BECOMING A VALUE DRIVEN ORGANIZATION

Support for this program was provided by a grant from the Robert Wood Johnson Foundation.
OVERVIEW

OUR GOAL:
SHARE BEST PRACTICES IN LEADING A VALUE DRIVEN ORGANIZATION

LEARNING OBJECTIVES

Learn about the drivers of health care transformation using improvement work as a lens to think critically about past experiences, harness organizational expertise, and learn by application of principles.

Upon completion, online participants should be able to:

• Make a compelling case for change
• Understand system response to challenge
• Incorporate value-based principles into improvement work
## Contents

### Learn

- **STEP 1: UNDERSTAND THE PROBLEM**
  - Read & Reflect to gain context on the drivers of healthcare transformation:
    - The 3 Healthcare Revolutions 04
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### Collaborate

- **STEP 2: ALIGN THE TEAM & STANDARDIZE THE PROCESS**
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### Improve

- **STEP 3: JOIN THE REVOLUTION**
  - Learn from example and apply to your work:
    - Read the 4 online case studies **ONLINE**
    - View improvement examples **ONLINE**
    - Make your own Value Summary reference page 14
THE 3 HEALTHCARE REVOLUTIONS

1 VOLUME TO VALUE REVOLUTION

The shift from volume to value starts with measurement. Measuring volume is simple, but how do we measure value? CMS started the journey with process measures (early core measures) evolving into measurement of outcomes (SSI, HACs), and eventually patient’s perceptions of quality (HCAHPS) - all at the hospital or system level. Collecting these data and improving performance at the hospital level has been challenging, especially with the exponentially increasing metrics used to measure performance.

While challenging to measure hospital-level performance, the complexity increases when measuring and improving performance at the individual provider level. Indeed, the next phase in the national value revolution will focus on measuring individual provider performance in the delivery of high value care. In our organization, the magnitude of this change increases the complexity, from 1 hospital system to 1,000+ individual providers. How do we make the shift from 1 to 1,000 points of improvement?

2 EPISODE TO POPULATION MANAGEMENT REVOLUTION

For years, clinicians have complained about the episode of care system, delivering care in time-limited increments, with no time or reimbursement for attending to care interfaces, much less preventing or mitigating illness. Instead of being paid to provide a finite service, what if we were paid to focus on the sustainability of health or the prevention of illness? Sounds like something many health care providers have wanted for years.

But if provided the opportunity to manage a population in this way, could we succeed? Transformation is not hyperbole when describing what is needed to manage populations: new organizations working together, new infrastructure for information flow and new incentives. For decades physicians have been trained to provide independent focused assessment and treatment. How do we experiment with transformational designs that provide optimal outcomes while facing the pressure to get it right the first time?

3 THE PATIENT REVOLUTION

In the midst of these external drivers of change by payers and employers, another revolution arrives that may be more disruptive and transformational. Patients themselves are creating change by demanding more control, higher service and instant access. These demands are reinforced by providers who are actually meeting them.

Traditional healthcare organizations are seeing patients leave to seek more convenient and cost effective options. CVS and Walgreens are seeing double-digit and even triple-digit growth in their retail clinics. MDLive and Teladoc are bringing telemedicine into patient’s homes.

There will always be a role for one on one, in-person visits with respectful dialogue and physical examination. But the balance of power in healthcare is shifting, at least in part, to a world in which the patient chooses if, when, and how they want to see the provider, as opposed to the provider choosing to see the patient on their terms. From most perspectives, the adoption of full value-based purchasing and population management is likely at least 5 years away. But consumers are driving daily innovations in the pursuit of accessible, efficient and appropriate care delivered on their terms.
<table>
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<tr>
<th>VOLUME TO VALUE REVOLUTION</th>
<th>EPISODE TO POPULATION MANAGEMENT REVOLUTION</th>
<th>THE PATIENT REVOLUTION</th>
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<tr>
<td>“At the core, maximizing value for patients requires shifting focus from the volume of services provided to the patient outcomes achieved.”</td>
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Reflect:

How is the drive to improve value manifesting in your organization?

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Reflect:

What does population health mean to you personally and to your organization? Are you exploring a path that will lead to meaningful population management?

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Reflect:

How is healthcare consumerism impacting your current and future care delivery?

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ORGANIZING FOR VALUE

HOW TO EXECUTE THE STRATEGY THAT WILL FIX HEALTH CARE

With these three interrelated revolutions underway, much of which is in conflict with the current state of healthcare delivery, how should organizations plan for this not so distant and turbulent future? At Utah, we have embraced the strategy outlined by Michael Porter and Thomas Lee (Porter M. E., October 2013) who introduced six components that create a foundation for delivering patient centered, high value healthcare for both individuals and populations.

LEADING COMPLEX CHANGE: VUCA

When looking for lessons to address this level of change, surprisingly one of the most appropriate comes from the US Armed Forces. Following the terrorist attacks of September 11, 2001 the US Army War College introduced the concept of VUCA to describe the chaotic, turbulent and rapidly changing environment that became the new normal.

VOLATILITY: The nature, speed, volume, magnitude, & dynamics of change.
UNCERTAINTY: The lack of predictability of issues and events.
COMPLEXITY: Confounding issues that disrupt predictability of outcomes.
AMBIGUITY: The mixed meaning of changing conditions.

VUCA environments force leaders to develop foresight to see where they are going while remaining flexible about how they get there.

For VOLATILE situations, lead with VISION
- Communicate vision clearly & often
- Ensure your intent is understood

For UNCERTAIN situations, seek to UNDERSTAND
- Broaden understanding by looking and listening

For COMPLEX situations, provide CLARITY
- Seek to make sense of chaos & create a shared consciousness
- Stop seeking permanent solutions

For AMBIGUOUS situations, embrace AGILITY
- Move quickly to apply solutions & empower teams to execute
- Identify smaller successes

Above: “The Value Agenda” from The Strategy That Will Fix Health Care, Porter and Lee. HBR October 2013 (use with permission).
EXERCISE: Reflect on the need to reorganize for value...

“Measuring outcomes and cost for every patient presents significant complexity to execute and opportunities to improve. Embracing this charge is crucial to move value from abstract concept to the call for action.”

“Reflect:

1. How are you innovating towards patient level measurement in the following areas?
   a. Cost
   b. Outcomes
   c. Clinical Conditions

2. What are current barriers to measuring value both at the acute episode/encounter level and the population level? How might these be overcome?

3. Describe specific tactics to make value measurement available & transparent.

RECOMMENDED READING:


“Reflect:

4. How are you approaching improvement in your system?
   a. What cultural foundation have you built upon?
   b. How are you empowering & supporting bottom up innovation for improvement?”
Not so long ago, the conventional wisdom was that good clinicians needed to focus all of their energy and all of their intellect on what was best for the patients in front of them. The most sacred interaction in medicine was what went on between an individual doctor and an individual patient. The challenge of optimizing outcomes for patients was so difficult that this relationship should not be muddied by concerns such as the costs of care. One of my mentors told me that “value” was a code word for costs, used by people who really only cared about financial aspects of care.

That was then; this is now. Today, to be excellent as a clinician, one has to be ready to work as a member of a multidisciplinary team. There is simply too much to know and too much to do and keep track in medicine today — no individual can deliver state-of-the-science care to patients of any complexity at all without colleagues who are more than colleagues. And these teams have to do more than optimize outcomes for groups of patients — they need to work to improve the efficiency of care as well.

Teamwork. Efficiency. Organizing around meeting patients’ needs. These all go together. Collectively, they sound like “Mom-and-Apple Pie.” To many clinicians, however, they taste like cod liver oil.

But the fact is that we are entering a new health care marketplace that is being driven by competition on “the right things” — that is, meeting patients’ needs as efficiently as possible. Patients are being given more choices about what type of insurance product they want, and they are picking ones that they can afford. Lower priced insurance products often restrict access to a group of providers who can give care with a lower price or greater efficiency. And that means providers who are doing things the same old way will lose patients, lose market share. They will be trying to hang on, and be the last iceberg to melt.

There is a better way, of course — which is to organize, and work to improve outcomes so that patients want to come to you, and to do so efficiently so that they can afford to pick the insurance products in which you are participating. Those are the ingredients of high value health care. Working toward higher value is ... work! It’s miserable. It requires change, and asking good, hard-working people to change what they do is not easy.

But the rewards can be considerable — better outcomes for patients, including better patient experience. Greater efficiency, so that more resources are available for investment in initiatives to make care even better. Greater market share and business success. Greater price, and lower turnover.

Value does not happen by accident, and good intentions are not enough. The goal of improving value has to be a major focus for everyone in an organization, including the clinicians. It means measuring outcomes and costs, and working relentlessly to get better. Getting better means improving one or more outcomes without raising costs; or lowering costs without compromising outcomes. Surprisingly often, both can be accomplished at the same time.

We will never be able to deliver immortality to our patients, nor perfect health. And will never reach a state that we can call “highest value health care.” But use of our creativity and energy in the pursuit of all of these goals defines excellence for the clinician today.
EXERCISE: Reflect on engaging physicians in the revolution...

“Value does not happen by accident, and good intentions are not enough. The goal of improving value has to be a major focus of everyone in an organization, including the clinicians.”

Reflect:
1. How are you engaging your physicians?

2. What are your barriers?

3. What are your successes?
Navigating complex change will require new knowledge, skills and abilities. Teams will need to become more efficient, adaptable and resilient. Leaders of change efforts will require increased competency in the key areas of leading and managing. In his seminal article, “What Leaders Do,” John Kotter outlines that “managing and leading are different but complimentary, and in a change world, one cannot function without the other. Management is about coping with complexity. Leadership, by contrast, is about coping with change...And only organizations that embrace both sides of that contradiction can thrive in turbulent times.” (Kotter, December 2001)

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<th>LEADING</th>
<th>MANAGING</th>
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<tr>
<td>Preparing for Change</td>
<td>Coping with Complexity</td>
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<tr>
<td>• Set future direction (long term)</td>
<td>• Set short term goals</td>
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<td>• Balance external forces, internal values and competitive advantage</td>
<td>• Allocate resources</td>
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<td>• Align through context and direction</td>
<td>• Measure what matters</td>
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<tr>
<td>• Create coalitions</td>
<td>• Monitor results and identify deviations</td>
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<td>• Move in the right direction despite obstacles</td>
<td>• Organize to solve problems</td>
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<td>• Recognize success</td>
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EXERCISE: Reflect on leading and managing improvement work...

“Managing and leading are different but complimentary, and in a change world one cannot function without the other. Management is about coping with complexity. Leadership, by contrast is about coping with change...”

Reflect:
1. LEADING: When answering the following questions, think about an improvement project you have recently participated in or led.
   a. How did understating the goal activate the team?
   b. How was alignment created through context and direction?
   c. How was the team able to move in the right direction despite obstacles?

Reflect:
2. MANAGING: When answering the following questions, think about an improvement project you have recently participated in or led.
   a. What short term goals were there?
   b. How did measurement help activate the efforts?
   c. How did measurement allow the team to monitor results and identify deviations?
   d. How did the team organize to solve problems?
   e. What were the successes?
Why is change necessary? What will the benefits be? What's in it for me? These three questions are at the core of leading successful change efforts. The irony is that when asked about change, most leaders think their job is to come up with answers—not communicate vision. In the new world of value, all teams will need a deeper understanding of context and direction in order to be nimble. Teams will need to understand the work that needs to be done today, understand the challenges of the future, and their role in moving towards that vision. Leaders will need to increase their competency with the leading skills of vision, direction, and alignment combined with the managing skills of measurement, prioritization and clear goals.

Ask anyone in healthcare if they are part of a team and they will likely say yes. But those are usually discipline-specific teams of nurses, pharmacists, and physicians. Each team delivers care to the patient in a hub and spoke model, where each group touches the patient independently. But do we design our care through integrated teams and deliver it through coordinated process? Barriers to integration include our historical hierarchies, our time-starved environment, our measurement and goals, and even our language. Changing culture requires deliberate planning executed by persistent leadership.

Historically, healthcare is something that happens to patients, not necessarily with them. In order to strengthen our connection to patients, organizations must identify and measure outcomes that matter to patients, organize teams around those efforts, and most importantly, improve. This introduces the real work of a health care buzzword: patient-centeredness. Being patient-centered is more than just individual behavior. A patient-centered organization designs processes and systems around what is important to the patient. The hard work of patient-centeredness is laser focus—the right people on the team, measure what matters, organize around it, audit, and flexibly re-design when necessary.

What gets measured gets managed. Scorecards are a critical part of any value transformation strategy because of the power of measurement: Simply putting data in the right hands will often improve process and outcomes. When measurement is used effectively, teams can design, implement, and sustain improvement locally. Measuring outcomes and cost for every patient presents significant complexity to execute and opportunities to improve. Embracing this charge is crucial to moving value from abstract concept to call for action. At our organization, we have found that an important key to increasing value is patient-level data, which gives a local team actionable data to improve their work.
EXERCISE: Use the Value Framework to shape value-driven improvement efforts...

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<th>TEAM</th>
<th>PATIENT</th>
<th>MEASURE</th>
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| 1. Why are we working on this now? | 1. Does the team include representatives of all roles impacted by the implementation? | 1. How does this change make it easier or improve outcomes for the patient? | 1. What data is available to measure this problem? (i.e., outcomes, cost, patient experience, etc.). How might we overcome any barriers in getting the data? |
| 2. How will this change make it better for the patient? | 2. Have you included people who are part of the patient’s entire value stream (upstream and downstream from their interaction with you)? | 2. What can we learn about this problem by listening to our patients? | 2. What is the smallest unit of measurement available? (i.e., encounter, patient, provider, staff member, unit, system) |
| 3. What external pressures are prompting this? | | 3. How can we include patient feedback in designing our improvement? | |
| 4. What problem am I trying to fix? | | | |

"When asked what we need to succeed in change, the #1 answer is to understand why the change is necessary and what the benefits will be."

"Central to creating value is the understanding that the expert who does the work should be the expert who designs the improvement."

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"Simply putting data in the right hands will often improve process and outcomes."
In order to understand each other, we have to speak the same language. The Value Summary is a modified A3. Internally, the Value Summary is an electronic portal that captures improvement work in real time as well as a problem solving framework. For this program, we’re sharing this process to facilitate communication across organizations. Based on a methodology that draws from lean, Six Sigma and PDSA process models, developed and tested by University of Utah Health Care industrial engineers, the Value Summary guides teams through 5 key steps that result in a 1-page snapshot of improvement project work.
EXERCISE: Reflect on standardizing improvement...

“In order to understand each other, we have to be able capture improvement work, speak the same language, and facilitate communication across the organization.”

“Real transformation takes time, and efforts risk losing momentum if there are not short-term goals to meet and celebrate.”

Reflect:
1. Is your organization using a system-wide approach to improvement?

2. Is there a common language in your approach to Value?

3. How are you capturing the great work that happens in your organization?

4. Describe how “spread” happens in your organization when trying to translate local success into system-wide adoption?

5. How are you celebrating your success?

6. How are you spreading best practices?

VALUE UNIVERSITY
For examples of value-driven improvement, read the four online case studies of frontline physicians executing value at University of Utah. These leaders utilize peer engagement, work in multidisciplinary teams, and use context and tools that foster systemic understanding and empower individuals to improve the lives of patients by delivering high value health care.

On the Value University website home page, you will find 10 value improvement efforts in progress as well as podcast interviews with individuals conducting the work. Use these to inform value-based development of your own improvement work.

The Value Summary, provided on page 14, can be adapted and used to organize and plan your improvement work. Examples of 10 in-progress Value Summaries are available on the home page of the Value University website.

SHARE THIS WITH OTHERS:
www.healthsciences.utah.edu/value-university
VALUE UNIVERSITY

AS A LEARNER, I WANT TO:
- make my own meaning
- be in charge of how and when I learn
- bring my own experience to what I'm learning
- balance comfort and challenge
- use what I learn right now
- have fun

Our philosophy is that by sharing the collective wisdom of many organizations, teams, and individuals we will all improve faster.

All content for this program is open access, free of charge.

Support for this program was provided by a grant from the Robert Wood Johnson Foundation