

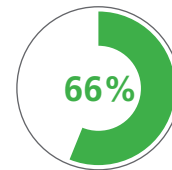
Five Takeaways from the Becker's Annual Conference

Becker's Hospital Review Annual Meeting offered its usual strong lineup of strategic topics delivered by a diverse set of leaders generating an array of actionable insights. B.E. Smith was in attendance and synthesized five themes of particular note for healthcare executives.

Be Cognizant of Major Industry Trends

B.E. Smith's Lydia Ostermeier, Vice President of Senior Executive Search, had the opportunity in "The Healthcare Executive of Tomorrow" to summarize key findings from the firm's annual Leadership Intelligence Report. Results were offered in four areas that mirrored many of the conference tracks: Trends, Career Directions, Workforce Recruitment/Retention, and Leadership Development. Some relevant findings included:

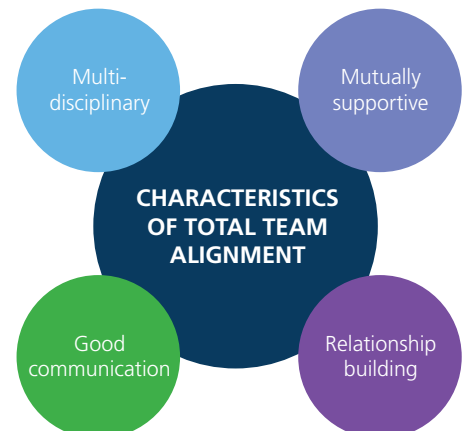
- Government regulations and financial pressures are anticipated to be the most disruptive forces in 2017.
- Vision and Strategy are the top required leadership attributes.
- Two-thirds of surveyed executives express optimism about the future, citing confidence in healthcare's historical resilience in the face of change.



Executives express optimism about the future

Strategies to Manage Transformational Change

The Intelligence Report paints a picture of an industry undergoing fundamental transformation, a perennial theme at this year's conference. Several sessions offered strategies to address this change. In "Leadership Lessons in Transformation: How to Engage Your Team to Drive Results," Brian Sweeney, Senior Vice President of Operations, and Joseph Anton, Vice President of Clinical Services at Jefferson Health, focused on the effectiveness of total team alignment. It begins by creating teams that are multi-disciplinary, mutually supportive, communicate well, and build relationships. The catalyst is a leader who possesses several characteristics:

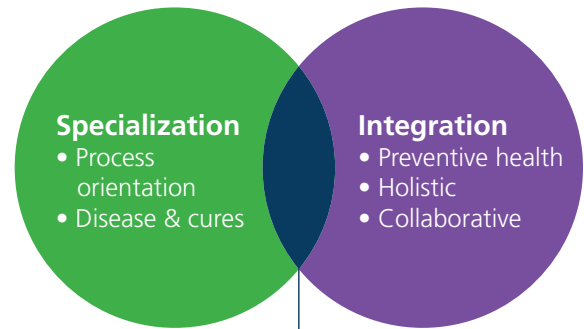


- Master change agent
- Ability to inspire and motivate
- System rather than siloed thinking
- Consumer-centric

The speakers described Jefferson's "structured rounding program" which disperses teams throughout the hospital and practices armed with scripts guiding interaction with patients and staff, followed by an organized group debrief. The session concluded with numerous lessons learned, including:

- Leaders need training
- Do not assume that staff understands what true teamwork entails
- Involve physicians
- Teams must become skilled in change management and be supported by project management

Gordon Norman, Senior Consultant, and Michelle Waluda, National Leader of Risk Consulting at Willis Towers Watson, used "Managing the Challenging Transition from Fee for Service to Value-Based Care" to concentrate on important steps in the migration path. Observing that the "diffusion of best practices is notoriously slow," the pair argued that organizations must balance specialization and integration. The former promotes process orientation and focuses on diseases and cures, while integration fosters a more holistic, collaborative, preventive health approach. A barrier to effective balance is that "perceived rewards of specialization are greater than those for integration of care delivery" given the persistence of fee-based reimbursement. The audience was urged to develop a sophisticated understanding of risk along with delicate management of the pacing of transformation. For example:



- Start too soon – may leave fee for service revenue on the table
- Start too late – may miss desirable seat at the value-based table
- Move too quickly – may overlook needed infrastructure for success
- Move too slowly – may lose share to competitors

Navigating transformational change starts with understanding an organization's market position, according to Jeff Brickman, CEO of Central Maine Health, and Luke Peterson, Principal of Health System Advisors, in the session "Strategically Repositioning in a Competitive Market." Asserting that "competition for market relevance is the new norm and will increase," the speakers counseled a clear-eyed market assessment to determine if the organization suffers from "strategic dissonance," a state in which "doing the same thing after the market has changed only leads to failure." A case study presented an organization relying on its four hospitals while local competitors captured more desirable patient demographics and strong physician/ambulatory networks. The path to successful transformation is strategic clarity:

- Articulating the tangible goal that advances organizational mission
- Detailing the roles played by each element of the organization in pursuing the goal
- Showing how each tactical component ties to the broader plan

Patient Experience Focus is Essential

Healthcare consumerism makes patient centricity a critical factor in the value-based care model. So it should not come as a surprise that significant attention at the conference was directed toward the overall patient experience. In “E3: Transformational Leadership in Value Based Care,” Greg Horner, Vice President of Operational Excellence, and Jason Keeler, Chief Operating Officer, University of Chicago Medicine, cited numerous studies showing that positive patient experience generates substantial benefits in quality measures, reimbursement levels, market share, and malpractice avoidance. The presenters suggested mapping the patient journey through the hospital to uncover changes that smooth the process and touchpoints to improve the personal experience. The success formula, summarized graphically in Figure 1, leads to a far better overall human experience vital to serving the “patient of today and tomorrow.”



Pragmatic advice on patient experience was offered by Ashley Padilla, Associate Quality Administrator at Centura Health, in “Four Ways to Improve Patient Experience.” Padilla’s focal points and recommended success strategies are shown in Figure 2:

Figure 2

FOCUS AREA	MAJOR TACTIC
Build intrinsic motivation in staff	Use shadowing and coaching
Leadership engagement	Set service excellence expectations
Transparency	Develop and openly share metrics at both leadership and care team levels
Recognition	Share stories of staff who make a difference with patients

The theme of measurement was echoed and developed in “Executing a Patient Experience Measurement Initiative” by Cathy Klug, Director of Quality Service at Nuance, and Jennifer O’Neill, Chief Nursing Officer at RWJBarnabas Health. “Patient experience of care” is a pillar of value-based reimbursement metrics and is comprised of eight measurement categories that leverage HCAHPS scores. The speakers urged “finding measurable improvements that can be achieved over short periods” and detailed the six-module patient experience staff education curriculum developed at RWJBarnabas:

- A patient’s perspective
- Empathy – being in the moment
- Alleviating patient fears
- Service recovery
- Care of patients with limited English
- Care of the caregiver

Invest in Physician Leadership and Engagement

Several sessions explored physician leadership through various helpful lenses. Administrator-physician dyads were the subject of "A Culture Change of Integration and Physician Leadership" by Matt Gibb, Chief Medical Officer, John Snyder, Chief Operating Officer, and Caleb Miller, Vice President at Carle Clinic. The pairs must have a balance of skills and an ability to function cohesively.



In Carle Clinic's case, dyads combine an Administrative Vice President with a Medical Director in each of 14 service lines. The dyadic goals are clear: develop high-performing teams, establish effective doctor-administrator communication, and tackle complex departmental problems.

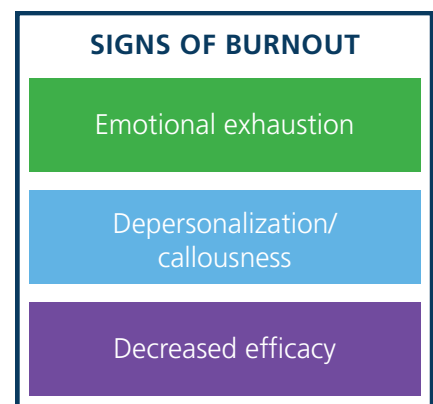
An interesting take on a growing need in physician leadership development was offered by Jonathan Gleason, Vice President of Clinical Advancement, and Patrice Weiss, Chief Medical Officer at Carilion Clinic. The two described their organization's multi-level program to groom physicians for significant involvement in risk management. A Chief

Leadership Academy and annual "risk curriculum" were designed for doctors to increase their "risk literacy" since they are assigned to reviewing claims and supporting peers in risk efforts. Carilion has seen a reduction in claims and expenditures and believes the physician development has helped prevent claims recurrence and promote readiness to defend claims when they occur.

Advancing leadership development is difficult without consistent physician engagement. In recent years, considerable industry focus has been trained on a growing concern: physician burnout. "Physician Burnout as a Personal and Public Health Issue" by Dr. Michael Privitera, Director of the Clinician Wellness Program at University of Rochester, conveyed results of studies evidencing increases in reported burnout and work-life imbalances. On both measures, physicians exceed the levels found in the general population. Signs of burnout that must be monitored are emotional exhaustion, depersonalization/callousness, and decreased efficacy. All can have deleterious effects on patient and staff interactions. Privitera's engagement strategies counteract six workplace stress factors:

- Excessive workload
- Lack of control over work environment
- Poor balance between effort and reward
- Lack of culture of community
- Lack of fairness
- Values conflicts arising from having to participate in suboptimal situations

The bottom line for all strategies: "effective and involved leadership is critical for things to improve."

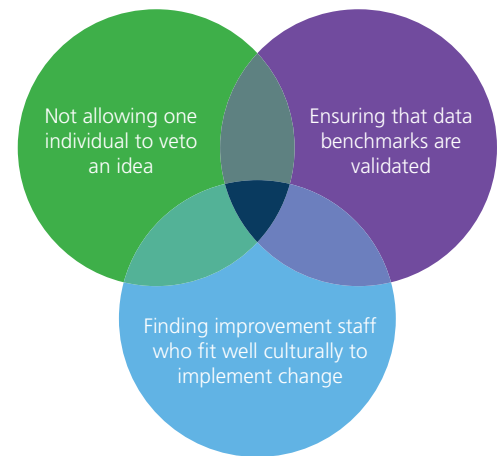


Decisions Must Be Data-Driven

Data analytics have permeated healthcare in recent years. Several sessions advocated better decision-making by heeding data. That theme was sounded forcefully in the previously mentioned “Strategically Repositioning” session: “gut feeling will likely be wrong” and leaders must adopt a “disciplined, data-driven process to know what is real and what is only perceived.”

Trevor Wright, Chief Operating Officer, Beth Elwell, Executive Director, and Sara Matus, Director of Operational Excellence at Loma Linda University Health used “Driving Operational Excellence” to showcase their approach to creating a formal department, hiring performance improvement staff, and investing in analytics technology – all in service of decreasing variability and optimizing best practices across five targeted clinical and operational initiatives. The program exceeded its financial savings goal of \$40 million. The audience was given several takeaways, including not allowing one individual to veto an idea, ensuring that data benchmarks are validated, and finding improvement staff who fit well culturally to implement change.

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Finally, in “Using Predictive Analytics to Increase Your Hospital’s Profitability,” Jeff Peters, Chief Executive Officer and consultant Michael Besedick, both of Surgical Directions, walked the audience through a specific effort to build effective predictive models for block scheduling of perioperative services. Data-driven decisions prompted meaningful improvements in surgical volume, OR utilization, and quality outcomes.

Conclusion

A wealth of insights flowed from the senior executives at the Becker’s Hospital Review Annual Conference in the areas of industry trends, transformational change, patient experience, physician leadership and analytics. Participants came away with many strategies to pursue and many reasons to be optimistic about success.

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