

Health Care Strategic Planning: How, Why, and When?



CPAs & BUSINESS ADVISORS



Agenda

Strategic Planning: How, Why, and When?

- Why does this matter?
- Strategic issues to address
- What does it look like?
 - Scope
 - Context
 - Work Plan
- Additional strategic considerations



Why Does this Matter?

We live and work *operationally*

We do things

We manage

We operate

We provide care

We live and work in the mindset of days, weeks, and months



Why Does this Matter?

Who here has a growth/strategy officer?

Who's job is this? CEO? Board?

And when is this addressed / worked on?

What other opinions matter?

- Providers
- Staff
- Community



Strategic Issues to Address

A greater need to demonstrate value

New avenues / opportunities / expectations to enter population health models

5,000 life threshold (combined) (for ACO models; specific to rural)



Strategic Issues to Address

Access to care

Transportation difficulties

Affordability / Medicaid expansion (or not) / lower incomes / uninsured

Physician & workforce shortages

Tobacco use

Diabetes and coronary heart disease



Strategic Issues to Address

Mental Health

Limited access (distance)

Limited availability (provider shortage)

Poor acceptability (stigma)

Rural has 2x likelihood of suicide compared to urban in younger population



Issues Central to Rural

And again, who has a growth / strategy officer?

»»» What Does it Look Like?

What do you want?

What do you need?

Is there an expectation / need for a large plan document?

Would a more concise outline of strategic objectives / goals be sufficient?

Or something in-between?





What Does it Look Like?

GATHERING INFORMATION

Market research

Market share

Competitive position

Volumes, historical & projected

What's working, what's not (SWOT), ask:

- Leadership
- Staff
- Board
- Providers
- Community

»»» What Does it Look Like?

GATHERING INFORMATION

Financial performance

Quality scores / rankings

Patient satisfaction

Community health status / needs (CHNA?)

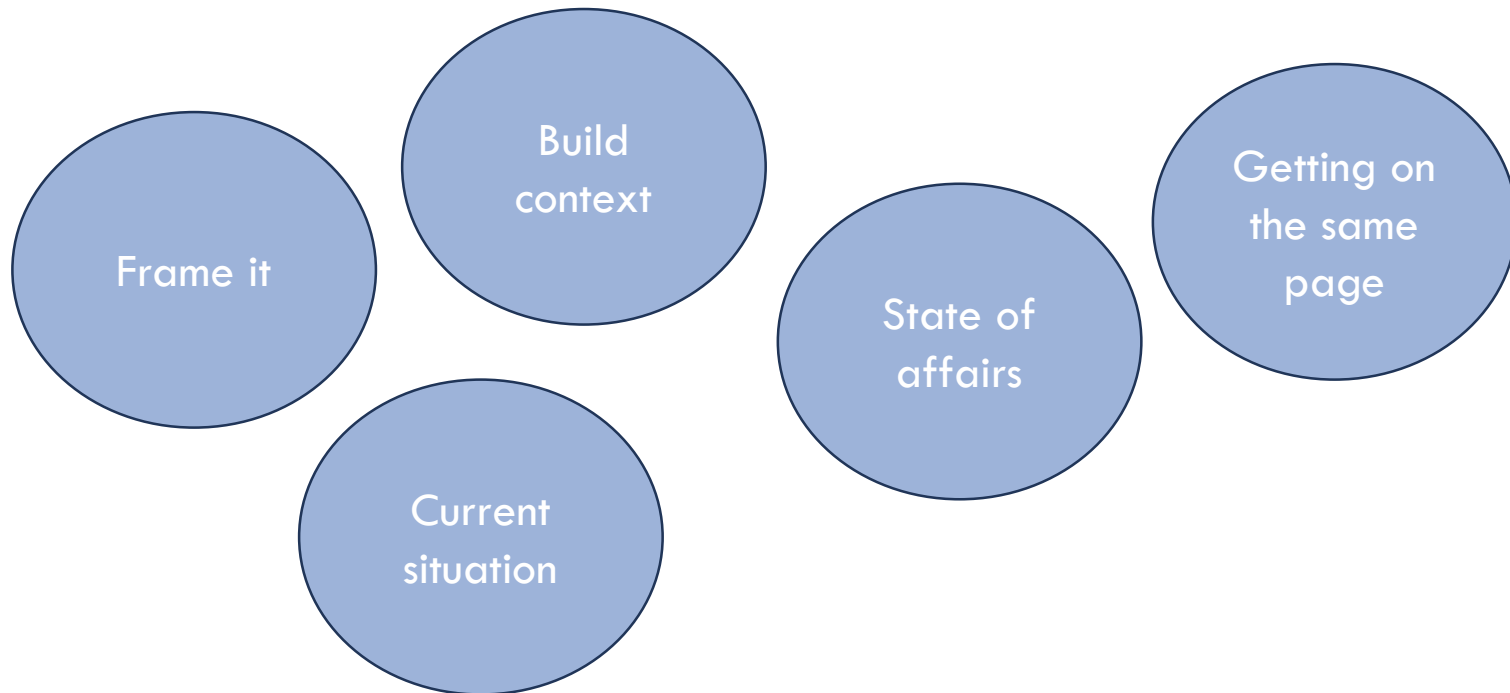


CONTEXT



What Does it Look Like?

This allows the dialogue to start.





What Does it Look Like?

Assemble a strategic planning committee (SPC)

Who's at the party?

- Leadership
- Board / trustees

DUMP THE DATA (share, present, teach, absorb, soak it in)

History: what is your organization's story? Who can tell it? Who was around *in the old days*?



What Does it Look Like?

The conversation begins:

Revisit the SWOT and add to it

Was anything missed?

Got pillars? Want pillars?

The foundation for an organization's vision. They represent the primary areas of your commitment to excellence.

How to brainstorm and categorize (Affinity)

1. Generate ideas
2. Display ideas
3. Sort ideas into groups
4. Create header cards
5. Draw a finished diagram



What Does it Look Like?

Create goals, shoot for 1 – 3 under each pillar

Fashion these as strategic goal statements

Beware of wordsmithing as a group. Consider assigning to your *designated wordsmith* as homework

SMART goal statements are:

- Specific
- Measurable
- Achievable
- Results-focused
- Time-bound

Or, let them be specific, relevant, and **INSPIRED**



What Does it Look Like?

ESTABLISHING MEASURES

For each goal, how will we know we're successful?

ACTIONS / INITIATIVES

How to get there

How to do this

TIMEFRAMES & ACCOUNTABLE PARTIES

BARRIERS & RESOURCES (if you want a very detailed project plan)



WORK PLAN



What Does it Look Like?

For a less-involved process, do the research, assemble the team, dump the data, then begin the conversation:

Based on our SWOT, what are 3-5 *must do* initiatives in the next three years?



What Does it Look Like?

EXAMPLE:

Goal #1

To expand:

- Local access to in-house specialty providers,
- the range of in-house specialist types, and
- the range of specialty procedures offered in-house.

Measures:

- Specialty procedure volumes
- In-house specialist count
- Numbers days/month specialist coverage

Goal #2

To be the workplace of choice in the region and to be a health care organization that provides unique and integrated experiences for patients and employees (positive culture).

Measure:

It was agreed that culture is hard to measure. This requires continual work and striving to improve. A few ideas: continually asking employees how the culture can be improved; measuring/monitoring attendance at outings; annual workplace of choice survey.

Goal #3

To grow our patient base by offering a comprehensive, high-quality, and cost-effective array of services.

Measures:

- Patient volumes
- Service line cost accounting
- Service continuum gap analysis

Goals 4 and 5 focused on independence/viability and growth/expansion

Additional Strategic Considerations

Are incentives aligned for all to be cost conscious?

- Operating costs
- Readmissions
- Emergency room
- Other revenues

How are costs tracked?

Any examples out there of effective cost accounting?



Additional Strategic Considerations

Thoroughly examine the pros and cons of aligning with a larger system

Educate yourself on e-health and retail medicine

Revisit staffing models: how long is it sustainable to have MD/DO take care of healthy people. Can they focus on complex cases?

Are there lower cost options for emergency care?

Additional Strategic Considerations

What patients want: around the clock access, from anywhere

My four questions (from a market perspective):

- 1) What is your service area (who do you serve)?
- 2) What is your market share?
- 3) Are you utilizing hospital association (or other) data?
- 4) Have you asked non-patients why they're not your patients?



Additional Strategic Considerations

Final thoughts:

Transparency & inspiration

Short video:

Johnson Memorial Health Services (MN)
Care Center grand opening



Adam Strom, MBA

astrom@eidebailly.com

612.253.6606

Stacey Lee, JD, CPA

slee@jmhsmn.org

320.312.2101



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