

Creating a Culture to Support Learning

Barbara Mauer, MSW CMC

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Across the United States, physical health and behavioral health organizations are implementing profound changes caused by the transition to managed care. Many are redesigning to maintain quality in the face of the cost-reduction mentality of managed care. How do they make the right changes?

Historically, individual practitioners and most provider organizations focused only on the individuals they saw directly. Now, practitioners and provider organizations must address population-based issues (and demonstrate their effect on the health status of the population), indirectly if they work within a larger managed care system, or directly if they accept risk themselves. There are several dimensions to quality in this new environment:

- Overall quality (including access) as experienced by the population that is covered
- Quality of care for each individual
- Measurement of quality of service and quality of care, and
- Measurement of outcomes and processes.

Managing for Quality

In this context, managed care is not just a financing method, but also a practice approach that shifts the focus to early prevention and population-based interventions, and to reducing high-cost care in favor of lower cost – equally

effective interventions. Practitioners and provider organizations are using quality measurement and improvement to redesign their practices and market themselves more effectively, while meeting new requirements for quality and accountability set by payors, regulatory agencies, and accrediting organizations.

As the managed care market has evolved, seldom have all components of the healthcare system been prepared to manage for quality. Patients have been denied appropriate care or have received substandard care, and plans, provider organizations, and individual practitioners have faced organizational and financial hardships. To avoid these problems, every level of the healthcare system must be accountable for quality management, but with careful consideration given to differing points of reference, accountabilities, and change strategies.

Individual practitioners have their traditional commitment to individual patient outcomes. However, they may approach treatment of presenting conditions in ways that vary from their colleagues. Practitioners in managed care systems are being asked to be explicit about their process of care and provide the “best practice” and most cost-effective care for a given condition. This requires that practitioners examine their present clinical approaches and adopt changes as needed.

Provider organizations are asked to consider the needs of a covered population who must be assured access and appropriate care within the context of fixed resources. These organizations must measure outcomes for different groups of patients, or across different providers or treatment modalities; continually examine and improve clinical and business operations; and provide the appropriate level of review and consult for quality in individual cases.

Managed care plans, which have been seen as emphasizing cost containment, are challenged to demonstrate attention to quality. This requires outcomes management and practice guideline programs, outreach to all stakeholders for feedback on quality of services, and the ability and commitment to start improvements quickly and effectively. It also requires technical, administrative, and clinical support for practitioners and provider organizations to participate in and benefit from quality management systems.

Performance Management Systems

Successful organizations will create performance management systems that set the stage for change and ensure ongoing organizational learning. Most of these systems build on a key continuous quality improvement idea: the Shewart Cycle (plan, do, check, act). This cycle underlies individualized clinical planning and large-scale program planning. It describes the processes of coaching and supporting staff, and redesigning specific components of an organization's clinical or business operations. Organizational planning and change processes must balance the key aspects of managed care (quality, utilization, access and cost) and

use the Shewart Cycle to create a culture that supports continuous improvement.

Performance management systems must define clear and measurable standards for all aspect of performance, from clinical outcomes to the operation of internal processes. They continually check the standards against external benchmarks, and compare actual performance with standards. The core of any organization's performance management system is quality improvement. Quality improvement activities focus intensely on processes – the way things get done – to achieve outcomes from start to finish. They identify key indicators, track trends, regularly gather data, report on the system's performance, and recommend process improvements for organizational adoption.

Utilization management and quality improvement are activities that organizations must link together. Examining achievement of patient outcomes within utilization guidelines and improving upon the guidelines is a prerequisite for achieving balance among quality, access, utilization and cost. Utilization or care management systems that are well designed and implemented ensure that those who need care get the most appropriate and cost-effective level and type of care, no more and no less. Utilization management systems set clear expectations for utilization by individuals and by the population, measure and report data on performance, and evaluate the processes involved if performance is not as expected.

Performance management systems are comprised of all systems necessary to manage care successfully. These include care and service delivery policies, procedures and associated measurement

indicators, human resource policies and procedures, financial planning and management, patient and financial accounting, management information, and patient relations and marketing. One of the frequently overlooked systems in an organization is the human resource system. Changing the organization means changing how it defines job responsibilities and establishes performance standards; ties responsibilities to organizational vision and goals; hires, trains, and supervises staff; and rewards performance based on goal accomplishment.

Process Improvement

Fundamental to creating a learning organization is the assumption that the source of problems in the organization is in the processes, not the people. This philosophy must be supported by all aspects of how the organization deals with people, or the effort to change the culture will be experienced as cynical.

With performance management systems in place, if organizational performance does not meet benchmarks, quality improvement systems will examine the process instead of simply reacting to a person, work unit, or element that seems to be failing. This is where process improvement teams are critical.

Successful implementation of process improvement requires that everyone understands what the organization is trying to accomplish and how their work fits. A team is this idea in microcosm: a cross-functional team, a diagonal slice of the organization, looks at how things work through different perspectives, enriching the discussion of what we do now and what we ought to do in the future. Members of a team learn:

- From one another about how the organization really works
- How to collect and analyze data to make decisions
- About design of different processes to improve the performance of the organization, and
- How to work together, disagree, find agreement, and prioritize in order to produce a set of recommendations.

Process improvement teams provide skill development for people to take into their daily activities. If the organization demonstrates that the work done by teams is valued, these skills “diffuse” into the workplace and change the organizational culture – not overnight, but in the long run.

Leadership and Vision

Successful organizations have the leadership and vision to ensure that everyone is pulling in the same direction. The outstanding healthcare systems are those with a clear vision that has been translated into practice patterns at the direct patient care level.

There are nine functional areas that support organizational change and learning. Within these, over fifty elements can be measured in detail. The following briefly highlights aspects of each area:

1. Leadership and Vision. Everyone has the same road map, is committed to the same destination, is measuring against the same goals, and the vision is exercised daily by many people at all levels.
2. Human Resources. Staff are acknowledged as key to successful implementation of the vision, and the human resource systems are

- designed to define and maintain staff effectiveness.
3. Service Delivery. All systems for organizing, planning, and managing service delivery of the best care in the most efficient manner.
 4. Quality Improvement. There is a culture and core system built on quality improvement methods, measurement, and the use of data in planning and decision making.
 5. Service Utilization. Each patient is matched with a level and duration of care that provides for the reasonable expectation of achieving specific outcomes with the best use of resources, and aggregate measures and outcomes, as well as individual measures, are tracked.
 6. Financial Planning and Management. The organization can produce relevant financial and utilization data, process and report on the data in meaningful ways, analyze it and draw substantive conclusions, and use it to design budgets that match the constraints of the organization's resources while meeting the demand for its services.
 7. Consumer and Financial Accounting. Consumer accounting (patient billing) and financial accounting (general ledger, payroll) are linked and integrated for reporting purposes and additional capabilities (such as member enrollment, authorization, and referral tracking) have been added and existing processes adapted (such as capitation billing added to fee-for-service billing).
 8. Management Information. Timely, accurate, and easy to understand information is available throughout the organization.

9. Marketing and Public Relations. Marketing is understood not as "selling", but as an ongoing and systematic effort to understand what patients and payors need. Products and services that respond to those needs are developed at a competitive price, and the organization's capacity to deliver the products and services are clearly communicated.

The organization that wants to know if it is making the right changes should examine each of these areas in detail and construct a redesign model that measures up. The change activities needed to implement the model should be linked and sequenced in an action plan widely shared throughout the organization, and then the hard detail work begins!