“What keeps you up at night?”

This question, posed by CEO Patrick T. Ryan to a panel of health care executives during Press Ganey’s 2016 Health Care CEO & Leadership Summit held earlier this month in Seattle (part of the Press Ganey Executive Summit series), elicited an array of responses from leading executives.

For Dr. Susan Turney, who became the first CEO of Wisconsin-based Marshfield Clinic Health System (MCHS) in 2014, balancing the needs of the people who rely on the health system with the demands of a changing health care industry is an ever-present challenge. With clinical sites across northern, central and much of western Wisconsin, MCHS serves a population that is largely rural and elderly, with a mean household income that falls far below the national average. Thus, the challenges associated with providing affordable care that is also safe and effective are more pronounced than those faced by non-rural health systems.

“What this means is that we need to move fast and we need to be innovative in thinking about different ways to deliver care and optimize resources,” Dr. Turney said. “In more than half of our counties, we have less than two people working for every Medicare beneficiary. In Madison, which is a little more robust, our labor-to-Medicare ratio is 4 or 5 to 1. We have to have the tenacity and agility to change when change is needed.”

As is often the case with rural health care systems, MCHS is the sole provider of health care in many of the communities it serves. Because the rural location with its older, sicker and poorer patient population is not broadly appealing, attracting and retaining a sufficient number of clinicians is difficult. “Because we simply do not have all of the resources we need, we work closely with our communities to provide the care that needs to be provided,” Dr. Turney explained.

By carefully investing in community-based resources—such as its recent move to expand its ambulatory surgery centers (ASCs) to include post-surgery patient comfort and recovery suites—and collaborating with community leaders and organizations, MCHS has been able to reduce costs, improve quality and manage population health, Dr. Turney said.

For Elizabeth Dunne, president and CEO of PeaceHealth, the Vancouver, Washington-based not-for-profit Catholic health system that provides care to communities in Washington, Oregon and Alaska, navigating the sprawling organization through the changes and challenges of the post–Affordable Care Act (ACA) era has required a governance change.

“We shifted our operating model and replaced our representative board structure with community boards,” said Dunne, who took the helm of the system in 2015. As the emphasis in health care shifts from caring for sick individuals to improving population health, “the challenge for us is to remain relevant, which requires looking at the skills we’re going to need in the future,” she said.

Moving to a community board structure, Dunne explained, has allowed for the development of stakeholder groups with ties to the communities being served, which are well-suited to understanding and focusing on community benefit and relevant quality and patient safety issues. “Half of our facilities are rural markets, so this community connection is especially important.”

2016 Health Care CEO & Leadership Summit: Elevating the Burning Platform

By Diana Mahoney

AT A GLANCE

- Top executives from leading health systems gathered at Press Ganey’s 2016 Health Care CEO & Leadership Summit to share insights and ideas for meeting the demands of a changing health care marketplace.
- Rapid transformation, innovation and a community perspective are among the necessary strategies for success.
- Health systems must nurture and guide their organizational culture in order to meet the needs of their workforce and the patients they serve, and to achieve value objectives.
“The mega issue is that revenues are declining and costs are going up. Systems have to transform themselves fast enough to be able to get through that,” Dr. Hochman explained, using the Medicare Access & CHIP Reauthorization Act of 2015 (MACRA) as a case in point. “MACRA is basically the end of the three- or four-physician practice, so the implications of how we run our systems and how we are paid are profound. Health systems have to be ready and willing to disrupt their own businesses, and they have to do it quickly, to be successful.”

A focus on innovation is essential, Dr. Hochman said, which is why Providence has set its hiring sights on the top talent from innovative companies such as Amazon, Costco and Expedia to help reinvent patient care. “To stay relevant in the marketplace, we have to change the way we work, and we have to invest in new technologies and approaches that radically transform the way health care is delivered,” he said.

Providence is a trailblazer in this sense. In 2014, the health care system established a venture fund, called Providence Ventures, through which it is investing $150 million over five to seven years in early- to mid-stage companies that focus on the development of solutions across six core areas: online primary care access, care coordination and patient engagement, chronic disease management, clinician experience, data analytics and consumer health and wellness services.

These and other initiatives allow Providence caregiver teams to deliver on the organization’s mission statement, Dr. Hochman said. “In order to be successful, we have to understand how to better deliver services when and where our patients want and need [them]. This is how we move forward.”

In addition to the panel discussion, Dave Olsen, co-founder of Starbucks Coffee Company and system board member and vice chair of Providence St. Joseph Health, opened the Summit with a keynote address about the importance of organizational culture. “Organizational culture arises out of the interactions that occur between and among everyone in the organization,” Olsen said. “Our job is to understand the power of culture and guide it in a way that enhances organizational effectiveness for all of the caregivers, patients and families touched by the organization.

“Tasks and relationships are the yin and yang of an organization: There are tasks, and there are relationships without which tasks don’t get accomplished,” Olsen said. Rather than accepting organizational culture as a byproduct of this interaction, health care leaders must ask themselves how to best nurture relationships to accomplish the necessary tasks, he stressed. “In other words, how do we make the most effective use of the simple fact that the way we do things around here is so important?”

One answer, Olsen said, is “to codify things and be more explicit about how everything fits together.” This can be achieved by establishing a mission statement and guiding principles, and constantly checking in to ensure the tasks and relationships align with the organizational vision.

Following the keynote address, leaders of some of the country’s top health care systems and industry experts shared their insights into how they and their teams are successfully moving forward in this era of rapid change.

- Dr. Jeffrey Balser, president and CEO of Vanderbilt University Medical Center in Tennessee, talked about the importance of creating alignment in a changing health care economy. “We didn’t need much alignment in health care when revenues were growing at 10%, but now revenue growth is much lower than that, and expense growth is higher, so alignment [of all stakeholders] is essential to growth, especially with increased consolidation in health care.”

  By achieving alignment across three domains—governance, internal operations and population—health systems are positioning themselves to deliver more coordinated, collaborative care and improve outcomes, he stressed.

- Dr. Glenn Steel, retired CEO of Pennsylvania’s Geisinger Health System and current chair of Geisinger-powered xG Health Solutions, participated in a question-and-answer presentation with Press Ganey Chief Medical Officer Dr. Thomas H. Lee, providing his thoughts about how organizations can implement population management while also driving their businesses forward. In particular, he discussed three realities of the new health care marketplace that will influence each system’s road to success.

  1. Providers’ financial as well as professional expectations will increasingly be tied to outcomes for specific cohorts of individuals over time. This will differ from market to market and payer to payer. It will also differ depending on how risk is shared among payers, patients and providers for specific populations of patients. In this environment, the fee-for-service model is becoming untenable and is not a sustainable business model. Because of this shift, providers have to get much more focused on outcomes over time.
2. The demography of employees and patients is changing dramatically. The significant change in expectations among patients and employees is a moving target. Keeping up with these changes requires establishing the right culture and keeping it.

3. There are always winners and losers. Folks who understand the need to transform will increase their market share, and those who don’t will go away or become part of organizations that “get it.”

- Craig Clapper, a partner with Press Ganey’s HPI Strategic Consulting, discussed the necessity of embedding High Reliability practices into organizational culture, using examples from the aviation and nuclear power industries. The single most important differentiator between leaders and High Reliability leaders is habit, Clapper said. “High Reliability leaders adopt best practice leadership methods such as daily check-ins as their day-in and day-out common practices, fostering a reliability culture that drives results in safety and overall performance excellence.”

Closing the Summit, CEO Pat Ryan asked presenters and the executives in attendance, “How can we all use our voices to move people toward better, healthier lives?”

The answer, according to Dr. Hochman, is “community by community.”