Center for
Creative
Leadership®
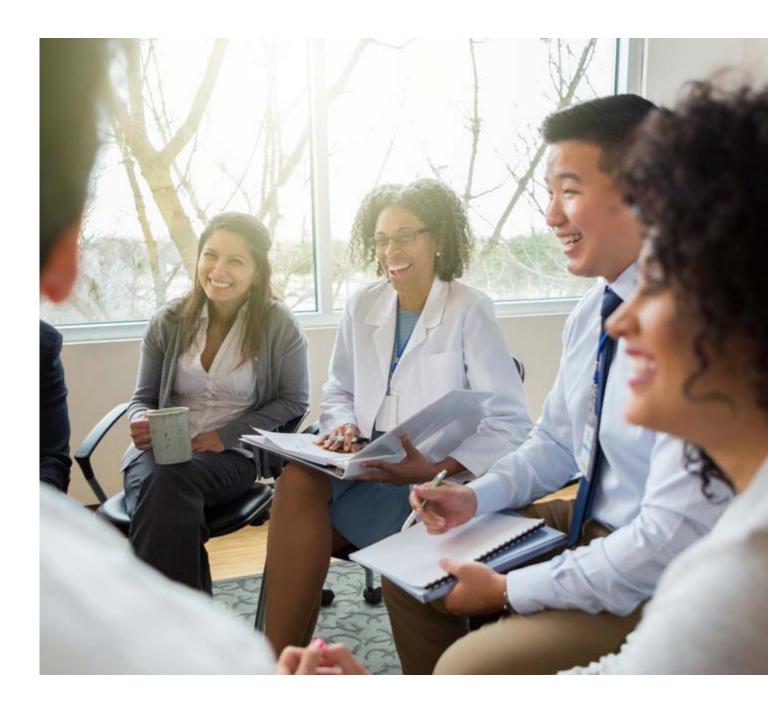
3 Keys to U.S. Health System Success in the 2020s

Leadership Capabilities to Drive Transformation

By: Nick Hines and Amy Martinez

Contents

Executive Summary

American healthcare systems in the 2020s face a challenging and uncertain environment.

The largest and most important payor in the country — the United States government — is driving providers to value-based care, where reimbursements are based on cost control and quality patient outcomes. Health insurers and employers are also exploring value-based models, where hospitals and doctors "share" financial risk with the payors.

If patients stay out of the hospital and remain healthy, health systems are rewarded. But if patient health outcomes don't meet expectations, reimbursements fall. These outcome-based payments are applied at the population level, making healthcare organizations financially responsible for health outcomes that are influenced by many factors beyond the hospital's walls.

Some providers have been working at the leading edge of these new models of care, re-engineering themselves for the future. Other health systems are just beginning to grapple with the many business, clinical, and cultural changes required to adapt. But all healthcare organizations are finding they need new leadership capabilities to meet these challenges.

At this critical juncture in healthcare, leadership development is no longer a "nice to have" or confined to upper management. **Rather, leadership development holds the key to creating the adaptable, innovative, culturally competent healthcare systems needed in the 2020s and beyond.**

A CCL survey of hundreds of U.S. healthcare leaders found that building collaborative relationships, leading employees, participative management, and change management are among the most important proficiencies for their organizations. Yet executives reported that 1/4 to 1/3 of their individual leaders are not proficient in these critical skills.[1]

This paper introduces 3 key leadership capabilities that are critical for healthcare organizations:

- ***Fostering interprofessional collaborative practice as your clinical cultural operating system.*** Collaboration and learning from others must become second nature for physicians, nurses, and other clinicians.

- ***Embracing equity, diversity, and inclusion.*** Cultural competence skills are must-haves to provide compassionate care, improve access and outcomes, and achieve equity.

- ***Encouraging boundary-spanning behavior beyond the institution.*** Working across and beyond traditional boundaries is critical as health systems seek to build high-impact healthcare collaborations alongside public health organizations, independent clinicians, and others in the community.

Here, we examine these capabilities in turn, and discuss why heeding them will pay dividends to mission-oriented, strategically focused healthcare delivery organizations as they move into the future.

Leadership Capabilities to Drive Healthcare Transformation

Healthcare organizations face 2 critical challenges as they adapt to the new healthcare landscape.

First, you must decide exactly *how* to change. Though U.S. health systems are in flux, there are plenty of ideas about how your system could adapt to value-based reimbursements. There are also a number of collaborative efforts that have piloted new healthcare delivery strategies, innovative clinical practices, and community partnerships.

Second, you must implement change. Having a plan is just the start. Systemwide cultural, business, and clinical transformation is one of the most challenging initiatives that any healthcare organization can take on.

Leadership development focused on the specific challenges that health systems face is critical.

One of CCL's better-known models of leadership is DAC. It defines effective leadership as the presence of *direction*, *alignment*, and *commitment* within a group or multiple groups — whether a single clinical team, a hospital or health system, or a community of providers, employers, patients, and other stakeholders. To be successful, you must view leadership as a result of collaborative behaviors at all levels, both inside your organization and throughout your community.

We'll explore each of these and explain why fostering them is critical for your healthcare system.

Rochester's ROI on Healthcare Collaboration

Thanks to a robust, decades-old culture of collaboration and shared values, Rochester, New York, has long enjoyed some of the lowest healthcare costs in the country.

"There's a culture in this community that we want to work together," says Linda Becker, president and founder of the NorthStar Network, one of several groups that convene health care leaders to tackle healthcare cost, quality, and access issues. "That's a very hard thing to do, whether you're doing it at a hospital level, a systems level or a community level. … [There has to be] a shared value and vision."

Another group, Common Ground Health, uses data to improve care and lower costs. In one initiative, it helped boost generic drug use.

Rochester employers encourage workers to use generics, but when employees were discharged from the hospital, they often left with prescriptions for more expensive name-brand drugs. After employers communicated with hospitals about this, prescribing practices changed, saving an estimated $70 million per year for the last 8 years.

Decades of collaborative community leadership have netted Rochester impressive results. The city has the lowest cost of care for its Medicare patients and the fourth-lowest cost of care for people with private health insurance.[2]
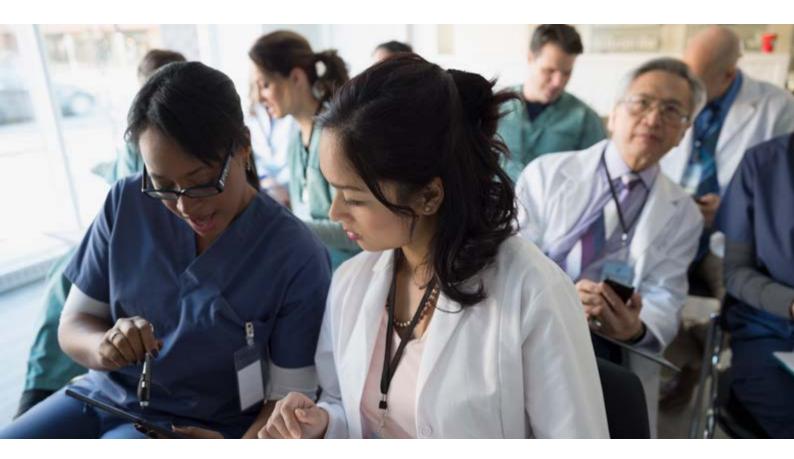
KEY LEADERSHIP CAPABILITY:

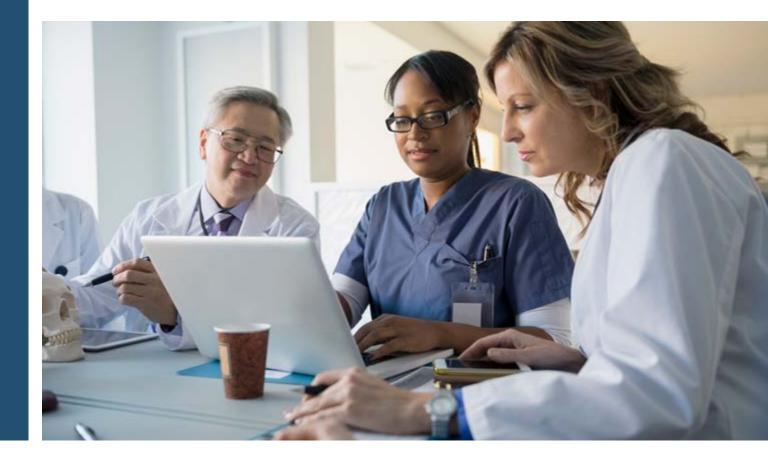# Fostering Interprofessional Collaborative Practice

Interprofessional collaborative practice is the key to safe, high-quality, patient-centered care — the care value-based health systems need their clinical teams to provide.

This approach is increasingly being taught in health profession training programs, which bodes well for the future. But your healthcare workforce is likely already full of people who *haven't* been exposed to the tenets of **interprofessional collaborative practice**. And even if young professionals were exposed to these methods during their schooling, they'll only follow them if they are supported by the organizational culture and the community where they work.

Interprofessional collaborative practice goes beyond "cooperating" or "teamwork." In addition to coordinating work, it also asks healthcare professionals to **learn from one another and appreciate the value each individual brings** to a healthcare system, the community, and individual patients.

This means, for example, that physicians must be able to hear, appreciate, and acknowledge the perspective and contributions of nurses, pharmacists, and other professionals. It also means that all providers — a diverse range of clinicians, public health officials, and stewards of socially responsible care — must be considered a part of the larger **community health infrastructure**.

KEY LEADERSHIP CAPABILITY:

Embracing Equity, Diversity & Inclusion

Communities, patient populations, and staff are more diverse and varied than ever before. Racial, ethnic, linguistic, national origin, sexual orientation, gender identity, religion, and many other differences are increasingly acknowledged, respected, and appreciated.

But healthcare outcomes have not kept up with this increasing awareness. Patients who identify with minority and historically marginalized communities frequently have worse health outcomes than the overall population.[3]

Government payors are requiring healthcare organizations to do better. ***Providers must provide compassionate care and also produce equitable health outcomes.***

Embracing equity, diversity, and inclusion has become a strategic imperative for health systems. The foundation of diversity and inclusion is **cultural humility**. Healthcare leaders must evaluate and critique their own actions. They need to address power imbalances in their encounters with staff as well as in patient-provider relationships. The goal is to develop and maintain mutually respectful partnerships.

Culturally competent care — the ability of providers and organizations to understand and integrate cultural differences into the delivery of healthcare — is a critical part of the prescription for success. Every patient, regardless of race, ethnicity, cultural background, English proficiency, or literacy level, should get the highest standard of care.

Just 12% of the population is health literate — with the ability to obtain and understand basic health information and services to make appropriate health decisions.[4] Healthcare organizations must **create environments where patients feel they belong** and can make informed decisions about their care.

Just 12% of the population is health literate.

Clinical staff must also understand the context patients return to: *Who will their primary caregivers be at home? How easy or difficult will it be for them to set and get to follow-up appointments, access rehabilitation or therapy services, and continue their recovery outside the hospital walls? Do they have the financial resources required for all this?*

Cultural competency can be addressed partially through formal training and education. But those may not be sufficient to deliver optimal health outcomes. Providers must also work to ensure their staff — clinical and nonclinical — reflects the diversity of the communities they serve. A healthcare workforce that is a part of the community is more likely to deliver superior health outcomes, as staff that is drawn from and reflects the community will better understand patient needs and the nonmedical factors that influence outcomes.

Equity, Diversity & Inclusion in Healthcare

Equity — *The absence of addressable or controllable health disparities among different groups.* Populations that most need good medical care are often the least likely to receive it. Some aspects of care must be changed to achieve equity. This could also include working to end poverty and discrimination, and promoting access to quality education and fair-paying jobs.

Diversity — *Both serving people and having people in your organization from a range of diverse backgrounds.* This includes race and ethnicity, linguistic differences, national origin, sexual orientation, gender identity, veteran status, religion, disabilities, educational background, socio-economic status, social preferences, and other differences.

Inclusion — *Sustaining a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to their organization's success.* For healthcare systems, inclusion is not just which staff members are serving on a management committee or task force, but also which community members you're inviting into your policymaking and planning processes.

How you approach your workforce is also critical. Diversity goes beyond recruiting, hiring, and promotion decisions — though those are foundational. Many health systems, for example, support workforce development and education efforts in historically underrepresented communities.

KEY LEADERSHIP CAPABILITY:

Strengthening & Expanding Boundary-Spanning Behaviors

In an earlier white paper, we shared our 6-part collaborative leadership in healthcare model, where we identified **boundary spanning** as one of the critical leadership capabilities for health systems and providers. We recognized that silos that historically had existed in health systems — between inpatient and outpatient teams, for example, or between clinical and nonclinical units — must be bridged.

While this is still true, health systems are under greater pressure than ever before to build community partnerships and collaborate with healthcare and nonhealthcare players beyond the hospital campus.

To deliver high-quality health outcomes across a community, health systems are finding themselves working with an endless array of potential collaborators and allies — churches, advocacy organizations, local governments, and even competitors. ***At the heart of this is managing differences and building trust.***

Health systems must learn how to build and sustain relationships, community partnerships, and collaborative initiatives in every place where potential patients spend time: their homes, houses of worship, grocery stores, parks, and community gathering places.

In many communities, health systems may find that they must take a leadership role in building the capability to foster inclusive communities and workplaces so they can address **social determinants of health** — transportation, education, housing, access to healthy food, and other nonmedical factors that also affect health outcomes.

Insights & Recommendations for Senior Healthcare Leaders

The challenges health systems face mean that leaders must make numerous changes, from daily operations to strategic planning.

Strategies to Grow Interprofessional Collaborative Practice

This new integrated healthcare delivery model requires leadership and culture changes. While collaborative practice may happen at the clinical team level, organizational culture, policies, and leadership must also support this approach. Health systems must:

☐ **Reconsider org charts, committee membership, and other hierarchical structures** so that all the relevant clinical and nonclinical professionals have input and shared decision-making authority. This can require some individuals to share authority in ways they haven't been asked to before, and that may mean giving them new experiences to grow their leadership abilities.

☐ **Rethink recruiting, talent management, and leadership culture** to encourage and reflect contributions from a more diverse array of professionals. Management processes must reflect collaborative practice principles if clinical teams are to maximize the benefits of interprofessional collaborative practice for the health system and community.

☐ **Change culture so day-to-day patient care decisions are informed by the full team of clinical professionals** charged with delivering optimal health outcomes. This often requires stronger communication skills and learning new ways of working in groups.

Strategies to Embrace Equity, Diversity & Inclusion

Fostering equity, diversity, and inclusion should be at the center of health system transformation strategies. This often requires learning to ask powerful questions, listen empathically, and better understand other perspectives. Leaders must do things differently than they may have in the past:

- ☐ **Learn new skills and pay more attention to organizational culture**. This is critical to understanding how unwritten cultural norms and often-unconscious behaviors can create (or stifle) an inclusive culture.

- ☐ **Develop new policies and practices to integrate equity, diversity, and inclusion into every facet** of health system operations and decision-making. Cultural humility is a must-have for leaders committed to strengthening culturally competent care and ensuring patients feel welcome and empowered.

- ☐ **Change individual, day-to-day behaviors and default approaches to decision-making**. Improved interpersonal communication skills are often required, including the ability to have more meaningful conversations, hold one another accountable, and take more of a coaching approach to management.

Many health systems have created patient and family advisory councils to capture community guidance and feedback from diverse groups.

Strategies to Strengthen & Expand Boundary-Spanning Behavior

Expanding partnerships into the community and crossing boundaries requires health systems to invest and commit. Leaders will need to:

☐ **Adopt a stance of respect, openness, and true collaboration with community partners**, including allied professionals, such as social workers and public health employees, community groups and faith sector volunteers, and local businesses.

☐ **Find ways to build multi-sector collaborations that can invest in systemic solutions**, working with community partners to set the agenda. Addressing social determinants of health, for example, requires different approaches to decision-making and collaboration, but can dramatically improve population health outcomes.

☐ **Cross economic, cultural, organizational and social boundaries** to forge new collaborations. Health systems will need to work with new community partners and may sometimes even need to collaborate with competitors. This work can be individually challenging, and many leaders will need new skills to make it happen.

Conclusion

Most American healthcare systems are going through an evolution — a slow and often difficult transformation. Cultures are changing and adapting, paying more attention to multi-disciplinary collaborations, community partnerships, and the delivery of equitable care. Piece by piece, **they're creating the new systems and leadership capabilities they'll need to thrive in the coming decades.**

With every U.S. health system facing existential demands to transform how they deliver services, interact with the community, deliver their mission of health and sustain their financial stability, leadership development to transform the industry and communities is vital.

However, health systems have unique leadership development needs that are different, even, than other industries also facing dramatic upheaval.

Most notably, health system employees are personally driven by a **strong sense of mission** to protect and improve the health of their communities. When patients, community stakeholders, and payors consider whether a health system is "successful," they'll be asking how well it delivered on its mission and whether its services are helping the community **achieve equity**. **Financial margin**, however, is still critical for sustainability and allows systems to reinvest in their missions.

Leadership development helps people, teams, and organizations build the capacity to respond creatively and strategically to these challenges. It also can empower groups throughout your organization to drive critical change from the front line, rather than via top-down mandates. It helps organizations increase employee engagement and close the gap between thinking and doing to **drive true transformation**.

How CCL Makes a Difference

At CCL, we understand the challenges and needs that mission-driven organizations face. We're a nonprofit, mission-driven global organization ourselves. We apply a mix of rigorous research and on-the-ground practices to the leadership, culture, and performance challenges that mission-driven organizations face. This includes work with hundreds of healthcare clients in the United States and around the world. We also integrate lessons from our experience with other high-performance mission-driven organizations, including the U.S. military, top-flight universities, and entrepreneurial nonprofits.

We have a range of solutions specifically designed to help healthcare organizations be more innovative and adaptable, transform their cultures, leverage diversity, and strengthen their leaders at all levels, and improve their financial and operating outcomes. To learn more, go to **ccl.org/healthcare**.

About CCL

The Center for Creative Leadership (CCL)® is a top-ranked, global, nonprofit provider of leadership development. Over the past 50 years, we've worked with more than 2/3 of the world's Fortune 500 companies. Our cutting-edge solutions are steeped in extensive research and our work with hundreds of thousands of leaders at all levels.

References

1. 2016-present survey of 688 U.S. healthcare leaders by CCL.

2. "Ian Morrison on Community Collaboration for Health Care." H&HN. Accessed October 3, 2019. https://www.hhnmag.com/articles/8675-rochester-revisited-community-collaboration-for-health-care.

3. Riley W. J. (2012). Health disparities: gaps in access, quality and affordability of medical care. Transactions of the American Clinical and Climatological Association, 123, 167–174.

4. United States Department of Health and Human Services – Office of Disease Prevention & Health Promotion. Retrieved from https://health.gov/communication/literacy/issuebrief/. April 4, 2019.

5. Browning, Henry W., Deborah J. Torain, and Tracy Enright Patterson (2016). Collaborative Healthcare Leadership: A Six-Part Model for Adapting and Thriving during a Time of Transformative Change. CCL whitepaper.

About the Authors

Nick Hines. Nick is CCL's Healthcare Leader for the Americas. Prior to joining CCL, he led his own strategy consulting firm, The Institute for Transformative Strategy, which focused on leadership development, strategic planning, and process improvement for large state agencies, talent development organizations and healthcare startups. Before that he served in a number of C-suite leadership roles in healthcare, including business development for HCA's Ambulatory Surgery division in Virginia, vice president of operations at Fresenius Vascular Care, and chief operating officer at the American Board of Internal Medicine. He is also a member of National Association of Health Services Executives and recently named a 2020 Mentor. He is a member of the HOSA 100 National Advisory Board.

Amy Martinez. Amy is the Center for Creative Leadership's healthcare program manager. She was formerly a senior faculty member from 2010-2012. Prior to re-joining CCL, Amy was the executive director of Organizational Effectiveness for Cone Health. In her role there, she was accountable for physician and administrative leadership development, performance consulting, strategic thought partnership and execution support, change management, executive coaching, employee engagement, and team interventions. Amy has also held roles in organizational effectiveness and leadership development at Starbucks Coffee Co., Corbis, Wake Forest Baptist Medical Center, and Columbia Hospitality.

| 15

CCL Locations

Americas

Colorado Springs, Colorado

Greensboro, North Carolina (Americas headquarters)

La Jolla, California

Europe, Middle East, Africa

Addis Ababa, Ethiopia

Berlin, Germany

Brussels, Belgium (EMEA headquarters)

Johannesburg, South Africa

London, England

Moscow, Russia

Asia Pacific

Gurgaon, India

Shanghai, China

Singapore, Republic of Singapore (APAC headquarters)

ccl.org/locations
+1 336 545 2810

The Center for Creative Leadership (CCL®) is a top-ranked, global provider of leadership development. By leveraging the power of leadership to drive results that matter most to clients, CCL transforms individual leaders, teams, organizations, and society. Our array of cutting-edge solutions is steeped in extensive research and experience gained from working with hundreds of thousands of leaders at all levels. Ranked among the world's top providers of executive education, CCL has locations in countries worldwide.