Bon Secours Health System - An Adaptive Ambidextrous Organization Design

Organization Design Forum

April 21, 2015
Potential Disruptors

- Medical Homes/Smart Teams
  - Home Health Care
- Sensors & Wearables
- Advanced Diagnostics
- Medical Devices
  - Big Data
- Brokers to HC Financing
- Engagement Platforms (i.e., Amazon)
- HealthCare
- Technology
- Exchanges
  - Bio-Medical
- Physicians
- Retail
- Pharma
- Insurance
- Genomics
- Prevention
- Customizable Treatments
- Clinical Trials
- Emerging Solutions
  - Immuno therapy
  - Viruses to cure cancer
- Partnership with Doctors
  - Customized plans
    - Digital/Mobile
- Partnership with Insurers
- Tech Solutions
- Food/Nutrition
- Health Care & Services
The Challenge of Healthcare Transformation

Challenge:
- Optimize volume curve
- Create and iterate value curve
- Navigate the transition

- How much and how fast do we need to create value to make up for lost volume?

“Crossing The Chasm” with Accelerated Transformation
- Affordability Accelerator
- Adaptive Design

Design Standard / Competitive Requirements

Value & Sustainability

Market Relevance / Global Adoption

Transition

Today

Volume

Value

B2B

B2C

Business Model
Organization Design Process

Step 1: Organization Assessment

Step 2: Organization Requirements (Design Criteria)
- Structure Alternatives
- Scale and Leverage
- Coordination Processes

Step 3: Strategy – Structure Alignment
- Roles and Responsibilities
- Decision Processes
- Capability-Skills
- Culture-Values/Norms
- Metrics and Rewards

Step 4: Organizational Architecture Design

Step 5: Implementation

Aligned to Execute Business Model/Strategy

Strategy

Current Organizational problems
Design Sessions – Adaptive Work Teams

Assessment & Design Criteria

Individuals
• Generate alternative design options that meet criteria

Strategy/Structure Alignment

Teams
• Second iteration of level 1 & 2 structure alternatives

Preferred Design & Organization Architecture

Teams
• Level 3
• L 1 & 2 Role Charters
• Metrics

Final Org Design & Implementation Planning

Teams
• Service Level Agreements
• RACI charts

2 Day Design Sessions

6 – 8 Weeks between Sessions
Adaptive Work System and Applications

Applications
(work-system Design)

- Biz Model Design
- Product Design
- Service Design
- Experience Design
- STS - Work Design
- Transformational Design

Platform

1.) LEADERSHIP
2.) STRATEGY
3.) DECISION ACCELERATOR

4.) WORK SYSTEM DESIGN

ACT

5.) OPERATING NETWORK

8.) FEEDBACK AND RE-CONFIGURABILITY

6.) FEED-FORWARD

7.) REVIEW AND ADJUST
Design Principles or “Rules of Thumb”

- Strategy drives organization design
- Organization design is more than structure … align all points of the STAR
- People tend to support what they help create
- Enable autonomous adaptable networks that can be responsible for whole tasks
- Iterative learning drives innovation
“BSHSI proposes to move from a holding company to an operating partnership with a matrix structure over the next 3-5 years. Our organization must make the transition from one that is hospital-centric to one that is organized around managing population health. This transition will require new capabilities and competencies from our organization and our leaders.”

BSHSI Organization Design Summary
August 2013
Becoming an Ambidextrous Organization

Ambidextrous Organization

Leaders must possess vision for the innovating unit, must guide and support it, must ensure it gets critical resources from established units, and must guide a transition from entrepreneurial to mature business.
Transitioning from an S1 to an S3 Organization

Phase 1

S1

S2

Phase 2

S1

S2

Phase 3

S1

S2

Phase 4

S3
BSKY Vertical Design Criteria (REVISED July 28, 2014)

1) Strengthen our Catholic Health Ministry characterized by our charism of healing, compassion and liberation to build healthy communities

2) Orient the Care Delivery Model so it is responsive to the needs of the patient and the population in all health/wellness encounters

3) Create a flexible, collaborative, matrix-oriented leadership with new and expanded capabilities

4) Embrace and optimize technology, innovation and data analysis to benefit the patient

5) Provide for continuous talent identification and evolution to support the new organizational design

6) Develop more effective systems for understanding and responding to financial drivers

7) Position quality, service and value based care delivery to be the distinguishing differentiator
BSKY Transformation
Org Design (S2)
Drafted 10-14-2014

HSO
ML/CEO

BSKY Current Org Structure (S1)

Chief Transformation Officer

S2 Resource Team

Mission & Sponsorship
Innovation Center
Primary Care, Ambulatory and Physician Services
Clinical Services
Administrative Services

Community Focus & Innovation

Physician Services Lead

Project Manager
Admin Lead
Nursing Lead
Michael Porter’s Six Elements for High Value Healthcare

The Value Agenda
The strategic agenda for moving to a high-value health care delivery system has six components. They are interdependent and mutually reinforcing. Progress will be greatest if multiple components are advanced together.

1. Organize into integrated practice units (IPUs)
2. Measure outcomes and costs for every patient
3. Move to bundled payments for care cycles
4. Integrate care delivery across separate facilities
5. Expand excellent services across geography
6. Build an enabling information technology platform
Michael Porter’s Design Criteria for Integrated Practice Units (IPUs)

What Is an Integrated Practice Unit?

1) An IPU is organized around a medical condition or a set of closely related conditions (or around defined patient segments for primary care).

2) Care is delivered by a dedicated, multidisciplinary team of clinicians who devote a significant portion of their time to the medical condition.

3) Providers see themselves as part of a common organizational unit.

4) The team takes responsibility for the full cycle of care for the condition, encompassing outpatient, inpatient, and rehabilitative care, and supporting services (such as nutrition, social work, and behavioral health).

5) Patient education, engagement, and follow-up are integrated into care.

6) The unit has a single administrative and scheduling structure.

7) To a large extent, care is co-located in dedicated facilities.

8) A physician team captain or a clinical care manager (or both) oversees each patient’s care process.

9) The team measures outcomes, costs, and processes for each patient using a common measurement platform.

10) The providers on the team meet formally and informally on a regular basis to discuss patients, processes, and results.

11) Joint accountability is accepted for outcomes and costs.
BSKY S3 Future State including Integrated Practice Units (IPUs)
BSKY S2 Transition Organization with Integrated Practice Units (IPUs)
Cottage Exercise

Cottage A – What are the top 3 – 5 strategic and environmental reasons for BSKY to use an adaptive work system?

Cottage B – What are the top 3 – 5 hurdles BSKY will face in implementing adaptive integrated practice units (IPUs)?

Cottage C – What are the top 3 – 5 digital technologies that would enable BSKY’s adaptive work teams (IPUs) to be more effective?

Cottage D – What are the top 3 – 5 critical elements that will ensure BSKY has a successful ambidextrous start-up?