The Strategy That Will Fix Health Care

Thomas H. Lee, MD
Chief Medical Officer, Press Ganey
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A Historic Moment of Turmoil – and Opportunity

- We have similar challenges in health care -- throughout the world

- Irresistible drivers of change include:
  - Medical progress
  - Aging population
  - Global economy

- Non-fiscal challenges for providers and patients:
  - Too many people involved, too much to do, no one with all the information, no one with full accountability
  - Result: Chaos → gaps in quality and safety, inefficiency
  - Patients are afraid not just of their diseases, but of lack of coordination

**Question:** If somehow, magically, health care costs were not a problem, would you say that health care is working just fine?
Getting to the Other Side – Key Questions for NIC Attendees

1. What is the goal? What are we trying to “produce”?
   - **Hint: It is not more health care.**

2. How should health care and the seniors housing and care industry organize themselves around the real goal?

3. What are the strategic implications for NIC National Conference attendees?
Key Themes That May Differentiate Attendees

1. Commitment to measurement
2. Ability to improve value (outcomes that matter vs costs required to achieve those outcomes)
3. Commitment to transparency
4. Ability to understand the full value chain for target population
5. Ability to cooperate/collaborate/integrate
An Overall Strategic Framework

Harvard Business Review

THE BIG IDEA

The Strategy That Will Fix Health Care

Providers must lead the way in making value the overarching goal by Michael E. Porter and Thomas H. Lee
What Is Strategy? And What Should It Be?

- Strategy boils down to two questions:
  - What are you trying to do for whom?
  - How are you going to be different?
    - *If you are trying to do the same thing for everyone, and do it the same way as everyone else, you will be competing on price alone.*

- Our take:
  - In health care and in housing, the overarching goal should be improving *value*.
  - Organizations can be *different* by organizing to meet needs effectively and efficiently.
    - *The heterogeneity of customer/patient needs paralyzes organizations, and causes them to focus on short-term financial considerations only.*
A Six Component Framework

THE VALUE-BASED SYSTEM
The strategic agenda for moving to a high-value delivery system has six interdependent elements.

1. ORGANIZE INTO INTEGRATED PRACTICE UNITS (IPUs)
2. MEASURE OUTCOMES AND COSTS FOR EVERY PATIENT
3. MOVE TO BUNDLED PAYMENTS FOR CARE CYCLES
4. INTEGRATE CARE DELIVERY ACROSS SEPARATE FACILITIES
5. EXPAND EXCELLENT SERVICES ACROSS GEOGRAPHY
6. BUILD AN ENABLING INFORMATION TECHNOLOGY PLATFORM

SOURCE: MICHAEL E. PORTER

“Measuring What Matters” In Rapid Evolution

• *What* is being measured:
  • Suffering
  • Peace of mind
  • Coordination of care

• *How* data are collected:
  • E-survey via variety of tools, in range of settings

• *How much* data are being collected:
  • Surveying to “give everyone a voice” – e.g., after every important interaction

• How the data are being *used*:
  • Transparency to drive provider engagement and improvement
Deconstructing Suffering in Clinical Care

Inherent Suffering
Experienced even if care is delivered perfectly

OUR GOAL:
Alleviate this suffering by responding to Inherent Patient Needs.

Avoidable Suffering
Caused by defects in the approach to deliver care

OUR GOAL:
Prevent this suffering for patients by optimizing care delivery.
My Introduction to “Suffering”

- March 2013 – breakfast with Pat Ryan
- My initial reaction (negative)
- Reaction of my physician colleagues at NEJM (also negative)
- Comment by copy editors that NEJM does not use the word suffering

**The Word That Shall Not Be Spoken**

Thomas H. Lee, M.D.

During the years when I worked in an academic integrated delivery system, my colleagues and I would frequently discuss patients’ experiences and ways to improve our management of their pain and reduce anxiety; from a clinician’s perspective, it was obviously the right thing to do. So it was a pleasant surprise when I studied the business strategy of a company that assesses patients’ experiences and found the word “suffering” would take some getting used to. I couldn’t remember the last time that my colleagues and I had used that word. “Suffering” made me uncomfortable. I wondered whether it was a tad sensational, a bit too...
Suffering Actually Is Measurable

Mitigatable Suffering Arising from Illness & Treatment:  
*Communication gaps, pain management, responsiveness, anxiety*

<table>
<thead>
<tr>
<th>Measure Description</th>
<th>% Top Box</th>
<th>% Sub-optimal</th>
</tr>
</thead>
<tbody>
<tr>
<td>How often did nurses explain things to you in a way you could understand? (HCAHPS)</td>
<td>75.2%</td>
<td>24.8%</td>
</tr>
<tr>
<td>During this hospital stay, how often was your pain well controlled? (HCAHPS)</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>During this hospital stay, after you pressed the call button, how often did you get help as soon as you wanted? (HCAHPS)</td>
<td>64.8%</td>
<td>35.2%</td>
</tr>
<tr>
<td>How well did staff address your emotional needs? (PG)</td>
<td>57.5%</td>
<td>42.5%</td>
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Avoidable Suffering Arising from Dysfunction:  
*Lack of respect, lack of coordination and teamwork, lack of privacy*

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<th>Measure Description</th>
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<th>% Sub-optimal</th>
</tr>
</thead>
<tbody>
<tr>
<td>How often did nurses treat you with courtesy and respect? (HCAHPS)</td>
<td>85.8%</td>
<td>14.2%</td>
</tr>
<tr>
<td>How well staff worked together to care for you (PG)</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Staff concern for your privacy (PG)</td>
<td>68.5%</td>
<td>31.5%</td>
</tr>
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Real Teamwork – You Know It When You See It

- Traditional management structure aimed at optimizing efficiency of use of resources (e.g., space, personnel time)
- Need: *Real* teams focused on improvement of outcomes/efficiency for segments
  - Actionable: Groups with similar shared needs, so that teams can meet most of them
    - *Not* focused factories
  - Focus: Full cycle of care
  - Personnel: Multidisciplinary, meet regularly, co-located
    - *Real* teamwork
- Data: Outcomes and costs

Some seniors housing organizations are actively integrating health care into their operations, leading to better health, lower health care costs, and better market share.

Some health care “Accountable Care Organizations” are meeting with skilled nursing facilities, and demanding that certain communication/collaboration protocols be met – or business will be moved elsewhere.

Everyone wants to move patients with ongoing medical needs to the most efficient setting possible.

Collaboration can help people with ongoing needs stay at a lower cost property than they otherwise might – including home.
Value Chain Analysis – Its Time Has Arrived

- Concept developed by M. Porter in 1980s
- Captures key activities that can be expected to create value for customers
- Organizations should not just focus on those activities that they perform
  - They should be ready to look “upstream” and “downstream”
  - Ensure that activities are done – well and efficiently
- Organizations that can coordinate, integrate, and manage across the value stream have competitive advantage
General Strategic Implications for Clinical Providers

- Clinical providers need to segment population into groups with similar shared needs – so that teams can be organized to meet those needs.
- If you cannot develop a value chain for your segment, you have not gone deep enough.
- When you have developed a value chain for an important segment of patients, you should look for opportunities to coordinate/integrate with other organizations that can meet needs that you do not.
Housing and the locations in which care is delivered are key determinants of value, defined as:

- Their health outcomes (including the extent of their suffering and peace of mind).
- The costs of delivering those outcomes.

Organizations that can coordinate/integrate/manage across full value chain will derive a competitive advantage.

- Market share
- Pride and retention of employees.

Health care providers should develop such relationships with seniors housing and care operators – and vice versa.
This Isn’t Just Theory

- Baby boomers have transformed every institution through which they have passed
  - Housing and health care for seniors will be no different
  - They *value* coordination and integration – and will move market share accordingly
  - Witness the growth of high end seniors housing that also meet other needs:
    - Health care
    - Nutrition and exercise
    - Culture
- Expect that market to extend – Disruptive Innovation in action
And Now for the Hard Part …

Engaging Doctors in the Health Care Revolution

by Thomas H. Lee and Toby Cosgrove

Despite wondrous advances in medicine and technology, health care regularly fails at the fundamental job of any business: to reliably deliver what its customers need. In the face of ever-increasing complexity, the hard work and best intentions of individual physicians can no longer guarantee efficient, high-quality care. Fixing health care will require a radical transformation, moving from a system organized around individual physicians to a team-based approach focused on patients. Doctors, of course, must
First Question:
Engagement With What?

- Traditional health care definition – extent to which clinicians see their own futures as intertwined with those of larger organization
  - Want MDs to be “loyal” with referrals
  - Want them to be cooperative
- Traditional post-hospitalization property operator contact - warmth of relationship with hospital discharge planners
- Needed – a modern concept to unlock transformation of health care
  - More than agreement not to sabotage – but to actually integrate care, be creative, and relentlessly push for better outcomes/experience and efficiency
  - Engagement with other care givers in *real teams*
  - Engagement with community of colleagues so that *peer pressure* actually works
  - Engagement with *greater goals* of organization
Appreciative Inquiry as a Tool to Create Shared Purpose

- Focus on positive, not errors
  - What went right? What characterizes the cases that made us proud?
- Identify the features that characterize care at its best – and try to make those things happen reliably.
  - Deconstruct “great care” and focus organization on delivering it.
- Challenge to leadership:
  - Describe vision for what lies on other side of change underway.
  - Make case that it is potentially good for patients and society, perhaps even great, and more important than the agendas of any of us as individuals.
Transparency Is Having Revolutionary Impact

Responses are measured on a scale of 1 to 5 with 5 being the best score.

- **Likelihood of recommending doctor**: 4.9 ★★★★★
- **My confidence in doctor**: 4.9 ★★★★★
- **Time doctor spent with me**: 4.8 ★★★★★
- **Doctor spoke using clear language**: 4.8 ★★★★★
- **Doctor's effort to include me in decisions**: 4.8 ★★★★★
- **Doctor's concern for questions & worries**: 4.8 ★★★★★
- **Doctor's explanation of condition/problem**: 4.8 ★★★★★
- **Wait time at clinic**: 4.4 ★★★★
- **Doctor's friendliness and courtesy**: 4.9 ★★★★★

**Patient Comments**

*Patient comments are gathered from our Press Ganey Patient Satisfaction Survey and displayed in their entirety. Patients are de-identified for confidentiality and patient privacy.*

**UofU Patient February 24, 2014**
Dr. Glasgow and his nurse were very thorough in their explanations of the surgical procedure and follow up care. They both made sure that I understood everything very clearly. I placed a phone call to the nurse a few days ago and she responded within 15 minutes to answer a few more questions. All in all, I have very, very comfortable with my decision to proceed with the surgery.

**UofU Patient February 07, 2014**
One of the best Dr. and staff I have worked with as a patient.

**UofU Patient January 30, 2014**
I felt fortunate that Dr. Glasgow was recommended and would recommend him to anyone who needed a surgeon.

**UofU Patient January 05, 2014**
Rob Glasgow is a fine surgeon and has a great bedside manner.

**UofU Patient December 27, 2013**
Dr Glasgow is great!
1 out of 4 of our physicians are in the top 1% nationally.
Conclusions

- Improvement of value is the right overarching goal for health care delivery and senior housing and care organizations
- There is value to be created, and the organizations that do so will win strategically
- Strategic differentiation can result from:
  - Segmentation of patients into groups with similar needs, and organizing to meet those needs
  - Commitment to measurement/accountability/transparency
- Engagement of clinicians requires:
  - Consensus on “shared vision”
    - Use of narrative and “appreciative inquiry”
  - Use of data to create accountability – including via transparency
Key Themes That May Differentiate Attendees

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