

Transitioning to the Money Side – Competencies

Upon mastering this module, you should be able to:

1. Define the term “operating margin.” Explain why any organization must have some positive level of operating margin to survive. Provide a rough estimate of the size of that “survival level” operating margin.
2. Estimate the amount of quality-associated waste in health care delivery. Cite a major source of care delivery waste estimates.
3. Compare and contrast financial performance strategies the focus on revenue generation, to those that focus on waste elimination. Include an estimate of the relative size of each. Extend your estimates to include “return on investment” (ROI), for change investments that focus on revenues versus those that focus on costs through waste elimination.
4. Describe how a waste-focused approach to financial performance fits within Horton’s hierarchy of management priorities.