Leadership: A CEO’s Perspective

Ronald A. Paulus, MD
President and CEO
Mission Health Overview
Mission Health: 127 Years of Exceptional Service to WNC

• Created, governed and owned by WNC for the exclusive benefit of WNC
  – We are the only such health system
• Unwavering commitment to not-for-profit healthcare, quality and community service
• A Thomson Reuters “Top 100 Hospital” and “Top 15 Health System”
## Mission Health Member Hospitals

<table>
<thead>
<tr>
<th>Member Entity</th>
<th>Licensed Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission Hospital/Children’s Hospital</td>
<td>795</td>
</tr>
<tr>
<td>Asheville Specialty Hospital</td>
<td>34</td>
</tr>
<tr>
<td>Blue Ridge Regional Hospital</td>
<td>46</td>
</tr>
<tr>
<td>McDowell Hospital</td>
<td>65</td>
</tr>
<tr>
<td>Transylvania Regional Hospital*</td>
<td>42</td>
</tr>
<tr>
<td>Angel Medical Center*</td>
<td>59</td>
</tr>
<tr>
<td><strong>Mission Health Total Beds:</strong></td>
<td><strong>1,041</strong></td>
</tr>
</tbody>
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* Critical Access Hospitals
Statistics

• Mission Health:
  – Largest employer and hospital west of Charlotte
  – Responsible for 1:16 jobs in Buncombe; 1:39 jobs in WNC; over $1 billion in economic activity
  – Identified by national leaders as a high quality, low cost hospital and health system

• Mission Hospital:
  – 91st largest US hospital (out of >6,000 hospitals)
  – Serve 18 counties, 16 hospitals, ~850,000 people
  – Patients are ~50% local and ~50% regional
  – 40,000+ surgical cases per year (highest in NC)
  – 1,000+ heart surgeries per year (highest in NC)
  – 105,000+ ED visits per year (third highest in NC)
  – Very high case-mix index (patient severity)
Mission, Vision and Values

• Our Mission:
  – To improve the health of the people of WNC and the surrounding region

• Our MERIT Values:
  – Mercy, Excellence, Respect, Integrity and Trust/Teamwork

• Our BIG(GER) Aim is to get each patient to the desired outcome:
  – Without harm
  – Without waste
  – With an exceptional experience
Patient-centered Approach to Care, Across the Region

• Developing a patient-centered, regional care network that delivers quality, compassionate, effective care
• Providing care close to home (so long as it’s safe and effective)
• Improving access to care throughout the region
• Promoting health, disease prevention and wellness to improve population health
My Leadership Challenges: National Landscape

Quality, Costs
Safety: How Hazardous Is Health Care?

1. Number of encounters for each fatality
2. Total lives lost per year

- **DANGEROUS** (>1/1000)
  - Mountain Climbing
  - Bungee Jumping

- **REGULATED** (<1/100K)
  - Driving
  - Chartered Flights
  - Chemical Manufacturing

- **ULTRA- SAFE** (<1/100K)
  - Scheduled Airlines
  - European Railroads
  - Nuclear Power
The Quality of Health Care Delivered To Adults In the United States


BACKGROUND
We have little systematic information about the extent to which standard processes involved in healthcare—a key element of quality—are delivered in the United States.

METHODS
We telephoned a random sample of adults living in 12 metropolitan areas in the United States and…received written consent to copy their medical records…to evaluate performance on 439 indicators of quality of care for 30 acute and chronic conditions as well as preventative care…

RESULTS
Participants received 54.9 percent of recommended care.

CONCLUSIONS
The deficits we have identified in adherence to recommended processes for basic care pose serious threats to the health of the American public. Strategies to reduce these deficits are warranted.
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The Quality of Ambulatory Care Delivered to Children in the United States

Rita Mangione-Smith, M.D., M.P.H., Alison H. DeCristofaro, M.P.H., Claude M. Setodji, Ph.D., Joan Keesey, B.A., David J. Klein, M.S., John L. Adams, Ph.D., Mark A. Schuster, M.D., Ph.D., and Elizabeth A. McGlynn, Ph.D.

METHODS
We assessed the extent to which care processes recommended for pediatric outpatients are delivered. Quality indicators were developed with the use of the RAND-UCLA modified Delphi method. Parents of 1536 children who were randomly selected from 12 metropolitan areas provided written informed consent to obtain medical records from all providers who had seen the children during the 2-year period before the date of study recruitment. Trained nurses abstracted these medical records. Composite quality scores were calculated by dividing the number of times indicated care was documented as having been ordered or delivered by the number of times a care process was indicated.

RESULTS
On average, according to data in the medical records, children in the study received 46.5% (95% confidence interval [CI], 44.5 to 48.4) of the indicated care. They received 67.6% (95% CI, 63.9 to 71.3) of the indicated care for acute medical problems, 53.4% (95% CI, 50.0 to 56.8) of the indicated care for chronic medical conditions, and 40.7% (95% CI, 38.1 to 43.4) of the indicated preventive care. Quality varied according to the clinical area, with the rate of adherence to indicated care ranging from 92.0% (95% CI, 89.9 to 94.1) for upper respiratory tract infections to 34.5% (95% CI, 31.0 to 37.9) for preventive services for adolescents.

CONCLUSIONS
Deficits in the quality of care provided to children appear to be similar in magnitude to those previously reported for adults. Strategies to reduce these apparent deficits are needed.
We Spend Too Much and Don’t Get Enough in Return

National Healthcare Expenditures per Capita vs. Life Expectancy at Birth

(1) OECD Health Data 2011; Dataset includes most recent information available (2008, 2009 and 2010 data)
Healthcare Spending is High and Growing

$4.3 Trillion 19.5% of GDP
~$2.5 Trillion
17.6% of GDP
$8,086/human
Obesity Trends* Among U.S. Adults
BRFSS, 1990, 2000, 2010

(*BMI ≥30, or ~ 30 lbs overweight for 5’ 4” person)
Number and Percentage of U.S. Population with Diabetes, 1958-2008

Our System is Not Sustainable
“Grasping” the Numbers...
$1 Trillion

- How much is $1 trillion, really?
  - The US has not existed for 1 Trillion seconds...
  - ...Neither has Western Civilization
  - How long would it take to spend $1 Trillion if spending at $1 million per day?
Bad Option 1: Funding Entitlements with Tax Increases
Bad Option 2: Funding Entitlements by Cutting Other Programs
Leadership
Keys to Leadership

• Core Features:
  – Focus
  – Communication
  – Caring
  – Honesty

• Core Strategies:
  – Hunt “antelopes, not squirrels”
  – If you can’t solve a problem, sometimes it helps to make it bigger...
  – “Not no, yes if”
Dimensions of a Great Place to Work®

**CREDIBILITY**
- Communication — Communications are open and accessible
- Competence — Competence in coordinating human and material resources
- Integrity — Integrity in carrying out vision with consistency

**RESPECT**
- Support — Supporting professional development and showing appreciation
- Collaborating — Collaboration with employees in relevant decisions
- Caring — Caring for employees as individuals with personal lives

**FAIRNESS**
- Equity — Balanced treatment for all in terms of rewards
- Impartiality — Absence of favoritism in hiring and promotions
- Justice — Lack of discrimination and process for appeals

**PRIDE**
- Personal Job — In personal job, individual contributions
- Team — In work produced by one’s team or work group
- Company — In the organization’s products and standing in the community

**CAMARADERIE**
- Intimacy — Ability to be oneself
- Hospitality — Socially friendly and welcoming atmosphere
- Community — Sense of “family” or “team”
Leadership = Changing Culture and Leading Change
“Failure is not fatal, but failure to change, might be.”

--John Wooden, Greatest College Basketball Coach, ever...
“If it ain’t broke, don’t fix it” is the slogan of the complacent, the arrogant or the scared. It’s an excuse for inaction. *It’s a mind set that assumes (or hopes) that today’s realities will continue tomorrow in a tidy, linear and predictable fashion.* In this sort of culture, you won’t find people who proactively take steps to solve problems as they emerge.

**Colin Powell**

A “Powell Principle (10)”

“Real leaders understand that every job is becoming obsolete. The proper response is to obsolete our activities before someone else does. Effective leaders create a climate where people’s worth is determined by their willingness to learn new skills and grab new responsibilities, thus perpetually reinventing their jobs. The most important question in performance evaluation becomes not, “How well did you perform your job?” but, “How much did you change it”?

Colin Powell
Others Watch What Leaders Do

“The most powerful signal to which subordinates respond is *what catches the leaders’ attention consistently*, particularly what arouses them emotionally.”

Edgar Schein, MIT
What Leaders Can do to Change Culture: Edgar Schein

Primary Mechanisms

• What leaders pay attention to, measure and control
• How leaders react to critical incidents and organizational crises
• Observed criteria by which leaders allocate:
  – Resources, rewards, status
• Deliberate role modeling teaching and coaching
• Observed criteria by which leaders recruit, select, promote and excommunicate organizational members

Secondary Mechanisms

• Organizational design and structure
• Organizational systems and procedures
• Physical space, facades and buildings
• Stories, legends and mythos about people and events
• Formal statements of organizational philosophy, values and creed
The Four Most Popular “Change” Mistakes Leading to Failure (Kotter)

1. Writing a memo instead of lighting a fire
   - Change efforts fail at the first critical step - establishing a sense of urgency
   - Too often leaders launch their initiatives by calling a meeting then expect people to “buy-in”

2. Talking too much, saying too little
   - Leading by example - people watch bosses very closely
   - Under-communication of vision (by a factor of 10...)
The Four Most Popular “Change” Mistakes Leading to Failure (Kotter)

3. Declaring victory before the war is over
   - If you settle for too little too soon, you will probably lose it all
   - Celebrating incremental improvements is good to mark progress and sustain commitment - but don't forget how much work is still needed

4. Looking for villains...in all the wrong places
   - Crucial to build a guiding coalition that represents all levels
   - The perception that organizations are filled with managers who resist all change is not only unfair but untrue
Lead by Example

• The team around you reflects your attitude and conviction
  – Never underestimate the impact of your own leadership on the performance of your work unit

• Need committed leaders on our team
  – Real Leaders must relish the challenge, even in the face of relative well-being

What we see depends mainly on what we look for."

---John Lubbock, British banker, politician, naturalist and archaeologist
Leadership is Risk Taking

• Taking calculated risks is fundamental to leadership
  – While sometimes counterintuitive, the “status quo” is often markedly less safe than change
  – Not every calculated risk will work, but a leader needs to ensure that more work than do not

• Leadership also means persevering even in the face of criticism and setbacks...