THE NEW ERA OF HEALTHCARE ACCOUNTABILITY

HOW SHOULD ORGANIZATIONS ADJUST TO THE NEW NORMAL
INTRODUCTION

As Canada’s provincial and territorial governments push for greater accountability and transparency in their health systems, healthcare organizations are under growing pressure to demonstrate that Canadians are getting value for their healthcare dollars. In this new era, healthcare organizations must not only be open about their spending and their results, they must justify and account for that spending and show how it effectively contributes to positive health outcomes.

These demands are complex, challenging and achievable. This requires healthcare organizations to look at their operations in new, more detailed and potentially unfamiliar ways. By understanding what accountability really means to their organization and identifying how best to obtain relevant, useful information, healthcare organizations can gain the insights needed to demonstrate they’re providing value to Canadians.

IMPROVING ACCOUNTABILITY: WHERE TO START

Embracing accountability and transparency is a major undertaking for any healthcare organization. Here’s how to accelerate your journey:

- **Accountability’s here to stay. Accept it.** - Funding constraints, cost pressures and a focus on value for money aren’t going away anytime soon. Neither are calls for accountability.
- **Don’t be overwhelmed** - Don’t be paralyzed by indecision or rush off in all directions. Step back, assess what needs to be done and begin.
- **Start small** - Keep it simple at the outset. Report on a few metrics, get an early win and build on it.
- **Focus on outcomes, not processes** - Stakeholders want to know about results, not interim steps.
- **Capitalize on what’s available** - Look at the metrics you already collect before searching for new ones.
- **Stay lean. Be efficient** - Don’t collect what you no longer need. Focus on what’s relevant today.
- **Understand your accountability agreement** - Avoid embarrassment — or worse. Make sure you know what you’re accountable for.
- **Communicate!** - Open, honest discussion within your organization and with your accountability partners is absolutely essential to the success of your efforts.
Accountability and transparency are topping healthcare agendas for several reasons. Healthcare costs continue to rise rapidly across Canada at a rate that looks increasingly unsustainable, at a time when federal healthcare funding looks set to fall in the years to come. Economic growth, where it exists, is expected to be modest at best. These factors are putting governments under enormous pressure to get healthcare spending under control, while improving healthcare services overall.

Canada’s governments recognize significant reforms are needed to improve the healthcare system’s performance and financial sustainability and better accountability is a key part of this effort. They’re not alone in this: many countries regularly release reports on their health system’s performance and place increasing emphasis on measuring outcomes and value for money.

The push for greater accountability brings an unprecedented level of transparency and scrutiny and it’s been met with varying reactions. Many “early adopter” organizations believe they have a good handle on the issue. Some organizations are in the midst of embracing an accountability mindset and are striving to better understand how to make it work. And others are deeply worried about the impact accountability will have on them. In some quarters there is scepticism around whether accountability truly matters to the provision of health services or whether organizations are measuring what matters to citizens, or to government ministries. After all, healthcare is almost always a contentious election issue.

We believe healthcare accountability shouldn’t be seen as a means to satisfy ministry demands or score political points at election time. Implemented thoughtfully, accountability efforts can help healthcare organizations deploy their limited resources efficiently and effectively and fulfil their mission with the best outcome possible.

For all the discussion around accountability, there’s a lot of ambiguity around what the term actually means. Ultimately, being accountable means having to justify, report on and explain the reasons for decisions and actions and their outcomes. In the healthcare system, accountability generally involves three main areas: financial (reporting on the use of financial resources), performance (meeting agreed upon service targets, outputs, outcomes) and political (achieving government promises, addressing citizens’ needs). The actual goals and targets healthcare organizations are held accountable to are greatly influenced by the priorities of the government in power, which can vary significantly.

No matter the government of the day’s healthcare priorities, healthcare organizations require three key elements to ensure they establish a proper level of accountability: clearly defined responsibilities and performance targets, accurate and timely reporting of performance measures or indicators and results and an oversight body with the power and authority to impose consequences when an organization achieves or fails to achieve, agreed targets.

It’s not always easy to establish who should be held accountable, to whom and for what purpose. All parties to any accountability agreement would do well to invest significant time in addressing these key questions.
To deliver accountability, healthcare organizations must have the right measures in place. And to do that, they must ensure they’re relying on the right indicators.

An indicator is a quantitative metric that provides critical information that enables an organization to measure performance and determine accountability. Indicators are the cornerstone of effective monitoring and evaluation and the data they provide can inform strategic insights into the effective management of healthcare organizations and the healthcare system overall.

However, it’s important to remember that indicators do just that: they indicate. They cannot convey subtle nuances, explain the full picture or shed light on an issue’s many dimensions. Indicators can never replace a more detailed investigation of a given matter and they should always be interpreted within their broader context. Healthcare organizations may even wish to supplement their analysis with additional data or studies or further evaluation.

Healthcare organizations rely on a vast array of indicators to help them measure performance and outcomes. Examples include average wait times or hospital stays, rate of critical incidents per a set number of inpatient bed days or outpatient visits, incidence of certain diseases and so on. The best indicators share key characteristics:

- **Clear, concise and focused** – An indicator should be readily understood and focused on a single issue that provides relevant information that contributes to good planning and decision making.
- **Leads to action** – An indicator no one can figure out what to do with probably isn’t a useful one. Indicators must be understood and embraced by organizations so that meaningful action can be taken based on what they report.
- **Feasible and measureable** – Organizations must be able to collect the data an indicator requires, and the indicator must accurately measure what it’s supposed to measure.
- **Simple** – Perfect indicators are very rare. Organizations should instead focus on using good, simple indicators that provide usable information.

For an indicator to be truly valuable, it’s essential that the data it relies on is high-quality, valid, accurate, reliable and unbiased. And it must be accessible. Far too often, we’ve encountered organizations claiming they cannot measure something because they lack a certain piece of data. Our response is simple: These organizations need to move on and focus their energies on making better use of the data they do have.
ACCOUNTABILITY CHALLENGES TO OVERCOME

Embracing the concept of greater healthcare accountability is one thing, as many healthcare organizations soon discover, delivering accountability can be highly challenging. Understanding those challenges can help organizations anticipate future issues or problems and take steps early to address them.

COMPETING INFORMATION NEEDS

Perhaps the most significant challenge involves how to manage the myriad priorities and information needs of stakeholders across the healthcare system. A hospital, for example, may have a deep interest in having detailed information about surgical programs. A healthcare organization’s board may prioritize financial performance. Policymakers may be more concerned with system-wide trends, funding issues, organizations’ solvency and whether the government’s election targets are being met. Healthcare consumers - the ordinary Canadians who use the system - want to know how much value they’re getting for their tax dollars.

ASSIGNING ACCOUNTABILITY IN AN INTEGRATED WORLD

Across the country, there’s a growing trend towards more integrative, collaborative care models. These integrated models do appear to be more successful at delivering better care and positive outcomes at less cost. However, they can also make it enormously difficult to assign accountability and determine which metrics are best suited to demonstrating the performance, effectiveness and value of integrated care.

Similar challenges arise as government ministries collaborate to take a more multidisciplinary approach to addressing healthcare and other social priorities. For example, governments may want to explore the relationship between healthcare and such areas as housing, justice or social services. This “holistic” view may lead to new decisions around accountabilities and measurement while adding new levels of scrutiny over healthcare organizations.

MAKING SENSE OF THE SEA OF DATA

There’s no shortage of data in Canada’s healthcare system. The challenge lies in determining what among this sea of data is available, relevant and accurate and how to make sense of it. However, health organizations are often tasked to make sense of their data, and that’s a task that requires the resources to do it. To be sure, recent advances in technology and data analytics hold great promise for healthcare, but few governments are willing to pursue significant IT investments in Canada’s current fiscal environment.
Implementing or improving accountability is a significant undertaking for any healthcare organization, but it is an achievable one. In our experience working with clients across Canada’s healthcare system, we’ve found a number of ways that organizations can streamline and even accelerate their accountability journey.

- **Accept that accountability is here to stay** - Governments will change and accountability priorities may well shift with them. But given Canada’s current economic outlook, healthcare organizations should get used to funding constraints, cost pressures and a public determined to know what value they receive for their healthcare dollars.

- **Don’t be overwhelmed and tackle the challenge head-on** - Suddenly being held accountable for healthcare decisions can be incredibly daunting for an organization. It’s important not to let the pressure lead to paralysis or a flurry of poorly conceived actions that don’t result in any progress. Stepping back to understand what accountability means to the organization, and carefully assessing how to meet those obligations, is key. Don’t panic.

- **Start small** - It’s all too easy to get bogged down in the sheer complexity of bringing more accountability to a healthcare organization. Instead, organizations should keep it simple and start small—report on a limited set of metrics in one area, for instance. This will provide an early win, some important experience, and the foundation for future work.

- **Focus on outcomes, not processes** - Organizations should ensure that the indicators they use provide data about results, not interim steps in the process. Stakeholders, including the public, are interested in outcomes and end products, not the journey.

- **Capitalize on what’s already available** - Organizations often scramble to identify new data and indicators as they ramp up their accountability efforts. They should start by looking at the indicators and metrics they’re already collecting and reporting: they may discover those indicators can be used in new and unexpected ways to provide insight into other areas.

- **Stay lean, be efficient** - As organizations’ inventory the data available to them for their accountability program, they may discover they’ve been collecting data that serves little or no purpose. If a long-standing indicator isn’t relevant to today’s accountability program goals, it’s time to stop gathering it. It’s a wasted effort.

- **Understand the accountability agreement** - It seems obvious, but in our experience some healthcare organizations’ board members don’t take the time to read and understand the accountability agreement they operate under. Others focus on the portion of the agreement that’s related to funding and overlook the rest. Not understanding these vital agreements can lead to embarrassing situations — or worse.

- **Communicate, communicate, communicate** - Clear communications are absolutely vital to the success of any accountability program. Healthcare organizations need to have open and honest conversations with the other parties to their accountability agreements, in order to foster a mutual understanding of the rationale, purpose and context for the agreement’s targets and measures. And if an organization finds itself at risk of breaching its agreement, it’s essential to be upfront and forthright about it, providing advance warning and avoiding unpleasant surprises down the road.
THE NEW ERA OF HEALTHCARE ACCOUNTABILITY: HOW SHOULD ORGANIZATIONS ADJUST TO THE NEW NORMAL

The demands for more accountability across Canada’s healthcare system are only likely to grow in years to come, as financial pressures run up against the public’s demand for better care and more value for money. Healthcare organizations in all provinces and territories will need to become more comfortable with being held accountable for performance — and more adept at measuring it, as well. Those who take steps now to better understand their accountability agreement and identify the right measures and optimal indicators will find themselves better equipped to deliver the meaningful insights their stakeholders demand.

To find out how MNP’s team of professional advisors can help your healthcare organization meet its accountability obligations, contact:

Greg Lamothe
Health Consulting Leader
T: 1.877.500.0795
greg.lamothe@mnp.ca
ABOUT MNP

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.

Praxity AISBL is a global alliance of independent firms. Organised as an international not-for-profit entity under Belgium law, Praxity has its executive office in Epsom. Praxity – Global Alliance Limited is a not-for-profit company registered in England and Wales, limited by guarantee, and has its registered office in England. As an Alliance, Praxity does not practice the profession of public accounting or provide audit, tax, consulting or other professional services of any type to third parties. The Alliance does not constitute a joint venture, partnership or network between participating firms. Because the Alliance firms are independent, Praxity does not guarantee the services or the quality of services provided by participating firms.

Visit us at MNP.ca