North Dakota Change Management Recommendations

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Agenda

- Project Understanding and Approach
- Industry Best Practices
- Change Management Recommendations for North Dakota
- Appendix

Aspects of the ACA going into effect in 2014 collectively represent the largest change to public health programs in many years

Coming changes

- Medicaid Expansion
- Health Insurance Marketplaces
- Individual Mandate
- Guaranteed Issue

Significance

- New population purchasing coverage
- Many consumers who may have little to no experience in purchasing or consuming health coverage
- New model for purchasing
- North Dakota is expected to experience one of the largest percentages changes in eligibility in the country[1]

[1]"The Kaiser Family Foundation, statehealthfacts.org. Data source: Medicaid Coverage and Spending in Health Reform: National and State-By-State Results for Adults at or Below 133% FPL, the Urban Institute, May 2010. Available at: http://www.kff.org/healthreform/8076.cfm.

Change Management Recommendations

HTMS was engaged by the North Dakota Department of Health Services to provide change management consulting in support of changes related to the ACA

Assessment:

- Identify how each stakeholder group will be affected
- Identify core change management issues
- Overview of system access scope issues and opportunities

Training Plan

- Assessment of existing training resources and capacity
- Assessment of additional resources needed
- Training materials

Education and Outreach Plan

- Messaging and goals
- Communication activities and venues (including web-based)
- Outreach/educational materials
- Performance metrics

Plans were customized for each stakeholder group

Combined deliverable – August 2013

Change Management Recommendations

- Best practices
- Survey feedback instrument
- Presentation materials and templates
- Talking points & announcement templates custom to stakeholder groups

September 2013

The following methodology was applied to derive Change Management Recommendations

To understand best practices in change management for the implementation of enterprise wide system and process changes, we relied on a combination of primary and secondary research.

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Proactive change management is important to any significant change in the rules, structure, or culture of an organization

A change management process can enable success by ensuring the project stays within scope, budgets, and timelines.

It also mitigates the following risks to the project, organization, or stakeholders involved:

- Projects exceeding budget, impact, or time;
- Organizational divisions between those pushing for and against change; and
- Missteps or challenges that could impact reputation or other issues.

"Having a documented change management process that the organization is educated on and understands how to use is critical."

"Push the change management process to make sure you're not absorbing change that hasn't followed the process."

"There is a great deal of time and energy wasted when people circumvent a change management process."

Barriers to organizational change can impede successful transformations

Examples of these barriers include:

- Resistance to change from key figures or the culture overall
- Misunderstanding of goals and objectives of change resulting from poor communication channels
- Disagreement with the underlying need for change or new path identified
- Incentives misaligned with the old goals rather than the new vision
- Insufficient bandwidth to actively manage and absorb change
- Failure to adopt and use change management practices

"Taking the train off the track while its moving is very disruptive. Most people, as a general rule, will try to keep the train on the tracks in the original direction."

"Getting people to actually use the process vs. unilaterally making changes without communicating them, and then needing to absorb additional work, time, and costs that weren't planned for is a huge barrier."

HTMS relied on the Kotter change management model, an 8 step process of implementing change while overcoming barriers

There are numerous change management models, each with a particular emphasis or approach approach.

HTMS has a history of applying this model successfully in our implementation practice.

"It doesn't matter which change management model you choose. What's most important is that you choose a good one and use it to drive change."

This section relies on the Kotter model supplemented with findings from third party research, team experience, and expert interviews.

Kotter offers an 8 step model of change that can serve as a guiding framework for implementing organizational transformation

Kotter's 8-Step Model of Change

Establish	
1. Establishing a Sense of Urgency **2. Creating a Guiding Coalition**	Ensuring that leadership and constituents have an understanding of the driving force for change and have committed to its success.
Vision	
3. Developing a Vision & Strategy **4. Communicating the change vision**	Understanding the current state, defining the future state vision, and assessing the gap between the current and future states. Communicate this end state with constituents.
Act	
5. Empowering Broad-Based Action **6. Generating Short-Term Wins**	Give constituents the tools, resources, education, and training they will need to thrive in the future state. Generate opportunities for early success to drive interest and accomplishment with the change
Stabilize	
7. Consolidating Gains & Producing More Change **8. Anchoring New Approaches in the Culture**	Document early successes. Continue to gather feedback from improvement. Ritualize approaches to continual learning and improvement. Generate broad-based investment in the outcome.

Derived from Kotter Model to be found at: http://www.kotterinternational.com/our-principles/changesteps

The most successful changes occur when there is buy-in and support at all levels of an organization

ESTABLISH	
Step 1	**Establish sense of urgency**
Purpose	*Motivating people to embrace the change*
Industry Best Practices	- Communicate clearly and frequently about coming changes and why they are necessary - Communicate about specific impacts to each stakeholder involved - Request support from employees and stakeholders - Identify potential threats and mitigation strategies early on

"This is happening with them, not to them"

"Communicating how, when, and why, and often."

Derived from Kotter Model and supplemented with HTMS analysis and research

Support for an initiative should be driven from multiple levels in an organization

ESTABLISH	
Step 2	**Create a guiding coalition**
Purpose	*Establishing why change is necessary*
Industry Best Practices	- Identify appropriate champions in the organization - Champions should represent a variety of departments and levels - Work with these champions to collaborate on how to drive support throughout the organization

"Get various stakeholders on board and behind the desire to change so that they are pushing with you instead of against you."

"If you go about it correctly and change is the right thing to do, by and large, you will gain support"

Derived from Kotter Model and supplemented with HTMS analysis and research

A clear vision that articulates what the transformation will look like helps everyone understand the necessity of the change

VISION	
Step 3	**Develop vision and strategy**
Purpose	*Establishing a vision for the organization that will enable stakeholders to embrace and support the coming changes*
Industry Best Practices	- Determine how the change fits in with project goals and organizational vision - Ensure all levels of an organization were able to provide input - Clearly communicate the vision frequently and in many venues - Collaboratively develop a strategy to execute the vision

"Tweaking the approach to facilitate an understanding and an empathy on both sides that you're in this together."

"Having people feel like they are part of the change and that they have a say in how it proceeds is critical."

Derived from Kotter Model and supplemented with HTMS analysis and research

The vision garners support only when it is effectively communicated

VISION	
Step 4	**Communicate the change vision**
Purpose	*Communication of the vision will determine how well changes are embraced*
Industry Best Practices	- Communicate often and in different ways; repetition will help stakeholders to absorb the how and why of the coming changes - Create a mechanism for gathering input from all levels within the organization - Apply visions to all operational activities and departments

"What you say and what you intended to be heard is not always the same as what was heard"

"Be careful about messaging to make it succinct, to the point, and clear."

Derived from Kotter Model and supplemented with HTMS analysis and research

Despite best efforts, some form of resistance is likely to occur

ACT	
Step 5	**Empower broad based action**
Purpose	*Identifying resistance and methods for overcoming*
Industry Best Practices	- Align incentives for the future state - Identify change leaders whose roles are dedicated to motivating change - Reward stakeholders for contributions - Identify resistant stakeholders and take steps to demonstrate the value

"There is a general sense of inertia that happens in organizations where you've been doing things for long enough that momentum builds around doing that same thing"

"Some people will be resistant no matter what. Reevaluate their roles."

Derived from Kotter Model and supplemented with HTMS analysis and research

Engaging stakeholders participation in early successes will help sustain high levels of motivation

ACT	
Step 6	**Generate short term wins**
Purpose	*Show milestone results so that stakeholders can see progress as it occurs*
Industry Best Practices	- Define achievable milestones that contribute to the vision and strategy - Recognize those contributing to meeting defined targets - Providing opportunities to demonstrate outcomes

"The way you make people feel important is by involving them. If you don't they feel like a cog in the wheel."

"If you get feedback and don't listen, that is worse than not getting feedback."

"Providing feedback on successes is important"

Derived from Kotter Model and supplemented with HTMS analysis and research

Values guiding the change should be demonstrated in all aspects of the organization

STABILIZE	
Steps 7 and 8	**Anchor new approaches in the culture and Consolidate Gains**
Purpose	*Embedding the changes and the value they deliver in day to day operations allows an organization to achieve a long-term cycle of identifying and implementing improvements*
Industry Best Practices	- Emphasize success stories - Incorporate the change values in hiring requirements and process - Sustain momentum for change in light of potential resource shifts - After every win, analyze what went right and what needs improving. - Set goals to continue building on the momentum you've achieved. - Keep ideas fresh by nurturing organizational champions

"Training is important for people to understand the context of their new role and how upstream and downstream processes will change."

"You don't want to do systems training, you want to do jobs training."

"Plan, do, check. It's a never ending cycle."

Derived from Kotter Model and supplemented with HTMS analysis and research

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ND DHS has demonstrated commitment to implementing large scale changes using proactive change management

Establish	• DHS is using changes driven by the ACA as an opportunity to realign systems and automate once manual and time consuming processes • Conducted an unbiased assessment of stakeholder needs and reduce capacity needs on current resources
Vision	• Established a plan for implementing ACA and Medicaid Expansion in North Dakota • Identified the need to communicate changes to external constituents
Act	• Developed a website to distribute content related to Medicaid Expansion • Created plans to execute on education and outreach • Provided training to key constituents throughout the community
Stabilize	• Sought change management best practices for ongoing maintenance

Still, organizational changes being implemented could benefit from the following recommendations

Recommendations

1. Engage select stakeholders and opinion leaders in the process
2. Establish ongoing communications with all impacted parties
3. Develop communications in terms of audiences' environment and workflow
4. Use mandated change as an opportunity to resolve existing issues
5. Expect gaps and unknown scenarios to emerge

Each of these has specific best practices associated with them.

#1. Engage select stakeholders and opinion leaders in the process

Principle	*Engaging stakeholders and leaders in the process improves intelligence, minimizes assumptions, and engages constituents in the process.*
Recommendations	• Develop a Steering Committee with representatives of internal and external critical stakeholders to maintain ongoing lines of communication regarding the overall change management. • Test processes and outcomes early (even on paper) with those working with applicants could help expose areas of confusion, optimize results, and minimize rework. • Engage a singular executive sponsor to manage the day to day activities of the project.
Potential Risks	• With all teams stretched to capacity, it can be difficult to secure time and input from a broad range of constituents. • It is important to be clear where contributors have the ability to influence outcomes or decisions vs. providing perspectives.

#2. Establish ongoing communications

Principle	*Communications with relevant stakeholders should be two-way and continue on after implementation to ensure feedback on the current state is understood and continually improved upon.*
Recommendations	• Provide regular talking points to county eligibility workers around changes to policy, processes, or tools so that they can address consumer concerns in a way that aligns with DHS' objectives. • Establish more frequent but less formal opportunities for interaction, such as through webinars so that county eligibility offices can interact with subject matter. • Develop a mechanism for establishing a feedback loop to identify what is working well and where additional efforts may be needed
Potential Risks	• Ongoing communications could have an impact on resource capacity and would need to be planned for and worked into roles and responsibilities. • Without clear and concise communications the value may be diluted.

#3. Develop communications in terms of audiences' environment and workflow

Principle	*Where relevant, develop custom communications by audience to ensure understanding and to avoid misinformation and confusion.*

Recommendations	• Provide appropriate documentation as needed for each audience base, including:
	  • Education
	  • Instruction on where to refer for further information
	  • Guidance on how to direct constituents toward education and referral
	• When a policy changes, include descriptions of how roles and responsibilities are impacted.
	• Prepare training materials and resources based on scenarios that include logic tests and other real-life variables.

Potential Risks	• Customizing too specifically for different audiences could offer limited incremental value relative to the effort.

#4. Use mandated changes as opportunity to resolve existing issues (within reason)

Principle	*Mandated changes provide an opportunity for organizations to leverage resources towards resolving existing issues or enhancing current functionalities that may coincide with the scope of changes.*
Recommendations	Use the ACA changes as an opportunity to fix related issues that need to be addressed. • Perform a reality-based assessment to manage scope. • Maintain a queue of requested enhancements. Any time code in a module is being changed, it is an efficient time to include other enhancements
Potential Risks	• It is also important not to load a mandated project with too much other change so as to limit movement or jeopardize success.

#5. Expect gaps and unknown scenarios to emerge

Principle	*During the implementation of any major change, it is not uncommon to discover unplanned circumstances. The team may become aware of gaps in the requirements, dependencies, opportunities for greater efficiency, or resource changes. These situations should be viewed as opportunities to improve upon existing functions and processes, within limits.*
Recommendations	• For an initial period of time after major new functionality is released utilize a "war room" approach. • Have one or more planned "fix" releases on short cycles to cover corrections for unexpected conditions. • Provide eligibility workers and other constituents with "work arounds" until fixes can be put into production.
Potential Risks	• Scope creep needs to be aggressively managed in order to prevent burden on budget and deadlines.

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A number of communication and training tools were developed as a result of this project that can be leveraged by DHS going forward

Audience	Deliverable	Content Topic Areas
Eligibility workers and Advocacy organizations	Fact Sheet #1: North Dakota Addresses Health Care Reform	- Medicaid Expansion - FFM - Online Eligibility Modernization
	Fact Sheet #2: North Dakota and Medicaid Expansion	- Basic info about Medicaid Expansion in North Dakota - Where to go for more info
	Fact Sheet #3: North Dakota and the Affordable Care Act	- Medicaid Expansion - FFM
	Training PowerPoint – General session	- ACA - Medicaid Expansion - FFM
	Training PowerPoint – Native American session	- ACA - Medicaid Expansion - FFM
State and County Eligibility Workers	Medicaid Expansion Resources & Contacts Sheet	- Contact information - Websites, etc.
	Eligibility Worker Cheat Sheet for Medicaid Expansion	- Who qualifies for Medicaid now (with examples) - Specifics info on Native Americans - List of Federal and other websites

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Audience	Deliverable	Content Topic Areas
Consumers	Brochure: North Dakota Medicaid Expansion & Health Care Reform	- Medicaid Expansion - FFM - Any other highlights that consumers need to know about Health Care Reform (e.g., SHOP)
	One-pager: North Dakota Medicaid Expansion & Health Care Reform	Same basic content as brochure, but in easy-to-update and print out format
	Medicaid Expansion & Health Care Reform Frequently Asked Questions	- Medicaid Expansion - FFM - Native American, New American and other demographic populations addressed - Specifics for North Dakota
	Medicaid Expansion & Health Care Reform Glossary of Terms	- Medicaid - FFM - ACA - Health Reform - Health insurance basics
	Medicaid Expansion Posters	- Poster for all audiences - Poster for Native American population
	Public service announcements	- Medicaid Expansion

Public Service Announcement Video Segments

Audience	• Individuals in training • Consumers
Content	• Verbal overview of Medicaid expansion • The role ND is playing
Use	• Illustrative of key points in training classes • TV public service/news broadcast • On-line resource

Public Service Announcement video will be embedded here.

HTMS created additional tools that can be leveraged to facilitate the change management process aligned with industry best practices

Tool	Purpose
Presentation materials and templates*	***All Word and PPT materials created can be used as templates for future communications.** • A library of materials and templates that can be used and updated as the program evolves. • Having standard templates and language will ensure continuity in format and messaging. • The library will enable the State to efficiently make changes and updates.
Talking points and announcement templates custom to stakeholder groups	• The library will also include talking points, content, and templates that can be used with external constituents, and can be used in similar ways.