

# TRANSITIONING FROM POPULARITY TO PERFORMANCE

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Jeffrey Bailet, MD  
President, Aurora Medical Group

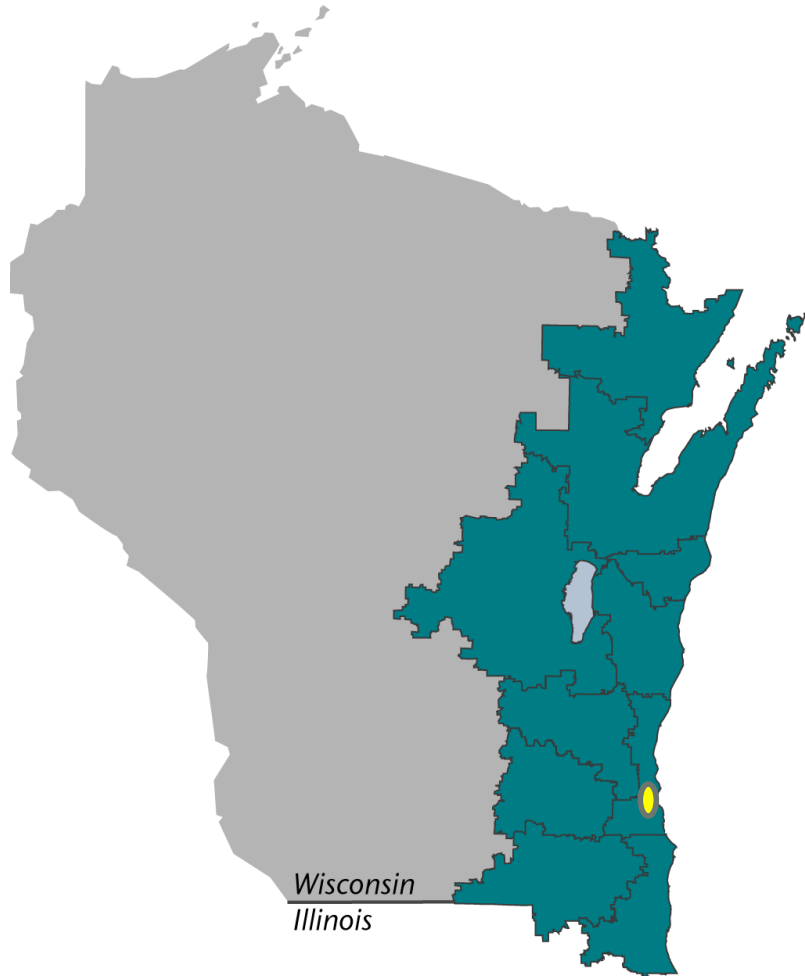
Brent R. Phillips, FACMPE  
Senior Vice President, Medical Group Operations

AMGA Institute for Quality Leadership  
National Summit on High Performing Care Organizations, October 3-5, 2012

# Agenda

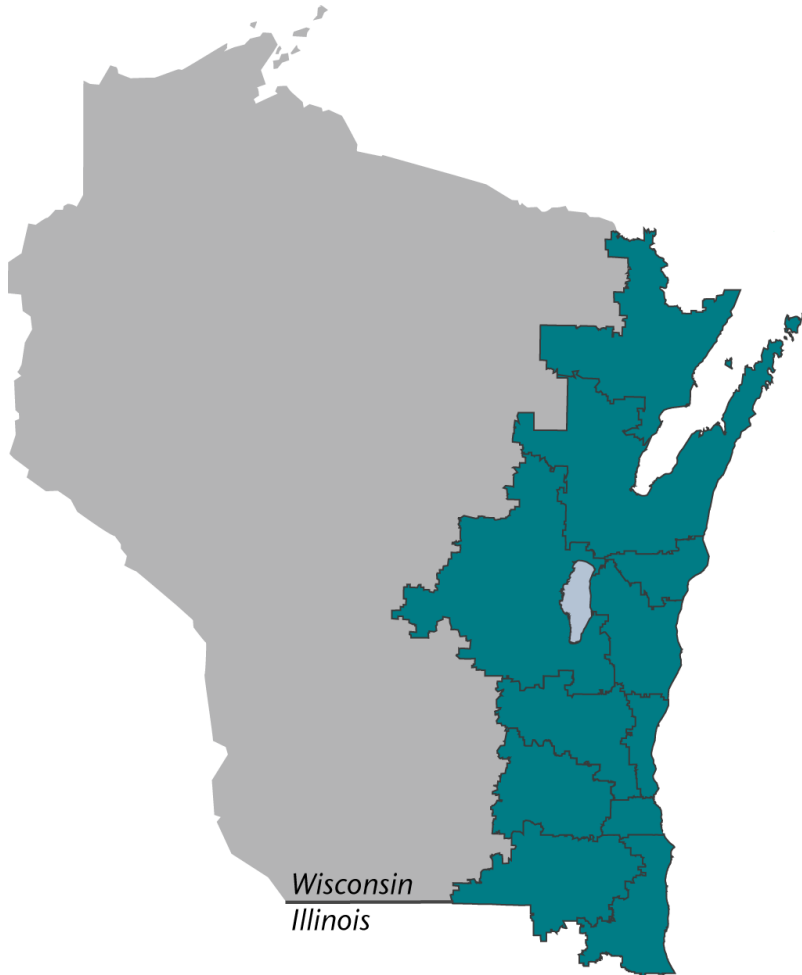
- Aurora's history and experience in medical group practice
- Why change now?
- How change occurred – step by step
- Lessons learned
- Discussion

# Aurora Health Care - 1992



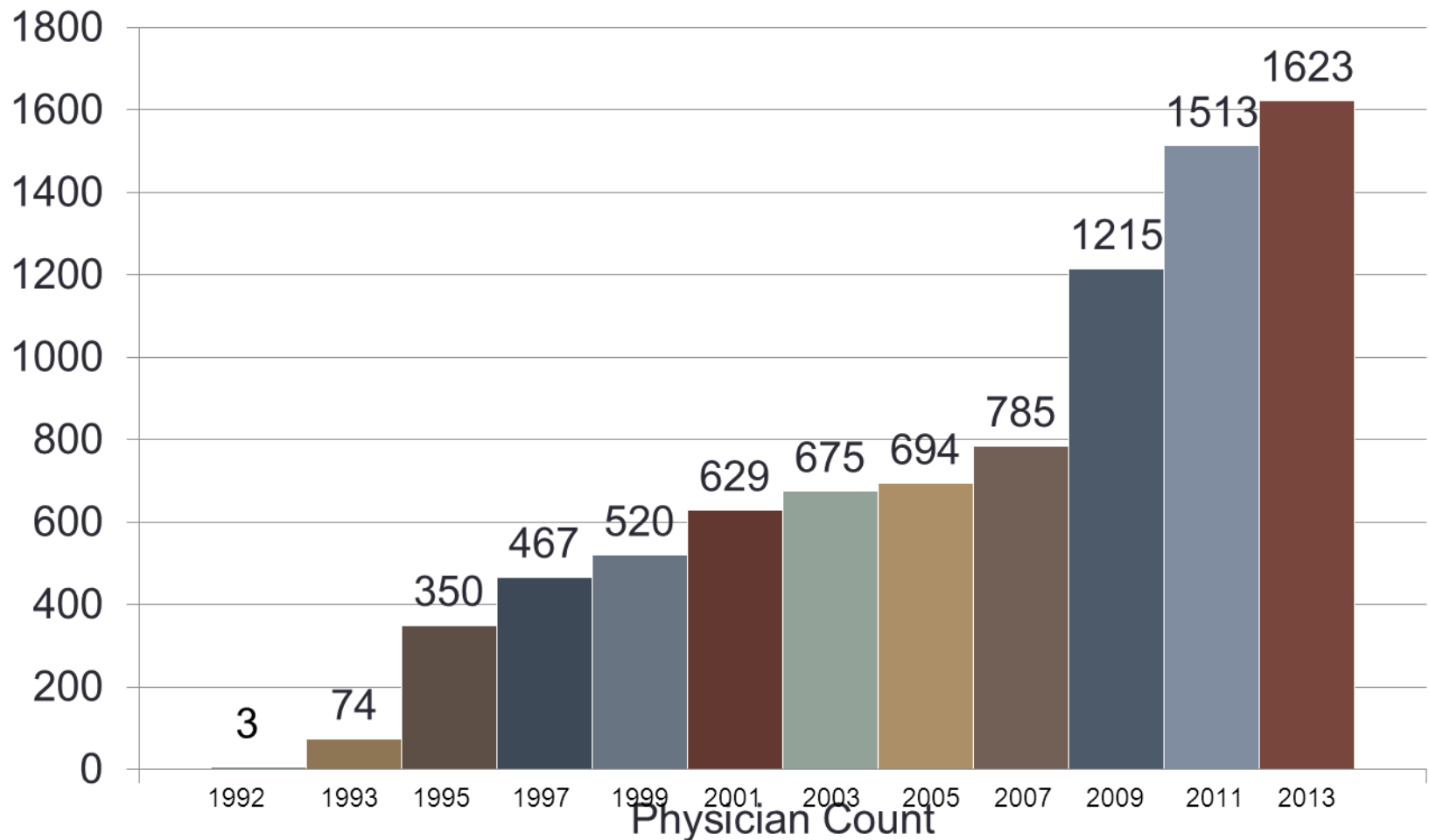
- 2 hospitals
- Milwaukee
- 3 employed Internists
- 6,000 employees

# Aurora Health Care Today



- 15 hospitals
- Eastern third of WI & Northern Illinois
- 1600+ employed physicians and 500+ APPs in 200 clinic locations
- Visiting Nurse Association – 700 FTEs
- 80 retail pharmacies
- 30,000 employees
- 92,000 inpatient discharges
- 3.6 million ambulatory care visits
- Revenue = \$4.2 billion; 82% driven by the employed physicians

# Growth of Aurora's Employed Physicians



Nurse Practitioners, Physician Assistants, Nurse Midwives and CRNAs in 2012: 463 FTEs

# History - Local Governance Model

- Acquired established medical clinics in local communities
- Each had a typical “Board of Directors”
- Transitioned this structure into a Management Committee
  - No longer the final decision maker, part of a larger group
  - Continues to be led by a local physician President (4 yr)
  - 6-10 elected physician members (4 yr)
  - Administrator – dyad partner
- Focus and optics were 90-Local / 10-system wide initiatives
- Successfully built 12 localized integrated health systems
  - Hospital
  - Ambulatory, diagnostics
  - VNA, pharmacy
  - Physicians, APPs

# Perfect Model for the Time

- Even the Zeppelin had its day!



- Times change and we must adapt.

# Aurora's Strategic Plan - Are we aligned to drive results?

- Our Purpose – **what we do**
  - We help people live well
- Our Vision – **what we aspire to**
  - Provide people with better health care than they can get anywhere else
- Our Values – **what we believe**
  - Every patient deserves the best care
  - Responsibly managing resources
  - Building a healthy workplace through accountability, teamwork and respect



# Aurora's Strategic Plan - Are we aligned to drive results?

- Our Actions – **how we get there**
  - Provide the best patient experience
    - Continuously improve the patient experience
    - Expand care management and system clinical programs
    - Provide caregivers one of the best places to enhance patient care
  - Drive operational excellence
    - Deliver superior value to our patients, payers and communities
    - Grow to support our purpose and vision
    - Optimize model of integrated care
  - Lead and influence health care reform
    - Transform health care delivery and pioneer accountable care
    - Implement Smart Chart (Epic) and achieve HITECH objectives
    - Foster healthy and vibrant communities

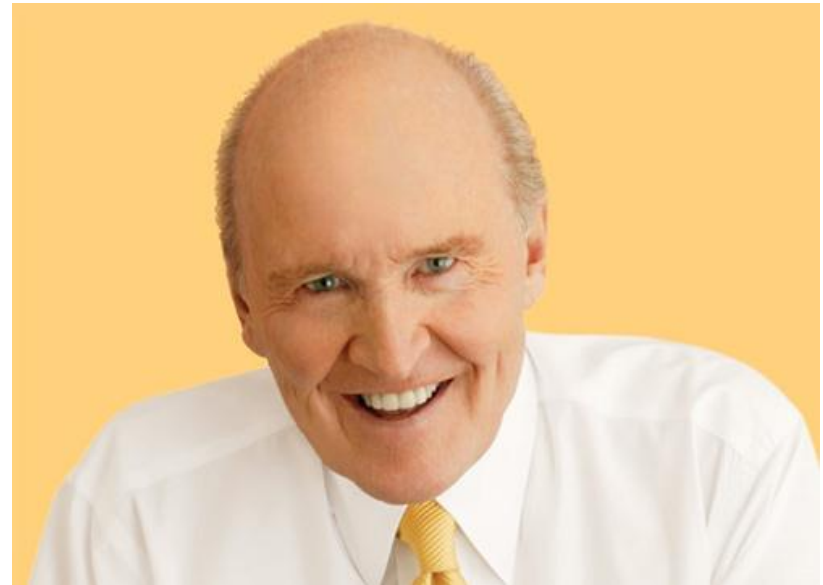
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# Our Industry Demands Change

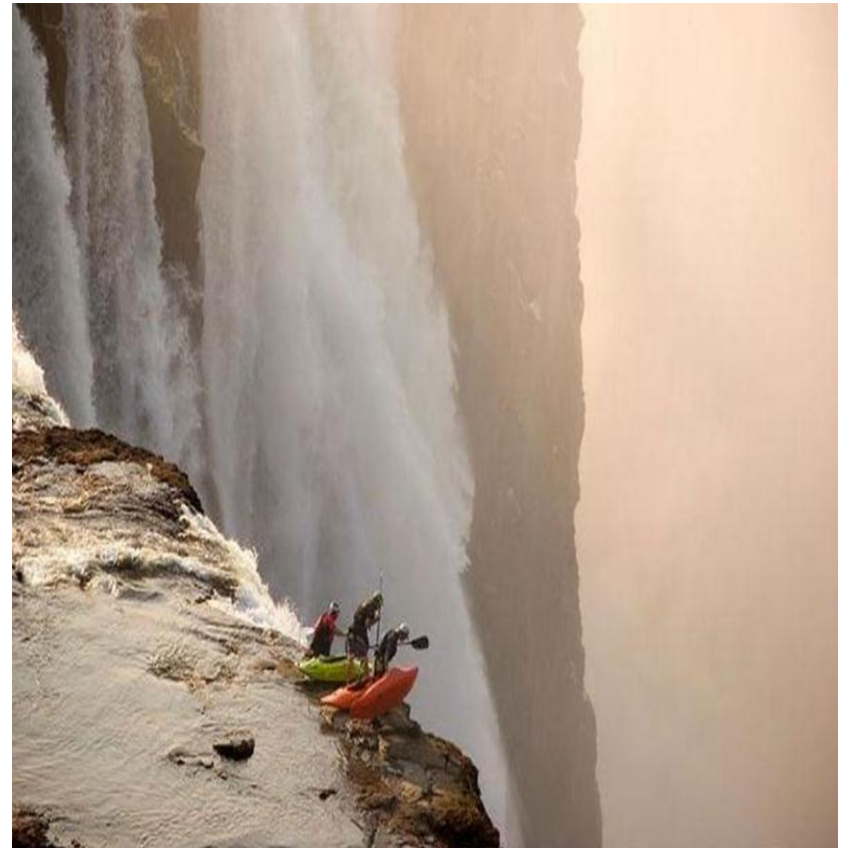
"...if the rate of change inside the institution is less than the rate of change outside, the end is in sight. The only question is the timing of the end."



Jack Welch  
Former CEO General Electric

# Challenging Times Ahead

- Declining reimbursement
- Shift from FFS to risk based reimbursement
- Workforce shortages
  - primary care
  - select specialists
  - APPs, nurses, other clinicians
- Increasing consumerism
- Significant fixed asset base
- Pace of change

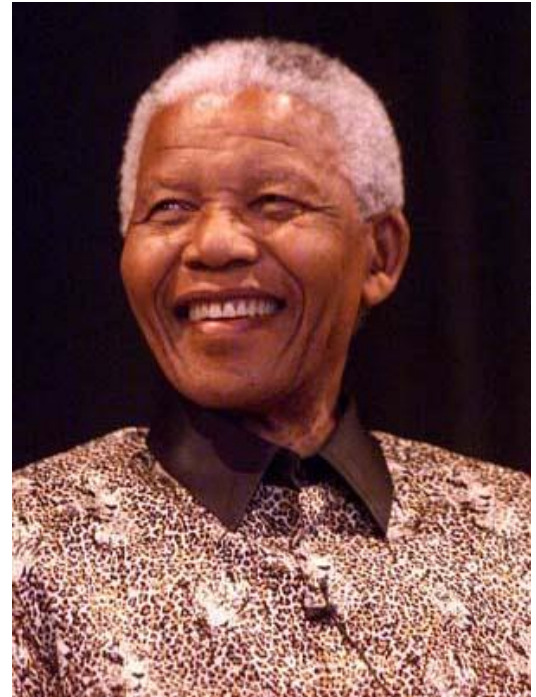


# This Journey requires Durability and Nimbleness

- We are all experiencing significant change over the last few years
- The pace of change will only accelerate going forward
- As leaders we must understand what is required of us and be prepared – personally and organizationally

*Nelson Mandela taught that  
courage is not the absence of fear,  
It's learning to overcome it.*

*“Fearlessness is stupidity. Courage  
is not letting the fear defeat you.”*



**Our willingness and ability to face the challenges  
and opportunities facing Aurora will define us and  
our leadership team**

# Starting with the Basics

“You can tell where people stand based on where they sit.”



# Finding Balance is a Journey

- Often starts at the extremes

- Loss of Power
- Loss of Control
- Physician Advocate
- Local focus
- Resist the “Suits”
- Union mentality



- Centralized Authority
- Benefit of the whole
- Patient Advocate
- Broad focus
- Best Practice
- Servant leader

Radiology  
story



# Leaders shepherd in change....

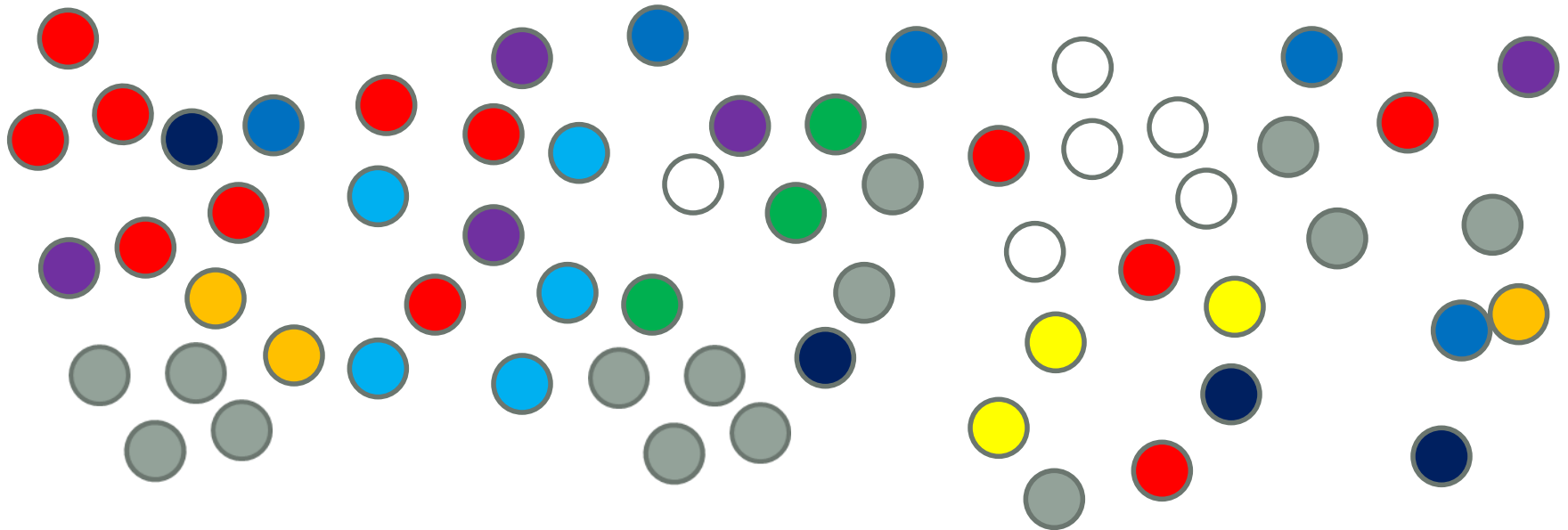
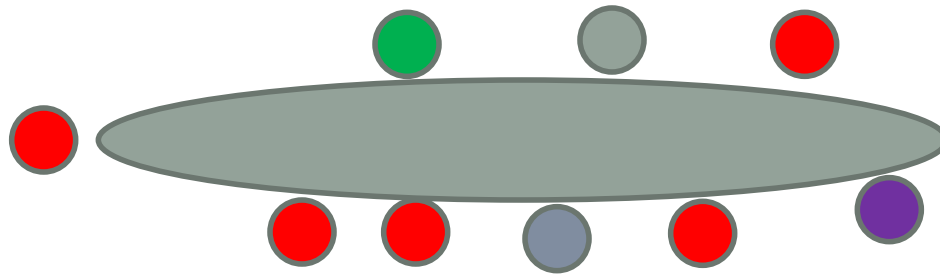
“Leadership defines what the future should look like, aligns people with vision, and inspires them to make it happen despite the obstacles.”

*Leading Change*  
John Kotter

# Why Change?

- Variability in leadership performance
- The organization expected high quality, consistent leadership (82% of the system's NMR was from the employed physicians)
- To be successful in the rapidly changing environment we needed top tier leadership **EVERYWHERE** and **ALWAYS**

# Old Local Management Committee



# Our Way Forward

- Listening session with Greater Green Bay Management Committee (7 physicians, local administrator, Brent)
- Frustrations included “top down” leadership directives and lack of local decision making
  - Patient Access – same day, group model vs individual practices
- Developed a working hypothesis that local management and decision making was possible – in equal proportion to:
  - Alignment with Aurora’s strategic plan,
  - Performance on clinical and financial metrics,
  - Accountability, and
  - Physician Engagement
- Develop clear management committee redesign objectives

# Management Committee Redesign

## Objectives

- To define the qualifications and selection process for leaders
- To define a department/section structure that applies
- To develop expectations for time commitment
- To develop expectations of and commitment to physician leadership development
- To develop a formal evaluation tool and selection process for management committee positions
- To develop revised operating guidelines that reflect the new structure and processes

# Way Forward Required Change

- New Management Committee structure and selection process
- Job descriptions for President and Committee members with specific deliverables and time commitment with compensation for their time
- Formal communication processes “up and down” to ensure everyone hears the messages and is heard
- New roles were created and champions assigned to focus on accomplishing Aurora’s strategic plan
  - Patient Satisfaction and Care Management/Quality
  - Growth and Productivity
  - IT (Epic implementation)

# Rapid Timeline

- September 22, 2010 – present co-developed structure and selection recommendations to management committee as well as suggested department/section format.
- October 7 – At a local all physician meeting the “State of the Union” was given and in response the current Management Committee members presented their idea to executive leadership. Goal: approval of the model by the physicians.
- October 9 – November 30 – 100+ physician interviews.
- December – conducted President and MC Member candidate interviews.
- January 2011 – new management committee in place.

# Management Committee Redesign

## Anticipated Challenges

- Qualified candidate(s) for management committee president?
- Qualified candidates for department chairs?
- Size of committee may decrease –some current members may no longer be on the committee.
- Move away from site physician lead – no “formal” partner for the clinic manager.
- Moving away from a culture of physician elections to nominations.
- Physicians are compensated



# Management Committee Redesign

## Anticipated Benefits

- Significantly increases the chance of having the most qualified individual in leadership positions.
- Commitment by organization to provide formal leadership training.
- New job descriptions for president and department/section chair clearly outline roles, responsibilities and expectations.
- New operating guidelines will clearly define new structure, selection process and expectations of management committee.
- Department structure across AMG would provide leaders for clinical service lines, quality initiatives, EHR needs, succession planning, etc.

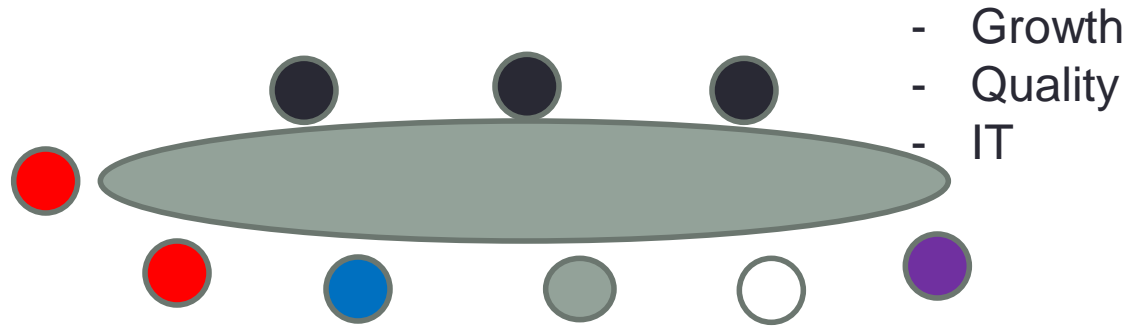
# Engaging the Physicians Differently

- 100% of the GGB physicians were interviewed by senior physician and administrative leaders
- Questions
  - What are the biggest local challenges and opportunities facing Aurora and the Medical Group?
  - Given the changes in the healthcare industry, local economic realities and Aurora's strategic plan who is the best physician to lead the local management committee?
  - Given #1 and #2, who is the best physician to lead your department or group of departments?
  - Is there anyone who would not be a suitable candidate for the role of MC president or committee member?

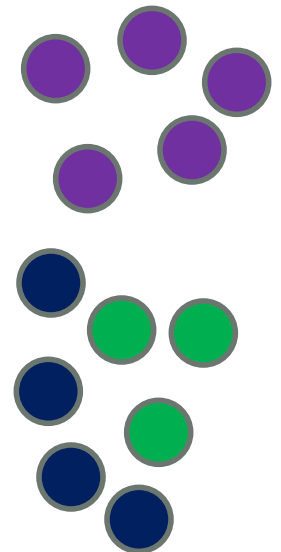
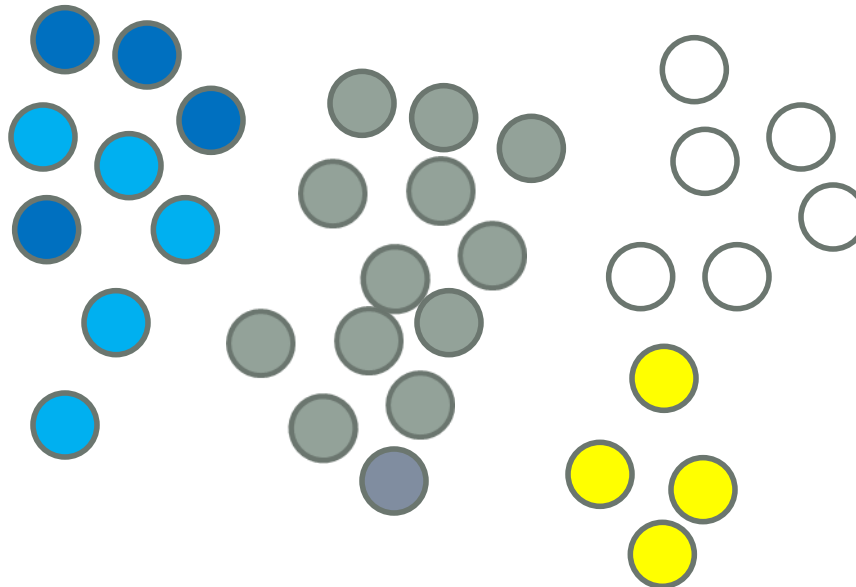
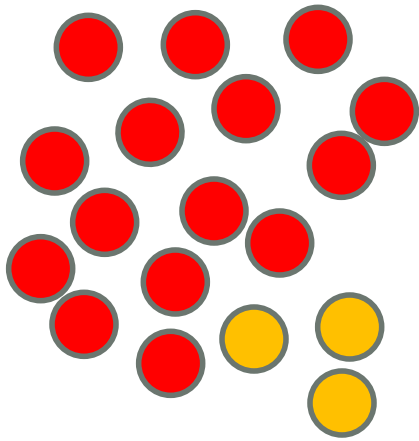
# Next Steps

- 1 on 1 physician interview feedback consolidated, top 5 Presidential candidates identified by interview panel comprised of formal and informal clinic leadership.
- Behavioral questions developed based on local needs and real life scenarios created
  - Conflict management
  - Performance management
  - Delivering praise
  - Team based decision making
  - Physician/Administrator dyad
- Top 2 presidential candidates interviewed by executive leadership. Selection made and announced.
- Management Committee members (Dept Chair) were interviewed and selected by the MC President and administrator

# New Local Management Committee



- Growth
- Quality
- IT



# Leadership Effectiveness is Essential

“It isn’t enough to be BRIGHT  
It isn’t enough to be RIGHT  
You also need to be EFFECTIVE”

Richard Lauve, M.D.

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“Leadership is the art of accomplishing  
more than the science of management  
says is possible.”

Secretary of State Colin Powell

# Feedback after Six Months

- Listening session with ALL GGB physicians
- Direct feedback was positive, initial concern about loss of local control was unfounded
- Local performance and focus on Aurora's strategic plan has improved
- Communication up and down has significantly improved among MC members, physicians and caregivers
- Job descriptions were clearly beneficial in outlining roles and accountability
- Issues are surfaced and resolved more quickly
- Increased alignment with the GGB market and with Aurora

# Initial Concerns Raised and Resolved

- Loss of local control due to elimination of the populous vote outweighed by the silent majority having a voice in the 1 on 1 sessions with leadership
- Process was more formal and transparent
- Qualified and passionate candidates emerged throughout the process through peer nominations and interviews
- Same process and rules applied to the MC President and Committee selections

# Physician Leadership Development

- Physician leadership development program- started in 2011
- First class had 65 physicians
  - MC Presidents, MC members and high potential physicians
- Six full days of interactive classroom style teaching of 6 different topics
  - Finance, marketing, strategic planning, conflict management, crucial conversations and communication
- Group case studies and project work required
- May 2012 – launch the second LD1 class, 45 physicians
- May 2012 – launched LD2 with original group
  - Advanced topics, case studies and real life projects



# Wide Spread Roll Out is Occurring



2011

- Greater Green Bay
- Manitowoc

2012

- Oshkosh/Fond du Lac
- Waukesha/Jefferson

Wisconsin  
Illinois

# Summary

- It's a journey. Recognize change is difficult
- Physician engagement and leadership is critical to any health system's success
- Alignment of local and organizational goals is critical
- Structure that drives execution and accountability of the alignment is fundamental
- Selection and mentoring of physician leaders is key
- Two way communication and follow through is important
- Physician – administrator dyad is a proven model
- If it was easy, someone would have already figured it out



# Discussion

# Appendix – MC President job description

- Provides overall strategic vision and direction for the management committee and medical group. Ensures alignment with Aurora Health Care (AHC) and Aurora Medical Group (AMG) strategic goals and objectives; leads the implementation of clinical standards, best practices, improved business processes and financial performance; mentors and develops emerging physician leaders. Works in partnership with several persons including the administrator to accomplish medical group goals and timelines and AMG SVP of Medical Operations, SVP of Clinic Operations and Patient Service Market leadership to accomplish market goals and timelines.
- REPORTING RELATIONSHIP:
  - Reports to the Senior Vice President Medical Operations, AMG, who in turn reports to the President of AMG and the SVP and Chief Operations Officer of AMG.
  - Reporting to this position is the Aurora Medical Group Management Committee members within the respective market.
- ESSENTIAL FUNCTIONS and RESPONSIBILITIES:
  - CORE
    - QUALITY - Responsible for the promulgation of AHC, AMG, PSM and clinic quality initiatives within the market.
    - PATIENT EXPERIENCE - Responsible for overall patient loyalty. Works collaboratively with the market Administrator to provide guidance to the market caregivers for improved work flows and services that are conducive to a more satisfactory patient experience. Facilitates and supports initiatives that result in improved patient satisfaction.
    - GROWTH - Responsible for growth and financial stewardship including operational performance, overseeing optimal patient access, referral management and managing adherence to terms of the employment agreements.
    - OPERATIONAL EFFECTIVENESS - Responsible for managing physician and provider productivity initiatives, implementing programs and policies designed to improve operational readiness and excellence including significant practice projects such as HITECH and EPIC. Responsible for adherence to terms of the employment agreements and action plans to achieve targets.
    - CAREGIVER ENGAGEMENT - Responsible for caregiver engagement performance. Work collaboratively with the market Administrator to meet or exceed targets.

# Appendix – MC President job description

## • LEADERSHIP

- Responsible for supporting and implementing all AHC and AMG initiatives. Partners with the market AMG Administrator on all medical operations of the market's clinics. Collaborates with and receives direction from the SVP Medical Operations and SVP Clinic Operations. Schedules dedicated time to meet and work with administration to accomplish the functions and responsibilities. Responsible for coordinating and leading the market's All Provider meeting.
- Responsible for coordinating and leading the market management committee per the management committee operating guidelines. Assures adequate minutes are recorded and made available to AMG leadership upon request. Responsible for appropriate communication of management committee decisions / information to all physicians within market / clinic.
- Represents AMG physicians and their issues and concerns and facilitates two-way dialogue between AMG physicians and SVP Medical Operations and VP Clinic Operations as required.
- Actively participates in the physician recruitment and orientation processes in their market
- Responsible for mentoring physicians and providing opportunities for them to gain administrative experience.
- Responsible for mentoring members of the Management Committee and other prospective physician leaders and developing succession plans for key leadership positions.
- Responsible for managing the peer review process for the medical group providers in the market for cases that reside primarily within the confines of the clinic and not qualifying for the hospital-based peer review process.
- Provides assistance and guidance to individual physicians as needed and directed by AMG leadership.
- Participates in the AMG Physician Leadership Council meetings and other meetings as assigned by AMG or AHC.
- Attends and/or participates in leadership training as directed by AMG or AHC.
- Responsible for taking an active leadership role in a non-profit or community based organizations by providing community service hours or serving in professional organizations. Also encourages team members to participate in these same community activities.
- Responsible for understanding and adhering to the Aurora Health Care Code of Excellence and for ensuring personal actions, and the actions of physicians supervised, comply with the policies, regulations and laws that affect Aurora's business, and the physician employment agreement. Leads disciplinary actions as required. Oversees conflict resolution between physicians in their market.