A New Focus—A Different Way Forward

Growth is the only evidence of life.

—John Henry Newman, 1864

A SYSTEM DESIGNED FOR A DIFFERENT TIME

While the health of the US population trails that of most other developed countries, which pay less per capita than we do, healthcare costs are at an all-time high, either directly competing with basic needs such as housing and food or becoming a barrier to any access at all. Every US healthcare executive knows that the industry is in desperate need of repair, yet the path to *real* change is relatively unexplored. The industry's focus on value is a noble one, and the path to controlling costs while enhancing quality requires significant transformation in all sectors that affect health and wellness—certainly a most audacious goal.

Increasingly, we recognize that to take on these challenges and make a lasting impact, we need to expand our focus from health*care* to *health* and *care*, from treating the sick to fostering population health and wellness. In simple terms, this shift means programs and services must focus not only on health per se but on a much broader quality of life.

1

In defining the concept, public health scholars Jonathan E. Fielding and Steven Teutsch (2017) expand our thinking on the goals of the health system with reference to a World Health Organization report emphasizing that social determinants correlate with health outcomes in the United States. The WHO suggests that the states with the poorest health outcomes cannot improve without addressing problems of poverty, job creation, education, transportation, and the built environment.

Our conversations with senior executives from multiple sectors of the health industry concur with this and indicate that to really affect population health—a hugely complex issue—no single sector can do it alone. Providers and payers need to find ways to work collaboratively, with the goal of creating solutions that work for both sectors *and* the consumers they serve. Life sciences companies need to look at reimbursement schemes with payers and think about how there could be a better match between what drugs are being developed and how they're being reimbursed.

These sectors need to work more with other ecosystem partners such as public health agencies, schools, local and state governments, community services, and other public entities. Initiatives aimed at improving overall population health and well-being need to involve those who can influence the socioeconomic status, education, physical environment, employment, and social support networks that influence health, as well.

As the Centers for Disease Control's Health Disparities Report (2013) stated, poor health status, disease risk factors, and limited access to healthcare are often interrelated and have been reported among persons with social, economic, and environmental disadvantages. The conditions and social context in which persons live can explain, in part, why certain populations in the United States are healthier than others and why some are not as healthy as they could be.

We know that poverty limits access to healthy foods and safe neighborhoods and that better education is a predictor of improved

health. We also know that the differences in health are striking in communities with inadequate resources, such as unstable housing, low income, unsafe neighborhoods, or substandard education. By applying what we know about the impact of social determinants (more on this in chapter 3), we can improve individual and population health and also advance health equity.

As costs rise, so does the complexity of leading in a health services organization. Organizations are simultaneously challenged to develop strategies to improve the customer experience, reduce the total cost of care, optimize value-based payment models, enhance coverage and access, and improve population health for all groups. Having all these complexities to deal with reflects why the old system, based on outdated theories, can no longer work. What is required are solutions that span the many sectors of the health ecosystem—a perspective confirmed by Jane Erickson and colleagues (2017, 5), who suggest that "More and more Americans are recognizing that our health and well-being rely on a system designed for a different time, and it is failing us. In response, leaders are organizing in new ways to contend with the many systemic challenges we face, often choosing to form multi-sector partnerships. As longstanding partnerships evolve, and as new ones form across the country, each group must negotiate for themselves a clear reason for being together, as well as practical ways to do business differently."

THE ECOSYSTEM NEEDS DIFFERENT LEADERSHIP

Effective collaboration across sectors will be the key to success, bringing together groups that are diverse in purpose, values, perspectives, culture, expertise, and incentives. Creating solutions with such differing stakeholders requires a leadership focus and skills that reach far beyond what leaders are typically responsible for in their own roles in their own organizations and even in their own sectors. Yet this cross-sector leadership is exactly what's required—it necessitates an

entirely new approach to leading that entails new ways of thinking, new ways of partnering, and a new ability to manage competing priorities and the ambiguities that often arise from diverse perspectives.
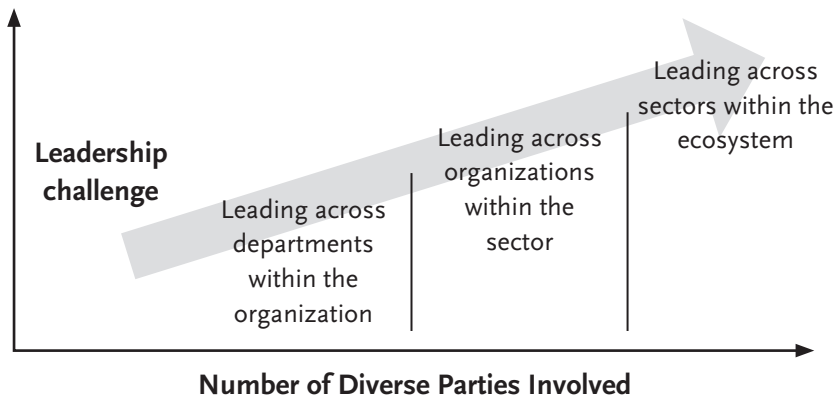
The changes the industry needs can only occur at an ecosystem level. By the term *ecosystem*, we mean a system of diverse yet interdependent sectors with a shared interest in improving health outcomes and the quality of life. We believe that if you are a health industry leader you need to lead—and lead effectively—*beyond* your organizational boundaries.

While leading across departments within your organization is still essential, to make a real impact on health and cost trends, leaders need to be equipped to drive change in and across sectors. Because this solution space is so much bigger, so are the leadership challenges (see exhibit 1.1).

Talk to any leader in any sector in the healthcare industry and you'll find they all agree that making things better for their consumers is their central focus. Take, for example, these extracts from the

Exhibit 1.1: Ecosystem Leadership Challenges

Leadership challenge

Leading across departments within the organization

Leading across organizations within the sector

Leading across sectors within the ecosystem

Number of Diverse Parties Involved

mission statements for a pharmaceutical company, a provider, and a payer organization.

- Our mission is to help people do more, feel better, live longer.
- Designing and delivering high-quality, innovative, personalized healthcare to build healthier communities and improve lives for patients, consumers, and caregivers.
- Together, we are transforming healthcare with trusted and caring solutions.

Can you tell which one belongs to which sector? The answer is that it doesn't matter because the common theme is evident. While all sectors strive to enhance health, each sector addresses that common purpose from its own unique perspective and its own, often competing, priorities. In case you were wondering, the three mission extracts come respectively from GlaxoSmithKline Pharmaceuticals, Atlantic Health System, and Anthem.

Efforts to build innovative collaborative solutions require getting all the different parties together and aligning the stakeholders and their unique perspectives around a common goal. With everyone at the same table, we need find ways for leaders from various sectors to address these collective challenges while still serving their own specific stakeholders.

This view is endorsed by entrepreneur John Geraci (2016): "To adopt what I call an ecosystem mind-set [means to have] an understanding that the keys to new value and growth likely do not reside within one's current boundaries but beyond them, and that success involves forging new connections to solve problems and create new value as a team. It's a mind-set that very few big companies and individuals have, but need." This view, combined with our collective experience, is exactly what led to our research, conducted through our interviews with the leading industry executives previously mentioned.

CASE STUDY

Analysis of our findings has resulted in a cross-sector leadership model designed to develop leaders who can execute business strategies that extend beyond their organization or sector into the broader health industry, working together in ways that affect the shared goal of much-improved population health. Here is one case study, offering an example of how one organization navigated across different sectors.

The Situation

With the implementation of the Affordable Care Act, a leading payer organization realized it would not be able to cover healthcare costs alone and would need to think more broadly. The population it served was overwhelmingly unhealthy, rural, poor, and cared for by primary care providers who were largely unorganized, independent, small, and lacking in electronic records or infrastructure.

The organization's new goal became finding a way to change its relationship with providers to support their ability to care for populations more fully and to be rewarded for good primary care.

The Solution

Working with the provider sector, it designed a program aimed to invest health plan resources into strengthening the relationship between the payer organization and the providers, as well as supporting primary care doctors while allowing them to remain independent. The program involved the creation of an information technology (IT) infrastructure, which included electronic health records (EHRs) and access to clinical and pharmacy claims data, and which pulled in clinical data from EHRs to populate registries.

The Outcome

By the end of the first year, the program had improved the quality of care for all chronic diseases. The registries provided doctors with new insight into enhancing health outcomes and allowed the payer organization to provide care coordination and outreach for the providers.

In addition, the data enabled the payer organization to understand quality and performance metrics and set up a rewards system for physicians who provided outstanding care to patients with chronic diseases. While enhancing health outcomes for members, the organization also reduced the total cost of care per member per month by 20 percent.

VIEWS ON THE HEALTH ECOSYSTEM

While the specific definition of a health ecosystem may vary from organization to organization, the leaders that we quote in this book all refer to two common elements: cross-sector partnerships and collaborative solutions. As an example, David Carmouche, MD, senior vice president of Ochsner Health System and president of Ochsner Health Network, a healthcare provider organization in Louisiana, shared with us how he defines his organization's ecosystem:

> Our ecosystem consists of several sectors that come together to create the environment in which our organization operates:
>
> - The provider sector is made up of the Ochsner Health Network (OHN).
> - For the payer sector, Ochsner Health System is a high-performing network that is viewed as a valuable opportunity for purchasers.

- Whether it's manufacturers; device companies; or pharmaceuticals, these form the health sciences sector.
- The technology and health IT sector has become an increasingly big part of our organizations' ecosystem, whether it's in big data, analytics, consumer engagement, or connectivity.

What David's definition suggests is that, while his organization is in the provider sector of the health industry, it is important to consider the role of other key players and how they contribute to one's own ecosystem.

THE LEADERSHIP CHALLENGE

As we'll discuss in subsequent chapters, taking such a broad and distinctly new approach to leading is not easy. In most organizations, the leaders at the top can resolve conflicts and make the tough decisions. When leaders work across organizations, decision-making is more dispersed, the lines are blurred, and the approach needs to become more collaborative.

A population health approach calls for shared responsibility for health outcomes with multiple sectors whose activities directly or indirectly affect health. To be successful, participants need a clearly stated purpose based on shared values and interests. However, often sectors place value on different things. The aim of collaborative work is to get beyond the differences and find the common ground needed to generate collective action to improve health.

Establishing this shared purpose allows partners to see how participation will help them to achieve their own mandate and contribute to the larger good. Intersectoral action should be viewed as a win–win situation—whereby each party gains something—as opposed to a competitive exercise based on so-called sectoral imperialism, in

which a single sector is seen as benefiting from the work of others as it fulfills its own purpose or mandate.

As we'll explore further in chapter 3, collaboration is not easy, as described by authors Amy C. Edmondson and Susan Salter Reynolds (2016, 6): "Future building is hard. . . . This is because bringing together diverse elements to create a functioning whole presents countless ways for integration to break down." As explained in our introduction, our aim is to support theory with practical examples of how effective ecosystem leaders demonstrate a new and different mind-set, as well as new and different leadership behaviors advocated for in our model.

The shift in focus from health*care* to *health* requires an ecosystem perspective, with leaders who see themselves as influencers in the communities in which they serve—where their role is, at a minimum, to bring other sectors together to affect overall health and wellness. This book is focused on this philosophy and how success can be navigated with a change in mind-set and leadership. For example, consider the experience of Julie Miller-Phipps, president of Kaiser Foundation Hospitals and Health Plan in Southern California. She clearly demonstrates the approach of a leader who understands the importance of partnerships as a means toward better population health: "Some of our current top areas of focus are nontraditional aspects of healthcare, such as educational attainment, food stability, job creation, or mental health. We are now broadening our thinking around how to cultivate relationships in the community and pay more attention to the social determinants of care. The ecosystem includes the integration we have within our organization and the communities that we serve."

In the pages to come, we address the challenges and offer solutions with help from leaders who are doing this work with great success. Our interviewees from across the health ecosystem have successfully demonstrated cross-sector collaborative leadership, and we're thrilled to share their successes with you in the rest of the book.

KEY TAKEAWAYS

- The path to controlling costs while enhancing quality requires significant transformation in all sectors that affect health and wellness.
- Improving overall population health and well-being needs to span the many sectors of the health ecosystem and involve those who can influence the socioeconomic status, education, physical environment, employment, and social support networks that affect health.
- Health industry leaders need to demonstrate collaborative, cross-sector leadership to work toward the shared goal of improved population health.
- The shift in focus from health*care* to *health* requires an ecosystem perspective, with leaders who see themselves as influencers in the communities in which they serve, where their role is, at a minimum, to bring other sectors together to foster overall health and wellness.

REFERENCES

Centers for Disease Control and Prevention. 2013. "CDC Health Disparities and Inequalities Report—United States, 2013." *Morbidity and Mortality Weekly Report* 62 (3). www.cdc.gov /mmwr/pdf/other/su6203.pdf.

Edmondson, A. C., and S. Salter Reynolds. 2016. *Building the Future: Big Teaming for Audacious Innovation*. Oakland, CA: Berrett-Koehler Publishers.

Erickson, J., B. Milstein, L. Schafer, K. E. Pritchard, C. Levitz, C. Miller, and A. Cheadle. 2017. *Progress Along the Pathway for Transforming Regional Health: A Pulse Check on Multi-Sector Partnerships*. ReThink Health Press. Published March. www

.rethinkhealth.org/wp-content/uploads/2017/03/2016-Pulse
-Check-Narrative-Final.pdf.

Fielding, J. E., and S. Teutsch. 2017. "Social Determinants of
Health: Building Wide Coalitions Around Well-Honed Mes-
sages." *American Journal of Public Health* 107 (6): 870–71.

Geraci, J. 2016. "How an Ecosystem Mindset Can Help People and
Organizations Succeed." *Harvard Business Review.* Published
May 12. www.hbr.org/2016/05/how-an-ecosystem-mindset
-can-help-people-and-organizations-succeed.