“Practice Fitness: Building a Value-Based Foundation”

MGMA of Greater St. Louis and Greater St. Louis Chapter HFMA
March 8, 2016

Presented by:
Marc D. Halley, MBA
Chief Executive Officer
The Halley Consulting Group, Inc.

Setting the Context...
Key Trend Indicators...

- Of budgets and payment approaches
- Industry consolidation
- Millennial physicians
- Provider substitutes
- Changing population demographics and psychographics
- Medical science & “technology”
- New delivery models

Strategic Imperatives - *Organizations Must Do These Things*

- Attract Market Share
- Demonstrate Quality
- Have Access to Capital
- Be Productive
The Concept of “Value” (Value Coefficient)

Clinical Process + Clinical Outcome + Referral Path Experience = Effective

Cost Per Unit + Utilization = Efficient

Moving UP the Integration Pyramid

**Population-Centered Care**
- Personal accountability for healthy behaviors and lifestyle
- Population health management (PHM)
- Chronic disease prevention & management
- Access and information = value
- Risk-based payment

**Collaborative Care (Trust)**
- PCMH & “Choice” initiatives
- Vital behaviors (“we”/“our”)
- Service quality extension of referring provider’s office
- Information lubricates the referral path
- Referral management

**Choreographed Care (Accountability)**
- Improving process and outcomes
- Clinical quality commitments
- Transparent flow of clinical information across care continuum
- Managing an episode of care or chronic disease using clinical metrics
- Individual and joint accountability to live by established metrics

**Coordinated Care (Silos)**
- Basic form of integration
- Legal structure/organization chart
- Payroll silos (“me”/“you”)
- Referral leakage

© 2013 The Halley Consulting Group, Inc.
Horizontal Integration & Governance (Common Consent)

- Service Line Council (SLC) (Functional Integration)
- Clinical Performance Teams (CPTs) (Clinical Integration)

*Potential future members

Population Health Health Status Cohorts

- **Health Status**
  - Healthy - periodic illness/injury
  - Chronically ill or disabled (high function)
  - Complex chronically ill or disabled
  - End of life
Population Health - Creating Value By Cohort

- Population Health (Horizontal Governance)
  - Health maintenance
  - Integrated episode of care
  - Chronic disease management
  - Disability management
  - End of life care (hospice and palliative care)

The “Soft” Stuff...That Makes All the Difference! (Mission, Vision, Values)
Common Development Forums...

- Annual retreat
  - Individual Practice
  - Network or group setting
  - Fiduciary board
- Network Operations Council sessions
- Multiple Practice Operations Council sessions
- Consultation/facilitation

Individual Purpose, Motives, Desires, Objectives, Preferences, etc.

- What is my overarching purpose?
- Why do I do what I do?
- What would inspire me to work for free?
- What gives me joy in my work?
- Where do I see myself in 3 years?
- What is my “ideal” practice & setting?
- What other life objectives will be facilitated by my success in practice?
Vision (The Possible Organization)

- Where are we headed?
  - Clinical process
  - Clinical outcomes
  - Service quality
  - Productivity (access, revenue, compensation)
  - Practice sustainability
  - Financial viability
- How will we know when we get there?
- What are the benefits to us?

Vision (The Possible Organization)

- What are the benefits to others?
  - Patients and their family members
  - Support staff/employees
  - Referring physicians/providers
  - Our affiliated hospital
  - Our preferred payers
  - Our community
- Why would others want to join us in accomplishing our vision?
Our Values... (What and Why?)

- Quality
- Service to others
- Honesty/integrity/fidelity
- Continuous learning
- Competency
- Respect
- Decisiveness
- Efficiency

Our Values... (What and Why?)

- Accountability (joint and individual)
- Teamwork
- Fairness
- Stewardship
- Gratitude
- Compassion
- Independence
- Reputation
Our Values... (What and Why?)

- Work/productivity
- Joy/satisfaction
- Tolerance
- Diversity
- Agility
- Life balance
- Community
- Discipline/rigor
- Others...

The Possible Organization Analysis
Possible Organization Analysis

- Easily grasped by potential stakeholders
- Vision will *create* and *keep* customers
- Compelling enough to “sell” itself to stakeholders
- Stakeholders will volunteer their time and energy to see the vision become a reality
- Tangible personal potential benefits apparent to each stakeholder
- Supports 4 Critical Decision Filters for all stakeholders

Possible Organization Analysis

- Sustainable business model
  - Operationally viable (e.g., people, equipment, processes)
  - Marketable and market sustainable
  - Financially sustainable
- Investment grade - can attract capital
- Can overcome tactical disagreement
- Yields “cooperation” and “choreography”
A Culture of Accountability

• Effective “sponsorship” - performance expectations as a condition of employment
• **A compelling** purpose (“hearts and minds”)
• Written quarterly commitments: tactics, timelines and individual accountability (QAP and SSAPs)
• Effective implementers (professional management)
• “A” players only need apply
• Joint commitment - “Everyone dives for the dropped ball!”

Creating a Culture of Accountability
Creating a Culture of Accountability

- Rigorous measurement *for* performance
  - Clear performance targets & timelines
  - Clear performance measures
  - Twelve Performance Factors
  - Four Decision Filters
- Return and report (frequent self-reporting)
- Formal objective review of progress and outcomes by sponsors
- Consistent rewards and consequences
- “Intrapreneurship” - Own it!

Last in Their Class?

“Lack of accountability also frustrates independent physicians and emasculates employed physicians capable of achieving private practice levels of productivity if allowed, engaged and expected to do so.”

The Limits of “Pay for Performance”

- Mind or heart?
- When you pay for *everything* you get, you get *only* what you pay for...
- From incentive to entitlement
- Upping the ante...
- Stifles innovation

Accountability and the Sandbox