The Inevitability of Change: Managing Healthcare Transformation
“The forces for change seem more potent today than ever before; increased technological advancement and rapid ‘societal upheavals’ create a more critical need for change and a more significant need for skills to manage and channel change toward meaningful ends.”
“Demands of the society for improved health care, for consumer involvement in health care planning, for personal involvement and participation in the health diagnosis and the treatment process itself, provide one set of forces which create pressure to change.”
What has changed in healthcare in the last 30 years?
What is changing in healthcare today?
Drivers of Change

- Providers—focused on chronic disease management.
- Consumers—assuming more responsibility.
- Payers/Health Plans—helping consumers get more value from health systems.
- Suppliers—providing goods/services that provide better outcomes at a lower cost.
National Health Spending 1960 - 2010*

(IN BILLIONS)

$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0

1960 1980 2000 2007 2009*

28 75 253 1,353 1,983 2,240 2,339 2,472 2,570

Predicted*
Healthcare Spending per Capita, 2008
Adjusted for Differences in Cost of Living

*2007
Source: OECD Health Data 2010 (Oct. 2010)
Transforming America’s Hospital
Hospital Spending per Discharge, 2009
Adjusted for Differences in Cost of Living

Dollars

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<th>Country</th>
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<td>US*</td>
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* 2008.
** 2007.
Source: OECD Health Data 2011 (June 2011).
Mortality Amenable to Health Care

Deaths per 100,000 population*

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* Countries’ age-standardized death rates before age 75; including ischemic heart disease, diabetes, stroke, and bacterial infections. Analysis of World Health Organization mortality files and CDC mortality data for U.S.

Impact of a 1% Point Increase in Unemployment on State Revenues, Medicaid, CHIP & Uninsured

1% Increase in National Unemployment Rate

= Decrease in State Revenues

3-4%

1.0 Increase in Medicaid and CHIP Enrollment (million)

1.1 Increase in Uninsured (million)

What is the impact of change?
I Quit!!!
It's not the progress I mind, it's the change I don't like. —Mark Twain
People resist change...

- Fear of the unknown.
- Fear of personal loss.
- Habit – comfort zone.
- Don’t see the need for change.
- Reasons for change don’t make sense.
- Belief that change will make things worse.
People embrace change…

- Believe it will result in personal gain.
- Believe the change makes sense.
- Individuals had a voice in the process.
- The time is clearly right for change.
- The change is truly well implemented.
- Respect for the champion of the change.
- Individuals received adequate training.
Like healthcare, even change is...
Changing
Health Care Reform?
Transforming the way we think about change
Defining Transformation

1) Any change in an organism which alters its general character and mode of life.
2) A change in disposition, heart, character, or the like; conversion.
3) A conversion, renovation, makeover or alteration.
4) A revolution.
Passion

is

Business
A cultural revolution
Organizational Culture

The explicit and implicit aspects, traits and norms of an organization. The do’s and don’ts.

An organization’s personality.
Why do we care?

These components link directly to the following:

- Quality
- Innovation
- Engagement
- Identity
- Bottom line (market share, ROI and assets)
Low Performing Cultures

- **Purpose**—lack of focus, clarity and connection to mission.

- **Structure**—paternalistic, fragmented, siloed, top-down, bureaucratic, business drives clinical.

- **Decision Making**—staff/physician driven rather than patient driven, entitlement mentality.

- **Responsiveness**—slow to respond, traditional, passive.

Cultural Transformation in Healthcare, Kimball 2005
Low Performing Cultures

- **Quality**—no recognition of ‘broken system,’ arrogant, great variation in practice/quality.
- **Workforce**—ineffective teamwork, lack of trust, not engaged, helpless, high turnover, low pride.
- **Merging Cultures**—lack of common vision, silos, competitive, independent.

Cultural Transformation in Healthcare, Kimball 2005
One more commonality…

A desire to move their ‘community of people’ to a different and better place.
transformation

flexibility  creativity

connectivity
Flexibility

- Re-defining a staid industry.
- Interdependent changes, roles and systems.

Hyundai has sped past the competition.
Flexibility

- What can you re-define within your department or relative to your practice?

- How can your structure and the way you do your work better reflect interdependence?

- What impact can you have on other members of the team?
Creativity

- Constantly re-imagining.
- Rapid process improvement.

Facebook has redefined communication and community.
Creativity

- What are the opportunities to leverage technology?
- How can you leverage resources differently?
- What are the small opportunities that can have big impact?
Connectivity

- Clear connection with a mission.
- Supported systemically.

TOMs Shoes fulfills a larger purpose.
Connectivity

- How does your work relate to larger goals?
- Are you clear about personal and organizational priorities?
- What impact could it have if everyone on your team worked toward only one goal?
Every system is perfectly designed to produce the results it gets.

—Don Berwick, M.D.
A More Familiar Model for Transformation

Transforming

ICD-10
The International Statistical Classification of Diseases and Health Related Problems

Tenth Revision

Volumen 1

PAN AMERICAN HEALTH ORGANIZATION
Pan-American Sanitary Office, Regional Office of THE WORLD HEALTH ORGANIZATION
The *Other* ICD-10

- Inspire
- Connect
- Develop
Inspire

1) Share a clear and aspirational vision of the future.

2) Generate excitement for goals.

3) Leverage motivation.
4) Identify formal and informal communication strategies.

5) Link individual work with overall goals, mission and vision.

6) Create opportunities to work as a system, not in silos.

7) Provide support in meaningful ways.
Develop

8) Identify opportunities for knowledge building/transfer.

9) Leverage individual/team strengths and strategize methods for overcoming obstacles.

10) Build sustainable leadership capacity and accountability.
TRANSFORMATION

FLEXIBILITY

CREATIVITY

CONNECTIVITY
This is all well and good, but...
What is one aspect of the ICD-10 that you can apply immediately?
I'm very interested in the future because I plan to spend the rest of my life there.

—Robert Wood Johnson
Thank You!

Lisa Goren
Senior Organizational Development Consultant
Legacy Health
lgoren@lhs.org