Strategic management of a healthcare organization: engagement, behavioural indicators, and clinical performance

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Introduction

Healthcare organizations today are facing a series of problems due to two main factors: increasing difficulty in satisfying a progressively more ‘aware’ and demanding user, and the need to change their internal organization to keep pace with the very rapid changes taking place in technology and approach. A continuous increase of complexity and the capacity of physicians will not ensure the fundamental requirement of any business: to really deliver what its customers need. Hence, it is time for a revolutionary strategy focused on: (i) maximizing value for patients by obtaining the best outcomes at lowest cost and (ii) moving from a physician-centred organization to an ‘organization-driven’ care process.

However, complex systems are typically conservative and rather resistant to change, and the healthcare system is no exception to this rule. The challenge is that doctors have to be central players in the healthcare revolution and any strategy that they do not embrace will fail. Certainly, a piecemeal approach will not work. Engaging doctors in transforming the system requires focusing on shared goals, by using motivational tools: shared purpose, peer pressure, measuring performance, and enhancing a patient-centred approach.

Defining the plan: mission, vision, and goals

The first step in any strategic transformation is to clarify the institutional mission, visions, and goals. The ‘mission’ declares the organization’s distinctive purpose or reason for being. The vision represents what its leaders want the organization to achieve when it is accomplishing the mission. Strategic goals are those overarching end results that the organization pursues to accomplish its mission.1–4

GVM Care & Research is a holding operating in the health, pharmaceutical, spa-well-being, research, biomedical industry, company-aimed services, real estate, and financial areas. The core business is the network of highly multi-specialized hospitals and day-hospital outpatient clinics: this complex system, involving specialized facilities and highly qualified professional expertise, is present in numerous Italian regions and extends also to France, Albania, and Poland. GVM is one of the key players in Italy in cardiac surgery (responsible for ~15% of all cardiac interventions in Italy) and interventional cardiology, with documented excellent outcomes (cf. the Italian National Healthcare Agency and Italian Ministry of Health).

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clinical research'. The strategy for moving now to a high-value healthcare organization comprises five variables: (i) designing and implementing a corporate organization dedicated to cardiovascular patients, including new clinical governance rules; (ii) driving the changes by work volume and performance, in a single matrix; (iii) increasing innovation in clinical processes and implementing clinical research as a structural component of clinical procedures; (iv) expanding geographic networking; and (v) developing an advanced information technology (IT) platform (Figure 1).

The task of building a vision for an organization is frequently referred to as ‘path-finding’. The goal of the path-finder is to provide a vision, find the paths that the organization should propose in the long run and mark the trail for those who will follow. To effectively outline the future and facilitate the pursuit of organizational excellence, visions need to be translated into ‘action plans’, considering:

1. primary targets, i.e. sectors to be sustained, expanded, or reduced;
2. external context analysis, e.g. the presence and type of competitors, geographic and demographic data, the network and relations, and international connections;
3. internal context analysis, i.e. expertise, mindset and attitude of the heart team, structure, organization, quantity and quality of production (database), and periodic monitoring of the database and processes;
4. strategic targets, e.g. teamwork, performance improvement, increased number of patients referred, innovative techniques, inpatient clinics plan (GVM point program), innovation and production in clinical research, and presence and competitiveness in Europe.

Organizational culture

To successfully implement the strategy, a change in ‘organizational culture’ is required. Although cultural change is difficult, it is often an important factor in moving the healthcare system toward realizing its strategy. An organizational culture is the consciousness of the organization that guides the behaviour of individuals; it may be founded on shared purpose, value, and behavioural norms. The GVM organization was created by a bottom-up approach with shared assumptions including a common understanding of ‘who we are’ and ‘what we are trying to accomplish’. Certainly, we shared values such as a common understanding of ‘GVM doing things’. Parallel to its cultural change now, GVM has adopted a new organizational structure in order to facilitate the implementation of the overall strategy (Figure 2).

Clinical program, performance, and reporting to drive improvement

The healthcare future will be based on larger and integrated systems, patient-centred care, a new relationship between hospitals and physicians, and a shift of many inpatient procedures to outpatient or home settings. Since the biggest driver of rising costs is medical progress and procedural improvements that generate a fragmented and disorganized system, in order to create a common language, GVM has defined guidelines for a strategic plan focusing on high-quality, medically excellent procedures, innovative techniques, participation in international networks, and scientific publications.

Organizational culture requires rigorous measurements of value: namely, outcomes and costs. Accordingly, we introduced the GVM performance index, composed of the key indicators of clinical activity, approach and results pertaining to the single hospital and its surrounding area (GVM Area, see geographic network). Measuring a full set of outcomes that matter is indispensable to better meeting patients’ needs. At each single level, variables (hence indexes) were grouped into four macro-areas (Table 3): (i) clinical indexes, (ii) program index, (iii) economic indexes, and (iv) reputation index (Figure 3).

Area performances, as well as the medical team performances, should be computed on the basis of the ability of both areas and teams to reach the established targets. This approach has made possible a greater integration of production and performance data, finally available within a single matrix and, hence, more sensitive and able to describe the Group’s positioning and capability, both horizontally (in a given time, between different hospitals), and vertically (in a given hospital, across different moments). Monitoring has been applied, both at single-hospital level, at hub-and-spoke area level, and at medical team level (entire network within a given medical area).

For some of the variables comprised in the above-mentioned indexes, a given numeric threshold was identified and set (in coherence with recent regulations, i.e. the ‘Balduzzi’ law), while in other cases the threshold was set at a value equal or better than GVM’s average performance. Financial incentives were used in GVM in the past but they were not sufficient to optimize doctors’ performance. Since comparing outcomes is complicated, we
have implemented coordination, information sharing and team work as performance measures.\textsuperscript{33–43}

These systematic measurements of results and the periodic activity of reporting outcomes using peer pressure have produced significant improvement in quality of care, outcomes and costs in GVM and have positively influenced several important indicators in the cardiovascular area:

1. the volume of cardiovascular surgical procedures performed by GVM in 2013 rose by \(\approx 10\%\), inverting the negative trend of the previous 3 years;
2. the average length of hospital stay in cardiac surgery decreased in 2013 by about half a day compared with the same period in the previous year;
3. cardiac surgery mortality decreased significantly, by 1\%, in the same period;
4. endovascular cardiology increased by \(\approx 1\%\) in 2013 with respect to 2012.

As far as the area indexes are concerned, there was a clear improvement in all areas considered. Results from the Cardiac Surgery and Cardiology Hospital Score indices are also very interesting: measuring the Cardiac Surgery index, six hospitals of nine improved their performance, one showed no difference, while only two showed a lower score, due to external reimbursement regulations.

**Clinical research**

Scientific research is a necessary component of a healthcare institution working in areas where culture, technology, and clinical care processes move quickly and need continuous updating, first so as to keep abreast of intellectual advances, secondly so as to be part of the community of experts able to discern the quality of the new proposals and disentangle true novelties from cosmetic changes, thirdly so as to be able to contribute to the advances and play a role in their management. Clinical research should not be a corollary in the strategic planning of health management, but rather it should be a primary component in the array of mid- to long-term goals, and also part of the investment plan.
Geographic network

GVM is a multisite healthcare delivery organization controlling a wide and continuously growing network of hospitals spread throughout Italy and abroad. However, the level of integration and connections between the nodes of a dynamically changing network requires periodic systematic adjustments. To improve values, eliminate fragmentation and duplication of care, and optimize organization, we have introduced the ‘hub-and-spokes’ model. In this model, we define the role of each hospital, concentrating work volumes within a few hospitals, choosing the best location for each clinical approach and integrating patient care across hospitals.

The hospitals have been assigned to four different geographic areas, in relation to their location. In addition, a hub for each area has been identified, intended to act as a natural ‘centre-of-gravity’ for the network of hospitals situated within the relative geographic area. The spokes, i.e. the network of hospitals comprised within the hub’s gravitational system, are directly linked to their main hub, and indirectly connected, through ‘hub-to-hub’ connections, to spokes in other areas. As far as the area working plans are concerned, it should be noted that the Italian healthcare system is strongly ‘regionalized’, both in terms of clinical and administrative organization.

Finally, several actions have been conceived and implemented to improve GVM’s visibility within Italy and abroad, through a marketing and communication campaign, as well as new and innovative networking instruments, such as the GVM Point initiative. The GVM Point initiative was designed to establish a network of inpatient clinics. These clinics typically provide first-level diagnostic services. The underlying franchising-like proposal was to integrate these clinical investigations with 2nd-level, 2nd-opinion ‘heavy-machine’-based options (such as MRI-scan, CT-scan, X-ray, etc.) at GVM clinics, as well as pre-surgical consultations and planning. Local affiliates can benefit from the expertise and reputation of GVM hospitals for referral of complex cases, so improving their own status. This enables even relatively small inpatient clinics to provide patients with an almost complete range of medical services and solutions.

Building an enabling information technology

The core of the GVM value agenda is to support a solid IT platform. A multidisciplinary and multidimensional organization like GVM needs to be complemented by an efficient delivery system. The IT program is focused on a platform that follows patients across services, using a common data definition and containing all patient data. Healthcare IT is acknowledged as instrumental in reducing medical errors, enhancing staff productivity, improving quality, and lowering costs. The medical path is accessible to all stakeholders and by any GVM structures, facilitating patients’ referral, diagnosis and treatment, and outcome and costs measurement. The global data of GVM network will be used to implement the continuous process of quality assessment and improvement, risk management and to establish a better communication with patients.

Conclusion

Hospitals and healthcare organizations are today operating in an extremely competitive environment, with increasing pressure to improve quality and reduce costs. In responding to this dynamic situation, transformation of organization requires the will to organize delivery around the needs of patients.

We have described the GVM organizational experience in reengineering the process by which care is delivered in order to make it more patient-focused. The GVM value agenda has been formulated based on mutually reinforcing components. The corporate organization has been redefined including a proper measurement of performance (outcomes and costs). An IT platform has been implemented, enhancing patient-centred vision, facilitating access to medical records for all parties involved in care, quality of care and costs. Despite the fact that the GVM is a complex and multisite healthcare organization, the strategic transformation has been carried out engaging all physicians in the total hospital network. The results at 18 months are very surprising: assessment of outcomes and costs in the cardiovascular field has shown an improvement in all GVM hospitals.

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