HFMA'S VALUE PROJECT

Building Value-Driving Capabilities:
People and Culture
Of all the transformations reshaping American health care, none is more profound than the shift toward value. Quality and patient satisfaction are being factored into Medicare reimbursement, while private payers are pushing for performance and risk-based payment structures. At the same time, rising healthcare costs are creating more price sensitivity among healthcare purchasers, including government agencies, employers, and, of course, patients themselves, who are being asked to pay higher premiums, copayments, and deductibles for their care.

Hospitals have always cared about quality because they are fundamentally dedicated to patients’ well-being. But today’s pressures make it financially imperative to develop collaborative approaches that combine strong clinical outcomes with effective cost containment.

HFMA’s Value Project aims to help guide the transition from a volume-based to a value-based healthcare payment system. With the support of 17 leading hospitals and health systems (listed on the inside back cover of this report), which serve as the project’s steering committee and research sponsors, HFMA has engaged in a series of interviews with finance and administrative leaders and their clinical partners at providers who are leading the transition to value, including:

- Advocate Health Care
- Baptist Health South Florida
- Baylor Health Care System
- Bellin Health
- BJC HealthCare
- Bon Secours Health System
- Catholic Health East
- Catholic Healthcare West
- Cleveland Clinic
- Geisinger Health System
- HCA - Hospital Corporation of America
- Intermountain Healthcare
- Lee Memorial Health System
- The Methodist Hospital System
- New York-Presbyterian
- Novant Health
- Partners HealthCare
- Rush University Medical Center
- Scottsdale Healthcare
- Sharp HealthCare
- Spectrum Health
- Texas Health Resources
- UAB Medicine - UAB Hospital
- Unity Health System

HFMA has also interviewed a range of organizations representing the perspectives of patients, employers, commercial payers, and government agencies, including:

- The Access Project
- American College of Physician Executives
- Blue Cross Blue Shield Association
- Catalyst for Payment Reform
- HFMA-UK
- Institute for Healthcare Improvement

In addition, HFMA has conducted two industry surveys, the first on the current state of value in health care and the second on future directions for value in health care. For additional information, visit the Value Project website at www.hfma.org/ValueProject.
FMA’s Value Project has defined four areas organizations should cultivate to adapt to a value-based healthcare system:

- People and culture
- Business intelligence
- Performance improvement
- Contract and risk management

In a series of reports, HFMA’s Value Project will examine each of these four value-driving capabilities in detail, identifying skills, strategies, and tactics that will help organizations build these capabilities. This report—the first in the series—focuses on ways that providers can develop their people and culture to drive value within their organizations.

There are four key ways providers can develop both a value-driving staff and culture.

**Define a strategic vision for value.** This includes adopting a common understanding of value, redefining an organization’s vision, and communicating and reinforcing the value message throughout the organization.

**Build multidisciplinary teams focused on achieving value.** Interviews with leading providers that have effectively cultivated collaboration throughout their organizations yield several lessons for developing multidisciplinary teams. Start at the top, by assessing the composition, expertise, and priorities of the organization’s board and senior leadership team. A balanced board and senior leadership team set the stage for promoting collaboration between clinicians and finance and administrative professionals to improve value throughout the organization. Make the teams’ top priority improvements in quality of care. Recruit willing players for multidisciplinary initiatives, and build trust with consistency.

**Manage and reward employee engagement.** Engagement of hospital staff has been shown to be a key indicator of positive quality outcomes for patients. Organizations seeking to increase employee engagement should start by building an understanding of what employees value most. This information should then be used to shape an organization’s compensation structures, employee development opportunities, leadership development programs, and internal communications and identify areas for improvement. Organizations should regularly monitor employee satisfaction and should move to quickly address issues that decrease satisfaction.

**Reorient care around the patient experience.** As hospitals and health systems devote more attention to accessing the system from the patient’s perspective, they are discovering improvements in patient access, navigation, and organizational structure that can enhance both the quality and cost-effectiveness of care. Organizations should ensure that patient advisory councils are in place and that patient input is incorporated into decisions that affect care delivery and patient interactions with the system. They should also work to improve patient access and align the organization’s structure around the patient experience.

Additional strategies and tactics for developing the skills necessary for a value-driving people and culture are available in HFMA’s Value Project web tool. The tool, along with additional resources, can be accessed on the Value Project website at www.hfma.org/valueproject.
This page intentionally left blank
An organization’s people and culture serve as cornerstones for value. Without a culture focused on value and a staff continually engaged in creating value, efforts to drive value are unlikely to succeed. But an organization’s people and culture can resemble a cornerstone in other respects: set firmly in place and difficult to move. Engaging people in the need for culture change requires strong leadership, clear communication, persistent effort, and patience.

The task of developing a value-driving people and culture involves significant effort, but establishing realistic goals and expectations will help make change more manageable. This report outlines four key elements in creating a people and culture capability for value.

- Define a strategic vision for value.
- Build multidisciplinary teams focused on achieving value.
- Manage and reward employee engagement.
- Reorient care around the patient experience.

**DEFINING A VALUE-FOCUSED VISION**

In the area of people and culture, the adage “change starts at the top” is true. It is essential that an organization’s board and senior executive team unite around the need to create value and clearly and consistently communicate the need for value creation throughout the organization.

**THE VALUE EQUATION RECONSIDERED FOR HEALTH CARE**

\[
\text{Value} = \frac{\text{Quality}^*}{\text{Payment}^†}
\]

* A composite of patient outcomes, safety, and experiences
† The cost to all purchasers of purchasing care

Source: HFMA’s Value Project.

There are three strategies providers should consider in defining a value-focused vision.

**Adopt a common understanding of value.** Defining a vision for value depends, of course, on a common understanding of value. In *Value in Health Care: Current State and Future Directions*, HFMA’s Value Project identified key components of the definition of value in health care, including the following:

- Value is defined from the perspective of the purchaser: the patient and other purchasers, including employers and government agencies
- Value is a function of the quality of the care received over the total amount paid for the care (the value equation)
- Quality comprises patient access to care, the safety of care, the outcomes of care, and respect for the patient
- Value is enhanced by improving the quality of care, reducing the price of the care, or both
- Value requires a culture in which all people are focused on value creation

Healthcare leaders should use these assumptions as a starting place for a discussion among their organizations’ board and senior leaders on the definition of value. Is there agreement on these components? Would the organization add any additional components to this definition? The ultimate goal is to arrive at a definition of value that is explicitly and unanimously endorsed by the board and senior leadership team.

**Redefine the organization’s vision.** Once an organization’s leadership team has adopted a common understanding of value, it should review the organization’s mission and vision statements and strategic goals to see if they align with a goal of creating value.
A variety of factors will influence an organization’s vision—for example, whether it is a teaching hospital or critical access hospital, the demographics of the population it serves, and more—but a value-focused organization should be committed to:

- Respecting the needs of patients and their families
- Improving the safety and outcomes of care
- Improving the affordability or cost-effectiveness of care for the purchasers of care
- Supporting the development, competency, and commitment of the organization’s people in providing value
- Improving the health of the population served

There are, of course, many ways in which these concepts can be incorporated into an organization’s vision. In the case study from Bellin Health featured below, the vision statement focuses on the health of the population served.

Bellin Health, a community-owned, not-for-profit health system serving northeast Wisconsin and Michigan’s Upper Peninsula, has made a strong commitment to value through a mission statement, vision statement, and set of strategic objectives adopted in August 2010. “Defining our vision required thinking about each role in the organization from a quality and cost perspective, and being patient-centered,” says Jim Dietsche, Bellin’s CFO.

Bellin’s mission statement reads:

Directly, and in partnership with communities, employers, schools, and government officials, we guide individuals and families in their lifelong journey toward optimal health. We are committed to providing safe, reliable, cost-effective total health solutions with respect and compassion. Our innovative work will impact healthcare delivery in our region, as well as throughout the world.

The mission statement is complemented by a vision that “the people in our region will be the healthiest in the nation” and supported by the following four strategic objectives:

- **Engaged staff and partners.** This objective defines a positive culture based on the values of people, superior service, continuous improvement, learning and development, and innovative thinking.

- **Improved health of the population.** This objective commits Bellin to providing high quality healthcare products and services at an affordable cost, while offering a positive experience.

- **Growth and prosperity.** This objective sets a goal of lowering the cost of healthcare services for Bellin’s region to the lowest in the nation, while maintaining a bond rating at or above investment grade.

Bellin’s vision notable in its consistent focus on improving population health, optimizing patient experiences and engagement, cultivating and supporting a committed, competent staff, and continuously improving the value of care, both in terms of both quality and cost-effectiveness.

While focusing on the region Bellin serves, the statements also incorporate aspirational goals that will position Bellin as a national healthcare leader—a source of pride for Bellin’s employees and for the population they serve.

A full copy of the Bellin mission, vision, and strategic objectives is available to HFMA members in the Value Project web tool at www.hfma.org/valueproject.
while the mission statement and strategic goals provide more details on specific partners, strategies, and benchmarks the organization will pursue to create value.

**Communicate and reinforce the value message throughout the organization.** After the leadership team has incorporated a focus on value into the organization’s vision, it faces the critical and ongoing task of communicating and reinforcing the organization’s value message throughout the organization. The goal of this task is to ensure that the value message penetrates all aspects of the organization’s operations; accordingly, it must be pursued using multiple vehicles and tactics.

Successful organizations use multiple channels in combination to create a value-focused culture. Examples include:

- Distilling the organization’s vision into a single, focused statement that summarizes the organization’s value goals and consistently incorporates that statement in communications with staff
- Scheduling regular recognition events for departments and individuals that have improved or sustained the value of care
- Aligning compensation and incentives with the organization’s value goals, balancing the weight given to financial results with the weight given to improving the quality of care

Most important, the value message carried through these channels must be applied consistently across the organization and all members of the organization must be held accountable to it.

**BUILDING MULTIDISCIPLINARY TEAMS**

The two factors driving the value equation—quality and cost-effectiveness of care—make the development of multidisciplinary teams comprised of both clinicians and finance and administrative staff essential to the creation of value. Clinicians must understand the cost implications of the decisions they make, while finance and administrative professionals must understand the processes necessary to improve quality—and that quality outcomes are at least as important as cost efficiencies.

Interviews with leading providers that have effectively cultivated collaboration throughout their organizations yield several lessons for developing multidisciplinary teams.

**Begin at the top.** Start with an assessment of the composition, expertise, and priorities of the organization’s board and senior leadership team. A balanced board and senior leadership team set the stage for promoting collaboration between clinicians and finance and administrative professionals to improve value throughout the organization.

Competencies for new board members should represent a forward-looking, value-focused perspective, including, for example, experience with delivery of care across the continuum or perspectives on patient, employer, or health plan priorities. Clinical, financial, and administrative expertise should be represented on the board. The board’s agenda and committee structure should also reflect a value-based balance between clinically-driven quality concerns and financial results.

Board members should consider shadowing clinicians on the floor to better understand the issues involved in clinical process redesign, rather than solely receiving the results of such initiatives (both clinical and financial) through reports and meetings.
A hospital’s senior leadership team should also include balanced representation of clinical, financial, and administrative officers. To help ensure that these leaders function effectively as a collaborative team, the organization should develop or identify leadership training programs to make clinical leaders conversant in finance and business issues and finance and administrative leaders conversant in clinical issues. Finance and administrative officers should also be encouraged to periodically round with the chief medical officer or chief nursing officer and sit in on physician or nurse meetings to stay apprised of the relationship between financial decisions and delivery of care.

**Lead with quality.** This lesson will often require a leap of faith from finance members of the team, but clinicians will be much more engaged in an initiative that focuses first on improved quality of patient care. HFMA’s Value Project surveys indicate that most finance officers see a link between quality and cost improvements; their role is to quantify cost improvements as they work with clinicians on quality. Value Project interviews with CFOs at organizations that have taken the “quality leap of faith” find that the CFOs have become true believers in the link between quality and cost-effectiveness.

**Begin team-building initiatives with willing players.** Within an organization, different departments will have different cultures. Don’t start the effort at team-building with groups that are most resistant to change. Seek out departments with strong leaders who will champion the drive for value. Establishing early wins with these groups should lessen the resistance of others.

**Build trust with consistency.** Finance professionals and clinicians share a mutual respect for data. The finance side of the team can go a long way in building trust among team members by ensuring the consistency and accuracy of data used to identify value improvement opportunities and report on the progress of initiatives.

**Managing and rewarding employee engagement**

As healthcare organizations work to develop a people and culture focused on value, managing and rewarding the engagement of staff and monitoring their satisfaction will be essential to delivering on patient’s expectations for quality of care.

From the patient’s perspective, quality is driven by a variety of components: access to care, safety, quality outcomes, and respect. Most of these are driven by the patient’s interactions with hospital staff. And engagement of hospital staff has been shown to be a key indicator of positive quality outcomes for patient. For example, a 2005 Gallup study of more than 200 hospitals found that nurse engagement was the No. 1 predictor of mortality variation across the hospitals, exceeding in importance the ratio of nurses to total patient days and the percentage of overtime hours per year.

Bon Secours Virginia’s experience with clinical transformation teams, highlighted in the case study on page seven, illustrates the quality/engagement link. As quality outcomes improved, so did engagement of the system’s RNs.

---

**Patient Quality Concerns**

- **Access**
  - Make my care available and affordable
- **Safety**
  - Don’t hurt me
- **Outcomes**
  - Make me better
- **Respect**
  - Respect me as a person, not a case

Source: HFMA’s Value Project.

---

Employee engagement is important in other respects as well. Value creation will depend on attracting and retaining high-potential talent in both clinical and finance and administrative positions. Shortages of talent are already predicted for clinicians key to value creation, including nurses and primary care physicians. Healthcare organizations will need to understand what motivates high-potential talent—especially in those areas where there is likely to be competition for talent—and manage to these motivators.

Understand employee value drivers. Organizations seeking to increase employee engagement should start by building an understanding of what employees value most. Miami-based Baptist Health South Florida (BHSF) used a conjoint analysis of 23 job attributes (a research method that requires respondents to rate or rank attributes in order of preference) to identify five key value drivers: culture and core values, skills development and career growth opportunity, total rewards, quality of leadership, and work content.

Organizations should also consider segmenting certain groups—such as employed physicians or nurses—to better understand value drivers for employees that will be central to value-improvement efforts. Hospitals and health systems with large, independent medical staffs should also seek information on what independent physicians value in their partnership with their organizations.

The information on value drivers gathered from employees should help shape an organization’s compensation structures, employee development opportunities, leadership development programs, and internal communications strategies and content. It can also help identify “pain points” for employees generally or specific employee groups, identifying areas that the organization should prioritize for improvement to increase employee engagement and satisfaction.
Monitor engagement. All employees in the organization should be surveyed annually to monitor employee engagement and satisfaction. Survey instruments can be developed internally; there are also a number of tools available from national organizations (including Gallup, the Corporate Leadership Council, and the Great Place to Work Institute) that allow benchmarking against other organizations. A hospital should assess survey tools developed by external organizations to ensure that the tool measures employee attitudes and values that align with key value drivers the hospital has identified for its employees. Once a survey tool is selected, it should be used consistently to enable longitudinal tracking of changes in employee engagement.

Annual employee surveys can be supplemented with more focused, qualitative surveys of employee engagement. At BHSF, qualitative feedback is garnered from quarterly focus groups with department leaders and monthly discussions with employee advisory councils. The feedback helps BHSF understand any changes it sees in employee engagement trends and allows it to diagnose and resolve any potential issues before they develop into larger problems.

Manage engagement. When problems with employee engagement arise—and especially when they persist—organizations must be prepared to take action. BHSF tracks employee engagement by department, and focuses its attention on department leaders when it sees signs of slippage in a department’s employee engagement scores (see the case study below).

CASE STUDY: A FOCUS ON LEADERSHIP SKILLS AT BAPTIST HEALTH SOUTH FLORIDA

Miami-based Baptist Health South Florida (BHSF) is a recognized leader in employee engagement. It has earned recognition as one of Fortune magazine’s “100 Best Companies to Work For” every year since 2003, and has twice been awarded Gallup’s Great Workplace Award (in 2009 and 2011) for having a productive and engaged workforce.

To sustain its high levels of employee engagement, BHSF devotes significant attention to the performance of department leaders. In departments where employee engagement is low, BHSF uses root-cause analysis to understand why scores are lagging. In some instances, lower scores may be due to a new department manager who is holding employees accountable. No intervention is typically necessary in these cases; often, the manager just needs more time to implement change. But in other instances, lower scores may be attributable to a manager’s leadership skills. BHSF approaches these situations on a case-by-case basis. “Occasionally, a talented clinician has moved into a leadership role, but lacks management skills and doesn’t enjoy the role,” says Corey Heller, BHSF’s corporate vice president and chief human resources officer. “In these cases, we work to reassign the clinician to a more appropriate position with a higher probability of success.”

In other cases, a manager has potential to improve. Here, HR professionals will begin with a career discussion with the manager to ensure that they want to be in a management role, and if so, will prepare a developmental action plan to address the manager’s deficiencies. Performance improvement is monitored for up to six months, depending on the severity of the situation and the manager’s tenure with the organization.

BHSF also believes that organizations will need to invest heavily to attract and retain high-potential talent in coming years. To this end, it:

- Provides specialized training to employees through its in-house Baptist Health University System
- Identifies cross-functional assignments for potential leaders to provide on-the-job training and develop problem-solving skills
- Uses a mentorship program to cultivate future leaders

BHSF also has begun to base promotions and succession planning not just on results, but also on how results were achieved. It has established 10 core competencies that influence 20 percent of the leadership performance appraisal to ensure that results are being achieved in the right way. A copy of BHSF’s leadership competencies is available on the HFMA Value Project web tool at www.hfma.org/valueproject.
**Rewarding engagement.** Senior leaders should clearly make the connection between employee engagement and patient satisfaction. One of the most powerful ways of doing so is providing incentives and rewards—both financial and nonfinancial—to employees who make an engaged effort to improve patient satisfaction.

As indicated in the exhibit below, organizations are giving an increasing amount of attention to patient satisfaction, as well as employee satisfaction, in determining management compensation. Financial incentives need not, of course, be limited to managers. Patient satisfaction goals can be set for many departments in a hospital—both clinical and administrative—with all members of a department rewarded appropriately when those goals are met.

Nonfinancial incentives can be powerful motivators as well. Several organizations interviewed for the Value Project have implemented award programs that recognize employees who have gone above and beyond expectations in improving patient care or the patient experience.

---

**MANAGING AFFILIATED PHYSICIANS**

Advocate Physician Partners, a joint venture with Advocate Health System in Oak Brook, Ill., adopted the goal of “creating a culture of committed physicians” as one of four strategic pillars in a 2006 update to its strategic plan. To that end, it has defined a set of criteria that all 3,800 physician members of the joint venture (including 900 employed and 2,900 independent physicians) must maintain to remain members of the organization. A designated credentials committee of the board of directors defines and oversees compliance with the physician membership criteria (20 criteria as of 2011, in such areas as access and availability, internet connectivity, and participation in clinical integration programs). Physicians who fail to meet the membership criteria are asked to leave if they cannot remedy the deficiency. At the same time, maintaining membership criteria is a point of pride for the vast majority of the physicians, and forges deeper engagement with the organization.

---

**COMPENSATION-BASED INCENTIVES**

**Percentage of Hospital Pay Packages Linking Each Category to Management Compensation**

REORIENTING CARE AROUND THE PATIENT EXPERIENCE

Health care has always been patient-focused; it has not, however, always been centered around the patient experience. As hospitals and health systems devote more attention to accessing the system from the patient’s perspective, they are discovering improvements in patient access, navigation, and organizational structure that can enhance both the quality and cost-effectiveness of care. Many of these improvements also heighten patients’ engagement with their care—a key component in improving quality-of-care outcomes.

Establish patient advisory councils. Organizations that have not already done so should strongly consider forming patient advisory councils to ensure that patient perspectives are being incorporated into decisions that affect care delivery and patient interactions with the system. Spectrum Health, based in Grand Rapids, Mich., has been a leader in this area and offers suggestions for forming councils in the case study below. With the patient perspective in place, organizations can begin to assess changes that create value for the patient—and potentially, for the organization as well.

CASE STUDY: EMBRACING THE PATIENT’S PERSPECTIVE AT SPECTRUM HEALTH

In 2006, Spectrum Health established its first patient and family advisory council. Today, 10 such councils are used throughout the system, including an executive council, councils focused on specific conditions or patient groups, and councils for individual facilities within the system.

Kris White, Spectrum Health’s vice president for innovation and patient affairs, believes that the patient perspectives Spectrum Health gains from the councils will help Spectrum Health and like-minded hospitals and health systems differentiate themselves in the future. “Pricing and patient outcome issues will eventually settle down,” says White. “The differentiating factor will be the consumer-centrism of the organization. The ability to organize and function as an integrated delivery system with the patient and family at the center and fully engaged will be what sets organizations apart.”

The input of patient and family advisory councils has become an essential part of planning at Spectrum Health. White notes that input on facility and environmental design and feedback or guidance on patient-directed communications have been particular “sweet spots” for the councils’ work. In addition, patient representatives serve on the ethics committee, patient education council, safety committee, hospital board quality committee, and other oversight bodies.

White offers the following tips for organizations that are seeking to establish a patient advisory council.

• Think through the interview and training process in advance. What are the characteristics of the community served by your organization, and how should the interview process ensure that those characteristics are reflected in members of the council? Once members have been selected, preparing the patient advisors and leadership is essential. Having frank and open discussions is critical to having true impact.

• Look for “constructively discontented” individuals. Councils should not be populated only with patients or family members who have had positive experiences. Individuals who see gaps within care and processes of care—and can talk about them constructively—will add much value to the council’s input.

• Pay attention to the structure and management of the councils. The work of councils should be focused on consumer concerns and should address strategic issues the hospital or health system is facing. A skilled facilitator can help keep the council’s work on track.

White notes that success of patient advisory councils also depends on the philosophy, values, and commitment of the hospital’s or health system’s leadership. Members of advisory councils are volunteering their time to improve the organization. They need to see an active interest in and respect for their contributions from the organization’s decision makers.

For more information on the composition and work of Spectrum Health’s patient and family advisory councils, visit www.spectrumhealth.org/pfac.
Improve patient access and navigation. Patient access to care is often complicated by financial, logistical, and social barriers. Patient-centered hospitals and health systems are implementing both human and technological solutions to guide patients around these barriers.

Patient navigators. The concept of patient navigation originated in the late 1980s, and has grown significantly since. Patient navigators are specially trained individuals who help patients around the complexities of the healthcare system. The use of navigators was initially focused on uninsured and underserved patients, who often face especially daunting financial and social barriers to care. In recent years, the value of navigation to patients and providers alike has led to expanded use of navigators.

Patient navigators can play different roles within the patient experience of care. Financial navigators focus on helping uninsured or underinsured patients access financial assistance programs. Diagnosis navigators—used especially in such areas as oncology—help patients through the process and challenges of being diagnosed with a serious disease. Closely related to diagnosis navigators are treatment navigators (a single navigator may function as both), who help patients assess treatment options, schedule appointments, and follow care protocols for complex or chronic conditions. Some organizations are also using outreach navigators, who speak to community groups and schedule appointments for recommended screening tests.

Funding for patient navigators originally came from public health and foundation grants, but some hospitals and health systems are now funding navigators themselves, citing both improvements to the quality of patient care and the cost-effectiveness of patient navigation through reductions in missed appointments. Financial navigators can also reduce bad debt and charity care rates.

Patient kiosks. Patient kiosks can supplement or serve as a more limited option to a patient navigator program. Kiosks are especially helpful for preregistered patients, who can use the kiosk to complete their registration automatically upon arrival. Kiosks can also be programmed with more advanced technologies that notify a nurse or physician that a patient has arrived for an appointment, allow patients to print out maps of the hospital, or produce barcoded patient wristbands that can track a patient through the hospital stay and send text updates to family members on the patient’s progress.

Patient web portals. Many hospitals already have patient portals in place that allow online payment of bills or appointment scheduling. The value of these portals can be greatly increased, however, by integrating the portal with the patient’s electronic health record (EHR). Patients can then access lab results, diagnoses, and appointment schedules and receive reminders for follow-up visits. Patients with chronic conditions or those undergoing extensive treatments also can enter information (e.g., results of glucose-level testing) in the portal, which can be programmed to automatically alert clinicians if the reported information exceeds certain thresholds. Portals integrated with an EHR should, of course, be password-protected to protect the patient’s privacy.

Align the organization’s structure around the patient experience. The access and navigation aids described above can do much to improve operational efficiencies and the patient experience. The next step is to examine how well organizational structures—and possibly facility design—align with the patient experience.

---

2 For more information on different navigator types, see “Ralph Lauren Center Provides Financial Navigators for Patients,” Patient Friendly Billing e-Bulletin, HFMA, March 2009.
Patients who are undergoing complicated procedures or are receiving treatment for chronic conditions are often required to access a variety of services within a hospital—and sometimes among different providers. Several of the providers interviewed for HFMA’s Value Project have redesigned organizational structures to bring these disparate services together. The Cleveland Clinic, for example, has begun reorganizing care into institutes centered on disease or organ systems such as cardiology, neurology, and oncology. Bellin Health is organizing care around “brands”—such as brain, spine, and pain or heart and vascular—that house related patient services within a single center. The goal for both institutions is to make the patient experience of care as seamless as possible.

Organizations that are in the position to replace or redesign facilities should take the opportunity to examine the new facility design through the patient perspective. Here again, a patient advisory council can be invaluable. Kris White, vice president of innovation and patient affairs at Spectrum Health, notes that feedback from a patient advisory council caused the system to redraw the infusion center at a new oncology facility. “Our patient advisors helped us to understand the critical role of their family and the need to plan space for their family to be present and support them while receiving care,” says White. “They also felt that options either to have care in a more private setting or to engage with others undergoing treatment was important, depending on their physical or emotional needs at the time of care.”

It is difficult to quantify the ROI on a patient-centered organizational structure or facility redesign. But patient experience of care will have a tangible impact on payments to hospitals with the start of Medicare’s value-based purchasing (VBP) program in 2012. By 2017, two percent of Medicare payments will be at risk under VBP, and 30 percent of this at-risk amount will be attributable to patient experience of care as measured by HCAHPS (Hospital Care Quality Information from the Consumer Perspective). To the extent that organizational structure or facility redesign efforts improve the quality of care, increase patient satisfaction, and facilitate patient throughput, they are likely to prove winning solutions for patients and providers alike.

CONCLUSION
As this report suggests, focusing an organization’s people and culture on value is an effort that should involve everyone from the organization’s senior leaders to the patients it serves. Given the breadth and depth of the effort required, organizations should take a measured approach to developing a value-based culture and staff while maintaining a consistent focus on the need for change.

Additional strategies and tactics for developing the skills necessary for a value-driving people and culture are available in HFMA’s Value Project web tool. The tool, along with additional resources, can be accessed on the Value Project website at www.hfma.org/valueproject.
RESEARCH SPONSORS AND ACKNOWLEDGEMENTS

Research for this report was sponsored by the 17 hospitals and health systems represented on HFMA’s Value Steering Group, including:

Advocate Health Care
Baptist Health South Florida
Baylor Health Care System
BCJ HealthCare
Bon Secours Health System
Catholic Health East
Catholic Healthcare West
Cleveland Clinic
Geisinger
HCA
NewYork-Presbyterian
The University Hospital of Columbia and Cornell
Partners Healthcare
Presbyterian
Rush University Medical Center
Spectrum Health
Texas Health Resources
UAB Medicine
UAB Hospital

Project consultant: Terry Allison Rappuhn
The Healthcare Financial Management Association (HFMA) provides the resources healthcare organizations need to achieve sound fiscal health in order to provide excellent patient care. With more than 35,000 members, HFMA is the nation’s leading membership organization of healthcare finance executives and leaders. We provide education, analysis, and guidance; we lead change and innovative thinking; and we create practical tools and solutions that help our members get results. Addressing capital access to improved patient care to technology advancement, HFMA is an indispensable resource on healthcare finance issues.

BUILDING VALUE-DRIVING CAPABILITIES: PEOPLE AND CULTURE

October 2011
Copyright 2011

Healthcare Financial Management Association
Two Westbrook Corporate Center, Suite 700
Westchester, Illinois 60154-5700

All rights reserved.
Correspondence: resourcecenter@hfma.org