

Developing Physician Leaders and Integrated Programs

Chandrashekar Kumbar MD MBA FACC FHRS
President, The Heart Group
Evansville IN

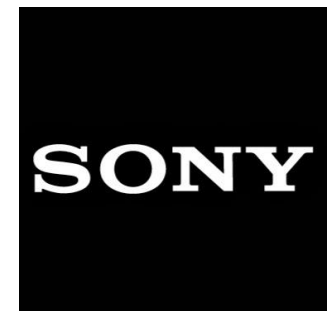
Winners



Losers



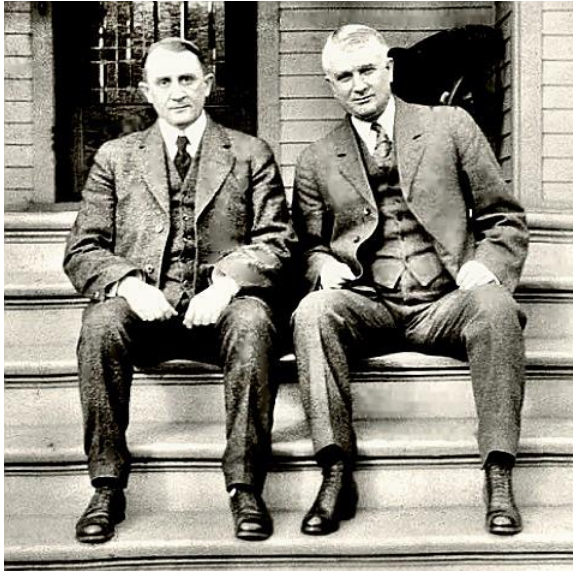
SATURN



Building physician leadership..

- Leader or Manager
- Leadership or Management
- Mission, Vision and Values
- Volume or Value
- Quality
 - Improvement or assurance
- Tools or Outcomes
- Policy or Commitment

Leaders



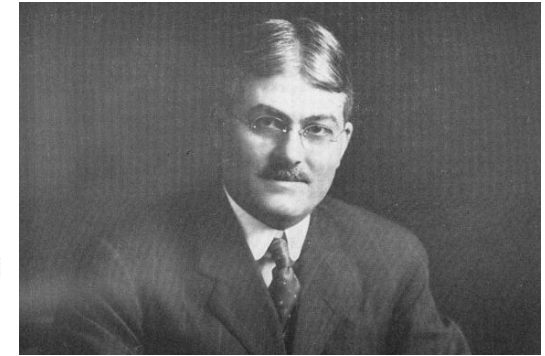
"I look through a half-opened door into the future, full of interest, intriguing beyond my power to describe..." - *Dr. Will Mayo*

Mission

To inspire hope and contribute to health and well-being by providing the best care to every patient through integrated clinical practice, education and research.



Cleveland Clinic



Dr. George Crile, One of the four co-founders

Mission

"Better care of the sick, investigation into their problems and further education of those who serve."

Opened Feb 28, 1921

Source:

www.mayoclinic.org/

www.clevelandclinic.org

www.medicitynews.com

Role of physician leaders in 2015

- PPACA(Patient protection and Affordable Care Act)
- Focus on “Triple Aim”
 - **Care**-Improving the individual experience of care
 - **Health**-Improving Health of the population
 - **Cost**-Decreasing the per capita cost of care for population

New Focus

- Quality
 - How to measure and how to improve
 - Deming's focus on Quality
 - Statistical process control
- Incentives
 - Understand how incentives works and how to use them to change Organizational behavior
 - Role of behavioral economics
- Cost
 - Understanding the concept of total cost

Traditional vs New leadership

- Traditional
 - Maximizing revenue under current structure
 - Avoid change
 - Buy more time
 - Focus on what doctors do rather than what patient needs
- New
 - Articulate Vision and Values
 - Believe in delivering superior care
 - best business practices

New Physician Leaders

New Physician Leaders

- Must organize doctors into teams
- Measure their performance
 - Not how much they do but how their patient's fare
- Deftly apply Financial and Behavioral incentives
- Improve process
- Dismantle dysfunctional cultures

Need to Know

- Performance matters
- "Value" is not a bad word
- Improvement in performance requires teamwork

Quality

Quality: Choosing a car...



Reliability, Safety, Total cost of ownership, Service, Durability, Options, Affordability

Choosing a Hospital

Reliability, Safety, Total cost of care **Care** Service, Durability, Options, Affordability



Manufacturing-Quality control Lessons learnt



W. Edwards Deming
1900 - 1993

■ Deming's 14 Points

- Constancy of purpose
- Adopt a new philosophy of change leadership
- Cease dependency on inspection to achieve quality
- End practice of awarding business on the basis of price consider total cost
- Constantly improve process to improve quality and productivity and therefore cut down cost
- Institute job training
- Focus on leadership at all levels (Janitor to CEO)
- Drive out Fear so that everyone may work effectively
- Breakdown barriers between departments
- Eliminate slogans
- Eliminate work Quota, focus on management objective
- Remove barriers
 - Rob workers Pride
 - Rob managers and engineers of pride and workmanship
- Institute a program of education and self-improvement
- Put everyone to work to constantly improve

Theory of Profound Knowledge

- Four inter-related components
 - Appreciation of system
 - Understanding interconnectedness and interdependence
 - Theory of Knowledge-Epistemology
 - “Plan-DO-Check-Act”
 - The Psychology of change
 - Clearly designed identity
 - Knowledge about variation
 - Recognize variation, statistics

Appreciation of the system

- Healthcare system is complex, made up of people and processes
 - Institution
 - Mission, Vision, Values
 - People
 - Motivation, incentives, fears and alternatives
 - Process
 - Interconnected

Theory of Knowledge: Plan Do Study Act

Robert B. Austenfeld, Jr.: W. Edwards Deming: The Story of a Truly Remarkable Person

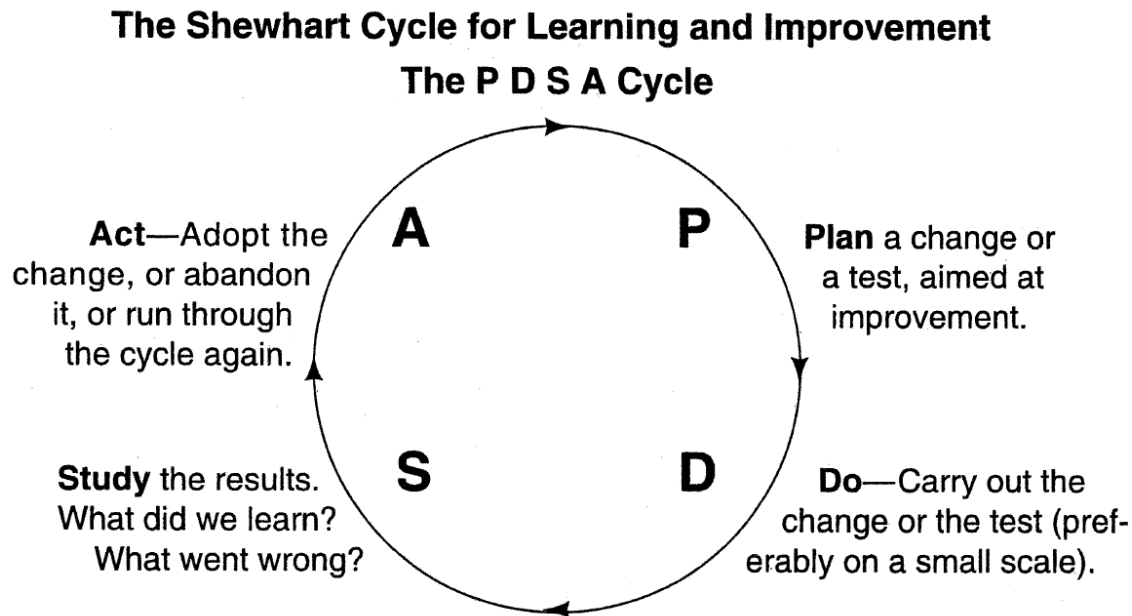


Figure 1. The PDSA Cycle (Deming, 1994, p. 132).

Knowledge about Variation: Statistical Process Control in Healthcare

- Control Chart
 - Run Chart
- Advanced SPC
 - X-bar and S-Chart
 - I-Chart
- Special applications
 - Six-sigma
 - Balanced Scorecard

Removing Variation

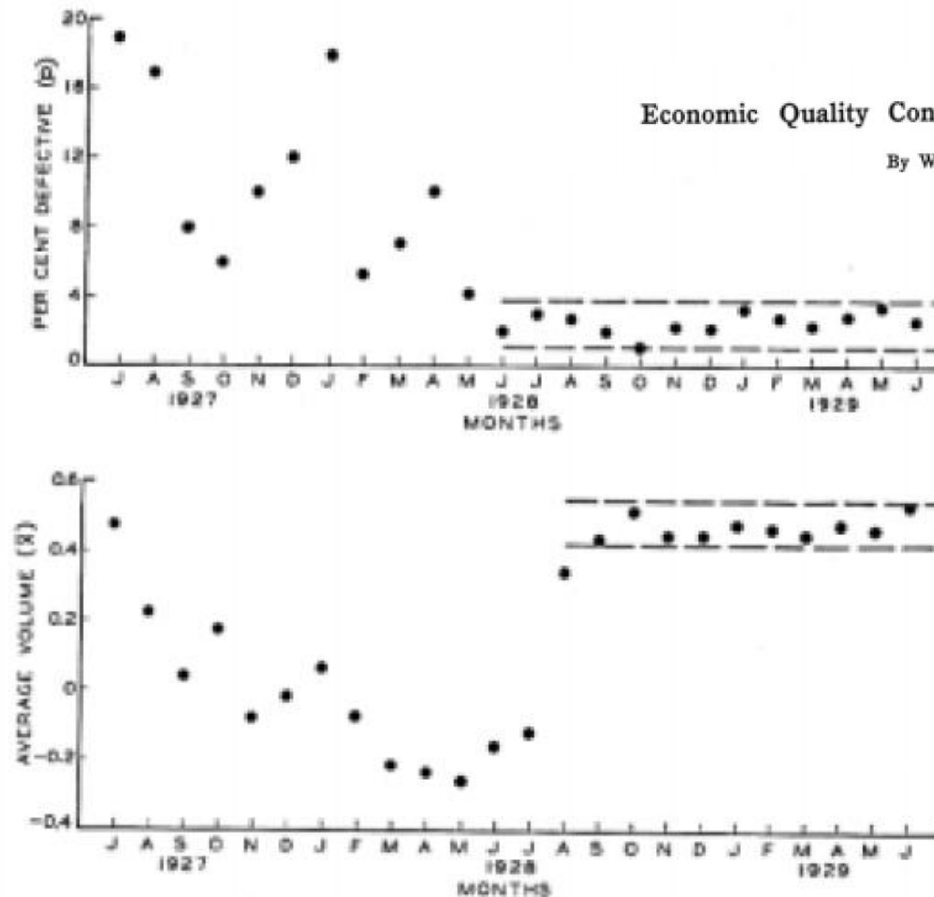
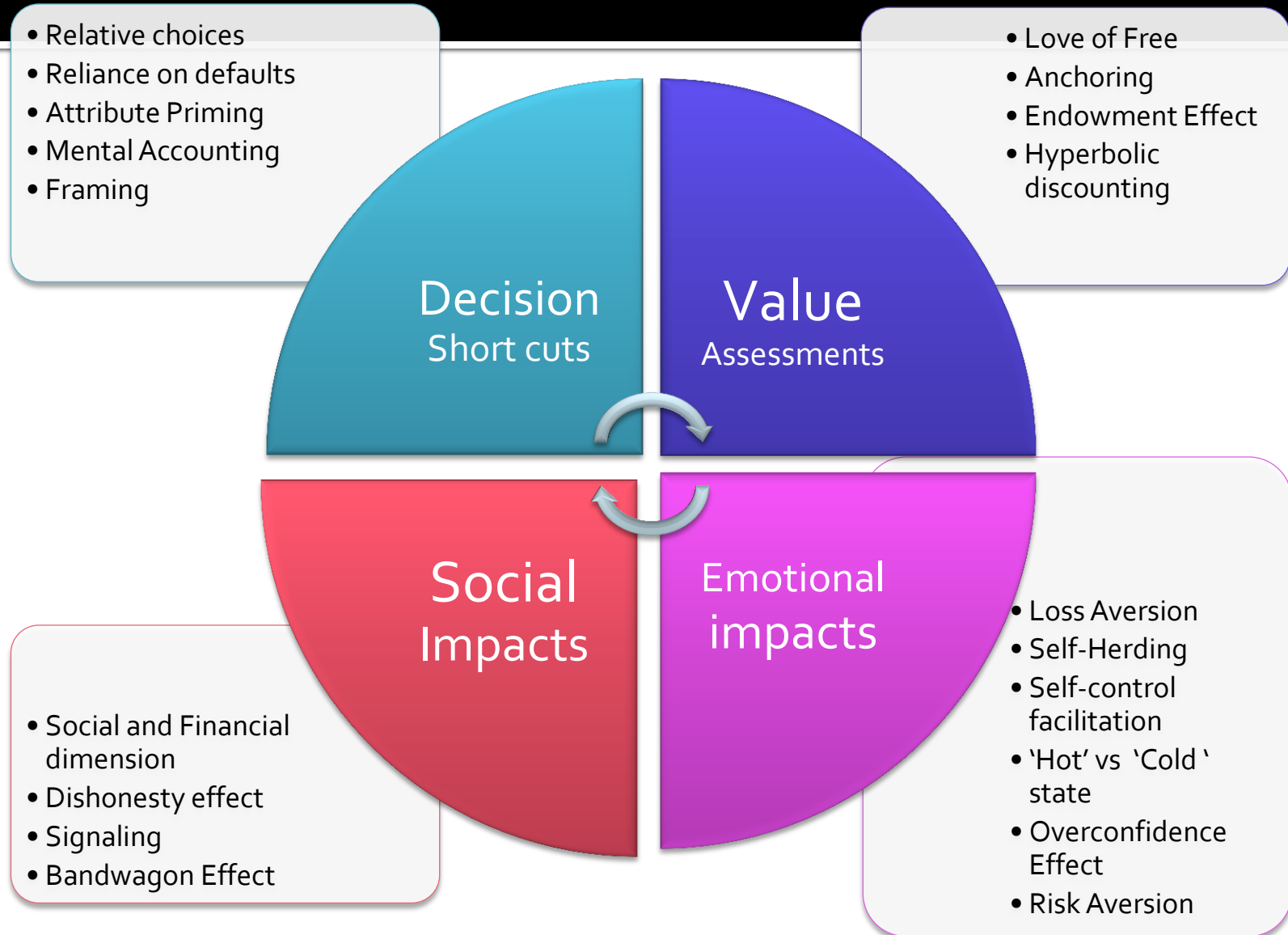


Fig. 11—Approach to stable equilibrium or control as assignable causes are weeded out, thus reducing the need for inspection.

Incentives

Organizational behavior

Behavioral Economics



Lessons from Behavioral Economics

- Behavioral Economics research stresses the importance of the clarity and salience of disclosures in shaping consumer behavior; old fashioned, neo-classical view is that consumers will make use of disclosed information that's important to them
 - Bloomberg
- Few Tips
 - Loss aversion-People work harder to retain something than to earn it
 - Extremeness aversion-compromise effect
 - Self serving bias, unrealistic optimism and over-confidence
 - Decision utility vs. experience utility
 - Cooperation, fairness and appearance of fairness
 - Ultimatum game
 - Heuristics and biases
 - Availability, anchoring, representativeness, case based
 - Mental accounting
 - Construct teams so that individual efforts become group achievements

Behavioral Economics and Healthcare decisions-cost

- Burden of Decision
 - Choice overload
 - Make bad decisions-orthopedic decisions
 - Cognitive Scarcity
 - Physicians not doing things at all
 - Facilitating regret
 - Opportunity cost
 - Choice process, option Chosen

How to buy physician buy-in

- Max Weber, Sociologist and economist
 - Motivations that drive social action
 - Shared purpose
 - Self interest
 - Respect
 - Tradition

Physician buy-in tools

MOTIVATION	HOW TO APPLY IT	EXAMPLE
To engage in a noble shared purpose	Appeal to the satisfaction of pursuing a common organizational goal.	The Cleveland Clinic reinforced its commitment to compassionate care by launching a same-day appointment policy.
To satisfy self-interest	Provide financial or other rewards for achieving targets.	At Geisinger Health System, 20% of endocrinologists' compensation is tied to goals such as improving control of patients' diabetes.
To earn respect	Leverage peer pressure to encourage desired performance.	Patients' ratings of University of Utah physicians are shared both internally and on public websites to drive improvements in patient experience.
To embrace tradition	Create standards to align behaviors, and make adherence a requirement for community membership.	At the Mayo Clinic, a strict dress code and communication rules signal the "Mayo way of doing things."

(See also Nikola Biller-Andorno and Thomas H. Lee, "Ethical Physician Incentives—From Carrots and Sticks to Shared Purpose," *New England Journal of Medicine*, March 2013.)

Self-interest

- Individual incentive
 - Financial
 - Bonus
 - Yearly contracts
 - Medical staff recognition

Earn respect

- Peer pressure to encourage desired performance
 - Physician compare
 - Physician rating
 - Impact of Medicare data posting
 - US news and report

Embrace Tradition

- Standards to align behavior
- Make adherence a requirement for community membership
 - Eg Mayo

How to deal with difficult decisions

- Take assistance of a senior physician
 - Appeal to do the “right thing”
 - “Yes, it is not equal but fair”
 - “it is what it is”
- Focus on patient care

Effective Teams



- Working in teams does not come easily to physicians, who still often see themselves as heroic lone healers.

- Thomas Lee
- HBR, April 2004

Leadership challenges

- Size of an organization does not matter
 - Problems are the same
 - Strategies for solution are different
- Articulating Vision and Values
- Organizing for performance
 - Patient centered care
 - Co-location of services
 - Process improvement

Nudge



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Richard H. Thaler and Cass R. Sunstein

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I think about the world." —Steven D. Levitt, coauthor of *Freakonomics*



Cost

Cost

- “Total Cost”

- Automobile industry

- Volume conscious American Car companies made more cars with higher total cost due to recalls and repairs
 - Quality conscious Japanese cars were able to compete and win a larger market share based on better Quality and lower total cost
 - Companies like Ford eventually improved quality with SPC

- Healthcare

- Congestive Heart Failure

- Similar to “volume” car manufactures
 - Focus on Readmission rate (total cost) may help reduce overall healthcare spending and create “value”

Summary

- Restructuring Healthcare is a complex problem. New Physician Leaders should
 - Use established tools and knowledge from other industries
 - Focus on Quality and Reliability in an integrated model
- Problems and solutions are surprisingly similar across different industries.
 - “Triple Aim” is largely based on the concepts learnt in manufacturing industry since world war II
- Focus on superior patient care and experience