Leadership for the Future of Health Care: Acumen and Skills to Optimize Effectiveness

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Learning Objectives

• Describe key components of transformational leadership
• Develop a plan for addressing a strategic challenge by using transformational leadership skills
• Examine how a systems approach will work within a specific organization

Setting the Landscape

• Affordable Care Act (ACA) here and moving fast forward
• Decreasing volumes
• Differing payment system
• ICD-10 coming in a year
• How do we survive going forward?
The New Normal

- Health care system, not a sick care system or hospital system
- New payment systems, not fee for service
- New and different “providers of care”
- “User of health care services”, not patient
- Current government payment (Medicare and Medicaid) may become “gold standard,” not the worst payers

The Future of Health Care

- The Future of US Healthcare by Barry Bittman, MD

Realities We Do Know

- Aging population
  - By 2030, there will be about 72.1 million older persons, more than twice the number in 2000
  - A whopping 13% of our population over 65 now accounts for
    - 44% of hospital care
    - 38% of emergency medical services responses
    - 35% of prescriptions
    - 26% of physician office visits
    - 90% of nursing home use

Now vs. Tomorrow

- **Hospital Centric**
  - Hospital seen as central to health care
  - Emergency care and acute care
  - Hospitals and physician providers paid separately
  - Customer service not a priority
  - IHI and other reports indicate poor quality results
  - Large variance in treatments, prescriptions, and outcomes

- **Users of Health Care Centric**
  - Truly person-centered: the person is central to his/her health care
  - Care moves out of the hospital into other settings (offices, clinics, neighborhood centers, long-term care facilities, and home)
  - Customer service is a priority, along with quality and safety
  - Reduced variance in care

IHI = Institute for Healthcare Improvement

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**First Curve to Second Curve**

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### Different Models

- The continuum
  - Keeping people healthy
    - Neighborhood solutions
    - Health coaches
    - Population management
    - Health/wellness education
  - Health care organizations for the next decade
    - Fitness centers
    - Outpatient centers
    - Medical homes
    - Group homes
    - Long-term care facilities
    - Homes
    - Hospitals

### The Wonder of Technology

- Clinical information systems
- Telehealth
  - Traditional medical care – via telehealth
- Changing the paradigm
  - Virtual coaches
  - Virtual home health
  - Virtual health education
  - Virtual management of individuals
  - Virtual care within the hospitals’ four walls
- The move for clinicians to work to full extent of their licensure and training

### On Transformational Leaders – A Point of View

- Transformational leadership is a way of being that translates into a way of leading
- A transformational leader
  - Has an appetite for leading change
  - Is passionate
  - Is authentic
  - Has heightened emotional intelligence
  - Is able to tap into and manage their reservoir of emotional energy
Transformational Leaders

- Take on the responsibility for revitalizing an organization
  - Define the need for change, create new visions, and ultimately transform an organization
- Energized not just by the goals of the team or the organization, but by transforming and coaching individuals to be leaders themselves


Evolution of Transformational Leadership

- James McGregor Burns publishes work introducing the concept of transformational leadership in 1978
- Bernard M. Bass expands on the concept and conducts further research over the next two decades
- Bernard Bass and Bruce Avolio (University of Washington – Foster School of Business) introduces the MLQ as a benchmark measure of transformational leadership
- Many other researchers add to the pool of information about transformational leadership that is available today in 2012

MLQ = Multifactor Leadership Questionnaire
Components of Transformational Leadership

- **Idealized Influence**
  - Transformational leaders behave in ways that result in their being role models for their followers – the leaders are admired, respected, and trusted.
  - Among the things that the leader does to earn this credit is considering the needs of others over his or her own personal needs.
  - The leader shares risks with followers and is consistent rather than arbitrary.
  - He or she can be counted on to do the right thing, demonstrating high standards of ethical and moral conduct.
  - He or she avoids using power for personal gain and only when needed.

- **Intellectual Stimulation**
  - Transformational leaders behave in ways that motivate and inspire those around them by providing meaning and challenge to their followers’ work.
  - Team spirit is aroused and enthusiasm and optimism are displayed.
  - The leader gets followers involved in envisioning attractive future states.
  - The leader creates clearly communicated expectations that followers want to meet and also demonstrates commitment to goals and the shared vision.

Bass BM, Riggio RE. Transformational leadership; 2006.
• Transformational leaders stimulate their followers’ efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways
  – Creativity is encouraged
• There is no public criticism of an individual member’s mistakes
  – New ideas and creative problem solutions are solicited from followers, who are included in the process of addressing problems and finding solutions
• Followers are encouraged to try new approaches, and their ideas are not criticized because they differ from the leader’s ideas

Bass BM, Riggio RE. Transformational leadership; 2006.

• Transformational leaders pay attention to each individual’s needs for achievement and growth by acting as coach or mentor
  – Followers and colleagues are developed to successively higher levels of potential
• New learning opportunities are created with a supportive climate
  – Individual differences in terms of needs and desires are recognized
• A two-way exchange in communication is encouraged, and “management by walking around” work spaces is practiced
• Interactions with followers are personalized
  – The individually considerate leader listens effectively
• The leader delegates as a means of developing others

Bass BM, Riggio RE. Transformational leadership; 2006.

Components of Transactional Leadership

• Transactional leadership occurs when the leader rewards or disciplines a follower depending on the adequacy of the follower’s performance
• It depends on contingent reinforcement in one of two forms
  – Contingent reward
  – Management by exception
Transactional Leadership – Contingent Reward

• In contingent reward, the follower is positively rewarded for their performance
• What are some examples?
• Contingent reward has been found to be reasonably effective, although not as much as the Four I’s, in motivating others to achieve higher levels of development and performance

Transactional Leadership – Management by Exception

• In management by exception, the follower is negatively disciplined for their performance
• Active form – the leader arranges to actively monitor deviances from standards, mistakes, and errors in the follower’s assignment and takes corrective action as necessary
• Passive form – the leader waits passively for deviances, mistakes, and errors to occur and then takes corrective action
• Management by exception tends to be more ineffective but required in certain situations

Contrasting Leadership Profiles

See enlargement p. 111
Ways of Applying Transformational Leadership - Systems Thinking

Levels of Impact - Individual Leader

- What is my vision for me as a transformational leader?
- How will I get there?
- How do I continue the journey?
- What is my timing?

Level of Impact - Facility

- What is our vision of transformational leadership?
- How will we get there?
- Where do we begin or continue the journey?
- What is our timing?
Level of Impact - System

- What is my system’s vision for transformational leadership?
- How does what I do affect the way my system works?
- How does my system continue the journey of forming transformational leaders?
- What is my system’s timing?

Leadership Areas to Focus On

- Think about one or more strategic challenges you want to work on for yourself
- The goals should include a change in the way you think and behave when you are in leadership roles in your system

How Do We Get There?

- For example, you may want to assume positive intent in your co-workers until proven otherwise
  - In terms of behavior, you might be a role model for staying positive in times of challenge
- Alternatively, you could consider that everyone you work with has some degree of creativity
  - In terms of your behavior, you could encourage others to think about their work from a totally different perspective by questioning tried and true assumptions or by bringing very different points of views to arguments to stimulate creativity
Reflect

• Think about your leadership style today compared with the leadership styles that have been presented
• Share with your partner
  – How do you exhibit the characteristics and behaviors of a transformational leader?
  – How do you exhibit the characteristics and behaviors of a transactional leader?
  – What is at the positive core of how you already lead (today) that is consistent with transformational leadership?

Working Across the Continuum

• Home health
• Long-term care
• Medical homes
• Accountable care organizations
• Health care coaches
• Virtual care into the home

• Where do pharmacists fit?
  – Discuss with your partner

Conclusion

• Transformational leadership works in the new era of health care
• Must have a good balance of transactional vs. transformational leadership
• Make sure we are always thinking into the continuum for new models
• How do pharmacists bring value added to the health care system and how is that communicated to leadership?
First Curve to Second Curve

Figure 1: First Curve to Second Curve

Volume-Based First Curve
- Fee-for-service reimbursement
- High-quality not rewarded
- No shared financial risk
- Acute inpatient hospital focus
- IT investment incentives not seen by hospital
- Stand-alone care systems can thrive
- Regulatory actions impede hospital-physician collaboration

Value-Based Second Curve
- Payment rewards population health quality and efficiency
- Quality impacts reimbursement
- Partnerships with shared risk
- Increased patient severity
- IT utilization essential for population health management
- Scale increases in importance
- Realigned incentives, encouraged coordination

Adoption of Must-Do Strategies
1. Clinician-hospital alignment
2. Quality and patient safety
3. Efficiency through productivity and financial management
4. Integrated information systems
5. Integrated provider networks
6. Engaged employees & physicians
7. Strengthening finances
8. Payer-provider partnerships
9. Scenario-based planning
10. Population health improvement

Organizational culture enables strategy execution

Development of Core Competencies
1. Design and implementation of patient-centered, integrated care
2. Creation of accountable governance & leadership
3. Strategic planning in an unstable environment
4. Internal & external collaboration
5. Financial stewardship and enterprise risk management
6. Engagement of employees’ full potential
7. Utilization of electronic data for performance improvement

Metrics to Evaluate Progress
Self-Assessment Questions
An Integrated Framework

Contrasting Leadership Profiles

A little

A lot

SUB-OPTIMAL PROFILE

A little

A lot

OPTIMAL PROFILE
18th Annual ASHP Conference
for Leaders in Health-System Pharmacy

SELECTED REFERENCES


SELF-ASSESSMENT QUESTIONS

1. All of the following are key components of transformational leadership EXCEPT
   
   a. Inspirational motivation by providing meaning and challenge to followers’ work.
   b. Idealized influence by behaving in ways that result in being role models for followers.
   c. Individual consideration by creating new learning opportunities with a supportive climate.
   d. Contingent reward by positively rewarding followers for performance.

2. CJ, a pharmacy supervisor at ABC Hospital, has been charged to develop a new discharge service that involves bedside medication delivery, but the project is not moving forward because of indecision related to responsibilities of the inpatient and outpatient pharmacy. The pharmacy director recently expressed frustration and criticized CJ at a staff meeting for missing a deadline. The pharmacy director recognized that this negative attitude and behavior was something that needed to be changed. Which of the following options would be the most appropriate behavior change for the pharmacy director to incorporate into a plan for specifically addressing this leadership challenge using transformational leadership skills?
   
   a. Maintain a positive attitude and share personal view of how responsibilities for the new discharge service should be allocated.
   b. Give CJ an extended deadline and make plans to reassign the project if the deadline is not met.
   c. Arrange a private meeting with CJ to recognize the work already done and encourage CJ to challenge assumptions about workload and staff responsibilities.
   d. Arrange a private meeting with CJ and offer an incentive to implement the project by a specified date.

3. When applying transformational leadership using a systems approach within a specific organization, the transformational leader should consider the impact at the level of the

   a. Individual leader and system.
   b. Facility and system.
   c. Individual leader, facility, and system.
   d. Individual leader, facility, system, and patient.

Answers

1. d
2. c
3. c