Learning Points

1. Competency requirements for the next generation healthcare leader will be **notably different** from those of the traditional hospital or health system administrator.

2. Leadership positions will **lead change through influence** without necessarily controlling operations.

3. Hospital administrators will be refocused on managing cost centers according to **protocols and standards set by others**, not on shaping strategy and developing programs.

4. The real leaders of healthcare systems will be those focused on **developing and implementing capabilities for managing population health** through clinically integrated networks (CINs) and managing high-acuity services across systems with the **highest possible level of reliability**.
Flow of Discussion

- Unprecedented Change
- Five Strategic Imperatives
- New Organizational and Leadership Competencies Required
- Recruiting and Developing the Needed Talent
- Questions & Conversation
Unprecedented Change

This is an era of unprecedented change in healthcare

• Medical model to health model: promoting and managing health, not just acute care
• Consumer-driven: choice, access, cost, transparency
• Increased financial risk for providers
• Physician integration and alignment
• Physician leadership more important than ever
• Scale: getting bigger to manage risk and share costs
• Clinical informatics: to identify best intervention
• New competitors: retailers and insurers; outsiders moving into primary market
• Technology: telemedicine, remote monitoring, virtual appointments
• Declining reimbursement: boomers moving to Medicare; high-deductibles leading to write offs

Increasing complexity requires more sophistication in managing clinical integration, technology, virtual networks, financial risk, disease management, and population health. Overall leadership skills will trump technical competencies in leading change successfully.
5 Imperatives in Journey to Population Health and Value Based Contracting

Imperatives Drive Investments for: New Job Roles, New Competencies, and New Talent Development
“It is not for the faint of heart. It is a difficult business. I think sometimes providers believe that it looks pretty easy from the outside.”

“We have to find ways to get patients engaged in decision-making—decision-making about their own health, and how they want to gather, collect, and discuss their own information.”

**Figure 1: Status of Managing Population Health**

**Q** What is your organization’s status in managing the overall health of a defined population?

- Fully committed and underway: 47%
- Experimental or pilot program(s) underway: 29%
- Will pursue but have not yet begun: 11%
- Examining how or whether to pursue: 9%
- Do not plan to pursue: 2%
- Other: 2%

Base = 305
Population Health Management

The Ordered Checklist for Your 3-5 Year Journey

1. Registries: Evidence-based definitions of patients to include in the PHM registries
2. Attribution & Assignment: Clinician-patient attribution algorithms
3. Precise Numerators: Discrete, evidence based methods for flagging patients in the registries that are difficult to manage in the protocol, or should be excluded from the registry, altogether
4. Clinical & Cost Metrics: Monitoring clinical effectiveness and total cost of care (to the system and the patient)
5. Basic Protocols: Evidence based triage and clinical protocols for single disease states
6. Risk Outreach: Stratified work queues that feed care management teams and processes for outreach to patients
7. External Data: Access to test results and medication compliance data outside the core healthcare delivery organization
8. Communication: Patient engagement and communication system about their care, including coordination of benefits
9. Education: Patient education material and a distribution system, tailored to their status and protocol
10. Complex Protocols: Evidence based triage and clinical protocols for comorbid patients
11. Coordination: Inter-physician/clinician communication system about overlapping patients
12. Outcomes: Patient reported outcomes measurement system, tailored to their status and protocol
5 Imperatives in Journey to Population Health

1. Develop teams to manage risks, costs & data for health gain, not just health care;
2. Build systems to manage consumer relationships over 15 years not 15 days;
3. Use protocols that change consumer lifestyle behaviors, not just patient utilization behaviors;
4. Nurture complex community health partnerships to intervene in Social Determinants of Health along expanded continuum of care;
5. Establish new payer contracting incentives and monitoring.

Source: The Advisory Board

As providers transition from traditional fee-for-service to value-based care, increasing market share of lives makes the difference between a declining health care organization and a thriving one.

Looking toward this future, progressive organizations are investing in the critical building blocks for successful population health management: advanced analytics to manage risk and track results, robust data on clinical and financial performance, and comprehensive care management infrastructure.

Source: The Advisory Board
5 Imperatives
in Journey to Population Health and Value Based Contracting

1. Develop teams to manage risks, costs & data for health gain, not just health care
Population Health Management

Requires a collaborative strategy between leaders in healthcare, politics, charity, education, and business

Robert Wood Johnson Foundation, 2014
5 Imperatives
in Journey to Population Health and Value Based Contracting

2. Build systems to manage consumer relationships over 15 years not 15 days
Market Challenges Shape Internal Competencies

The Patient Family Experience

15 Minute Encounter
70% Inpatient Focus

15 Day Episode
50-50 Inpatient-Outpatient Focus

15 Year Relationship
70% Outpatient Focus

Heritage of Care Evolving from Single Campus

Evolving Sense of "Systemness" Transforming from Episodic & Siloed Care

Patient Experience Driven Integrated Care Model Shaped by:
* Boomer Expectations; * Retail Medicine and Consumerism; and * Digital Customization

Diversify to protect assets; explore new revenues, and spread overhead costs

Uncertainty. Anxiety. Tension.
Value for Money Invested: ROI on enterprise infrastructure?
Hunger for...
• Leadership, Shared Vision, Strategic Direction, Roadmap to Vision, Results, Celebration

Premium on:
• Culture that is: Patient Centered; Performance Driven; Values Based;
• Market agility, speed, responsiveness, value for money, easy access, seamless & superior experience; and
• Lean, clarity, continuity of care

All Require More Physician Alignment
3. Use protocols that change consumer lifestyle behaviors, not just patient utilization behaviors
Protocols to Navigate
Behaviors of Staff to Change Behaviors of Consumers
5 Imperatives in Journey to Population Health and Value Based Contracting

4. Nurture complex community health partnerships to intervene in Social Determinants of Health along expanded continuum of care
Building and Leading New Partnerships you do not Own Along New Continuum into the Community
5 Imperatives
in Journey to Population Health and Value Based Contracting

5. Establish new payer contracting incentives and monitoring
Providers need to implement new strategies to negotiate effectively and reposition themselves for success in the post-healthcare reform environment.

- Duration of Contract
- Delegated Services
  - Case Management
  - Disease Management
  - Claims
- Commitment to Provide Data and its Frequency
- Physician Attribution Methodology
  - Prospective or Retrospective
  - How is responsible physician identified
- Quality scores may be part of the equation

Data base of all contracts

Definition of the Financial Risk
- Any medical services carved out?
- Can you get historical data?
- How is the revenue/target defined?
- Are monies transferred to cover delegated services?
- Is an escrow account required?
- How will your providers be paid?
- How and when will the financial reconciliation and cash transfer occur?
- What happens to drug rebates?
- Any incentive program monies?
New Competencies & Jobs

David Bjork, Ph.D.
Managing Director & Senior Advisor
New Organizational Competencies Required

Provider organizations need to develop new competencies to thrive in new environment

- Clinically-integrated network of providers committed to value-based care management and population health
- Clinical informatics to support decision-making
- Identifying and managing health risks in assigned/enrolled populations
- Managing cost of care for assigned/enrolled populations
- Refining standards for evidence-based medicine and care management
- Getting entire system/network to adopt and use evidence-based medicine and care management standards
- Engaging consumers to manage their own wellness
- Meeting consumers’ expectations for convenient 24/7 access and transparency
Systems Reorganizing To Manage Change

• Clinically-integrated networks
  – Physician networks organized around panels and/or chronic diseases
  – Medical homes, each with own panel

• System-wide service lines

• Population health management divisions
  – Health plans
  – Disease management programs
  – Senior services/care management

• Retail clinic networks and 24/7 access

• Telemedicine and virtual encounters/consultations

• Collaboratives
  – Multiple systems forming a regional network
  – Local collaboratives with public health and other community agencies

So much change, so rapid, that systems need project management office and staff
Implications For Leadership Requirements

In addition to usual requirement for 10+ years experience in progressively more challenging leadership roles, the next generation of leaders will need the competencies to:

• Invent new ways of managing care and cost of care, with no road map
• Develop new ventures that disrupt traditional ways of delivering and managing care
• Lead a customer-centric organization that meets the new consumer’s expectations for convenience, ready access, and transparency
• Manage the risks involved in value-based contracts and population health management
• Lead through influence without direct control of resources
• Lead collaborative efforts to manage social determinants of health
Competency Models

A competency model identifies the *traits that distinguish a truly superior performer* from a good performer.

A competency is more often a *behavioral pattern* developed and refined through experience than a skill learned from formal lessons.

A competency can be developed, but it can’t be taught unless the associated behavior comes naturally to the individual.

Experience and knowledge are not competencies: knowing how doesn’t deliver results, and experience doesn’t predict future success in a new job and new environment.

Competencies exist along a scale from emergent to fully developed and to exceptionally strong.

The truly superior performer has exceptionally strong competencies, not just good, fully developed competencies.
Leadership Competencies For The Next Generation

Creating the Vision/Strategy

Four Essential Competency Clusters:

- INSPIRING and PERSUASIVE LEADERSHIP
- PEOPLE SKILLS EXTRAORDINAIRE
- FOCUS ON EXECUTION and RESULTS
- PERSONAL CHARACTER

Delivering the Results
Leadership Competencies
For The Next Generation

INSPIRING AND PERSUASIVE LEADERSHIP

**Leader with vision who inspires others to follow:** articulates inspiring vision and direction, focuses others on strategic priorities, and inspires others to achieve vision and priorities

**Master of change:** unwavering champion for change, anticipates and overcomes obstacles, gets others to drive change, creates environment to sustain change

**Inspires trust and commitment:** expects, values and models commitment to mission; expects, embraces, inspires, and demonstrates trust;

**Coach:** rallies and energizes teams; inspires others to do their best; motivates collaboration across boundaries

**Innovative:** imagines and explores new concepts and approaches and acts on them to improve performance and/or to achieve competitive advantage

**Creates sense of urgency to act:** turns best opportunities into priorities and problems and threats into reasons for acting now; overturns skepticism about need to change
**Leadership Competencies For The Next Generation**

**PEOPLE SKILLS EXTRAORDINAIRE**

- **Embraces collaboration:** builds strong collaborative working relationships; solicits ideas and build on perspectives of others; promotes collaborative problem-solving

- **Develops leaders:** identifies and recruits needed talent, creates challenging opportunities for development, and mentors best prospects for leadership roles

- **Shapes culture:** fosters and models the desired culture in all relationships; repeatedly names the values of the organization; honors its mission

- **Savvy negotiator:** identifies win/win propositions; asks for enough to allow room for compromise; knows when to say no

- **Respects physicians:** builds effective partnerships with physicians; creates opportunities for physicians to lead; values physicians’ role in clinical integration

- **Empathetic, intuitive and caring:** gains deep understanding of colleagues and puts it to work to build support for goals; respectful of others’ interests, desires, and needs
Leadership Competencies For The Next Generation

FOCUS ON EXECUTION AND RESULTS

**Focused and engaged:** clearly defines priorities and timetables; stays focused on priorities and achieving results; not easily distracted; keeps messages simple, direct, and on target

**Architect:** designs organization to optimize responsiveness, quality, and cost-effectiveness of service and operations; chooses managers who can achieve results; finds solutions that work for a dynamic organization with complex interrelationships

**Tenacious:** stays the course; keeps focus on achieving goals; takes initiative to overcome obstacles; continuously evaluates current process to identify opportunities for improvement

**Financially astute:** understands and accounts for financial implications of alternatives; maintains margins as business changes; improves cost-effectiveness to be able to compete on price; manages risk well

**Nimble:** evaluates circumstances and adjusts and pivots quickly as they change; expects change and accommodates it easily

**Entrepreneur:** identifies and takes advantage of new opportunities; generates creative approaches to improving performance and achieving goals
Leadership Competencies For The Next Generation

PERSONAL CHARACTER

**Integrity**: models authentic, honest and ethical behavior; insists on doing what’s right; models ethical decision-making and behavior; open and transparent

**Curious and eager to learn**: strives to learn and understand; open to new concepts and technologies; willing to try new ideas; turns mistakes into opportunities to learn

**Accountable**: accepts accountability for outcomes; doesn’t shift blame to others; acknowledges errors and mistakes; takes on accountability for fixing problems

**Courageous**: dares to take risks; dares to say no; dares to hold ground in face of opposition; dares to decide and act in face of uncertainty and ambiguity

**Humble/modest**: keeps ego under wraps; speaks modestly of own talents, abilities and value; shows appreciation for others; understands need for help from others

**Emotional intelligent**: self-aware, aware of others’ interests and reactions, manages self and relationships with others to achieve goals;

**Comfortable with self**: uses stories and humor to defuse tension; comfortable with self-criticism; comfortable receiving criticism; acknowledges one’s own foibles and peculiarities
Issues In Getting The Right Talent

Many of the new positions are so new that there is no ready-made labor market
- Very few people with experience doing the job
- Few examples of success providing benchmarks and best practices
- Jobs being invented on the fly
- Incumbents learning as they go

Structures set their own requirements
- New jobs overlap with traditional jobs
  - Require stepping on others’ toes, getting in their way
- Many new jobs/structures are matrices
  - Require leadership through influence, not control

Many of the new jobs call for creative disruption
- Requires leading disruption in risk-averse cultures
Identifying and Developing Next Generation Leadership Talent

Kathy Hall, RN, MBA
Managing Director & Senior Advisor
Identifying and Developing Next Generation Leadership Talent

New Executive Leadership Positions

• Chief Population Health Officer
• Chief Clinical Care Transformation Officer
• Chief Clinical Integration Officer
• Chief (Patient) Experience Officer
• Chief Nurse Informatics Officer
• Head of Clinically Integrated Network (CIN)
• ACO Executives
• IN DEMAND – Physicians Leaders
Identifying and Developing Next Generation Leadership Talent

The New Roles have no:

- standard job descriptions
- benchmarks/best practices: what to do, how to do it
- standard performance expectations
- competency requirements
- reliable market values

Organizations approach this differently, depending on:

- market circumstances
- plans and strategies
- their appetite for risk

KEY: Clearly define the role and ideal competencies
Identifying and Developing Next Generation Leadership Talent

IDENTIFY – Internal Talent

Do you need or prefer a clinician?

Should you consider a dyad with a clinician and a lay administrator? (Or even a triad, with a doctor, a nurse, and a lay administrator)

Can you assemble a team to shape direction and guide the new leader?

Do you have an obvious champion of change?
Identifying and Developing Next Generation Leadership Talent

**IDENTIFY – Internal Talent**

- Start by looking for right competencies + credibility
- Reputation and relationships are crucial
- Look for differentiators (managing change, creativity, innovator, collaborator, risk-taker)
- Look for experience working across boundaries (service lines, inpatient/outpatient, hospital/clinics)
Identifying and Developing Next Generation Leadership Talent

**IDENTIFY—External Talent**

- Do you really think you will find someone better than your best internal candidates?
- Recognize risk of bringing in outside change agent, and need for extraordinary competency in collaborative leadership
- Wouldn’t it be quicker and safer to bring in a consultant or a partner to help develop an internal candidate?
- Should you choose a short-timer approaching retirement who will soon let an insider take over?
- Should you put the outsider in a dyad with an insider?
Identifying and Developing Next Generation Leadership Talent

IDENTIFY—External Talent

- Look for talent in organizations that are recognized leaders at clinical integration, accountable care, and population health management.
- Look for talent in large physician practices accustomed to managing care effectively under risk-sharing arrangements (e.g., Kaiser, Group Health, California groups).
- Look for talent in health plans (especially those that own medical groups) or in systems that own health plans.
- Look for talent in health systems partnering with health plans, insurers, or consulting firms to develop capabilities (e.g., Premier/Evolent, Inova/Aetna).
- Look for talent in health systems with lots of physicians in management positions.
Identifying and Developing Next Generation Leadership Talent

IDENTIFY—External Talent

- Look for physician executives already involved in managing care under value-based contracts
- Look for executives learning how to manage care from partnerships with insurers or consulting firms
- Look for executives in health plans who are already managing cost of care for enrolled populations
- Look for people who are leading clinical integration efforts as heads of clinical service lines
- Look for executives who have been leading other transformations in health care (e.g., evidence-based medicine, clinical informatics)
Identifying and Developing Next Generation Leadership Talent

DEVELOP—QUICKLY

- Hire a consultant as interim leader to develop internal talent and risk-management capabilities
- Partner with health insurers to develop risk-management capabilities while developing internal talent
- Send internal leader(s) on site visits to learn from the experience of others
- Assign cross-disciplinary team to developing capabilities collaboratively, while also developing internal leadership talent
Identifying and Developing Next Generation Leadership Talent

DEVELOP—LONGER-TERM

- Invest heavily in developing physicians and nurses, who will be better prepared to manage care
- Send people to academic programs in population health management (e.g., Thomas Jefferson University)
- Send people to conferences and on site visits to learn from others’ experience
- Assign group of future leaders to work on developing risk-management capabilities to learn from working under others
Next Steps

Redesign your Human Resource and Talent Development Systems and Policies

• Draft a good job description for each new position
  – Clarify the relationship other positions (and address the overlap in responsibilities)
• Determine how to pay the new position
  – Base and variable pay (both annual and long-term incentives?)
• Define performance expectations that suit the uncertainties of the new position
  – Modify performance evaluation to fit these uncertainties
  – Decide how to customize the incentive plan to fit these expectations
• Refine the recruiting and selection process
  – For both internal selection and external recruiting
• Modify the onboarding process to fit the new position
• Be prepared to refine the new positions and their performance expectations
• Celebrate progress: can’t wait for the end-point (whatever it is)
Questions & Conversation

Find additional information on this topic at www.ihstrategies.com

Call one of our experts at 1-800-327-9335

JAMES RICE, Ph.D.
jim.rice@ihstrategies.com

DAVID BJORK, Ph.D.
david.bjork@ihstrategies.com

KATHY HALL
kathy.hall@ihstrategies.com
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