



# “Practice Fitness: Building a Value-Based Foundation”

---

MGMA of Greater St. Louis and  
Greater St. Louis Chapter HFMA  
March 8, 2016

---

*Presented by:*  
*Marc D. Halley, MBA*  
*Chief Executive Officer*  
*The Halley Consulting Group, Inc.*

Halley Consulting Group | [www.halleyconsulting.com](http://www.halleyconsulting.com)

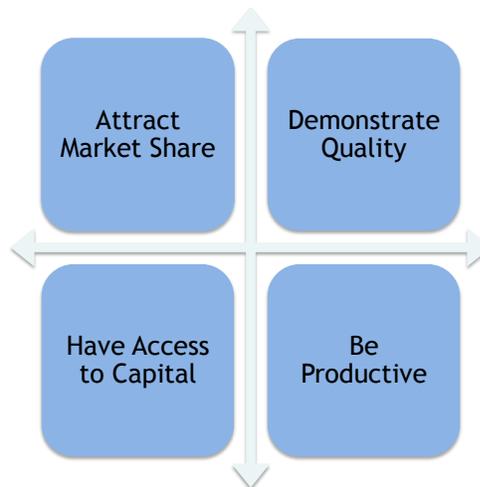
Setting the Context...

## Key Trend Indicators...

- Of budgets and payment approaches
- Industry consolidation
- Millennial physicians
- Provider substitutes
- Changing population demographics and psychographics
- Medical science & “technology”
- New delivery models

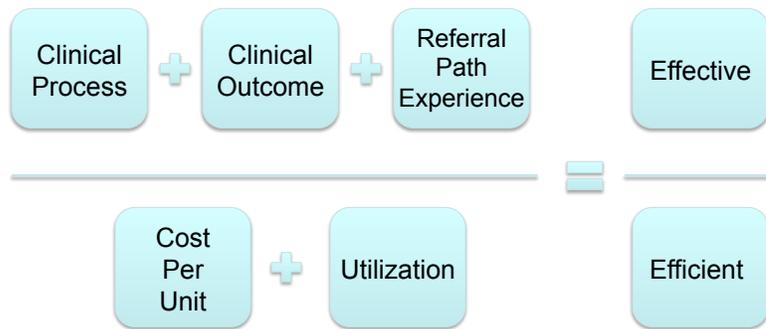
3

## Strategic Imperatives - *Organizations Must Do These Things*



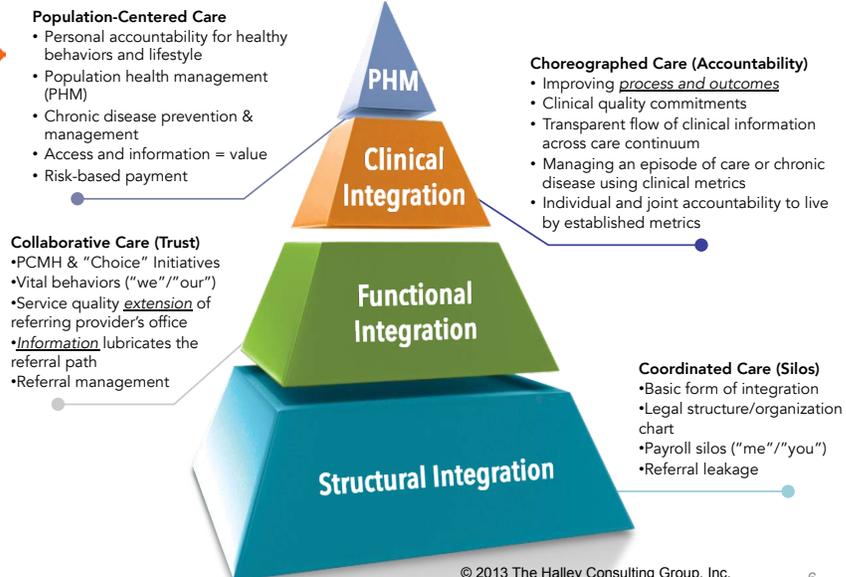
4

## The Concept of “Value” (Value Coefficient)

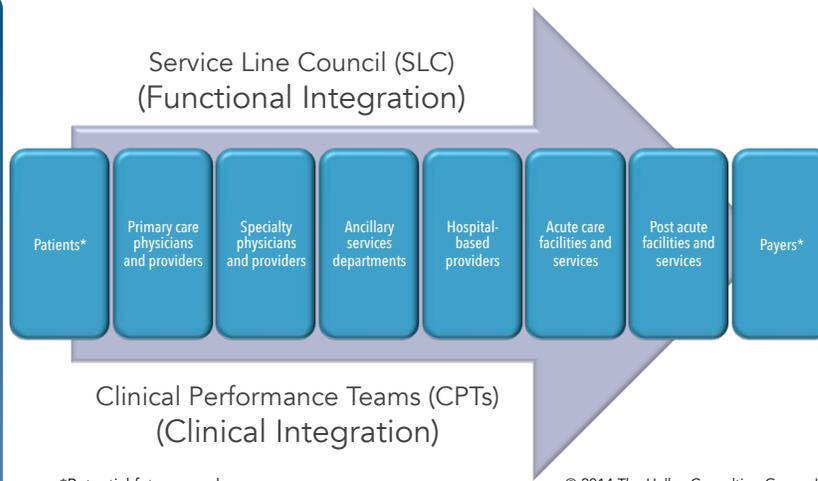


5

## Moving UP the Integration Pyramid



## Horizontal Integration & Governance (Common Consent)



© 2014 The Halley Consulting Group, Inc.

7

## Population Health Health Status Cohorts

- Health Status
  - Healthy - periodic illness/injury
  - Chronically ill or disabled (high function)
  - Complex chronically ill or disabled
  - End of life

8

## Population Health - Creating Value By Cohort

- Population Health (Horizontal Governance)
  - Health maintenance
  - Integrated episode of care
  - Chronic disease management
  - Disability management
  - End of life care (hospice and palliative care)

9

The “Soft” Stuff...That Makes All the Difference!  
(Mission, Vision, Values)

## Common Development Forums...

- Annual retreat
  - Individual Practice
  - Network or group setting
  - Fiduciary board
- Network Operations Council sessions
- Multiple Practice Operations Council sessions
- Consultation/facilitation

11

## Individual Purpose, Motives, Desires, Objectives, Preferences, etc.

- What is my overarching purpose?
- Why do I do what I do?
- What would inspire me to work for free?
- What gives me joy in my work?
- Where do I see myself in 3 years?
- What is my “ideal” practice & setting?
- What other life objectives will be facilitated by my success in practice?

12

## Vision (The Possible Organization)

- Where are we headed?
  - Clinical process
  - Clinical outcomes
  - Service quality
  - Productivity (access, revenue, compensation)
  - Practice sustainability
  - Financial viability
- How will we know when we get there?
- What are the benefits to us?

13

## Vision (The Possible Organization)

- What are the benefits to others?
  - Patients and their family members
  - Support staff/employees
  - Referring physicians/providers
  - Our affiliated hospital
  - Our preferred payers
  - Our community
- Why would others want to join us in accomplishing our vision?

14

## **Our Values... (What and Why?)**

- Quality
- Service to others
- Honesty/integrity/fidelity
- Continuous learning
- Competency
- Respect
- Decisiveness
- Efficiency

15

## **Our Values... (What and Why?)**

- Accountability (joint and individual)
- Teamwork
- Fairness
- Stewardship
- Gratitude
- Compassion
- Independence
- Reputation

16

## Our Values... (What and Why?)

- Work/productivity
- Joy/satisfaction
- Tolerance
- Diversity
- Agility
- Life balance
- Community
- Discipline/rigor
- Others...

17

The Possible Organization Analysis

## Possible Organization Analysis

- Easily grasped by potential stakeholders
- Vision will *create* and *keep* customers
- Compelling enough to “sell” itself to stakeholders
- Stakeholders will volunteer their time and energy to see the vision become a reality
- Tangible personal potential benefits apparent to each stakeholder
- Supports 4 Critical Decision Filters for all stakeholders

19

## Possible Organization Analysis

- Sustainable business model
  - Operationally viable (e.g., people, equipment, processes)
  - Marketable and market sustainable
  - Financially sustainable
- Investment grade - can attract capital
- Can overcome tactical disagreement
- Yields “cooperation” and “choreography”

20

## A Culture of Accountability

### Creating a Culture of Accountability

- Effective “sponsorship” - performance expectations as a condition of employment
- A *compelling* purpose (“hearts and minds”)
- Written quarterly commitments: tactics, timelines and individual accountability (QAP and SSAPs)
- Effective implementers (professional management)
- “A” players only need apply
- Joint commitment - “Everyone dives for the dropped ball!”

22

## Creating a Culture of Accountability

- Rigorous measurement *for* performance
  - Clear performance targets & timelines
  - Clear performance measures
  - Twelve Performance Factors
  - Four Decision Filters
- Return and report (frequent self-reporting)
- Formal objective review of progress and outcomes by sponsors
- Consistent rewards and consequences
- “Intrapreneurship” - Own it!

23

## Last in Their Class?

“Lack of accountability also frustrates independent physicians and emasculates employed physicians capable of achieving private practice levels of productivity if allowed, engaged and expected to do so.”

Halley, Marc D. 2013. "Avoid Costly Mistakes of the Past." *Healthcare Financial Management* March. 63.

24

## The Limits of “Pay for Performance”

- Mind or heart?
- When you pay for everything you get, you get only what you pay for...
- From incentive to entitlement
- Upping the ante...
- Stifles innovation

25

## Accountability and the Sandbox



26



Halley Consulting Group | [www.halleyconsulting.com](http://www.halleyconsulting.com)