



# Prioritizing Systemness in Healthcare Provider Organizations

## OVERVIEW

Healthcare today spans a wide array of services, clinicians, facilities and patients. Employees and visitors to the same hospital or health system may experience one set of circumstances in one location, and a very different set of circumstances in another. In some cases, those experiences vary from day to day in the same facility.

In recent years, healthcare providers have started creating environments and processes that present a more consistent experience across their facilities and employees. Systemness, or the ability to provide a consistent experience for patients and employees, regardless of care setting across the continuum, has become a priority for many.

Systemness can improve patient experience, lower costs, reduce risk, and provide insights into a wide range of care and management issues. However, aligning services and practices across a wide range of facilities, employees and care can be challenging. Many organizations may need support to achieve these goals.

How high of a priority is systemness for today's hospitals and health systems? What are the perceived benefits? What are the obstacles? And what is needed to move the process forward? This survey of 306 healthcare executives answers those questions and more.



# THE GOAL OF SYSTEMNESS

Systemness is a priority for an overwhelming majority of healthcare executives surveyed, 96%, with 54% calling it a “top priority.” [Figure 1]

Systemness is a bigger priority for CEOs (62%) more than any other group of executives. Fewer CFOs (51%) and clinical management executives (49%) consider systemness a top priority, but about half still place it as a top priority.

Several motivators are driving healthcare executives to prioritize systemness, with many respondents citing more than one. Among the top benefits are: lowering costs (84%); gaining better insights and improved management of population health (73%); increasing patient satisfaction (67%); managing patient utilization (64%); and decreasing risk (59%). [Figure 2]

While cost management and population health management are driving systemness, the benefits of systemness—once it is achieved—are different. The largest benefit of systemness, the one that would bring the most business value to provider organizations, according to the respondents, is an improved patient experience (68%). This came ahead of key clinical benchmarks and metrics such as reduced variation (61%), reduced readmissions (53%), reduced length of stay (44%) and reduced hospital-acquired conditions (38%). [Figure 3]

Figure 1  
**Is Systemness A Priority?**

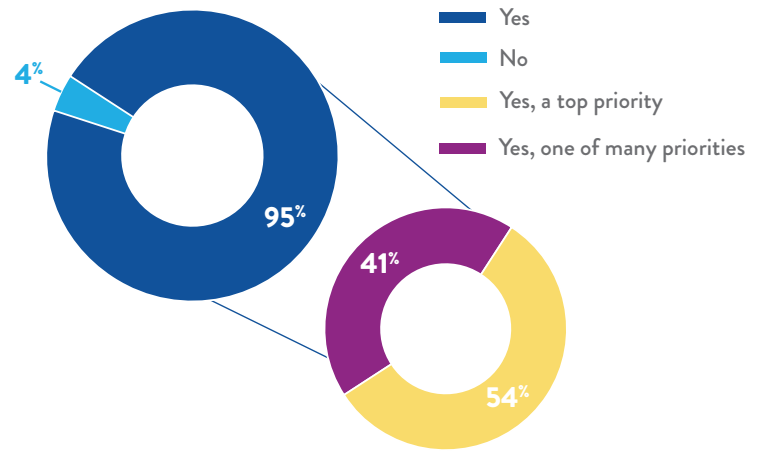


Figure 2  
**What is driving your organization to prioritize systemness?**

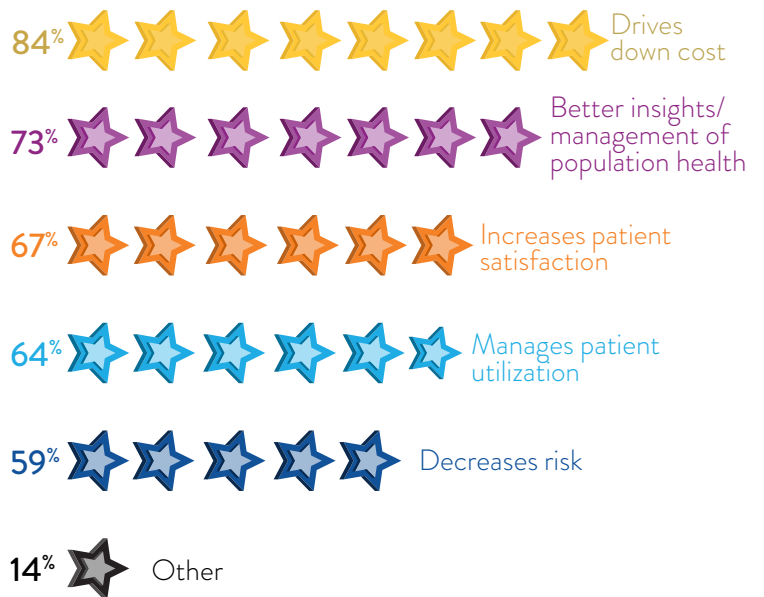
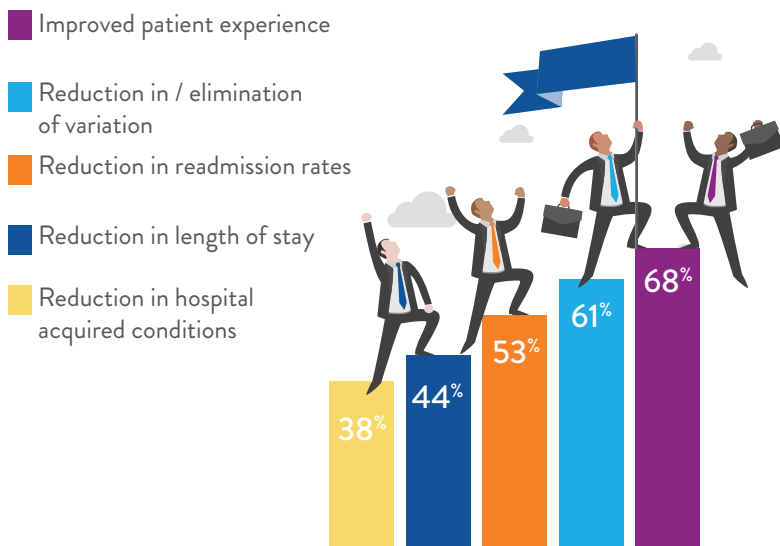


Figure 3  
**What benefits of systemness have the most business value? In order of importance...**



## OBSTACLES & HELP SOUGHT

According to The Advisory Board’s 2015 report on healthcare systemness, the biggest challenge to achieving systemness at hospitals and health systems is driving clinical standardization.<sup>1</sup> (Clinical standardization can be defined as the care or clinical pathways patients should be offered by health professionals for a specific condition that is in line with current best evidence.) This survey digs deeper into that challenge by asking, “Why?”

Executives point to a number of factors as to why clinical standardization is the top obstacle to achieving systemness, with only 2% reporting no obstacles. The top obstacle is differing cultures within the organization (66%), whether that is across different geographic areas, within the same city, or even within the same building. It is quite common for units within one facility to have entirely different protocols, for example, that employ longtime healthcare workers who operate under a “we’ve always done it this way” mentality. [Figure 4]

These differences are further spelled out in the second-most common obstacle: strong clinical preferences (54%). Many physicians, nurses and clinicians have been given the autonomy and latitude to deliver care in ways they see fit—most often a result of being asked to learn on the job. Now, health systems that want to provide more concrete direction around care delivery and clinical standards are finding resistance after years of building clinical preferences. [Figure 4]

Other factors that are a challenge to clinical standardization include a lack of leadership’s commitment to standardization (30%); different patient bases across the continuum (26%); and differing reimbursement priorities across the continuum (25%). [Figure 4]

What would help healthcare provider organizations move toward systemness? Executives cited “alignment of incentives” (32%) as the most helpful. As many in the business of healthcare know, the variation of incentives across the continuum of care is a big deterrent to motivating an entire organization to row in the same direction. Some facilities are incentivized to keep patients shorter, some longer, some are not penalized on readmissions, some are, and so on. A better alignment of incentives across the entire system and healthcare continuum would truly expedite systemness and the benefits that come with it. For example, supply chain is often incented to reduce per-item cost, but clinical is incented to improve outcomes which often involve higher-priced supplies. Aligning these incentives would expedite systemness.

Less impactful but still important to progressing in systemness is leadership support (19%), better communication (16%), system-wide data (16%) and better care transitions (13%). [Figure 5]

To achieve systemness, the vast majority of respondents (90%) said they would need support from various industry partners. What makes a good partner? The most sought characteristic is the flexibility to work within multiple cultures and within certain limitations (44%), while insight across the industry (40%), evaluation capabilities (39%), objective data and analysis (39%) followed closely. Innovative products and solutions (26%) and project management (26%) were less important. [Figure 6]

Figure 4  
Obstacles to Driving Clinical Standardization



Figure 5  
What would help expedite your “systemness” journey?

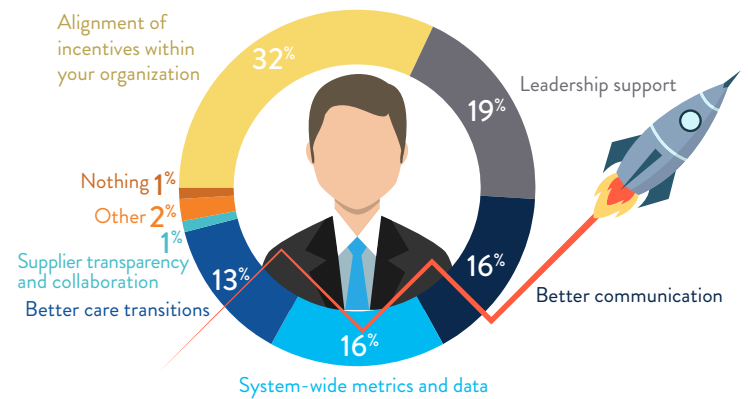


Figure 6  
I want an industry partner that has...



# THE CURRENT STATE OF ORGANIZATIONAL ALIGNMENT

Only 1 in 20 respondents believe their organizations have achieved systemness. That leaves many in the process of working toward it: 42% said they are “somewhere in the middle” of achieving systemness. Only 38% said they are significantly closer to achieving the coveted status, while 15% said they haven’t started at all, or are only in the beginning stages. Systemness is a higher priority for those who are further along in their journey, but a lower priority for those who haven’t started or are in the early stages. [Figure 7]

Healthcare executives were also asked to rank among five areas of their entire health system, which show the most consistency? They report above-average consistency in employee education and training and product usage, but only average consistency in patient access, patient education, and protocols and processes. [Figure 8]

Executives were also asked, across their health systems, which care settings needed better alignment to organizational goals? Allowed to choose only care settings they own and operate, executives chose physician groups (64%) and hospitals (49%) as those most in need of better alignment with larger organizational goals. Home health (14%), surgery center (12%), and rehabilitation facilities (10%) followed as next most in need of better alignment. [Figure 9]

Figure 7  
How Close is Your Organization to Achieving Systemness?

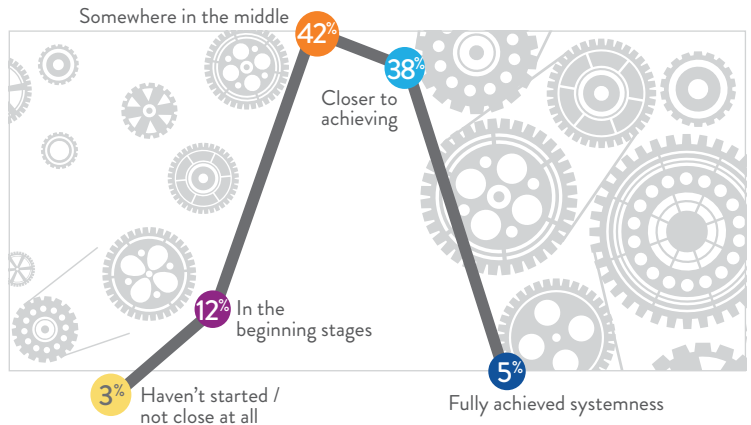


Figure 8  
Consistency Across Care Settings

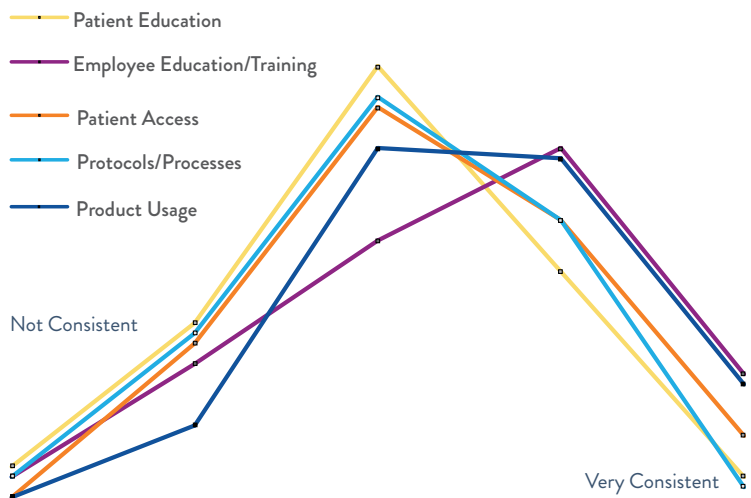
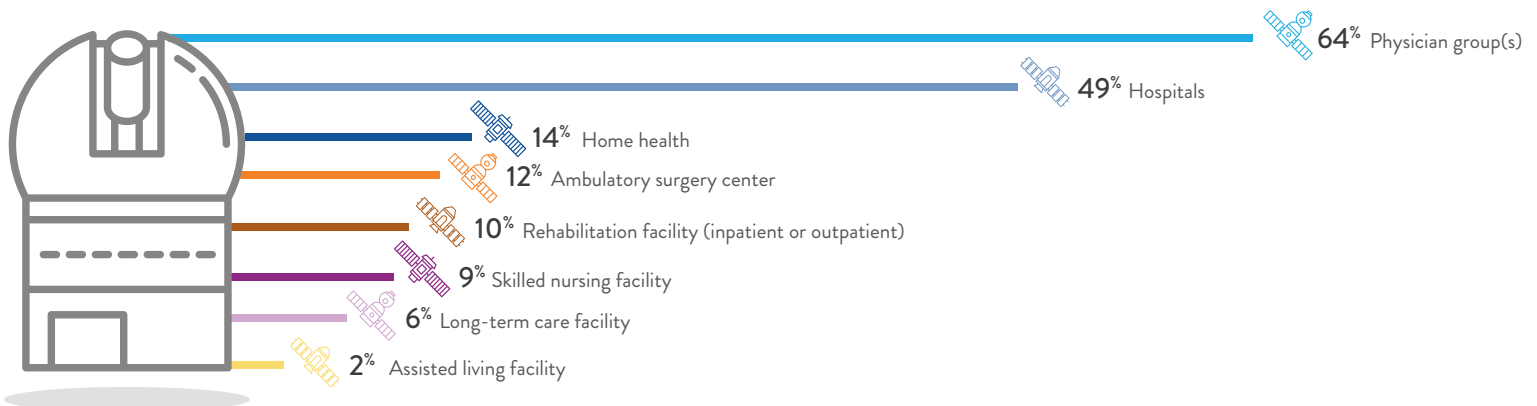
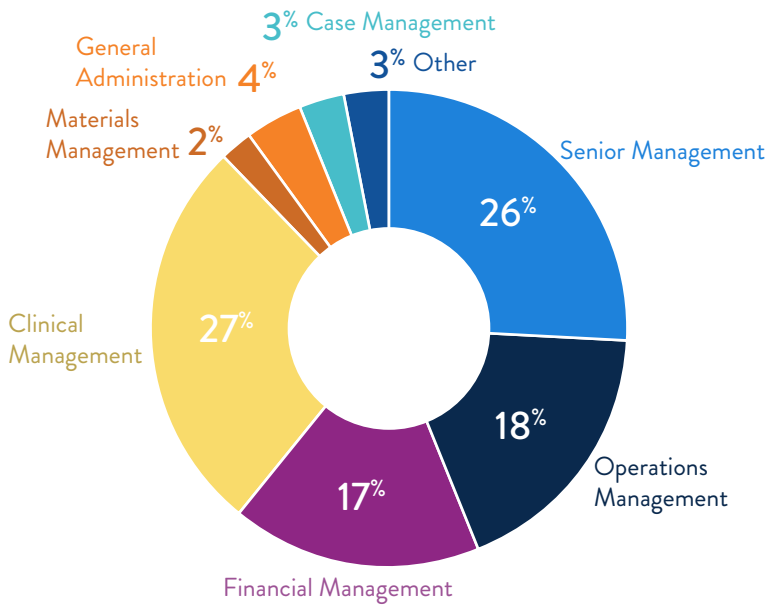


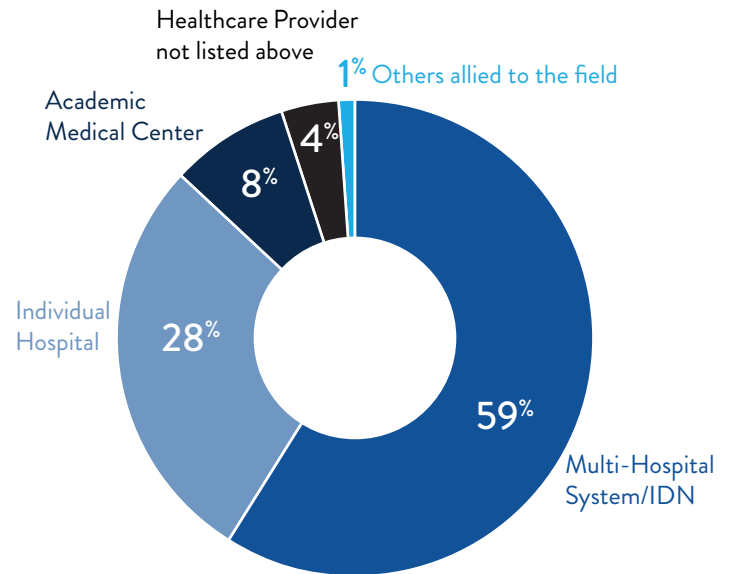
Figure 9  
Which care settings need better organizational alignment?



## RESPONDENTS BY ROLE



## RESPONDENTS BY INSTITUTION



## ABOUT THE SURVEY

This briefing summarizes the results of a custom research survey conducted by Modern Healthcare Custom Media on behalf of Medline Inc. Invitations to participate were sent by email to 15,912 healthcare executives. By the closing date of Nov. 16, 2016, 306 executives responded. As an incentive to complete the survey, they were given a chance to win a \$100 gift card.

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## REFERENCES

<sup>i</sup> <https://www.advisory.com/research/health-care-industry-committee/the-bridge/2015/12/systemness>