Delivering the Experience
Patients Want to Buy:
- The Value of an Organizational Compact
within Health Care

Presented to Wisconsin Hospital Association
June 17, 2011

Setting the Premise: April 2010

- Patient Protection Affordability Care Act is now law and represents significant changes for the health care delivery industry:
  - Payment Reduction
  - Value-Based Purchasing and Quality
  - Transparency
  - Work Force
  - Insurance Changes
  - Delivery System Changes
  - Tax Implications

Source: Bob Stephen 3-31-10 Wipfli Article – “Patient Protection Affordable Care Act”

Likely Reform Law Impact

- Immediate
  - Payers and device manufacturers look to make up lost profit at expense of hospitals
  - Payers push for consolidation to gain more leverage
  - Challenges in court may lead to changes in the law
  - Hospital consolidation, as well as hospital-physician integration, accelerates

- Longer Term (2013 and beyond)
  - Costs are likely not reduced as planned, spurring additional changes
  - Hospitals and other providers fail due to reimbursement-cost gap
  - Implementation becomes the battleground for changing the law; a fix bill is passed in 2013
  - Delivery system change accelerates based on results of pilot projects
  - Physician shortages are exacerbated by increased demand from newly insured

Source: Bob Stephen 3-31-10 Wipfli Article – “Patient Protection Affordable Care Act”
Setting the Context – What Should the Reform Focus Be?

- **Improved efficiency**
  - Technology investments
  - Standardization of clinical protocols, evidence-based medicine, etc.
  - “One-best way”
  - Facility design/ re-design
- **Increased hospital-physician integration**
  - Aligned economic incentives
  - Service line management
  - Enhanced physician leadership and training
  - Enhanced clinical interdependency
  - E.g., medical home
- **Improved data collection and transparency**
  - Quantify, demonstrate and market quality and value
- **Enhance the patient experience**
  - Deliver the “promise” each and every time

Focus – The Patient Experience

Setting the Context – HealthLeaders Media Survey - 2009

- 90% of senior healthcare leaders said the patient experience was one of their top five priorities
- 74% agreed that patient experience drives patient demand as strongly as clinical quality
- 59% said their organizations had not done a good job of providing a clear “roadmap” for their employees with respect to improving the patient experience
- Nearly 25% indicated it was the CEO’s responsibility to do so.
- Healthcare tends (62%) to look inward for innovation and solutions towards improving patient experience – as Einstein said, “the problems of this world will not be solved by the same level of thinking that created them.”
- 69% rated their use of technology to remember personal details about patients as “fair” to “poor.”

Focus – The Patient Experience (Continued)

Setting the Context – HealthLeaders Media Survey – 2009 (Cont.)

- 45% rated their facilities as “fair” to “poor” in support of a strong patient experience.
- 76% of organizations budget $100K or less for “enhancing” patient experience

**Conclusion** – While patient experience is a high priority, it is adversely affected by limited organizational support, low innovation and technology, poorly designed facilities and piecemeal funding.
Improving the Patient Experience - The Barriers

1. Hospital-physician interaction has historically been set up to fail
2. Hospital management controls scarce resources
3. The “laws” are hospital based
4. Management and physicians are educated differently
5. Management and physicians have differing skills
6. There is little time for either group to understand the other’s needs
7. All this is even more contentious in recessionary times

Improving the Patient Experience – Barriers: Emerging Clinicians

- Trained to service a profession, not a business model
- Dedicated to 1:1 patient care, aggregated to a certain “panel” size (e.g., 2,200-2,500 patients per year, 2+ visits per patient, for a typical family medicine physician)
- Individually struggling with professional/personal life balance issues but increasingly compromising compensation upside for satisfactory balance
- Struggling to meld operational “one best way” into own personal clinical practice style
- Above all else, pursuing security within one’s own life balance definition (personal/professional)

Understanding and Developing “Groupthink” – A Foundation

Definition of Groupthink:

A culture of operations in which every member of the group holds the mission, vision, and values of the group above self-interest:

“The good of the group outweighs the interest of any individual.”

Thus: The good of a patient’s experience outweighs the interest of any one individual’s service.

Source: Developing ‘Groupthink’ In a Multispecialty Group by Joseph A. Cincotta, MD American Academy of Family Physicians, May 1999
Key Concepts of GroupThink – A Foundation

- Successful physician groups need groupthink – a commitment to the interests of the practice rather than to individual goals.
- A code of conduct helps a group operationalize groupthink, and reviewing it frequently helps the physicians internalize the code.
- The “commandments” deal with being loyal to the group and its members, making decisions, and valuing the work of group leaders.
- The group sees professional behavior as an obligation to the practice as well as to oneself, and the group expects a serious commitment from its members.

Source: Developing ‘Groupthink’ in a Multispecialty Group by Joseph A. Cincotta, MD American Academy of Family Physicians, May 1999

Key Concepts of GroupThink – A Foundation

- Group members are held accountable for keeping productivity high and expenses under control.
- Group members should not expect to get their way on every issue, and they must be ready to stand behind the decisions of the group.
- In a multispecialty setting, physicians must work to advance the interests of the entire practice, not their own specialties.
- Group members are expected to act humbly in their relations with each other and to treat each other with respect.

Source: Developing ‘Groupthink’ in a Multispecialty Group by Joseph A. Cincotta, MD American Academy of Family Physicians, May 1999

Summary: The Patient Care Experience Application

- Key Point #1 – The most important rule for success in group practice is that the good of the group outweighs the interest of the individual.
  - Conversely the ultimate patient experience outweighs the interests of individual employees.
- Key Point #2 – Articulating that principle in the form of rules helps to operationalize it and create a sense of “groupthink.”
  - Brand it... then “operationalize” it.
- Patient first, group second, and personal (needs/balance) third.

Source: Developing ‘Groupthink’ in a Multispecialty Group by Joseph A. Cincotta, MD American Academy of Family Physicians, May 1999
### Building a Culture of Trust: Clinicians/Management

- **Enthusiastic Engagement**
  - Seats at high-level strategic planning
  - “Open book” on statistics and money
  - Council/committee policy participation

- **Insightful Investments**
  - State-of-art technology; well-trained staff with known performance standards
  - Role in capital/allocation process
  - Projects link to program patient care

- **Communication**
  - Two way; consistent, fair, frequent
  - “No surprises” information flow
  - Available Board interaction on critical issues
  - Social events/colligality

---

**“Best Partner” Characteristics – For Hospitals, Physicians AND Patients**

1. Attitude is win/win; win/lose is not an option.
2. Patient first, organization second and individual third. Patient experience is the top priority.
3. Key drivers are access, service, quality, safety, and patient satisfaction.
4. Eliminating barriers is the operational mandate.

---

**“Best Partner” Characteristics – For Hospitals, Physicians AND Patients (continued)**

5. Mission, vision, and values are all known, well defined, and aligned among constituents.
6. Delivery mechanism processes are seamless.
7. “No surprises” philosophy of communication.
8. Success is defined by incremental value and benefit.
A Sample COMPACT Definition

A compact is a statement of the reciprocal obligations and mutual commitments that define the relationships among the clinicians at ____________ and ____________, as an organization. It is the quid pro quo, or the “deal” between the clinicians and the sponsoring organization. It defines what clinicians expect to get in the relationship. It is intended that this compact will help shape and drive behaviors, and in turn the overall culture of ____________.

The medical clinicians and leadership of ____________ will identify the selected compact statements as critical to the ongoing success of the individual and corporate clinical practices at ____________, contributing to the overall success of the patient experience provided by ____________.

The Traditional Physician Compact

- **The give** (expectations)
  - See patients
  - Make good medical decisions

- **The get** (in return)
  - Protection (running business, market forces)
  - Autonomy (no patient care interference, control over preferred practice style)
  - Entitlement (yearly pay increases, referrals regardless of behaviors)

Source: Jack Silversin, Changing the Physician Compact, AMICUS, Cambridge, MA.

Example: Virginia Mason Medical Center (VMMC)

- VMMC is a 336-bed center with over 5,000 employees
- Nine locations (a main campus and eight regional clinics)
- 400 physicians practice in 45 different medical, surgical, and diagnostic fields
- Had lost money for the first time in 1998 and 1999
- Gary Kaplan, MD became CEO in 2000
  - One of his first moves was to initiate a physician compact between the medical staff and VMMC
  - Held a retreat (233 of 400 physicians attended) to hammer out terms of compact
  - Facilitated by Jack Silversin
<table>
<thead>
<tr>
<th>The &quot;New&quot; Compact at VMMC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization’s Responsibilities</strong></td>
</tr>
<tr>
<td><strong>Listen and Communicate</strong></td>
</tr>
<tr>
<td>- Share information regarding strategic intent, organizational priorities, and business decisions</td>
</tr>
<tr>
<td>- Offer opportunities for constructive dialogue</td>
</tr>
<tr>
<td>- Provide regular, written evaluation and feedback</td>
</tr>
<tr>
<td><strong>Educate</strong></td>
</tr>
<tr>
<td>- Support and facilitate teaching, GME, and CME</td>
</tr>
<tr>
<td>- Provide information and tools necessary to improve practice</td>
</tr>
<tr>
<td><strong>Physician’s Responsibilities</strong></td>
</tr>
<tr>
<td><strong>Collaborate on Care Delivery</strong></td>
</tr>
<tr>
<td>- Include staff, physicians, and management on team</td>
</tr>
<tr>
<td>- Treat all members with respect</td>
</tr>
<tr>
<td>- Demonstrate the highest levels of ethical and professional conduct</td>
</tr>
<tr>
<td>- Behave in a manner consistent with group goals</td>
</tr>
<tr>
<td>- Participate in or support teaching</td>
</tr>
<tr>
<td><strong>Listen and Communicate</strong></td>
</tr>
<tr>
<td>- Communicate clinical information in clear, timely manner</td>
</tr>
<tr>
<td>- Request information, resources needed to provide care consistent with VMMC goals</td>
</tr>
<tr>
<td>- Provide and accept feedback</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Compact at VMMC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization’s Responsibilities</strong></td>
</tr>
<tr>
<td><strong>Foster Excellence</strong></td>
</tr>
<tr>
<td>- Recruit and train superior physicians and staff</td>
</tr>
<tr>
<td>- Support career development and professional satisfaction</td>
</tr>
<tr>
<td>- Acknowledge contributions to patient care and the organization</td>
</tr>
<tr>
<td>- Create opportunities to participate in or support research</td>
</tr>
<tr>
<td><strong>Physician’s Responsibilities</strong></td>
</tr>
<tr>
<td><strong>Focus on Patients</strong></td>
</tr>
<tr>
<td>- Practice state of the art, quality medicine</td>
</tr>
<tr>
<td>- Encourage patient involvement in care and treatment decisions</td>
</tr>
<tr>
<td>- Achieve and maintain optimal patient access</td>
</tr>
<tr>
<td>- Insist on seamless service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Compact at VMMC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization’s Responsibilities</strong></td>
</tr>
<tr>
<td><strong>Reward</strong></td>
</tr>
<tr>
<td>- Provide clear compensation with internal and market consistency, aligned with organizational goals</td>
</tr>
<tr>
<td>- Create an environment that supports teams and individuals</td>
</tr>
<tr>
<td><strong>Lead</strong></td>
</tr>
<tr>
<td>- Manage and lead organization with integrity and accountability</td>
</tr>
<tr>
<td><strong>Physician’s Responsibilities</strong></td>
</tr>
<tr>
<td><strong>Take Ownership</strong></td>
</tr>
<tr>
<td>- Implement VM accepted clinical standards of care</td>
</tr>
<tr>
<td>- Participate in and support group decisions</td>
</tr>
<tr>
<td><strong>Change</strong></td>
</tr>
<tr>
<td>- Focus on the economic aspects of our practice</td>
</tr>
<tr>
<td>- Embrace innovation and continuous improvement</td>
</tr>
<tr>
<td>- Participate in necessary organizational change</td>
</tr>
</tbody>
</table>
VMMC Process

- Developed VM Production System (VMPS)
  - Modeled after Toyota
    - "You can't improve a process until you have a process."
  - Assured staff of no layoffs
- Used Value Stream Mapping
  - A lean manufacturing method of visually mapping the flow of information and materials through all production steps.
  - In essence, value stream mapping was a simple flow chart with associated medical center metrics.

VMMC Process

- Instituted Patient Safety Alert System
  - Any employee was empowered to "pull the cord" when a safety hazard or mistake was made.
- Developed Rapid Process Improvement Workshops (RPIW), a five-day event designed to eliminate waste, improve processes, and increase both efficiency and productivity in a given participating unit.
- Implemented 3P—production, preparation, process—an improvement strategy used to radically redesign space according to flow.
  - Designated the Seven Flows of Medicine: patients, providers, medications, supplies, equipment, information, and instruments.

VMMC Results

- VMPS resulted in significant improvements within the medical center.
  - 275 RPIW's from 2002 to 2004 reduced staff walking distance within the medical center by 38%, or 34 miles, and the travel distance of parts and equipment by 77%, or 70 miles.
  - Inventory was cut in half. Lead time within the medical center decreased by 708 days (53%), which translated to over two years.
  - There was a 44% gain in productivity, the equivalent of 77 full-time employees redeployed within the medical center.
VMMC Results

- 3P efforts saved between 12 and 15 million dollars in budgeted capital
  - Reduced the utilized number of square feet by 24%
  - Planned additions and relocations were no longer necessary

Application: “The High Performance” Patient Experience

Proposition:

You get what you plan for; if a Patient’s experience forms under the pretense of “business as usual,” it will achieve just that.

Overview: Managing Complex Change

<table>
<thead>
<tr>
<th>WEIGHT</th>
<th>SENSE</th>
<th>THINKING</th>
<th>FEELING</th>
<th>ACTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHANGE</td>
<td>CONFUSION</td>
<td>ANXIETY</td>
<td>RESISTANCE</td>
<td>FRustrATION</td>
</tr>
</tbody>
</table>
A Customer…, THE PATIENT…

- Is the most important person in any business.
- Is not dependent on us. We are dependent on him/her.
- Is not an interruption of our work. He/she is the purpose of it.
- Does us a favor when he/she calls. We are not doing him a favor by serving him/her.
- Is a part of our business, not an outsider.
- Is not a cold statistic. He/she is a flesh-and-blood human being with feelings and emotions like our own.
- Is not someone to argue or match wits with.
- Is a person who brings us his/her wants. It is our job to fill those wants.
- Is deserving of the most courteous and attentive treatment we can give him/her.
- Is the life blood of this and every other business.
- Is the person that makes it possible to pay our salaries.


Getting Real: Close the Gap between Brand Promise and Brand Experience

“THE GIVE”

- Treat me like a human being...
- Remember my name...
- Clean the bathroom...
- Answer the phone promptly...
- Tell me how long it’s going to be...
- Take my blood on the first try...
- Make it easy for me...
- Accommodate my needs...
- Include my family...
- Remember what happened in my case as far...
- Keep me from being exposed to the world in this ridiculous hospital gown...

“THE GET”

- Listen to me (and they will)
- Keep me calm
- Know what they are doing
- Remember the right course at almost
- Get my medicine right
- Perform the surgery in the right body part
- Take good care of my husband and provide help to her
- Tell me what’s happening
- Zero in on my life situation and not just my medical standard
- Have my fears and concerns

Source: Book - The Complete Guide to Transforming the Patient Experience, 2009

The “REAL” Patient Experience

- Begin by focusing on employees and their “work story”:
  - Exceptional employee experiences translate into EXCEPTIONAL patient experiences
  - Leaders must be “REAL”:
    - **1.** As visionaries
      - State it, believe it
      - Live it
    - **2.** As people
      - “Walk the talk”
    - **3.** In standards, expectations, and accountability
      - Hold ourselves accountable in the same way we hold team members accountable
    - **4.** In the relationships they nurture
      - Nurturing relationships with our team members is not a once-in-a lifetime activity, a daily commitment

Source: Book - The Complete Guide to Transforming the Patient Experience, 2009
The “REAL” Patient Experience (continued)

5. In their understanding of who they serve
   - Team members like to connect with experiences that tie to their
     innate sense of self
   - If the experience is something that really connects to who they are
     as people, they are more likely to value it and more likely to confirm
     the idea

6. In the stories they tell
   - Leaders must tell the real story of where we've been, where we are,
     and where we are going

7. In the manner in which they gather stories
   - Stories leaders choose to tell must come from the organic, original
     elements of the work

8. In the information they share
   - Increased transparency, public reporting, and an organizational
     “minor”
   - Shining a light on the real outcomes, the real experience

Source: Book - The Complete Guide to Transforming the Patient Experience, 2009

The “REAL” Patient Experience (continued)

9. In who they recognize and legendize
   - Must ensure that he or she is the real deal – if made an example
   - If low or inconsistent performers are held forth for political
     reasons—high performers will be turned off immediately

10. In their desire to listen, to learn, and to change
    - Creating a new experience in healthcare is difficult
    - Leaders have to really want to listen, to learn from what they hear
      and change their organizations and, more importantly, change
      themselves as a result

11. In their desire to make the healthcare experience better
    - Leaders must be committed to making the healthcare experience
      everywhere, not just inside their own organization and not just for
      their organization’s own financial rewards

12. In their desire to make the healthcare experience better
    - Leaders must be committed to re-making the healthcare experience
      everywhere, not just inside their own organization and not just for
      their organization’s own financial rewards

Source: Book - The Complete Guide to Transforming the Patient Experience, 2009

Five Types of Stories Leaders Write, Perform, Tell, and Celebrate:

- **Context Stories**: a new and immersive way of developing and
  communicating the strategy of a healthcare organization
- **Personal Stories**: a new and immersive way of creating culture by
  shining a vibrant and consistent light on the real stories of healthcare’s
  everyday heroes
- **Powerful Ceremonies**: a new and immersive way of creating,
  celebrating, and capturing meaning in the work of healthcare
- **Spatial Stories**: a new and immersive way of designing and propping
  healthcare buildings that transforms a mundane space into a memorable
  place for patients, families, physicians, and staff members
- **Rich Traditions**: a new and immersive way of connecting all the other
  kinds of stories to create a powerful legacy that everyone feels lucky to
  be a part of

Source: Book - The Complete Guide to Transforming the Patient Experience, 2009
The Experience Marriage

- “The Change in Point of View”
  - Redefinition:
    - New leadership roles
    - New management skills
    - New personal comm.
  - Transformational effort
    - Ties operational (staff processes, technology) to communications
  - Communications = BRAND PROMISE
  - Operations = BRAND EXPERIENCE

Authenticity

Source: Book - The Complete Guide to Transforming the Patient Experience, By Gary Adamson and Sonia Rhodes, 2009

Distrust

Source: Book - The Complete Guide to Transforming the Patient Experience, By Gary Adamson and Sonia Rhodes, 2009
Clinical Integration and its Relevance to Providers

- Clinical integration is a type of collaboration amongst otherwise independent healthcare providers for the purposes of improving quality and containing costs.

- It is recognized by the U.S. Department of Justice and the Federal Trade Commission ("FTC"), collectively, the "Agencies" as a mechanism to produce efficiency benefits that justify joint pricing for a multi-provider network that does not share substantial financial risk.

- A successful program produces those required efficiencies by: (1) establishing mechanisms to monitor and control utilization of healthcare services, which are designed to control costs and assure quality of care; (2) selectively choosing participating physicians who are likely to further these efficiency objectives; and (3) investing significant capital, both monetary and human, in the infrastructure and capability necessary to realize the claimed efficiencies. The result must be a high degree of interdependence and cooperation among participants.
Clinical Care Management; Developing Evidence Based Care Practices

Deciding factors...why should a clinical practice pursue common "care practices"?

- Improve clinical outcomes; achieve more consistency in outcomes across all practices per presenting complaint
- Reduce cost, removing unnecessary variability of clinical practice
- Maximize opportunity for reimbursement
- Better position for negotiations with payer(s)
- Position for participation within an "accountable care organization"
- Deliver what the patient wants to buy; OUTCOMES

Suggested Approach

Suggested Approach

- Utilize an incremental approach that focuses initially on one (two at most) clinical specialty or service line that represents high volume, high cost and or significant revenue for the practice
- Establish a "work team" consisting of the physicians and other clinicians (involved with care delivery of that specialty and related clinical conditions).
- Review and analyze existing information related to two or three high volume procedures (ambulatory and or acute care initially); administrative and clinical care practices

Suggested Approach (continued)

Suggested Approach

- Look for opportunities to develop consistency in the care practice that results in: reduced variability, reduced cost, improved clinical outcome
- Identify a "desired" care practice using existing experiences as well as evidence based "third party" data.
- Model the clinical and financial impact to the overall practices if the desired care coordination was implemented across the service line.
- Develop an approach for deployment of "new" care practice across the specially service line.
- Present recommendation and deployment methodology to the broader organization (targeted specialty service line) for review and approval.
Clinical Integration Benefits

Clinical Integration Benefits

**Patients**
- Motivated physicians and hospitals
- Improved clinical quality and patient safety

**Employers**
- Ability to incorporate own performance measures
- Containment of health care cost inflation

**Health Plans**
- Higher member satisfaction
- Performance-based provider reimbursement
- Production of objective data

**Physicians**
- Joint contracting with health system
- Care management efficiencies
- Opportunity to earn incentive compensation
- Higher quality care provided

**Hospitals**
- Joint contracting with physicians
- Common objectives among independent physicians
- Lower clinical cost; higher quality
- Market share growth or maintenance

Source: 2010 BDC Advisors, LLC

**Questions**

Thank you!
For More Information:

Perry R. Hanson, MHA, Partner
Health Care Practice
Wipfli LLP
7601 France Avenue South, Suite 400
Minneapolis, MN 55435
952.548.3373
pjhanson@wipfli.com