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Accelerating Healthcare at the Speed of Change: *Disrupting beliefs to create organizational agility*

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Overview

Change is constant and will not stop

The rate of change affecting all industries continues to accelerate and creates enormous pressure for organizations to constantly adapt their strategies. The healthcare industry is no exception. Healthcare professionals face the disruptive challenges of weak revenue cycles, innovation in artificial intelligence, industry consolidation, and a new emphasis on value-based care.

These disruptive forces can be catalysts for positive change—or paralyzing. Healthcare leaders must prepare their organizations by disrupting their own beliefs and

behaviors to embrace the new realities impacting healthcare and reimagine how they leverage their people. They must change their focus from managing the business to constantly reconceptualizing the business, balancing the tension between optimizing patient outcomes and remaining profitable.

In this paper, we explore the key challenges disrupting healthcare, the accelerating rate of change impacting organizations and their people, and the importance of changing beliefs to capture opportunities and build agile organizations. Change is now the new norm.

Industry Challenges Disrupting Healthcare

New research published by Forvis Mazars (Brotherton & Masone, 2024) summarized the top issues in healthcare for 120 executives. The report highlighted two critical issues: 1) Healthcare executives view four challenges as critical to the success of healthcare organizations—but underestimate how quickly change is happening; and 2) Executives struggle to lead through both the challenges and opportunities posed by change.

Four Challenges



- 1. Developing robust revenue cycles.** Margins are thin—and effectively managing revenue cycles is critically important to improving financial stability. Healthcare leaders who knew they have weak revenue cycle management processes also knew the weakest links in the chain: Documentation and coding, pricing and charge capture, and denials management.
- 2. Leveraging AI.** AI is coming and will have great value in improving efficiencies, particularly in the revenue cycle and clinical operations. However, 63% of executives believe that benefits will not accrue for 3 to 5 years and 14% say it will take 6 to 10 years (Brotherton & Masone, 2024). That belief illustrates a key problem: healthcare leaders believe the impact of AI is still relatively far away. And yet, AI is being used today for both exciting, news-worthy innovation (e.g., new drugs invention, improved diagnoses, robotics) and for more mundane process efficiencies, many targeted at the revenue cycle itself (Eramo, 2023).
- 3. Value-based care looms large—but healthcare organizations aren't ready.** The Centers for Medicare and Medicaid Research Services set a goal of 100% value-based care (VBC) arrangements by 2030. In moving toward that goal, McKinsey estimates that 90 million lives will be in VBC models by 2027, from 43 million in 2022 (Singhal & Patel, 2024). While three of four executives believe their organizations must engage in value-based care, less than a third said their operating models are set up to support VBC and only 10% of healthcare executives said VBC development is a top priority for the next two years (Brotherton & Masone, 2024).
- 4. Private equity will continue to disrupt the industry.** Partnerships and acquisitions will be top drivers of consolidation, but private equity will continue to both innovate and disrupt the field. The role of private equity creates debate and uncertainty as healthcare organizations wrestle with whether private equity's focus on curbing costs and improving efficiencies can also achieve the goals of better patient outcomes (Appelbaum & Batt, 2020). Healthcare executives and staff also face losing control of decision-making and professional autonomy as investors drive towards improved profit margins with short time frames.

Healthcare executives are aware of the challenges they face—but chronically under-estimate how quickly industry changes will impact them and are slow to embrace new technologies and models to capture opportunity and remain competitive. The mismatch between speed of change and responsive action will become paralyzing over time. Why? Because the rate of change is rapidly accelerating.

Change and disruption will accelerate—and become constant

Accenture's 2024 Pulse of Change Index notes that the rate of change affecting businesses has risen steadily since 2019—by an astonishing 183% over the past four years and by 33% in 2023 alone (Accenture, 2024). These changes are occurring within six major categories, including technology, talent, climate, economy, geopolitics, and consumer and social trends.



Echoing the Forvis Mazars healthcare executive study, Accenture's research found that executives underestimate not only the speed of change but the key drivers of change. The 2024 Pulse of Change Index identified talent as the second-most important cause of change, right behind technology. However, C-suite leaders ranked talent fourth. And once again, organizations are unprepared to embrace change: Only 47% of business executives believe that their workforces are prepared to respond to continuous change. This lack of preparation exacerbates the negative impact of change on talent, creating high turnover rates, stress, burnout, and poor engagement (Press Ganey, 2024).

Healthcare leaders lack flexible and responsive strategic plans

Healthcare leaders have fallen prey to the same change fatigue experienced by their workforce. This fatigue impacts their own ability to engage in meaningful strategic planning. While 75% report they update their strategic plan every 1 to 3 years, less than half indicated that strategic plan was of high relevance to routine decision-making processes (Brotherton & Masone, 2024). The report authors conclude:

Across the C-Suite, the perceived relevance of a strategic plan to operational decision-making varies, and in some instances, differs significantly from role to role, suggesting a lack of alignment among leaders. Left unchecked, this misalignment can have long-term negative impacts on organizational growth.

Healthcare organizations will only be able to turn challenges into opportunities by engaging and igniting talent. If organizations want to use AI to address revenue cycle challenges, meet value-based care deadlines, grow organically or through acquisitions or outside capital, they must engage their employees to create the why, what, and how. Leaders must set the expectation that change is constant (Zhexembayeva, 2024) and that any strategy embraces change as a fundamental pillar.

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Change your beliefs to accelerate change

What should healthcare leaders do to create an agile organization and prepare for the future? At Truist Leadership Institute, we believe change begins by changing beliefs. Why? Because our beliefs shape our behaviors—and our behaviors create results. For those behaviors to have positive results and ignite their businesses, healthcare leaders must change three fundamental beliefs:



A decade ago, we may have thought of “change” as an event: Buying a company, restructuring the leadership team, implementing a new platform, or re-branding. But the rate of change in all industries and business has accelerated so much that we must shift our mental model of change to remain relevant.

1. Change your belief from *this is what works* to *what might work better*?

The more experienced and “seasoned” we become, the more entrenched our beliefs become about what works and what won’t work (been there, done that). Without stress testing those beliefs, we can become calcified. Question your foundational beliefs about change: How comfortable (or uncomfortable) am I with change? Do I think change leads to opportunity—or do I view it as a threat? Question your beliefs about how your team deals with change: Is my team taking advantage of opportunities to achieve the best possible patient outcomes? The best possible profit margins? The answers to these questions about your beliefs may cause you to change your behavior: Killing that over-budget and delayed project that you keep hoping will make good on the sunk costs; taking a fresh look at how AI can help your team grow and develop rather than make them obsolete; addressing high turnover rather than accepting it as a norm. Step back and reflect on what beliefs are driving behaviors that prevent you from leveraging change as opportunity.

2. Change your belief from *change is one and done* to *change is constant*.

A decade ago, we may have thought of “change” as an event: Buying a company, restructuring the leadership team, implementing a new platform, or re-branding. But the rate of change in all industries and business has accelerated so much that we must shift our mental model of change to remain relevant. We must acknowledge that change is constant and build this understanding into the culture and mental models of teammates. Reinvention and adaptation will be part of doing business and expected from everyone. To engage employees:

- Establish active listening posts that monitor the external macro trends occurring in the six major change drivers identified by Accenture. You and your team will need to understand the ever-changing landscape and engage networks, partners, stakeholders, and internal teams to monitor and adapt to emerging information.
- Create structures that can swiftly hear and process information, rapidly leveraging data, solving problems inclusively, and making agile decisions. Bureaucracy is the enemy of change navigation. Consider carefully what decisions must be centralized with authorization “from the top” vs. those that can be made by teams (Flink et. al., 2023).

3. Change your belief that *investing in talent hurts the bottom line* to *investing in talent builds a competitive advantage*.

Your people are your greatest asset. The healthcare industry's focus on purpose creates a unique advantage: employees are dedicated to doing the purposeful work of a noble cause. However, healthcare companies cannot assume that people's passion for service will retain them: healthcare industry turnover is high and costly. One in five healthcare employees who were at their organization in 2022 left in 2023—and that jumps to one in four among those in their first two years with an organization. 19% of clinical RNs who were at an organization in 2022 left the following year—a number that rises to over 25% for other nursing roles, including licensed practical nurses (LPNs) and nursing assistants (Press Ganey, 2024). The overt attrition is symptomatic of a broader issue—less than 1/3 of healthcare workers are engaged.

The high turnover in the healthcare industry costs money, impacts healthcare outcomes for patients—and may even cost lives. Stress and burnout costs healthcare organizations the talent they need to achieve financial goals, accelerate the adoption of new business models that will help the organization thrive, and implement innovative ideas that improve healthcare outcomes (Bhati et al, 2023). To retain healthcare workers and develop a truly engaged workforce, healthcare companies can focus on three things:

Embracing your team as change agents means listening and acting on the recommendations and innovations that create agility, resilience, and an innovative mindset.

- **Embrace all teammates as agents of change.** Focus on both improved patient outcomes and the business outcomes. Organizations need to hear the ideas, recommendations, and practical experiences of all teammates and actively demonstrate it will implement those recommendations to solve problems and innovate. For example, nurses can and should be intimately involved in designing healthcare technologies and systems (van Houwelingen et al., 2024); hospital administrators can set policies that shape culture and expectations for achieving outcomes (Bhati, et al., 2023); and integrated practice units can accelerate adoption of value-based care (Porter & Lee, 2021). How are you hearing and implementing voices that have exceptional ideas for improving the revenue lifecycle? What voices are being heard about developing value-based care models? How have you heard and addressed the training needs raised by staff? Embracing your team as change agents means listening and acting on the recommendations and innovations that create agility, resilience, and an innovative mindset.

- **Develop your people.** Growth and development is employee owned, management supported, and organizationally enabled. Research has repeatedly found that intentional support for employee growth and development attracts and retains talent (Flink & Coley, 2024). Given the ongoing struggle for talent and the high cost of training and retaining healthcare employees, investing in growth and development is a winning strategy for creating organizational agility. A more stable organization can deliver on both improved patient outcomes and increased profitability. Ask questions to understand whether your employees have the learning and development opportunities they need. Do performance reviews include career development planning? Are managers giving employees the time to develop—or always focused on filling the current schedule and rotations? Dig deep to ensure everyday actions bring to life organizational policies and commitments.





Change Adaptability is the Long Game

Change is not “coming,” it is **now**, it is accelerating, and it is constant. Healthcare leaders must change their own beliefs and those of the entire organization to embrace change as opportunity to explore new ways of thinking and doing rather than an obstacle that creates adversity. They must create agile, adaptable organizations that can be fluid, nimble, and responsive to change—not paralyzed by it. Examining three fundamental beliefs about change and the resulting behaviors will help healthcare organization achieve **different** results:

- 1) Evaluate your own beliefs.** What beliefs have you held on to that keep you and the organization from moving forward? Do you enable change or resist it?
- 2) Accept that change is happening *much* more quickly than most strategic plans forecast.** Healthcare executives chronically underestimate how swiftly market challenges and dynamics are happening and are too slow to respond. The organization’s response to change must be at pace with those changing dynamics, and the luxury of believing a project is “one and done” with a rest break in between is not tenable.
- 3) Consider staff as key enablers of change and innovation.** The people closest to patients, systems, and processes will have critical, pragmatic insights into what to do to enable change. Deliberately build mechanisms to incorporate their insights and feedback. Doing so will have the added benefit of increasing engagement and reducing turnover. Make commitments to growth development real through both policy and practice.

The noble cause of healthcare is worth your investment to change adaptability. Challenging your beliefs, embracing change as an enabler of opportunity, and leveraging your talent will enable you to improve patient outcomes and create thriving healthcare businesses.

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