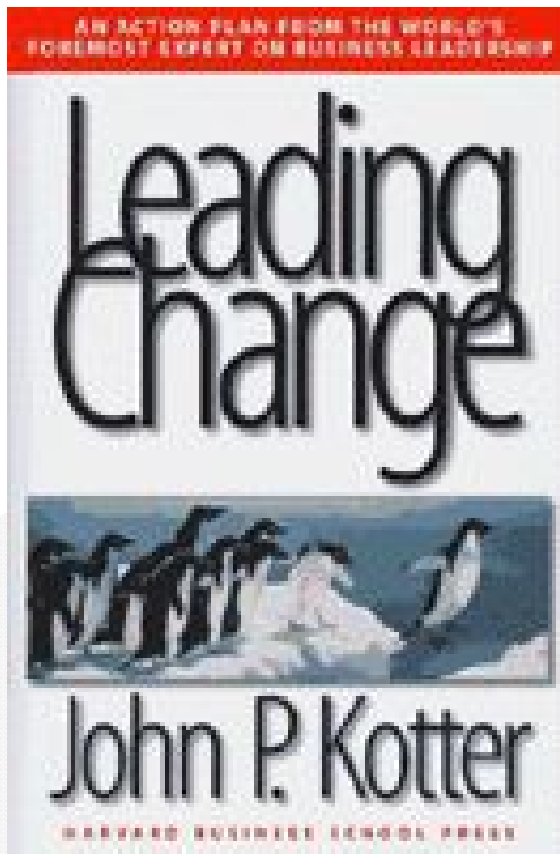




# Leading Healthcare System Change

*Ohio Health Quality Improvement Summit  
November 17, 2008*

# Creating Major Change



## 1. Establishing a Sense of Urgency

- Examining the market and competitive realities
- Identifying and discussing crises, potential crises, or major opportunities

## 2. Creating the Guiding Coalition

- Putting together a group with enough power to lead the change
- Getting the group to work together like a team

## 3. Developing a Vision and Strategy

- Creating a vision to help direct the change effort
- Developing strategies for achieving that vision

## 4. Communicating the Change Vision

- Using every vehicle possible to constantly communicate the new vision and strategies
- Having the guiding coalition role model the behavior expected of employees

## 5. Empowering Broad-Based Action

- Getting rid of obstacles
- Changing systems or structures that undermine the change vision
- Encouraging risk taking and nontraditional ideas, activities, and actions

## 6. Generating Short-Term Wins

- Planning for visible improvements in performance, or "wins"
- Creating those wins.
- Visibly recognizing and rewarding people who make the wins possible

## 7. Consolidating Gains and Producing More Change

- Using increased credibility to change all systems, structures, and policies that don't fit together and don't fit the transformation vision
- Hiring, promoting, and developing people who can implement the change vision
- Reinvigorating the process with new projects, themes, and change agents

## 8. Anchoring New Approaches in the Culture

- Creating better performance through customer- and productivity-oriented behavior, more and better leadership, and more effective management
- Articulating the connections between new behaviors and organizational success
- Developing means to ensure leadership development and succession

## ***Leading Change: Stage One***

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### **Establishing a Sense of Urgency**

- **Gathering data**
- **Identifying and discussing major opportunities**

# Ohio's Health System Can Deliver More

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**Our approach...**

- Benchmarked >100 performance measures
- Solicited input from >80 stakeholders including CEOs, benefit managers, providers, and government
- Integrated research and experience from consulting partners
- Consulted wide body of academic and third-party research

***We discovered meaningful opportunities to improve performance on all dimensions***

# Prioritization of Performance Metrics

*Italicized:* Benchmarking not available

	Population Health	Cost	Quality	Access
High Priority	<ul style="list-style-type: none"> <li>Alcohol consumption</li> <li>Blood pressure</li> <li>Cancer</li> <li>Cholesterol</li> <li>Depression</li> <li>Diabetes</li> <li>Heart disease</li> <li>Health status</li> <li>Inactivity</li> <li>Obesity</li> <li>Smoking</li> <li>Unintentional injury</li> </ul>	<ul style="list-style-type: none"> <li>Chronic care</li> <li>Drug therapeutic substitution</li> <li>Hospital expenses per discharge</li> <li>Growth in cost per employee</li> <li>Inpatient admissions</li> <li>Outpatient (OP) drug costs</li> <li>Outpatient radiology utilization</li> <li>Total cost per employee</li> <li>Medicaid cost / aged enrollee</li> <li>Medicaid cost / disabled enrollee</li> <li>Medicaid mgd. care enrollment</li> <li><i>Medicaid long term care costs</i></li> <li><i>Medicaid pharmacy cost</i></li> <li>Medical liability costs</li> <li><i>Variation in provider pricing</i></li> </ul>	<ul style="list-style-type: none"> <li>Early detection of cancer</li> <li>Inpatient evidence-based medicine (EBM)</li> <li>Proper screening of adults</li> </ul>	<ul style="list-style-type: none"> <li>Percent without health insurance</li> <li><i>Percent with inadequate health coverage</i></li> </ul>
Priority	<ul style="list-style-type: none"> <li>Alzheimer's disease</li> <li>Drug abuse</li> <li>Nutrition</li> <li>Perinatal conditions</li> <li>Respiratory disease</li> <li><i>Disparities in Asthma</i></li> <li><i>Disparities in HIV</i></li> <li><i>Disparities in mortality rates</i></li> </ul>	<ul style="list-style-type: none"> <li>Cost sharing</li> <li>Drug price and mix</li> <li>ER utilization</li> <li>Inpatient length of stay</li> <li><i>Inpatient capacity utilization</i></li> <li>Medicaid cost per child enrollee</li> <li>Medicaid cost per adult enrollee</li> <li><i>Medicaid administrative costs</i></li> <li><i>Medicaid behavioral health</i></li> <li><i>Medicaid % ER over usage</i></li> <li>Outpatient radiology price/mix</li> <li>Outpatient lab utilization</li> <li>PCP services cost/utilization</li> <li><i>Preventative services</i></li> <li>Specialist physician services costs</li> </ul>	<ul style="list-style-type: none"> <li>Computerized physician order entry</li> <li>Hospital readmission rate</li> <li>Patient satisfaction</li> <li>Percent of ICUs staffed with intensivists</li> <li><i>Electronic Medical Record</i></li> <li><i>Nosocomial infection rate</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Percent without disability coverage</i></li> <li><i>Percent without LTC coverage</i></li> <li>Hospital, imaging and physician capacity given usage rates</li> </ul>
Deprioritized	<ul style="list-style-type: none"> <li>Congenital abnormalities</li> <li>Education, housing and income</li> <li>Environmental risks</li> <li>Flu and pneumonia</li> <li>Homicide and suicide</li> <li>Stroke</li> <li>Violent crime</li> <li>Workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>OP surgery costs/utilization</li> <li>OP lab costs</li> <li>Cost per ER visit</li> <li>Drug generic substitution</li> <li>Specialist utilization</li> <li>Intermediation cost per person</li> <li>Medicaid enrollment</li> </ul>	<ul style="list-style-type: none"> <li>Adult immunizations</li> <li>Childhood immunizations</li> <li>Hospital accreditation</li> <li>Percent of adults with regular source of care</li> <li><i>Percent of MDs board certified</i></li> </ul>	<ul style="list-style-type: none"> <li>ER wait times</li> <li>Proximity of physicians</li> <li>Proximity of hospitals</li> <li>Proximity of trauma centers</li> </ul>

# Primary Health System Objectives

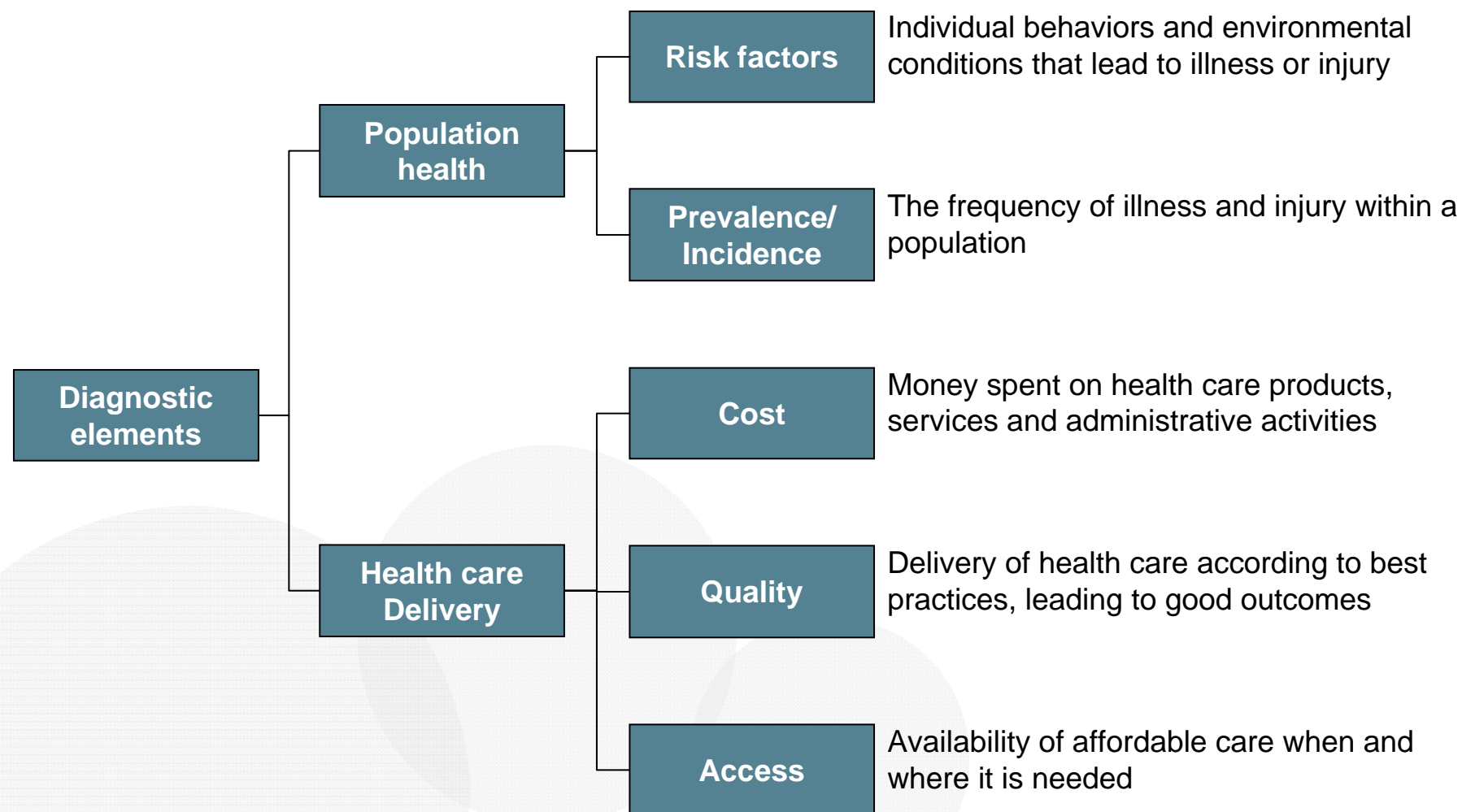
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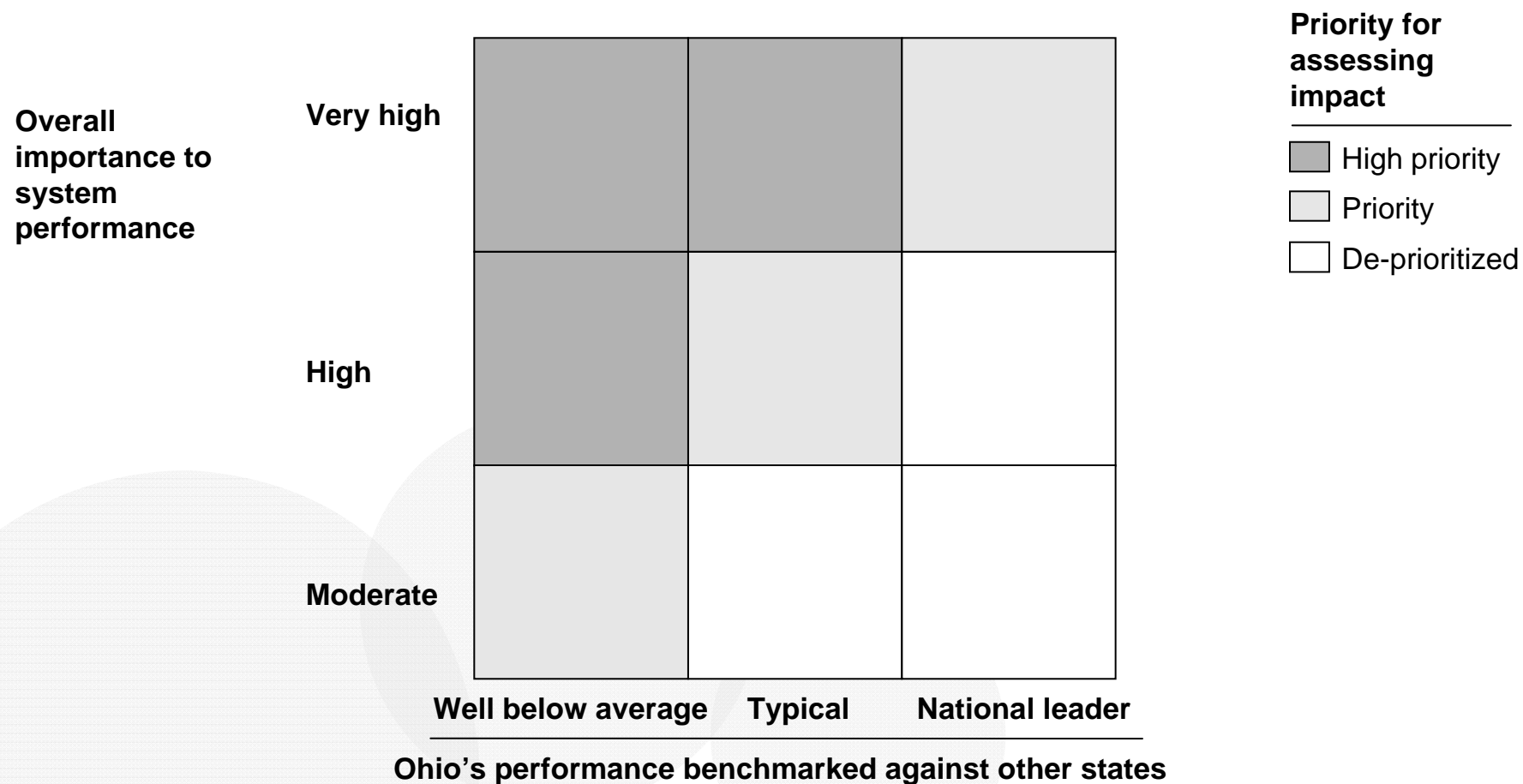
**Health  
system  
objectives**

- **Life and health:** life is extended and quality of life is preserved and improved, including individual productivity
- **Economic efficiency:** costs are economically sustainable and as low as possible given other system objectives
- **Fairness and equity:** both the costs and benefits of the health system are reasonably shared among consumers and other stakeholders
- **Citizen satisfaction:** citizens are satisfied with how the health system operates and their share of the costs and benefits
- **Business climate:** businesses are more competitive, rather than less so, as a result of the health system

## *Health System Performance Was Evaluated With Respect to Population Health and Health Care Delivery*

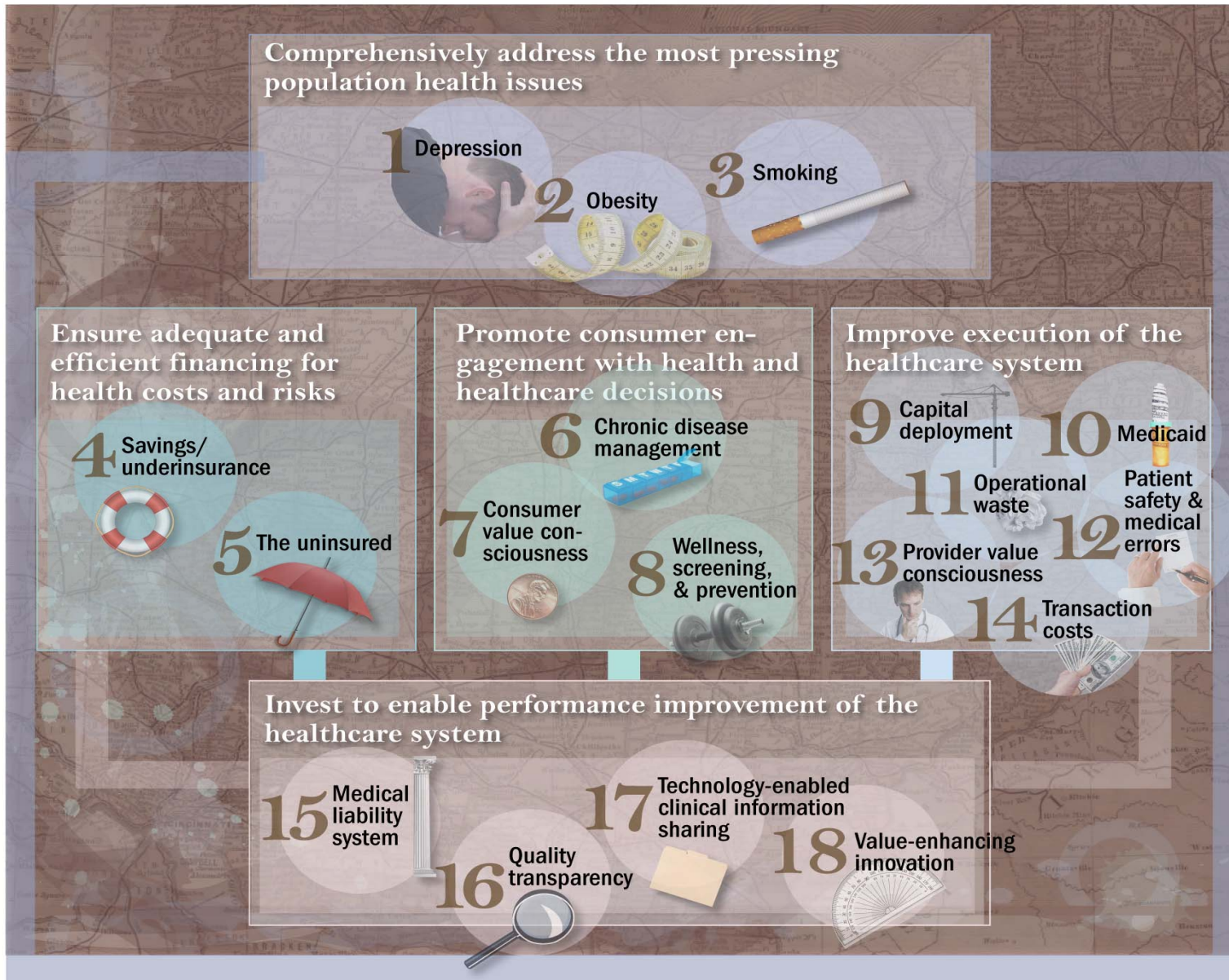


## Performance Metrics Were Prioritized Based on Ohio's Performance and Importance to Meeting System Objectives



Note: Depending on the diagnostic element (i.e., branch of diagnostic tree) being benchmarked and analyzed for overall importance to system performance, certain metrics were emphasized over others

# 18 Highest Potential Opportunities



## ***Leading Change: Stage Two***

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### **Creating the Guiding Coalition**

- **Putting together a group with enough power to lead the change**
- **Getting the group to work together like a team**

## ***Leading Change: Stage Three***

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### **Developing a Vision and Strategy**

- **Creating a vision to help direct the change effort**
- **Developing strategies for achieving that vision**
- **Bend the healthcare cost curve, without compromising – indeed, while simultaneously improving – quality and access**

# Potential impact

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Comprehensive reform would reduce the effects of illness and injury by approximately 6-12% by 2017, saving ~40,000-80,000 years of potential life\*

## Which translates to ...

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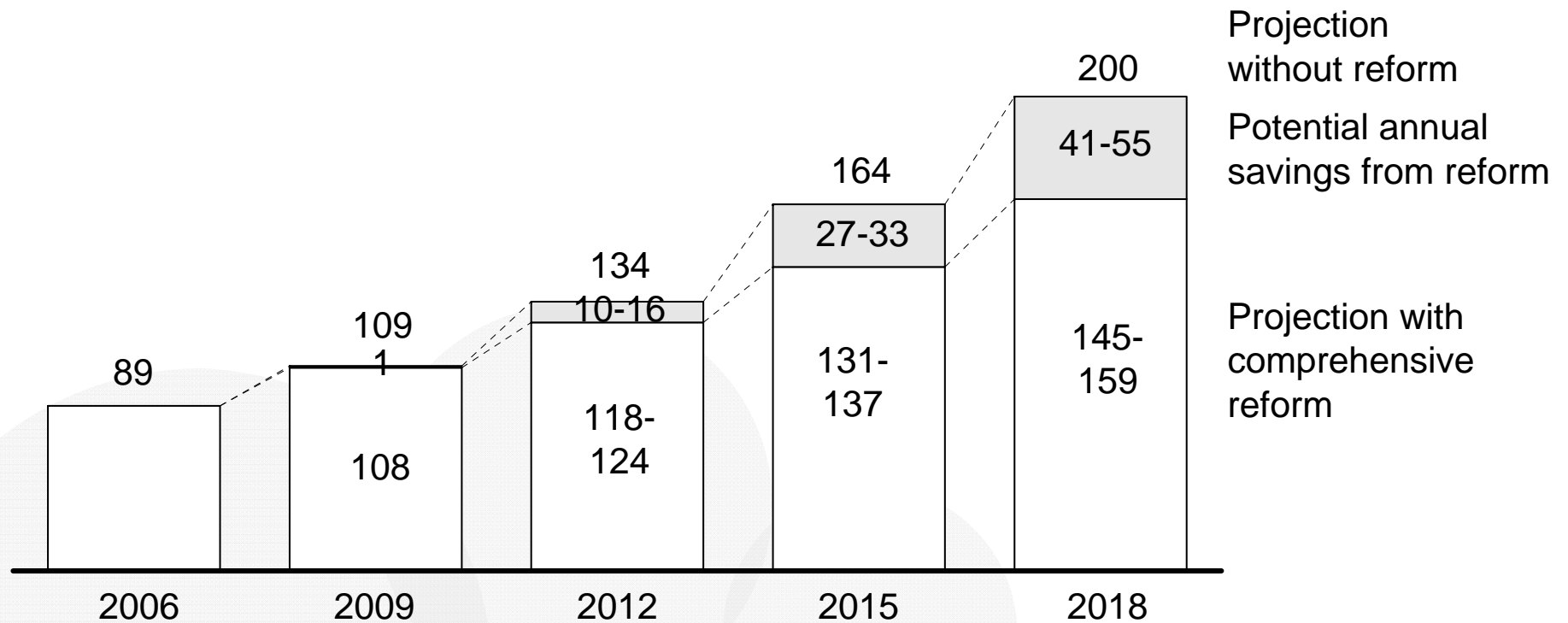
- 7,500-15,000 additional full lives
- Increase in average life expectancy of 3 months or ~6 months extension in life expectancy for Ohio's children
- Hundreds of thousands of people lead more productive, fulfilling lives

\* Assumes all reforms are pursued within next 12 months and impact increases based on timing of specific opportunities

# Aggressive Action Could Create \$50 Billion of Value Annually by 2018

**Total projected healthcare expenditures in Ohio\***  
\$ Billions

VERY ROUGH ESTIMATE



\* Assumes all reforms are pursued within next 12 months and impact increases based on timing of specific opportunities

### **Communicating the Change Vision**

- **Using every vehicle possible to constantly communicate the new vision and strategies**
- **Having the guiding coalition role model expected behaviors**

# ***Syndicating the Work...***

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## **Briefings and “gallery walks” to build awareness and gather input ...**

- Ongoing dialogue and interchange with Governor and his staff, President Harris, Speaker Husted, leaders and health committee chairs and ranking members in both chambers – as well as Ohio congressional delegation.
- Custom briefings for key stakeholders – Ohio Hospital Association, Ohio Children’s Hospital Association, Ohio State Medical Association, American Heart Association, AARP, SEIU and numerous other consumer advocate organizations, Ohio Long-term Care / Nursing Home Association, Ohio Association of Health Plans, Ohio Chamber, NFIB, COSE and other business trade groups, including regional employer purchasing coalitions and local CEO organizations, e.g. The Columbus Partnership.
- Regional briefings and gallery walks in Toledo, Canton, Cleveland, Columbus and Cincinnati with CEOs, healthcare providers and community leaders – hundreds have attended.
- Policy Leader Gallery Walk
  - April 30, 2008
  - Co-hosted jointly by Governor Strickland, President Harris, and Speaker Husted
  - Over 40 senior cabinet officials and healthcare committee legislators in attendance
- National outreach – Robert Wood Johnson Foundation, Academy Health, The Commonwealth Fund, Brookings

## ***Leading Change: Stage Five***

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### **Empowering Broad-Based Action**

- **Getting rid of obstacles**
- **Changing systems or structures that undermine the change vision**
- **Encouraging risk-taking and nontraditional ideas, activities, and actions**

### **Generating Short-Term Wins**

- **Planning for visible performance in improvements, or “wins”**
- **Creating those wins**
- **Visibly recognizing and rewarding people who make the wins possible**

## ***Leading Change: Stage Seven***

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### **Consolidating Gains and Producing More Change**

- **Using increased credibility to change all systems, structures, and policies that don't fit together and don't fit the transformation vision**
- **Hiring, promoting, and developing people who can implement the change vision**
- **Reinvigorating the process with new projects, themes, and change agents**

### **Anchoring New Approaches in the Culture**

- **Creating better performance through customer- and productivity-oriented behavior, more and better leadership, and more effective management**
- **Articulating the connections between new behaviors and organizational success**
- **Developing means to ensure leadership development and succession**