Governing Boards:
“Maintaining Leadership and Direction in an Era of Health Reform”

Minnesota Hospital Association
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“Control your own destiny or someone else will.”

Jack Welch
Minnesota Hospital Association
Governing Boards: Maintaining Leadership and Direction in an Era of Health Reform

Learning Objectives

- A “high level” understanding of the major health reform legislation and health care provider responses.

- Overview of some common “cautions” during times of change.

- Exposure to an approach for establishing the future direction of your organization.

- Challenges and opportunities for leadership in the era of change.
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Reform Overview: What’s your response to changing market dynamics?

- Medical Home
- Value-Based Purchasing
- ACO
- Bundled Payments
- Patient Centered Care
- EMR
- Quality
- Physician Alignment
- HACs
Aspects of Reform

- Funding
- Coverage Expansion
- Insurance Reforms
- Reimbursement
- Transparency
- Delivery System Changes
- Workforce
- Tax Exempt

Required Responses

- New Delivery Models
- Operational Performance
- Quality Enhancement
- Physician Alignment
- New Relationships
“Wait until we are forced to change”

“Invest in current volume based model”

“Begin to evolve to new delivery model”

“Position to be a desired contracting partner”

“Lead the change across the care continuum”
Boards often...

- Create a sense of urgency; a natural response.
- React to the environment and quickly move to meet fiduciary accountability for the hospital and or health system.
- Focus on “how to get there” versus having a clear understanding of “what are we trying to accomplish.”
- Migrate to “tactical” versus a focus on “strategic.”
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Cautions During Time of Change
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Establishing the New Future: Reforming the Care Delivery System

Strategic Areas of Focus
Required Responses

- New Delivery Models
- Operational Performance
- Quality Enhancement
- Physician Alignment
- New Relationships

Required Change

Which is….

- Messy
- Chaotic
- Uncertain

However, possible through…

- Structured thinking
- Framework for decisions
- Defined “new future”
Establish a “rational” framework for thinking about…

- Mission
- Vision
- Strategy

Framework helps form the starting point regarding…

- Assumptions
- Perspectives
- Scenarios
Ask the right questions to pursue the right answers…

- Do we have the right people, competencies, skill sets to deliver on our responsibilities as a Board during this period of change?
- How does reform affect our role as a health care provider in this community and surrounding area?
- Are we looking at our future services in the context of reform or our historic view of care delivery?
- Do we view our operations and make decisions from a “hospital centric” or “care continuum” perspective?
- Does our tolerance for “risk” need to be different going forward? How do we best measure it during this period of change?
- What will be different (or should be) different regarding quality of services, patient focused care, relationships with physicians and other providers?
- Will today’s competitors be our partners in the future?
Enhance your organizations ability to strategically adapt in a timely manner…

- Simplify your processes
- Empower the “day to day” decision makers
- Build relationships, create the necessary alignments with other providers
- Be open to new ways
- Use collaboration as a means to an end
Setting strategy to meet current operational priorities with longer term requirements...balance resources and focus.

Limited “bandwidth” across the organization...be focused and incremental; leverage internal and external.

Balancing current operations with positioning for the future...proactively pursue improvements in response to “health reform legislation.”

Setting the new “culture”...get all stakeholders on same page and timeframe leveraging the opportunities.

Ability to align incentives in the short term in order to execute on initiatives that position for long term success.
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Challenges and Opportunities

- Understanding the true “cost” of care delivery and ability to accept clinical and financial risk...implement changes to historical “sacred cows.”

- Lack of accurate and timely information to support decision making...establish expectations around Performance Management.

- Clinical integration that will allow provider organizations to operate new delivery model(s)...open dialogue across previous barriers.

- Ability to develop, accept, and deploy a consistent (reduce variability) approach to care delivery...empower clinicians to set standards for change.
The reality of Health Care Reform will drive many initiatives. Strong leadership will be necessary to confront the known and unknown challenges ahead. A structured, disciplined approach to generating the new ideas that define your organizations future is well within your control.

“The right care…
at the right time…
in the right setting…
at the right cost…
with the right outcome.”
Thank you!

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