Leadership Skills to Support Transformational Change

Presented by:

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NATIONAL COUNCIL
for Mental Wellbeing
PLATINUM
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David Lloyd, Founder of MTM Services

Background

- Author of three books
  - ***How to Maximize Service Capacity***
  - ***How to Deliver Accountable Care***
  - ***Leadership Skills to Support High Functioning Teams***
  - Co-author of ***Operationalizing Healthcare Reform***
- Provided training and consultation to over 800 Community Behavioral Healthcare Centers
- Focus on service delivery process models, principles and solutions to enable CBHCs to effectively deliver value-based accountable care

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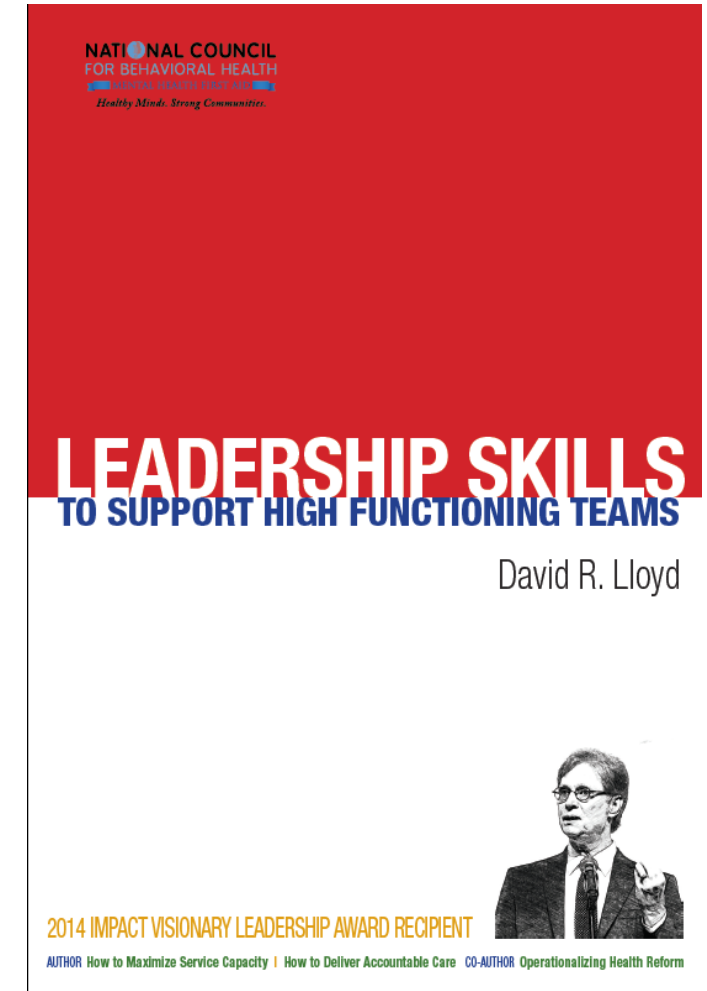
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Presented by: David Lloyd, Founder

Are We a Surviving Organization?...

OR…

Are We a Thriving Organization?

Surviving Organization	Thriving Organization
1. Lack of ability to provide timely access to services	1. Provides Same Day Access to a clinical diagnostic assessment and three to five days access to psychiatric prescribers
2. Does not know/understand their cost of services provided	2. Understands and uses their cost per CPT/HCPCS code per hour of service per staff compared to the revenue earned
3. Supervisor Role Based (Supervisors subjectively process and re-process crisis)	3. Manager/Leadership Based (managers manage complexities utilizing objective service event data and provide leadership to appropriately manage change)
4. Triangular Based Management Team Discussion of Quality and Compliance service delivery practices	4. Compliance based determination of Quality and Cost-Effective levels appropriate for organization
5. Inadequate or inactive clinical and non-clinical staff key performance standards	5. Comprehensive and active performance standards with objective data measurement
6. Low/no regular salary adjustments or benefits	6. Appropriate salary increases and career paths for staff
7. Continuing monthly concern about meeting budget; eroded / no remaining fund balance	7. Performance based budget that supports the organization having a "margin" of revenue over expenses
8. Low/no career path for staff	8. Demonstrated advancement within organization
9. Need for infrastructure investments (Information systems, electronic record keeping, etc.)	9. Adequate reserves for infrastructure needs produced by margins of revenue over expense
10. Low/no level of staff accountability/ consequences for non-compliance with standards	10. High level of staff accountability/ consequences that promote the expectation of compliance of all staff with standards

Historical Leadership Challenges

- Recruitment and HR issues - staff performance, behaviors, aptitude and attitude

- Staff training requirements

- Timely and accurate documentation submission

- Internal customer service challenges between programs/departments

- Need to renew the state or county contracts

- Need to send timely claims and reports to Medicaid and state funders

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Historical Leadership Challenges Produced **System Noise**

Internal System Noise

- Required leadership to focus energy on the internal staff and service delivery process challenges over and over again…

- This historical focus on internal system need was more workable when the external healthcare environment was not changing at a such a rapid pace.

- **What are some of the Internal System Noise that your center has?**

- However, **NOW**…

Value-Based Healthcare Leadership Challenges

Needed Leadership Focus Areas

- Developing and Implementing CCBHCs to support total wellness needs of the populations we serve

- Shift to Population Management Models

- Shifting from "Volume of Services" to Value-based Shared Risk/Saving Funding Models

- Enhanced Access to Care Performance Requirements to Same Day Clinical Assessment and within 3-Days access to a prescriber from Clinical Assessment

- Client centered outcomes to support if clients are getting better

- Cost finding per CPT Code to support process of treatment/episode of care reimbursement

- Making the business case for your agency to support service delivery contracts with MCOs

The "**Values**" that Specialty Group Practices Now Need

Be Accessible - provide fast access to all needed services

Be Efficient - provide high quality services at lowest possible cost

Be Connected - have the ability to share core clinical information electronically

Be Accountable - produce measurement information about clinical outcomes achieved

Be Resilient - have ability or willingness to use alternative payment arrangements

Produce Outcomes - Demonstrate objectively that services are helping clients

Typical Practice Management Challenges that are Barriers to Transformational Change…

1. Operating as a "Loosely-held federation of private practices"

2. Lack of timely access to treatment

3. Clinically-trained managers sometimes have a "therapeutic relationship" with staff which results in low/no accountability to group practice needs

4. Inability to measure if clients are "getting better"

5. Lack of objective "business case" to support collaborations/partnering with other providers

Planning and Decision-Making Side of Change is About Leadership

Is About….

- Processes of Change – Project Teams, etc.

- **Measurement of Current Service Delivery Performance**

- Developing Performance Standards

- Organizational and Management Structure Re-Alignment

- Developing Standardized Protocols

- **Data to show objective issues/not subjective anecdotal opinions**

Historical Strategic Change Challenges…

1. **Sequential Change"** – Complete one goal and then address next goal, etc.

2. **Quality Improvement Process Focus (QI)** – Typically Supports Process/Lack of Forward Movement/ Attainment

Vs.

4. **"Transformational Change"** – Continuous change management model using Rapid Cycle Change Model (PDSA)

5. **Continuous Quality Improvement Solution Focus (CQI)** – Implies Movement Forward/Action Has Happened to Provide Continuous Improvement

Transformational Change Management Plan SAMPLE

Rapid Cycle Improvement - Plan Do Study Act (PDSA) Cycles

- Establish the Parameters for the change.

- Implement the planned changes.

1. Plan

2. Do

4. Act

3. Study

- React to the results of the evaluation.

- Evaluate the effectiveness of the change.
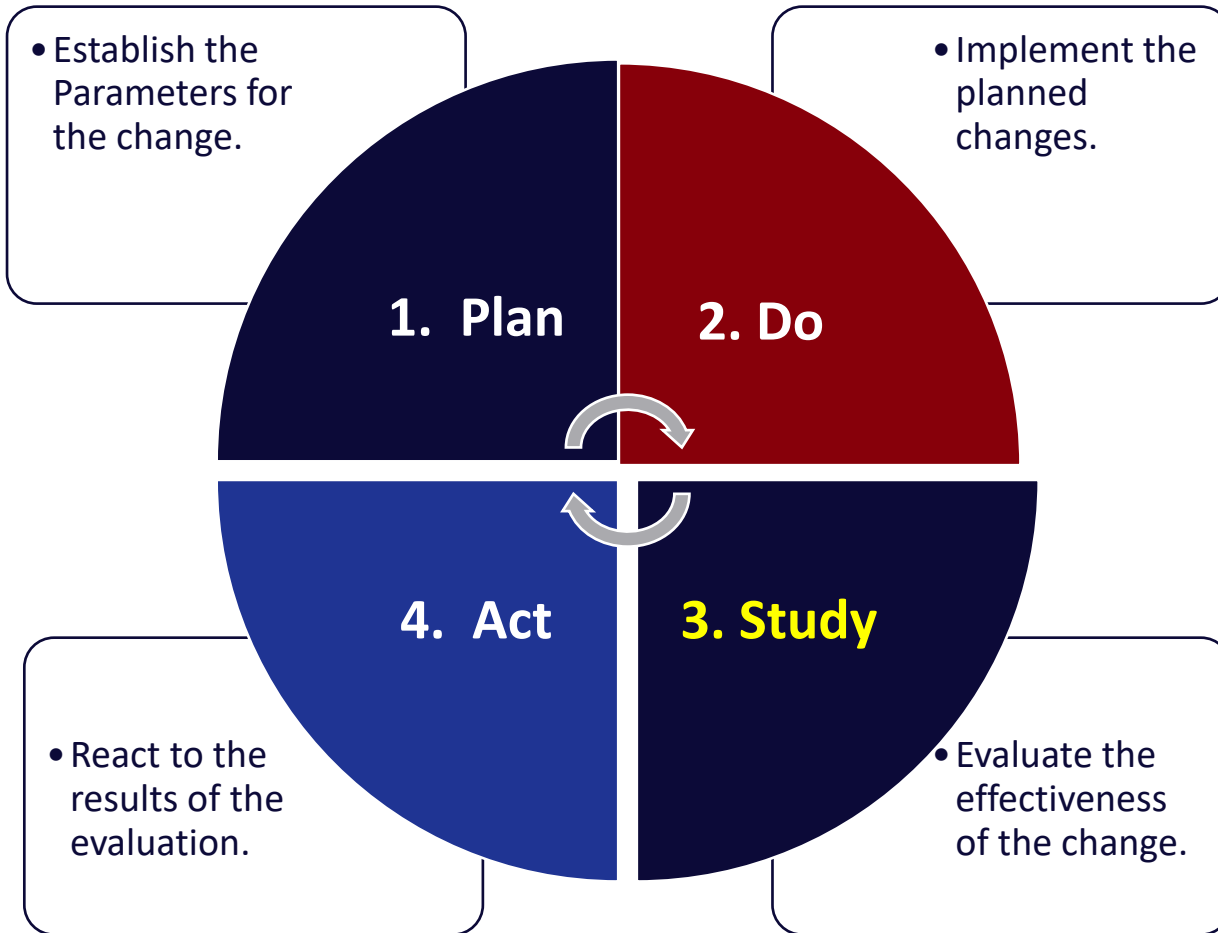
- The Deming Cycle, Deming's wheel, or the PDSA cycle is a long time utilized continuous quality improvement change philosophy created as part of W. Edwards Deming's Total Quality Management process (TQM) in the 1950's. Deming's work was based off of the Plan, Do and See cycle created by Mr. Walter A. Shewart in the 1920's, and has created successful change initiatives across multiple industries.

Assessment of Change Management Decision Making Effectiveness

Leadership Effectiveness to Support Change Management and Decision Making		
1. Does the clinic have a defined decision-making process/protocol that supports awareness of when a decision has been made?	☐ Yes ☐ No	If NO, what is the primary indicator that a decision has been made within the clinic (i.e. consensus is reached)?
2. Does the clinic use a formalized annual planning process to identify annual and long term goals?	☐ Yes ☐ No	If YES, what percent of the goals/objectives incorporated into the FY20014 have been accomplished (meaning fully implemented)? %
3. Has the clinic used rapid cycle change management processes (Plan, Do, Study, Act)?	☐ Yes ☐ No	If YES, what percent of the goals/objectives incorporated into last rapid cycle change plan have been fully implemented? %
4. The clinic develops a change management plan quickly and moves forward with timely decision-making about the solutions needed.	☐ True ☐ False	If FALSE, what is a more accurate statement:
5. When a decision is made to change, the clinic acts quickly to fully implement the change.	☐ True ☐ False	If FALSE, what is a more accurate statement:
6. When change is implemented, staff members in the clinic rarely retreat to the way things were done prior to the change.	☐ True ☐ False	If FALSE, what is a more accurate statement:
7. The clinic does a great job evaluating changes implemented and modifying the changes as needed to ensure positive outcomes.	☐ True ☐ False	If FALSE, what is a more accurate statement:
8. Staff members participating in the change process feel fully empowered through a sense of attainment based on the scope and timeliness of the decisions being made.	☐ True ☐ False	If FALSE, what is a more accurate statement:
9. Rate (from 1 to 10) the ease with which the clinic implements change in **areas of clinical practice**		Easy (1)…………………Difficult (10)
10. Rate (from 1 to 10) how quickly the clinic implements changes in **clinical practices/standards**?		Rapid (1) …………………Failure (10)

Biggest Challenge for Behavioral Health in Healthcare Reform Era

1. Willingness to continually step across the Threshold of Risk to make bold and creative decisions

2. Need to make "tough" decisions in an era of change and stick with them in the face of challenge

3. **What tools are needed** to support minimizing the leadership decision-making "risks"?

Performance Measurement Tools Needed to Provide Data to Support Objective Decision-Making…

To Support More Objective Decision-Making

A. Performance Standards for ALL Staff

B. Objective Job Descriptions that support key performance standards (KPI)

C. Objective Performance Evaluations that provide an honest/effective system learning environment related to attainment of the KPIs per staff

D. Formal Supervision Plan with Supervision Types and Supervision Session Guidelines

E. Performance Measurement with Full Disclosure

F. Accountability with Positive and Negative Consequences

Processing Crisis Vs. Managing Change Roles

1. **Supervisor Role:** Reactive and Retrospective Problem Solver Role, therefore, he/she Processes Crisis

2. **Manager Role:** Dynamic Awareness of Current Issues that Provides Proactive Solution-Focused Decision-Making, therefore she/he Manages Complexities

3. **Leader/Coach/Mentor Role:** Possess Dynamic Awareness and Uses this information to **envision possibilities** for the organization (**Visionary Leadership** is constantly looking at the horizon to envision where the organization needs to go), **therefore he/she Manages/Sustains Change**

Role of Line Supervisors/ Middle Managers in Change Initiatives

Manager/Leader Role

- Lead staff into change with enthusiasm, encouragement and coaching

- Personally involved in providing additional efforts during system change implementation phase to be "available"

- Utilizes Data Measurement Information for Objective Decisions

Supervisor As Staff Members' Agent

- Agrees with staff openly or privately - the change initiatives are unfair, do not promote quality, are unethical, etc.

- Watches the Change Initiative happen at the "edge of the pool"

- Relies on Anecdotal Information for Discussions

Stages of the Acceptance of the Need to Change and Leadership's Role

Progression Needed to Support Actual System Change or the "1-2-3 Dance"

1. Denial

2. Negotiation (This approach by supervisors "pushes" staff to change)

3. Anxiety/Anger – Blaming – Outside then Inside

4. Drop Out – "It's Awful!"

5. Acceptance of the Need to Change

6. Excited about the taking advantage of the opportunities (This approach by managers "pulls" staff through the process of acceptance)

Action Planning Leadership Role in Transformational Change…

To Support Pulling Staff Through the Change Cycle

- Identify, Remove and/or Minimize any barriers that will prevent compliance with performance standards

- **Clarify roles of staff** to focus individual staff work on areas that will support standards

- Assess training needs to ensure technical and core competency expertise

- Provide frequent and honest communication opportunities with staff

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Consensus Processing Model = Staff and Organization Level Disempowerment

- **Consensus building focus is a good clinical skill** that social workers are taught to use when working their clients/families

- However, the **consensus model of decision-making** produces disempowerment for the project team members and the organization due to elongated planning/discussion phase (PDSA rapid cycle change management) which seldom produces timely implementation

- **Consensus decision-making creates staff change fatigue** due to staff feeling like the organization will never actually change, but they keep meeting to discuss the need for change

- **"What did I accomplish in the past two-hour meeting?"**

Decision-Making Process to Support Timely – Lower Fatigue Transformational Change Needs

The following decision-making process will be utilized at all levels of the organization:

- Primary emphasis will be placed on gaining consensus and support from all stakeholders

- Preliminary straw votes will be taken to determine the position of members of Project Teams and Focus Groups on specific issues/initiatives

- **If consensus cannot be reached in a reasonable time frame, then a final vote will be taken with a super majority (70% of members attending the meeting) being required to act on any issues/initiative** that needs leadership.

- The minutes will accurately reflect the vote of members.

Sea Level is…
Where The Organization Changes

- **"Sea Level"** is the objective level where **staff, managers, and leaders NEED to reside** to support **objective decision-making**, compliance, etc. and this is where **solution design and implementation of change will occur**…

- 10,000 to 20,000 feet above sea level is where **consensus decision-making** resides which primarily focuses on subjective philosophical concepts, personal opinions, anecdotal information where many a large number of staff members gather to process the challenges of the need to change. **When change initiatives are focused on consensus process the subjective "what ifs" become too weighty to implement…**

Key Elements That Identify Leadership OR Lack Thereof…

1. Do managers historically share the same vision/mission when compared to the organization's Board and Executive Director?

2. What is the historical understanding of when the organization has made a decision?

3. What is the historical level of "retreat" from fully implementing change when facing emoting staff?

4. Is the discussion in change management project meetings more on "Why we can't change!" than on "How we can change!"

5. What percent of the meeting time is spent on "attainment of change goals"?

6. Is the manager historically focused on the needs of the organization or the needs of his/her staff?

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Implementation of Change Goals is Focused on an Empowered Team

Team Members Need…

- Buy-In to the need for the changes proposed

- Proactive Solution Focused Attitude "We can do this..."

- Creativity in determining "How we <u>can</u> do this…"

- Overcoming Resistance to Change with coaching staff

- Team members need to develop Self Leadership

- Taking a step back to see the horizon and the past

- Celebrate every possible victory (change)… Reinforce appropriate behavior/performance

Meeting Focus During Change Initiative Implementation

Team's Focus to Overcome Resistance to Change

- The Management Team MUST be a Team during Change Implementation. Managers do not have the right individually to move in a different direction than the remainder of the team

- What percent of each team meeting is focused on crisis within the organization vs. focus on how to implement change initiatives successfully?

- Are managers listening to staff share over and over how unfair the change initiatives are does nothing but to support the concept of impossibility…

Reasons for Staff and Team Member Resistance to Change

- Belief that the change initiative is temporary based on organizational history

- Belief that fellow employees or managers are incompetent

- Loss of authority or control

- Loss of status with in the organization

- Fearful that they lack the ability to learn new skills

- Change overload (too much too soon)

- Lack of trust in or dislike of managers

- Loss of job security

- Loss of family or personal time

- Feeling that the organization is not entitled to the extra effort

Spectrum of Disruptive Team Member and/or Staff Behaviors that Create Barriers to Change Implementation

1. **Aggressive Behaviors**:
   - Inappropriate anger/threats
   - Yelling publicly, disrespecting team members
   - Intimidating fellow staff

2. **Passive Aggressive Behaviors**:
   - Hostile Notes and e-mails
   - Derogatory comments about center, management team, board
   - Complaining, blaming

3. **Passive Behaviors**:
   - Chronically late
   - Failure to return calls or answer emails timely
   - Avoiding meetings or individuals
   - Non-Participation
   - Ill prepared, not prepared
   - Chronic excuses

Identify Team Roles and Responsibilities

Key first steps…

1. Develop a Team Charter that identifies the scope of **responsibilities** and the **authority given** to each Team to solve their assigned responsibilities

2. Identify a "**Decision-Making" process** that each team will use to solve challenges

3. **BEFORE** you start the solution process, establish a start and complete date for each strategic change goal

4. Identify a pre-announced evaluation process to ensure all feedback regarding change initiatives is given consideration

5. Invite team members who have the ability to see the "Horizon of where the organization is going" to join in implementation team efforts

Types of Potential Transformational Change Team Members

1. **Crisis Processor:** Reactive and Anecdotal information Problem Solver Role, therefore, he/she Processes Crisis

2. **Don't Upset Anyone:** Awareness of Current Issues/Challenges but is Hesitant to move forward with any changes because other staff will be "upset", therefore she/he does not make a decision until "everyone on the team is okay with it!"

3. **"Galvanized" Historian:** On any challenge/issue you know what this team member's position will be before the team tries to solve any challenge

4. **Empowered Team Member:** Possess Dynamic Awareness of Challenges that Need to be solved and Uses this information to **envision solution possibilities** for the organization), **therefore he/she Empowers/Sustains Change**

A "Herd" or a "Delegated Authority"…

Team Size Models:

- **Everyone Must Be Present Team Model**: Everyone must be at the meeting and no decisions can be made unless everyone is present at the meeting

- **"Delegated Authority" Model**: A small number of Team members are selected and are delegated the authority to create solutions of the whole program/organization

Time Management Concerns "Committee of the Whole" Vs. Delegated Authority Change Management

- **"Committee of the Whole" Change Model:**
  1. Sequential Change Model (one change goal at a time)
  2. QI – Discussion focused on "What ifs" not implementation action
  3. "Galvanized Team Members" extend the planning phase because decisions are made by "consensus of all gathered"
  4. Collective Authority does not support Individual Responsibility Levels

- **Delegated Authority Change Model:**
  1. Transformational Change Model (multiple change goals at the same time)
  2. CQI – Action based implementation to identify additional change needs
  3. 70% Majority Decision-Making addresses "Galvanized Team Members" challenge
  4. Individual Authority is given to match the level of Individual Responsibility

Questions, Feedback and Contact Information:

- Questions?
- Feedback?
- Contact Information:

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