Leveraging Leadership and Technology to Transform Culture and Improve Performance

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Today’s Agenda

- Drivers of change
- Impact of culture on change
- Leadership’s role in change
- The IT challenge and opportunities
Problem Statements

- Technology innovation in healthcare has primarily been patient-oriented

- In spite of these significant technology investments, the US is lagging in care quality and cost

- Thus far, investments in technology to improve care quality have had limited adoption and have not met expectations

- Worsening the overall outlook, hospitals continue to close at an alarming rate and delays in the ED are commonplace

- A new era of healthcare informatics, labeled Operations Management Systems (“OMS”), is designed to enable process and cultural transformation & improve financial, operational, quality & clinical performance
Technology Innovation in Healthcare has Primarily Been Patient-Oriented
At High Costs

Top Ten OECD Nations by Total Expenditures on Health, 2006

Data from OECD
http://masetto.sourceoecd.org/vl=7610075/cl=11/nw=1/rpsv/factbook/10/02/01/index.htm
…And Healthcare Cost Continue to Rise…

Source: Centers for Medicare and Medicaid Services, Office of the Actuary.
* Projected
France best, U.S. worst in preventable death ranking

France, Japan and Australia rated best and the United States worst in new rankings focusing on preventable deaths due to treatable conditions in 19 leading industrialized nations, researchers said on Tuesday.

If the U.S. health care system performed as well as those of those top three countries, there would be 101,000 fewer deaths in the United States per year, according to researchers writing in the journal Health Affairs.
In Spite of Significant Investments, the US is Lagging in Care Quality and Cost

- The United States ranks 37th in overall health system performance

- On a cost per capita basis the US spends
  - 22% more than 2nd ranked Luxembourg
  - 49% more than 3rd ranked Switzerland
  - 2.4 times the average of OECD countries

Sources: Accenture, Healthcare IT News, OECD health data
...And the Negative Press is Mounting

- LA Times: Patient dies in the King-Harbor emergency room after writhing in pain on the floor for 45 minutes while two witnesses called 911 requesting help and were rebuffed

- Canada.com: “Hospital emergency doctors bail out. Overcrowding at Charles LeMoyne on South Shore leads to service interruption”

- NorthJersey.com: “Local ER crunch highlights national problem”

- BostonHerald.com: “An ambulance is diverted every minute of the day in America”

- NorthJersey.com: “N.J. emergency rooms are ‘maxed Out’”
ED Over-Crowding Remains a Major Issue In Spite of the IOM’s Challenge to Protect the Safety Net

- 60% of more than 200 survey respondents divert patients needing urgent medical care to other facilities.
- More than 80% of survey respondents say overcrowding is one of their top five management concerns.
- 88% said overcrowding failed to improve at their organization in the past year.
- While 70% said their facility's goal is to admit patients to the emergency department within two hours of arrival 48% fail to meet that goal more than half the time.
- 28% said their facility has had to postpone or cancel surgeries because of bed shortages.
- 80% of survey respondents have a standing committee that addresses patient flow issues, underscoring its importance.
- 94% of respondents said they were confident that technology, either by itself or in combination with changes in staff and processes, could reduce the overcrowding problems.

Source: American College of Emergency Physicians
HIT is HOT

- The US Congress appropriated $19 billion for health information technology as part of the 2009 American Recovery and Reinvestment Act.

- In doing so, the US joined a growing number of countries in national efforts to reap the benefits healthcare IT can bring to health care quality and cost savings.

- EHRs are just one type of HIT solution being exploited today
But HIT Has Had High Profile Problems

- Britain's National Health Service's nationwide electronic health records system initiative has been continually troubled and investigated multiple times.

- The Dutch health ministry announced the postponement of the national electronic health record project only three months after announcing the rollout.

- The introduction of a smart card system in Germany was seriously delayed.

- In the US, the Joint Commission on Accreditation of Healthcare Organizations Sentinel Alert of December, 2008, warned of technology-related adverse events.
The Expectations for EHR’s Impact are Great

Value of HIEI: Key Findings

- Standardized, encoded, electronic healthcare information exchange would:
  - Save the US healthcare system $395B over a 10-year implementation period
  - Save $87B in each year thereafter
  - Total provider net benefit from all connections is $34B
  - Net benefits to other stakeholders:
    - Payers $30B
    - Pharmacies $1B
    - Laboratories $13B
    - Public Health $0.1B
    - Radiology centers $8B

- Dramatically reduce the administrative burden associated with manual data exchange

- Decrease unnecessary utilization of duplicative laboratory and radiology tests
It Ain’t Necessarily So: The Electronic Health Record And The Unlikely Prospect Of Reducing Health Care Costs

Jaan Sidorov

Electronic health record (EHR) advocates argue that EHRs lead to reduced errors and reduced costs. Many reports suggest otherwise. The EHR often leads to higher billings and declines in provider productivity with no change in provider-to-patient ratios. Error reduction is inconsistent and has yet to be linked to savings or malpractice premiums. As interest in patient-centeredness, shared decision making, teaming, group visits, open access, and accountability grows, the EHR is better viewed as an insufficient yet necessary ingredient. Absent other fundamental interventions that alter medical practice, it is unlikely that the U.S. health care bill will decline as a result of the EHR alone.
Adoption of EMRs By Office-based Physicians

- In the 2008 NAMCS survey
  - 38.4% of physicians reported using full or partial EMR systems
  - 20.4% reported using a system described as minimally functional and including the following features: orders for prescriptions, orders for tests, viewing laboratory or imaging results, and clinical notes.
  - Comparably in 2006, 29.2% and 12.4%, respectively.

2008 National Ambulatory Medical Care Survey (NAMCS)
Privacy Laws Have Restricted EMR Adoption

• States that have enacted medical privacy laws restricting the ability of hospitals to disclose patient information have seen a reduction in EMR adoption by 11 percent over a three-year period or 24 percent overall.

• States with no such regulations, on the other hand, experienced a 21 percent gain in hospital EMR adoption.

• In states without such laws, adoption of EMRs by one hospital spurs adoption by others, with one hospital’s adoption increasing the likelihood of other hospitals in the local area adopting by 7 percent.

Why Have EMRs NOT Met Expectations? Perhaps Because EMRs Are Primarily “Infrastructure” - Focused on Clinical Data Consolidation

Departmental silos create gaps in patient care, information & operational processes

EMRs focus on data consolidation and access
Eliminating Silos is Critical to the Accessing of Resources

- Silos are invisible from a patient’s perspective.

- Silos are really part of a system.

- A patient moving through a process of care, crosses boundaries of departments/units.

- When these sub-systems are unable to communicate effectively they revert to functioning as “Silos”
‘Healthcare requires collaboration, as does system implementation, yet there is difficulty in translating among specialties, stakeholders, clinicians, and implementers, sometimes to the point of a seeming culture clash.’

Healthcare …Heal Thyself

“Health care systems around the world struggle to reconcile three competing objectives: **equitable access**, **high quality**, and **low cost**… The universal features of health care systems across the developed world suggest that today’s reformers, who tend to be piecemeal in their interventions, would benefit from a more **holistic approach**: one that recognizes the strong interdependency of seemingly autonomous actions.”

(Farrell, Henke, & Mango, 2007)
Establishing a Holistic Approach

Characteristics

- Visibility to demand & capacity
- Best practices for prevention & interventions
- Establish accurate communication & effective collaboration
- Data driven analytics, heuristics & decision support
- Focus on PREVENTION
The Impact of Poor Performing Operations on Economics

Source: Lenihan, Vistaar Healthcare
OMS Enables Leadership to Drive Performance By Proactively Looking Ahead & Reacting to Emerging Events
YES! We CAN Have It ALL

• The recipe for success integrates:
  – Strong, Insightful Leadership
  – A Collaborative Culture
  – The Right Processes
  – Supported by the Right Technology
“While recognizing that there still are technical issues related to functionality and interoperability, discussion affirmed the emerging consensus that problems are due to sociologic, cultural, and financial issues, and hence, are more managerial than technical.”

HIT Engages All Types of Change

- Strategic
- Operational
- Cultural
- Political

Source: Lorenzi & Riley, 2000
Barriers to Change

Behavioral Change: Barriers to Process Excellence — Mostly People-Oriented

Source of Barrier

- People
  - People unable to change
  - People refusing to change
- Process
  - Poor ESP integration
  - Poor governance
  - Poor leadership
  - Unintegrated processes
  - Inconsistent processes
  - Service culture
  - Inappropriate competencies
  - Funding
  - People unwilling to change
- Technology
  - Fragmented tools
  - No standards
  - Custom-made integration
  - Inappropriate tools
- Complexity of Barrier
  - High
  - Low

High Complexity
- Fragmented tools
- No standards
- Custom-made integration
- Inappropriate tools

Low Complexity
- Technology
- Process
- People
Implementation Is Key

“The issue of medical errors isn’t going away anytime soon...It’s true that advancements in electronic medical records and new pharmacy information systems have benefited patients immensely ... But the efficacy of technological solutions and policy changes relies on whether people properly implement them.”

Rick Blizzard, D.B.A., Gallup Healthcare
Indicators of Organizational Readiness for HIT

- External environment factors
- Health care organization characteristics
- Information technology/system innovation readiness
- Knowledge readiness
- Staff skill readiness
- Technical readiness
- Operational readiness

- Process readiness
- Resource readiness
- Values and goals readiness
- System development life cycle
- Planning and analysis sub-dimension
- Design sub-dimension
- Implementation and maintenance sub-dimension

Source: Snyder-Halpern, 2001
Barriers to HIT Implementation: Overview

- The complexity of both large-scale projects and the clinical environment
- Not just a technical process but a social one packed with inter-professional collaboration
- Intense need for top management understanding of what is really involved
- Vendor promises versus technical reality
- Professional practice and terminology differences (Silos)
- Determining what success looks like (Vision)
Barriers to HIT Implementation: The Details

- Cost/ Value = Risk
- Technology design issues
- Culture
- Readiness
- Lack of leadership
- Poor communication
- Lack of application to application and vendor to vendor interfaces
- Gaps in automation and information
- Lack of best practice interfaces and integration standards

Source: Brantley, 2004
Why is Technology Not Easily Embraced

- Creates new work
- Complicates workflows
- Redistributes work in unexpected ways
- Slows clinician execution
- Strains schedules and budgets
- Causes resentment/complex emotions
- Causes sense of loss of professional autonomy
- Engenders alert fatigue

Keys to Success

- Culture
  - Readiness

- Leadership
  - Vision

- Planning
  - Understanding

- Communication
  - Relentless
"We can't solve problems by using the same kind of thinking we used when we created them."

Albert Einstein
Leadership, Technology and Best Practices: Enabling and Sustaining Change

A comprehensive approach to reform is prudent in that interventions intended to resolve issues in one area may indeed have unintended and in fact potentially negative impact on another area. IOM (2000)
What Does the Future Require

• The IOM (2000) states that large-scale change is critical to the future of healthcare and assumes that any meaningful program include leader, who can prioritize organizational objectives, set personal responsibilities, clearly define metrics and monitoring, provide the human and financial resources’ necessary to execute and achieve success.

• A sense of urgency

• Transformational change

• Leaders who have the skills to drive transformational change across the continuum
  – Social networking

*Be The Change You Want To See In Others*
Transformational Change

- Nutt and Backoff, (1997) defined transformational change as, “creating a sustained metamorphosis from a vision that produces radical changes in an organization's products/services, clients/customers, market channels, skills, sources of margin, competitive advantage, and persona, integrating these changes with core competencies.”

- The level of change is at the organizational level.

- It is when the solution sets must be positioned in the future.

- The mode of change is voluntary.

(Bigelow & Arndt, 2005)
Transformational Change in Healthcare Is Difficult

• Leadership styles have become obsolete
• Hospitals are highly regulated and services and programs cannot be added, deleted or altered at will.
• Management does not have complete authority over work processes
• It is difficult to remove “professionals” who do not have vision or enthusiasm for the organization

(Hammer & Stanton, 1995, Bigelow & Arndt, 2005)
Transformational Leadership

- Visionary executives who drive “frame-breaking change” leading their organization to a strategic rebirth.
  
  (Goes, et al., 2000, p150.)

- Part visionary, part communicator and part motivators

  (Hammer & Stanton, 1995)
What Barriers Have You Experienced?

### Behavioral Change: Barriers to Process Excellence — Mostly People-Oriented

<table>
<thead>
<tr>
<th>Complexity of Barrier</th>
<th>Source of Barrier</th>
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<tbody>
<tr>
<td>High</td>
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<tr>
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- **High Complexity of Barrier**:
  - Fragmented tools
  - No standards
  - Custom-made integration
  - Inappropriate tools

- **Low Complexity of Barrier**:
  - Technology

- **Process**:
  - Poor process quality
  - Unintegrated processes
  - Inconsistent processes

- **People**:
  - People unable to change
  - People refusing to change
  - Low morale
  - Unrealistic customer expectations

- **Source of Barrier**:
  - Poor governance
  - Poor leadership
  - Poor ESP integration
  - Poor customer perception
  - Funding
  - Unappropriate competencies
  - People unwilling to change
  - Lack of skills
HIT and Leadership…Better Together
Leaders Have a Stewardship Obligation to Improve & Sustain Performance Over Time

A new era of healthcare informatics, labeled Operations Management Systems (“OMS”), has arisen which is designed to improve the overall “health” of the Provider to ensure its viability and sustainability.

- Leadership driving process & cultural transformation
- Establishing & reinforcing organizational commitment and accountability
- Enables transparency and visibility to real-time performance across the system
- Coordinates resources in real-time to ensure optimal performance and outcomes
- Accomplished by facilitating informed decision making
Role of Leadership

- Meaningful programs must include senior-level leadership to be successes…
  - Prioritize organizational objectives
  - Set personal responsibilities (Walk the Talk)
  - Clearly define metrics and monitoring
  - Assure access to the human and financial resources’ necessary to execute and achieve success

Source: IOM, 2000
Leadership Development is Critical

- Shift your emphasis from management to leadership
- Examine your leadership style and how you adapt to changing situations
- Understand the types of communication and be aware of communication styles
- Understand and develop required competencies for leadership success
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<th>Leadership Styles</th>
<th>Primary Objective</th>
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<tbody>
<tr>
<td>Democratic</td>
<td>“What do you think?” Build commitment and generate new ideas</td>
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<tr>
<td>Coaching</td>
<td>“Try this” Long-term development of others</td>
</tr>
<tr>
<td>Affiliative</td>
<td>“People come first” Create harmony</td>
</tr>
<tr>
<td>Visionary</td>
<td>“Come with me” Long-term direction and vision</td>
</tr>
<tr>
<td>Pacesetting</td>
<td>“Do as I do now” Task accomplishment to high std. of excellence</td>
</tr>
<tr>
<td>Autocratic</td>
<td>“Do what I tell you” Immediate compliance</td>
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Leadership’s Role in HIT Implementation

- Understand fundamentals
- Prioritize organizational objectives
- Forge technology strategies
- Set timelines
- Clearly define metrics and continuous monitoring
- Assure access to the human and financial resources’ necessary to execute and achieve success
- Set personal responsibilities (Walk the Talk)
- Identify and support champions at the bedside
- Encourage Innovation
- Communicate Visions & Goals
- Celebrating Success
Making the Right Decisions

Source: Gartner (July 2007)
Be Careful Not To Commit the Major Sins of Leadership

- Setting different directives depending on the audience
- Vacillating vision
- Inability to make tough calls
- Unwillingness to ask questions
- Failure to empower and create accountability
- Fail to communicate across the continuum
- Behave as a silo
The HIT Vision

It’s all about how organizations and the people in them work and interact...
Conclusions

• IT success is no longer an option

• IT will be a regulatory mandate

• Financial performance will depend on IT

• Participation is no longer optional

• Resistance is futile…