Healthcare Business Knowledge
What Does Your CEO Need You to Know?
"If hospitals and providers continue to hire the kind of person that was successful in the past, they are likely to fail in the future."
In the 1700s, the British government had a ‘health care’ problem. They were paying handsomely to transport their felons to Australia, but the survival rates for voyagers were horrific, and those who lived through it weren’t much better off. Public outrage and controversy stormed. Several rounds of changes attempted to improve outcomes. Finally, one worked: sea captains were incentivized based on the health of inmates when they arrived in Australia, rather than the number who left from England. The new rules mandated that the sea captains take a different approach, and better outcomes resulted.

In this modern era, we’re also facing a reform in health care. There’s much debate as to whether the latest legislation gets the incentives right. There’s certainly public outrage and controversy. But like the new rules or don’t, it’s undeniable that they are changing the business landscape of this industry and necessitating a change in behavior from its professionals.

We also offer forward-focused competencies we think answer the challenges posed by reform. We know better than anyone that trotting out the word “competencies” doesn’t often excite a room or a reader. But that’s precisely what’s interesting about the ones we capture here: they spark and sizzle with health care talent managers who relate to the behaviors they capture and the change they can support. “That competency describes, perfectly, exactly what we need to be doing now,” our clients tell us—be it through developing the talent they have, or hiring a new kind entirely. The end goal: get health care executives, physicians, leaders, and teams working differently, ingeniously, and effectively for the new state of health care.

The New Health Care Business Landscape

There are many changes afoot in health care—some on a grand scale, others quite granular. We’ve purposely chosen the list below because these are the areas most pertinent to a discussion about health care reform and what people need to do differently in its wake:

- Millions more are insured, increasing the already high volume of patients seeking care.
- Physicians must be engaged in their hospital’s strategies. A system is only as strong as the sum of its parts. If physicians aren’t on board with initiatives around quality, cost control, and patient satisfaction, hospitals cannot make advances. Our clients are increasingly asking us to include physicians in their efforts around leadership development or patient service excellence—something that rarely happened just...
five years ago. Physicians also have a vested interest in these strategies—they want a say in shaping strategies and need to trust the leadership that’s driving them.

The make up of health care organizations is moving away from networks of independent hospitals and other providers, toward gigantic consolidated health systems. Realizing the benefits of having a full spectrum of services under one roof, these big systems are acquiring smaller operations during consolidation buying sprees. Larger systems get an advantage because they are better equipped to absorb costly process improvements.

Health care providers are reorganizing, restructuring, and redesigning. Clinician executives and administrators are co-managing lines of business in shared leadership positions. As spans of control are redefined, job families are being redefined as well—for example, nurse practitioners are stepping up to do procedures once only performed by physicians.

Coordinated care is forcing a new approach, requiring even larger numbers of specialists to work in concert to treat complicated patient issues. It increases the number of times a patient is transitioned between care providers, necessitating better communication and teamwork across the continuum of care. It will also drive a greater emphasis on outpatient care. Reform incentives are designed to tear down silos, so health care systems that find efficient ways to work together will reap financial rewards.

As coordinated care rises in importance, primary care is becoming the cornerstone of an efficient, high-quality health system. “Research shows that preventive care, care coordination for the chronically ill, and continuity of care—all hallmarks of primary care medicine—can achieve improved outcomes and cost savings,” said A. Bruce Steinwald, director (health care) of the U.S. Government Accountability Office. Independent primary care practices that provide a medical home for accountable care are now a more attractive acquisition for health systems with consolidation in mind.

To control costs, reform measures are changing the way providers are paid from quantity to quality of care. The reforms reward for preventative care that reduces costs around expensive diseases such as diabetes, hypertension, heart disease, etc. It also penalizes providers when they have to treat patients for issues such as a hospital-acquired infection, inappropriate ER visit, or quick readmission. Hospitals are looking for ways to improve efficiency and eliminate errors based on concepts like lean manufacturing or Six Sigma.

Reimbursement is changing dramatically, with an increased focus on clinical outcomes. The pursuit of patient satisfaction (through measurements like Hospital Consumer Assessment of Healthcare Providers and Systems) also may impact reimbursement.

Increasingly, delivery of care will be mandated to adhere to protocols derived from best practices. Physicians who buck the rules endanger the ability to get paid and remain profitable.

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Health Care Needs New Heroes

A changing of the guard, a new breed, a revolution, or a paradigm shift—pick your cliché and it applies here. The changes previously listed are driving the need for health care to reinvent what it’s looking for from its ‘heroes’ of patient care: executives, physicians, leaders, and staff. That means if hospitals and providers continue to hire the kind of person that was successful in the past, they are likely to fail in the future. Let’s take a closer look at what’s needed at all levels of talent in a post-reform health care organization, and the get-it-done competencies we suggest that organizations use to drive the necessary behaviors.

For Executives and Physicians

Surgeon Atul Gawande said it brilliantly in an April 2010 article that ran in Harvard Business Review: Health Care Needs a New Kind of Hero. “Think of Sully Sullenberger, the pilot who landed the plane on the Hudson River,” he says, drawing an analogy to a hero from recent headlines. “The story the public had about him was that he was an unbelievable pilot, and that’s what saved the plane. He was the hero. He kept saying no, it was adherence to protocol and teamwork allowed [the team] to safely land the plane. Heroism in medicine ought to mean having the humility to recognize that we are more likely to fail on our own, and embracing teamwork to help us provide the best care.”

Gone are the days of lone ranger physicians, operating independently according to their own laws of the land. Also diminishing are roles where non-clinical executives manage from offices far away from patients. Expertise from both parties must converge to lead together, which is why we talk about both physicians and executives together here. Harmony and collaboration is not always the norm when it comes to notoriously contentious physician/executive relationships. But this friction has no place in a world of collective strategy, execution, and shared leadership models. So for executives and physicians, we find this competency effectively describes the behavior necessary to succeed:

Cultivating Clinical and Business Partnerships, Senior leaders must initiate and maintain strategic relationships with stakeholders inside and outside the health system to advance clinical and business goals. This means reaching out to physicians or other executives, cross-functional partners, payers, suppliers, community representatives, unions (if applicable), and others to identify partnership opportunities and to create win-win outcomes for all parties involved.
FORWARD-FOCUSED

For physicians, competencies have always addressed technical skills, decision making, judgment, and planning or organizing. But their jobs are evolving away from the profile of a specialist, and more toward that of both a team player and a team leader. As responsibilities shift, physicians will need coaching and delegation skills to ensure the success of their staff members. Communication will look different moving ahead (especially important for those in primary care), as physicians work with providers to treat a patient. And health-care specific competencies that address controlling costs and increasing quality or service excellence will become more prevalent for all professionals. “Working in teams does not come easily to physicians, who still often see themselves as heroic lone healers. Nonetheless, developing teams is a key leadership function for health care providers of all types,” says Thomas H. Lee in an April 2010 article for Harvard Business Review. “For the needed structural and operational changes—performance measurement, process improvement, teamwork—to become mainstream, doctors must accept that to be all-caring is different from being all-knowing or all-controlling.”

For Leaders

“Health care delivery is fragmented and chaotic, principally because of an explosion of knowledge and technological advances. Taming this chaos requires a new breed of leaders at every level,” says Lee. As the conduits between executive strategy and the specialists on the frontlines, we’d contend that health care leaders (first- and mid-level) are in for an even rougher ride than the bumpy road they’ve traveled so far. More patients... plus workforce shortages in some roles... plus a drive for efficiency, process improvement, and reorganization... plus reimbursements based on quality... plus increased complexity at every turn. It’s math that only adds up with the right people in the equation. As organizations become flatter, the need for delegation and accountability is critical. And those forces are driving a need for new behaviors, captured in a few key competencies that are on the rise for health care leaders:

Building trust. Associates need leaders who interact with others in a way that gives them confidence in one’s intentions and those of the organization. This includes operating with integrity, listening openly, and supporting others while treating them with dignity and respect.

Facilitating change. Leaders must encourage others to seek opportunities for different and innovative approaches to address problems and opportunities. They also facilitate the implementation and acceptance of change within the workplace. This competency encapsulates continuous improvement and the management of complexity.

Driving execution and accountability. Leaders should be able to translate strategic priorities into operational reality. This would include aligning communication, accountabilities, resource capabilities, internal processes, and ongoing measurement systems to ensure that strategic priorities yield measurable and sustainable results.

For Associates

Nurses still need to be caring. Pharmacists still need to be meticulous. Receptionists still need to be friendly and helpful. Janitors still need to despise disorder. Professionals of all kinds still need to do what they’re doing. But, they also need to do more. And that “more” goes beyond technical excellence. Take a look at the competencies getting some buzz for this level:

Engagement readiness. This one frequently prompts many nods of approval because it covers an individual’s willingness to commit to work and to invest time, talent, and best efforts in accomplishing organizational goals. It includes loyalty and intent to stay with an organization (not just the health care profession). It also covers cooperation and collaboration with others, resilience in the face of obstacles, openness to change, achievement orientation, and possession of a can-do mind-set.

Adaptability. This is another competency that resonates because it describes the need for an individual to maintain effectiveness when experiencing major changes in work responsibilities or environment. It encompasses the need to adjust effectively to changes at work with a positive outlook.

Contributing to team success. This competency prompts team members to actively move a team toward the completion of goals. Involving others, keeping colleagues informed, and modeling commitment are some of the behaviors mentioned to be successful. Competencies that address service (such as patient relations), safety (such as safety intervention), and a focus on results over procedure are also increasingly important at this level, and in fact, all others.

More Changes Ahead

The health care reforms underway will drive a new way of business for this country’s health care system. But even without the reform legislation, it’s safe to say that this industry is in a period of accelerated evolution. We don’t know how far the change will reach, and we don’t know how fast it will come. But we do feel strongly that health care organizations that stay ahead of the changes (and focus on the talent implications) will be the ones that survive and thrive.

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