Driving Efficiency through Systemness

Spring 2023 COO Forum Meeting Roundup

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Leading Health Systems in Attendance

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Key Takeaways from Select Sessions

Rethinking the COO Role and Strategic Value

In the wake of questions about them becoming "Chief Optional Officers," COOs are taking stock of their duties and variability with peers. Compared to other executives, COOs come to the role with more diverse backgrounds and have more variation in responsibilities.

Continuing to make progress on systemness

As many systems have recent (and not so recent) mergers, they continue to integrate clinical shared services and other back-end services across their sites and markets. COOs feel this integration is necessary for efficiency, staff stability, consistency of service delivery, and mission execution.

Countering labor shortages with comprehensive and creative workforce solutions

Changing demand and waning supply of staff has been a complex challenge, but COOs are using new, out of the box solutions in many cases to offer the right transparency, engagement opportunities, and pay incentives to be able to meet staff where needed.

Leveraging AI for greater efficiency

LHS are increasingly looking to the AI-enabled solutions to support their evolving business demands and challenges. Specifically, they're considering how AI can be utilized to support better use of limited resources and generate long term cost savings.

Considering the hospital of the future

Planning for future facility design in which AI and virtual technology have redesigned care delivery, physical signage has become obsolete, environmental sustainability is critical. Micro and neighborhood hospitals with modular spaces offer space that is needed but at lower overhead cost.

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COO Opening session: The Evolution of the COO

To Meet New Challenges, COO Roles Have to Evolve

***Session Spotlight:** COOs discussed the unique aspects of their role with emphasis on how variable it is between LHS. They also shared their current approaches to LHS operating models, drawing on research that Corewell commissioned from PWC to understand how peer systems are organized.*

Facilitated by: Brian Brasser, SVP, Chief Integration Officer; Chad Tuttle, SVP, Chief Operating Officer, Corewell Health

Key Takeaways

- Compared to other executives, COOs come to the role with more diverse backgrounds and have more variability in responsibilities. However, COOs generally agreed that they are “chief accountability officers” – i.e., responsible for ensuring that everything the organization needs to do gets done.
- COOs also agreed that compared to other executives, they have more variability in their responsibilities and which departments report to them. In a COO live poll, 92% stated they oversee non-nursing clinical support (e.g., therapy, imaging, lab) while 75% oversee regional/hospital presidents and 71% oversee service line administrators. More than 50% also oversee nursing, pharmacy, and facilities management.
- COOs emphasized that systemness was vital for executing high quality care and meeting performance goals, and many have shifted their operating models to support it.
  - In a live poll 53% of COOs stated they are using a shared services model (where back office and administrative processes are centralized), while 47% are using an operating company model (where clinical services, back office, and administrative processes are centralized). Nobody identified as a pure holding company, and all continue to push toward greater standardization/centralization.
- COOs are also compelled to improve systemness based on previous instances of too much variation in clinical and operational protocols between hospitals that introduced internal frictions and potential legal liabilities.
  - One COO specifically discussed how aligning compensation targets to the entire system’s operating margin performance instead of local operating margins got everyone aligned on one set of performance goals and eliminated infighting on the best process.
  - Other COOs discussed how critical it was to pursue clinical standardization to minimize inconsistencies and possible errors in care delivery as different regions had varied approaches to lab testing, or different protocols for inducing labor.
- Greater integration and standardization also simplifies adopting new care delivery models and technologies LHS need to address workforce challenges and reduce operating costs.
  - One COO pointed out that the scale and alignment of an operating company model allowed them to take advantage of virtual nursing to support retention and more efficiently roll out automation tools in the cafeteria, floor care, and environmental services.

“We often see COOs getting promoted to CEOs. We are uniquely positioned because we have such a broad view, but we are also uniquely at-risk of being eliminated because we are a jack of all trades.”

– COO, Leading Health System

“At the end of day, the evolving role of the COO is navigating the tension of surviving versus thriving and helping organizations do both aggressively and consistently.”

– COO, Leading Health System

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Hospital of the Future

Care Delivery Transformation Requires New Capital Infrastructure to Support It

Session Spotlight: Lehigh Valley Health Network presented their new micro and neighborhood hospital design, and leaders discuss how they can pursue future hospital designs to optimize efficiency of labor and resources.

Facilitated by: Ashley Dias, Perkins & Will; John Piero, Chief Operating Officer, Lehigh Valley Health Network (LVHN)

Key Takeaways

- The growing trends of virtually enabled care models, and LHS' increased focus on optimizing sites of service requires them to update their capital infrastructure.
- LHS' increased use of AI, advanced screening, and diagnostics will require a fundamental change in the architectural design of their hospitals, with a focus on building more versatile spaces and allocating more space for screening and diagnostics than for procedural services.
- In response to technology's growing role in care delivery, LVHN designed new 50 bed micro hospitals that include virtual care capabilities and a modular layout.
- They also built neighborhood hospitals that optimize versatile use of their space (e.g., collapsible walls) to accommodate different service lines. Exam rooms were also built to be compatible for future use of biometric sensors.
- By reconstructing their hospital network in this new format, LVHN was able to find opportunities to lower their capital investment and future operating costs by building 400-bed capacity for half the price than if they designed fewer, larger buildings. Breaking their buildings up into smaller facilities also makes it easier for them to manage any changes in their workforce capacity.

"With the technology of tomorrow, you can do more in smaller spaces and at a lower overhead cost."

– COO, Leading Health System

"We're facing a significantly negative financial impact as folks age into Medicare. We need a different model to mitigate the impact of the loss, one that doesn't rely only on tertiary and quaternary centers."

– COO, Leading Health System

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Thinking Outside the Box: Creative Solutions to Workforce Challenges

COOs Are Investing in New Approaches to Workforce Retention

Session Spotlight: In small groups COOs brainstormed creative solutions to address workforce challenges.

Facilitated by: Mandy Eaton, Chief Operating Officer, Cone Health; Ingrid Lund, PhD, Executive Director, THMA

Key Takeaways

- In a COO live poll, 75% of them identified staff shortages as the most significant workforce challenge with burnout being the #1 root cause of turnover.
- Common challenges shared among COOs included, competing with other industries offering better pay and hours, retaining technicians and other ancillary providers where the pipeline is not as defined as nursing, and high turnover of entry-level workers.
- Cox Health shared their strategies to rebuild the workforce pipeline and improve retention:
    - They partnered with local high schools to get new generations to enter the healthcare workforce; students can graduate with MA or other entry level clinical license and the program also focuses on non-clinical needs like engineering and security. They're also working on a "little medical school" program they run for second graders to get them interested in medical careers.
    - Offer career counselors who meet with all new employees and come up with customized career path—just started six months ago so too early to see impact.
    - Revised their turnover standards for entry-level roles like EVS and food service, so that those departments understand their #1 goal is promoting employees to other roles in the system.
    - Paying people to go to school to be MAs, paramedics, radiology techs.
- COOs also discussed whether Magnet accreditation is still necessary now that it has become so expensive; most agreed it is, but several were interested in one LHS that said they are keeping accreditation only at their flagship site and dropping it at smaller hospitals.

"It's not just about pipeline, it's about retention. We are hiring more than we ever did but are losing more at the bottom than we ever did. If we could slow the drip, we could fill our workforce."

– COO, Leading Health System

"We let people know the growth opportunity when we hire them. But I am not sure they care. They just want the money."

– COO, Leading Health System

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Operating As One System: Leveraging Shared Clinical Care Model

Systemness Helps LHS Achieve Their Biggest Strategic Goals

***Session Spotlight:** Intermountain's Chief Operating Officer shared the journey of brining all clinical care services into a shared operating model.*

Facilitated by: Nanette Berenson, COO Intermountain

Key Takeaways

- LHS have been working towards greater systemness for some time, but today's pressures around efficiency and sustainable long-term growth have reignited the importance.
- Intermountian's growing regional footprint and value-based care portfolio prompted them to streamline and align clinical processes and care delivery with the goal to improve care outcomes and efficiency across the system.
- Since 2016, they pursued a clinical shared services model, which standardized operations and clinical services across service lines and throughout the care continuum.
  - Key principles they relied on for systemness involved aligning structures, processes, incentives and accountabilities to overarching system goals; building collaborative relationships and removing barriers to deliver clinically integrated care; exercising clear decision making; meeting the strategic goals of the system, regions and operating units; and supporting the overall direction and decisions made.
- **Progress to date:** Intermountain has had success with their new clinical shared services models with over eight service lines that are fully integrated.
  - They've also seen progress in the following metrics: the highest tier of team engagement index (highly engaged) grew from 29% of teams in 2018 to 59% in 2022 and 30% of new ideas came from clinical shared services caregivers.

"You have to think, win and play as a system."
– COO, Leading Health System

"People follow what they help create. So, I brought them into the service level agreements discussion. People owned it."
– COO, Leading Health System

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Systemness and Operating as One Connected System of Care

Finding Throughput Efficiencies Drives Better Systemness

Session Spotlight: Overview of RWJ Barnabas Health's system wide patient transfer process that uses software from About to generate better efficiency of time and resources.

Facilitated by: Jim Smith, Vice President, Mobile Health at RWJ Barnabas Health

Key Takeaways

- Improving throughput is a key area where LHS can generate better efficiencies and cost savings, and some LHS are relying on new technologies to make progress in this area.
- RWJ Barnabas leveraged software from About to form a Patient Transfer Center (called Mobile Health) in order to better direct patients to the right bed and the right location at the right time.
- The About technology facilitates one centralized point to direct decisions and manage traffic control, including records transfer, physician to physician communications, capacity management and logistics.
- The technology also helped to better distinguish between declines (patient not using facility due to lack of capacity or other reason) and loss (when RWJB had capacity and capability, but patient went elsewhere) and problem solve. This led to a 70% reduction in time from case start to bed assignment.
- RWJ Barnabas is now looking to expand use of transfer center to also include telemonitoring, hospital at home, centralized security, and considering partnering with other systems to use transfer center.

"Standardization has greater acceptance when it's grounded in data and best practice."

– VP, Leading Health System

"The patient transfer center is Switzerland; we have no favorite hospital. We have a system mentality. Same with bed management, we are just looking for the most appropriate place for the patient."

– VP, Leading Health System

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Transforming Performance: Uniting AI Automation and Change Management

Successful Partnerships In AI Require Education and Change Management Support

Session Spotlight: Running OR operations efficiently is a requirement for the financial viability of health systems. Novant Health and Baptist Health discussed how AI helped them improve OR operations.

Facilitated by: Jeff Lindsay, Chief Operating Officer, Novant Health; Sanjeev Agrawal, President & COO, LeanTaaS; Matt Zuino, Executive Vice President, Chief Operating Officer, Baptist Health

Key Takeaways

- Compared to other industries, health care is lagging on optimizing AI in daily operations, and yet there's a recognition that health systems need the capabilities of AI to achieve the efficiency gains needed today and to remain competitive in the future.
  - Top-of-mind operationally, are ways AI can lower operating costs by identifying resources that aren't being utilized effectively (e.g., operating rooms, and staff), and reducing waste.
- LHS are looking to partners to achieve efficiency goals but recognize it's not only about the solution being able to address a key challenge but working together to implement the change management necessary for successful adoption.
  - Two LHS shared their experience partnering with LeanTaas' Iqueue tool:
  - Novant to reduce wait times in their cancer center for OR scheduling, which resulted in improvement efficiency, decreased wait times for patients to get scheduled for surgery and increased loyalty form physicians.
  - Baptist Health to improve utilization of staff and operating rooms and simplify surgery scheduling. Their results led to better use of operating rooms, which improved capacity and access, and reducing delay in surgery scheduling by 16 days.
- Those with successful partnerships here emphasized the importance of recalibrating workflows that support the human-machine environment and providing the necessary AI-education to garner support and help people understand what's in it for them.

"AI is knowing what's coming and taking the right action."

– COO, Leading Health System

"We didn't want a waiting room in our cancer center because we wanted no wait. We wanted to be ready for the patient right away."

– COO, Leading Health System

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Managing Growth, Costs and Scarcity of Resources Panel

Giving Providers a Seat at the Table Can Help Improve Retention

Session Spotlight: In this panel discussion COOs discuss how they are addressing the challenges of rising clinical labor costs and evolving to support new workforce demands.

Facilitated by: Mike Butler, Executive-in-Residence, The Health Management Academy; Matthew Maloney, Chief Clinical Officer, US Anesthesia Partners; Jason Glover, VP Operations, Memorial Hermann Health System; Andy Hedgpeth, VP, Human Resources, CoxHealth

Key Takeaways

- Balancing volume fluctuations and labor shortages has been a complex challenge, but COOs are using new, out of the box solutions in many cases to offer the right pay incentives to be able to meet staff where needed.
- A key tactic for many has been bringing physicians into the problem-solving process and strategic conversations.
  - Cox Health has a "co-governed organization," with 11 main service line leaders at the table with executives with true joint decision making, which has led to better communication where executives are really listening to physicians' ideas and concerns.
- Providing support for career growth and career pathing for clinical and non-clinical roles is essential but must include the support for training and educations such as career coaches and financial subsidies.
- Greater autonomy over scheduling is another pain point, particularly for physicians, and LHS are working to provide greater flexibility. Creating different schedule options is one approach some are trying; those who do not take call are compensated less, but it gives providers greater flexibility.
- LHS are placing more scrutiny on ensuring they are optimizing all sites of care, particularly as many are trying to create additional inpatient capacity to meet demand. This means being thoughtful about which services are offered in which locations, recognizing some level of rationalization or consolidation might be necessary.

> ***"Like many of you, we got ourselves into a labor trap with the travelers."***
>
> ***– COO, Leading Health System***

> ***"We need to flood more people into the healthcare profession so it's not just a splash in a puddle. All of us need to collectively fill that talent pool, then compete to draw from that pool."***
>
> ***– COO, Leading Health System***

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