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HEALTH SYSTEM REDESIGN: What Is Changing? What Needs To Shift? Where Are We Going? What Needs To Happen?

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Surprise! Surprise! It turns out that since the election, the provincial economy has fallen apart.

Who knew? Certainly not our three political party leaders -- or the Queen's Park media who reported on the election. Boy things sure have changed fast! Who saw this coming?

It was just a few months ago that Mr. Hudak suggested we had lots of money. He said he would add another $6.1 billion to healthcare spending if we made him our Premier. Now he says we're broke, and if we don't freeze civil service salaries, he'll hold his breath until he turns purple.

The Premier, who explained during the election that we were all going to "move forward, together" with $400 million in public spending to reduce student fees, now tells us that he actually has to borrow this money from our grandchildren in order to pay for it. There is no question that investing in the future of our youth is a good investment in our province's future -- but where does it fit in our evolving economic realties?

It is very possible that the government's stated strategy "to protect health and education budgets" could mean drastic cuts to programs that impact on the *determinants of health* (daycare services, nutrition programs for children, anti-poverty programs, social support services, etc). So the perverse paradox here is: we may create a sicker society, in order to avoid cutting any of the 30% waste in our healthcare system.

Of course, in the end, a sicker society will end up costing us more money anyway. We've seen this same movie before – several times.

People who know me know that while I may not very good at simple math, I'm not bad at macro economics, trends and patterns – having once worked as senior policy advisor to the Minister of Finance in Ontario. With that background, I worry that we are in much deeper trouble than any of our political leaders seem willing to acknowledge -- either during the election, or now. While it is important that our Premier communicate a genuine sense of optimism (which he does well), I think it is absolutely essential that he also reflect the deeply serious financial trouble we are in at this time. But we keep pretending that everything is fine…everything is wonderful…don't worry…be happy.

However, measured on a comparable basis (using OECD numbers), Ontario's net debt-to-GDP ratio will hit 40% within the next few years – placing Ontario on a par with Spain.

Hello?

Is everyone watching what is happening to the economies of countries with the greatest debt across Europe and the US? Is anyone connecting the dots? Big debt is bad.

While I've been warning since 2010 that "there will be an economic tsunami in the provincial budget in the Spring of 2012", since seeing the government's recent response (i.e. 3% growth for healthcare), I am revising my warning to a two-phase process that could require a second round of significant budget adjustments again in the Spring of 2013 – when I believe that Ontario's hard economic realities will compel us to limit growth in the health & education budgets to perhaps 1% or 2% growth for 2013-2015 -- instead of 3% currently being promised for 2012. I hope I'm wrong -- but I really don't think so.

The problem with putting the bad news off, and stretching it out over two or three years is that instead of forcing a fundamental transformation and reinvention of how to more effectively and more efficiently deliver services, we will simply downsize a failed system (twice) that absolutely needs to be fundamentally redesigned at the patient/client level.

Rather than having yet another '*structural-fix-that-fails'*, we really need to think through – from the patient/client perspective – how to best design our healthcare service delivery system so that it works for us *and* so that we can afford it. While public servants and politicians at Queen's Park have some important considerations to add into the mix, we must avoid another round of expensive and destabilizing so-called 'structural fixes' that will preoccupy the leadership of the system and use up its resources on issues of structure, instead of focusing on issues of quality and service and making changes from *that* point of departure.

I believe that if we downsize twice -- and then attempt to transform the system in three or four years from now -- the result will be considerably worse than if our politicians and public officials and front line providers decide right now to begin the necessary transformation and use the next four years to bring it about. So rather than "tinkering around the edges" of structure, we need to think through what kind of fundamental transformation is required – and then align structures, systems, incentives and information systems to achieve the vision.

Unfortunately, I think that "politics" may result in even further instability within the delivery system.

It was the Tories and NDP who thought we ought to blow-up LHINs to save money. At this time such a measure would completely destabilize the delivery system with yet another 3 years of "structural quick-fixes". More instability, that ought to really help a lot!

Will the Opposition Parties demand that the government change structures? What will our minority government do? We don't know yet.

Regardless, I think it's pretty clear by now that the status quo in healthcare cannot be sustained -- and that our healthcare service delivery system will be radically changed over the next few years, one way or another. This is not a choosing time: we are about to engage either in real transformation in Ontario, or we will engage in one or in two rounds of downsizing a lousy system over the next three or four years, and then have an even worse system when we need to make even more substantive changes.

The bad news is: 70 % of all major organizational and whole system transformations fail.

But the good news is: we've learned a few things about why/how 30% of these transformation projects actually succeeded!

The question is: how will we respond to the challenge of transforming our healthcare service delivery system? Will we repeat the same old mistakes of the past -- or will we actually learn from our "*best mistakes*"?

I suggested in previous blogs that the new government would be met with a line-up of vested interest groups who would each have a "structural solution" that served the interests of the groups proposing them. Well, the groups have lined up and made their 'pitches' for the next round of "*structural quick-fixes that fail*".

We've been in this same spot many times over the past 30 years. But we never listen to the "wisdom of the system", we listen instead to the dominant vested interest groups and political policy wonks.

Having reflected on my conversations with about 500 people over two-and-a-half days at the OHA Convention last month, my conclusion is that <u>our healthcare delivery system needs to be urgently stabilized</u> – and then led through designed processes that will disrupt the status quo – at the service delivery level -- in order for us to explore innovative ways to "do things differently."

We need our Minister of Health to stabilize – and then work in alignment with health system CEOs, and with Governance Boards, to mobilize our healthcare system at the service delivery level.

That requires a vision, and a strategy to achieve it.

However, whenever fundamental change is required, the 'power junkies' always seem to rush for the big "**structural**" solutions. They believe that the complexities of our healthcare delivery system can always be "fixed" with DHCs; LHINs; IHOs; FIGs and FARTs. In the language of systems thinking, these are called the "*Structural-Quick-Fixes-That-Fail*".

When you step back from it all, it is only about the "optics", and about who has "control". It is never about "how to transform the system".

Politics also gets into the mix. Unfortunately, our political leaders seem to have no idea how destabilizing their public comments are on the people in the delivery system – but each has a simple big 'structural fix' to offer. While these big fixes always fail, that has never prevented successive governments -- and the many healthcare vested interest groups -- from leaping to the next generation of "*structural quick-fixes-that-fail*".

Remember: this is a deeply ingrained habit in Ontario.

What I am suggesting is that before jumping to the next iteration of "*who gonna be da big boss-in-charge of de money and de power*", it would perhaps be prudent to use the opportunity of minority government to begin to actually follow 'best practices' -- and start instead with ***Vision***: That is: "***What is it that we are seeking to create***?"

Part of the leadership challenge of creating stability in the healthcare delivery system can be addressed by facilitating an aligned vision among the system's partners.

Change management scholars tell us that for fundamental change to occur, people must first have a common understanding of their circumstances — the "whole truth" about their *Shared Reality* — and, that they need to hold a powerful *Shared Vision* for the future that they want to create.

Yes, it is the 'vision thing' again. So what does that mean?

A *"vision"* is a picture of the future that people seek to create together. In the ***Fifth Discipline***, Peter Senge says that a "shared vision is not an idea. It is, rather, a force in people's hearts, a force of impressive power". He says "few, if any forces in human affairs are as powerful as a shared vision."

So, where are we going with our healthcare system in Ontario?

The third term of the McGuinty Government will be launched in earnest with the province's response to the ***Don Drummond Report*** expected in January. Health service providers operating within each LHIN's boundaries need to reflect on "vision", "reality", and "the gap to close" within their local health services delivery networks.

They need to engage the perspectives of ***Customers/Patients/Citizens***. What do they experience in our healthcare delivery system today? Is being "surveyed", "focused-grouped" and "consulted as appropriate" good enough? How do we create real partnerships with patients (where appropriate)? At the service delivery level, what should the *patient/client experience* be like in the future?

Healthcare service providers at the local level also need to think about each of their internal ***Structures & Value-Creating Processes***. This is about their performance. What

is the "whole truth" about your current circumstances in your organization -- and as a partner in an integrated service delivery system? And, what is your emerging vision of the future?

Best practices in organizational and whole system transformation suggests that in order to succeed, the local health service provider partners need to reflect on the ***Essential Skills & Capacity-Enablers*** that people in our delivery system have now — and what they will need in order to realize their emerging vision — and to achieve the results for which people will be accountable.

Healthcare service providers also need to be grounded in a realistic ***Financial Resources Perspective***: What are your current economic realities? And, from a public interest (*owners'*) perspective; as well as from an evidence-based perspective: how should it work in the future? Healthcare organizations need to take stock of what "bending the cost curve to 3%" means to their organization -- and to their local service delivery system.

Finally, in terms of the ***Culture Perspective*** on the healthcare sector (where '*culture eats strategy for lunch'*), we need to surface the "whole truth" about our current circumstances in the healthcare sector — and in your local delivery system. What do you need to do to be different in the future? How will people think and behave differently? How will they do things differently? How will people experience a "seamless, high-quality delivery system" that is patient-centred and customer-driven?

Best practices in complex adaptive system design suggests that Structure (along with Strategy, Skills and Culture) must be aligned to the "vision of the future" that we are seeking to create. So, rather than rush to the simple structural solutions – the endless "*quick-structural-fixes-that-fail*" – we need to stop and determine our vision.

So, let's get out of our various states of denial and begin to think about what kind of future we are going to create in Ontario's healthcare delivery system.

To provoke your thinking about the "big picture", I offer my thoughts on our healthcare system's **Current Realities,** and on our **Emerging Vision** -- as reflected by the five key perspectives for complex adaptive system design: 1) *Customer/Patient/Client/Citizen*; 2) *Financial*; 3) *Structure* 4) *Skills*; and 5) *Culture*.

What would you add to this stew?

Click here to view the picture of our **Current Realities & Emerging Vision**.

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