

QUARTERLY LECTURE SERIES

# LEADERSHIP TOOLS THAT WORK IN TIMES OF RAPID CHANGE

UNIVERSITY OF ST. THOMAS  
MINNEAPOLIS, MN  
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On Thursday, June 18, the University of St. Thomas was proud to host Dr. Kent Bottles, president of the Institute for Clinical Systems Improvement (ICSI). His presentation was part of the Quarterly Lecture Series of the American College of Healthcare Executives MN Chapter, in partnership with the Center for Health and Medical Affairs at the University of St. Thomas. Dr. Bottles spoke to a crowd of over 100 on “Leadership Tools that Work in Times of Rapid Change.”

According to Dr. Bottles, leaders do four things: They establish a vision that can inspire others; they translate the vision into strategies and tactics; they make the assignments to the right people; and they hold the assigned people accountable. His talk focused only on the first: establishing a vision that can inspire others, utilizing an environmental assessment of opportunities, risks, and challenges. Specifically, he spoke to three key issues that leaders will need to know how to interpret and respond to during this period of rapid change:

- Election of Barack Obama as President
- Health 2.0
- “Disruptive Innovation,” as described by Clayton Christensen in *The Innovator’s Prescription*

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## ELECTION OF BARACK OBAMA AS PRESIDENT

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Dr. Bottles outlined a number of key sources he feels shed significant light on Barack Obama’s views on health care:

### EZEKIEL EMANUEL’S \$2 TRILLION

A bioethicist with the National Institutes of Health and brother of White House Chief of Staff, Rahm Emanuel, put into perspective the more than \$2 trillion spent on healthcare in the U.S. every year. “People don’t have any idea of what a trillion is,” said Ezekiel Emanuel, pointing out that health care’s steady increase will theoretically consume the entire economy one day. His math lesson:

- 1 million seconds: less than 2 weeks ago
- 1 billion seconds: 1974
- 1 trillion seconds: 30,000 BC

[Read the article](#)

### **MEDICAL PROBLEMS SIGNIFICANTLY CONTRIBUTE TO PERSONAL BANKRUPTCIES**

The American Journal of Medicine reports that medical problems contributed to 62.1% of personal bankruptcies in 2007. Most were middle class, had health insurance, were homeowners, and had gone to college.

[Read the article](#)

### **ATUL GAWANDE'S "THE COST CONUNDRUM"**

In the June 1, 2009, issue of The New Yorker, Atul Gawande detailed a study of McAllen, TX, which is one of the most expensive health care markets in the country. CMS spent \$15,000 per enrollee, twice the national average (income per capita is \$12,000), and ranks worse on 23/25 metrics of quality of care than in El Paso, TX. This is seen as a clear example of overutilization. Dr. Bottles pointed out that this article became "required reading" for Congress (see "Health Care Spending Disparities Stir a Fight" below).

[Read the article](#)

### **ATUL GAWANDE'S "BATTLE FOR THE SOUL OF MEDICINE"**

In a graduation speech to students from the University of Chicago's Pritzker School of Medicine, Dr. Gawande offered some very specific examples of how doctors can "resist the tendency to see patients as a revenue stream."

[Read the Health Beat Blog's coverage of this speech](#)

### **"HEALTH CARE SPENDING DISPARITIES STIR A FIGHT"**

[Robert Pear, New York Times, June 8, 2009](#)

"He (President Obama)... took that article (Atul Gawande's) and put it in front of a big group of senators and said, 'This is what we've got to fix.'"

### **"AFTER THE GREAT RECESSION"**

[Obama Interview with David Leonhardt, New York Times Magazine, May 3, 2009](#)

The importance of using comparative-effectiveness studies as a way of reining in costs:

- "If it turns out that doctors in Florida are spending 25% more on treating their patients as doctors in Minnesota, and the doctors in Minnesota are getting outcomes that are just as good -- then us going down to Florida and pointing out that this is how folks in Minnesota are doing it...--I think that conversation will ultimately yield some significant savings and some significant benefits."

### **"THE BIG FIX"**

[David Leonhardt, New York Times Magazine, February 1, 2009](#)

- "You never want a serious crisis to go to waste."
- Doctors who spend more don't get better results than their conservative colleagues; Patients of aggressive doctors stay sick longer and die sooner because of risks of aggressive care.

### **"MONEY TALKS"**

[Ryan Lizza, The New Yorker, May 4, 2009](#)

- Budget Director Peter Orszag: Health care reform is deficit reduction. "At the core of both the stimulus bill and the Obama budget is Orszag's belief that a government empowered with research

on the most effective medical treatments can, using the proper incentives, persuade doctors to become more efficient health-care providers, thus saving billions of dollars.”

- “Obama is in effect betting his Presidency on Orszag’s thesis.”

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## HEALTH 2.0

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Dr. Bottles discussed both trends and examples of how “Health 2.0” is shaping the health care landscape. While “Web 1.0” is characterized by users searching for and reading information, “Web 2.0” is characterized by regular people *creating* content on line. Although physicians tend to be reluctant to engage in social networking with their patients, patients are increasingly supplementing the traditional patient-physician relationship with Health 2.0 technologies. Dr. Bottles referred to the following articles and studies:

- Docs and Social Media, [Well Blog, New York Times, June 11, 2009](#)
- Nielsen Online: Time on Social Networks ([read the article](#))
  - Number of minutes Americans spent on social networks grew 83% from 4/08 – 4/09
- “The Social Life of Health Information,” [Pew Internet and American Life Project, June 2009](#)
- Online, ‘a Reason to Keep on Going,’ [Stephanie Clifford, New York Times, June 1, 2009](#)
  - The new future of old age is about staying in society, staying in the workplace and staying very connected. Technology is going to be a very big part of that, because the new reality is, increasingly, a virtual reality. It provides a way to make new connections, new friends and senses of purpose.” Joseph Coughlin, MIT AgeLab

### CELL PHONES AND MEDICINE

Cell phones are largely replacing the need for laptop computers. There are over 35,000 applications for the iPhone and both providers and users are finding unique uses for them:

- [www.personalpediatrics.com](http://www.personalpediatrics.com) : “A national network of dedicated physicians who are reinventing the lost art of pediatric house call medicine using wireless technology and state-of-the-art recordkeeping software.”
- <http://mobilehealthnews.com/2401/interview-dr-hodge-the-first-iphone-doctor/> An article detailing “iPhone doctor” Natalie Hodge.
- “When the Cellphone Teaches Sex Education,” Jan Hoffman, NY Times, May 3, 2009, <http://www.nytimes.com/2009/05/03/fashion/03sexed.html>

**PATIENT SOCIAL NETWORKING SITES** are growing increasingly popular for patients to connect with others that share their condition. Examples include: [www.Diabetesmine.com](http://www.Diabetesmine.com) ; [www.Patientslikeme.com](http://www.Patientslikeme.com); and [www.MedHelp.com](http://www.MedHelp.com)

### CONNECTING PATIENTS TO DOCTORS.

Patients can now find doctor referrals, specialists, ratings, appointments, and even access to physicians on-line at sites like: [www.angieslist.com](http://www.angieslist.com); [www.ZocDoc.com](http://www.ZocDoc.com); [www.americanwell.com](http://www.americanwell.com); [www.apexmd.com](http://www.apexmd.com); and [www.healthworldweb.com](http://www.healthworldweb.com)

Dr. Bottles emphasized that Health 2.0 brings up many questions and ethical concerns, from the auctioning of a kidney on eBay, to a Pro-Anorexia online movement. Questions such as, Who owns online communities? What legal claims can be made over them? Does an MD consultant to a website

have ethical/legal obligations to visitors? At what point is there a patient/provider relationship? There are clearly no easy answers.

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## DISRUPTIVE INNOVATION

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*The Innovator's Prescription*, Clayton M. Christensen, et.al., New York: McGraw Hill, 2009

Clayton Christensen, author of *The Innovator's Dilemma*, has turned his attention to the health care industry. Dr. Bottles outlined his main themes, although time constraints did not allow him to go into each in detail:

- Disruption in business models makes products more affordable and accessible. Examples:
  - IBM....DEC....Dell....iPhone
  - Ford....Toyota....Chevy
  - Macys....Wal-Mart....Amazon
- Disruption enablers include:
  - Business model innovation
  - New value networks
    - Simplifying technologies such as genetics profiling, imaging, and data mining
- Expertise becomes commoditized
  - Experimentation and problem solving
  - Pattern recognition
  - Rules based processes
- Hospitals are expensive combinations of three different business models:
  - Shops (consulting firms, law firms, diagnostic activities): fee for service
  - Chains (manufacturers, education, food services, medical procedures): fee for outcome
  - Networks (telecommunications, eBay, Sermo): fee for membership
- Who will benefit from disruption of health care industry?
  - Integrated fixed-fee providers such as
    - Mayo, HealthPartners, Intermountain, VA, Kaiser
  - Major employers
    - Quad/Graphics (Briggs & Stratton, Rockwell), Perdue Farms, Pitney Bowes, General Mills, Sprint, Qualcomm