

# Contents

<b>Chapter 1</b>	<b>Traditional Management and Management Engineering .....</b>	<b>1</b>
<b>Chapter 2</b>	<b>Dynamic Supply and Demand Balance Problems .....</b>	<b>3</b>
2.1	Discrete Event Simulation Methodology: What Is a Discrete Event Simulation Model and How Does a Simple Model Work? .....	3
2.2	Queuing Analytic Theory: Its Use and Limitations.....	5
2.3	Capacity Problems .....	8
2.3.1	Outpatient Clinic: Centralized or Separate Locations?.....	8
2.3.2	Outpatient Clinic: Nonsteady-State Operations .....	11
2.3.3	Outpatient Clinic: Limited Queue Size with Leaving “Inpatient” Patients .....	13
2.3.4	Outpatient Clinic: Time-Varying Arrival Rates ...	15
2.3.5	“Excessive” ICU Capacity, “Improved” Efficiency, and Access to Care.....	17
2.3.6	Mixed Patient Arrival Patterns: Simultaneous Random and Scheduled Arrivals.....	19
2.3.7	Small Rural Hospital vs. Large Community Hospital: Does Size Affect Operational Efficiency? .....	21
2.3.8	Daily Load-Leveling (Smoothing) of Scheduled Elective Procedures.....	23
2.3.9	Separate or Interchangeable (Shared) Operating Rooms for Emergency and Scheduled Surgeries: Which Arrangement Is More Efficient?.....	26
2.3.10	Surgical Capacity of Special Procedure Operating Rooms .....	31

2.3.11	The Entire Hospital System Patient Flow: Effect of Interdependency of ED, ICU, OR, and Regular Nursing Units on System Throughput.....	33
2.4	Scheduling and Staffing Problems.....	39
2.4.1	Scheduling Order for Appointments with Different Duration Variability.....	39
2.4.2	Centralized Discharge vs. Individual Units Discharges .....	41
2.4.3	Staffing of Hospital Receiving Center .....	44
2.4.4	Staffing of the Unit with Cross-trained Staff .....	46
2.4.5	Outpatient Clinic Costs and Staffing: Is Right Staff Used at the Right Time?.....	49
<b>Chapter 3</b>	<b>Linear and Probabilistic Resource Optimization and Allocation Problems .....</b>	<b>53</b>
3.1	Optimization of Patient Service Volumes: Keep or Drop a Service Line?.....	53
3.1.1	Traditional Approach .....	54
3.1.2	Management Engineering Approach .....	54
3.2	Optimization of Clinical Unit Staffing for 24/7 Three-Shift Operations: Is Staffing Cost Minimized?.....	57
3.2.1	Traditional Approach .....	57
3.2.2	Management Engineering Approach .....	57
3.3	Resident Physician Restricted Work Hours: Optimal Scheduling to Meet the Institute of Medicine New Workload Recommendations .....	61
3.3.1	Traditional Management Approach .....	62
3.3.2	Management Engineering Approach .....	62
3.3.3	Day Time Scheduling.....	62
3.3.4	Night Time Scheduling .....	66
3.4	Optimized Pooled Screening Testing.....	69
3.4.1	Traditional Management Approach .....	72
3.4.2	Management Engineering Approach .....	72
3.5	Projected Number of Patients Discharged from ED.....	73
3.5.1	Traditional Management Approach .....	74
3.5.2	Management Engineering Approach .....	74
<b>Chapter 4</b>	<b>Forecasting Time Series .....</b>	<b>79</b>
4.1	Forecasting Patient Volumes Using Time Series Data Analysis.....	79
4.1.1	Traditional Management Approach .....	80
4.1.2	The Number of Past Data Points that Have to be Used for Making a Forecast .....	80
4.1.3	Validation of Some Typical Forecasting Models .....	83
4.1.4	Management Engineering Approach .....	83

4.2	Forecasting Time Series with Seasonal Variation.....	86
4.2.1	Traditional Management Approach .....	87
4.2.2	Management Engineering Approach .....	89
<b>Chapter 5</b>	<b>Business Intelligence and Data Mining.....</b>	<b>91</b>
5.1	Multivariate Database Analysis: What Population Demographic Factors Are the Biggest Contributors to Hospital Contribution Margin?.....	92
5.1.1	Traditional Management Approach .....	92
5.1.2	Management Engineering Approach .....	93
5.2	Cluster Analysis: Which Zip Codes Form Distinct Contribution Margin Groups?.....	97
5.2.1	Traditional Management Approach .....	98
5.2.2	Management Engineering Approach .....	98
<b>Chapter 6</b>	<b>The Use of Game Theory .....</b>	<b>103</b>
6.1	Is Distributing of Savings Between Cooperating Providers Fair? The Use of the Shapley Value Concept....	104
6.1.1	Traditional Management Approach.....	104
6.1.2	Management Engineering Approach .....	105
<b>Chapter 7</b>	<b>Summary of Some Fundamental Management Engineering Principles .....</b>	<b>109</b>
<b>Chapter 8</b>	<b>Concluding Remarks .....</b>	<b>113</b>
<b>Appendix</b> .....		<b>115</b>
<b>References</b> .....		<b>117</b>
<b>Definitons of Key Terms</b> .....		<b>121</b>