Focused Improvement Strategies for a New Medical Home

Sonya “Nikki” McLaughlin

Emory University

Nell Hodgson Woodruff School of Nursing

December 12, 2015

*"****This paper represents my own work in accordance with the School and University regulations."***

**Introduction**

While facing the challenges of an evolving healthcare environment, healthcare organizations are continuously looking for ways to simultaneously reduce healthcare spending while increasing patient satisfaction and improving patient outcomes. Persistence of chronic disease, an aging population, healthcare reform, and tremendous healthcare expenditures all contribute to the dilemmas present in healthcare. In an effort to overcome the obstacles facing healthcare, strategic planning is being implemented in organizations. “Strategic planning is the systematic process whereby an organization creates a document indicating the way it plans to progress from its current situation to the desired future situation” (Sadeghifar, Jafari, Tofighi, Ravaghi, & Maleki, 2014, p. 56). The term ‘strategic’ has two elements that should be further clarified. The first refers to the decisive importance used in strategic planning and secondly, the term ‘strategic’ should only be associated with a desired future state as the term “denotes a highly substantial issue that cannot be associated with the short term” (Perera, & Peiró, 2012, p. 750). Strategic planning can reveal previously hidden opportunities or threats, providing the option to act on them early while also establishing a clear and explicit framework for the organization to follow and align with (Perera & Peiró, 2012). The five phases of strategic planning are each designed to facilitate movement to a more optimal future state (Perera & Peiró, 2012). The initial phase includes definition and alignment of the mission, vision, and values, presented here as the vision platform (Soo, 2013). Serving as the organizations basis and compass, the vision platform must be clearly defined and instituted to further support organizational change. The second phase of strategic planning involves a specially selected planning team working to highlight areas of success as well as opportunities for improvement within the organization and is further delineated into five stages. The planning, or steering, committee foremost evaluates the internal and external factors affecting the organization. Following this, a comprehensive organizational analysis is conducted followed by discussion of alternatives and finally determining the focus of interventions over the next several years (Perera & Peiró, 2012). The third phase of strategic planning is operational planning, designed to ensure that interventions are specific, practical and recognizable (Perera & Peiró, 2012). The final two phases of strategic planning, assessing results and reformulating the strategy, are based in continuous improvement and progression toward common goals (Perera & Peiró, 2012). The following further describes the phases of strategic planning and discusses its potential use in a healthcare organization that is facing impedances in an ever-changing healthcare climate.

**Strategic Planning- Theoretical Basis**

 According to Sadeghifar, et al. (2015), the success of organization hinges on strategic planning: one of the most common managerial practices in healthcare organizations. The stages of strategic planning can be categorized with the stages of Lewin’s Change Theory which defines the phases of change through a process of ‘unfreezing’, ‘transitioning’, and ‘refreezing’ (van den Heuvel, Demerouti, Bakker, & Schaufeli, 2013). In Lewin’s Change Theory, problems are primarily addressed by ‘unfreezing’ the status quo or equilibrium state (van den Heuvel, et al., 2013, p. 12). “Unfreezing entails preparing for change, communicating change, building psychological safety, creating a sense of urgency around the need for change, making the driving forces for change explicit, and removing restraining forces that inhibit change” (van den Heuvel, et al., 2013, p. 12). The second stage of the Lewin Change Theory is the ‘transition’ phase, where an organization works to enact actual change. “This is the phase in which employee learning and behavioral change are required. During transition, the target system is moved to a new equilibrium and it is therefore crucial to build change acceptance and motivation amongst change recipients” (van den Heuvel, et al., 2013, p. 12). During the final phase of Lewin's Change Theory, ‘refreezing’, the new practices are enforced in order to prevent reversion to old behaviors (van den Heuvel, et al., 2013). Setting priorities and process development closely resemble ‘unfreezing’ while strategy determination and initiation are characteristic of the ‘transition’ phase. Strategic planning also uses methods of evaluation and quality improvement (van den Heuvel, et al., 2013), similar to aspects of Lewin’s third phase, ‘refreeze.’ Use of strategic planning, in a healthcare organization whose objective is to increase patient volume, improve patient outcomes, and decrease excessive overhead, should employ focused interventions at each stage to facilitate effective and lasting change.

**Project Leadership Team**

 To effectively enact change through strategic planning, strategic thinking is a prerequisite. Strategic thinking is “described by its characteristics as compared to operations thinking: longer term, more abstract, issues-oriented, reflective, etc.” (Goldman, 2012, p. 26). Goldman (2012) contends that strategic thinking is an important component of strategy development, as mental processing, and as perceptions and conduct. Goldman (2012) also maintains that development of strategic thinking can be accomplished by education and experience. Finally, Goldman (2012) promotes diversity of age, gender, knowledge base, experience, and skill level, among others, when strategically thinking within a team setting. Elevating thought processes through strategic thinking allows team members to expand perspectives while considering new initiatives. Strategic thinking in a team of stakeholders in place to lead change for the organization allows for ingenuity and innovation.

**Phase I- the vision platform**

The mission, vision, and guiding principles represent the basis for strategic planning and in concert are defined as the vision platform (Soo, 2013) and these three components constitute the initial phase in strategic planning (Perera & Peiró, 2012). A poorly worded, or the absence of, a mission statement can effect employee retention and recruitment, organizational culture, and productivity (Evans, 2010). Lack of a vision platform is a lost opportunity for the organization to reach new populations, expand into the community, and achieve its overall goals.

**Mission**

 The importance of a well written mission and vision statement cannot be discounted. Guiding the overall direction of an organization, the mission statement is employed by almost all businesses and is even required for tax status of non-profit organizations (Walker, 2012). Broad and encompassing, mission statements are put in place to describe two key features of the company, who they are and what they do (Walker, 2012). A mission statement “establishes the context within which daily operating decisions are made, and it sets limits on available strategic options” (Soo, 2013, p. 44). Healthcare organizations have the unique challenge of communicating its goals to a diverse employee pool as well as community stakeholders such as potential patients (Walker, 2012). To combat this challenge, organizations must use tactics to engage all of their intended target audience. The use of technology is an easy and effective method to accomplish this goal. Internally, interventions should be focused on individuals as methods such as posters are non-specific and therefore not engaging (Walker, 2012). One way to achieve individual focus could be the use of the mission statement in the company email signature (Walker, 2012). As a consistent communication with all employees, email signature with the company mission statement represents a simple way to communicate its importance.

**Vision**

 Having an effective mission statement is not enough; vision statements provide power and strength to support the mission of an organization. Visionary organizations use such statements to add character and depth to their mission statements, perpetuating the organizations fundamental aspirations and purpose (Soo, 2013). The vision statement describes the direction of the organization and is also “brief and memorable, inspiring and challenging, appeals to all stakeholders, and describes an ideal state” (Soo, 2013, p. 44).

**Values**

 Core values or principles are the defining attitudes and attributes exemplified by the organization at every level (Soo, 2013). Values are “a small set of timeless guiding principles, core values require no external justification, they have intrinsic value and importance to those inside the organization” (Soo, 2013, p. 44-45). Values are often derived from adjectives such as integrity, innovation, compassion, and care and are evident in both conscious and subconscious behaviors (Soo, 2013). Working synergistically with the mission and vision, core values or principles support the organizations progression toward a common goal.

 For a healthcare system that is struggling to succeed amidst a turbulent healthcare climate, careful alignment of mission, vision, and values is fundamental. The use of a combined vision platform establishes and maintains focus on the company’s overarching goals and aspirations and this leadership tool provides an organizational cornerstone for strategic planning (Soo, 2013). While outlining the desired future state of their organization, stakeholders involved with the failing healthcare system should ensure there is cohesion between their mission, vision, and values and that the vision platform is demonstrated at all levels of the organization at all times.

**Phase II- Setting Priorities**

The second phase of strategic planning is setting priorities (Sadeghifar, et al., 2015). This is accomplished through the evaluation of internal and external forces, use of encompassing organizational analysis tools, inquiry into alternative processes, and determination the most appropriate course of action to address the outlined problem (Sadeghifar, et al., 2015). Four dimensions contribute to the external environment of an organization; these include the owners, providers, competitors, and clients of the organization (Perera, & Peiró, 2012). Analysis of the internal environment of a healthcare organization also evaluates four aspects; these are resources, legality, power groups, and most significantly, clinical care, training and research activity (Perera, & Peiró, 2012). During this phase of strategy formation, organizations identify areas for improvement, and identify internal and external forces such as community perception and organizational culture.

 **Stage I & II- External and Internal Analyses**

 The four dimensions defined by the external environment are the factors the healthcare organization cannot change (Perera, & Peiró, 2012). In many instances, owners and providers are represented by key stakeholders who are also in place on transformation teams. Key stakeholders may have positions of influence and should motivate others toward positive change (Goldman, 2012). Careful consideration of competitors, their target audience, and their strengths and weaknesses should prompt a healthcare organization to initiate innovative and unique approaches to stand apart from competition. Finally, addressing the needs of the target community and acting towards their best interest should be at the core of any healthcare organization. For a healthcare organization that is attempting to increase patient traffic, a community needs assessment should be performed to determine that the perceived needs of the community are attended to by the organization and that patient satisfaction with the organization is high. Community needs assessment represents one intervention a healthcare organization may increase community buy-in and therefore increase client volume.

The internal factors influencing a healthcare organization can be evaluated by a number of methods and generally speaking, it is the internal environment of an organization that is subject to transformation and change (Goldman, 2012). Evaluation of an the organizations available resources, including people, financial budgets, structural resources, current regulations affecting performance, trade unions, professional associations, internal decision-making bodies, clinical commissions, and the like, and evaluation of clinical care, training and research should be included in the internal investigation (Perera, & Peiró, 2012). For the purposes of the strained healthcare organization, it would be prudent to appraise both internal and external factors through the use of organizational analysis tools.

**Culture**

 One internal aspect of healthcare organizations is the environment in which treatment is provided and the personnel responsible for providing care. Organizational culture is defined as “a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (Goldman, 2012, p. 29). Classification of organizational culture is often accomplished by delineating four category types, clan, adhocracy, market, and hierarchy. Flexible organizational structure characterizes the clan culture type which is also internally oriented. (Hartnell, Ou, & Kinicki, 2011). While also flexible, the adhocracy culture type is externally oriented (Hartnell, et al., 2011). The market culture is externally focused and has a controlling organizational structure and the hierarchy is internally focused and controlling (Hartnell, et al., 2011). Identifying the current culture of an organization is an essential part of enacting organizational change.

With regard to a straining healthcare system, current culture should be evaluated as a barrier or facilitator to organizational change. Defining the type of culture at present and determining it’s appropriateness for the desired future state is of critical importance. According to Naranjo-Valencia, Jiménez-Jiménez, & Sanz-Valle (2011), clan cultures have the most positive employee attitudes and high product and service quality, whereas market cultures are innovative and financially effective. Acknowledging the differences in types of organizational culture, “it is important for executive leaders to consider the fit, or match, between strategic initiatives and organizational culture when determining how to embed a culture that produces competitive advantage. They should then espouse, enact, and reward the values and behaviors that are consistent with the desired culture” (Naranjo-Valencia, et al., 2011, p. 60). It is therefore vital that organizational culture complement the mission and, consequently, each support and validate the other to achieve the desired future state.

**Stage III- SWOT Analysis**

Simultaneous evaluation of internal and external forces can be accomplished by an organizational assessment, such as a SWOT analysis, which provides information on everything relevant that has occurred and continues to occur within the organization. A strengths, weaknesses, opportunities, and threats, or SWOT analysis, is a tool frequently used in the healthcare setting to derive action plans aimed at achieving their overall mission (Terzic-Supic, et al., 2015) and is the third phase in the strategy planning (Terzic-Supic, et al., 2015). The SWOT analysis classifies external forces as opportunities or threats to the organization while internal capabilities are designated as strong or weak points (van Wijngaarden, Scholten, & van Wijk, 2012). SWOT analysis of a healthcare system in jeopardy may plainly revel threats and weaknesses contributing the intricacies of organizational challenges.

**Stage IV- Establishing Process**

The major challenge facing healthcare organizations is multi-faceted, demanding that the organization be resilient to a changing healthcare climate while retaining the ability to function in the role of provider of essential healthcare services (Wilson, & Kishk, 2013). During the fourth phase of strategic planning, stakeholders and team members formulate appropriate measures to address the defined problems.

 **Concept Mapping**

 Concept mapping is one tool stakeholders can use to work through phases and arrive at a viable plan of action. The concept map uses a series of steps to encourage teamwork of stakeholders who first identify a common goal, such as the organizations mission, and then begin to brainstorm ideas and thoughts (Anderson, Day, & Vandenberg, 2011). Ideas are first generated by individuals before being presented to the group for further consideration (Anderson, et al., 2011). Ideas are then sorted and rated before computer software generates visual representations of collected thoughts and ideas. The created concept map can then be used to further direct focused change and strategic planning (Perera, & Peiró, 2012).

**Stage V- Framework for Implementation**

Arriving at a framework that is appropriate to enact change and address challenges is the main goal of strategic planning (Sadeghifar, et al., 2015). At this stage, “the strategic plan leader and steering group now choose the few areas on which to focus the strategic action of the healthcare organization during the coming years” (Perera, & Peiró, 2012, p. 753). There should be less than ten of these strategic areas and they must remain active for the duration of the strategic plan; strategic areas should also be generic (Perera, & Peiró, 2012). Once strategic areas are identified, strategic objectives are tied to them associating actions whereby specified areas will be addressed (Perera, & Peiró, 2012). “The strategic areas and strategic objectives together in an organization constitute what is called its strategy formulation” (Perera, & Peiró, 2012, p. 753). The strategy formula, in turn, describes the explicit strategy of the healthcare organization (Perera, & Peiró, 2012).

Many potential frameworks exist that may be suitable for use in a healthcare organization that is experiencing significant hardships. The Patient Centered Medical Home has recently emerged as a healthcare model with the potential to improve the care experience, improve the overall health of the population, and reduce healthcare spending (Maeng, graf, Davis, Tomcave, & Bloom, (2011), Jackson, et al., (2013)). Each of the five components of this model are aimed at integrating care and improving quality (Maeng, et al., 2011).

**Phase III- Operational Planning**

“The aim of operational planning is to make each strategic objective absolutely specific, practical and recognizable. The way to do this is by assigning operational objectives to each strategic objective” (Perera, & Peiró, 2012, p. 753). To be considered for strategic planning, objectives must be quantifiable (Perera, & Peiró, 2012). After all the objectives are formulated, the implementation of each is integrated with that of the others on a specified time line (Perera, & Peiró, 2012). During this phase, the roadmap by which change will occur is finalized and enacted. Operating with time constraints provides additional motivation and propulsion toward transformation.

**Phase IV & V- Ongoing Evaluation**

The final phases of strategic planning involve the continued pursuit of organizational mission and visionary states. Within healthcare, patient outcomes, patient satisfaction, and healthcare expenditures are common drivers toward an improved future state. Evaluation of these catalyst is done by any number of methods, commonly the Press-Ganey Patient Satisfaction Survey, the Strategic Control System, and more recently, the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) patient satisfaction survey (Zusman, 2012). In order to effect lasting change, key stakeholders and project planning members “must constantly ask himself/herself whether the organization is moving in the right direction or not” (Sadeghifar, et al., 2014, p. 57). Evaluating progress ensures continued assessment of challenges both recently acknowledged and long-standing and guarantees consistent revision of practices.

**Conclusion**

Through the methods of strategic planning, it is possible for a strained healthcare system to enact change and achieve an improved future state. Careful alignment of the organizations mission, vision and goals through the vision platform lays the basis for successful strategic planning. Additionally, organizational culture and steering committees play an enormous role in the success of an organizations change behavior. Through role modeling and culture enhancement, both influence organizational practice from beyond the realm of strategic planning. The phases and stages of strategic planning mirror the stages of Lewin’s Change Theory and the aspects of strategic planning offer a roadmap by which to accomplish company goals.

**References**

Anderson, L. A., Day, K. L., & Vandenberg, A. E. (2011). Using a concept map as a tool for strategic planning: The Healthy Brain Initiative. *Preventing chronic disease*, *8*(5).

Evans, J. (2010). Vision and Mission - What's the difference and why does it matter? [blog]. Retrieved from: https://www.psychologytoday.com/blog/smartwork/201004/vision-and-mission-whats-the-difference-and-why-does-it-matter

Goldman, E. F. (2012). Leadership practices that encourage strategic thinking. *Journal of Strategy and Management*, *5*(1), 25-40.

Hartnell, C. A., Ou, A. Y., & Kinicki, A. (2011). Organizational culture and organizational effectiveness: a meta-analytic investigation of the competing values framework's theoretical suppositions. Journal of Applied Psychology, 96(4), 677.

Jackson, G. L., Powers, B. J., Chatterjee, R., Bettger, J. P., Kemper, A. R., Hasselblad, V., ... & Gray, R. (2013). The patient-centered medical home: a systematic review. *Annals of internal medicine*, *158*(3), 169-178.

Maeng, D. D., Graf, T. R., Davis, D. E., Tomcavage, J., & Bloom, F. J. (2012). Can a patient-centered medical home lead to better patient outcomes? The quality implications of Geisinger’s ProvenHealth Navigator.*American Journal of Medical Quality*, *27*(3), 210-216.

Naranjo-Valencia, J. C., Jiménez-Jiménez, D., & Sanz-Valle, R. (2011). Innovation or imitation? The role of organizational culture. *Management Decision*, *49*(1), 55-72.

Perera, F. D. P. R., & Peiró, M. (2012). Strategic Planning in Healthcare Organizations. Revista Española de Cardiología (English Edition), 65(8), 749-754.

Sadeghifar, J., Jafari, M., Tofighi, S., Ravaghi, H., & Maleki, M. R. (2014). Strategic planning, implementation, and evaluation processes in hospital systems: A survey from Iran. *Global journal of health science*, *7*(2), p56.

Soo, K. G. (2013). Vision platform: Conditions of sustainable growth.

Terzic-Supic, Z., Bjegovic-Mikanovic, V., Vukovic, D., Santric-Milicevic, M., Marinkovic, J., Vasic, V., & Laaser, U. (2015). Training hospital managers for strategic planning and management: a prospective study. *BMC medical education*, *15*(1), 25

van den Heuvel, M., Demerouti, E., Bakker, A. B., & Schaufeli, W. B. (2013). Adapting to change: The value of change information and meaning-making. *Journal of Vocational Behavior*, *83*(1), 11-21.

van Wijngaarden, J. D., Scholten, G. R., & van Wijk, K. P. (2012). Strategic analysis for health care organizations: the suitability of the SWOT‐analysis.*The International journal of health planning and management*, *27*(1), 34-49.

Walker, J. L. (2015). Mission statement creation and dissemination in service organizations: Reaching all employees to provide unified organizational direction. *Communication and Theater Association of Minnesota Journal*, *39*(1), 6.

Wilson, G., & Kishk, M. (2013). Adaptation challenges for healthcare infrastructure in a changing climate.

Zusman, E. E. (2012). HCAHPS replaces Press Ganey survey as quality measure for patient hospital experience. Neurosurgery, 71(2), N21-N24.