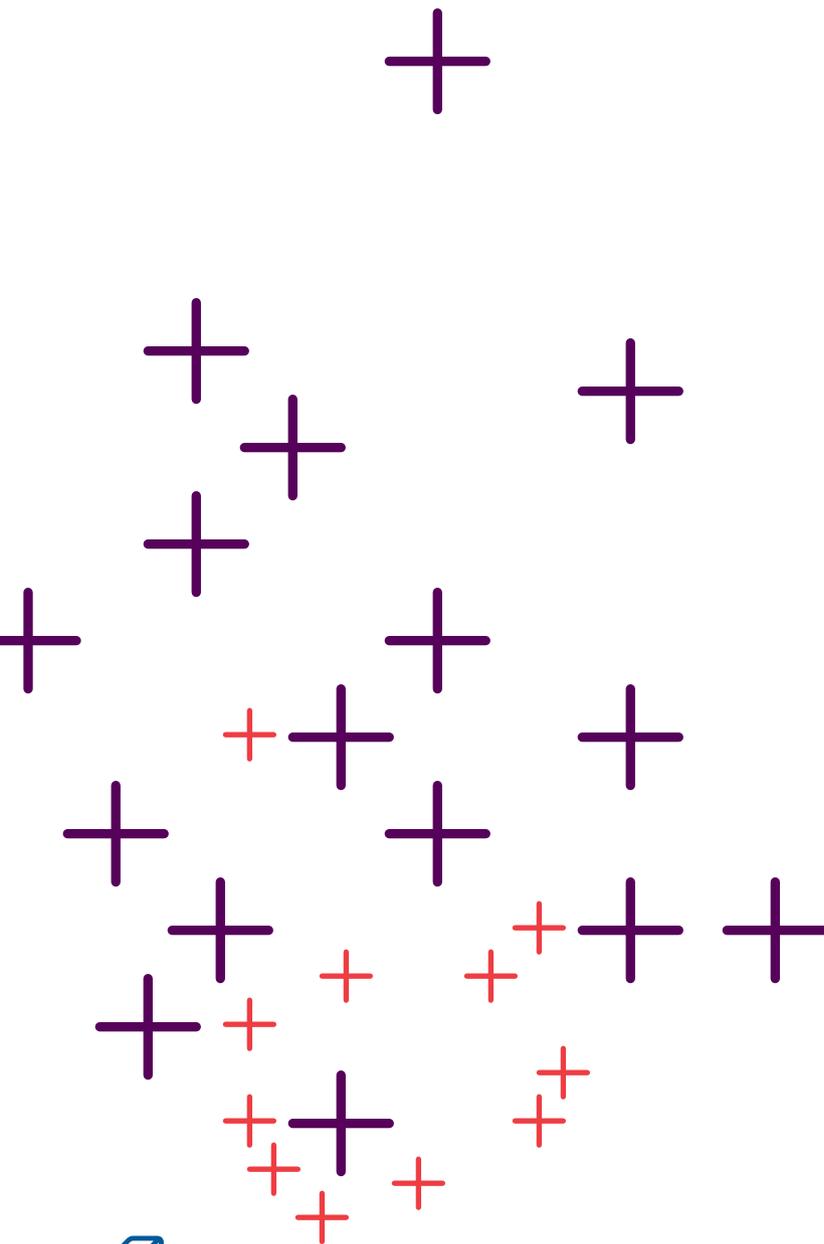


# HEALTHCARE COST CONTAINMENT

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## Choosing the Right Leader Can Help Organizations Overcome Roadblocks to Results

By Tim Shoger and Jennie Dulac

*Results management leaders serve as the owners and direction setters to accomplish effective change.*

Ideas for how to better manage costs at hospitals and health systems across the country are abundant. Successful follow-through and execution of those ideas is far less common. To help ensure effective change, many organizations are establishing results management offices as a means to guide outcomes, accountability, transparency, and responsibility. These offices serve as the primary oversight structure for driving cost transformation. They are charged with providing critical support and helping organizations remain focused on goals and objectives. Finding the right person to lead these efforts is essential.

There are three common barriers to success for results management offices. Management leaders who are able to overcome them share key characteristics. Their offices extend beyond traditional project management offices. Specific responsibilities vary depending on the organization, but some core functions include the following:

- > Coordinating comprehensive project management

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- > Steering change management and process redesigns
- > Communicating with relevant stakeholders

Results management leaders serve as the owners and direction setters for these efforts. They head results management teams that ensure all cost transformation initiatives occur according to established plans and timetables, and help to resolve any issues that may arise. Frequent challenges that can severely curtail results management functions include insufficient executive support, ineptitude in building new organizational competencies, and a lack of flexibility.

### Establishing Executive Support

Too often, hospital and health system leaders create results management offices with the best of intentions and then fall into complacency. The offices essentially become “crutches” for organizations, expected to deliver on results without executives and senior managers taking appropriate accountability on their ends for what needs to be done.

Results management offices must have ongoing support and engagement from organizational leaders. Results management leaders play critical roles in making this happen. These individuals should have strong executive presence, be future-focused, engender confidence, and inspire others to action. They should be equally adept at communicating with executives, directors, and operational and clinical personnel to help ensure that all parties stay informed and fulfill their respective roles in moving the ball forward.

Ideally, the position should be filled by at least a director or vice president level employee. If results management office

leaders are at the director level, it should be made abundantly clear that they have executive-level backing. One health system, for example, appointed a director as results management lead, but placed her in a C-suite office. The fact that she is a couple doors down from the chief executive officer, chief financial officer, and other executive leaders—and attends C-suite meetings—sends a strong signal to the broader organization of the importance of her role.

### Building Competencies for Improving Performance

In its support role, the results management office often helps to fill competency gaps for performance improvement at the start of cost-transformation initiatives, such as research, analytics, or operational support. Over time, however, the office plays an even more important function in assisting to build those missing competencies, particularly within leadership teams. As such, results management leaders should be talented teachers and mentors who also serve as examples for others by modeling positive leadership traits.

A broad background is beneficial in helping results management office leaders better understand various functions and relate to and instruct others at all levels. They may be charged with training departmental staff on optimal steps to building better processes, or teaching executive leadership about potentially disruptive market trends. In guiding these efforts, results management office leaders should work with managers and human resources professionals to identify the competency gaps within organizations and determine how best those gaps might be filled internally or externally.

### Ensuring Focus and Flexibility

Trying to “do it all” is a common problem for cost transformation efforts. A major

function of results management offices is to triage the various initiatives that are put forward across organizations. Priorities can change quickly and significantly in response to changes in payment, healthcare policy, or other organizational or market forces. The office assists management in determining how best to distribute resources, how those resources can be redistributed in response to changing priorities, and which projects should be terminated or tabled. In other words, they must be able to effectively manage the transformation portfolio.

To serve in this capacity, results management leaders must be capable of juggling many projects and responsibilities. Agility and the ability to adapt to shifting conditions are key. They should be comfortable with occasional ambiguities while always fostering rigor and discipline toward the achievement of organizational goals.

Selection of results management office leaders can be challenging. It is too vital a role to leave to mediocrity. Because of the nature of the post, the optimal internal candidate or candidates likely will be obvious early on. If an internal choice is unclear, then it is time to consider outside options. The close interaction with executives makes the position ideal for grooming future organizational leaders, and the role should be closely aligned with leadership training programs and succession plans. +

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