

GE Healthcare Partners: Engagement. Empowerment. Improvement.

Building a Culture of Accountability

CHALLENGE:

Community Health Network (CHNw) was faced with pressures from reduced reimbursements, increased competition, and a changing healthcare environment, and the need to standardize processes across their growing number of campuses.

SOLUTION

Embark on cultural change to drive quality improvements through leadership training, personnel empowerment, and strategic planning with regular assessments and accountability.

Three years ago, Community Health Network (CHNw) in central Indiana operated as a group of largely independent entities.

Facing reimbursement pressures and a changing healthcare environment, CEO Bryan Mills and his senior leadership team recognized a need for comprehensive systems and structures to drive standardization and improve organizational performance. CHNw engaged GE Healthcare Partners in a 3-year initiative, collaboratively establishing a sustainable operating structure to bring about high-quality clinical outcomes, strong financial results, and greater patient satisfaction through cultural transformation.

The GE team cultivated discipline and rigor with CHNw operations by guiding a comprehensive leadership reorganization and establishing a robust strategic planning process, engaging a broad cross-section of the organization. The team also aligned the human resource function to support the execution of overall strategy by designing a new leadership talent management process inclusive of appraisal, development and succession planning.

Results include a tripling of operating margin, substantial improvement in H-CAHPS scores, enhanced performance and control against quality metrics, and \$30 million savings from performance improvement initiatives. "The return on investment is substantial," says Kyle Fisher, CEO - VEI. "Between the increased revenue we generate, the cost savings, and the greater engagement across our leadership ranks, the ROI is definitely positive."

NEED FOR CHANGE

CHNw operates in a competitive market that includes an academic medical center and hospitals affiliated with major national health systems, aggressively pursuing market share, according to Tim Hobbs, M.D., Chief Physician Executive. "These systems have a lot of financial resources and hierarchical structures, whereas our structure was horizontal, with considerable independence among units," Hobbs observes.



CHNw leaders saw the horizontal structure and its attendant inefficiency as a threat, especially in light of market consolidation and demands of healthcare reform. While there was some coordination across CHNw campuses, executives saw great advantages in facilitating systems thinking and unifying the culture to overcome challenges including:

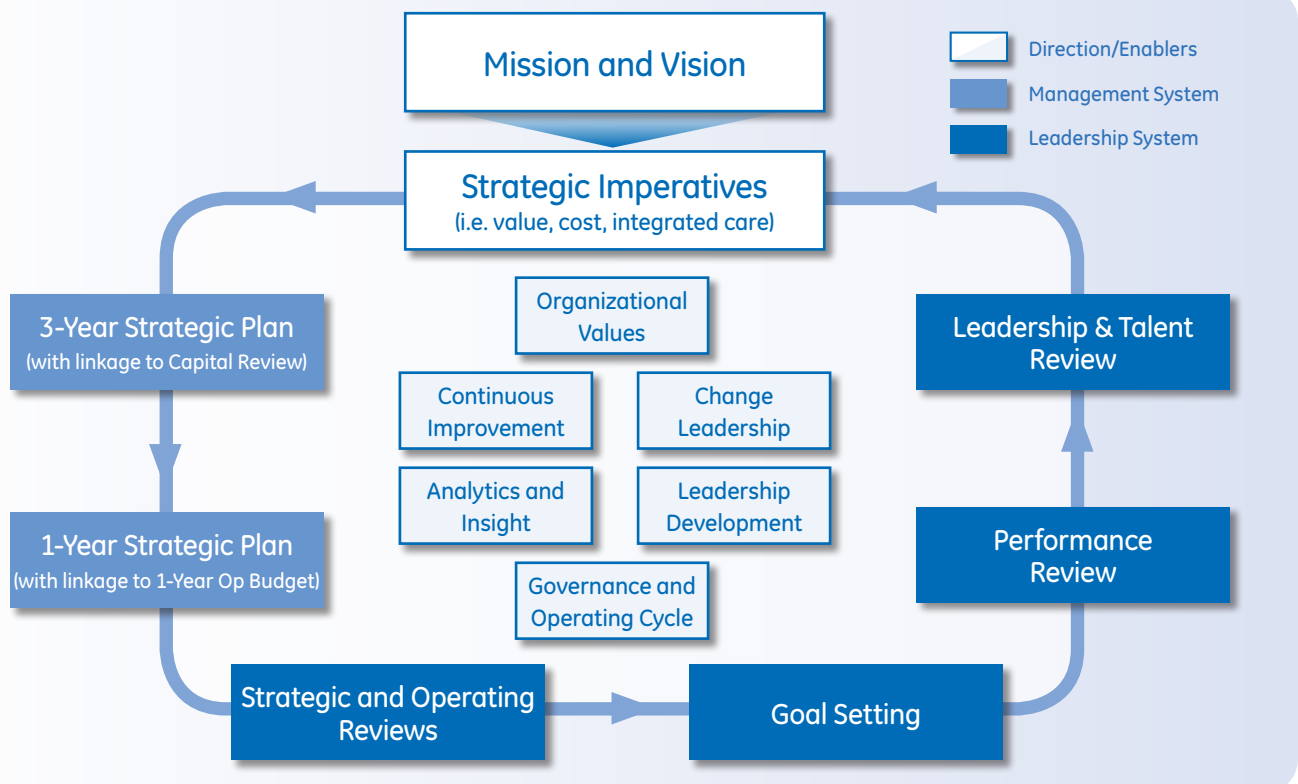
- Inconsistent performance despite pockets of performance excellence
- Difficulty strategizing and executing on key strategic priorities
- Difficulty operating as one system – multiple uncoordinated efforts
- Underutilized and uncoordinated performance improvement resources
- Deep-rooted cultural issues and broad resistance to change

“Five years ago, we had nine separate employers – Community Health Network was a holding company for the most part,” says Tom Malasto, Chief Patient Experience Officer. “There were many different processes and many ways to get things done in the organization. That led to what I would call a culture of optionality or diffuse accountability. Things weren’t getting done because we allowed things to be done in multiple ways, few as effective as they needed to be.” These challenges collectively impeded CHNw’s ability to consistently move the needle.

“GE challenged us. They forced us to think differently, and then we started to think differently on our own.”

Jean Putnam, Acting CNO,
Chief Clinical Quality Officer

OPERATING CADENCE (CULTURE DRIVEN PERFORMANCE MODEL)



Concurrent with the GE engagement, CHNw contracted with Studer Group for assistance with leadership development and care process improvement. The two consulting groups worked in concert to advance the organization's key objectives and its mission of "Exceptional Care. Simply Delivered."

Central to the engagement was the leverage and adaption of a GE Culture-Driven Performance Model (CDPM) into an operating system called "The Community Way." GE and Studer Group collaboratively established an Executive Sponsor Group, serving as the venue for monitoring progress and addressing executive-level issues.

The CDPM helped build support for The Community Way operating system across the organization, linking Management and Leadership System, and Performance Improvement into a single system, communicating the interdependencies of strategy, goal setting, and execution.

In addition, GE helped implement an Operating Calendar with clearly defined action plans to coordinate, standardize, and expand on operating mechanisms supporting the network's operating philosophy.

The calendar brings structure and rhythm to each year's activities, which begin with an Annual Kick-off Presentation where executives communicate the year's strategic priorities to leadership. Teams develop a 3-Year Plan outlining strategies aligned under a framework of strategic priorities: People, Service, Quality, Finance, Growth and Community.

Each year, a 1-Year Plan articulates the tactical efforts and programs CHNw will undertake to achieve the goals set for the first year of the 3-Year Plan. Goals are broken down into quarterly metrics; progress against those metrics is routinely updated and posted.

Quarterly Strategic Reviews (QSRs) provide and develop direct accountability for work teams. Progress against specific goals is assessed using a stoplight format. "We have annual goals, and we also have three-year projections," says Fisher. "For example, if a team is charged with growing operating revenue, they have very specific targets over the next three years. They also have projects identified that will enable them to meet those targets. In the quarterly reviews, it's a simple process. If you're green, great, but let's discuss the areas that are red. Why aren't you green? And how can we help you get there?" This dialog drives performance, but builds organizational buy-in on priorities. It also reiterates key activities pivotal to the organization's success and produces focus.

A CULTURE OF PERFORMANCE IMPROVEMENT

Beyond operating rigor and accountability, GE constructed a strategic direction for CHNw's existing Performance Improvement (PI) Department and accelerated its maturation. GE helped instill a performance improvement culture, according to Jean Putnam, Acting CNO and Chief Clinical Quality Officer.

She credits the GE Change Acceleration Process (CAP) and Workout processes with building performance improvement skills throughout the organization. "It has given people a sense of empowerment," Putnam says. "People feel empowered to change something when they feel it's not right. It has been very impactful."

Team members feel a greater sense of ownership having been equipped with the skills and techniques to identify and remove waste, simplifying their work, she observes: "People say, 'Now we've made this change, but how do we make that last and how do we monitor the progress of that change? How do we sustain it?' It's

"[The GE team] never wanted to brand this as a GE process. They insisted that it be Community's process. That was a big deal."

Tim Hobbs, M.D.,
Chief Physician Executive

The Organization

Community Health Network, based in Indianapolis, operates seven hospitals with a combined 1,200 staffed beds and more than 200 sites of care, served by 2,000 physicians and 12,000 employees. It records more than 2 million annual patient encounters, and more than \$3 billion in annual patient revenue.

Results

- More than tripled operating margin, from 2.0 percent in 2013 to 7.5 percent in 2014
- Generated \$30 million in performance improvement savings
- Improved H-CAHPS scores by 281 percent in two years, from 11/56 to 31/56

a different way of thinking, that now there is a way. When they do a CAP and Workout and they see the change they were able to implement in a team environment, it's pretty powerful."

As a result, PI team members can now work at the peak of their qualifications. "Some of our PI people were doing what I would call yellow and green belt level projects," Putnam says. "Now we've got those skill sets in so many areas of the organization that those projects can be handled by people in the departments." PI team members, in turn, focus on initiatives that require specialized expertise and deliver larger organizational impact.

Putnam points to the PI team's work on quality and safety initiatives to reduce clinical harms under the National Partnership for Patients. "PI team members have overseen a portfolio of projects and served as mentors to our clinicians," she says. "We're aiming for 40 percent reduction in those harms, and we're exceeding that in several areas."

Hobbs observes, "The work GE did with our PI process was phenomenal. Today, I would put our PI team and processes up against almost anybody I'm aware of in our market, probably in the Midwest, and maybe even in the nation. We didn't lack the talent. We just lacked the

direction, organizational structure and strategy. GE helped us apply discipline around that." CHNw now approaches challenges in a new light, with the people and tools to sustainably resolve problems, he notes

"Our ability to understand processes, improve processes and move the dial has increased significantly," Hobbs adds. "We've gone from not really understanding return on investment (ROI) from performance improvement projects to having a PI team that can register \$20 million of savings in a year."

ASSESSING AND BUILDING TALENT

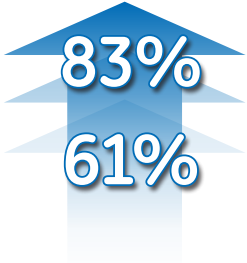
Meanwhile, GE introduced a Calibration process that helped CHNw improve its processes for evaluating and developing talent. Malasto notes that through Calibration, executives have "much more meaningful conversations" with front-line leaders.

"Historically we did not have a bell-shaped curve – we tended to rate everybody as high performers," Malasto says. "Now we're having some very candid discussions, starting from the mindset that all of us can improve. It's a more structured process around how we evaluate people and give them feedback on how to become better leaders." The process is about understanding the needs of the workforce and providing the appropriate package of support, training, and experiences to develop team members as leaders. Calibration recognizes there is no one-size-fits-all solution for developing leaders.

GE also introduced a Leader Values Guide that defines behavior expectations for leaders. Performance appraisals include assessment of behaviors related to CHNw's six P.R.I.I.D.E.¹ values. "That guide has been a great tool to help illustrate to employees, and especially to leadership, what constitutes an under-performing person, versus someone who is performing as expected, or a high performer," says Malasto. "It has gone a long way in helping create effective leaders, who in turn can create a more effective workforce."

¹ Patients first, Relationships, Integrity, Innovation, Dedication, & Excellence

Fisher finds performance appraisals are much more comprehensive than before. "Now, for the first time in our network, our leaders sit together as teams and provide feedback on their direct reports and on other leaders," he says. "So for example, I get feedback from my peers about my direct reports; I can then provide the feedback to those people during their performance appraisals. It's a much richer discussion around areas where they're doing very well and where they need to improve. It's not just my opinion." The Values Guide frames the behaviors CHNw wishes to promulgate in its culture.



As evaluations became holistic, H-CAHPS scores improved, as did employee engagement, according to Malasto: "You can imagine the impact engaged employees have on our patients and other customers. Engaging our employees, our patients and other customers in a more meaningful way in our hospitals and clinics has definitely led to improved results." The engagement of employees, coupled with process improvement, yielded Quality improvement from 61 percent of metrics performing at or above benchmark to 83 percent.

REWARDING PROCESS

CHNw executives agree the momentum from engaging GE continues. "Going back to the CAP and WorkOut, when you go through that, you can't help but think differently," Putnam says. "People coming out of that training transfer those skills to the next set of people. We're saying, 'Now that you have this knowledge, we expect you to go out and use it. We expect you to do something with it that impacts quality, or impacts patient care, or impacts the business.'"

Fisher observes, "One thing we wanted to do was move down the path in creating a culture of accountability. GE brought us the discipline and tools to do that. We were the kind of system that thought we could always do it better, we could do it ourselves. The reality is that we couldn't – not in the period of time we wanted, and not with the immediate and substantial results our executive team and our board were looking for. On our own, we wouldn't have ended up in the same place where we are today."

For more information, visit partners.gehealthcare.com.

"They were some of the smartest people I've ever worked with. It's rare you have consultants come in who everyone respects.

Tom Malasto, Chief Patient Experience Officer



imagination at work

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