

Out of Many, One:

Leading Culture Change through Physician and Staff Engagement in Strategic Planning and Implementation

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Strategic Plans are ubiquitous.

Everybody has one, but the one TVC developed and the process of its development had a transforming effect on the organization.



The Vancouver Clinic

- Physician owned and governed multi-specialty group
 - 193 Physicians
 - 65 Allied Health Professionals
 - 903 Staff
 - 35 Specialties
 - 20 Ancillary Services
- Five practice locations serving a population of over 400,000.



A Brief History of TVC

- First 60 years marked by financial insecurity and slow growth
- Phycor (1997-2000)
- Turnaround Strategy (2000)
 - Recruit physicians and AHPs
 - Add ancillary services
 - Negotiate strong contracts with payers
 - Tightly manage expenses



Results – 2000 - 2010

- Ancillaries – added 16 ancillary service lines
- Strong market share facilitated contract negotiations
- Growth – from 65 providers to 199
- Expert management on the expense side



Results 2000-2010

- Built 346,000 square feet of office space at 4 sites
- Purchased 2 EMRs – Misys 2002, EPIC 2010
- Compensated physicians handsomely in spite of below median production.



How Did that happen ??

- Leadership style
- Hands on management
- Laser focus on financial performance

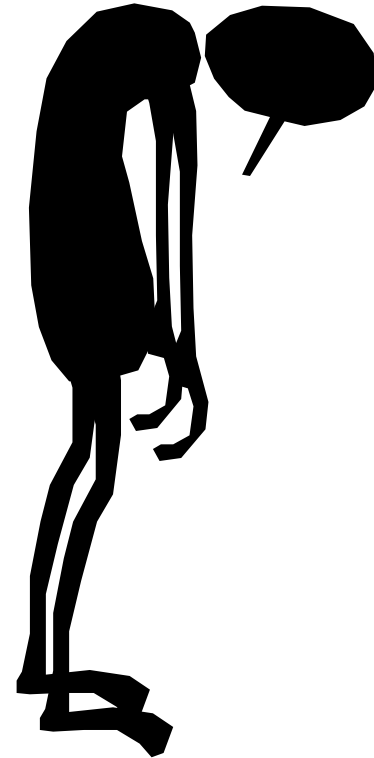


Storm Clouds

- Declining reimbursements for ancillary services
- 2008 economic downturn
- Affordable Care Act
- EPIC Go-Live
- Impending CEO retirement

Symptoms

- Physicians
- Administration
- Staff



Test Results

- Low physician satisfaction
- Low staff satisfaction
- Low patient satisfaction
- High staff turnover



Diagnosis:



CULTURE

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STRATEGY



OPPORTUNITY

Strategic Planning Retreat scheduled for January 2012.

How could we use this to engage physicians and drive culture change?

Engagement Spiral

We facilitated their input – teaching them how they could genuinely make an impact

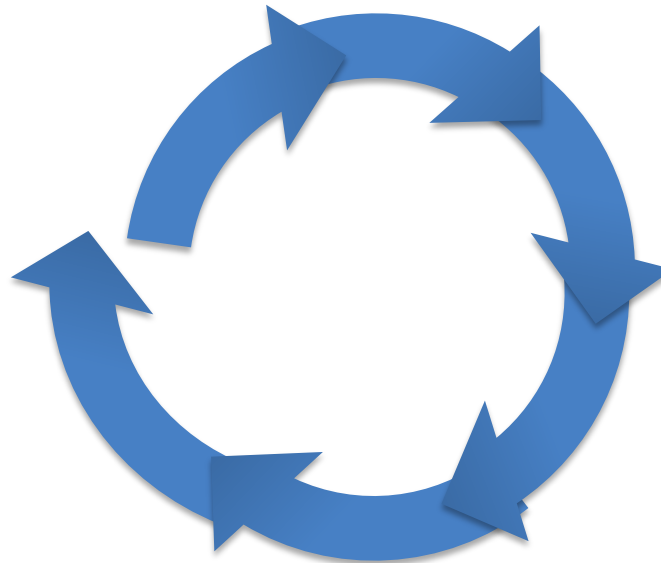
We took their input to the relevant leadership group / the decision-makers

We used the key information they provided

We gave the providers feedback on how their input was used.

We told physicians that their input and perspective mattered.

We showed them that their input and perspective mattered.



3-Year Strategic Vision

Obstacles to the Vision

Strategic Directions that Focus our Efforts

Patient focused

Fear based, reactive thinking blocks our ability to be responsive and innovative in leading health care into the future

Our approach to finances brought success in the past but is unlikely to succeed in a future with a new economy and significant changes in reimbursement

Best place to work

We have had a top down mindset so don't have good bidirectional communication in place to tap into the wisdom, expertise and passion of ALL of our staff, providers and leaders

Decision making at the right level

Our history of decision making without input and communication has lost trust, stifled innovation and gotten in the way of our ability to engage people to make the right decisions at the right level – business and medical hand in hand

Learning culture that innovates and embraces change

There has been insufficient investment in the professional development of all of our people, leaving them dissatisfied and feeling undervalued

While most individuals have a passion for providing exceptional and responsive patient service, they have not been empowered and accountable to make it happen

Able to invest in our people, community and business because of our financial success

Our attention to treating illness has gotten in the way of focusing our efforts on what the evidence tells us genuinely creates health

Our approach to work has been to push harder rather than investing the time and money to create approaches that help us work more efficiently, create better outcomes and be seen by the community as a leader in healthcare

Embracing our group's independence while collaborating to create excellence

Relevant and useful data are not easily available to improve our business and our clinical decision-making

Our confidence in our success has led us to ignore exploring how to be more fully a part of our community

We have had a dual culture – accountability and expectations are not fully shared across groups

Patients

Revitalize and broaden our commitment to exceptional, innovative, responsive, and more affordable healthcare for our patients and our community

Community

Engage our community and the region and teach them who we are and why they should choose us

Culture

Create a culture of engagement, accountability, participation and passion

Development

Invest in every member of TVC with training, development, regular performance feedback and recognition for successes

Systems

Create the expertise and systems to ensure financial success, increase efficiencies and deepen quality

Compensation

Ensure every member of TVC is compensated fairly for the value that they bring



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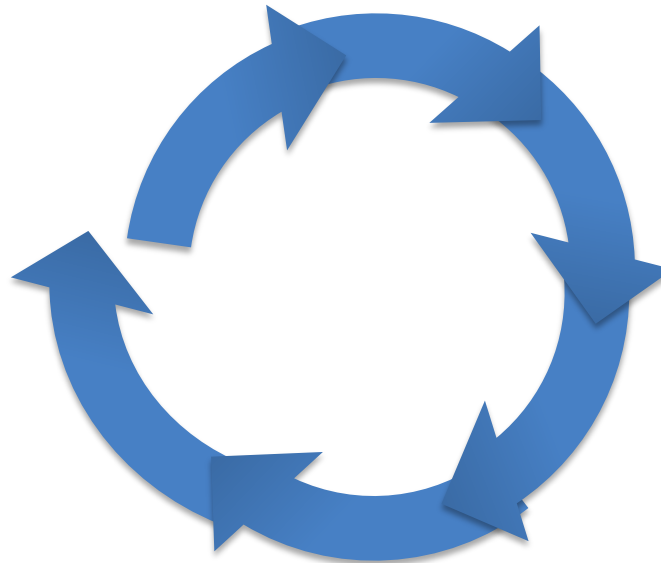
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Life Goes On



- Financial performance suffered in 2012
- Recruiting a new CEO



Culture

- We talked about growing group culture at nearly every gathering
 - Board meetings
 - Clinic newsletters
 - Physician meetings
 - Manager meetings
- The focus was on what is group culture, why it is important and how does one grow it.



Culture

- It is about doing what is best for us rather than me or you as individuals or even as departments.
- E Pluribus Unum (Out of Many: One)
- The belief that when the group is strong, everyone and every department benefits



Budgeting engagement

- Previously, the budget had been presented by administration as essentially a done deal.
- As a result of our new strategic plan, we sought to engage physicians and departments from the very beginning.
- This resulted in some radical decisions and a budget that created an actual roadmap for Clinic financial management rather than just being a “suggestion.”



Budget Process, 2013

New CEO and CFO present budget to Finance Committee with menu of options to achieve a balanced budget

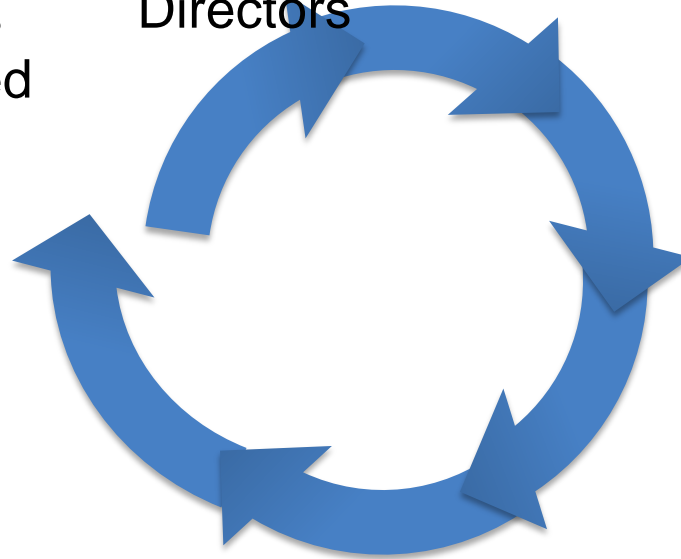
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Finance Committee makes recommendation to the Board of Directors

CEO, CFO and Board Chair present the recommendation at all physician meetings, demonstrate how the budget reflects the strategic vision and gather input from the physicians

Board considers input in approving the final budget

Physicians overwhelmingly support the final budget



Staff compensation

- Previously, staff had been underpaid and received a year-end gift that had no connection to the organization's financial performance .
- In order to satisfy the strategic goals of paying staff fairly as well as aligning the staff and clinic interests, we introduced three changes in staff compensation



Staff compensation

- First, every staff member received a Cost of Living Adjustment. These had not previously been provided.
- Second, 85% of our staff was paid below market. We decided to try to get every member to market. This required a 4% overall increase in staff compensation. To fund this, physicians agreed to take a 2.75% reduction in their compensation.



Staff compensation

- The third staff compensation change related to providing quarterly performance bonuses to both providers and staff based on Clinic financial performance.



Staff engagement

- In order to grow group culture one of the key elements involved rounding.
- The goal was to make personal and regular contact with each and every one of the nearly 1,000 employees in the organization.



Staff engagement

- “Roadshows” were also used. Leadership went to each site and conducted interactive sessions with staff around topics of how the organization is performing financially, staff ideas about making the Clinic an even better place to work, exploring trade offs to improve medical benefits, seeking language to make our strategic vision meaningful to staff, etc.



Organizational performance bonuses (OPBs)

- OPBs were introduced as a way to put words into action and dollars.
- OPBs are essentially a quarterly bonus system that takes all or a portion of net income better than budget and distributes it to providers (2/3) and staff (1/3)
- This has had a tremendous impact on aligning interests regarding serving our patients, serving each other and managing expenses more effectively.



Organizational performance bonuses (OPBs)

- During the first quarter of implementation in 2013, the average employee received more than they received via their 2012 year-end gift.
- By the end of the second quarter of 2013, physician OPBs exceeded the pay reduction they agreed to take to fund employee market based wage adjustments.
- By the end of 2013, physicians and employees had seen a 5% increase in income over budgeted levels via the OPBs.



Patient satisfaction

- Previously, the Clinic had low patient satisfaction scores per our Press Ganey survey.
- Among other things, the Clinic implemented AIDET (Acknowledge, Introduce, Duration, Explanation, Thank you).



Patient satisfaction

- In addition, the emphasis on growing group culture and rewarding both physicians and staff for strong service and financial performance all contributed to dramatically improving our Press Ganey scores.
- Between 2011 and 2013, our Press Ganey scores increased from the 8th to the 70th percentile for Pacific Northwest Groups.



Financial management education

- In late 2012, physicians had the impression the clinic was teetering on the brink of financial catastrophe.
- This was despite the Clinic having a very strong balance sheet.
- It became clear that the primary source of the physicians' misperception was a lack of information being provided by leadership about the Clinic's financial performance.



Financial management education

- The solution was a process of physician education titled "Finance 101." These involved monthly physician luncheons at each site, each month, where we would cover a basic financial topic including:
 - Budgeting
 - How are we performing using financial indicators used by our bank, our financial auditors and MGMA
 - Teaching physicians how to read the Clinic's financial reports.



Financial management education

- To increase employee financial engagement we began publishing a report of 5 key financial indicators in the employee newsletter.
- Concerns
- Indicators
- Employee feedback



End result


- Employee overall job satisfaction increased from 5th percentile in 2011 to the 40th percentile in 2013 based on the AMGA survey.
- Physician overall satisfaction increased from the 11th percentile in 2011 to the 72nd percentile in 2013 based on the AMGA survey.



End result

Although we have much more work to do, providers and staff are excited by where the Clinic is and where we are going.



A composite image showing a globe of the Earth, centered on the African continent, being held together by numerous hands of various skin tones. The hands are arranged in a circular pattern around the globe, symbolizing global unity and collective effort. The background is a soft, out-of-focus blue and green, suggesting a natural environment.

If you want to go fast, go alone;
if you want to go far, go together.

-African Proverb