Empowering transformation in health care. Preparing for a new health care system and the use of disruptive technologies. Effective communication of the strategic objectives and development of the transformation ability. Aprill 2015

Background:

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After a thorough study, a public health authority was facing a dual challenge of addressing a sustainable increase in demand, both quantitatively and qualitatively, and also maintaining budgetary stability.

Finally the decision was to expand capacity by increasing the number of available beds and services portfolio without reducing the quality of care in their five fundamental parameters[1]: 1) Safe; 2) effective; 3) patient-centered; 4) equitable and 5) efficient.

Moreover, the situation of the organization had several major problems:

- Strategic management process was inmature, it was just implemented, limited exclusively to comply with the annual budget and its performance indicators, as an end in themselves
- The behavior of the organization suffered from a lack of a comprehensive approach, causing waste of resources executing activities that did not add any value. In fact, the objectives of the organization were fragmentary and its components had their own theories, often divergent, about what had to be done. Internal conflicts were resolved with zero-sum games, "who doesn't win the game, loses"
- And finally, a previous process, trying a 1st transformation had failed due to three main reasons: 1) there was not effective communication; 3) the process was not planned using short-term goals that may motivate people to keep on changing, and 3) the organization's c-suite declared victory prematurely

Challenges:

Budgetary stability required to achieve an optimum balance between the necessary skills (be those existing, or to improve or to develop) and the most appropriate structure to deploy them effectively and efficiently.
In addition, the need for a new capacity: versatility came up in the process. Any Transformation is a long-haul task under common high-level goals but flexible as much as possible, which requires to articulate and manage the ability to look to the future in order to anticipate the impact of changes that peek today.

This new ability, will allow the entire organization to anticipate changes, for example, in genomics, new technologies and the new role of health care system model.

[1] See Institute of Medicine. Health, Health Care, and Quality of Care. Kathleen N.Lohr, (Ed) In: Medicare: A Strategy for Quality Assurance. 1st Edition. 1990. p.21

In transformation process, **external agents of different nature**, such as private clinics, vendors, freelancers, other public administrations, will be involved, and concerned. A comprehensive approach should also be adopted by those external actors with whom relevant information would be shared in a properly manner.

Among the challenges that were identified the following may be cited:

1. The need for reaching maturity in the strategic process management and develop a new capability to seize the opportunities from the changes: versatility.
2. Thoroughly design a comprehensive care concept, centered on the patient and their needs, individually. All components of the organization should know and assume their respective responsibilities in each process and that all processes cross barriers between and among levels and medical specialties
3. Development of new skills in clinical management: integrated attendance and high resolution processes in order to get improved level of quality perceived by patients and users, in terms of waiting times, safety and efficiency of care processes.

Considering the fragmentary conception that all the components had about where the organization was heading, and also the mistakes made in the previous transformation that ended in a resounding failure, a big decision was made: achieve effective communications with all stakeholders, including all levels and environments -internal and external-. Communication become the key for Transformation, so that, no organizational structure, that would difficult or hinder free flow of information would be consented..

The effective communication became the corner Stone for the success of Transformation facilitating the unity of effort and resources concentration on what really matters, is to say: the common objective

Solutions

Indeed, ***communication*** was the backbone of the Transformation and was based on the design and implementation of the balanced ***scorecard methodology***[2] to monitor higher level strategic objectives, breaking them down in turn in the corresponding operational objectives.

Performance indicators[3]**,** from processes and outcomes were designed by several teams in-house. Performance Indicators were developed on agreed upon Critical Success Factors. And by a suitable platform, knowledge gained through the process was identified, integrated and applied after analyzing and incorporating the "lessons learned" to the doctrine and proceedings, making knowledge management a living thing that continually added value.

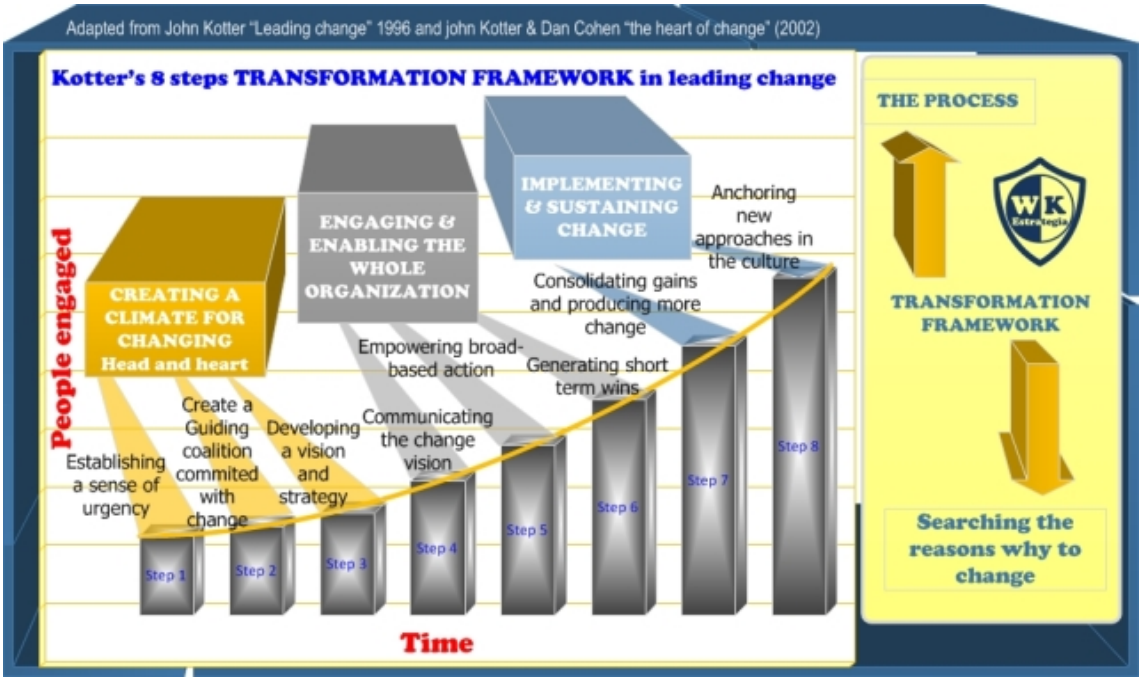
[2] De Kaplan y Norton
[3] Key Performance Indicator

The resource allocation system went from being static and driven by dates of calendar, to be dynamic and driven by strategic needs and almost at any moment. Appropriate regulatory changes were made

In the preparatory phase several conditions were settled using different consensus tools and procedures.

a) A premise: the Vision (long term commitment) to pursue was pleaded indisputable, everything else could be discussed. In this sense, build trust of all the leaders of the organization and all components including leaders, together, constituted, an ongoing task.
b) A limit to the scope: Once the Vision, the Mission (why the organization is necessary for the society) and the organization's Core values were established, a draft of the strategic plan with its higher level goals was prepared with the participation of all those who had to be taken into account.
c) limit on the opportunity: The transformation was to be done in two stages, the first would begin with a "Project Demonstration" (in a number of units) and then, after acquiring the necessary knowledge, would be implemented a second stage throughout the whole organization from the experience and leadership gained
d) A single, common use of language was discussed and a list of terms with a single meaning, equal for all, was properly agreed upon, in order to avoid problems of polysemy.

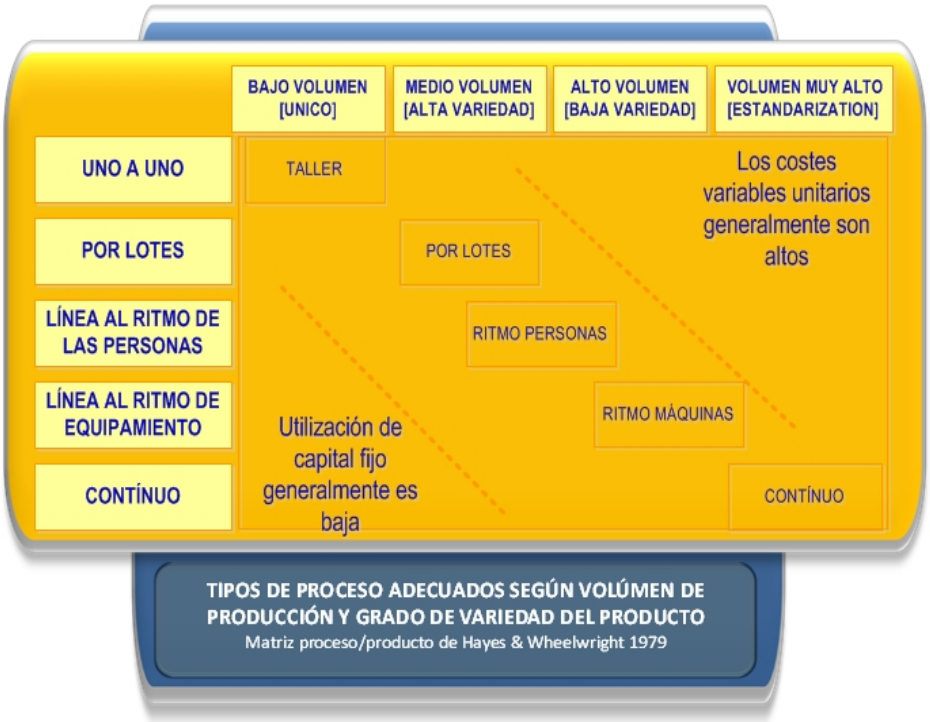
To meet the challenge 4, infrastructure development, a contract of Public-Private Partnership PPP was promoted and executed [4][4]. Its design was based on the "patient circuit" that originated the new welfare approach and its likely development in the coming years.
To address the other challenges and achieve all the objectives of the Transformation while avoiding most common mistakes, the Kotter's process was followed,



[4] See this link in our web **WK Estrategia**, colaboración público-privada

The commitments to achieve were adjusted with a given level of ambition of results and were focused on the following:

- An analysis of resources and capabilities, taking into account degree and relevance of uncertainty and variability, in order to identify mismatches between what could be offered in the initial situation and what should be offered in the future
- Health care was organized through process management with a comprehensive approach based on desired effects. The alternatives were studied to overcome identified gaps, whether by improving processes and capabilities or by developing new ones, and in some cases decisions of outsourcing of certain processes were made
- The importance of the processes was prioritized according to top DRG[5] of clinical units for proper concentration of resources and capabilities. The product matrix[6] was also used.

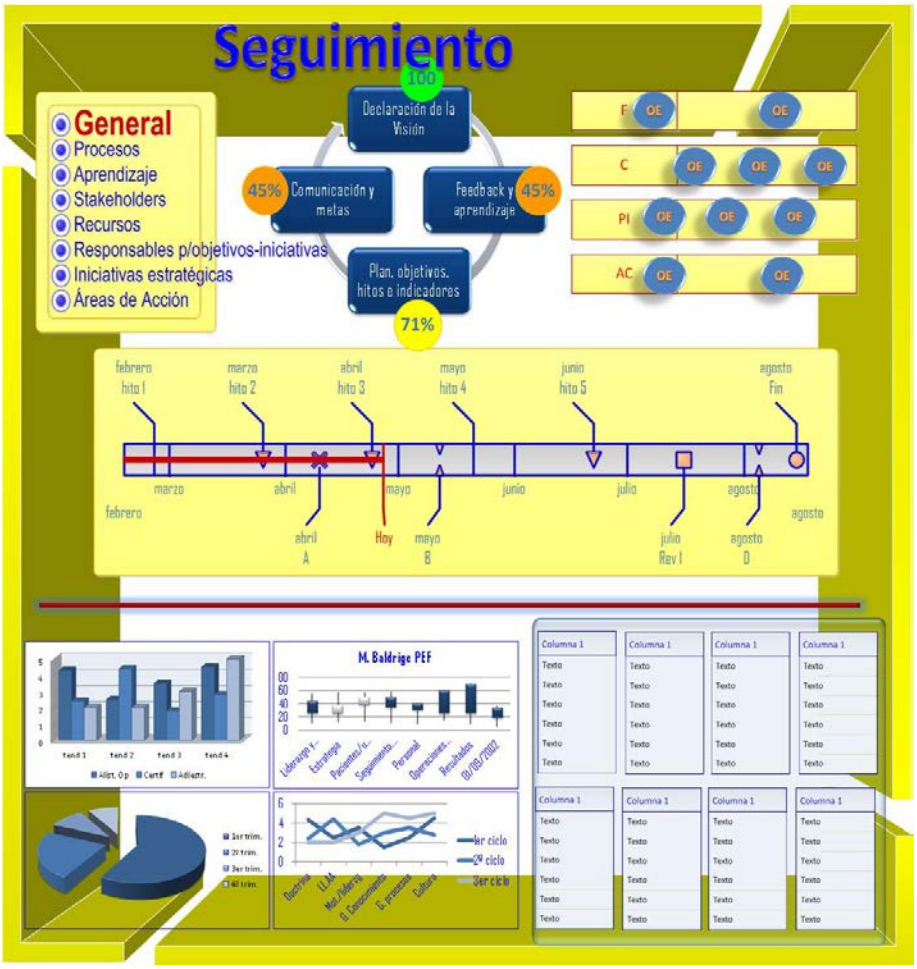


- All critical issues of every process (boundaries, input, Output, outcome, circuit, flow, results, roles and responsabilities, ownership and accountability, etc) were thoroughly analysed with all the participants in every process creating one week full-time workshops.
- Vertical gaps were defined and identified (nobody's land across care levels) and horizontal gaps (nobody's land when crossing from one service or specialty to another[7]), support activities). Identification of vertical and horizontal gaps provided a double hit: first internalized the importance of horizontal flow of the activity, and second, these gaps were addressed putting the patient/user needs as the core of study.
- The service of "single medical consultation" in certain selected processes to be resolved in one day to reach a diagnosis and the best treatment without any kind of vertical or horizontal lagoons was implemented

[5] DRG: Diagnoses-related Groups Top DRG were those affecting most of the patients or those much more complex than the others.
[6] Hayes y Wheelwright
[7] Support activities were included

Within the strategic and operational objectives framework and focused on areas of action and strategic initiatives, the necessary projects and specific actions were developed together with annual budget system, in which, as we said, decisions were made through a dynamic and need driven process.

Finally the framework of performance and results measurement was designed in regard with both Process Performance and Results Indicators[8], together with the methodology of management of the knowledge acquired in this "demonstration project" to take advantage in the second phase of the Transformation and create a learning organization.



Results

The success of the first phase of the Transformation to achieve the selected targets was achieved; more health care capacity and new capabilities were developed; the improvement potential of the process called "single medical consultation" was able to achieve rates of 50% improvement after 18 months, which in turn increased dramatically the level of quality that was perceived by patients or users.

The levels of quality and safety while maintaining budgetary stability were reached by the deadline and many of the processes reached results that were much better than expected.
The objective of creating a new capability for versatility, also achieved results much better than

[8] Differentiating Performance Indicators (key or not key) and Results Indicators (key or not key). Only the first ones were regarded with operations, the latter, obviously, measure the achievements that matters outside the organization.

expected, thanks to the satisfaction and pride of belonging to the "Demonstration Project" and the effective achievement of the objectives, both issues, indeed, constituted a very stimulating point in order to meet and face the challenges that exist in the changes to seize coming opportunities.

The driving force that enabled the organization to achieve success was to place Communication as the central pillar of Transformation, as the corner stone for the entire flow of activity in the organization .

The following benefits for a powerful, healthy, motivated and effective organization were added thanks to the Transformation process

1. Everyone knew what the common goal was, getting as a result, the comprehensive and results-oriented approach and the commitment of all components surpassing the initial distrust, caused by the previous failed transformation process.
2. As a result, improved strategic management process from a focus on the annual budget execution disconnected from internal processes, organization's results and strategic objectives, to be an organization open to respond to the circumstances of the environment through dynamic and flexible resource allocation approach and able to assess and decide on strategic alternatives.
3. It was internalized that barriers in health care processes due to organizational approaches are artificial, A patient has to go across services and levels and the system has to keep on tracking him at all times. Internalizing this concept of horizontal flow of activities, favored improvement rates above 50% improvement in all processes,moving from 2 months to 18 depending on both the technical and organizational complexity and the respective frequency of process execution.
4. All components internalized that the results are always outside the organization;