NEJM Catalyst

Leadership Survey
High-Performing Organizations

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High-Performing Organizations

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Insights Report · August 2018

Advisor Analysis

Health care is rife with metrics and rating systems that purport to differentiate the good, bad, and mediocre. Every clinician and leader wants to be affiliated with a high-performing organization. A recent review found that "Purchasers, payers, and policy makers are increasingly measuring and rewarding high-performing health systems."

Does your organization have a clear goal of being a high-performing organization?

55% Stated

Tacit 24%
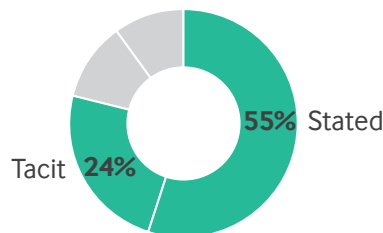
Base = 740
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In a survey of the NEJM Catalyst Insights Council, more than half of respondents – who are a qualified group of U.S. health care executives, clinical leaders, and clinicians – say their organizations have a stated goal to be high-performing, while another quarter say the goal is tacit. The journey to excellence is difficult, however; three-quarters of respondents believe that only a small fraction of health care organizations today are actually high-performing.

But what constitutes high performance in health care? Three-quarters of Insights Council members say there is little consensus around a definition. Yet there is some agreement on the key elements and indicators. A culture of excellence is the top attribute of a high-performing organization, followed by aligned goals among all stakeholders.

Very few respondents say that individual stars among physicians and staff create high performance. We find this heartening; it is

a validation of the industry move toward integrated, team-based care. Plentiful finances also fell low on the list of key attributes. Lack of financial resources need not be a deterrent in becoming a high-performing organization.

We were surprised, however, by how survey respondents weighted cost considerations in the value equation of high performance. Almost all respondents says high quality and excellent patient safety are extremely important, but low cost falls to the bottom of the list of indicators. These results do not reflect the Triple Aim of health care, which values high-quality care, population health, and low cost equally.

Cleveland Clinic, Mayo Clinic, Kaiser Permanente, and Intermountain Healthcare are among Insights Council members' top role models for high performance within the health care industry. Outside of health care, they consider the aviation/aerospace industry, the high-end hospitality industry, Amazon, Apple, Google, and Disney as exemplars. In a written comment, one clinician refers to the procedures and structure of air traffic control: "As a group, this workforce is mindful of their performance and reflects on their near misses. When actual accidents occur, there is appropriate multi-service (pilots, airlines, flight controllers, etc.) assessment of the sequence of events to identify root cause of failure. In this specialty, all controllers and managers are on an equal plane of responsibility and functionality. The controllers are well-trained and there is an equal approach to performing their responsibilities." Another clinician admires Amazon's ability to put the customer at the center of the business plan, and comments that being reliable and efficient, as Amazon is, provides a great learning opportunity for the health care community.

Ultimately, high performance is a process rather than a goal achieved once. As an industry, we need to relentlessly improve and continually do better by our patients, our teams, and the communities we serve.

> **"**
> *As a group, [the aviation/airline industry] is mindful of their performance and reflects on their near misses. When actual accidents occur, there is appropriate multi-service (pilots, airlines, flight controllers, etc.) assessment of the sequence of events to identify root cause of failure. In this specialty, all controllers and managers are on an equal plane of responsibility and functionality. The controllers are well-trained and there is an equal approach to performing their responsibilities.*

High-Performing Organizations
by NEJM Catalyst

Insights Report · August 2018

Charts and Commentary

We surveyed members of the NEJM Insights Council – who comprise health care executives, clinical leaders, and clinicians – about high-performing organizations in the health care industry. The survey explores whether there is consensus around the definition of high-performing health care organizations, the importance of indicators in measuring and rewarding high-performing organizations, key attributes of high-performing organizations, organizational goals to be high-performing, performance ratings, and barriers against becoming high-performing organizations. Completed surveys from 740 respondents are included in the analysis.

Three-fourths of Insights Council respondents agree there is little consensus around the definition of high-performing health care organizations. One clinician respondent offers a definition as "providing quality despite high variability," pointing to military health care as an example. Many respondents point out that it is challenging to create a single definition for high performance because health care organizations operate in different environments.

Little Consensus Over the Definition of a High-Performing Health Care Organization

**To what extent do you agree or disagree with the following statement:
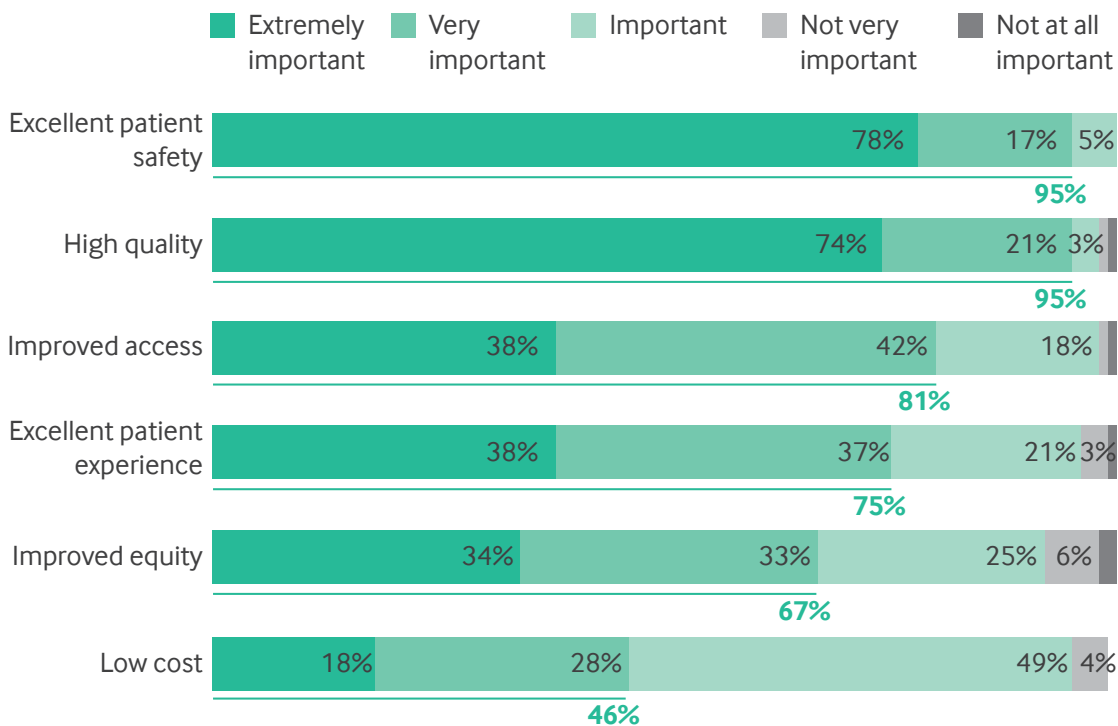There is little consensus over the definition of a high-performing health care organization.**
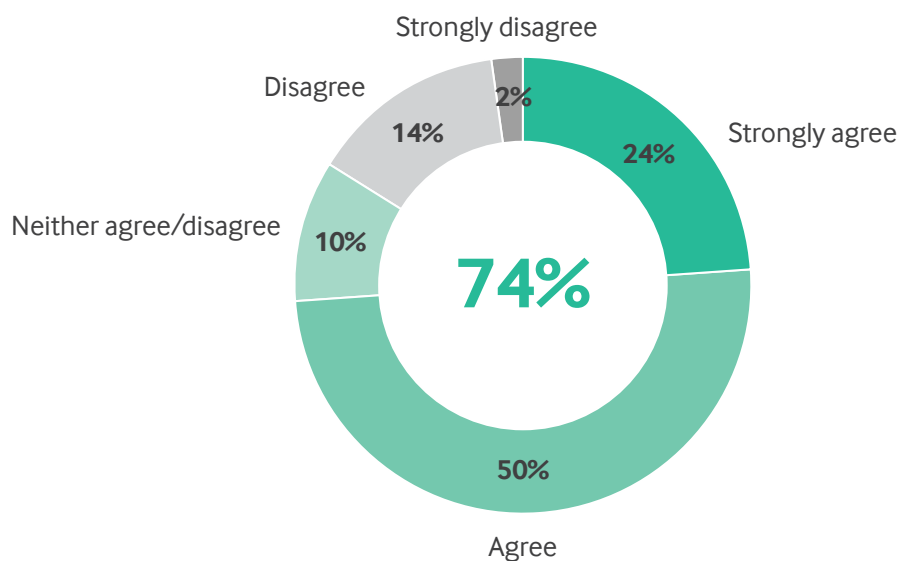
Base = 740
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High quality and excellent patient safety top the list of indicators that purchasers, payers, and policymakers should use to measure and reward high-performing organizations. Low cost is the least important, with only 46% rating it as extremely or very important. However, more executives (53%) than clinicians (41%) rate low cost as extremely or very important, and a higher incidence of Council members 45 or younger (54%) than those 46 or older (44%) rate low cost as extremely or very important.

Safety and Quality, but Not Cost, Are Top Indicators for High-Performing Organizations

How important should each of the following indicators be to purchasers, payers, and policymakers in measuring and rewarding high-performing health care organizations?

Legend: Extremely important | Very important | Important | Not very important | Not at all important

Indicator	Extremely important	Very important	Important	Total (Extremely + Very)
Excellent patient safety	78%	17%	5%	95%
High quality	74%	21%	3%	95%
Improved access	38%	42%	18%	81%
Excellent patient experience	38%	37%	21% 3%	75%
Improved equity	34%	33%	25% 6%	67%
Low cost	18%	28%	49% 4%	46%

Base = 740

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Executives, clinical leaders, and clinicians across different age groups are in agreement that a culture of excellence and alignment of goals among all stakeholders are the top key attributes that enable a health care organization to be high-performing. Stellar leadership is a distant third, while financial resources fall near the bottom of the list.

Organizational Culture and Aligned Goals Are the Key Attributes of High-Performing Organizations

What are the top two key attributes that enable a health care organization to be high-performing?

| Attribute	%
A culture of excellence	74%
Aligned goals among all stakeholders	61%
Stellar leadership	37%
Individual stars among physicians and staff	9%
Plentiful financial resources	8%
Engaged board	3%

Base = 740 (multiple responses)
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Nearly three-quarters of respondents consider fewer than 20% of health care organizations to be high-performing. Some Insights Council members express dismay about the lack of high-performing organizations in written survey responses. "The variables in health care that are uncontrollable are not typically present in other industries," one executive says. A clinician says the idea of high performance is complex, adding, "most hospitals are high-performing in some domains but there are few that are able to create an institution-wide commitment to be a high performer."

Few Truly High-Performing Health Care Organizations

What percentage of health care organizations do you consider to be high-performing?

None	3%
1-19%	71%
20-49%	20%
50-79%	6%
80-99%	0%
100%	0%
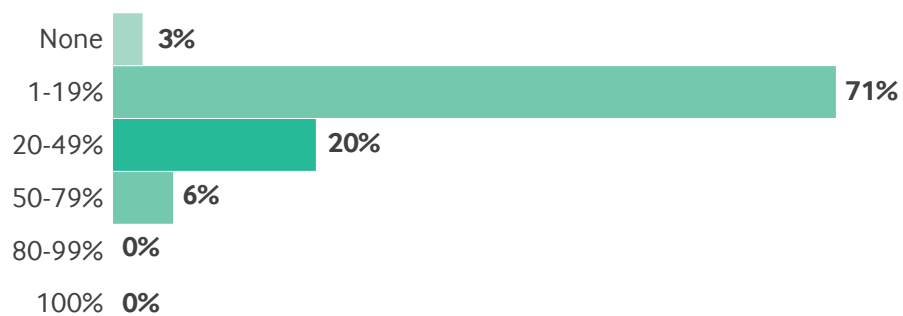
Base = 740

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> "
> *Most hospitals are high-performing in some domains but there are few that are able to create an institution-wide commitment to be a high performer.*

While 55% of respondents say their organizational goal to be high-performing is stated, another quarter call it "tacit." One respondent from a home health care company says his organization's goal is "clearly stated in a statement driving culture and integrated in all operations." There is a higher incidence of respondents in the Northeast (60%) having a clear goal for high performance than respondents in the Midwest (50%).

A Majority of Health Care Organizations Have Stated a Goal to Be High-Performing

Does your organization have a clear goal of being a high-performing organization?
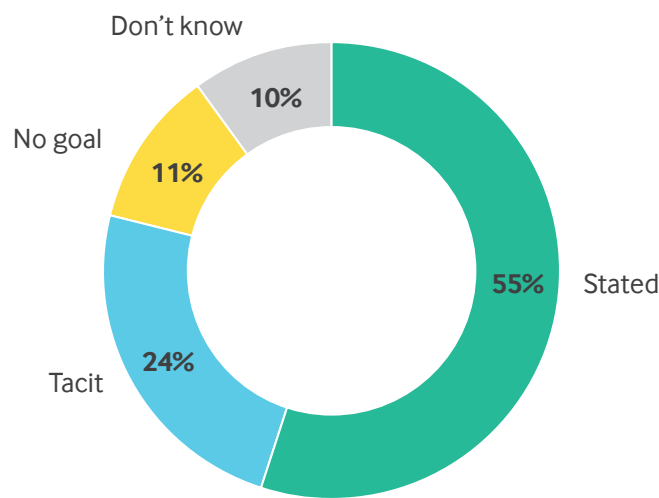
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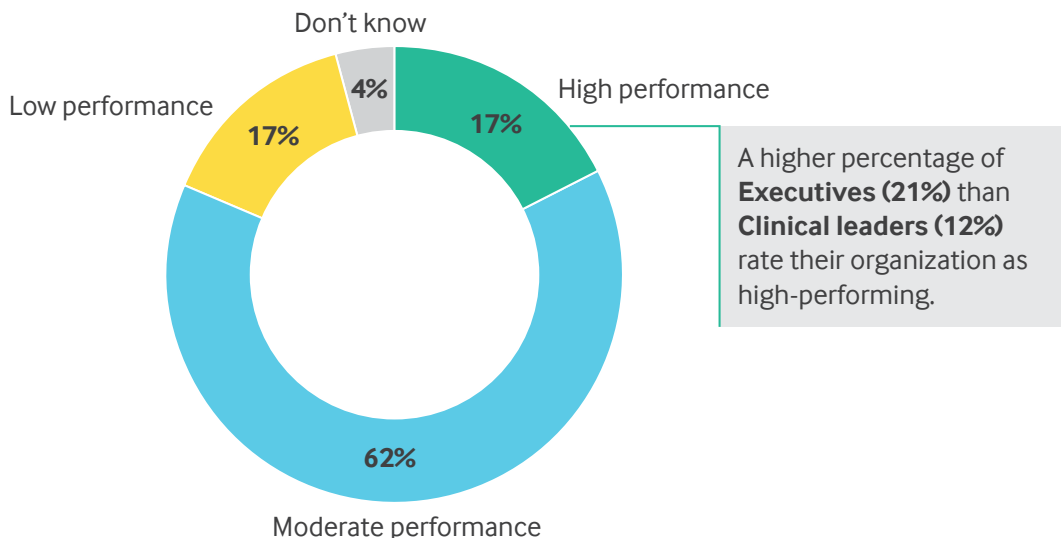NEJM Catalyst (catalyst.nejm.org) © Massachusetts Medical Society

> *One organization's goal to be high-performing is 'clearly stated in a statement driving culture and integrated in all operations.'*

Less than 20% of respondents rate their own organization as high-performing, with the bulk calling their performance "moderate." Respondents from health systems (70%) more often view their organization's performance as moderate than do those from hospitals (65%) and physician organizations (62%).

A Majority of Health Care Organizations Show Moderate Performance

How would you rate your organization's performance?

Don't know

Low performance

High performance

A higher percentage of **Executives (21%)** than **Clinical leaders (12%)** rate their organization as high-performing.

4%

17%

17%

62%

Moderate performance

Base = 740
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" *Less than 20% of respondents rate their organization as high-performing.*

Unaligned goals among all stakeholders is by far the top barrier that prevents organizations from high performance. A health system executive says his organization's success lies in the fact that its people are aligned and in sync, which "is due to outstanding communication and collaboration among clinical, administrative, allied staff, and board of directors."

Unaligned Goals and Weak Culture Prevent Organizations from High Performance

What barriers prevent your organization from high performance?
(Among moderate and low-performing organizations)

Unaligned goals among all stakeholders	**77%**
Weak organizational culture	**54%**
Poor leadership	**39%**
Limited financial resources	**39%**
Mediocre physicians and staff	**15%**
Unengaged board	**13%**

Base = 581 (multiple responses)
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Verbatim Comments from Survey Respondents

What is a high-performing organization or industry that the health care industry can learn the most from, and why?

"Health is not an assembly line and should not be measured like one. Without the tools for motivated physicians, nursing staff, and allied medical staff to function, middle management will destroy the ability to maintain quality medicine in an attempt to grind the numbers of a false illusion of success, while destroying the clinical base of medical care, and lowering the engagement of frustrated quality clinical staff. These people will leave, and their ranks will be filled by ranks of substandard clinicians."

— Clinician from a large community hospital in the Midwest

"Good question — I find that most analogies to industry, e.g. airline industry, auto manufacturing, are not appealing due to the focus on standardized outputs, rather than the personalized, or precision, outputs needed in healthcare. Lessons from financial services industry or IT (Google, FB) may be more informative."

— Service chair from a large nonprofit teaching hospital in the South

"I don't know that there are entire industries that are high performing, except for nuclear power and nuclear navy. Rather, there are organizations that seem high-performing: Starbucks, Amazon."

— VP of Medical Affairs at a large nonprofit health system in the Northeast

"Amazon and other major internet companies that strive for good customer service and happy employees and seem to put profits second knowing they will come based on the first two criteria."

— Clinician from a small for-profit clinic in the Northeast

"Fast food. Consistently high quality and safety of the food served to millions in a timely and convenient fashion plus organizational adaptation to consumer needs and desires in terms of lower calorie, different offerings, online access, etc."

— Chief Medical Officer from a large payer in the Northeast

"Airline industry, nuclear power, certain auto manufacturers such as Toyota — they have all adopted principles of high reliability and their focus on excellence and safety is pervasive at all levels for the board to frontline workers."

— Director of a large nonprofit health system in the South

"Airlines because they have people's lives in their hands and do a great job to keep them safe."

— Clinician from a large nonprofit health system in the West

"I believed we have learned what we can from aviation and nuclear energy—turns out they are a lot simpler than what we do. We have to figure this out ourselves going forward. And we have so many distractions (compliance, etc.) that we are unlikely to fix it in the current environment."

— Chief Medical Officer for a large community hospital in the West

"Honestly, I don't know any organization that is all that great since all are still beholden to third party payers. We as physicians must step up and take care of the patient first and not the corporate wallet and not the third party payer. As a DPC physician, I can now see what I dealt with in corporate medicine very clearly and realize how broken the "system" really is."

— Executive at a small for-profit physician organization in the South

"I think the Mayo Clinic and similar tertiary care centers in which transparency among consultants, flow of information, and excellence in staff, reputation, etc., influences their success as a high-performing organization. They have also proven to be financially secure as well."

— Clinician at a small for-profit clinic in the South

"Intermountain Health has led the way for years in terms of looking at healthcare differently from the rest of us. Many of their efforts have been directed at aligning incentives for their medical staff and other clinical staff to perform high quality, low cost care that is ranked high in patient satisfaction. I think Kaiser Permanente also is a high performing organization that all of the rest of us could learn from immensely."

— Chief Medical Officer from a large nonprofit physician organization in the South

"We need to take the efficiency of a high performing technology company such as Google or Apple and combine it with socially oriented health care goals such as that found in Canada and Scandinavia."

— Director of a large for-profit payer in the Midwest

High-Performing Exemplars

We asked the NEJM Catalyst Insights Council to nominate high-performing organization or industries they can learn from. Here are the responses that received multiple mentions.

Health Care Organizations

Intermountain® Healthcare

KAISER PERMANENTE.

Cleveland Clinic

Geisinger Health Plan

MAYO CLINIC

Tech Industry/ Silicon Valley

Google

amazon

Non-Health Care Industries

Airline industry/aerospace/aviation

High-end hospitality

Military

Non-Health Care Companies

STARBUCKS COFFEE

TOYOTA

DISNEY

Zappos.com

Walmart

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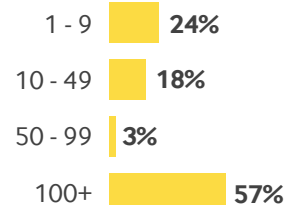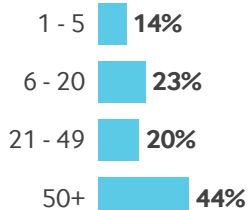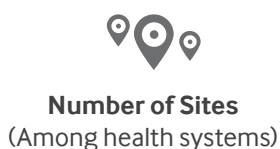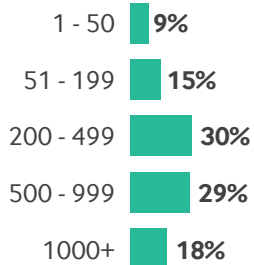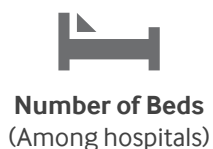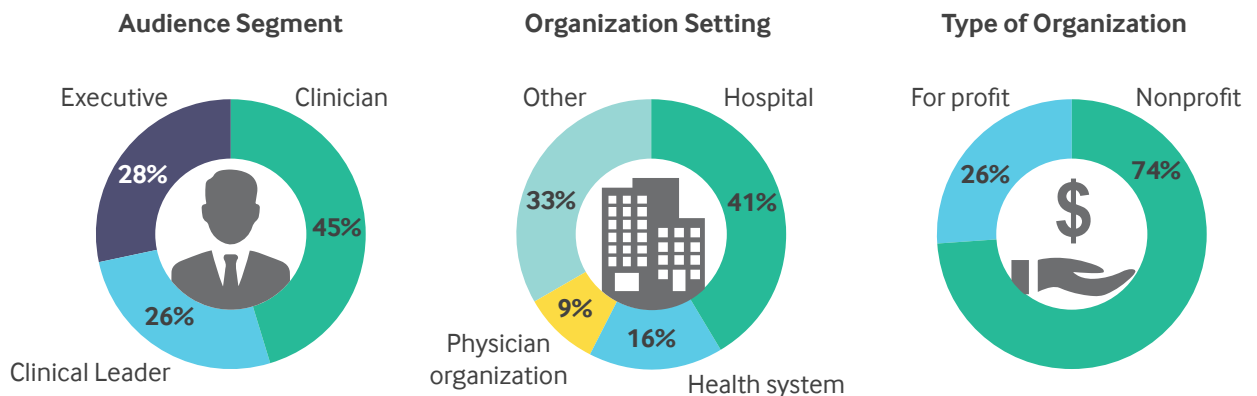
Methodology

- The Leadership: High-Performing Organizations survey was conducted by NEJM Catalyst, powered by the NEJM Catalyst Insights Council.

- The NEJM Catalyst Insights Council is a qualified group of U.S. executives, clinical leaders, and clinicians at organizations directly involved in health care delivery, who bring an expert perspective and set of experiences to the conversation about health care transformation. They are change agents who are both influential and knowledgeable.

- In April 2018, an online survey was sent to the NEJM Catalyst Insights Council.

- A total of 740 completed surveys are included in the analysis. The margin of error for a base of 740 is +/- 3.6% at the 95% confidence level.
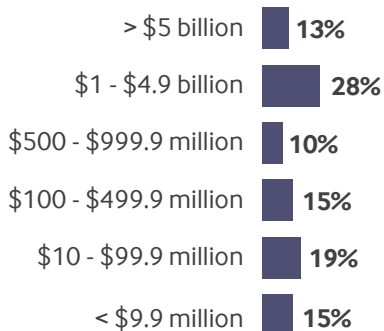
NEJM Catalyst Insights Council

We'd like to acknowledge the NEJM Catalyst Insights Council. Insights Council members participate in monthly surveys with specific topics on health care delivery. These results are published as NEJM Catalyst Insights Reports, such as this one, including summary findings, key takeaways from NEJM Catalyst leaders, expert analysis, and commentary.

It is through the Insights Council's participation and commitment to the transformation of health care delivery that we are able to provide actionable data that can help move the industry forward. To join your peers in the conversation, visit join.catalyst.nejm.org/insights-council.
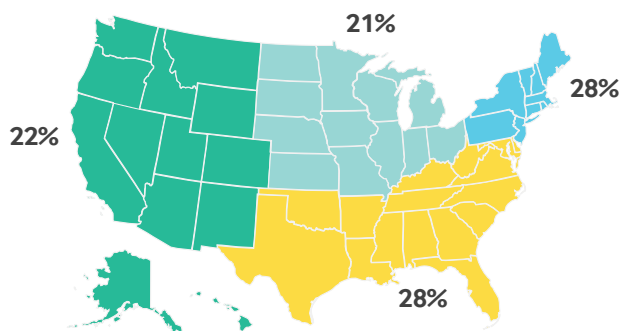
Respondent Profile

Audience Segment

Executive · Clinician
28% · **45%**
26%
Clinical Leader

Organization Setting

Other · Hospital
33% · **41%**
9% · **16%**
Physician organization · Health system

Type of Organization

For profit · Nonprofit
26% · **74%**

Number of Beds
(Among hospitals)

1 - 50	**9%**
51 - 199	**15%**
200 - 499	**30%**
500 - 999	**29%**
1000+	**18%**

Number of Sites
(Among health systems)

1 - 5	**14%**
6 - 20	**23%**
21 - 49	**20%**
50+	**44%**

Number of Physicians
(Among physician organizations)

1 - 9	**24%**
10 - 49	**18%**
50 - 99	**3%**
100+	**57%**

Net Patient Revenue

> $5 billion	**13%**
$1 - $4.9 billion	**28%**
$500 - $999.9 million	**10%**
$100 - $499.9 million	**15%**
$10 - $99.9 million	**19%**
< $9.9 million	**15%**

Region

21%
28%
22%
28%

Base = 740

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About Us

NEJM Catalyst brings health care executives, clinical leaders, and clinicians together to share innovative ideas and practical applications for enhancing the value of health care delivery. From a network of top thought leaders, experts, and advisors, our digital publication, quarterly events, and qualified Insights Council provide real-life examples and actionable solutions to help organizations address urgent challenges affecting health care.

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