



This course supports the assessment for Service Line Development. The course covers 10 competencies and represents 4 competency units.

## Introduction

### Overview

Welcome to the Service Line Development Course. This course covers seven topics: Facilities Management and Negotiation; Needs Assessment; Health Policy and Health Legislation; International Healthcare Trends and Service Line Management; Costs and Productivity and Revenue; and Communication.

### Getting Started

Watch the following getting started video for this course:

*Note: To download this video, right-click the following link and choose "Save as...":* [download video](#).

Within these topics, you will be asked to read text and external articles, watch videos, and complete review problems. Competency will be demonstrated by the successful completion of a Performance Assessment. To help you track your progress in the course, view the Pacing Guide located in the Preparing for Success Section in the Study Plan. To get started, click "Course Material". In this course, you will be challenged to critically assess the competitive marketplace as well as the internal environment to establish a new line of business. There are a myriad of components to consider as you review the viability of the strategic process. The Service Line Development case study is interesting and uniquely relevant to the topic.

Service line development offers the opportunity to evaluate a defined market and demand for services, critically look at the marketplace for similar programs, and determine if the service line would serve as a complementary component to existing services. When this is accomplished, it helps to facilitate vision definition and strategic sessions with key stakeholders (board members, community, physicians, staff, etc.) to determine the next steps relative to development and implementation of the service line.

This course covers needs assessment, international healthcare trends, service line management, revenue analysis, costs and productivity, communication, negotiation, health policy, health legislation, and facilities management, which are variables in the evaluation process.

### Competencies

This course provides guidance to help you demonstrate the following 10 competencies:

- **Competency 705.1.1: Needs Assessment**

The graduate designs, administers, and evaluates a community health needs



assessment.

- **Competency 705.1.2: International Healthcare Trends**  
The graduate analyzes international healthcare trends and assesses their impact on local health issues to develop strategies for improvement.
- **Competency 705.2.1: Service Line Management**  
The graduate evaluates and analyzes a healthcare organization's management of service lines.
- **Competency 705.2.2: Costs & Productivity**  
The graduate manages costs and productivity to improve a healthcare organization's sustainability.
- **Competency 705.2.3: Revenue Analysis**  
The graduate performs net revenue analysis to maximize a healthcare organization's financial performance.
- **Competency 705.3.1: Communication**  
The graduate designs, develops, creates, and communicates a healthcare organization's marketing strategy to staff and the public.
- **Competency 705.3.3: Facilities Management**  
The graduate effectively manages construction projects and other facilities management projects for a healthcare organization.
- **Competency 705.3.7: Negotiation**  
The graduate designs, administers, evaluates, and negotiates contracts to minimize the risk and liability for the organization.
- **Competency 705.4.1: Health Policy**  
The graduate effectively interprets health policy initiatives.
- **Competency 705.4.2: Health Legislation**  
The graduate analyzes strategies that impact health legislation.

### **Course Instructor Assistance**

As you prepare to demonstrate competency in this subject, remember that course instructors stand ready to help you reach your educational goals. As subject matter experts, mentors enjoy and take pride in helping students become reflective learners, problem solvers, and critical thinkers. Course instructors are excited to hear from you and eager to work with you.

Successful students report that working with a course instructor is the key to their success. Course instructors are able to share tips on approaches, tools, and skills that can help you apply the content you're studying. They also provide guidance in assessment preparation strategies and troubleshoot areas of deficiency. Even if things don't work out on your first try, course instructors act as a support system to guide you through the revision process. You should expect to work with course instructors for the duration of your coursework, so you are welcome to contact them as soon as you begin. Course instructors are fully committed to your success!

### **Preparing for Success**

The information in this section is provided to detail the resources available for you to use as you complete this course.



## Learning Resources

The learning resources listed in this section are required to complete the activities in this course. For many resources, WGU has provided automatic access through the course. However, you may need to manually enroll in or independently acquire other resources. Read the full instructions provided to ensure that you have access to all of your resources in a timely manner.

### Automatically Enrolled Learning Resources

You can access the learning resources listed in this section by clicking on the links provided throughout the course. You may be prompted to log in to the WGU student portal to access the resources.

### VitalSource E-Texts

The following textbooks are available to you as e-texts within this course. You will be directly linked to the specific readings required within the activities that follow.

- Feldstein, P. (2012). [\*Health care economics\*](#) (7th ed.). Clifton Park, NY: Delmar: Cengage Learning. ISBN: 1111313261
- Hammaker, D. (2011). [\*Health care management and the law: Principles and applications\*](#) (1st ed.). Clifton Park, NY: Delmar Cengage Learning. ISBN: 1428320040
- Hernandez, S., & O'Connor, S. (2010). [\*Strategic human resources management in health services organization\*](#) (3rd ed.). Clifton Park, NY: Delmar Cengage Learning. ISBN: 766835405
- Morone, J., Litman, T., & Robins, L. (2008). [\*Health politics and policy\*](#) (4th ed.). Clifton Park, NY: Delmar, Cengage Learning. ISBN: 1418014281
- Shortell, S., & Kaluzny, A. (2006). [\*Health care management: Organization design and behavior\*](#) (6th ed.). Clifton Park, NY: Delmar Cengage Learning. ISBN: 978-1-4354-8818-2
- Williams, S. & Torrens, P. (2008). [\*Introduction to Health Services\*](#) (7th ed.). Clifton Park, NY: Delmar Cengage Learning. ISBN-1418012890

*Note: These e-texts are available to you as part of your program tuition and fees, but you may purchase a hard copy at your own expense through VitalSource or a retailer of your choice. If you choose to do so, please use the ISBN listed to ensure that you receive the correct edition. The following sites provide instruction on how to use features such as downloading your e-texts for offline use and purchasing a print-on-demand option, if available.*

- [VitalSource Navigational Video](#)
- [Print-On-Demand Option](#)

### Case Study

This resource has been broken up into five files. You will use information from all five files in this course and you will need to save each file from the links below.

- [Service Line Development Case Study - General Case Scenario Artifacts](#)



- [Service Line Development Case Study - Task 1 Artifacts](#)
- [Service Line Development Case Study - Task 2 Artifacts](#)
- [Service Line Development Case Study - Task 3 Artifacts](#)
- [Service Line Development Case Study - Task 4 Artifacts](#)

## **Topics and Pacing**

The topics and pacing guide suggests a weekly structure to pace your completion of learning activities. It is provided as a suggestion and does not represent a mandatory schedule. Follow the pacing guide carefully to complete the course in the suggested timeframe.

### Week 1

- Preparing for Success
- Facilities Management

### Week 2

- Negotiation

### Week 3

- Needs Assessment: Identifying

### Week 4

- Health Policy
- Health Legislation

### Week 5

- International Healthcare Trends
- Service Line Management

### Week 6

- Costs and Productivity
- Revenue Analysis

### Week 7

- Communication Program

### Week 8

- Final Steps

## **Facilities Management and Negotiation**



In the Service Line Development case study, the president of the hospital must propose a service line to be developed in the community to the board of directors. Familiarize yourself with an explanation of facilities management and negotiation.

## **Facilities Management**

Before we can determine where to place a new service line, it is important to understand the strategy behind looking at a new service line. Start by reviewing the instructions under the Assessment tab in Taskstream for Service Line Development Task 1; then formulate organizational strategy and negotiation using the following resources.

This topic addresses the following competency:

- **Competency 705.3.3: Facilities Management**

The graduate effectively manages construction projects and other facilities management projects for a healthcare organization.

At the end of this section, you should be able to

- analyze the financial implications for a given organization's mission and budget for a facilities management project, and
- identify the role of healthcare providers in a facility management project.

## **Formulating Organizational Strategy**

Read the following in *Strategic Human Resources Management in Health Services Organizations*:

- [Chapter 3 \("Formulating Organizational Strategy"\)](#)

Test yourself by answering the following questions:

- What tool would you use to analyze a strategic initiative?
- What role does cost leadership play in the decision-making process?

Read the Service Line Development case study and answer the following question:

- Who should be involved in planning for the future of the organization?

## **To Build or Buy**

Read the following articles and determine when it is best to build a structure versus buy property:

- [Build or Not](#)
- [Hospital Construction](#)
- [Construction Budget](#)
- [Projects and Players](#)
- [Sustainable Design](#)



Review the Service Line Development case study to understand the situation you read about. Consider the following question:

- Is the economy the only determining factor to build, buy, or lease?

## **Negotiation**

Negotiation is the process of two or more parties coming together to discuss common and conflicting interests for mutual benefit. Study how negotiations can help to ensure that common goals are met.

This topic addresses the following competency:

- **Competency 705.3.7: Negotiation**  
The graduate designs, administers, evaluates, and negotiates contracts to minimize the risk and liability for the organization.

At the end of this section, you should be able to

- identify a process to minimize the financial and legal exposure in negotiations for a given situation, and
- analyze a contract to ensure liability is reduced for a healthcare organization in a specified situation.

## **Conflict Management and Negotiation**

Read the following in *Health Care Management: Organization Design and Behavior*:

- [Chapter 7 \("Power, Politics and Conflict Management"\)](#)

Test yourself by answering the following questions:

- What types of skills are required to successfully manage conflict to reach an optimum goal in a negotiation process in a healthcare organization?
- What third party strategies are likely to be favored by managers in the negotiation process?

Situations arise that require skillful negotiations. Find examples of this in the Service Line Development case study.

### **Task 1 Review Video**

Review the following recorded webinar for AMT2 Task 1:

*Note: To download this video, right-click the following link and choose "Save as...":* [download video](#).



## Submit Service Line Development Task 1

Submit your response to Service Line Development (AMT2) Task 1 under the Assessment Tab in [Taskstream](#). If you need to make revisions, contact the course instructor, review the activities in this section, and review the evaluation rubric for the task. Then resubmit the task.

## Needs Assessment

A *needs assessment* is a systematic exploration of the way things are and the way they should be. The healthcare organization attempts to close the gap to ensure that the community receives what is needed to be in a healthier state.

### Needs Assessment: Identifying

A community health needs assessment involves identifying material problems/deficits/weaknesses and advantages/opportunities/strengths, and evaluating possible solutions that take those qualities into consideration. Review the instructions for ServiceLine Development Task 2 under the Assessment tab in Taskstream.

This topic addresses the following competency:

- **Competency 705.1.1: Needs Assessment**  
The graduate designs, administers, and evaluates a community health needs assessment.

At the end of this section, you should be able to

- define the role of a community health needs assessment in the community health environment,
- determine a given community's health priorities using data from a needs assessment, and
- develop an action plan based on the assessment of a given community's health needs or problems.

### Ethical Issues in Public and Health Services

Read the following in *Introduction to Health Services*:

- [Chapter 15 \("Ethical Issues in Public and Health Services"\)](#)

Test yourself by answering the following questions:

- What overarching public health principles and assumptions are basic in approaching a discussion of public health ethics?
- What are the ethical issues in developing resources?
- What are the ethical issues in management of health services?

### Morals and Health Policy



Read the following in *Health Politics and Policy*:

- [Chapter 3 \('Morals and Health Policy'\)](#)

Test yourself by answering the following questions:

- What are some of the maladies and/or public health issues that have taken on moral dimensions in political discourse?
- How are leaders who are concerned about community health needs overcoming considerations of self-interest to place the community health needs as an imperative for the healthcare organization?

Please review the case study Service Line Development Artifact and answer the following question:

- What issues are prevalent in your community?

### **Task 2 Review Video**

Review the following recorded webinar for AMT2 Task 2:

Watch the following getting started video for this course:

*Note: To download this video, right-click the following link and choose "Save as...":* [download video](#).

### **Submit Service Line Development Task 2**

Submit your response to Service Line Development (AMT2) Task 2 under the "Assessment" tab in Taskstream. Allow three to five days for evaluation. If you need to make revisions, contact the course instructor, review the activities in this section, and review the evaluation rubric for the task. Then resubmit the task.

## **Health Policy and Health Legislation**

The goal of health policy is to discuss health issues aimed at enhancing communication between health policy researchers, legislators, decision makers, and professionals concerned with developing, implementing, and analyzing health policy.

### **Health Policy**

There are many factors that shape health policy, including values, government, and both public and private stakeholders.

This topic addresses the following competency:

- **Competency 705.4.1: Health Policy**





The graduate effectively interprets health policy initiatives.

At the end of this section, you should be able to

- determine how health policy initiatives impact a community, and
- examine how a given community policy intervention can impact a healthcare organization's ability to ensure patient needs are met.

### **Public Opinion and Health Policy**

Read the following in *Health Politics and Policy*:

- [Chapter 11 \("Public Opinion and Health Policy"\)](#)

Test yourself by answering the following questions:

- Why is understanding public opinion important for health policy?
- How can politicians determine what the most salient issues happen to be at any given time?

Also consider the following question:

- How can you make a difference in the health policies that impact your community?

### **Trends in Health Care Restructuring**

Read the following in *Health Care Management and the Law: Principles and Applications*:

- [Chapter 14 \("Trends in Healthcare Restructuring"\)](#)

Test yourself by addressing the following items:

- What impact does integrated health system have on the government?
- Identify a trend that you would like to lobby to improve the healthcare system.
- What trends can you identify that shape legislation?

Review the case study Service Line Development Artifacts to identify the community health needs and how they impact policy.

### **Health Legislation**

In general, there are a wide range of regulatory strategies that might be used to ensure people's health and safety. Health legislation is the means in which to address these concerns.

This topic addresses the following competency:

- **Competency 705.4.2: Health Legislation**  
The graduate analyzes strategies that impact health legislation.



At the end of this section, you should be able to

- recognize why health legislation is important to managers,
- define the relationship between health legislation and healthcare organizations, and
- explain the government's role in health policy and legislation.

### **Lobbyists: Ten Myths About Power and Influence**

Read the following in *Health Politics and Policy*:

- [Chapter 12 \("Ten Myths about Power and Influence"\)](#)

Test yourself by answering these questions:

- Are healthcare issues exceptional within the broader scheme of lobbying?
- How do lobbyists select their "targets"? How much control do they exercise in this process?

### **Health Politics and Policy**

Using the table of contents, navigate to and read the introduction ("Health Politics and Policy") in *Health Politics and Policy*:

- [Chapter 1 \("Values in Health Policy"\)](#)

Test yourself by answering these questions:

- How much of an impact has the judiciary had on health policy making in America?
- What are the stages through which each item of public policy passes?

### **Congress**

Read the following in *Health Politics and Policy*:

- [Chapter 4 \("Congress"\)](#)

Test yourself by answering these questions:

- This chapter argues that our system makes legislation much more difficult to pass. Do you believe this is an advantage (because it checks government power) or a disadvantage (because voters do not get what they want) in a modern democracy? Why?
- What ramifications did the interest group transformation have on the possibility of enacting healthcare reform?

Legislation is driven by a variety of bodies, and the readings will help you determine the role of each of these external bodies and how you can incorporate this into how best to serve the healthcare institution.

### **Task 3 Review Video**



Review the following recorded webinar for AMT2 Task 3:

*Note: To download this video, right-click the following link and choose "Save as...":* [download video](#).

### **Submit Service Line Development Task 3**

Submit your response to Service Line Development Task 3 under the "Assessment" tab in [Taskstream](#). Allow three to five days for evaluation. If you need to make revisions, contact the course instructor, review the activities in this section, and review the evaluation rubric for the task. Then resubmit the task.

## **International Healthcare Trends and Service Line Management**

International healthcare trends have an impact on the local delivery of patient care. Sustainable service lines are developed using core expertise related to finance, strategy, and process improvement. Each organization must also integrate additional expertise that is key in providing high-quality care such as physician relationships, facility planning, and technology.

### **International Healthcare Trends**

Our healthcare system does not operate in a vacuum, and as such, health concerns that are in the international market impact the national market. Think about this as you review the instructions for Service Line Development Task 4 under the Assessment Tab in Taskstream.

This topic addresses the following competency:

- **Competency 705.1.2: International Healthcare Trends**  
The graduate analyzes international healthcare trends and assesses their impact on local health issues to develop strategies for improvement.

At the end of this section, you should be able to

- identify structural elements of an international healthcare system; and
- discuss international trends in pharmaceuticals, medical devices, or medical technologies.

### **American Health Care in International Perspective**

Read the following in *Health Politics and Policy*:

- [Chapter 19 \("American Health Care in International Perspective"\)](#)

Test yourself by answering these questions:



- What is the "international standard" in healthcare finance and management?
- What kinds of indicators show that the American healthcare system is not, in fact, the "best in the world"?

Review the case study Service Line Development Artifacts to explore international impact on the service lines.

## **Service Line Management**

Faced with the challenges of today's healthcare market, many healthcare organizations are turning to service line planning. They are taking a patient-focused view of key business lines. A multifaceted service line planning approach will lead to improved patient outcomes, satisfaction, profitability, market share, and physician-hospital alignment.

This topic addresses the following competency:

- **Competency 705.2.1: Service Line Management**  
The graduate evaluates and analyzes a healthcare organization's management of service lines

At the end of this section, you should be able to

- evaluate the components of a given healthcare organization's service line structure to determine the efficiency of the service to that organization,
- analyze a given set of data for a healthcare organization to measure service line success, and
- identify circumstances under which a given healthcare organization should introduce a new service line.

## **Ambulatory Health Care Services and Organizations**

Read the following in *Introduction to Health Services*:

- [Chapter 7 \("Ambulatory Health Care Services and Organizations"\)](#)

Test yourself by answering these questions:

- What is the role of ambulatory care services?
- How can primary ambulatory care providers best serve the needs of the population?

Also consider the following questions:

- What services would suit the community?
- How would this be a complement to what already exists in the organization?

## **Costs and Productivity and Revenue Analysis**

With increasing medical costs, health-related productivity losses, and limited available resources, managers find it essential to understand elements involved in the operating costs in



a hospital to ensure continued viability and sustainability. This is a process in which business decisions are analyzed and interventions are implemented for the health of the organization.

## **Costs and Productivity**

Healthcare costs continue to rise faster than the economy. Rising costs have an impact on pharmaceutical companies, hospital administrators, physicians, payers, and most importantly, patients.

This topic addresses the following competency:

- **Competency 705.2.2: Costs & Productivity**

The graduate manages costs and productivity to improve a healthcare organization's sustainability.

At the end of this section, you should be able to

- explain how implementing productivity improvements can reduce a healthcare organization's costs, and
- identify a strategy for managing high costs in a healthcare system.

### **The Production of Health: The Impact of Medical Services on Health**

Read the following in *Health Care Economics*:

- [Chapter 4 \("The Production of Health: The Impact of Medical Services on Health"\)](#)

Test yourself by answering the following questions:

- Define a health production function for reducing heart disease.
- What are some of the difficulties of studies that have estimated aggregate health production function?

### **Measuring Changes in the Price of Medical Care**

Read the following in *Health Care Economics*:

- [Chapter 8 \("The Supply of Medical Care: An Overview"\)](#)

Test yourself by answering the following questions:

- What is the difference between a hospital's list prices and its actual prices?
- Have treatment price indices risen more or less rapidly than the MCPI, and what are the reasons for differences between the two indices?

Also consider the following question:

- What are the key elements managers should focus on when reviewing the general financial health of an organization?



## Revenue Analysis

Revenue is a crucial part of financial statement analysis. A hospital's performance is measured to the extent to which its revenues compare with the expenses.

This topic addresses the following competency:

- **Competency 705.2.3: Revenue Analysis**

The graduate performs net revenue analysis to maximize a healthcare organization's financial performance.

At the end of this section, you should be able to

- examine a healthcare organization's financial data to assist in the decision-making process, and
- determine if a prospective plan will be profitable for a specified healthcare organization.

## The Market for Health Insurance: Its Performance and Structure

Read the following in *Health Care Economics*:

- [Chapter 10 \("The Market for Health Insurance: Its Performance and Structure"\)](#)

Test yourself by answering the following questions:

- What evidence suggests that the health insurance market is very price competitive?
- What is an underwriting cycle?
- Can you explain financial impact on healthcare organization?

Review the case study Service Line Development Artifacts to determine the most cost effective services.

## Communication

Communication strategies inform and influence individual and community decisions that enhance the healthcare organization. Communication and health are increasingly recognized as a necessary element of efforts to improve personal and public health, as well as marketing strategies.

### Communication Program

Collaborative relationships are enhanced when all parties are capable of good communication. Public education campaigns try to change the social climate to encourage healthy behaviors, create awareness, change attitudes, and promote healthcare institutions.

This topic addresses the following competency:

- **Competency 705.3.1: Communication**

The graduate designs, develops, creates, and communicates a healthcare organization's marketing strategy to staff and the public.



At the end of this section, you should be able to

- design a communication program for a healthcare organization to provide information to its board and staff, and
- communicate a given strategy to a specified audience.

### **Coordination and Communication**

Read the following in *Health Care Management: Organization Design and Behavior*.

- [Chapter 6 \("Communication"\)](#)

Test yourself by answering the following questions:

- What is the best way to communicate with external stakeholders?
- Think of a situation in which a healthcare organization receives bad press. How should it respond?
- How do you establish effective linkages between a healthcare organization and an outpatient center?
- How do you communicate in a crisis?

### **Task 4 Review Video**

Review the following recorded webinar for AMT2 Task 4:

*Note: To download this video, right-click the following link and choose "Save as...":* [download video](#).

### **Submit Service Line Development Task 4**

Submit your response to Service Line Development Task 4 under the Assessment tab in [Taskstream](#). Allow three to five days for evaluation. If you need to make revisions, contact the course instructor, review the activities in this section, and review the evaluation rubric for the task. Then resubmit the task.

## **Final Steps**

Congratulations on completing the activities in this course! This course has prepared you to complete the assessment associated with this course. If you have not already been directed to complete it, schedule and complete your assessment now.