The changing healthcare landscape: How should we adapt?

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University of Colorado Anschutz Medical Campus

CCTSI

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How should our campus adapt to changes in prevailing models for funding health care if we are to maintain the quality and success of our academic programs, in terms of both teaching and research?

OUR CHARGE
Financial Sustainability
Anschutz Medical Campus Revenue Streams

- Clinical
- Research
- Tuition & State Support
- Philanthropy
- Strategic Partnerships
Healthcare costs are a national concern.

Cost to our nation

Per Year
$2.8 Trillion

Percent Of GDP
17.6%

Almost twice as much as any other country

Annual Employer Costs

$1.06 MM

$0.53 MM

$0.11 MM

No. of Employees

Source: Human Resources MBA
Causes of Projected Growth in Federal Spending for Social Security and Major Health Care Programs

Percentage of Projected Growth Through . . .

2024

- Aging of the Population: 43%
- Growth in Spending per Capita on Health Care: 13%
- Expansion of Federal Health Care Programs: 44%

2039

- Aging of the Population: 55%
- Growth in Spending per Capita on Health Care: 24%
- Expansion of Federal Health Care Programs: 21%

Source: Congressional Budget Office (2014)
A goal of the Affordable Care Act is to build a smarter health care system and reward quality of care – not quantity of care – and ultimately save you money.

... Shifting the Focus to Quality
... Keeping You Out of The Hospital
... Lowering Costs

Source: Kathleen Sebelius “The Affordable Care Act at Three: Paying for Quality Save Health Care Dollars”
Health Affairs, March 2013
Change is the law of life. And those who look only to the past or present are certain to miss the future.

John F. Kennedy
1. Environmental Scan
2. Strength-Weakness-Opportunity-Threat Analysis
3. Organizational Business Theory
4. A Pragmatic Path Forward

OUR APPROACH
Step 1. Environmental Scan

Sources

• *Advancing the Academic Health System for the Future* (2014 AAMC Advisory Panel on Health Care)

• *Integrating Research and Practice: Health System Leaders Working toward Higher-Value Care* (2014 IOM Report)

• *Essential Stewardship Priorities for Academic Health Systems* (2014 IOM Learning Health System Series)

• Case Examples and Key Informant Interviews
  – Fred Rothstein, Case Western Reserve
  – Herb Wiedemann, Cleveland Clinic
  – Banner, University of Arizona health systems merger
Advancing the Academic Health System for the Future
Advancing the Academic Health System for the Future

1. System-based health systems
2. University relationships will be challenged to evolve
3. Strong and aligned governance and organization
4. Enhanced profile and responsibilities of department chairs and physician leaders
5. Radically restructuring the operating model for cost and quality performance
6. Transparency in quality outcomes and financial performance
7. Begin the movement to population health now
8. Candid assessment of strengths and weaknesses
Health System Leaders
Working toward Higher-Value Care

• The business imperative for continuous improvement
• Culture that produces value at speed
• Failing fast and forward

• Aligning research with organizational goals & priorities
• Implementation at scale

• Good governance to enable big impacts
• The ethical imperative for improvement

• Sustainability in patient partnerships
• Partnerships to drive learning

• A continuous improvement workforce
• Economic case: infrastructure for continuous learning
Consistent message on ‘must haves’ for a high-value academic medical campus

• Unified vision, goals and objectives
• A governance structure designed to deliver on high-value care goals and objectives
• Clear communication up-down and across the full clinical-academic enterprise
• A culture that rewards an integrated rapid learning healthcare-academic center
Step 2. SWOT Analysis

Sources

• Wisdom of the Team

• Key Informant Interviews
  – David Goff, Dean, Colorado School of Public Health
  – Lilly Marks, Exec. Vice Chancellor, Anschutz Medical Campus
  – Bruce Schroffel, former CEO of UCH and UCHealth
  – Fred Suchy, Chief Research Officer, Children’s Hospital
    Colorado Research Institute
<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<td>• “Pockets of greatness”</td>
<td>• “Siloed” structure in many areas. Lack of group identity.</td>
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<td>• Basic science integration</td>
<td>• Lacking shared objectives and incentives</td>
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<td>• CHCO – recognition, market share, funding</td>
<td>• UCH - low market share</td>
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<tr>
<td>• Clinical and Translational Sciences –CCTSI, community engagement, pragmatic research</td>
<td>• Culture - not allowed to fail; slow decision making</td>
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<td>• Interdisciplinary professional education</td>
<td>• “Don’t walk the talk” – interdisciplinary practice</td>
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<td>• “Silos are on the same farm”</td>
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Anschutz Medical Campus Executive Council

University of Colorado Hospital

Children's Hospital Colorado
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<tr>
<th>Opportunities</th>
<th>Threats</th>
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<td>• No clear adult clinical market leader in region – opportunity to differentiate ourselves</td>
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<td>• Research funding aligning with healthcare system-enabling research and data networks (PCORI, NIH, AHRQ)</td>
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<td>• Changing funding model is necessitating change - organizational readiness for change</td>
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<td>• Vertically integrated systems may have greater efficiencies.</td>
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<td>• Emerging and evolving payment models using ‘big data’ and population-based metrics (maybe)</td>
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Institute common and concrete goals and measures that drive a sustainable, high-value healthcare system business proposition:

1. Market differentiation - reputation
2. Achieving the Triple Aim – better care, better health, lower costs
3. A learning healthcare organization

And fully leverages and rewards the talents and synergies available at our academic medical campus.

“row in the same direction, together”
Research shows that enterprises fail at execution because they go straight to structural reorganization and neglect the most powerful drivers of effectiveness—decision rights and information flow.

The Fits and Starts Organization
“let 1,000 flowers bloom”

This organization has scores of smart, motivated, and talented people, but they rarely pull in the same direction at the same time.

The most powerful way to improve the Fits-and-Starts organization is to strengthen the coordinating mechanisms that help everyone see the common goal and work towards it.
Organizational Effectiveness Simulator

Execution building blocks
- Decision Rights
- Information
- Motivators
- Structure

Comparison of execution scores

*Average score of all players who started with the fits-and-starts profile.
Best-in-Class Year 1 Implementation

Create Centers of Excellence
Clarify key processes
Assign process owners
Improve info flow
Delegate fewer decisions
Current: a silo-ed enterprise

Healthcare System

Adult

Pediatric

“High Value”

Grants

Contracts

Research Education Service

Academic Campus
A “High-Value Healthcare” Center of Excellence

Shared:
- Metrics
- Rewards

Community Engagement <-> Population Health

Healthcare Informatics plus Data Analytics

Health Services Research

Healthcare Delivery

Clinical Research

Basic Research

Inter-Professional Education <-> Trained Workforce

Pragmatic Research informing Practice
A “High-Value Healthcare” Center of Excellence

- Community Engagement <-> Population Health
  - Health Services Research
  - Healthcare Delivery
  - Clinical Research
  - Basic Research

- Shared: - Metrics - Rewards

- Inter-Professional Education <-> Trained Workforce

- PHILANTHROPY
- INDUSTRY
- Payers
- STATE / FEDERAL AGENCIES
Where to start now?

Establish demonstration project(s) to show how an academic medical center provides high-value outcomes under emerging payment models:

Select based on:

• local market differentiator
• where we have academic-basic science strengths
• where the market is moving re: value demonstration
• can demonstrate near-term success
Possible demonstration projects

**Established Multi-Disciplinary Groups**
- Oncology / Pancreatic-Biliary Multidisciplinary Clinic
- Mucosal Inflammation Program/ GEDP

**Emerging Multi-Disciplinary Incubator**
- Neuroscience / Mental Health
Whatever there be of progress in life comes not through adaptation but through daring.

Henry Miller
Presentation Themes
LITeS 2014-2015

• Improved governance structure may be needed to best align the academic & health care missions of the University
  – Clear decisional authority
  – Accountability
• Clinical research infrastructure is needed to improve institutional competitiveness
• Promoting Team Science will require:
  – Changes in the existing academic culture
  – Infrastructure
  – Commitment to educate and train faculty at all levels