

## JCAHO No Longer Relevant

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At a recent hospital board meeting, a judgment was made that the CEO was "no longer relevant." Executive turnover has become a sad commonplace as management dogma taught in an earlier age has proved insufficient for present day demands.

"No longer relevant." This applies to organizations, too. Unable to compete, remain financially viable, or keep up with the moving knowledge wave, many hospitals are no longer with us. Whether eaten by other organizations, merged, or simply shuttered, they were unable to stand alone.

"No longer relevant." This law of corporate Darwinism, that only leaders and organizations who are fit survive, has now come to call at the Joint Commission for the Accreditation of Health Care Organizations. Evidence is extensive of JCAHO poor adaptation to the new realities in the jungle:

- Questionable impact on quality. Does accreditation, by JCAHO or any outside agency, guarantee or significantly impact quality? The Public Citizen's Health Research Group recently petitioned HCFA to review the authority of JCAHO to accredit. The watchdog group disclosed that one third of accredited hospitals failed to meet minimum standards during follow up federal surveys to "validate" JCAHO results (Modern Healthcare, June 27, 1994). This parallels an earlier expose by the Wall Street Journal's Pulitzer prizewinning Walt Bogdanich, that showed numerous JCAHO accredited hospitals subsequently failed state and Federal inspections. Is the process worth the paper it's written on?
- Longstanding and widespread hospital customer dissatisfaction. The Arkansas Hospital Association consideration of mass withdrawal of its members from the accreditation program last year, and St. Mary's Hospital of Rogers, Arkansas current decision to do just that, illustrate how severe this disaffection is (Modern Healthcare, May 2, 1994). St. Mary's estimates its savings at \$170,000 a year by substituting annual Medicare surveys for the JCAHO procedure.
- Pent up consumer demand for quality information. The newly published Consumers' Guide to Hospitals shows hospital-by-hospital death rates by major surgical procedure (Center for the Study of Services, 1994). Highlighted in recent AARP publications, the book represents the voice of consumerism. The public wants to know relative quality and cost data by hospital and procedure. Consumers see as arrogant the efforts by health professionals who fight disclosure, debating the data's accuracy or the public's ability to understand it. The public seems less interested in JCAHO accreditation than in seeing performance outcomes.



- Loss of political support. The decision by the American Hospital Association to reevaluate its sponsorship of JCAHO (Modern Healthcare, April 18, 1994) reveals a response to growing political pressure as well as open mindedness to the question of what is truly best for hospitals.
- Improved and innovative competitor services. Respected thinker Clark Havighurst called for competition for the JCAHO as one way to better reach quality goals (Modern Healthcare, November 16, 1992). At this time when new thinking is sorely needed, competitive approaches should not just be allowed, they should be required.

An analogy for the JCAHO, and for other healthcare organizations, too, can be found in a recent Forbes story of how the airline industry has become obsolete in the face of Southwest Airlines new service concept ("A Sixties Industry in a Nineties Economy," Forbes, May 9, 1994). The airline industry is described as technologically advanced, but a structural dinosaur: "In short, the airline business is going through much the same trauma that other older industries-such as steel, autos, even retailing-have: fundamental changes in the business requiring entirely new ways of doing things and different sorts of corporate organization. Unlike these other industries, the airlines have yet to face up to a total restructuring. But the moment of truth is now upon them."

It is important to realize there is nothing inherent in JCAHO as an organization that gives it eternal life. If it cannot reinvent itself and find "entirely new ways of doing things," if it cannot be relevant in the eyes of its customers, then the normal extinction of the organization is both a natural and desirable outcome. Other approaches can and will take its place. For those charged with examining the problem, the objective should not be how to preserve the JCAHO as an organization. Rather, the effort should be to determine the best approaches to improve healthcare quality at the most affordable price, and that may not mean an accreditation approach at all. A question from Reengineering 101: If we were starting all over today, would we design a JCAHO, or would we go in a totally new direction?

Should the JCAHO be allowed to pass away? When a loved one is facing death, care givers often find themselves confronted by family members urging heroic measures. Unable to face the reality of death, their anxiety drives them to the conclusion that life must be preserved at all costs, regardless of how empty it may be. To some degree that may be where we are with the JCAHO. Not sure of what life would be without it, we cling to measures of artificial life support, keeping it going no matter how poorly it functions or how little we believe in it.

It might be useful to take a longer management view of the issue. Organizations and industries have lifecycles. They are born, and if they survive the traumas of each age, go through infancy, childhood, adolescence, and finally reach a peak performance level referred to as prime. At prime there is strength, energy, clarity of thought, and high performance functioning. But, remaining at prime is difficult to do, as both IBM and the JCAHO illustrate. It is not unusual for organizations to begin to age, become



bureaucratic, rigidify and die. The JCAHO is a classic case of an organization past its prime, one which displays the symptoms of senility, still trying to control through fiat, but unable to perform. It may sadden us, but perhaps it is time to let it go.

Perhaps what we truly mourn is that we see in our own organizations the same seeds of defeat. Perhaps the anger we voice at JCAHO is really a reflection of our anxiety as we struggle to fix what's wrong in each community hospital and system. In our minds we sense that JCAHO is living on borrowed time, and we sense our own organization's mortality, too. We quickly label the JCAHO an old relative whose time has come to pass away. At the same time, a small voice nags that our time may be coming.

This is not nihilistic or gloomy thinking, for the troubles of the JCAHO can serve as a wakeup call to all in leadership. It is the prime directive of management to never defend the status quo, but to renew and reform, reengineer and resurrect. While the industry decides on the final disposition of JCAHO, the more important question is how do to keep our healthcare organizations healthy, vital and effervescent? In the end, it comes down to the test of our own commitment to excellence, and whether we are willing to pay the price of change to adapt. In the end, are we relevant?

—*Modern Healthcare Editorial, 7/94*

