

## INSTITUTE FOR HEALTHCARE IMPROVEMENT

## SUMMARY REPORT: 90-DAY PROJECT

## Working with States.

Observations from our Work with State of Michigan, State Innovation Model Grant

October 2016

Wave 41

*I. Research and Development Team:**Leslie J. Pelton**John W. Whittington**II. Intent:*

The goal of this work is to synthesis what we have learned from a nine month engagement working with the State of Michigan (MI), Michigan Department of Health and Human Services (MDHHS) on their State Innovation Model (SIM) grant.

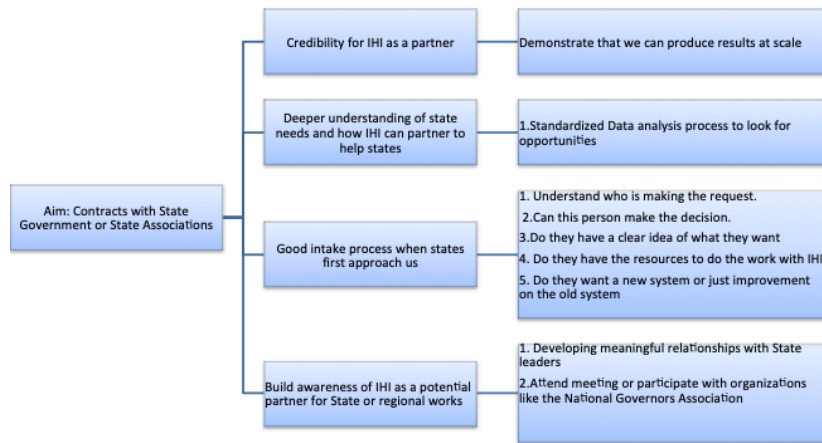
*III. Background:*

IHI has a history of working with states or regions in the US for many years. In 2013 we wrote up some of our observations in and R and D paper.<sup>1</sup> There are three learnings that are particularly relevant to the work with MDHHS SIM grant.

1. IHI outlined 4 areas in which we thought we could help states and regions: optimize health care delivery systems, population management, improvement capacity and patient engagement.
2. The drivers of what it takes to be successful securing contracts from States and also informs what it takes for IHI to successfully implement its contracts.

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<sup>1</sup> Working with States. IHI Innovation Series Wave 28



3. The paper outlined the competing roles of a state that can cause confusion and mistrust: purchasers, regulators, conveners and market setter/enabler.

#### *IV. Description of Work to Date:*

The input to this paper is the experience of the IHI team from January, 2016 – September, 2016 to deliver on a contract awarded to IHI as part of the State of Michigan State Innovation Model grant (MI SIM). IHI was contracted to develop a collaborative learning network among the five pilot Community Health Innovation Regions (CHIRs). The stated objectives of the CHIRs<sup>2</sup> that the collaborative learning network was designed to support were:

- Leverage well-developed capacity in communities to bring partners together in a local area to identify and address community health needs.
- Develop and implement linkages between healthcare and community-based agencies to address social determinants of health.
- Enhance local policy and built environment efforts; and other services to encourage health and wellness.
- Further develop a high level of organization and sophistication in terms of governance, partnership, data collection and information sharing, and integrated service delivery.

IHI was engaged for two phases: Phase I (January – April, 2016) was high level design to understand MI SIM priorities and during which IHI recommended a CHIR learning approach and Phase II (May – September, 2016) was the collaborative learning network design which included visits with each CHIR. The MDHHS decided to put the development of the

<sup>2</sup> Community Health Innovation Region & Collaborative Learning Webinar, April 21, 2016, Michigan Department of Health and Human Services

collaborative learning network on hold at the end of Phase II due to its team's need to focus on other priorities of the MI SIM grant.

#### *V. Results:*

During Phase I, IHI worked with the MDHHS so IHI could understand the aims of the MI SIM grant and the political context in which it was functioning. This work included internal work among the IHI team and included answering some of the questions to be considered when working with states <sup>3</sup> including:

1. Can the project be identified with a political agenda?
2. What else of political significance is going on in the environment (for example, turnover of government officials)?
3. What persons or groups would like the project to succeed or fail for political reasons?
4. What coalition needs to be built?
5. Will there be winners or losers either in the end state or in the transition to that state?
6. What about the success or failure of the project would make a “good story” for the media?
7. What system for relationship management is needed?

Throughout Phase I and II, the IHI and MDHHS team brought forth the importance of recognizing this political context within which the project functioned. It was articulated most often by MDHHS team members who asked and reflected explicitly on how certain decisions, deliverables, approaches and timetables would be viewed by the Legislature. The Legislature's perception of the project was a constant pressure on the MDHHS team.

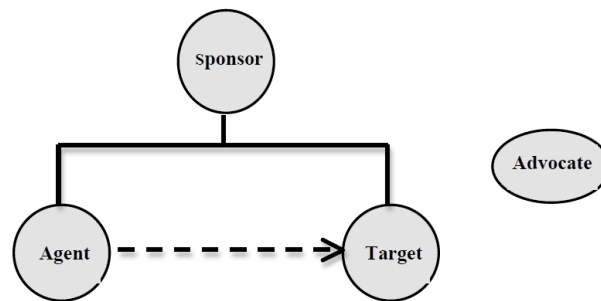
In Working with States, IHI Innovation Series Wave 28, IHI outlined a driver diagram of IHI securing contracts with states. This was highly informative and relevant to Phase I of the project and a “...good intake process.” It helped lead IHI to understand the focus of the MI SIM grant as Population Management and, specifically, the Triple Aim.

The ongoing work with the state was highly dynamic and characterized by shifting relationships within the state at all levels. Once the focus of our work was defined and our contract was confirmed, we had to also attend to the alignment of leadership of the work. Daryl Connor's model of change leadership <sup>4</sup> reflects the roles within the state and our understanding of the incumbents shifted throughout the project.

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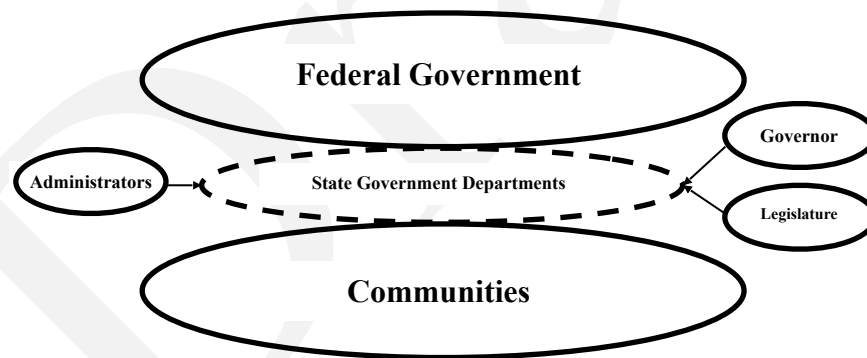
<sup>3</sup> Projects Conducted in a Political Context. IHI Innovation Series Wave 6

<sup>4</sup> Daryl Conner, Managing at the Speed of Change



IHI was explicitly told that the MDHHS day-to-day project manager with whom IHI worked was the Agent; however, in retrospect, it becomes clear that quite frequently the MDHHS day-to-day project manager with whom IHI worked was actually in the position of Advocate (i.e. without authority). In addition, the sponsor was often out of contact with the MDHHS team and the IHI sponsor and team. Finally, the incumbent in the Agent role was not clearly articulated.

The work was also shaped by the context within which the hiring state department functioned. While all organizations function within a broader context and system, the context in which state departments function was particularly relevant to our work because it reflects how funds flow and how authority and influence may be wielded. Below is a graphic depiction of the context of our project:



#### *Learnings:*

- Invest up-front in learning to speak a common language with the client on outcomes and process.
  - At least in Michigan, the project sponsor, leaders and staff were accustomed to functioning in the realm of concrete products (e.g. a software solution) and the IHI sponsors, leaders and staff were most comfortable in the realm of aims and

improvement (e.g. a learning system). Our clients were experienced purchasers of products and inexperienced purchasers of “innovation and learning.”

- It was important for IHI to articulate the outputs of the learning system and innovation in the most concrete terms possible.
- The difference in our “go-to” realms of functioning, the intense pace of the project, and limited access to the Sponsor, left us little time to invest creating a common language.
- Confirm whether the culture and political environment is consistent with what is needed for explicit innovation to take place. Explicit innovation may be inconsistent with a political environment that is risk-averse. Listen to the cues about the environment.
  - Working in the realm of explicit innovation means that allowing space for failure (e.g. “fail forward”). In MDHHS there was an “unsafe” political context where employees were afraid to stumble or “fail.” This created a project culture in which the IHI team and the MDHHS team were sometimes out of alignment on approach.
  - There were a number of cues that suggested the environment would not be consistent with what was needed for innovation. The client repeatedly underscored the need to be able to show the Legislature “a product” for the money they allocated to MI SIM. There were repeated comments about delivering for the Legislature that suggested a high degree of anxiety among leaders and a low tolerance of risk.
  - IHI’s relationship with MDHHS was challenged by what IHI already surfaced as what can be the competing roles of a state (purchasers, regulators, conveners and market setter/enabler). The additional reality was that Michigan was using these traditional roles to support innovation in the SIM grant. At its core, the MI SIM grant was upsetting the status quo of the dynamics between the market sectors. IHI entered the work within this context of disruption; however, we were not in constant enough communication with the leaders who were pulling the levers to understand and synthesize the constantly evolving dynamics and its impact on the CHIRs and the collaborative learning network.
- Always consider the organization structure to be a matrix even if it appears vertical on paper.

- One key understanding of a matrix organization is that much decision making occurs through influence rather than authority. Expect people to make decisions who are in roles that you would not, by title or position on the organization chart, have the authority to do so.
  - The level of influence a person has can increase and decrease quite rapidly and frequently. This is especially true for people who are new to a role in the state. Assumptions about the influence and authority someone has should be carefully avoided.
  - A high degree of influence may be held by people outside the organization. Their impact can make it seem as if they are within the organization structure.
  - The departments function as highly adaptive organizations.
  - Relationships need to be made high and low and deep and wide. And much of the relationship building needs to be done in person. Many state employees are accustomed to more traditional work environments where relationships are built face-to-face over extended periods of time. Building relationships via conference call and webex is less comfortable and familiar. This is challenging for the IHI culture which is very comfortable with remote relationship building and work.
  - Understanding the money, power, and relationship dynamics among different players is important to learning how to work with the right people to drive work forward. Consider how much time in-person is required to do this. Make sure team members are highly skilled in observing and understanding human dynamics. Dedicate time in team calls to address the adaptive elements of the work.
- States often need to function in crisis mode and shift their attention and resources from crisis to crisis.
    - This was especially true with more senior leaders (i.e. project sponsor) and it created a sometimes uncomfortable distance between the senior sponsor and IHI lead.
    - In MI at least, this meant that we could not assume our day-to-day lead had updated communication either to and/or from the senior sponsor. What IHI experienced as a sudden change in direction may actually have been a reflection that the MDHHS sponsor suddenly had spent time and attention on the project and the teams now needed to integrate his/her feedback. The learning for IHI was

to either explicitly ask whether we were moving forward with a sponsor approval or rather a lack of sponsor review.

- If we assumed that the work was moving forward positively, we were often surprised to find that actually there was not approval from the more senior sponsors. The forward momentum was often a reflection of a leader taking authority when it was not necessarily granted to them. Sometimes this was successful and true progress was achieved, sometimes it was a net loss in progress, and occasionally it resulted in actual project regression.
- If approval was needed from the sponsor, we had to assume, and adjust to, significant time delays while the sponsor's attention was directed to a crisis elsewhere.
- The crisis-oriented culture is not a fit for everyone. In MI, it took a significant toll on the day-to-day MDHHS leader. It also took a significant toll on the IHI team. We needed to assume a certain, and perhaps ongoing, amount of team member turnover and develop a plan for mitigating its impact.
- Given this environment, long term contracts would have protected IHI from what we experienced as sudden shifts in focus.
- Function simultaneously as a thought partner, contractor and vendor.
  - At least in MI, MDHHS needed IHI to be a thought partner with them some of the time (partner), a contractor (be able to articulate concrete deliverables) and a vendor (document and defend time spent on tasks at a very detailed level).
  - It was important to have different IHI team members assume those different roles.
  - The IHI team needed to not take a request from the state to act in any of those roles personally.
- Contracting takes much longer than with a non-profit or for-profit organization.
  - Build this into the set up phase of the work.

## *VII. Conclusions and Recommendations:*

- Articulate concrete short term, interim and long term outputs in terms that have value in a political environment and context pictured above.

- Build an IHI project approach, timing and budget that recognizes the adaptive and matrix nature of the system.
- Dedicate the time to building relationships in-person, deep and wide, high and low, with the state and related outside organizations. IHI needs to consider how to efficiently and effectively include this in the work and budget.
- Establish long term contracts that allow for a full cycle of relationship building and value delivery.

#### *VI. Open Questions:*

- How does what IHI learned apply to more specific opportunities in Primary Care?<sup>5</sup>
- What is the driver diagram that articulates explicitly working on innovation in a dynamic, political environment?
- Can IHI projects be financially sustainable and provide sufficient time for investment in the relationship building?
- What is the role of public health institutes in IHI securing and successfully implementing state level work? (*“Public health institutes are nonprofit organizations dedicated to advancing public health practice and making systematic improvements in population health.”*<sup>6</sup>)
- What, if any, role does a readiness assessment tool have in IHI’s work with states?

#### *VIII: Appendices:*

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<sup>5</sup> Working with States. IHI Innovation Series Wave

<sup>6</sup> 2016 National Network of Public Health Institutes, <https://nnphi.org/about-nnphi/>