Developing New Practice Models across Multiple Hospitals

Activity Overview

Are you part of a multiple-hospital system, either as a leader in one hospital or overseeing multiple sites? Learn ways to create a new practice model that strategically integrates services in multiple hospitals and in the process identify tips for implementing change, establishing effective organizational communication, and capitalizing on new opportunities.

Learning Objectives

After participating in this application-based educational activity, participants should be able to

- Describe the elements of practice model innovation success.
- Identify areas of strategic priority for integrating services to support practice model advancement.
- Conduct a gap analysis on resources needed to accomplish strategic priorities.
Developing New Practice Models across Multiple Hospitals

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Elements of Practice Model Innovation

Audience Question
Questions about you…
1. Are you a pharmacy executive?
2. Are you a pharmacy director of multi-hospitals?
3. Are you a pharmacy director/manager of a single-site hospital?
Why is practice innovation critical?
• Three financially driven external environmental issues that we need to respond to with transformation
  – Eliminating the commercial cost shift
  – Government dollars drying up both at the federal and state level
  – Increasing pressure on creating a “system of care” across the continuum to thrive

Where are the opportunities in pharmacy?
• Clinical practice in a “system of care”
  – Working at the “top of your license” in every setting. What does that mean?
  – Defining and implementing complementary pharmacy services across multiple settings to avoid driving costs up and still achieving high quality outcomes and increased patient experience. What does that mean?

What trends are seen in pharmacy?
• Centralizing key pharmacy functions
  – Formulary management
  – Purchasing
  – Distribution center
  – Pharmaceutical contracting
  – Consolidation of business units within a “system of care”
    • E.g. Specialty pharmacy, mail order, central fill
  – Medical informatics and decision support
Transforming without creating chaos?

- Phased approaches
  - Collaboratives or targeted work groups
- Rapid cycle changes
  - LEAN; Kaizen
- Selective disruption (re-organize)
  - Organizational assessment design
  - Leadership changes

Where are the opportunities in pharmacy?

- What are the leadership qualities needed in this environment?
  - Ability to learn new competencies
  - Generalists versus specialists
  - Humble leadership or servant leadership

MedStar Health, Inc.

- Not-for-profit health system in Maryland and D.C.
- Nine hospitals
- Eight retail pharmacies
- Centralized I.V. admixture service
- Home infusion pharmacy
- Statistics:
  - 3,100 beds
  - >4M orders per year
  - >10M doses administered per year
  - 27,000 associates, 5,600 affiliated physicians
- "Most Wired" for eight years
- Best Places to Work in Baltimore for five years
Types of Organizational Structures

- Functional
  - Pyramid
  - Traditional
  - Horizontal vs. vertical

Matrix Structures

Matrix Reporting

- Dual (or more) lines of authority
  - Functional
  - Divisional

- Strengths
  - Access to experts
  - Maximizes use of resources
  - Cross functional

- Weaknesses
  - Ambiguity of roles and responsibilities
  - Challenge to manage
Matrix Reporting

Audience Question

How many supervisors do you report to?

a. 1
b. 2
c. 3
d. More than 3

Audience Question

Do your reports have a solid or dotted line to you?

a. All solid
b. All dotted
c. Mix
Audience Question
For system pharmacy leaders: Do site directors of pharmacy report to you?

a. Solid line to only you
b. Solid line to you and dotted to site leadership
c. Dotted line to you and solid to site leadership

Audience Question
For those with matrix reporting: Do you feel that matrix reporting

a. Increases your effectiveness.
b. Decreases your effectiveness.
c. Mixed results.

Establishing Roles & Responsibilities
• Often “in addition to day job”
• Setting expectations
• Defining formal and informal reporting relationships
• Communications – three dimensional
  – Vertical
  – Horizontal
  – Multidisciplinary
Audience Question
Are your roles and responsibilities clearly delineated?

a. Yes
b. No

Audience Question
On projects that you lead, do you feel that roles and responsibilities clearly delineated?

a. Yes
b. No

“RACI” Responsibility Charting

<table>
<thead>
<tr>
<th>“R”</th>
<th>Responsibility</th>
<th>Who actually completes the task?</th>
</tr>
</thead>
<tbody>
<tr>
<td>“A”</td>
<td>Accountability</td>
<td>Who is ultimately responsible?</td>
</tr>
<tr>
<td>“C”</td>
<td>Consult</td>
<td>Who is consulted before final decision or action?</td>
</tr>
<tr>
<td>“I”</td>
<td>Inform</td>
<td>Why is informed after a decision or action is taken?</td>
</tr>
</tbody>
</table>

For more information, see [http://www.manmadeproductions.com](http://www.manmadeproductions.com) search “RACI”
Outline

1. Who are our customers?
2. How do we access consumers?
3. Preparing for the future: consumer segmentation
Many Types of Customers

- **Clinical Customers** (e.g., a clinician is a customer of Prov. Labs)
- **Payer Customers** (e.g., PHP & OHP are customers of PH&S)
- **Consumer Customers** (e.g., individuals & patients are customers of PH&S)
- **Employer Customers** (e.g., PEBB & Intel are customers of PHP)
- **Internal Customers** (e.g., Clinical Programs are customers of IT)

Who is the ultimate customer of what we provide as a ministry?

*Proposed: our customer is the individual/patient making the ultimate healthcare decision to choose Providence and our aligned provider partners*

The consumer/patient is at the center of our business and the reason for:

- Investing in IT
- Measuring our clinical outcomes
- Clarifying the Providence experience
- Reducing our cost structure

What are our channels? (Current & Untapped)

- **Payer channel**: commercial, government, self-insured employer, exchange
- **Clinical channel** (non-monetary/referral relationship): employed providers, aligned providers, community health partners, nonprofit health resources
- **Direct-to-consumer channel**: online, retail, PR/advertising
- **New entrants**: Physician directory, rating & appointment booking vendors (SprigHealth, ZocDocs, HealthGrades); health navigators; mobile-based tools to connect patients to providers (iTriage)
Payor Segments

Programs / Service Lines
- Medical Group
- A cut E Care
- Ambulatory
- Home Services
- Prim ary Care Operations (Delivery System)
- Programs / Service Lines
- Support Services (IT, HR, SMS, Finance, etc.)

Trends
Health Insurance
- Oregon health insurance market is highly saturated
- Hyper price sensitivity has created irrational pricing behaviors by the carriers
- Upcoming exchanges (public and private) have created a demand for:
  - Defined contribution capabilities
  - Greater value through cheaper offerings, narrow networks, greater integration, and more robust wellness and medical management
  - Strong consumer and brand awareness
- CCOs – a new competitor, are demanding more accountability from the delivery system
- Growing demand for Medicare Advantage – lower payments
- Groups looking to move to ASO to control costs and minimize the impacts of PPACA

On Demand Market
- Consumers want low-cost, convenient "On Demand" healthcare solutions regardless of PCP relationship
- Consumers without a PCP relationship
- Consumers with a PCP relationship
High to Low Cost Settings of Care

Need to develop options for moving patient care to the most appropriate, lowest cost setting

Hospital & ED
Specialty Clinic
PCP Clinic
IC Clinic
Community Health Partners
Virtual / TeleHealth: Kiosk
Phone
Online / Web
Mobile App

System requires transformation not alteration

Visit
The Center for Healthcare Quality and Payment Reform at http://www.chqpr.org

Accountable Healthcare Math

<table>
<thead>
<tr>
<th>Current FFS</th>
<th>Value Based FFS</th>
<th>BundleCare Package</th>
<th>Global Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery system sets the price for commercial and non-contracted payors</td>
<td>Payer sets the price in private market + Value based incentives for outcomes &amp; experience at the FFS level</td>
<td>Patient receives &quot;organized care&quot; + Payer gets predictable and perhaps lower price + Delivery system is able to capture value across continuum from appropriate use of &quot;inputs&quot; and selecting highest value provider of inputs</td>
<td>Patient receives &quot;organized care&quot; across Care Packages + Payer gets predictability and perhaps lower total spend</td>
</tr>
</tbody>
</table>
The Accountable Care Competency Tree
From core competencies to core services and products

Oregon Region Strategic Intent
“We believe the way to deliver the greatest value (as defined by Triple Aim) to the consumer is through integrated systems of care and within a business model where we take financial and clinical risk accountability for the care we provide.”

Cost of Cancer Care Intensifying
**Breakout Exercise**

**Leadership and Management**
- Collaboration
- Cultivating and using experts from within organization and system
- Fostering innovation from the “front lines”
- Effective sharing and synergies to motivate

**How Do Groups Collaborate?**
- Brainstorming
- Team building
- Stakeholder buy-in
  - Internal
  - External
- Communication
  - Internal
  - External
- Cross disciplinary
Blending/Forming Culture

- Must be learned by newcomers
- Socialization
- Tuckman’s group development model:
  - Forming
  - Storming
  - Norming
  - Performing
- Culture eats strategy

Rules for Collaboration

- Look for common ground
- Learn about others – listen, ask questions
- Everyone participates
- Everyone shares responsibility for process and outcomes
- Critique results, not people
- Give and get respect; respect differences
- Proceed slowly…

7 C’s of Communication

- Correctness
- Conciseness
- Clarity
- Completeness
- Concreteness
- Consideration
- Courtesy
How are decisions made?

- Who is at the table?
- Structure for decisions:
  - Pros and cons
  - Internal comparisons
  - External benchmarking
- How are decisions communicated?
  - Minutes
  - Newsletters
  - Team reports
- How are unresolved issues escalated?

Distribute the Work

- Get volunteers; make assignments
- Set goals
- Timelines
- Deadlines
- Divide and conquer
- Report out/follow-up
- Publicize the results

Standardization

- “More alike than different”
- Alignment
- Advantages:
  - Less maintenance
  - Economies of scale
  - Better outcomes
- Disadvantages:
  - Change
  - Time consuming
  - Outliers
### Audience Question
Where is your organization on the standardization journey?

<table>
<thead>
<tr>
<th>Formulary</th>
<th>P&amp;Ts (i.e. system decision making vs. site)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. 25%</td>
<td>a. 25%</td>
</tr>
<tr>
<td>b. 50%</td>
<td>b. 50%</td>
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<tr>
<td>c. 75%</td>
<td>c. 75%</td>
</tr>
<tr>
<td>d. &gt;75?</td>
<td>d. &gt;75?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IT platform (EMR, etc.)</th>
<th>Other areas?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. 25%</td>
<td>a. 25%</td>
</tr>
<tr>
<td>b. 50%</td>
<td>b. 50%</td>
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<tr>
<td>c. 75%</td>
<td>c. 75%</td>
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<tr>
<td>d. &gt;75?</td>
<td>d. &gt;75?</td>
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</table>

### How to Standardize?
- Agree on goals & objectives
- LEAN, other performance improvement techniques
- Start with a “straw man”
- Data on process:
  - Internal systems/compare processes
  - Benchmark to external organizations
- Data of outcomes:
  - Internal
  - External
- Develop implementation plan
- Monitor progress, results

### Standardization

- Specification
- Standardization
- Implementation
- Interoperability
- Reproducibility

Adapted from Radvision™, www.VoIPSurvivor.com
Communities of Pharmacy

- Common goals:
  - Improve the safety and quality of patient care.
  - Reduce costs.
  - Increase efficiency of operations.
  - Provide consistency and standardization.
  - Promote teamwork and leverage knowledge.
  - Increase participation from “front lines.”

- Formed across nine hospitals; home infusion; retail pharmacy chain

Types of Activities

<table>
<thead>
<tr>
<th>Clinical Pharmacy Workgroup</th>
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<tbody>
<tr>
<td>Staffs system P&amp;T Committee</td>
<td></td>
</tr>
<tr>
<td>Order set standardization</td>
<td></td>
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<tr>
<td>Therapeutic interchange</td>
<td></td>
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<tr>
<td>Shortages rapid response</td>
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</table>

<table>
<thead>
<tr>
<th>Buyers Huddle</th>
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<tbody>
<tr>
<td>Shortage management</td>
<td></td>
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<tr>
<td>Shared inventory</td>
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<tr>
<td>Reduced stock-outs</td>
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</table>

<table>
<thead>
<tr>
<th>Informatics Team</th>
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<tbody>
<tr>
<td>10% reduction in nuisance alerts</td>
<td></td>
</tr>
<tr>
<td>Rapid implementation of alerts for FDA warnings</td>
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<tr>
<td>Reduced scan failures</td>
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Enlarged on page 20
Matrix Reporting

Payor Segments

<table>
<thead>
<tr>
<th>Market Area</th>
<th>Programs / Service Lines</th>
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<tbody>
<tr>
<td></td>
<td>Heart</td>
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<tr>
<td>PHP</td>
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<tr>
<td>Medical Group</td>
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<tr>
<td>Acute Care</td>
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<tr>
<td>Ambulatory</td>
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<tr>
<td>Home Services</td>
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Support Services (IT, HR, SMS, Finance, etc.)
Communities of Pharmacy

- Directors of Pharmacy
- Informatics Team
- Training & Education Team
- Surveillance Team
- Clinical Pharmacy Workgroup
- Medication Safety Team
- Automated Dispensing Cabinet Workgroup
- Buyers Huddle
- TPN Team
- Anticoag Clinic Team
- Investig Drug Pharmacist Team
Get to Know Your Table Members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Place of Employment</th>
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Workshop #1

Identify two areas where you feel your pharmacy services would most strategically affect the organization’s success. Think broadly.

- Take into account the impact of health care reform and your knowledge of your organization’s strategic direction.
- Be as specific as possible.
- Consider your role as a participant in practice model advancement, both at the pharmacy level as well as at the organization level.

**Pharmacy Service Ideas:**

1) 

2)
SOAR-ing:

Conduct a SOAR analysis for each of your pharmacy service ideas. Think of your preferred future state and BE BOLD! (see Appendix A for definitions)

**Pharmacy Service #1**

S

O

A

R
<table>
<thead>
<tr>
<th>Pharmacy Service #2</th>
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<td>A</td>
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<td></td>
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<tr>
<td>R</td>
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</table>
**Pharmacy Idea #1**

**Stakeholders:**

a) Identify at least 6 key stakeholders in the organization related to the service you wish to implement who will either support and/or resist you along the way, and for each list their wins and/or losses as related to the new service; for the opponents propose at least one strategy for overcoming their resistance.

**Supporters:**

**Opponents:**

b) List the top-3 key people whom politically you need to align with to support your proposal to maximize your chance of success:
Pharmacy Idea #2

**Stakeholders:**

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b) List the top-3 key people whom politically you need to align with to support your proposal to maximize your chance of success:
Pharmacy Idea #1

Gap Analysis and Resources Required:

Identify specific gaps and resources required (personnel, equipment, space, etc) to implement and maintain the new service, estimate the expected up-front and/or annual cost for each resource) – these serve as inputs into your ROI.

Political:

Human Resources:

Knowledge Base:

Technology:

Partnerships Required:(Internal and External):
Pharmacy Idea #2

Gap Analysis and Resources Required:

Identify specific gaps and resources required (personnel, equipment, space, etc) to implement and maintain the new service, estimate the expected up-front and/or annual cost for each resource) – these serve as inputs into your ROI.

Political:

Human Resources:

Knowledge Base:

Technology:

Partnerships Required:(Internal and External):
Project Management and Implementation Plan (HOMEWORK)

Develop a high-level project implementation plan indicating the top 5-10 major project milestones or key deliverables (actions steps required for success of the project) and timelines for each.
SOAR Background and Directions:

Focus is on the organization and the future rather than perceived threats and/or weaknesses. When conducting a SOAR analysis, the basic questions to be answered are:

1. What are our greatest strengths?
2. What are our best opportunities?
3. What is our preferred future or aspirations?
4. What are the measurable results that will tell us we’ve achieved that vision of the future?

Definition of SOAR

S = Strengths: What an organization is doing really well, including its assets, capabilities, and greatest accomplishments.

O = Opportunities: External circumstances that could improve profits, unmet customer needs, threats or weakness reframed into possibilities.

A = Aspirations: What the organization can be; what the organization desires to be known for.

R = Results: The tangible, measureable items that will indicate when the goals and aspirations have been achieved.

References: