



Pursuing High Performance (An "Inside" Game)

As we approach the new millennium, one of the major challenges facing Kaiser Permanente (KP) as a national organization—and indeed the entire health care industry—is the need to align the rising tide of consumerism with the financing of health care. Consumers are demanding more, technology is promising more, and payors (ie, private and governmental employers) are promising less. Clearly, something must be done to address this growing challenge.

High-Performance Health Care: An Evolving Concept

Presumably, new methods of financing and new value propositions will be created to give consumers the means to pay for the services they demand. Meanwhile, however, the health care industry continues to struggle with this notion and has consequently generated numerous models intended to create a new value proposition. Current and future market forces (eg, increased competition, increased consumerism, increased health inflation, an aging population, and an ongoing boom in new medical technology) will continue to change the definition of high performance.

The KP response to this challenge has been to improve financial performance while redefining our image and implementing structural and operational changes designed to accommodate the new agenda. However, although we have redefined "success" in painstaking detail as it pertains to financial outcomes and achievement of quality, I am not yet convinced that we have correspondingly elevated the pursuit of high performance

in the area of customer service. For example, by using an organizational approach to improving financial performance, we have created a detailed process—the *Path to Recovery 2001 Plan*—which clearly has gained the attention of our entire organization and which even provides for monthly reviews of all KP Regions. Capital spending and cost structure reduction are critical components of this process and have never been approached by us in a more disciplined manner than is currently underway throughout the Program. And guess what? It's working! Focused energy, when harnessed and deliberately applied, is amazingly more effective than when dispersed in an unbridled way.

As it pertains to Permanente Medicine, the pursuit of clinical excellence, too, is well underway. Various KP Regions have organized efforts to achieve appropriate utilization of resources as well as to improve both the inpatient experience (ie, by introducing the hospitalist specialty) and the outpatient experience (eg, by introducing open access and team-based care). Creation of the Care Management Institute (CMI) and what it will offer our patients when fully implemented also exemplifies Permanente Medicine at its best. Our deployment of new clinical information systems provides further opportunity to enhance the quality of clinical performance in patient care. In addition, our organizational focus on maximizing HEDIS compliance and ensuring successful NCQA and MDQR reviews testifies to our long-standing commitment to improving the quality of our pro-

cesses and outcomes. Moreover, this organizational focus validates the adage that "what gets measured, gets done."

Equating Service and Member Satisfaction

However, I am more convinced now than ever that if Kaiser Permanente is to achieve its vision of being recognized as the national leader in the health care industry for providing high-quality, affordable care to the most people, then we must also excel equally in providing service which satisfies our members and patients.

Intellectually, we all agree with this goal; however, I am not sure that our current resource allocation and organizational focus on service performance are consistent with our focus on improving quality and financial performance. For example, although our CMI was created to eliminate inappropriate variation in clinical practice and a rigorous review process was created to achieve our financial goals, I am unaware of a similarly organized Programwide approach to improving service performance. This discrepancy suggests either that we recognize the value of service but don't feel compelled to allocate sufficient resources to ensure successful service turnaround or that we recognize the value of service but believe that our people will intuitively figure out how to provide it well on their own.

Either of these explanations puts the achievement of our overall success in jeopardy, in my opinion. As it pertains to the service agenda, have we calculated the amount of investment needed and the expected return on investment?

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Performance Means Caring for People

Despite creation of ever-larger health care organizations (ie, as a result of consolidation), never-ending introduction of new medical technology, and the movement toward computerized care (eg, telemedicine), health care is still a “high-touch” proposition: in its most basic form, health care still amounts to people taking care of people. If service improvement is not defined by members/patients and if we don’t accept their definition, who will define this important concept? Whom are we serving? Unless we define, measure, and reward it so that every staff member affecting the care experience has compelling personal and professional reasons to meet or exceed expectations, success will be unlikely. Indeed, every “high-performing,” service-oriented organization that has achieved national brand recognition for exceptional service and strong financial performance proudly proclaims that people are the organization’s most important asset. The goal is to align three sets of aspirations: those of our individual staff members who serve others directly, those of the organization, and those of patients. Fundamentally, this alignment requires combining investment in training, rewards, and support by leadership with an organizational commitment to rank the importance of service performance alongside financial and quality performance.

People treat customers the way they are treated by their organization. Dr. Donald K. Freeborn, Senior Investigator at The Center for Health Research in the KP Northwest Division, has done research which suggests that physicians’ dissatisfaction with professional work is associated with inappropriate prescribing patterns and lower levels of both patient satisfaction and compliance. Therefore, any turnaround agenda or transformation process that we undertake must include well-defined strategies and dedicated resources sufficient to improve the professional work environment for our physicians, allied health professionals, and support staff. People remain the most precious fuel for the high-performing engine we are creating. As we labor to make our care delivery system as attractive as possible to as many employers

and potential members as possible, we must also create an organization and work environment which makes us the most sought-after organization for high-performing, outstanding professionals.

Suggested Strategy

In conclusion, let us acknowledge that we are dealing with a three-part goal which encompasses high quality of care, financial strength, and customer service. As we continue our pursuit of “high performance,” let us give service equal billing: We have obviously given more than mere “lip service” to the pursuit of quality and financial performance improvement, so let us do the same for service, which begins and ends with people: attracting the best and brightest, creating a work environment which expects and rewards excellence, and reminding ourselves that most of us who chose health care for our profession did so because we assign intrinsic value to serving people and making a difference in others’ lives. Therefore, in addition to achieving the organizational net income targets for the years 2000 and 2001 and while we all prepare for our next NCQA three-year accreditation survey or MDQR review, let us pursue our three-part goal vigorously and while emphasizing investment in our people as well as service excellence. As we continue the struggle to balance our cultural embrace of evidence-based medicine and the business realities of market-based medicine, we must rediscover the joy that originally attracted us to the health care profession: the joy of serving others. This “inside game” is clearly a strategy which can restore our patients’ lost trust and is the most sustainable performance incentive I know. I do not discount the potential value of financial incentives or other extrinsic motivators, but instead I am pointing out that intrinsic values and intrinsic motivation must not be lost in the process of pursuing our goals.

In the words of Mr. Gordon M. Bethune, CEO of Continental Airlines, “In a service business (and in today’s world, all businesses are service businesses), there is only one successful strategy—providing your customers with outstanding value and service.” ♦