Healthcare Sustainability
The Implications for Vulnerable Healthcare Systems and Community Hospitals

Chuck Stokes

Special Advisor to the President
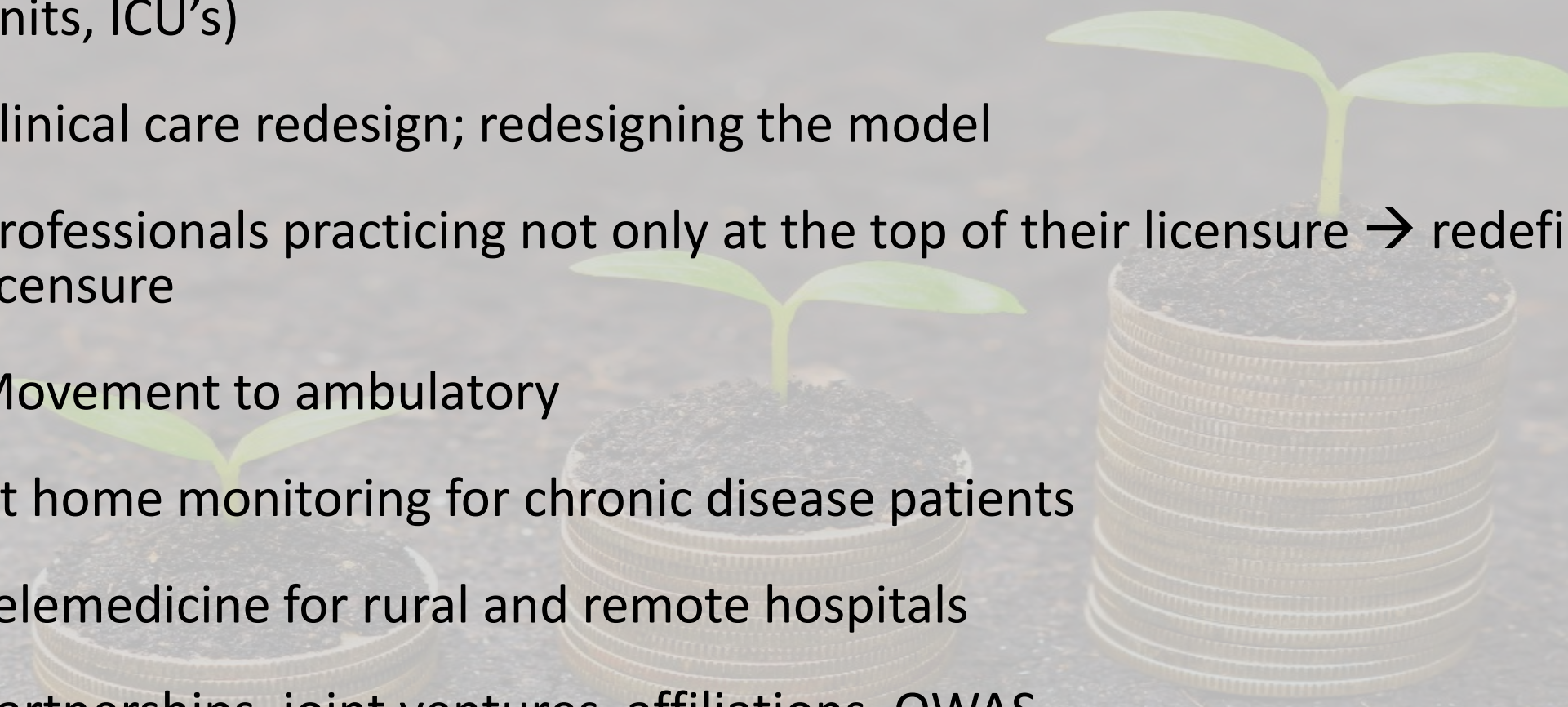Memorial Hermann Health System

Inevitable Factoids

- Aging population → more chronic disease → more services

- No one is going to pay us more for what we currently do for our patients

- We must…
  – Reengineer our current model of care

  – Eliminate waste in our system

  – Become more consumer centric as an industry

  – Decrease cost of care

  – Recruit, Retain, and Engage our talent

The Aging of Our Population

- We are living longer and consuming more resources

- Embracing technology as one mechanism for decreasing the cost of care (telemedicine, wearables)

- Using a multidisciplinary team for managing the elderly (MD, navigator, nurse extender, nurse, pharmacist, other allied health professionals and other roles to be developed)

- Morally and ethically, dealing with the end of life care

Financial Sustainability

- Keeping people out of the most expensive areas of healthcare (ED's, inpatient units, ICU's)

- Clinical care redesign; redesigning the model

- Professionals practicing not only at the top of their licensure → redefining the licensure

- Movement to ambulatory

- At home monitoring for chronic disease patients

- Telemedicine for rural and remote hospitals

- Partnerships, joint ventures, affiliations, OWAS

Changing the Care Model

- Moving from Volume → Value

$$\text{Value} = \frac{\text{Quality \& Service}}{\text{Costs}} \times \text{Appropriateness}$$

- Individuals taking more personal accountability for their own health status → a generational journey

- Getting rid of waste

- Developing a new model to ethically and morally deal with end of life care

Operating Model

How do we address these opportunities and drive our future state?

Framework or Operating Model

The way we work to enable success now and in the future

Baldrige Framework: A Model for Organizational High Reliability

- Why Baldrige?
  - A proven and effective model for operating an organization

  - The leading edge of validated leadership and management practice

  - Comprehensive approach to driving toward total organizational "High Reliability" in everything – consistency is key

  - Obligates you to drive toward transformation and innovation

  - Teaches you to "fish"

Baldrige Framework: A Model for Organizational High Reliability

- A disciplined **(NOT PRESCRIPTIVE)** approach to addressing key patient/customer, stakeholder, and operational requirements, integrating cycles of refinement and innovation

- A set of questions all leaders and all organizations should know the answers to; set against filters that drive high performance thinking and results

7 Categories of Excellence

The Baldrige Platform for Business Excellence – A Responsible Way to Organize Your Business

Leadership (120 points)

Strategy (85 points)

Customers (85 points)

Measurement, Analysis and Knowledge Management (90 points)

Workforce (85 points)

Operations (85 points)

Results (450 points)

Viewing Performance: Factors of Excellence and High Reliability

ADLI

- **Systematic Approaches**
  - Repeatable processes that are correctly ordered and effective

- **Fully Deployed**
  - The repeatable process (approach) happens everywhere in the organization and addresses every stakeholder, as appropriate

- **Learning and Improvement**
  - The approach is measured for effectiveness and continuously improved and/or innovated

- **Integrated**
  - The approach is aligned with the key factors of importance to the organization
  - The approach is effectively woven/connected to other systems and processes within the organization

What is the obligation of leadership?

Exploring the Framework: Leadership (sample)

- How do senior leaders...
  - Create an environment for **success now** and **in the future**?
  - Ensure a **culture that fosters customer** and **workforce engagement**?
  - Drive organizational **agility** and **accountability**?
  - Drive learning, **innovation** and **intelligent risk-taking**?
  - Actively **develop** future **leaders**?

- How does the organization:
  - **Evaluate** the performance of its **senior leaders** and **governance board**?
  - **Improve** its **leadership system** and **board** effectiveness?
  - Consider **societal well-being** and benefit as part of strategy and daily operations?

Becoming More Consumer Facing and Creating a Better Experience for the Patient/Consumer

- Understanding what your community needs

  – Community needs assessment (food, housing insecurity, access to primary care)

    - Community gap analysis on specialties and services needed

- Meeting the consumer where they are …

- Prioritizing community needs based on gap analysis

  – Develop or buy the needed services

    - Do you make / partner or JV the services (e.g. Ambulatory surgery center)

Exploring the Framework: Strategy (sample)

- How do you develop strategy to win?

- How does your organization...:
  - Address the need for **transformational change**?

  - Stimulate and incorporate **innovation, strategic opportunities, and intelligent risk**?

  - Evaluate your team's ability to **execute the strategic plan**?

  - Nurture, reinforce existing organizational **core competencies**?

  - Effectively develop and **deploy balanced initiatives**, action plans, and key performance indicators?

Becoming More Consumer Centric and Creating a Better Experience for the Patient/Consumer

- Investment in telemedicine/telehealth specialty services/hospitalist/intensivist

- Identifying and providing niche services: neurology, pediatrics, primary care, geriatric, surgical subspecialty services

Exploring the Framework: Customers
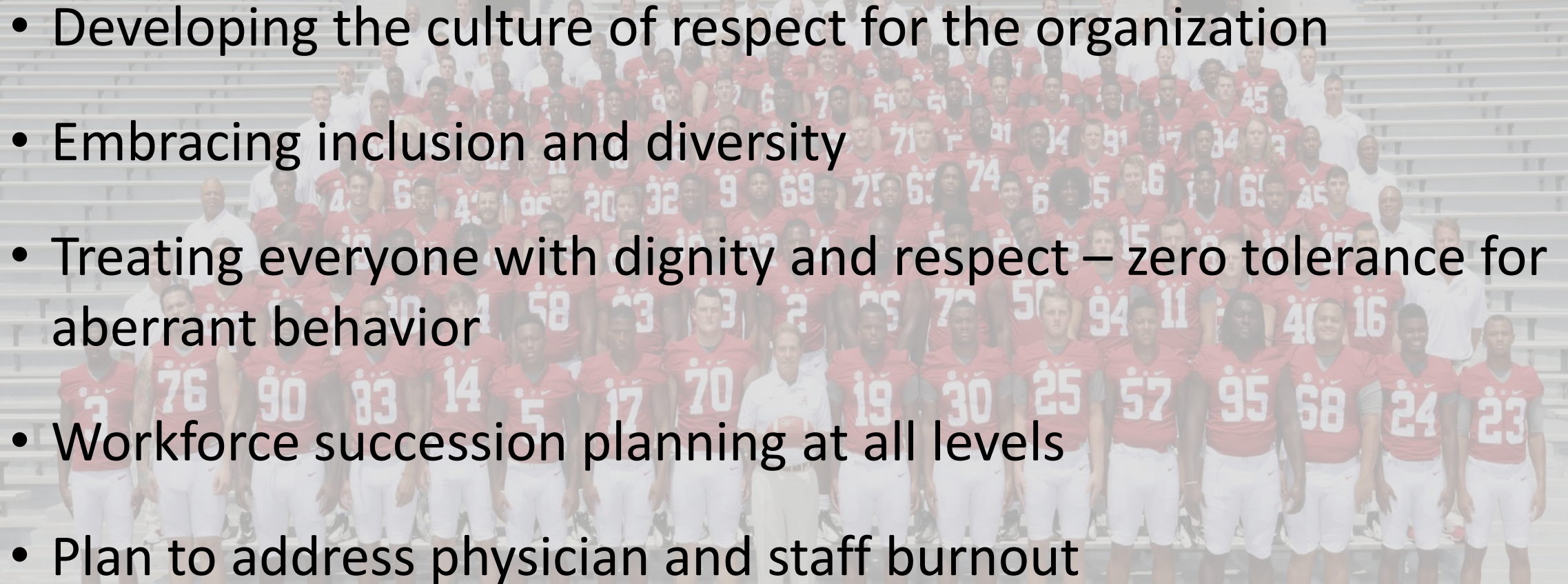## (sample)

- How do you **listen** to your patients & customers to determine services to meet their needs?

- How do you **identify and adapt service offerings** to:
  - Meet/**exceed expectations**?
  - Enter new markets, attract new customers, and **create opportunities to expand relationships**?

- How do you **build relationships** with patients & customers?
  - How do you **retain** customers and meet/**exceed** their **expectations** during each **stage of their relationship** with you?

High Performing Teams
Engaging Our Workforce; Recruitment and Retention

- Developing the culture of respect for the organization

- Embracing inclusion and diversity

- Treating everyone with dignity and respect – zero tolerance for aberrant behavior

- Workforce succession planning at all levels

- Plan to address physician and staff burnout

Exploring the Framework: Workforce (sample)

- How do you **engage** your workforce for **retention** and **high performance**?

- How do you foster a **culture** that is characterized by high performance, **patient safety**, and **service excellence**?

- How do you **hire** and **manage** your **workforce**?

- How do you **develop** your workforce, manage **career progression**, and **succession planning**?

Closing Thoughts and Questions