FR27- Leading Change in LTC

Friday, March 23
3:30 PM- 5:00 PM

Session Description

This session will discuss the need for medical leadership in LTC and the larger health care system. Effective leadership characteristics and behaviors will be reviewed. The participant will learn the process of leading organization change. The session will include a presentation followed by small group discussion.

Learning Objectives

Explain why the need for medical leadership in the LTC continuum has changed.
List common characteristics of an effective leader.
Outline the process of leading an organizational change.
Explain the different skills needed for clinical practice versus change leadership.

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Presenter(s) Disclosures: All speakers have reported they have no relevant financial relationships to disclose.
Leading Change in Long-Term Care

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Speaker Disclosures
• The speakers Dr. Nelson, Dr. Levy and Dr. Lett do not have any conflicts of interest

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Post-acute Care Costs
• From $4.5 billion to $6.8 billion (3.5% annual growth) for care in inpatient rehabilitation facilities.
• Post-acute care expenditures represent a growing share of all 90-day episode costs, which is one reason why the CMS added the spending metric to the hospital value-based purchasing program.
• Patients served by hospitals with high per-beneficiary spending levels spent $4691 on post-acute care services vs $2450 by those with low per beneficiary spending levels reinforcing the importance of controlling post-acute care expenditures.

Chronic Disease & Fragmentation
• Medicare patient with 5 or more chronic conditions annually averages:
  • 37 physician visits
  • Sees 14 different physicians
  • Fills 50 prescriptions

DeBerenson R, Horvath J. Confronting the barriers to chronic care management in Medicare. Health Aff (Millwood) 2003
Geographic Variation of Care

- Variation in Medicare beneficiary spending reveals no evidence that those in high spending areas have better health outcomes than in low spending areas.*
- If there were no variation in post-acute care services (e.g., HHA, SNF, rehab facilities) Medicare spending would decline by an estimated 73%.


The Affordable Care Act (ACA)

- Enacted in 2010 with evolving programs through 2020
- In its 906 pp a number of programs are influential in & influenced by Care Transitions. Some prominent ones include:
  - Hospital Readmissions Reduction Program
  - Accountable Care Organizations (ACO)
  - Bundled Payments for Care Improvement (BPCI)
- Controversy over whether it will be repealed, changed or replaced persists

Hospital Readmission Reduction Program (HRRP)

- Initiated October 2012 (FY 2013) for “excessive” 30 day hospital readmissions in certain disease categories
- Now includes AMI, CHF, Pneumonia, COPD, hip & knee joint replacement & coronary artery bypass graft surgery
- Penalty has been increased to the current 3% of ALL Medicare reimbursements in FY 2015 (Oct 2014) if “excessive” 30-day readmissions in ANY of the categories
- Readmission penalties for hospitals in 2017 will increase to $328 from 2016
  - The penalties will hit more than half of the hospitals in the United States – 2,597
  - CABG added

Hospital Readmissions in the Crosshairs

- Hospital 30 day readmission rates have fallen each year since 2012
- CMS wants a 12% decrease in hospital readmissions by 2019 Patrick Conway M.D., acting principal deputy administrator & CMO. 2016
- Appears to be no “right” 30-day readmission rate, but pressure to reduce the rate will continue

Accountable Care Organizations (ACOs)

- Voluntary program initiated in 2012.
- Comprehensive health care system headed by a hospital, physician group or other “convenor.”
- Must have an adequate panel of hospitals, clinicians & sites of care to provide quality clinical services.
- Agrees to serve at least 5,000 Medicare FFS recipients for at least 3 yrs.
- Prior financial benchmarks (what the cost of care was for patients prior to the ACO) with anticipated cost increases
  - 33 quality measures (Recently proposed that one quality measure be 30-day readmission rates)
- Payoff: Opportunity to receive a portion of the savings.

Bundled Payments for Care Improvement (BPCI)

- Initiated 2013 with 4 distinct models
- Sets payment for an “episode of care” based on historical costs & readmission rates
- If the entity can deliver quality care below the “bundle price,” eligible to receive the savings.
  - Quality indicators are monitored
- Depending on which model chosen can select from 48 episodes of care, for 30-60-90 days as prospective or retrospective reimbursement
- Initially all voluntary
  - Comprehensive Care for Joint Replacement (CJR) became mandatory April 2016 in 67 geographic sites → August 2017 reduced to 33 sites where now voluntary
  - December 2016 mandatory for cardiac care & hip/femur surgical fx → cancelled
Transition Imperatives for LTC

- In 2006 there were 1.70 million SNF episodes, of which 419,669 (23.5%) re-hospitalized within 30 days
- Acute care utilization within 30 days of SNF discharge was 22.1% (37.5% within 90 days)
- 14.8% re-hospitalization
- 7.2% ED visit w/o hospitalization

(Mor, Intrator, et al. Health Affairs, Jan 2010)

Patient will move from being revenue centers to being cost centers.

Brendan Thompson, M.D.

Protecting Access to Medicare Act (PAMA) of 2014

- Readmission Penalties for SNF
  - SNF all cause readmission measure by 10/1/15 (SNFRM)
  - SNF potentially avoidable readmission measure by 10/1/16
- Value-Based Purchasing Program for SNF
  - Applying first a readmission measure
  - SNF per diem increases determined by the VBP (may be zero)
  - Funded by a 2% withhold from SNF per diems beginning FY2019
  - Return of withhold based upon performance

Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014

- By 1/1/19 all 4 PAC providers must utilize a standardized assessment instrument & report
- Resource use measures
  - Medicare Spending Per Beneficiary (MSPB)
  - Discharge to community
  - All-cause 30-day hospital readmission → Potentially avoidable readmissions
  - Standardized quality measures
  - Functional status & changes in function
  - Skin integrity & changes in that integrity
  - Medication reconciliation
  - Falls with major injury
  - Pt. preference re tx & discharge options

The PAC Leadership Opportunity for You

- The percentage of acute care hospitals having common investor ties to the post-acute or hospice sectors increased from 24.6 percent in 2005 to 48.9 percent in 2015. Corporate Investors Increased Common Ownership In Hospitals And The Postacute Care And Hospice Sectors. Fowler, Grabowski et al. HEALTH AFFAIRS 36, NO. 9 (2017) : 1547–1555
- Goal is increased quality & decreased cost resulting from care coordination & enhanced information transfer – yet controlling entities often have little knowledge of the PAC space
- PAC “travelers” will be more frail, older, on more meds & have more co-morbidities than ever in medical history – yet care systems still focused on acute care and cure
- Programs, especially BCP, reduce cost by decreasing hospital LOS & decreasing – or eliminating – SNF stays. You will receive them “quicker and sicker” now at every site of care.
- Pressure to not readmit patients to the hospital → on-site treatment

The PAC Leadership Opportunity for You

- You are the perfect instrument for the new medical world
- You already know
  - PAC
  - Care of the frail elder
  - Care of those with chronic disease & multiple co-morbidities
  - Population-based care & mindset
  - On-site care in SNFs
  - Reducing hospital admissions/readmissions
- Today is about understanding & augmenting your leadership style in this evolving medical environment to show the way to clinical & system excellence
Leadership Characteristics

• Think of the best leader with whom you have worked
  • What characteristics did you admire?
  • What behaviors did you admire?
• Think of a poor leader with whom you have worked
  • What characteristics frustrated you?
  • What behaviors frustrated you?

Bases of Power

• Legitimate
• Reward
• Expert
• Referent
• Coercive
• Informational

Transactional Leadership

• Appeals to lower-level needs
  • Food, shelter, and acceptance
• Exchange money, benefits, recognition
• Gets obedience and labor
• Prescription for mediocrity
• Passive management by exception
• “If it ain’t broke, don’t fix it”

Transformational Leadership

• Engages higher levels of motivation and morality
• Focus on values
  • Liberty, equality, and morality
• Values mobilize followers
• Leaders are driven by duty
  • Make sacrifices for followers
  • Shared goals

Characteristics of Transformational Leaders

• Idealized influence
  • Followers needs above their own
  • Behavior is consistent with values
• Inspirational motivation
  • Provide meaning and challenge
  • Enthusiastic and optimistic
  • Develop desirable vision for the future

Characteristics of Transformational Leaders

• Intellectual stimulation
• Question assumptions
• Don’t criticize mistakes, Do solicit solutions
• Individualized consideration
  • Act as coaches and mentors
  • Tailor to needs of individual
Ethical vs. Unethical

- Ethical = Authentic
- Motivated by altruism
- Integrity
- Follows free choice
- Martin Luther King or Mahatma Gandhi

- Unethical = pseudotransformational
- Self-centered
- Mahmoud Ahmadinejad
- Follower who hold other beliefs are rejected

Transformation Leaders

- Raise awareness of moral standards
- Highlight important priorities
- Create ethical climate
- Encourage looking beyond self interest
- Promote cooperation and harmony
- Persuasion based on reason
- Allow follower freedom of choice

Pseudo-transformational

- Promote special interests instead of common good
- Encourage follower dependency
- Foster competitiveness
- Pursue personal goals
- Foment greed, envy, hate and deception
- Use inconsistent, irresponsible means
- Seek to become idols for followers
- Manipulate followers

Group questions

- What do you think prevents people from listening to your suggests for improving care?
- How do you demonstrate your ethical core of your leadership?
- What type of behavior would inspire your nursing homes staff?
- What aspect of transformational leadership would you like to work on when you get home?

Our Iceberg Is Melting

- Changing and Succeeding Under Any Conditions
- By John Kotter & Holger Rathgeber

“Once upon a time…”

- …there were some Emperor penguins in Antarctica.
- 268, to be exact.
- They had lived on their iceberg for years.
- It was heaven. It was home.
Fred

- One of these penguins was Fred.
- Fred was a great husband, father, and employee.
- And observer.
- He noticed.....
  - ....that the iceberg was melting.

Fred wanted to warn his fellow penguins....

... but he remembered the last time someone—Harold--
tried to warn the penguins about the melting iceberg.

- Harold was now ostracized from the colony.

Leadership Council

- Fred decided to meet with Alice, one of the ten
  penguin bosses.
- At first, Alice wondered if Fred was having some sort
  of personal crisis.
- BUT...she listened. And asked Fred to take her to the
  most problematic place on the iceberg.

Fred and Alice swam around the iceberg.
- Fred pointed out the fissures, canals, and caves that
  weren’t there before.
- The caves were filled with water.
  - Water is fine for the summer.
  - But when winter comes...
  - The water freezes, expands, and breaks apart the
    surrounding iceberg.
  - (Not good for anyone living on the iceberg.)

Proof

- Fred decided to make a model of the iceberg in
  order to illustrate the problem.
- As Fred explained the imminent disaster to the
  council members, all but one approached the
  model and examined it more closely.
  - They were scared silent.
- Except for the penguin boss, NoNo, who
  insisted that the melting was nothing new and
  nothing to be worried about.

- Alice agreed to tell the other penguins of the
  Leadership Council.
- Most of them wondered if she were having a personal
  crisis.
- But, really, they were just busy dealing with the
  complaints of their other penguin constituents.
- Finally, they agreed to meet with and listen to Fred.
NoNo continued to discredit Fred and his theory.

UNTIL ….

Alice pointedly said,

“Imagine parents who lost their children. Imagine them coming to us and asking, ‘How could this have happened? What were you doing? Why didn’t you foresee this crisis? …’

This got the group’s attention.

One of the council members suggested that they FORM A COMMITTEE.

Another member agreed, but added, WE NEED TO KEEP THIS A SECRET.

Alice agreed that those were all fine-and-dandy procedures for normal problems. But this was NOT a normal problem.

Alice wanted to call a general assembly of the entire penguin colony.

Panic ensued amongst the council members.

Fred started to feel worried.

But then he thought of another way to convince the penguins of the impending doom.

He found a glass bottle.

They filled it with water and let it sit overnight.

The next morning, it had EXPLODED.

Finally, the council decided to hold an assembly for the entire penguin colony.

Everyone got to see the ice model and the broken bottle.

They also got to hear the first-hand reports of the warning signs and ask questions.

They were thoroughly concerned.

Fred had accomplished the Step One of successful change:

1. Reduce complacency and increase urgency.

Louis, the head penguin, decided to form a TEAM to solve the problem. It consisted of:

1. **Mike**: Head Penguin; wise; experienced; patient, conservative; respected; smart (but not an intellectual heavyweight)
2. **Alice**: Practical; aggressive; a do-er; smart; doesn’t care about status; treats everyone the same; impossible to intimidate
3. **Buddy**: Boyishly handsome; not ambitious; well trusted; well liked; definitely NOT an intellectual heavyweight
4. **Fred**: Younger; curious; creative; level-headed
5. **“Me”**: Logical; well read; curious; not very social

The team went out to lunch (hunting for squid) and chatted about life, love, hopes, and dreams.

They had succeeded in Step Two of Successful Change:

2. Pull together a team to guide the needed change.
• The team brainstormed possible solutions.
• The most scary—but the most realistic—
  was to change their current way of life.
• They studied other successful models.
• They liked the life of the seagull: a nomad.

• They had reached Step Three of Successful Change:
  3. Create a vision of a new future.

• Louis, the head penguin, called another general
  assembly of all penguins the next day.
• They spoke to the crowd about the life of the
  seagulls and the freedom they experienced.
• Although it was a powerful speech, the crowd
  was not sold.
• Some were still skeptical; others confused;
  others were downright against this absurdity.
• Alice decided they needed to constantly remind
  their fellow penguins of their impending doom
  and their hope for a new future.
• And so they did.
• This is Step Four of Successful Change:
  4. Communicate the new vision.

• This communication campaign worked—
  enthusiasm for the new future grew.
• Many penguins volunteered to be scouts—
  to look for a new iceberg to call home.
  * BUT....
• They also became discouraged by all the
  nay-sayers and other obstacles.
• And by the fact that the scout penguins
  would need much more fish than normal to
  survive their venture.
  * (Penguins DO NOT SHARE FISH.)

• The penguin leaders got creative.
• They met with the school teachers and instilled in
  them the need for a new home.
• And the need for HEROES to find the new home.
• The teachers realized this need and imparted this
  enthusiasm to their students.
• The students created the idea of a “Tribute to Our
  Heroes Day”.
• Now nearly everyone felt involved.
• This is Step Five of Successful Change:
  5. Make everyone feel empowered.

• The penguin scouts left for their mission.
• Meanwhile, back home on the iceberg, penguins
  were planning the “Tribute to Our Heroes Day”.
• There would be a raffle, performances, music, and a
  market.
• Admission would be two fish per adult.
• The parents were skeptical, but caved in to the
  enthusiasm and pressure of their youngsters.
• Heroes Day was scheduled for the same day that
  the scouts were to return from their adventure.
• All the scouts returned. Everyone celebrated.
  (Except NoNo.)
• This is Step Six of Successful Change:

• Enthusiasm and hope soared.
• More penguins volunteered to support the
  cause.
• Soon, a new iceberg to call home was found.
• And then “The Move” began.
• Sure, there were problems along the way and
  over the first few months of “The New Life”. But
  nothing horrible.
• The following year, the penguins found an even
  better iceberg to move to. And so they did.
• This is Step Seven in Successful Change:
  7. Don’t let up.
Today, the penguin colony continues to move around like nomads.

Louis, the head penguin, now a grandfather, can frequently be found instructing the penguin chicks in the specific steps the colony took in the past:
1. Create a sense of urgency.
2. Pull together the guiding team.
3. Develop the change vision and strategy.
4. Communicate for understanding and buy-in.
5. Empower others to act.
7. Don’t let up.
8. Create a new culture.

And this is the final step of successful change:

Don’t let stubborn, hard-to-die traditions overcome the new changes.

8-Step Process of Successful Change
1. Create a sense of urgency.
2. Pull together the guiding team.
3. Develop the change vision and strategy.
4. Communicate for understanding and buy-in.
5. Empower others to act.
7. Don’t let up.
8. Create a new culture.

Which penguin?

- What penguin did you relate to the most?
- Did certain penguins remind you of certain people in your organization?

Let’s work on a PALTC “change”

- Your facility is a 120 bed nursing home where you have been the medical director for two years.
- Your local hospital who is the major referral source for your facility is developing a Preferred SNF provider network. Criteria to become part of this network includes your facility hospital readmission rate
- Your current 30 day readmission rate is 30%, above the national average

Set the Stage

- How would you create a sense of urgency
  - Get others to see need for change
  - Need to act now
- How would you pull together guiding team
  - What disciplines need to be involved
  - What leadership qualities do they need

Decide What to Do

- What is your Change Vision and Strategy?
  - How will the future be different?
  - What is your vision statement/goal?
  - How will you make the change happen?
## Make It Happen

- How will you communicate so all staff understand and get buy in (ie meetings, posters, etc.)?
- How will you get others on board
  - Engage across disciplines, shifts, find champions?
  - What barriers do you think you will have?
- What short term wins can you envision?
  - Create early success
  - Make sure visible to all
- How do you keep pushing the cycles of change that are needed to meet the vision?

## Make it Stick

- How do you create the new culture?
- How do you reinforce the change so it becomes the new way of doing things?

## Change successes

- Share your change success story
- How does this relate to other initiative such as QAPI?
- What are you going to take from this and incorporate into your practice on Monday?