



## Healthcare Forecast 2021:

### 10 Trends Board Members and Senior Leaders Must Know

By **Steven T. Valentine**, President, *Valentine Health Advisers* and **Guy M. Masters**, Principal, *Premier Inc.*

**2021 will be the year to redefine and redesign healthcare delivery—as a nation, as communities, and as providers and delivery systems.** The hospitals, health systems, and medical groups that will be sustainable and thrive will build upon financial, operational, and strategic lessons learned from the pandemic experience. The trends we predicted for 2020 largely hold true for 2021, although COVID-19 put some of our predictions on “hiatus” for several months. As a result, several of this year’s trends have been pulled forward with updates from the 2020 list. The implications for board response “in the boardroom” are more focused, intensified and demanding of action. This year, board members and senior management will need to respond by considering operating cost reductions, new innovations and strategies to respond to environmental changes, the continuing impact of COVID-19, and the change in the White House administration.

Questions remain about the effects of COVID-19 through 2021. These include divisive views regarding COVID-19 vaccination, uncertainty about safety, changed patterns of access and availability of care, economic and racial disparities, and potential impacts on Medicaid payments due to state budget deficits. Given these uncertainties, following is our list of the top trends and implications for governance in 2021.

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## 1. Private Sector as a Catalyst for Change

At this crossroads where COVID-19 is still raging as vaccines are being distributed, the private sector is poised and ready to implement many of the sweeping changes required to redesign healthcare finance and delivery. Employers, disrupters, and consumers alike are aligned on the need to fundamentally change the way for which healthcare is provided and paid. This includes the continued shift away from inpatient admissions and toward retail, digital, telehealth, wearables, outpatient, and home care settings, particularly as more providers move toward population health and risk-based contracting. Moreover, with an unknown direction of the economy (pandemic recovery), more baby boomers will continue to age into Medicare and retirement, causing a knowledge drain and human resource shortage. This will further cause innovation in healthcare to reduce the need for human labor and automate more tasks to machines.

In the boardroom:

- Track Biden policy changes (ACA, Medicare eligibility at age 60, others).
- Provide support for appropriate expansion of telehealth and digital care.
- Monitor the percent of the population getting the COVID-19 vaccination.

### → Key Board Takeaways

- Identify specific strategies to become essential in your marketplace (to payers, patients, providers).
- Update the hospital/health system's strategic plan to specifically address the impacts and lessons learned (financial, operational, strategic, and cultural) from the COVID-19 experience.
- Assess if your market is more vulnerable to incursions and disruptions from both traditional and non-traditional providers (retail, telehealth, venture capital, Google, Apple, Amazon, others).
- Examine if the organization is able and willing to take on more financial risk and/or become more aggressive regarding Medicare risk models. (Model potential scenarios and financial impacts.)
- Identify what additional tools, technology, and decision support resources are required to reduce total costs of care, and improve quality, access, and patient experience.
- Monitor new White House healthcare policies.

## 2. Diversity at All Levels

Diversity initiatives are being given more attention and resources in response to the increasing social awareness and pressures of society. This transition will accelerate as baby boomers retire. Many organizations have designated an individual to lead this effort. The effort extends beyond employees and management to the care givers. These efforts are starting with additions to board and committee membership, senior leadership ranks, employee hiring, and caregiver recruitment. Consumers expect their needs to be met with cultural sensitivity to the specific health concerns of the demographic populations in the service area, while still expecting quick, convenient, and efficient access through Web site searches or apps and treatment from employees that reflect their demographic profile.

In the boardroom:

- Does your organization have a diversity plan? Has this plan been shared with the employees, management, and the board? Is there a person designated to lead this effort?
- Conduct planned discussions regarding board and overall organizational diversity; identify gaps relative to the demographic and socioeconomic makeup of the community.
- Take steps to ensure that board members and others understand why diversity matters and how it impacts decisions and the overall culture regarding diverse community needs.
- Ensure that the organization's Community Health Needs Assessment addresses social and economic disparities.

## 3. Consumer Experience and Brand Identity

2021 will require improvements in brand identity in the market. How does the public think of your organization? High quality? Expensive? The best? Fast and easy to use? Consistent care with minimal variation? State-of-the-art? The preferred choice for emergency care? Boards and senior management will need to address their brand honestly as they survey the market and take realistic stock of how they stack up to competitors. The strategy is to improve quality, possibly reduce costs, and obtain positive recognition that the level of care has improved through the co-branding (which includes certain performance expectations: use of care protocols, medical directors, policies and procedures, telehealth, AI tools, access to clinical trials, etc.).

In the boardroom:

- Explore the potential benefits of co-branding and affiliation with partners that can accelerate and elevate your brand identity and awareness to drive preference for your services.
- If you have a strong brand, explore the potential benefits of reaching out to other organizations that could use brand-improvement assistance and that will strengthen your brand by virtue of your alignment.
- How are you engaging and retaining patients?
- What are the organization's strategies for social media, marketing, community relations, and physician alignment and collaboration?

#### **4. Cost Reduction and Total Cost of Care**

Healthcare costs, excluding the unknown impact of COVID-19, are expected to rise about six percent (versus about two percent for inflation and three percent in wage growth) in 2021, about the same as 2018 through 2020. This increase is occurring despite the hard-fought efforts to reduce costs by health plans, consumers, providers, and clinicians. The non-COVID-19 increases in healthcare costs are attributed to costs of new technology, new treatments, new drugs, new procedures, the public wanting immediate access to diagnosis and/or treatment (many nations with lower costs limit/delay access to care), and unhealthy lifestyles and health status.

Hospitals are facing greater price transparency pressure from the government and the public. Additionally, the high unemployment caused by COVID-19 has reduced the commercially insured population and increased the Medicaid and ACA ranks, which have a lower provider payment rate resulting in reduced revenue per patient. People paying the bills want to know what their healthcare choices cost them. Price transparency is a cornerstone to the efforts to reduce the total cost of care (including drug costs and use of generics). As the public's percentage of healthcare costs go up, they become more price sensitive and tend to become more educated and ask questions about the need for tests and other treatments, as well as about the accuracy, explanation, and fairness of their prices.

In the boardroom:

- Accelerate efforts to reduce the total cost of care through using fewer resources, using less expensive resources (sites of care: home health, ambulatory, post-acute, telehealth), and ensuring an open supply chain, buying supplies, equipment, etc., at a lower cost.
- Address staffing, benefit costs, salary reductions of non-clinical staff, use of more automation.

- Does your strategic plan assertively embrace population health strategies as well as responsibilities for social determinants of health?
- Monitor if Biden expands ACA subsidies and Medicare eligibility at age 60.

## 5. Provider Shortages

As caregiver baby boomers retire or cut back their work schedules, turnover and vacancies will increase. This will cause hospitals and health systems to focus on employee diversity hiring, retention, and recruitment actions. This will also cause wages to begin to increase faster than inflation. The shortages may contribute to an increase in use of travelling and contingent workers, which will also cause staffing costs to go up. We might also see the use of more remote digital interactions between caregivers and the patient. COVID-19 has forced many employees to work remotely, use telehealth, and change hours of availability (as children stay home for safety reasons). This will have a bigger impact on physicians as the “old school doctors” retire and are replaced by the younger “manage my lifestyle” doctors who are not, as a group, willing to put in the same number of work hours. Expect private equity firms and IPOs to fund start-ups in the area of machines and technology that will reduce the need for and use of humans to perform work. Expect physician, nursing, and allied professional shortages to increase. The largest shortage is expected with home health aides, especially as more care is driven to homes using remote monitoring and virtual communications technology innovations.

In the boardroom:

- Does your diversity plan focus on the recruitment of caregivers that mirror the socioeconomic profile of the service area population?
- Proactively anticipate potential leadership voids in management as well as board members and ensure that succession plans are in place and up to date.
- Ensure that your medical staff needs assessment plan is up to date.
- Monitor labor costs, productivity trends, unfilled openings, and retirement of staff (especially nursing and allied professionals); ensure that strategies are in place to address them. This will include exploring use and adoption of non-human resources to increase productivity.

## 6. Cybersecurity/Information Technology

The adoption of artificial intelligence (AI), blockchain, and machine learning will continue its advance as new applications are discovered. Private equity firms and innovators will keep pushing these technologies forward and find new and better

uses to apply in healthcare, both clinical and non-clinical. We expect that uses in the back office and revenue cycle will continue to improve and grow, while enhanced use in clinical diagnosis and treatment will come into play. The development of 5G will bolster integration of big data analysis and processing with remote use and telehealth, and clinical use. Concern over cybersecurity will continue (more breaches are likely) and efforts to defeat invasions will increase along with resources in defense. We expect growth in the use of wearables, telehealth, and remote monitoring. As payment for new technologies, population health, and value-based care models increase, these tools will be adopted to assist with the reduction of emergency room use and active intervention with patients suffering from chronic ailments. Expect more innovation, partnering, and competition from Amazon, Google, Microsoft, Apple, and others in this area as they apply new technology uses into care delivery, access, and respond to patients' needs and expectations.

In the boardroom:

- Ensure that a comprehensive plan is in place for an integrated IT infrastructure that will optimize AI tools, analytics, and data to improve quality, value, patient experience, and lower cost.
- Constantly monitor your organization's efforts with cybersecurity, increased training of staff, and use of IT defensive tools to prevent harmful software (ransomware, malware) invasions.
- Have a plan in place that addresses use of AI, machine learning, informatics, and other analytic capabilities to translate data into information to accomplish the goals above.

## **7. Consolidation and Closures**

Despite baby boomers getting older and requiring more healthcare, the per capita inpatient use of hospitals will continue its downward slide from over the past 20 years, mostly as a result of fewer admissions and less from length of stay reductions. Providers have done a very good job of reducing hospital length of stay using care protocols, hospitalists, caregivers, discharge planners, and the development of post-acute care services. The fight for market share will still be a key focal point for hospitals and health systems. The decline in hospital use directly impacts the increasing use of post-acute, ambulatory, outpatient, and home care. Health systems will evaluate the closing and repurposing of underutilized facilities to new ambulatory or post-acute use, or even housing for the homeless to address social determinants and their role in the use of healthcare resources. The smaller-sized mergers may slow down, as many of these targets have already been acquired, while some of the bigger



health systems will continue to explore mega-mergers with other large systems in the never-ending quest for greater scale.

In the boardroom:

- What is your organization’s vision regarding size, scale, and independence/alliance?
- Continue to monitor, assess, and address the key drivers of mergers, including insufficient access to capital, poor payer mix, service area population decline, inability to attract physicians, and lack of resources needed to compete in the market.
- What is the organization’s plan to attract volume? Acquire medical groups? Additional ambulatory sites? Acquire other hospitals or clinics?

## **8. Growth of Value-Based Payment Models**

Medicare, along with health plans and employers, will continue to introduce payment incentives that will encourage new care models focused on improving the patient’s experience and engagement, while improving value through better outcomes at a reasonable cost. Health systems and hospitals will innovate and adopt new ways of delivering care (e.g., telehealth, digital health, greater emphasis on mental health), monitor the patient’s experience, and seek to continuously improve. We expect more “two-sided risk payment models” for non-capitated populations through clinically integrated networks (CINs), ACOs, bundled payments, and creation of high-value networks developed separately by both providers and payers. For health systems and hospitals that have experience in these new care models, there will be an attempt to focus on improving performance and shoring up weak spots. The move into value-based care will push right into population health initiatives and require exploring new strategies and partnerships to address social determinants, including housing, transportation, and food security. This push will surface the gaps and needs in the mental health arena and require investment and partnerships to address.

In the boardroom:

- Improve performance in new payment models to lower costs and improve outcomes (strive for top quartile or decile), patient experience, and satisfaction. (This will be more difficult in 2021 as consumer expectations will increase and patients will have higher demands for faster response to their needs, convenience, use of digital tools, and communication.)
- Ensure that you have a clear strategy for population health.
- Monitor Biden health policy and reimbursement changes, and prepare for potential impacts.

## 9. Vertical and Horizontal Integration

Hospitals, health systems, and physician organizations will continue their horizontal expansion into new geographic areas, jettisoning lower-performing business entities in certain markets or service lines. Integration will continue through cautious ambulatory expansion via new delivery sites or modes (telehealth, digital, home, hospital) and access points (e.g., urgent care, retail clinics, ambulatory surgery centers, mobile platforms, and imaging centers). Many providers facing an uncertain or predictable future may choose to sell now while they have some value versus losing more value. With health plans and Medicare expanding coverage of telehealth, and the increasing use of telehealth due to COVID-19, telehealth expansion will be augmented using mobile and digital outreach services, especially in poorer and rural areas of the country. We expect to see cautious movement to partnerships or co-branding of services between community hospitals and either single-specialty or academic medical centers. Lastly, we anticipate seeing more work-site access points.

In the boardroom:

- Take a higher-level strategic view of your hospital/health system's current and future potential competitive position and role in your marketplace. For what geography will you take responsibility?
- Do your strategies address additional access modalities of care delivery, as well as consider partnerships and alliances that could expand and accelerate population health-related financial, clinical, and operational capabilities?
- Does the organization have a robust ambulatory and post-acute care strategy that will acquire struggling providers in the marketplace?

## 10. Inpatient Decline; Growth in Outpatient, Telehealth, and Alternative Settings

Absent COVID-19, two-sided risk and value-based payment methods will force the continuation of the per capita decline in inpatient admissions and readmissions. The length of stay (LOS), which has been reduced through the efforts of nurses and physicians for years, has hit a saturation point where there is little room left to improve. Physicians, through incentives (economic and ratings), have become more engaged in the cost of care and seek to maximize their value to patients. Look to new entrants such as Walmart, CVS, Amazon, Google, Haven, Apple, and others to enter the market with a focus on reducing costs and improving value. The decline in use of hospitals along with the unknowns of a possible recession, COVID-19, and reduced



Medicaid payments, could force mergers, closures, and the repurposing of facilities to alternate use (e.g. COVID-19 treatment units).

In the boardroom:

- Assess the potential of disrupters in your service area to siphon off patient revenue and volume.
- Assess new care models and potential expansion of value-based care initiatives as a new source of revenue.
- Monitor private equity investment in new healthcare delivery products and services.
- Create a robust ambulatory strategy that addresses niche markets and micro-consumer segments.
- Reduce expenses due to COVID-19, reduced Medicaid payments, and lower patient volumes.

## **Beyond “New Normal” to an Extraordinary Future**

Success in 2021 and beyond will require that governing boards and senior leaders deliberately look to the future with a clearly defined strategic vision that pulls the hospital/health system or medical group forward with optimism, realism, and authenticity. They will need to think differently, plan differently, be flexible and agile, deliver care differently, and act with a greater sense of urgency than in the past. By building on the pandemic experience and refusing to accept the new normal or status quo, leadership teams can and must identify opportunities amidst crisis, and lead with confidence toward the future challenges that are yet on the horizon.

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# The Confession That Could Change Healthcare in America

By **Stephen K. Klasko, M.D., M.B.A.**, President, *Thomas Jefferson University*, CEO, *Jefferson Health*

**Think back to September 11, 2001. It took a year, but the country’s leadership eventually came to the admission, “We failed to keep the country safe,” after the reflex of Democrats blaming Republicans and vice versa for the horrific attack on the United States.** But as good leaders do, Congress, the President, and the private sector stopped the blame game and created the 9/11 Commission, which included leaders from both parties and members of the private sector with disparate points of view, experience, and skill sets related to terrorism prevention. They met under the radar for several months and while not all of the recommendations were enacted, it created a new dialogue that gave the country confidence that our citizens would be safe with a balance of sacrifices and precautions.

We are exactly in that place in 2021 as it relates to healthcare in America. We’ve seen some progress in the last decades: incremental strides have been made in pharma costs, provider and payer transparency, and in addressing perverse incentives. More than incremental advances in access were accomplished through the Affordable Care Act. But the fundamental truth is that the argument in Washington has fundamentally been how do we provide greater access to a fundamentally broken, fragmented, expensive, inequitable, and occasionally unsafe healthcare system. The excuse has been, “healthcare is too complicated to really transform.” Is healthcare too complicated? Well, yes...and no. One of my mentors from Wharton, Dr. Bill Kissick, wrote a book almost thirty years ago entitled *Medicine’s Dilemmas: Infinite Needs Versus Finite Resources*<sup>1</sup> where he spoke about the iron triangle of access, quality, and cost. His point was that the geometry is unbendable unless you are willing to think differently and “disrupt” the current system. It seems like yesterday when he told our class that it is impossible to increase access, improve quality, and decrease costs and not have it be painful to one or multiple sectors of the healthcare economy.

Despite the iron triangle, both political parties have tried to concoct a system that could make everyone benefit: pharma, payers, healthcare providers, and consumers.

1 William L. Kissick, M.D., Dr.P.H., *Medicine’s Dilemmas: Infinite Needs Versus Finite Resources*, Yale University Press, 1994.

In essence, both Obama's ACA and the various Trump/Republican strategies have espoused "non-disruptive disruption." It's time to recognize that embracing healthcare as a right for all, ensuring quality and optimal user experience, and decreasing costs to accommodate that increased access, will be painful to traditional sectors that do not proact to that change.

Simply put, we cannot possibly bring costs down in a system where, after the ACA was enacted, payer profits and stock prices soared, investor-owned health system profits and stocks soared, pharma and supply chain profits and stocks soared, and even generic drug makers saw profits increase (think Martin Shkreli). If you needed any further proof, the pandemic of 2020 and beyond has just accelerated that economic fragmentation. In the first six months of 2020, America's hospitals lost almost half a trillion dollars while payer and pharma profits increased dramatically during the same time. No one did anything wrong. Most healthcare systems did what we do: take care of everyone regardless of their ability to pay, protect our employees, students, and patients...all at great economic peril. Our payer colleagues benefited economically by that same loss of elective procedures while, in most cases, helping their customers whenever possible. Any rational healthcare economic system that believed in access for all would align payer-provider-consumer incentives in a more logical manner.

### → Key Board Takeaways

A "9/11 Commission for Healthcare" made up of representatives from every sector could be the key to finally transforming the healthcare system. Ideally it would:

- Acknowledge healthcare inequities
- Learn and take ideas from other industries
- Enact a real way to move from volume to value
- Improve end-of-life care
- Reorient how providers are paid
- Manage the tension around pharma costs
- Embrace the digital transformation in healthcare while maintaining ethical standards
- Create transparency and data interoperability standards for health records

So, what would I do if I was in charge of America’s healthcare system? I would find at least one Democratic senator and one Republican senator to stand next to me and say: “WE made some progress but WE failed to fundamentally transform the system. Today we have appointed the equivalent of a 9/11 Commission for healthcare made up of representatives of every sector—payers, providers, pharma, medical device manufacturers, consumers, healthcare founders, and tech companies, as well as leaders of both parties.”

This 9/11 Commission for Healthcare would meet without any interference for six months and come back to me with recommendations around a system that recognizes the need to:

1. Acknowledge that healthcare inequities, access, and cost represent an existential crisis and will require multiple stakeholders both within and outside the traditional healthcare system to work together to create new alliances to effect fundamental transformation.
2. Learn from other industries how we can move healthcare from hospital to home, from “patients” to “people” who want to thrive without health getting in the way, and from a “sick care” to a health assurance system.<sup>2</sup>
3. Reduce the fragmentation between payer and provider by creating *real* incentives and mandates to truly move from volume to value.
4. Reduce the variability in end-of-life care and increase opportunities for non-hospital, humane care for people dealing with impending death.
5. Reorient how we pay providers and the discrepancy between cognitive and surgical care in a manner that reduces the gaps between the highest paid and lowest paid specialists and physicians and other healthcare providers.
6. Manage the tension between government’s role in paying for pharma costs with the need for those companies to continue to fund the research in drug advances needed for the future.
7. Embrace the digital transformation in healthcare, but recognize the need to inject ethics into product development at the earliest stage. Issues around privacy, genomics, racial, and gender biases need to be recognized and overcome. In essence, trust will be just as important as technology.
8. Create transparency and data interoperability standards so that a patient’s health records are owned by the patient and the consumer has the tools to accurately compare healthcare options based on experience, outcomes, true cost, and user experience...just as they do in every other aspect of their consumer lives.

2 Hemant Taneja, Stephen Klasko, M.D., M.B.A., and Kevin Maney, *UnHealthcare: A Manifesto for Health Assurance*, Thomas Jefferson University Press, 2020.

2020 has been a year we all want to forget. Those of us in the healthcare industry have all had to adapt to and work together in a manner that none of us could have predicted. And while no one can change the past or the reaction to the pandemic, our healthcare and legislative leaders have a once-in-a-lifetime opportunity to embrace the courage needed to address the inequities in our system that were accelerated during the pandemic. Let's hope they take advantage of this moment!

*The Governance Institute thanks Stephen K. Klasko, M.D., M.B.A., President, Thomas Jefferson University, and CEO, Jefferson Health for contributing this article. He can be reached at [Stephen.Klasko@jefferson.edu](mailto:Stephen.Klasko@jefferson.edu).*



# Revisiting Mission and Vision during Times of Disruption

By **Andrew Bachrodt**, Principal, **John Fink**, Principal, and **Morgan Leske**, Senior Consultant,  
*ECG Management Consultants*

**There is little debate that the U.S. healthcare delivery and funding model is facing perhaps its greatest period of uncertainty in decades.** Significant challenges include the rise of consumerism and need for digital health solutions, an influx of new market entrants and other disruptors, and of course, the impact of a global pandemic that has wreaked havoc on every aspect of our healthcare system and the economy in general. And looking ahead, there is a very high likelihood that the 117th U.S. Congress will make healthcare a signature legislative platform topic.

It is within this context that many healthcare organizations find themselves. Some are focused on mere survival, others on achieving a level of stability, and some on acceleration of their strategic direction. This is a time of tough questions and sometimes hard-to-swallow answers. In health system board rooms and C-suites, few topics garner a stronger reaction than a suggestion that the organization's mission or vision are somehow off point. Yet it is a question that strong leaders must ask from time to time. How do an organization's mission and vision statements stand up amid great periods of uncertainty and disruption?

These foundational statements, together with the organization's values, collectively should be the beacon that helps guide an organization through challenging times. These statements should unify the organization and inspire action toward common goals. An organization's mission—its purpose for being—typically does not change, even in periods of uncertainty. Its vision—its aspirational future—similarly should be enduring. But neither should be considered permanent or inflexible.

Many health systems have validated their mission and vision. Others have work to do. We can learn from other organizations and even other industries how mission and vision statements, as well as their values, bring clarity of purpose and strategic direction.



## Four Lessons about Mission and Vision during Times of Disruption

### 1. Mission and vision statements need to be clear, inspiring, and memorable.

A mission statement should describe the impact a company wants to make. In our view, one of the most inspirational mission statements for a not-for-profit organization is that of the American Heart Association: “To be a relentless force for a world of longer, healthier lives.” The American Cancer Society’s mission is similarly compelling: “To save lives, celebrate lives, and lead the fight for a world without cancer.” The language in both cases is purposeful, clear, and direct.

Vision statements should be crisp and aspirational. Good examples include those by the Alzheimer’s Association (“A world without Alzheimer’s disease”) and Habitat for Humanity (“A world where everyone has a decent place to live”).

Mission and vision statements are only successful if they are known and inspiring to employees, consumers, and key stakeholders and advocates for the company. Currently, many health systems’ mission and vision statements are too long, complex, and jargon heavy.

#### → Key Board Takeaways: Lessons from the Last Three Years

- It’s one thing to have a clear mission and vision, but quite another to have a mission-driven culture. Do your employees know your hospital’s mission and vision statements—and do those statements inspire their work?
- Mission and vision statements should be unique to an organization and make an impression on anyone who reads or hears them. Do your foundational statements reflect your health system’s character, purpose, and aspirations?
- Mission and vision require staying power—through good times and bad. Will your vision and core strategy withstand periods of disruption, uncertainty, and even crisis?
- If you answer “no” or “I am not sure” to any of the above, it may be time to review the statements that define your organization’s values.

## **2. Mission and vision should guide all decisions and behaviors.**

The decisions an organization makes today will affect how people see the company for years to come. Employees want to be proud to stand behind their organization's decisions and behaviors, and consumers gravitate toward companies that have a clear, unequivocal, and positive impact on the world. Ensuring those decisions are predicated on a stated mission and vision reinforces and clearly communicates the organization's identity.

For example, CVS did this with its decision to end the sale of tobacco products. The sale of tobacco products was inconsistent with CVS's purpose—helping people on their path to better health.<sup>1</sup> By removing tobacco products from its stores, CVS was able to better serve its customers while positioning itself for future growth as a healthcare company.

## **3. Culture and values must support the mission and vision.**

While strategy defines direction and focus, culture—a reflection of the organization's values—is the environment in which strategy lives or dies. Strategy focuses on resourcefulness and skillfulness, while culture defines engagement, passion, and execution. Healthcare start-ups such as Ro and CMR Surgical have cultures that encourage creativity and new ways of thinking. With a culture of creativity, start-ups are able to achieve unprecedented change whether in virtual health, artificial intelligence, or new care delivery products. But start-ups don't hold a monopoly on creativity. Health systems can achieve breakthroughs and overcome the challenges facing them today if their mission and vision foster a culture of resiliency and creativity.

## **4. Mission and vision should promote agility.**

Innovation is occurring at an exponential rate in healthcare. A health system's strategy must be agile enough to continuously change with evolving customer expectations and major shifts in environmental forces. With consumers increasingly pushing for digital health and cost transparency, healthcare organizations will need to deliver a more consumer-centric care model.

Healthcare organizations can learn about evolving consumer expectations and how to redirect an organization's strategy by following Apple's example. In the late 1990s, when Apple was in a downward trend, then-CEO Steve Jobs announced that the

1 CVS Health, "[Message from Larry Merlo, President and CEO](#)," February 5, 2014.

company's intent was to do a few things extraordinarily well, rather than doing lots of things just satisfactorily. Jobs cut product lines to pursue a "shrink to grow" strategy and focus on delighting customers. Four years later, Apple introduced the iPod, followed by the iPhone and iPad, and the rest is history.

Apple's history shows how successful an organization can be if it focuses on critically evaluating its customers' needs and finding ways to meet those needs. Many health systems have embraced this approach and have undertaken a structured evaluation of their core strategy and clinical portfolio to make their organizations more agile, while remaining true to their mission and vision.

Whether in times of economic strength and organizational stability, or in periods of uncertainty and disruption, healthcare organizations should keep their mission and vision statements top of mind and in front of their key constituents as purposeful tools to reinforce their strategic and operational decisions.

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