



HENRY FORD HEALTH SYSTEM

Category 2 Strategic Planning

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Panelists

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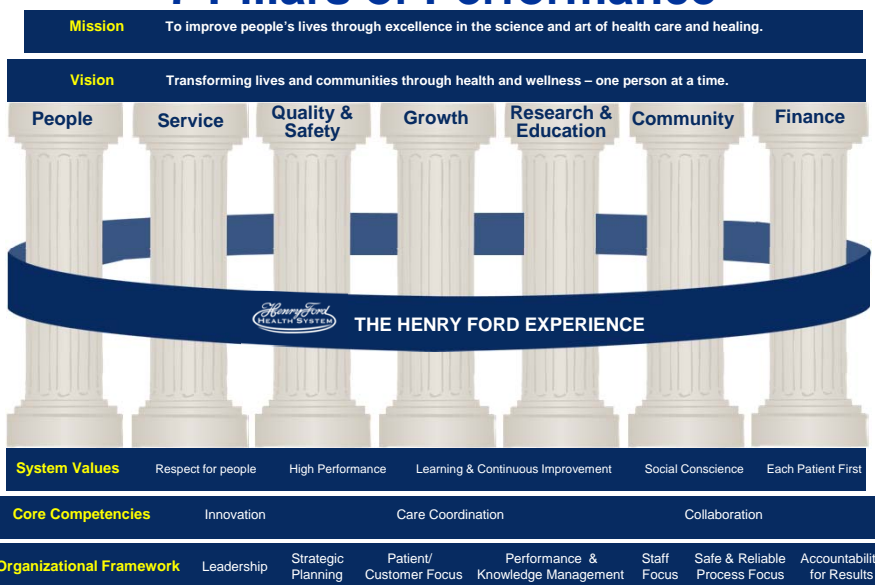


Integration Across 9 Business Units

- 4 acute care hospitals
 - Henry Ford Hospital staffed by Henry Ford Medical Group
 - 3 Community hospitals supported by both employed and private practitioners
- Henry Ford Medical Group
- Henry Ford Physician Network
- Community Care Services
- Behavioral Health Services
- Health Alliance Plan



“The Henry Ford Experience”: 7 Pillars of Performance



Before everything else, getting ready is the secret of success.

Henry Ford



Strategic Planning

- How do you develop your strategy?
- How do you implement your strategy?
- What are your financial and marketplace performance results?

2 Strategic Planning (85 pts.)

The Strategic Planning Category examines how your organization develops strategic objectives and action plans. Also examined are how your chosen strategic objectives and action plans are relevant and changed if circumstances require, and how progress is measured.

2.1 Strategy Development: How do you develop your strategy? (65 pts.) Process

Describe how your organization establishes its strategy to address its unique environment and leverage its strategic assets. Summarize your organization's core mission, vision, and organizational goals.

Within your response, include answers to the following questions:

- Strategy Development Process
 - How does your organization conduct its strategic planning? What are the key success steps? Who are the key participants? How does your organization identify potential blind spots? How do you determine your core competencies, strategic resources, and strategic advantages (aligned in your Organizational Profile)? What are your short- and long-range planning time horizons? How are these time horizons set? How does your organization determine when to address these time horizons?

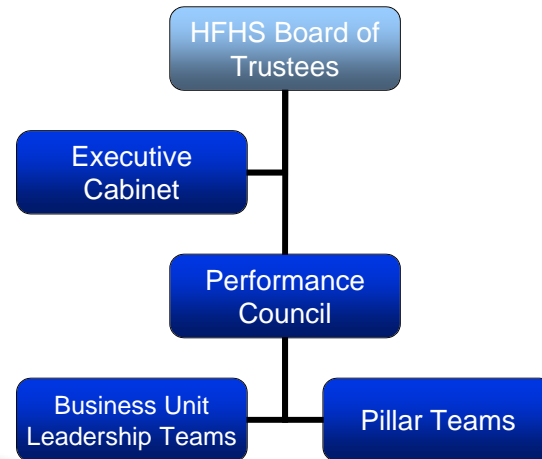


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2009-2010 Health Care Criteria for Performance Excellence

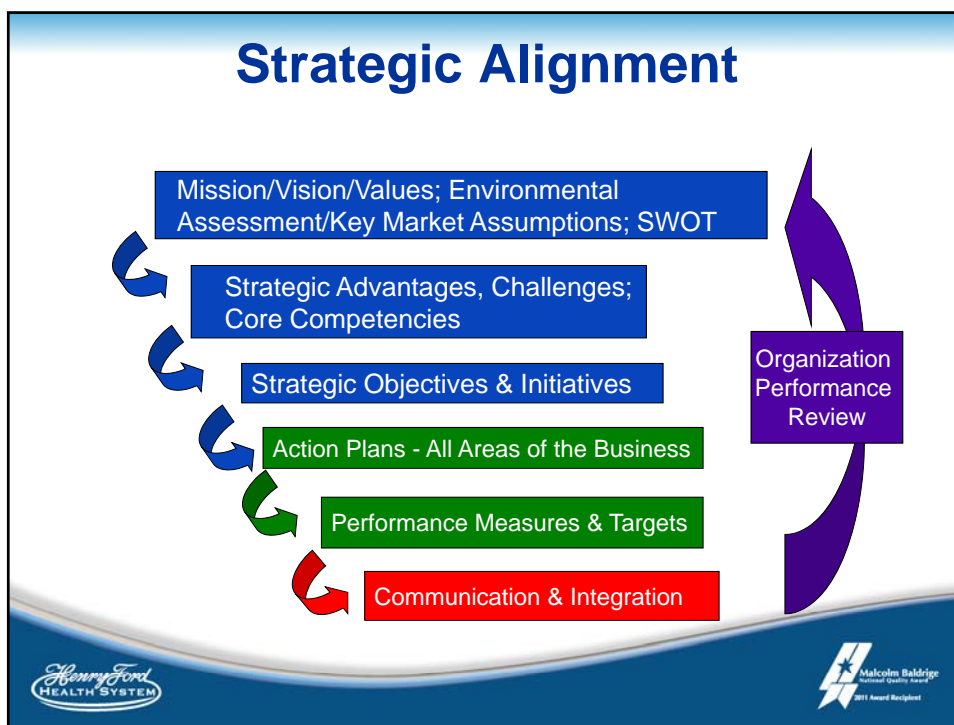
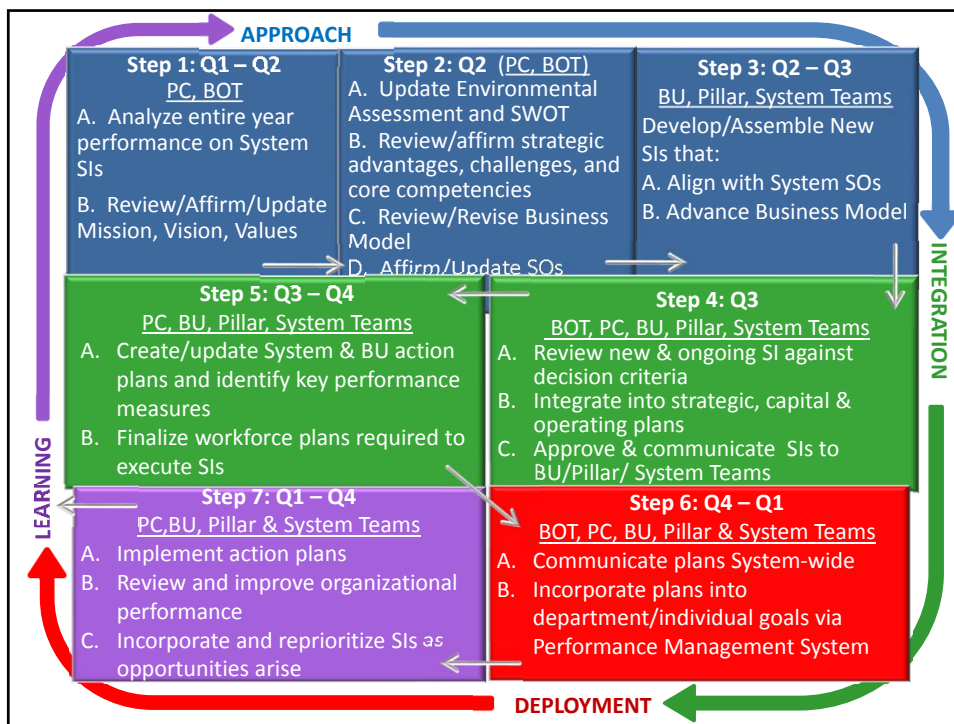


Aligned Leadership for Accountability



Strategic Planning Inputs





Steps 1-3: Approach

Step 1: Q1 – Q2 Performance Council, Board of Trustees

- Analyze performance on System Strategic Initiatives
- Review/Affirm/Update Mission, Vision, Values

Step 2: Q2 Performance Council, Board of Trustees

- Update Environmental Assessment and SWOT
- Review/Affirm Strategic Advantages, Challenges & Core Competencies
 - Review / Revise Business Model
 - Affirm / Update Strategic Objectives

Step 3: Q2-Q3 Business Unit, Pillar & System Teams

Develop and assemble Strategic Initiatives that:

- Align with Strategic Objectives
- Support the Business Model



Steps 4-5: Integration

Step 4: Q3 Board, Performance Council, Business, Pillar & System Teams

- Review new and ongoing initiatives against criteria
- Integrate into Strategic, Capital and Operating Plans
- Approve and communicate initiatives to Business, Pillar & System Teams

Step 5: Q3 – Q4 Performance Council, Business, Pillar & System Teams

- Create and update Business Unit and Pillar Action Plans
 - Identify key performance measures
- Finalize workforce plans required to execute strategic initiatives



Step 6: Deployment

Step 6: Q4 – Q1

Board, Performance Council, Business, Pillar & System Teams

- Communicate plans System-wide
- Incorporate plans into Department and individual goals via the Employee Performance Management System

Incentives aligned with System Performance Targets



Step 7: Cycles of Learning

Step 7: Q1 – Q4

Performance Council, Business, Pillar & System Teams

- Implement Action Plans
- Review (OPR) and improve (MFI) organizational performance
- Incorporate new strategic initiatives as opportunities arise

OPR= Organization Performance Review (Category 4)

MFI= Model for Improvement (Category 6)



System Dashboard

Pillar	Performance Indicator	Freq.	2010 Actual	2011 Target	2011 Current	Current Status
People	Turnover <i>Total</i>	Monthly				●
	Employee Engagement <i>Gallup Q12 and Pulse Surveys</i>	Annual Semi-Annual				●
Service	Customer Engagement <i>Top Box "Likelihood to Recommend"</i>	Monthly				●
	HCAHPS <i>Hospital Consumers Assessment of Healthcare Providers and Systems</i>	Quarterly				●
Quality & Safety	Harm – Overall Rate <i>Per 1000 patient days</i>	Monthly				●
	Readmissions to the Hospital <i>All patients</i>	Monthly				●
Growth	Tri-County Inpatient Market Share <i>Med/Surg only</i>	Quarterly				●
	Admission Volumes <i>Not including BHS</i>	Monthly				●
	Total HAP Membership	Monthly				●
Finance	Profitability <i>Net Operating Income</i>	Monthly				●
	Cost Per Unit <i>Cost per case mix adjusted admission</i>	Monthly				●

● > 5% Variance to Target
 ● ≤ 5% Variance to Target
 ● At or Above Target



Multi-Year Strategic Objectives by Pillar

Pillar / Objective	Measured by	This Year	2015	2020
People: National leader in healthcare employees' engagement and wellness	Engagement – Gallup mean Employee Wellness (HRA Lifestyle Score)			
Service: Best-in-class service to our customers among U.S. healthcare organization	Top box likely to recommend HCAHPS results compared to all U.S. hospitals			
Quality/Safety: National leader in delivering safe, reliable, high-quality, & highly coordinated care	Harm reduction since '08			
Growth: Dominant health system in Michigan	Net Revenue - "steady state" Net Revenue - organic & acquisition Market Share*			
Education: Leading independent academic medical center Research: Nationally preferred clinical research partner	Trainees' readiness to practice without supervision External research funding			
Community: National leader in community health advocacy and involvement	% of SEM households engaged by HFHS, focusing on unmet health needs and health status			
Finance: Financial strength to fund clinical services, health management, people, research, and education strategies	Net Income Margin			

Sample Financial & Market Outcomes

Fig. 7.5-1: System Operating Net Income

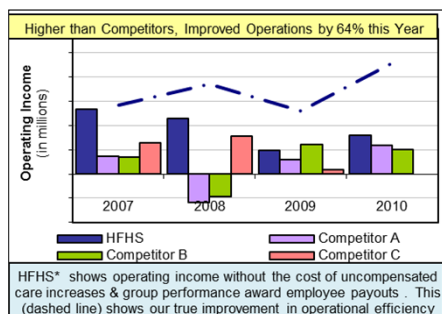
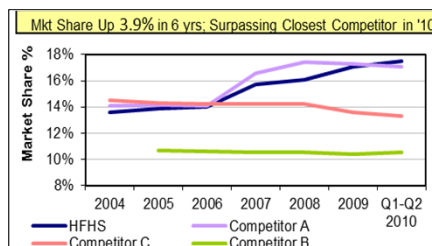
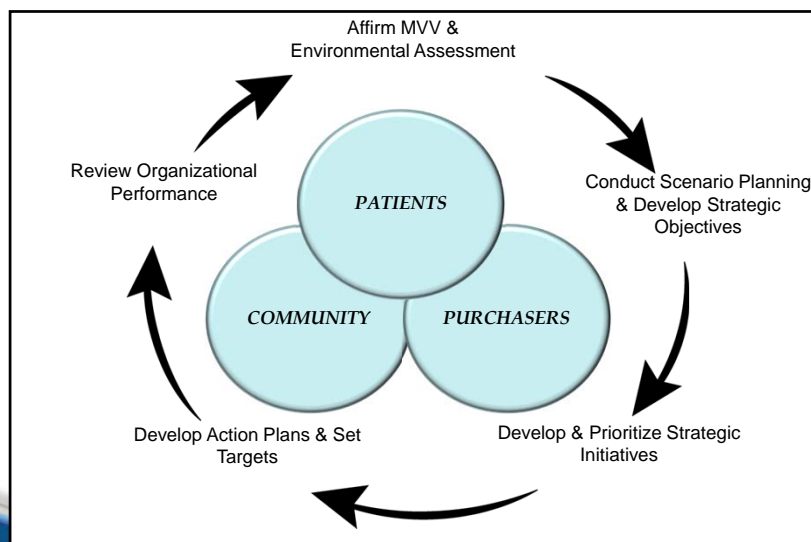


Fig. 7.5-11: Inpatient Market Share



Key Changes to Strategic Planning



Key Changes to Strategic Planning

Pre-Site Visit

- Conducted comprehensive scenario planning for 2015
- Created SPP “light” for 2nd and 3rd year processes
- Formed System Strategic Planning Team

Post-Site Visit

- Focus on consistent deployment and implementation (Tight-Loose-Tight)
- Financial planning tool implementation



Looking Forward

- Continue to evolve the Business Model
- Add a culture of “Strategic Thinking” to our culture of Strategic Planning
- Continue to improve deployment of strategy and best practices



Panel Discussion

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