athenainsight

Today's data. Tomorrow's healthcare.

athenainsight.com

What healthcare executives really think about population health

By Gale Pryor | May 8, 2017

We've still got a long way to go to fulfill the vision of population health. That's the takeaway from a candid roundtable conversation among 22 executive leaders — many of them physicians — convened at athenahealth this spring.

Traveling from hospitals, accountable care organizations, and health systems across the country, these health leaders gathered with Harvard Business School professor Amy Edmondson to dissect the goals of and obstacles to a value-based healthcare system — and learn from each other how to get there.

Here are three big insights from the conversation.

1. Population health is an iterative process

Population health is often viewed as a chasm to cross. But Edmondson cited an alternate definition, proposed by David Kindig in the Health Affairs Blog: "The iterative process of strategically and proactively managing clinical and financial opportunities to improve health outcomes and patient engagement, while reducing costs."

And participants agreed that focusing on "iterative" steps — small cycles of learning, as Edmondson put it — is key to the pop health transition. Progress will be made step by step, innovation by innovation, with data-based evidence for success.

In addition, the group agreed, the goals of value-based care cannot be achieved without integrating all stakeholders via shared incentives. So, if population health has any chance of becoming the core principle of American healthcare, it must be a team sport in care delivery and resource allocation.

That's where the iteration comes in. Health systems must find a way to address housing, food, and other social determinants that were once the sole province of public health and social workers, participants agreed.

> **"The goals of value-based care cannot be achieved without integrating all stakeholders via shared incentives."**

Cost is also fundamental to population health, participants agreed: If outcomes are managed, costs will fall. And patients must be an integral part of

the process: Value-based care is only successful if it increases life expectancy.

Aligning all these needs represents a new paradigm for leaders, summarized Edmondson.

"You went to medical school to learn to fix broken things," she said. "Now you need to reorient to prevent things from getting broken."

2. Success depends on explicit design

The roundtable turned its attention to how we get there. Reshaping the way healthcare functions starts at the top, Edmondson said, when leadership aligns three spheres: Vision, culture, and operations.

To begin, Edmondson said, the process starts with a clear vision of the value offered: healthier populations. Then, leaders must ask what is needed to create and sustain operations that deliver that value.

Most challenging, she said, is culture — the beliefs among people within an organization about what to do, and how to do it, day in and day out. Those shared beliefs shape the behavior of healthcare providers and staff, and the operations of the organization.

Drawing on the classic business school case study of Southwest Airlines, the leaders in the room considered which features of healthcare patients care most about.

Southwest succeeded, in part, by limiting its scope and focusing on a narrow set of goals within airline travel. But while the airline industry is complex, it pales in comparison to healthcare, where everything matters a great deal to everyone. When surveyed patients put convenient parking as their top concern, does that move optimal health outcomes lower on the list? Of course not, said participants, but it can guide leaders to focus their organizations on the issue at the heart of parking: access to care.

So, the principles that drove Southwest's success do, in fact, apply to healthcare: Delivering only what matters most to patients means not trying to do everything well. It means defining the customer, having clarity on what matters most, designing operations to deliver it, and supporting a culture that enables those operations.

That may require hospitals and health systems to deliberately dial back in areas — even high-revenue organ transplants or neurosurgery services — that are not high priorities from the perspective of a targeted patient population.

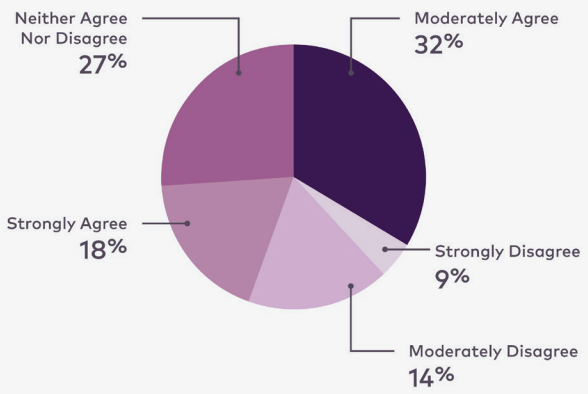
Some participants questioned whether profitability should be on the list of priorities. No margin, no mission, after all.

"The customer doesn't care about your profitability," Edmondson replied. But when each element of the leadership triangle aligns to deliver on patients' priorities — to "get on the same page as your customer" — the framework becomes the engine that drives profitability, she said.

3. We may need a new definition of value

Exploring the question of how to deliver on the promise of a risk-based healthcare system, the group measured its level of agreement on a range of discussion questions, including:

My organization is well aligned around a shared vision for population health:

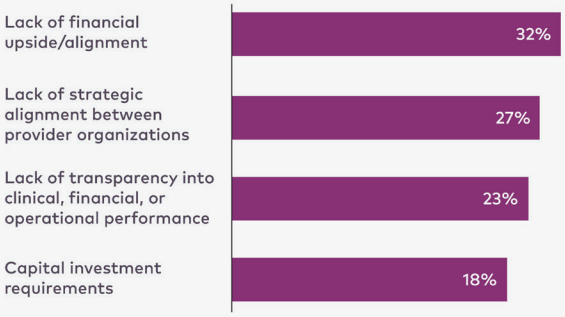


Source: athenahealth population health roundtable, May 2017.

After viewing responses, the group launched into the reasons most could not say they "strongly agree." Much of it came down to misaligned incentives between providers and payers: Population healthcare leaders are driven to worry about health, but healthcare systems are still paid primarily under fee-for-service contracts.

So leaders at the roundtable, and across the country, must decide how much to invest in population health for tomorrow, while operating in the fee-for-service system of today.

The greatest barrier to industry-wide adoption of population health management:



Source: athenahealth population health roundtable, May 2017.

Responses to this question echoed the consistent theme of the day: That lack of clarity and alignment is slowing the transition to value-based care. Participants agreed that patients' perspectives are central to effective population health. Yet no one in the room selected a lack of patient engagement as a barrier to transforming care delivery.

Instead, the misalignments participants encounter on daily basis were front of mind: While physician groups within ACOs want to do population healthcare, payers don't reimburse those care delivery models. Hospitals need volume to survive. An 8,000-physician organization can't be both nimble and sustainable.

As Edmondson said, "It's like saying to Southwest Airlines, 'Do what you do best – and, by the way, you also need to provide international first class to Singapore. Can't do it.'"

The roundtable ended with both energy for leading through change, and a sobering assessment of the challenges ahead. In the drive to healthier populations, healthcare leaders can adjust the current system or develop a new paradigm in which everyone — hospitals, physicians, payers, government, and patients — works from a shared vision.

Gale Pryor is associate editor for athenaInsight.

Image Credits: Catherine Macbride | Stocksy