



The Financial Professional as Change Agent

Presented by Professor Tom Campanella
Director, Health Care MBA

&

Dr. Susan Kuznik
Professor, Business Administration
Baldwin Wallace University

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Agenda

- **Health Care Today & Tomorrow**
- **Economics as a Framework**
- **Winner or Loser?**
- **Leading Change: Who are the Players?**
- **Leadership Skills for the 21st Century**
- **Q&A**

Health Care: Today & Tomorrow

- Our challenging health care environment
- The health care finance dilemma
- All of the payers are experiencing financial challenges
- Future world – Winners & Losers (at all levels)
- What will separate the Winners from the Losers?
- Economics a tool for better understanding

Using Economics as a Framework to Better Understand Today & Tomorrow

Key Economic Terms:

- **Scarcity**
- **Choices**
- **Opportunity Costs**
- **Asymmetric Information**
- **Self-interest**
- **Moral Hazard**

High Health Care Costs

What has driven high health care costs?

The inter-related impact of:

- + **Self-interest** (non-value-driven payment methodologies)
- + **Asymmetric Information** (information in-balance)
- + **Moral Hazard** (insulating consumers – financial/lifestyle)
- + **Passive Purchasers of healthcare services**
(employers, gov't, consumers, MCOs)
- + **Social circumstances** (poverty, lack of education, violence, etc.)

= High health care costs

Payers' (government, employers, consumers) **Opportunity Costs** will require reversing the above high health care cost formula

Future World of Health Care

Reversing the high health care cost formula will require;

- + **Self-interest** (value/risk driven payment methodologies)
- + **Asymmetric Information** (timely user-friendly cost and quality information)
- + **Moral Hazard** (consumer financial and life-style accountability)
- + **Passive Purchasers of health care services** (employers, gov't, consumers, MCOs) (transitioning to **Active Purchasers of health care services**)
- + **Social circumstances** (collaborative population health)

= Future World of Health Care

Future World

There are two visions for the future world of health care that are potentially compatible

1. A consumer-driven health care system that uses the market to drive lower costs and better quality (enhanced competition from non-profit and for-profit suppliers of health care services to meet the demands of the consumer) (primarily non-governmental?)
2. Major integrated health systems that focus on the continuum of care that are driven by risk and value-based payment methodologies (Primarily Medicare/Medicaid?).
3. Business strategies under both scenarios, while potentially different, will still both **focus around perceived and actual value.**
4. There will be both **winners & losers** under both scenarios

Winner or Loser

- Will you and your organization be a Winner or a Loser in this new world of health care?
- A Loser holds on to the past and denies the realities of the future
- A Winner not only recognizes this future value-based world, but embraces it
- A Winner creates **a culture based on value, innovation and the customer**
- **A Winner (both individually and organizationally) fosters leadership and teamwork**



Leading Change: Who are the Players

Change & Team Dynamics

- Health care organizations are complex, dynamic and challenging
- Change cannot be driven with a “divide & conquer” mentality
- Leadership styles vary across functional areas
- Take me to your leader!

What leadership characteristics come to mind?

Change & Team Dynamics

- Recognize DIFFERENT leadership styles
- Drive change using cross functional & cultural teams
- DELIBERATLY structure your teams with:
 - Top Management Team Members
 - Functional Team Members
 - “Movers & Shakers”

Could this erupt into a difficult situation?

Teams & Performance

- Team evolution & becoming top performers involves:
 - Forming: Members feel included, performance is adequate
 - Storming: Mutual influence begins
 - Norming: Team sets standards for performance
 - Performing: Collaborative working relationships and differences accepted
 - Adjourning: Reform into new teams

Leadership & Teams

- Leaders **MUST** assist in team evolution
- Do **NOT** wait for it to happen: **MAKE IT HAPPEN**
- Creating and leading high performing teams involves:
 - Recognizing talent
 - Knowing and using group & team dynamic skills
 - Identifying and embracing culture change
 - Developing **YOUR** leadership skills

Team Skills

- Teams skills for effectiveness include:
 - Dialogue (suspending assumptions and listening to others points of view)
 - Discussion (challenging others' points of view)
 - Inquiry (asking what others think and why)
 - Advocacy (being open and sharing points of view)
 - Operating simultaneously on process and content
Addressing problems systemically
 - Seeing the forest AND the trees!



Leadership Skills for the 21st Century

Leading Change

1. Act upon the sense of urgency
2. Focus on the FUTURE vision
3. Build & train your teams
4. Challenge the status quo
5. Celebrate wins
6. Build changes into the culture
7. Regroup, create new teams, and repeat

21st Century Leadership

- Eliminate silos
- Address messy, prolonged, reoccurring problems systemically
- Engage team members across functional areas
- Engage team members across varying organizational levels
- Encourage openness and sharing
- Challenge sacred cows
- Change leadership styles accordingly



Q & A