Physician Leadership As An Essential Capability for Transformation and Accountable Care

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Fairview Overview

- Not-for-profit established in 1906
- Academic Health System since 1997 partnership with University of MN
- Named a top 10 U.S. health system by Thomson Reuters (2009)
- 22,000+ employees
- 2,500 aligned physicians
  - Employed
  - Faculty
  - Independent
- 8 hospitals/medical centers (1,515 staffed beds)
- 42 primary care clinics
- 55-plus specialty clinics
- 278-providers included in model
- 55 - New Hires since fall 2009
- 25 -Attrition since fall 2009

Vital Statistics

- 4.8 million outpatient encounters
- 80,314 inpatient admissions
- $333.6 million community contributions
- Total assets of $2.4 billion
- $2.7 billion total revenue

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One View of Today's Leadership Challenge

- Creating a sustainable approach to improving health
- -health disparities
- -aging population
- -increasing incidence of chronic diseases
- -unsustainable cost increases
- Responding to complexity with true system change
- -clinical leadership
- -sophisticated change management
- -community engagement

What Patients Expect From Physicians
Negotiating a New Covenant

Then

- Creativity
- Intuition
- Intellect
- Mindfulness
- Expert
- Advocacy

Now

- Compliance with evidence
- Consistency/Uniformity
- Honesty/Transparency
- Understanding
- Collaborator
- Advocacy

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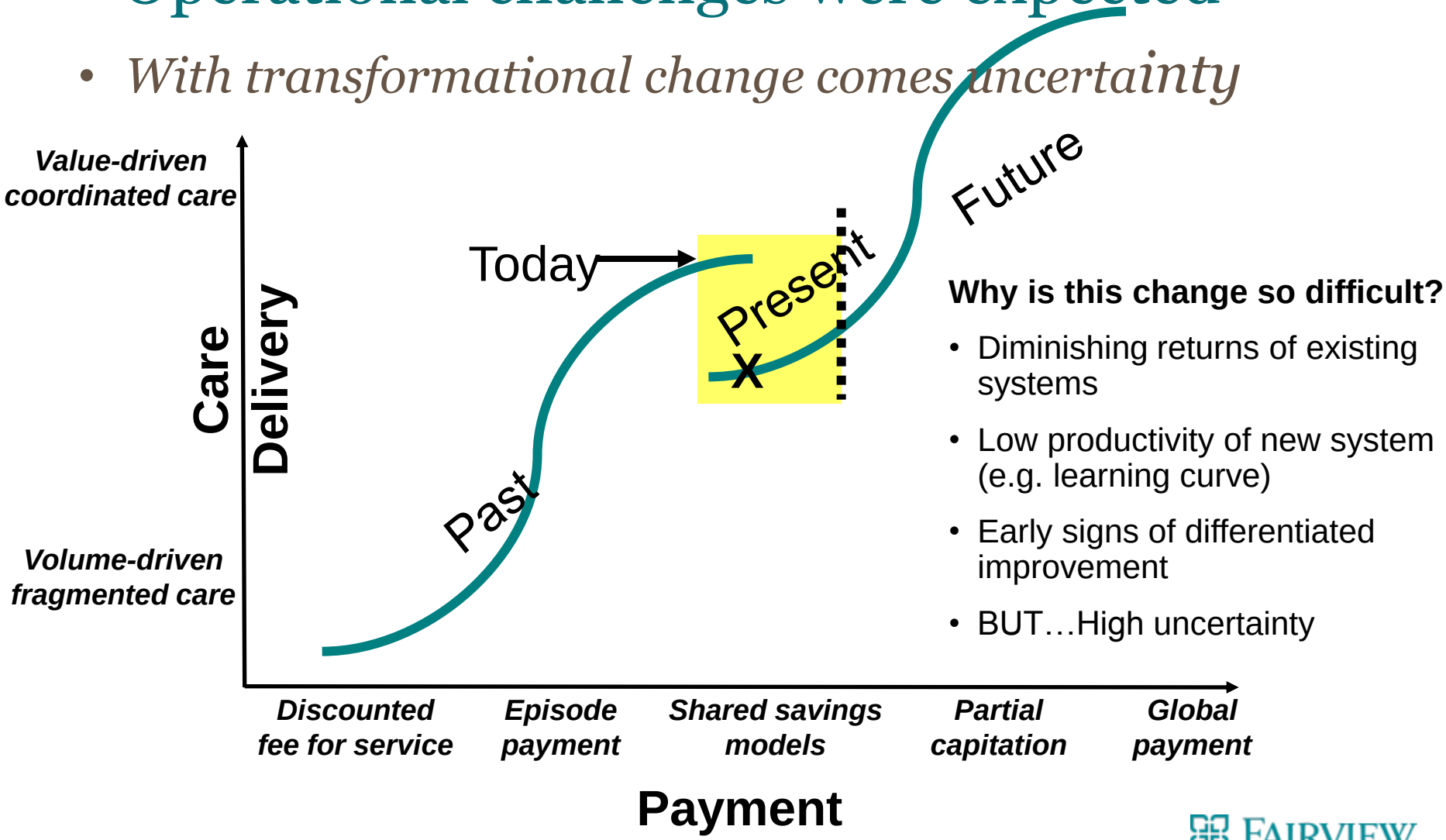
Operational challenges were expected

- *With transformational change comes uncertainty*



Why is this change so difficult?

- Diminishing returns of existing systems
- Low productivity of new system (e.g. learning curve)
- Early signs of differentiated improvement
- BUT…High uncertainty

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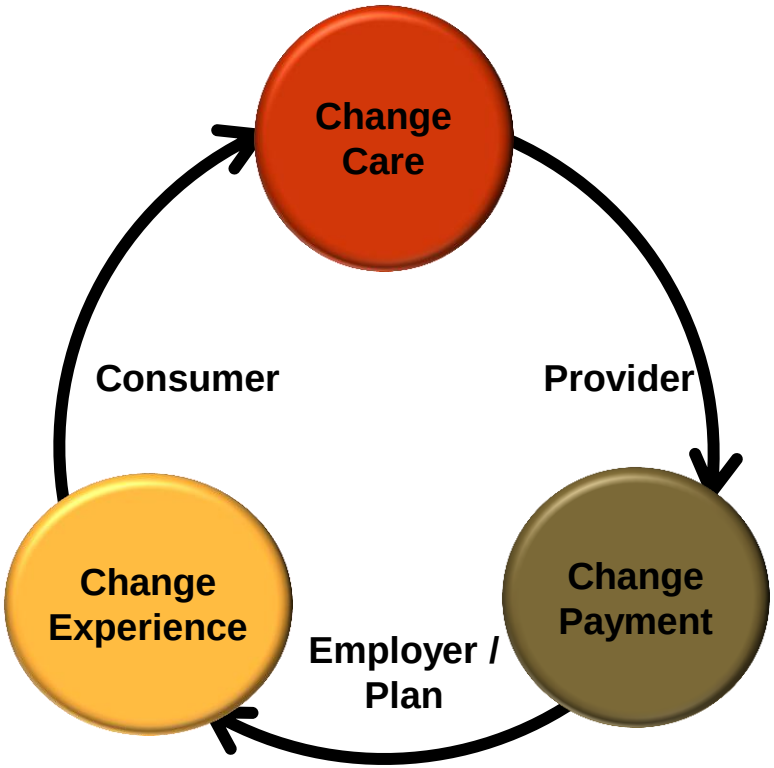
- Clinic Model Redesign
- Team-based Care
- Care Packages
- Virtual Care

- NetClinic
- Virtual Care
- Patient Activation
- Panel Management



- New Physician Comp Models
- Risk Contracts/Gain Sharing
- Moving to Episode/Global Payments

Building a Community Capability to Generate New Care Engagement and Payment Models

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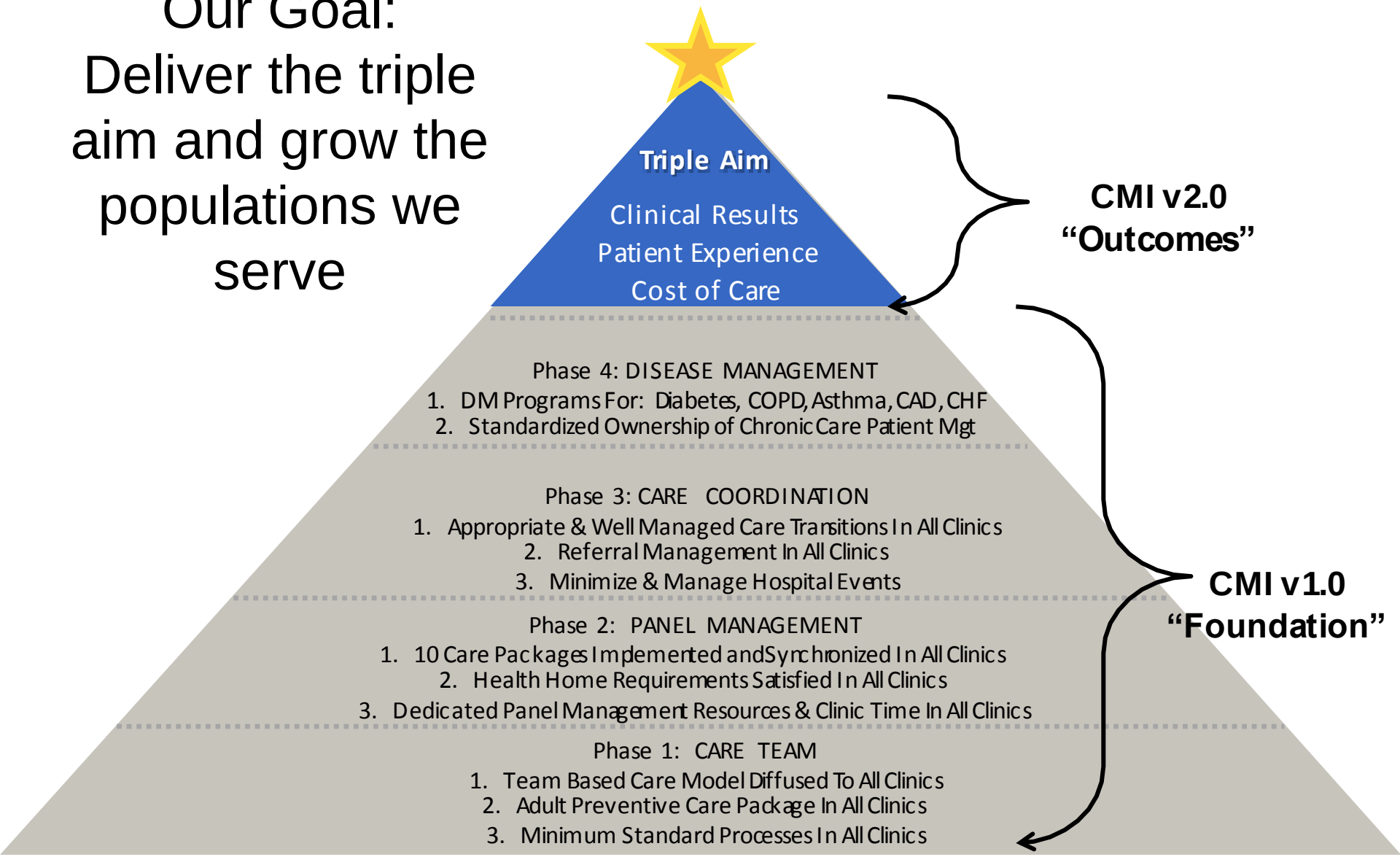
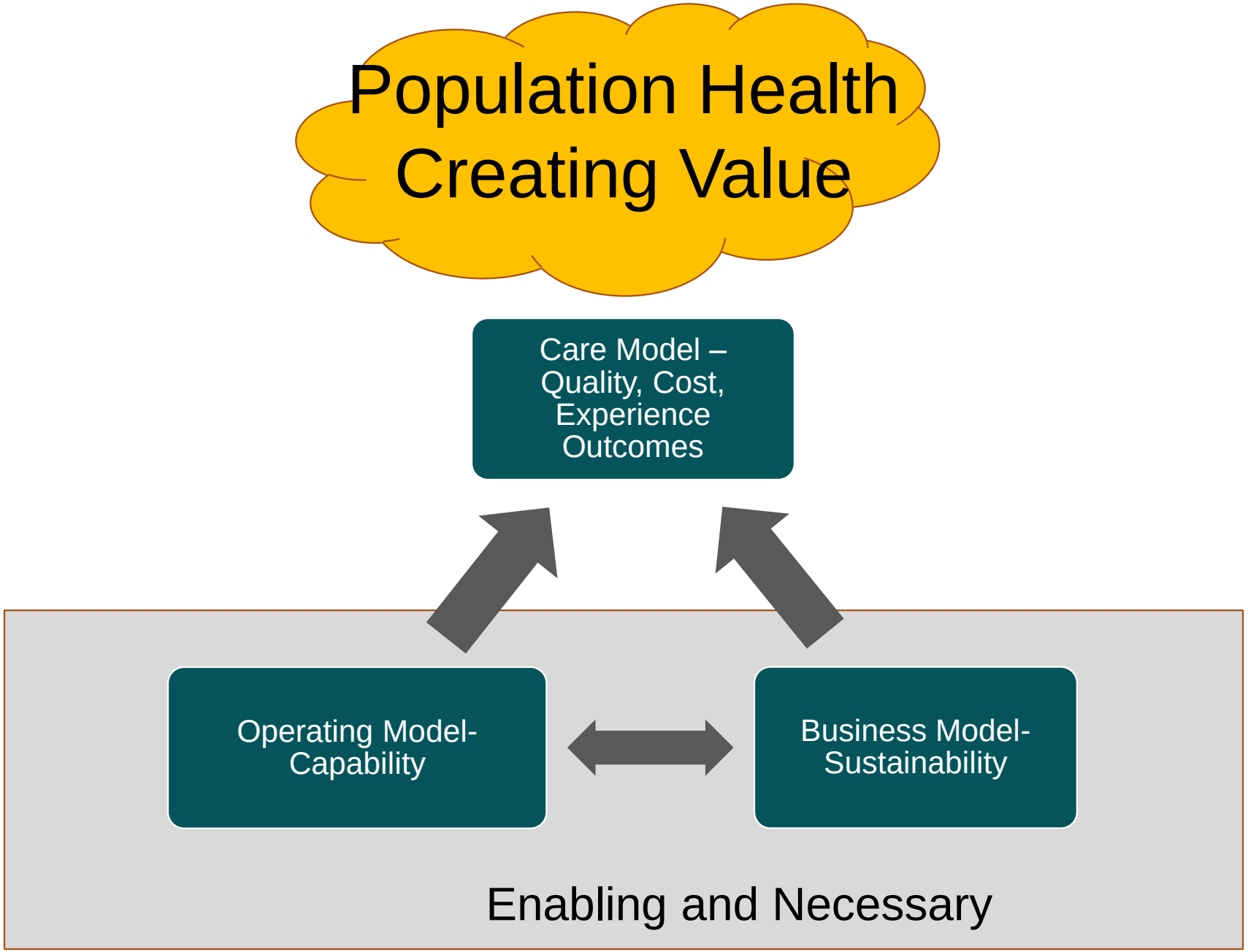
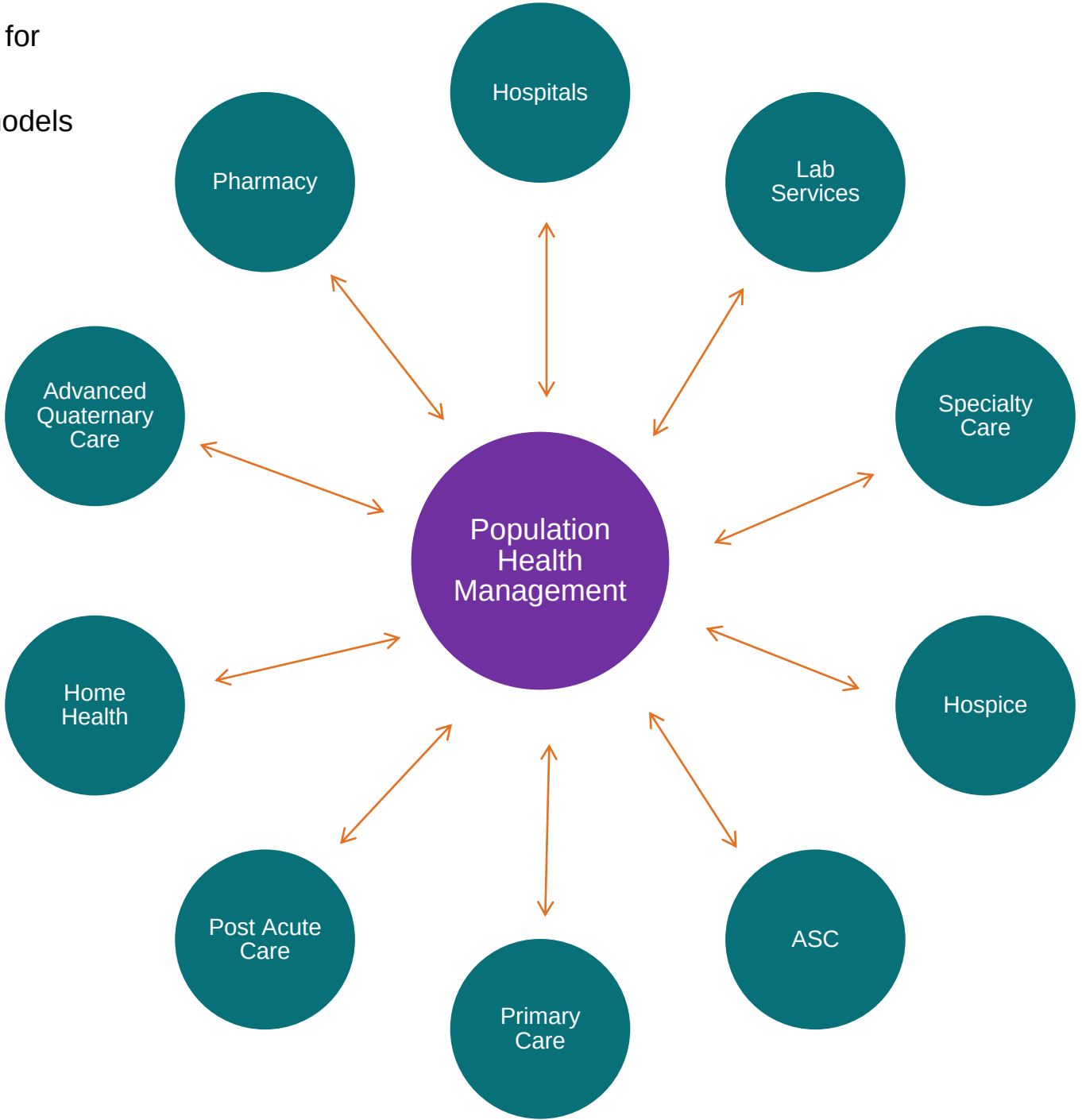
Our Goal: Deliver the triple aim and grow the populations we serve



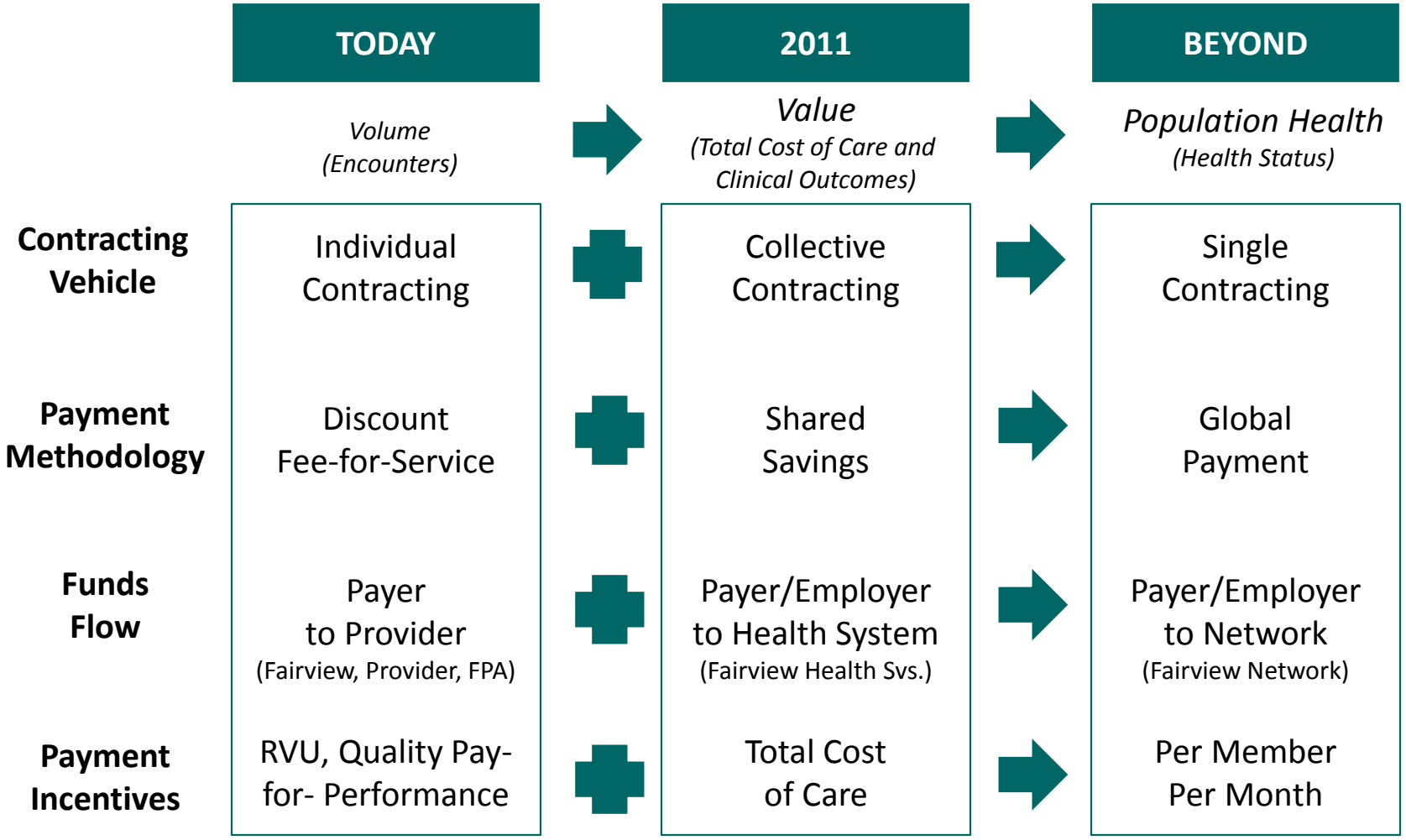
Care Model Innovation


Population Health
Creating Value
Care Model – Quality, Cost, Experience Outcomes
Operating Model- Capability
Business Model- Sustainability
Enabling and Necessary

Framework for Clinical Operating Business models



Fairview Network Evolution



Core Principles - The Network Will…

- **Improve community health** and provide enhanced community benefit
- **Deliver greater "value" –** improved quality, improved experience, reduced total cost of care
- **Provide access** to additional health care populations
- **Achieve financial stability**
- **Exchange data** for clinical integration purposes
- **Create and adhere to evidence-based clinical protocols**
- **Create and adhere to consistent, market-differentiating service standards**
- **Have a common operating framework and resources** to accept risk and manage the health of populations (e.g. common risk stratification, clinical care coordination, disease management protocols)
- **Ensure continuity of care** by adhering to in-network requirements
- **Support of the academic mission** of the University of Minnesota

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Participation Criteria - Providers Will:

- **Participate in Fairview's shared savings contracts**
- **Share clinical and financial information** to meet clinical integration and total cost of care needs
- **Perform to defined measurement targets** on quality, patient experience and total cost of care
- **Create and adhere to evidence-based clinical protocols**
- **Use network clinical care resources** to optimize transitions of care
- **Use network analytics** to perform and deliver results
- **Participate in review of outcomes and case conferences**
- **Use Fairview Health Network providers; agree to out-of-network referral process**
- **Use alternate care processes and settings to achieve results** (e.g. use of skilled facilities, access improvement in urgent care models or expanded hours, etc.)

Key Aspects of Culture

- Honest, Forthright, Transparent
- Teamwork – about group not individuals
- Shared Success – accountable to each other
- Physician Leadership – Must be real and committed
- Change, uncertainty, vagueness, learning
- Clinical and financial integration- physician “owner/managers”

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Being a Catalyst for Innovation

- Typically 90% of effort is on improving current operations
- Need 80% of effort designing the future state- criterion, outcomes, and performance based
- Create internal structures and process that support flexibility and rapid adaptability
- Move from expert leadership to process leadership
- Create the “future conversation”

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What Integration Means to Us

- Purposeful, planned care focused on populations of patients and disease conditions
- Across settings and functionalities
- Multi-disciplinary plans of care building on primary care foundation
- Common clinical and financial “bottom line”- accountable for performance at program and aggregate level
- Common goals and objectives
- Commitment to team and shared success

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Physician Leadership Skills

- Listening to diagnose vs. understand
- Proactive in the setting of uncertainty and evolving environment
- Ethical centering

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Collaborative Leadership Style

- Redefine success from narrow agendas to bigger goals
- Involve others: move from autocratic to inclusive decision making
- Be accountable: move from blaming to taking responsibility
- Can be hard for us all, physicians and non-physicians alike

"Collaboration" by Morten Hansen

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Developing Physician Leaders

- Commitment, create authorized roles, support OJT
- Create forums for conversation, shared learning, decision making
- Endless, tireless, repetitive conversations
- Formal development programs- leadership, management, finance/budgets, strategy, capital/program decisions
- Dyadic model is effective
- Continuous re-organizing to align work and operating model

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Not As Simple As .....

- Moving physicians to senior team
- Seeking more input
- Placing on governing boards
- Employing and creating a physician group
- Contracting networks
- New vision in same old operating company

Must Be About .....

- Physicians having decisional authority and its accountability
- Physicians as “owner/operators” of the enterprise
- Re-organizing the company to achieve this
- Steadfastly focusing on the patients’ best interests as the core of all decisions and expecting clinical leaders to make this happen

Essential Physician Leader Questions

- Describe the design criteria for your envisioned organization.
- What does accountable physician leadership look like? How do you know when you have it?
- Based on your assessment of current physician leadership in your organization, what do you need to do in the next 12 months to close the gap?
- Culture trumps strategy- therefore, how can you (or how are you) use physician leadership to “purpose build” your culture? What changes in your organization are needed to do this?

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Take Home Lessons

- Develop Physician owner/operators
- Create multi-constituent leadership conversations
- Facilitate clarity of expectations
- Business vs Clinical vs Operating models
- Know what you mean by “networks, integration, ACO”
- Dyad leadership models are important
- Transparency, forthrightness
- Emotionally intelligent people want to make a difference and you can tell

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Take Home Lessons

- Believe in what you do
- Be willing to fail
- Enable others
- Find great mentors
- Move beyond technical fixes to adaptive solutions
- Build your team/organization to be both healthy and smart

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