The Triumvirate

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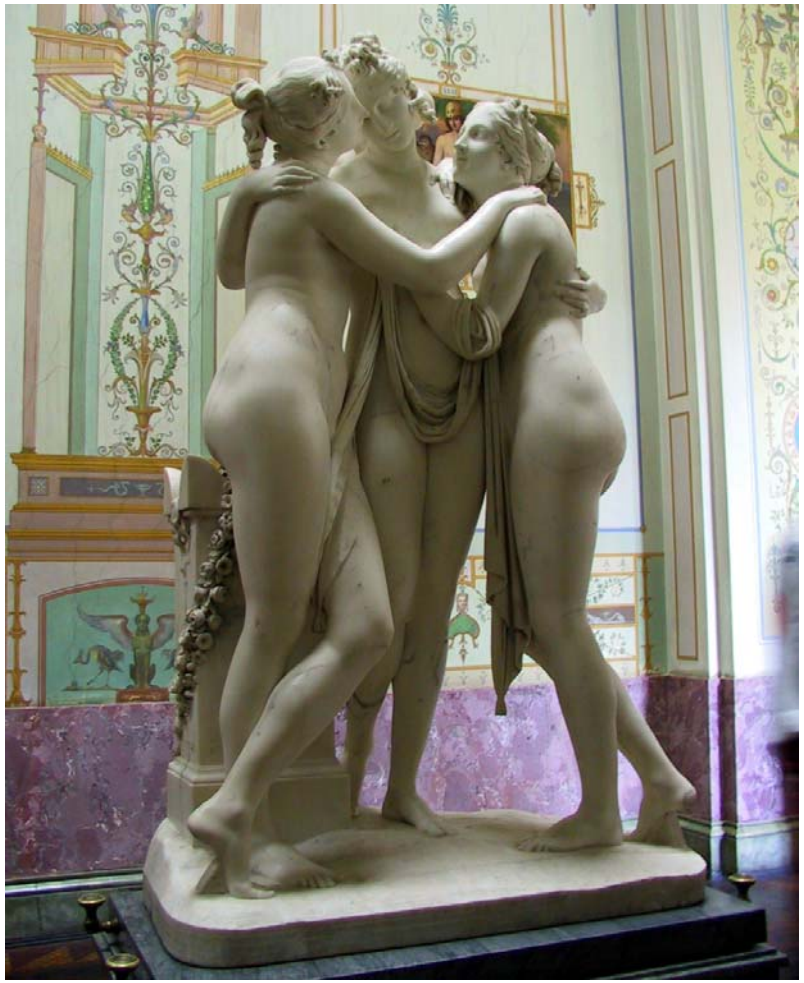
The Mighty Three

- Board
- Administration
- Clinicians

The Mighty Three



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The Mighty Three – Roles

- Board
  - Strategy
- Administration
  - Operations
- Clinicians
  - Health Care

The Mighty Three

- **Board**
- Administration
- Clinicians

Why Nonprofit Boards Exist

Required by law

- To act on behalf of the public
- To receive no financial gain
- To provide prudent oversight

Fiduciary duty is the highest obligation of loyalty and trust imposed by the law. Boards are to act in the best interests of the hospital, its medical staff, and the citizens of the community.

Source: Personal email from Louis J. Leonatti, Mexico, Missouri

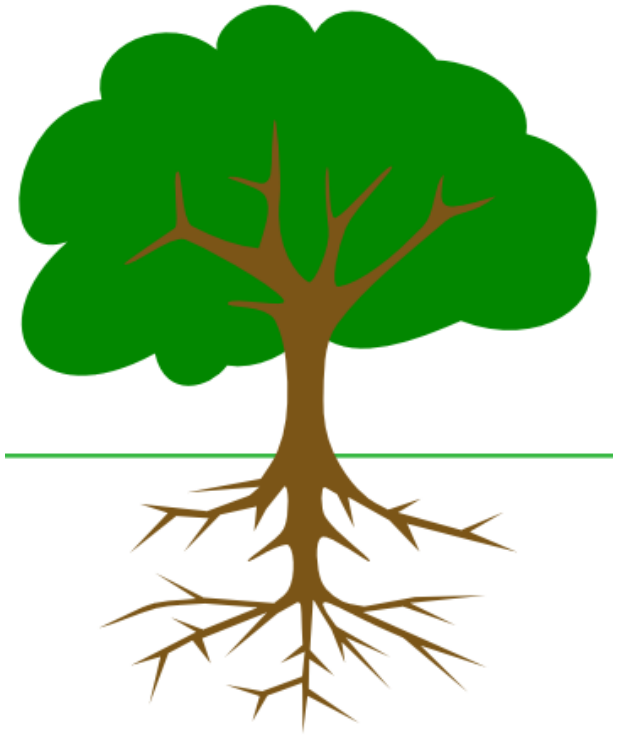
BOD – Job Description

- Set strategic direction; establish the mission, vision and strategy
- Assure effective management
- Build will
- Attend relentlessly to execution
- Achieve quality goals
- Ensure access to ideas
- Represent community interests

Sources: Roberts CC, Connors EJ. Core responsibilities of board trustees. Journal of Healthcare Management. 1998b;43(2):111. Institute of Healthcare Improvement. Getting Started Kit: Governance Leadership. 12/12/2006.

Hospital Boards – Culture

- Ensure health care safety/quality is a strategic priority
- Establish policies of transparency
- Develop blame-free environment
- Establish aims for patient safety and quality improvement
- Nurture interdisciplinary and inter-departmental teams
- Expect CEO "Chief Quality Champion"



Hospital Boards – Governance

- Bring physicians and quality leaders to the Board
- Establish an interdisciplinary Board Quality Committee
- Appoint a Performance Improvement Officer (PIO)
- Mandate 25% of all Board meetings devoted to quality
- Allocate resources for ongoing quality improvement training

Hospital Boards – Performance

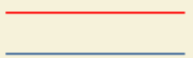
- Align financial/quality resources
- Explore performance gaps in strategic operations
- Foster evidence-based clinical protocols
- Reward CEO, employees, and physician champions for quality
- Demand dashboard reports on quality targets and outcomes

Stroudwater Hospital

Balanced Scorecard Board Report

Fourth Quarter (Oct-Dec 2007) and Prior Quarter (Jul-Sep 2007)

Finance	Prior	Current	Trend	Target	Frequency	Trend (Target)
Cost per Adjusted Patient Day Average hospital cost of a patient day where all patient services (IP and OP) are converted to patient day denominations	$1,867	$1,777	▼	$950	Monthly	
Net revenue increase Measures the percentage growth in Net Patient Revenue for a given period compared to the same period in the prior year	2.8%	7.0%	▲	4.0%	Monthly	
Operating profit margin Surplus (deficit) of operating revenues compared to operating expenses	7.9%	7.6%	▼	3.0%	Monthly	
Actual Expenses vs. Budgeted Expenses Measures the percentage of actual to budgeted expenses	NA	NA	▶	100%	Monthly	

Clinical and Business Processes	Prior	Current	Trend	Target	Frequency	Trend (Target)
AMI Topic (All or None) Measures the percentage of patients meeting all eligible measures for the Acute Myocardial Infarction (AMI) topic area	100%	89%	▼	95%	Quarterly	
CHF Topic (All or None) Measures the percentage of patients meeting all eligible measures for the Congestive Heart Failure (CHF) area	50%	100%	▲	95%	Quarterly	
PN Topic (All or None) Measures the percentage of patients meeting all eligible measures for the Pneumonia (PN) topic area	75%	100%	▲	95%	Quarterly	
SCIP Topic (All or None) Measures the percentage of patients meeting all eligible measures for the Surgical Care Improvement Project (SCIP) topic area	80%	85%	▲	95%	Quarterly	
Medication error rate Number of reported medication errors per 1,000 doses dispensed	0.3	0.3	▶	4.0	Monthly	
Hand Hygiene Measures the percentage of providers who washed hands or used gel	NA	NA	▶	100%	Monthly	
Healthcare Associated Infection Rate Measures the rate of healthcare associated infections per 1,000 patient days	NA	NA	▶	1.5	Monthly	
Days in Gross Accounts Receivable Measures the rate of speed with which the hospital is paid for health care services	61	59	▼	NA	Monthly	
Physician engagement index Index of three questions on the biannual medical staff survey dealing with hospital effectiveness	NA	NA	▶	75%	Biannually	

Stroudwater Hospital

Balanced Scorecard Board Report

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Learning and Growth	Prior	Current	Trend	Target	Frequency	Trend (Target)
Blame free medical error reporting policy Measures medical staff and clinical staff respondent willingness to report medical errors, as indicated in biannual staff surveys	41%	41%	▶	65%	Biannually	
Training Expense per FTE Dollar amount of external staff training investment in per FTE	$14	$12	▼	$35	Monthly	
Staff engagement index Index of three questions on the biannual staff and clinical staff surveys dealing with teamwork and contributions	52%	52%	▶	75%	Biannually	
Staff loyalty index Index of three questions on the biannual staff and clinical staff surveys dealing with willingness to recommend	60%	60%	▶	75%	Biannually	
Balanced Scorecard Education Measures the level of understanding of Balanced Scorecard principles among clinical and non-clinical staff	33%	33%	▶	90%	Biannually	
Turnover: Nursing staff Percentage of nurses separated from the hospital for any reason (includes RN, LPNs and nursing aides)	2.4%	1.6%	▼	3.0%	Monthly	

Community and Providers	Prior	Current	Trend	Target	Frequency	Trend (Target)
Patient satisfaction index Measures the satisfaction of patient respondents (ED, OP and IP)	84%	85%	▲	85%	Quarterly	
Physician loyalty index Index of three questions on the biannual medical staff survey related to satisfaction with nursing staff, and willingness to recommend this facility	NA	NA	▶	75%	Biannually	
Patient access Measures patient respondent (ED and IP) perception of access to hospital services	81%	87%	▲	85%	Quarterly	
Patient "Courtesy and respect" Measures patient respondent (ED, OP and IP) perception of staff and clinical staff courtesy and respect	93%	93%	▶	85%	Quarterly	
Patient engagement index Measures the engagement of patient respondents (ED, OP and IP)	89%	89%	▶	85%	Quarterly	
Time to treating provider Measures the speed with which the patient receives care from the treating provider/physician in the Emergency Department	45.6	NA	▶	16.0	Monthly	

The Mighty Three

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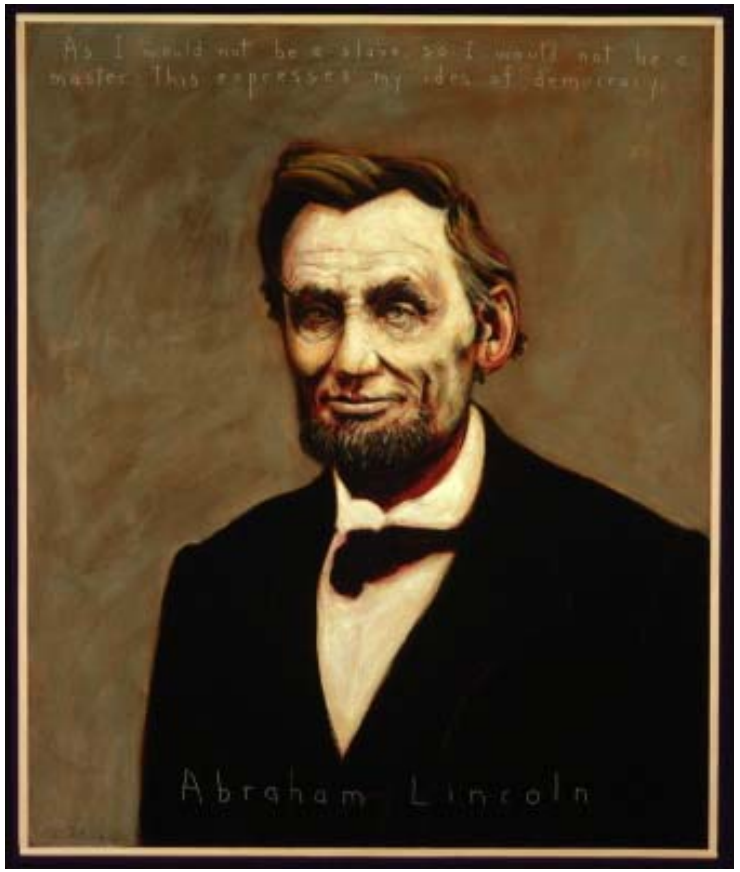
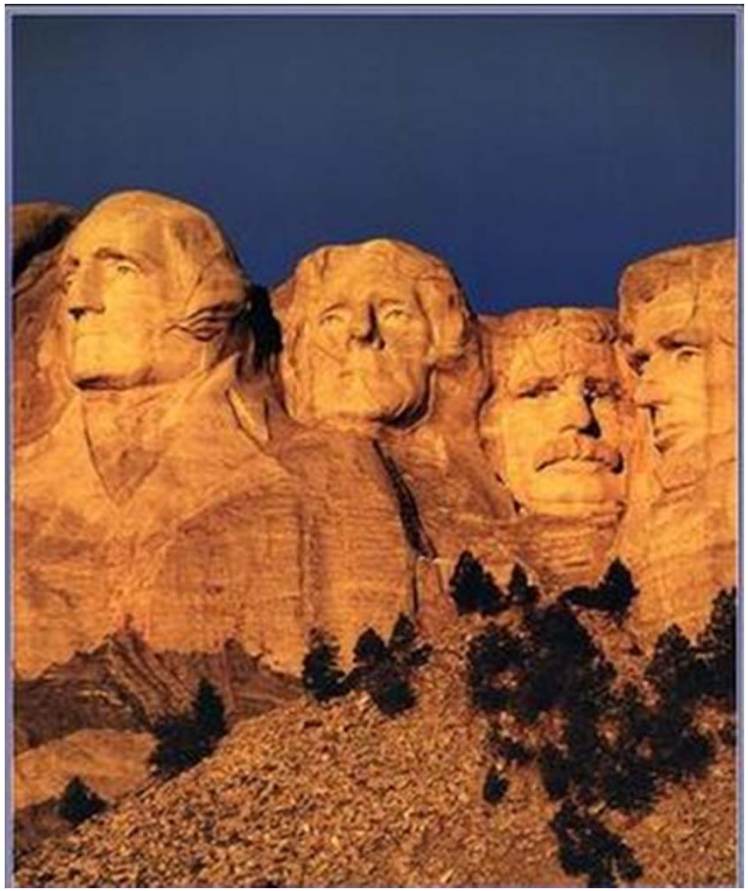
Leadership

- Great leaders look into the future and see the organization not as it is… but as it can become.
- Reform will require:
  - Paradox
  - Vision
  - Savvy
  - Perseverance
  - Courage



Leadership Roles

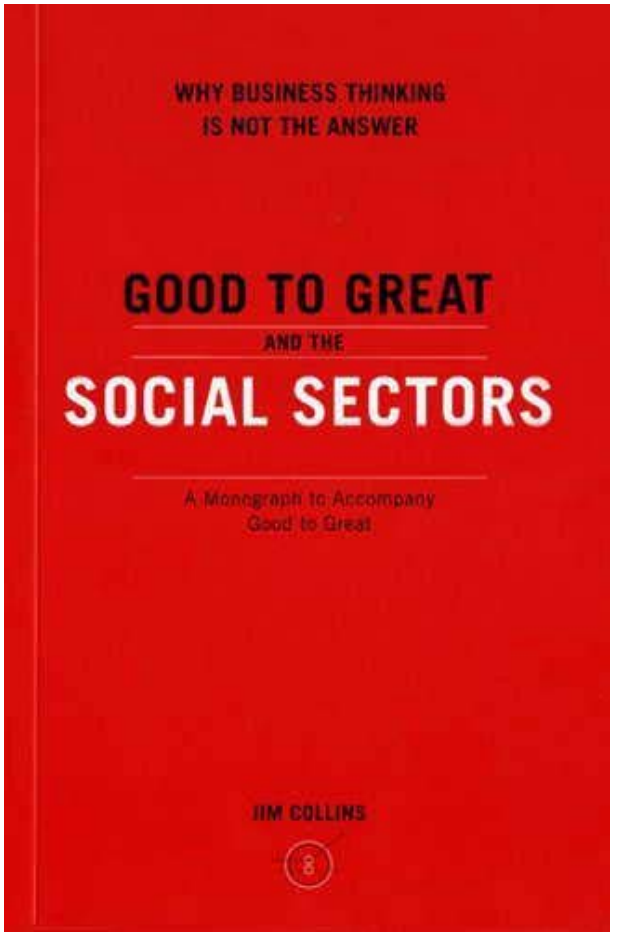
- Attend to culture
- Allocate resources
- Set policy
- Hire the best
- Establish accountabilities
- Begin with behaviors



People and Values

Jim Collin's Insight

- ~~How much money do we make per dollar of invested capital?~~
- How effectively do we deliver on our **mission** and make a distinctive impact, relative to our resources?
- In the social sectors, money is *only* an input, and not a measure of greatness.



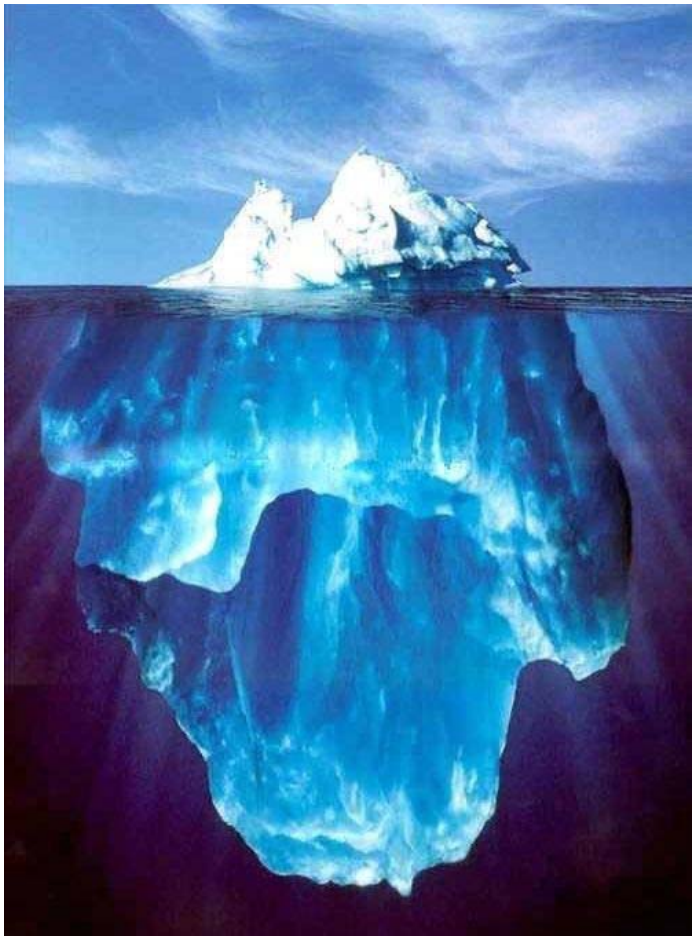
Walk the Mission Talk

- Assess Mission alignment with operations, budget, and the 3 Rs
  - How do day-to-day operations support the Mission?
  - How does the budget prioritize the Mission?
  - How many staff and Board meetings are devoted to Mission?
  - How are employees reinforced, recognized, and rewarded for living the Mission?

Cornerstones of Success

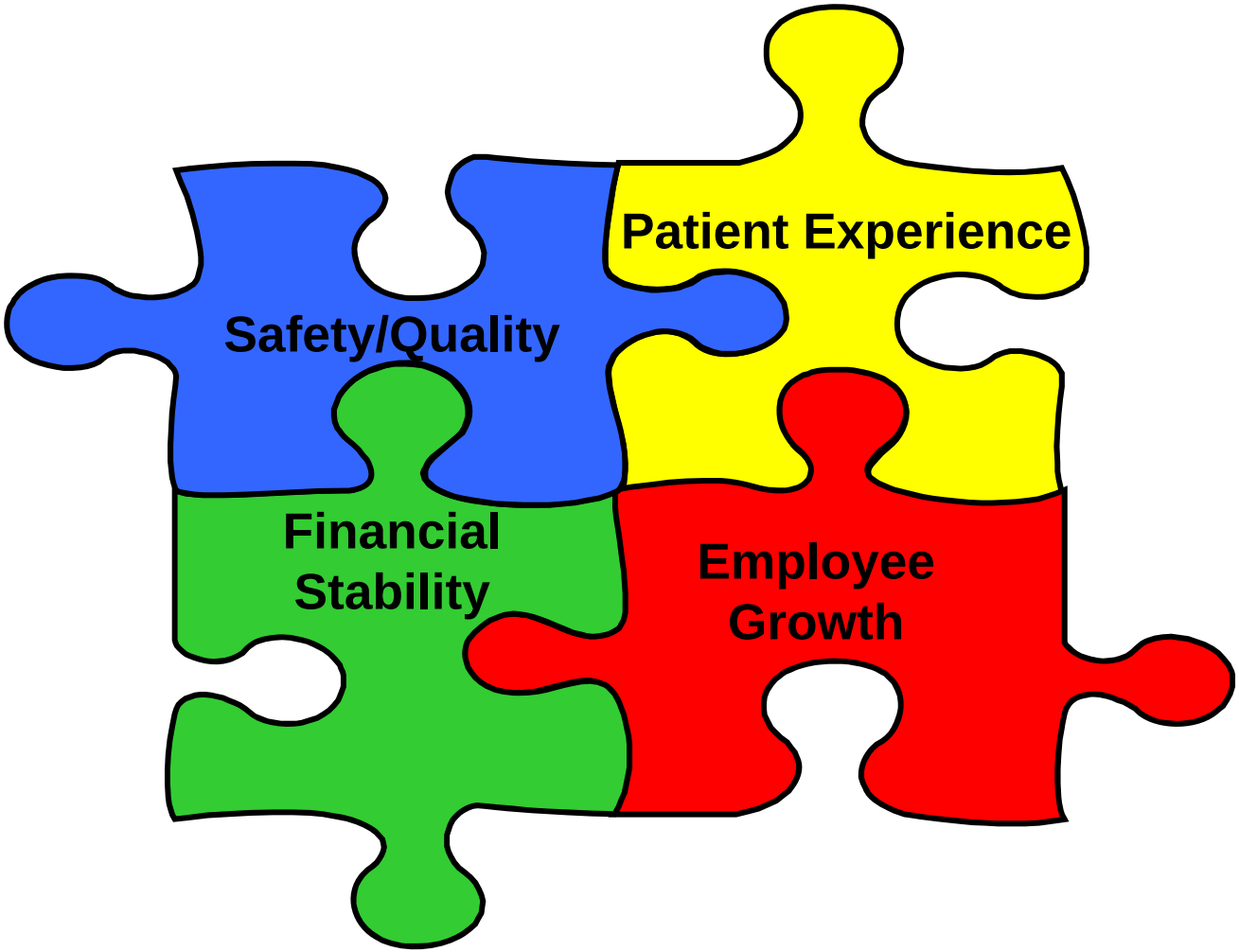
Culture

- Culture is the residue of success.*
- An environment of behaviors and beliefs
- **What we do becomes what we believe.**



* Edgar Schein, 1999

Balanced Approach



Inseparable Priorities

Source: Roland A. Grieb, MD, MHSA - Health Care Excel and Premier, Inc.

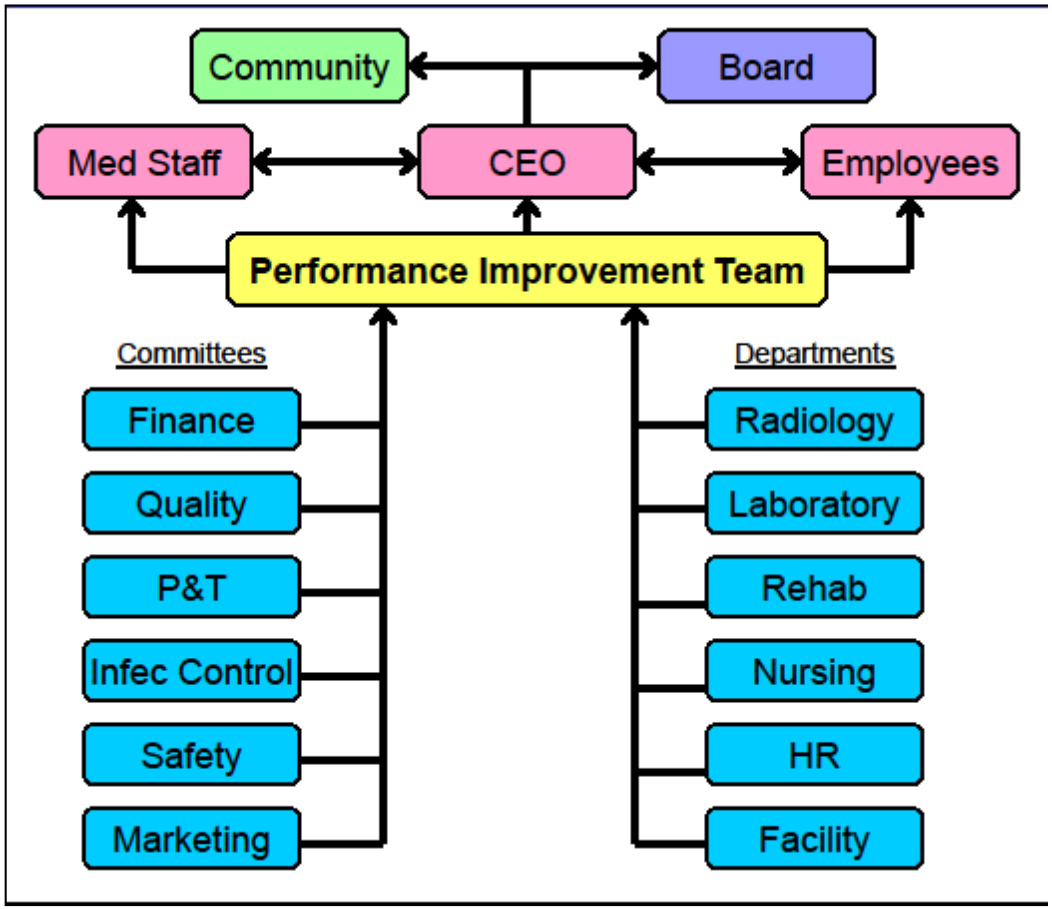
Non-Linearity

- ~~"No margin, No mission"~~
- **Balance** will be the success strategy
  - Health care safety/quality
  - Financial stability
  - Patient experience
  - Employee growth
- It's never about either/or; it's always about **and/both**

Organizational Behaviors

- Reward, Recognition, Reinforcement, Responsibility.
- Org charts that reflects a PI focus
- Mission?

The pursuit of excellence through continuous performance improvement



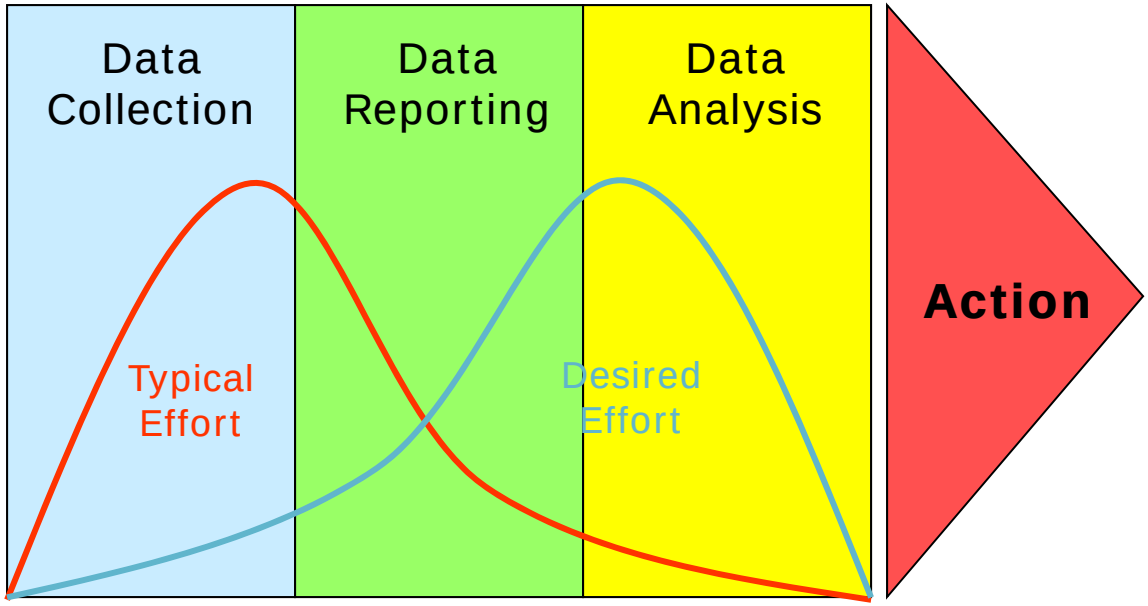
Performance Culture

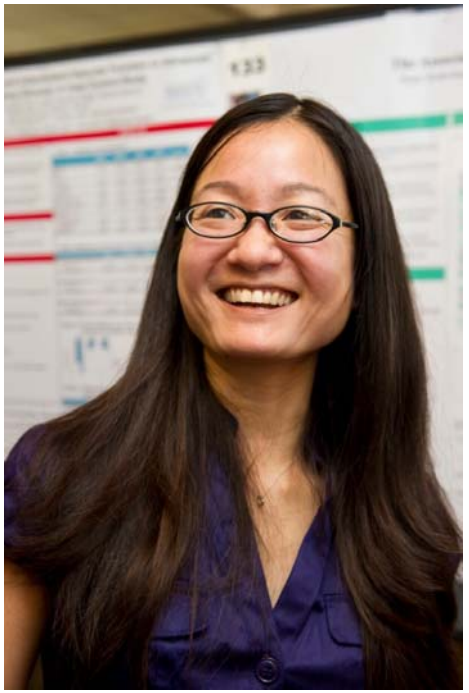
"While almost every other industry critical to the American economy has undergone some form of systematic, data-supported, quality-improvement process, healthcare is woefully behind the curve."

George Halverson

- We attend to what we measure
- Measurement should be "**balanced**"
- Measurement requires translation
- Measurement *value* versus *effort*

Performance Measurement ROI





The goal is move the curve to the right

Source: Greg Wolf, PMI Healthcare

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10 Keys to Transformation

1. Define a vision
2. Develop a communication plan
3. Visibly champion
4. Build internal skills
5. Seek early, measureable wins
6. Take a balanced, holistic approach
7. Reach out and learn from others
8. Establish alignment/accountability
9. Create monitoring mechanism
10. Recognize, reward, and celebrate

Source: GE Healthcare. *Establishing a Framework for Organizational Transformation in Healthcare.* 2007.

The Mighty Three

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The Enemy

We have met the enemy, and they are ours.

Oliver Hazard Perry

We have met the enemy, and he is us.

Walt Kelly

Strained Relationships

CEO Quotes

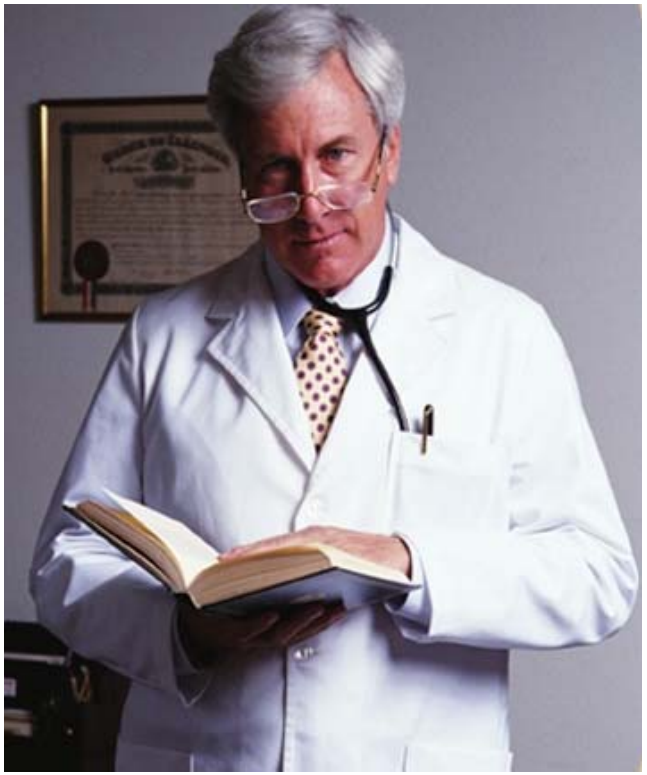
- This job would be a helluva lot easier if it weren't for those damn physicians.
- They've got pediatric personalities!
- I'm going to drive that SOB out of town.
- The medical staff meeting will be held at the local hotel – we don't want blood on our conference room walls.

Or

- **I'm blessed by my physicians.**

Why bother?

- Provide most medical care
- Deliver intrinsic value
- Knowledgeable and influential
- Powerful potential ally
- Apathy or antagonism will undermine a CEO's best plans
- Without them, hospitals are expensive hotels!



Herding cats

Never the Twain Shall Meet?

Physician	CEO
Doer	Planner/designer
Solution-oriented	Process-oriented
1:1 interaction	1:N interaction
Always "on"	Some down-time
Decision-maker	Delegator
Autonomous	Collaborative
Patient advocate	Organization advocate
Professional ID	Organizational ID
Immediate gratification	Delayed gratification

Source: Adapted from "The Dual Role Dilemma," by Michael E. Kurtz, MS

Yesterday's Promises

- Autonomy
- Protection
- Control

Adapted from: Silversin, J. *Leading Physicians Through Change: How to Achieve and Sustain Results*. American College of Physician Executives. 2000.

Today's Imperatives

- Patient safety
- Quality improvement
- Patient satisfaction
- Cost reduction
- Electronic health records
- Physician recruitment
- Team work
- Community health

Adapted from: Silversin, J. *Leading Physicians Through Change: How to Achieve and Sustain Results*. American College of Physician Executives. 2000.

Differing Views Lead to Mistrust

CEO view

I'm concerned about quality of care;
docs are only concerned about their income

Physician view

I'm concerned about quality of care;
CEOs are only concerned about money

No shared vision!

Source: The Advisory Board Company. Physician Survey. Washington, DC. 1999

The Consequences of Mistrust

- Physicians set up office labs and x-ray
- Hospitals set up urgent care centers

- Mistrust = competition
- Duplication = ↑ costs
- ↓ community confidence
- ↑ patient outmigration

Competition to Collaboration

- Develop a philosophy of mutual benefit / shared vision
- Keep the hidden agenda out
- Solicit meaningful physician input early and often, and then act on it
- Engage physicians in balancing business and patient priorities

Source: LeTourneau, B. From Co-opetition to Collaboration. *Journal of Healthcare Management.* 49:3. May/June 2004.

Competition to Collaboration

- Identify, mentor, and educate physician leaders
- Invest in physician leaders
- Reward physicians in ways they value
- Get to know physicians on a personal level

Source: LeTourneau, B. From Co-opetition to Collaboration. *Journal of Healthcare Management.* 49:3. May/June 2004.

Communication

During times of change, leaders should triple their efforts at communication

Peter Drucker

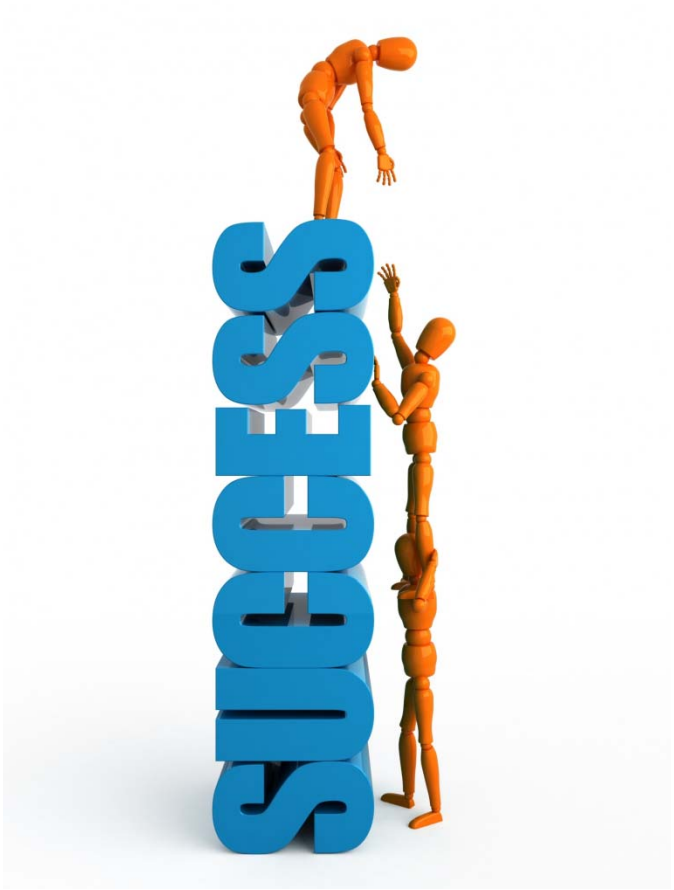
- Ask how, when, and where
- Multiple media, multiple times
- Get out and about (MBWA)
- Focus on interest, not position
- Orient discussion to patient, solution, and scientific method

Meetings

- Invite physician input early
- Involve physicians in strategic and capital planning
- Schedule meetings and select venues appropriately
- Present actionable information, not data
- Delineate next steps
- Always follow-up as promised

Mutual Interest

- Attend a leadership conference together
- Meet regularly one-on-one
- Develop social connections
- Set realistic goals together
- Go for early wins
- Celebrate!



Success Strategies

- Find the shared vision
- Acknowledge our absolute interdependence
- Engage physicians…
  - with patient outcomes
  - by making their lives easier
  - in shared success

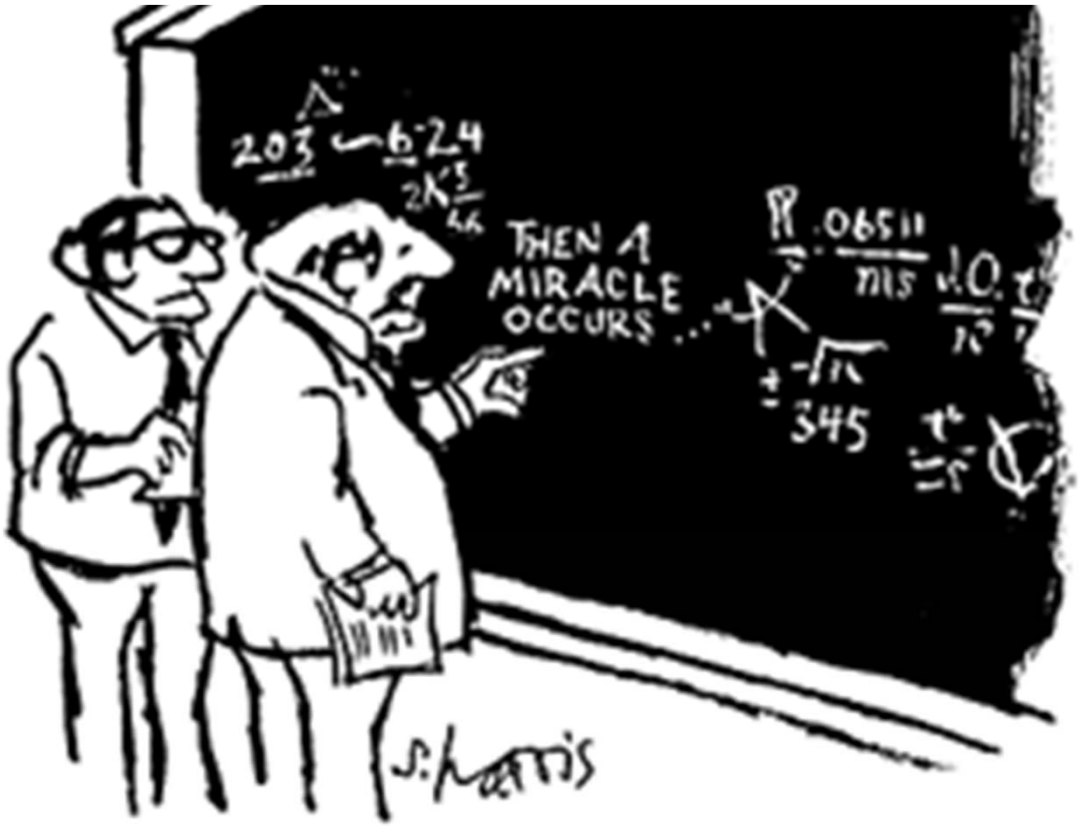
Engage Physicians!

Physicians can be astonishing allies

Starts and ends with relationships built on trust

- Trust – engages the mind
- Truth – engages the heart
- Teamwork – realizes the vision

Discussion



"I think you should be more explicit here in step two."

Healthy People and Places

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