.

Learning Objectives

In keeping with this theme the learning objectives for this class include the following key results:

✓ Develop an understanding of the systems of care and how they translate into operational strategies and activities;
✓ Understand the relationship between business strategy and operations;
✓ Understand the components of operations and quality management and their relevance to today’s health care environment;
✓ Understand operations as a system and the role of customers, suppliers and processes within that system;
✓ Be aware of the frameworks, processes and tools used in operations and quality management;
✓ Learn the elements of service design and how these apply to the delivery of health care services;
✓ Explore the role of technology and its effective application;
✓ Understand risk in operations and quality and methods for mitigating risk;
✓ Explore the challenges in driving change in organizations;
Learning Methods

The foundation material for this course is contained in the text and a number of articles. Building on this foundation, students will explore the application of concepts, principles and practice through a number of case studies and associated class discussions. Experts from both the clinical and administrative sides of health care will join the class for discussion on topics related to their specialty and fields of work.

Course Materials

Text Books: The course has been structured around a lean text designed to be used in conjunction with articles and case studies to provide depth in key areas.

Operations Management for MBAs, 3rd Edition by Jack R. Meredith, Scott M. Shafer (ISBN: 0-471-00060-4 Paperback) - a well known and popular text in Operations Management is directed at MBA students, especially those that have some real-world experience. It is a concise review of operations management, focusing on the relationships between strategy and operations and the basic and conceptual frameworks in operations science to build a competitive enterprise.

Articles and Cases:

The articles and cases used in this course are available at Harvard Business Online. The following link will take you to this course on the HBO site. You may purchase these materials either individually or as a package.

http://harvardbusinessonline.hbsp.harvard.edu/relay.jhtml?name=cp&c=c12288

Evaluation

Participation (Joint Assessment)  20%
Quiz Results (on text materials)  30%
Case Analyses  30%
Final Exam  20%

Advising Hours

I will be available via email most days throughout this course checking in at least once per day. Students are strongly encouraged to schedule a phone conference or face-to-face meeting to get help or address issues that need an in-depth conversation.

Course Agenda

Week by week details for the course including assignments and deliverables are described in the following pages:
Week 1 - January 8, 2008

Theme and Topics:
- The Nature of Operations
  - Systems of Care
  - Operating Systems
  - Two Views of Organizations

Reading:
- Text - Meredith & Shaffer - Ch. 1
- Articles - Fixing Health Care from the Inside, Today
- Cases - Istituto Clinico Humanitas (asset focused care management)
- Cases - Intermountain Health Care (disease focused care management)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the article on Fixing Health Care from the Inside and be prepared to discuss how this course might help you, as a health care professional, improve patient care quality.
3. Read the Istituto Clinico Humanitas case. This case focuses on an asset based model for hospital operation. Make notes on the case using the following questions as a guide:
   - How well is Istituto Clinico Humanitas performing?
   - How do they realize this level of performance?
   - Why does ICH do it this way?
   - Should ICH affiliate with the University of Milan?
4. Read the Intermountain Health Care case. This case focuses on a disease or outcome based model for hospital operation. Make notes on the case using the following questions as a guide:
   - How well is Intermountain Health Care performing?
   - What is Intermountain’s approach to health care delivery?
   - Why does Intermountain do it this way?
   - Why don’t all health care delivery organizations do this?

Class Agenda:
1. Introductions
2. Course Overview
3. Discussion - Fixing health Care from the Inside
4. Lecture/Q&A: The Nature of Operations
5. Discussion: Humanitas/Intermountain case comparison
Week 2 - January 15, 2008

Theme and Topics:
- Strategy and Operations
  - Strategic Frameworks
  - Balanced Scorecard
  - Lean Management

Reading:
- Text - Meredith & Shaffer - Ch. 2, 10
- Articles - Why Innovation in Health Care Is So Hard
- Cases - Montefiore Medical Center (balanced scorecard)
- Cases - Virginia Mason Health Care System (Toyota Production System)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the article on Why Innovation in Health Care Is So Hard. Be prepared to discuss the forces that can help or hinder innovation.
3. Read the Montefiore Medical Center case. This case focuses on the efforts of a new VP of operations to develop and implement a new business strategy. Make notes on the case using the following questions as a guide:
   - Why does Elaine Brennan need to develop a new strategy now?
   - Does the GRIP strategy meet the needs of this organization?
   - What did Brennan expect the Balanced Scorecard project to do for MMC?
   - Why was implementing the scorecard concept in the medical staff difficult?
   - What could Brennan have done better?
4. Read the Virginia Mason Medical Center case. This case focuses on the application of principles from the Toyota Production System to the operations at this hospital. Make notes on the case using the following questions as a guide:
   - What is Gary Kaplan trying to achieve at Virginia Mason?
   - How does the Toyota Production System fit his strategy?
   - What is your view of the “people are not cars” debate??
   - Is Kaplan’s approach transferable to other US hospitals?

Class Agenda:
1. Lecture/Q&A: Strategic Frameworks and Balanced Scorecard in Health Care
2. Discussion: Why Innovation in Health Care Is So Hard
3. Discussion: Montefiore Medical Center.
4. Discussion: Virginia Mason Health Care System (Toyota Production System)
Week 3 - January 22, 2008

Theme and Topics:
- Process Planning & Design
  - Service Design
  - Customer Driven Design
  - Designing for Quality

Reading:
- Text - Meredith & Shaffer - Ch. 3
- Articles - Lets Put Consumers In Charge of Health Care
- Cases - Massachusetts General Hospital: CABG (care path development)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the article on 'Putting Consumers in charge of Health Care'. Think about the implications of this case in terms of the drivers behind the reengineering of health care processes.
3. Read the Massachusetts General Hospital: CABG Surgery case. This case focuses on the concept of 'care paths' to improve the tasks and activities that occur following coronary artery bypass graft surgery. Make notes on the case using the following questions as a guide:
   - What are the primary challenges in improving operating processes in a health care environment such as MGH?
   - What kind of payoff would you expect to result from these process improvements?
   - What implementation approach should Bohmer and Torchiana select? Where would you start, what resources would you bring to bear, what performance would you expect, and what timeline would you hope to follow?
   - How should MGH balance the tension between process standardization and process customization? What are the hazards of standardizing the process too rigorously? What are the dangers of allowing too much freedom to compromise?

Class Agenda:
1. Lecture/Q&A: Process Planning and Design
2. Discussion: Lets Put Consumers In Charge of Health Care
3. Discussion: Massachusetts General Hospital: CABG (care path development)
Week 4 - January 29, 2008

Theme and Topics:
- Process and Quality Improvement
  - Understanding Variation
  - Continuous Improvement
  - Six Sigma Principles

Reading:
- Text - Meredith & Shaffer - Ch. 4
- Article - Why Hospitals Don’t learn from Failures (challenges in leading change)
- Cases - The Dana-Farber Cancer Institute (quality in health care)
- Cases - Deaconess-Glover Hospital (A) (process mapping and improvement)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the article on ‘Why Hospitals Don’t Learn From Failures. Think about why it is difficult for hospital workers to use problems as opportunities for improvement, and what might be done to overcome these challenges.
3. Read the Dana-Farber Cancer Institute case. This case focuses on medical errors and the conditions that allow these to occur. Make notes on the case using the following questions as a guide:
   - Who or what caused the death of Betsy Lehman?
   - What was Dana-Farber’s system for ensuing patient safety?
   - How should Dana-Farber respond to the Globe story of March 23, 1995?
   - What are the key issues that must be addresses in the first few days after the error was discovered?
   - How should Dana-Farber reduce the risk of future errors?
4. Read the Deaconess-Glover Hospital case. This case focuses on principle-based system design, analysis and improvement. Make notes on the case using the following questions as a guide:
   - What has Carter been doing at DGH and why?
   - What problems has he discovered?
   - What solutions do you think he will propose to Dalton and Bonenfant, the hospital executives?
   - How do you predict Dalton and Bonenfant will react to these recommendations

Class Agenda:
1. Lecture/Q&A: Quality in Health Care (Chris Slusarenko).
2. Exercise: Understanding Variation
3. Discussion: The Dana-Farber Cancer Institute (quality in health care)
4. Discussion: Deaconess-Glover Hospital (A) (process mapping and improvement)
Week 5 - February 5, 2008

Theme and Topics:
- Operations Planning and Improvement
  - Capacity and Location Planning
  - Forecast and Schedule Management
  - Process Improvement

Reading:
- Meredith & Shaffer - Ch. 5, 6
- Cases - Shouldice Hospital Limited (capacity planning/managing service operations)
- Cases - Pharmacy Service Improvement at CVS (A) (process design)

Preparation:
1. Review the materials in the text. Have your questions ready.
2. Read the Shouldice Hospital Limited case. This case focuses on the alternatives for possible expansion of the hospital's capacity, and their unique approach to the performance of hernia operations in which it specializes. Make notes on the case using the following questions as a guide:
   - How successful is Shouldice Hospital?
   - How do you account for its performance?
   - As Dr. Shouldice, what actions, if any, would you take to expand the hospital's capacity?
   - How would you implement the changes you propose?
3. Read the Pharmacy Service Improvement at CVS case. This case focuses on the reengineering of pharmacy services at CVS. Make notes on the case using the following questions as a guide:
   - What changes would you recommend to CVS's existing pharmacy fulfillment process?
   - How can you be sure that the new process you propose will be an improvement?
   - What groups, if any, are likely to have problems with your proposed solution?
   - How can you ensure that there will be no backsliding - that there will be no wooden boxes in use six months from now?
   - Does PSI represent a significant opportunity for CVS? Would improving customer service be a significant financial benefit to the company?

Class Agenda:
1. Lecture/Q&A: Operations Planning
2. Discussion: Shouldice Hospital Limited (capacity planning/managing service operations)
3. Discussion: Pharmacy Service Improvement at CVS (A) (process design)
**Week 6 - February 12, 2008**

**Theme and Topics:**
Value Chain Management  
Supply Chain Strategy  
Supply Chain Design  
Operations and IT

**Reading:**
- Meredith & Shaffer - Ch. 7  
- Cases - Global Healthcare Exchange

**Preparation:**
1. Review the Global Healthcare Exchange case. This case focuses on group buying exchange corporate environment, exploring the reasons for undertaking IT projects, the perils of an unexamined business process, and the benefits of partial process automation. Make notes on the case using the following questions as a guide:
   - How important is GHX to the healthcare industry?  
   - What are the potential benefits of providing a common platform for sharing information and streamlining business transactions across industry boundaries?  
   - Who are the key stakeholders of GHX in 2003? What are the expectations of each stakeholder (or stakeholder group)?  
   - How well are these expectations being met today? What benefits does GHX deliver to each stakeholder?

**Class Agenda:**
1. Lecture/Q&A: Information Systems in Health Care (Steve Rallison)  
2. Discussion: Global Healthcare Exchange
Appendix X. Program Financial Plan

The MBA in Health Care Management is a self-support program, which means that other than a first year institutional investment of $100,000, the program must pay all of its own costs, including instructional salaries, from the tuition revenues that it generates. The initial tuition for the program is $525 per credit, which for this 72-credit program, means a total tuition of $37,800. This is in the mid-range of regional MBA tuitions and should be affordable for working professionals from the health care industry.

Table X.1 below presents the five year financial plan. In the first year an investment of $100,000 ($50,000 each from OHSU and PSU) is required to balance the budget. Thereafter, the program breaks even on the basis of its tuition revenue alone. In Year 3 the program reaches “steady state” will three cohorts (1st year, 2nd year, and 3rd year) running simultaneously. If the enrollment projections are accurate, the program should make a healthy profit in Year 3 and beyond.

This program will become the major revenue driver for the OHSU Division of Management (formerly Department of Management in Science & Technology) and an important revenue source for the PSU School of Business Administration.
<table>
<thead>
<tr>
<th>Table X.1 Joint OHSU-PSU MBA in Healthcare Management Financials</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>First Year Students</td>
</tr>
<tr>
<td>2008-09</td>
</tr>
<tr>
<td>First Year Students</td>
</tr>
<tr>
<td>22</td>
</tr>
<tr>
<td>Second Year Students</td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td>Third Year Students</td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td>Total Enrollment</td>
</tr>
<tr>
<td>22</td>
</tr>
<tr>
<td>Tuition per credit</td>
</tr>
<tr>
<td>$525</td>
</tr>
<tr>
<td>Average credits per student</td>
</tr>
<tr>
<td>24</td>
</tr>
<tr>
<td>Total student credits</td>
</tr>
<tr>
<td>528</td>
</tr>
<tr>
<td>Tuition</td>
</tr>
<tr>
<td>$277,200</td>
</tr>
<tr>
<td>Tuition Tax @ 30%</td>
</tr>
<tr>
<td>$83,160</td>
</tr>
<tr>
<td>Net Tuition</td>
</tr>
<tr>
<td>$194,040</td>
</tr>
<tr>
<td>OHSU investment</td>
</tr>
<tr>
<td>$50,000</td>
</tr>
<tr>
<td>PSU investment</td>
</tr>
<tr>
<td>$50,000</td>
</tr>
<tr>
<td>Total Net Revenue</td>
</tr>
<tr>
<td>$294,040</td>
</tr>
<tr>
<td>Expenses</td>
</tr>
<tr>
<td>Instructional Salaries</td>
</tr>
<tr>
<td>$62,500</td>
</tr>
<tr>
<td>New course stipend ($625/cr)</td>
</tr>
<tr>
<td>$15,625</td>
</tr>
<tr>
<td>Fringes @30%</td>
</tr>
<tr>
<td>$23,438</td>
</tr>
<tr>
<td>Total Instructional Salaries</td>
</tr>
<tr>
<td>$101,563</td>
</tr>
<tr>
<td>Other Costs</td>
</tr>
<tr>
<td>Office Manager (1.0 FTE $55K)</td>
</tr>
<tr>
<td>$53,625</td>
</tr>
<tr>
<td>Academic Director</td>
</tr>
<tr>
<td>$50,000</td>
</tr>
<tr>
<td>Student Worker (.5 FTE $10/hr)</td>
</tr>
<tr>
<td>$10,400</td>
</tr>
<tr>
<td>Marketing</td>
</tr>
<tr>
<td>$50,000</td>
</tr>
<tr>
<td>Other S&amp;S</td>
</tr>
<tr>
<td>$25,000</td>
</tr>
<tr>
<td>Total Other Costs</td>
</tr>
<tr>
<td>$189,025</td>
</tr>
<tr>
<td>Total Expenses</td>
</tr>
<tr>
<td>$290,588</td>
</tr>
<tr>
<td>Program Net</td>
</tr>
<tr>
<td>$3,453</td>
</tr>
</tbody>
</table>