Physician Leadership Engagement to Produce System Change

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Objectives

• Discuss adoption of change
• Show how Kotter’s 8 steps for leading change can be applied as a leadership process
• Use Mercy’s ACO as an example of how this process can be used in a healthcare setting
• Increase familiarity with how an ACO works
• Show the role of leadership is to produce change

Diffusion of Hybrid Seed Corn in Two Iowa Communities
by Bryce Ryan and Neal Gross; Rural Sociology; March 1943

• Hybrid Corn was introduced in 1928
  – Yields were 20% higher
• Knowledge of a change is different than acceptance
  – Time lag of about 7 years between first knowledge and adoption
• Acceptance is influenced by
  – Shared experiences of Early Adopters
  – Ability to personally perform small tests change (PDSA)
Diffusion of Hybrid Seed Corn in Two Iowa Communities

The Part of the diffusion curve from about 10% to 20% is the heart of the diffusion process.

Lessons on Diffusion of Change
- Measurement to prove the advantages is key
- Diffusion is fundamentally a social process
  - Exchange of personal experiences is at the heart of diffusion
- Encourage the use of small tests of change (PDSA)
- **Resistors are irrelevant to the change process**
  - Developing the critical mass with enough positive experiences is what counts
  - Work with the willing
  - Don’t waste time on the laggards

An ACO is a group of Health care providers organized to coordinate care across the continuum and take risk
- Admissions are no longer a good thing
  - Instead it is a sentinel event for care gone wrong
- Success will lead to decreased hospital revenue
- Need to convert from a hospital focus to a care system across the continuum
- Leadership is needed to create this degree of change
Why physicians need to be engaged in leadership and change management

“Control your own destiny or someone else will”
- Jack Welch

Barriers to physician leadership

- Desire for Autonomy
- Physicians don’t value leadership authority
  - Believe the real work is seeing patients
- Even in groups, physicians don’t readily acknowledge their interdependence for success
  - Not team oriented
- Consensus decision making
  - Physicians don’t feel obligated to comply with group decisions if they don’t agree
- Lower pay for leadership work
  - Part time pay does not cover office overhead

Overcoming Barriers

- Formal governance structures
  - Provide a forum for leadership and enforcing decisions
- Formal Process for leading change
  - Kotter’s 8 steps
Kotter’s 8 Steps for Leading Change

1. Establish a sense of urgency
   - Why is change better than the status quo
2. Create a guiding coalition
   - Senior leader support and front line champions
3. Develop a vision and strategy
   - Consistent over time
4. Communicate the change vision
   - Actions must match words
5. Empower broad-based action
   - Governance, decision rights
6. Generate short term wins
   - Start with simple steps not grand solutions
7. Consolidate gains and produce more change
   - Make it clear that new approaches are superior (quality, financial)
8. Anchor new approaches in the culture
   - Language used, training, measures

1. Establish a sense of urgency

• Be clear about why you are changing
• Explain why the change is preferable to the status quo
• Need to meet people where they are:
  – Quality
  – Cost to patients
  – Physician reimbursement

USA Healthcare Spending is not Performance Based

Healthcare Spending per Capita vs. Life Expectancy in OEC Countries 2008

Data Source: OECD
Physicians Need an Alternative to FFS

- CMS RVU Conversion Factor
- 1998 CF Adjusted for Inflation

$/wRVU:
- Down 7% since 1998
- Lags inflation by 45%

2. Create a Guiding Coalition
Put together a team with power to lead change
- Right People – identify the key relationships
  - Position power
  - Expertise
  - Credibility
  - Leadership
- Develop a common goal
  - Commitment to improving the health of the communities we serve
- Create trust
  - Pre-existing silos must be broken down (i.e. specialist vs. primary care)
  - Social interactions
  - Words match actions
The Dyadic Management Model for the Integrated, Community Health System

Physician Governance Structure

Physician Partner
- Quality of the Clinical Professionals & Work
- Provider Behaviors
- Provider Innovation
- Compliance
- Patient Care Standards
- Clinical Pathways/Model Management
- Referring Physician Relations
- Provider “Leverage”

Administrative Partner
- Mission
- Vision
- Values
- Culture
- Overall Performance
- Internal Org.
- Relationships
- Strategy
- Operations
- Revenue Management
- Operating Expense Management
- Capital Planning & Application
- Staffing Models
- Performance Reporting
- Supply Chain
- Support Systems & Services

University of Iowa Health Alliance

Network Board and Management

Member Sub-Agreements

Required Components of Network Membership
3. Develop a vision and strategy

• Vision is the picture of the future
  – It directs the change effort
  – Can motivate action that is not always in the short term interest
• Strategy is the plan to achieve the vision
  – Confers competitive advantage, not just a good thing to do
  – Must be feasible

ACO Vision

• A value based reimbursement system is emerging which will:
  – Reward keeping people healthy
  – Require taking financial risk for populations of patients
  – Require better care at lower cost

Vision: a new payment model aligned with our mission
ACO - Clinical Strategy

• Advanced Primary Care Medical Home
  – Access, Health Coaches, coordination of care, Self-management support
• IT systems - AEHR and Data Warehouse
• Chronic disease care
  – Focus on patients with 2 or more chronic diseases
  – Top 1% of patients account for 30% of healthcare cost
  – Top 5% of patients account for 50% of healthcare cost
• Systems and Standardization
  – Reduction in Variation
• Transitions in care
  – Transition coach
• Extensivist Clinic
  – Provides intensified ambulatory services for the sickest patients
• Clinical Integration across the continuum

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**Increased Primary Care ➔ Higher Quality**

Ref: Baicker & Chandra; Health Affairs; April 2004

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**Increased Primary Care ➔ Reduced Spending**

Ref: Baicker & Chandra; Health Affairs; April 2004
4. Communicate the change vision

- The power of the vision is strengthened as more people commit to it
- Leaders spend hundreds of hours developing a vision
  - How do we communicate this to others
- Physicians are deluged with information
  - How do you get through the filters
- Very difficult to let go of the status quo
  - What is the impact on me

Effective Communication

- Simplicity
  - Short is more difficult than wordy
- Multiple forums & repetition
  - Tell it 7 times in 7 ways
- Guiding coalition must model and communicate the vision
  - Watch for inconsistencies
- Two way communication
  - Discussion is better than a lecture
  - Listen to fully understand
  - Seek feedback
ACO Message

- We will achieve the triple aim
  - Better care
  - Better Health
  - Lower Cost
- Improving Health will lower costs
- Teamwork will be required
- Patient Centeredness will guide our decisions

Signals that a change is important

- Same ones used for financial goals
  - Reporting metrics
  - Resources allocated
    - time is invested
  - Compensation plan
  - What gets celebrated

5. Empower broad-based action

- With a clear vision employees will know what to do
- Provide training
- Need a mechanism to make and enforce group decisions
  - Confront those who undercut change
- Structural changes to remove barriers
Structural Changes to Empower Change

- New Job descriptions
  - Evolving role of a Health Coach
- New Organizations
  - ACO
  - Integrated care committee
  - Physician Executive Council
- Physician Champions
  - Identify for each initiative
  - Pay for their time
  - Don’t need engagement of all physicians

6. Generate short term wins

- Build momentum
- Start small pilots & use PDSA Cycles
  - One clinic, one doctor, one patient
- Scoping of projects is important
  - If you can’t do it for one doctor or one patient you can’t do it for a whole clinic
- Show others what’s in it for them

*Population Based Care*

*Hypertension Process Map*
7. Consolidate gains and produce more change

- Measure results
  - Give feedback at the clinic and physician level
  - Continue measurement over time
- You must make the business case
  - Collect the data to prove it
- Make change the norm in your organization
  - “It’s not the strongest who survive but those who adapt the quickest”
**Medical Home Business Case**

- Open Access
  - Increases productivity by 10% – 15%
- Registries
  - Drive volume, P4P, Measurement for QI
- Pre-visit review (planning the visit)
  - Increases revenue from medically necessary services
- Health coaches
  - Redistributes doctor work increasing efficiency
  - Chart review, SMS
- Standardization
  - Improves quality and reduces the cost of producing a product or service
- Delivery system redesign
  - Prepares you for Accountable Care
  - Creates a culture for change

**ACO Business Case**

- Additional low cost Primary Care interventions can improve the health of patients
- Improving the health of patients will reduce
  - Hospitalizations
  - ED use
  - Drug costs
- Medicare Advantage plans have shown this is possible

**8. Anchor new approaches in the culture**

- Culture is an organization’s unspoken shared values, beliefs, expectations, and behaviors
- Culture Change comes last, not first
  - It requires behavior change and wins first
- Culture changes can be anchored by:
  - Formal statements of mission, values, policies
  - Rewards and reimbursement systems
    - System incentive Plan
  - Training and education programs
    - Physician leadership training
  - New job descriptions & org charts
  - Changes in physical workspace
Mercy System Incentive Components

• Meeting attendance 10%
  – Paid for attending 2 meetings a year

• Patient Satisfaction 45%
  – Based on clinic scores for two questions:
    • Explaining things in a way you can understand
    • Appointment available within a reasonable amount of time.

• Quality 45%
  – HgA1c poor control
    • % of patients with hga1c > 9.0 or not done in the last year
  – Hypertension
    • % of patients with most recent BP < 140/90

Leadership Creates Change

• Leadership requires:
  – Starting with a clear vision
  – Team building
    • Developing trust
  – Communication
  – Listening and seeking feedback
  – Early wins
  – Data collection
    • Measures of success

• Culture change is created by success with many smaller changes