

**MEETING SUMMARY****Performance Management Council****Meeting 20****Wednesday, December 7, 2011, 9 – 10:30 a.m.****University of Southern California State Capital Center****1800 I Street, Sacramento, CA****Announcements & Updates**

1. **PMC Web Page.** The State Library has updated its Web site to continue hosting the Best Practices Wiki – where many of the PMC’s meeting agendas and summaries are stored. Please contact Tamar Foster, [tamar.foster@lhc.ca.gov](mailto:tamar.foster@lhc.ca.gov), or Kristine Klein, [kklein@library.ca.gov](mailto:kklein@library.ca.gov), for more information on sharing documents on the wiki.
2. **Living Library Update – Reforming As A Performance Management Speakers & Consultants Bureau.** The state has tremendous talent in its workforce. Through the performance management speakers and consultants’ bureau, state departments and agencies will have access to public performance management experts already in the state workforce. The bureau will aim to leverage existing state resources and staff to create and support a more effective and efficient state government. The workgroup is developing a phased approach to building the speakers and consultants’ bureau. To participate, please contact: Jodi Traversaro: (916) 324-3860 or [joditraversaro@dpa.ca.gov](mailto:joditraversaro@dpa.ca.gov).
3. **Feedback and Planning Ahead.** The PMC has achieved a milestone of longevity – in the last two years it has held 20 meetings, had more than 110 individuals attend at least one meeting, and has sustained a core group of about 30 participants from nearly 20 departments. The group last updated its Charter in January 2011 with the goals of continuing the best practices speaker’s series, developing a web-based resource for the Council’s materials and serving as performance management advisory body.

## Comments:

Liked long Q&A discussion time. This was good. Have we ever tried offering a breakfast/coffee/lunch group? Maybe meet monthly for networking?

This was excellent – hope there are similar forums just for executive directors and secretaries so they can openly discuss what the view is like as the lead dog.

Ask participants to bring in an experience focused on a specific dimension of performance management.

It would be interesting to structure meeting to produce an output – perhaps a short “brief” series on specific aspects of performance management. Consider bringing in Bob Bhen from Harvard to talk about STAT and Performance Management.

The longer session of Q&A really brought out experience of audience as well. Denzil's lessons learned from Parks pilot (performance based budgeting) would be a very interesting discussion.

Go back to developing working groups. We need to go back to where we were before. I propose to work as two topics: performance budgeting and program evaluation and reporting.

### **Best Practices Workshop Series: Department of Health Care Services**

Presentation and discussion led by Dr. Neal Kohatsu, medical director, Department of Health Care Services (DHCS). For more information, please contact Dr. Kohatsu at (916) 440-7400 or [neal.kohatsu@dhcs.ca.gov](mailto:neal.kohatsu@dhcs.ca.gov). Dr. Kohatsu's presentation and background materials are attached.

**Background.** DHCS finances and administers individual health care service delivery programs, primarily for California's low income and elderly populations. The department employs 3,000 individuals in approximately 30 offices across the state. Driven by Director Toby Douglas, the department is beginning to design quality improvement strategies to achieve its "Triple Aim" goals:

1. Improve the health of the population;
2. Optimize quality of care at the patient level; and
3. Reduce the per capita cost of care.

The department recently established a small executive-level office dedicated to guiding the department's quality improvement efforts. Additionally, DHCS' new Research and Analytical Studies Section will provide official statistics for the department as well as guide planning, oversight and strategic efforts. The department is in the process of revising its strategic plan in which it will incorporate quality and outcome measures, and has plans to team with UC Davis Health System's Institute for Population Health Improvement to provide leadership and consultation on managing the department's strategic change.

**Key Lessons For Building A Culture of Quality.** Following Dr. Kohatsu's presentation on the status of Department of Health Care Services' efforts, the PMC discussion generated key lessons for building a culture of quality in state government:

*Don't let a crisis go to waste.*

When Dr. Ken Kizer, a former DHCS director, came to the U.S. Department of Veterans Affairs in 1994 to reform health care services, it was seen as too big a challenge. The data-driven VA turnaround, focusing on outcomes, is now regarded as a model for health care reform. California's budget crisis might create opportunities for departments to rethink how they work.

*MLK said, "I have a dream." Not, "I have a plan."*

Participants discussed the importance of understanding mission and vision before working on strategy. Highly successful organizations start with asking “why,” then figure out the “how” and “what.”

*The stated organizational culture and the reality don't always match up.*

A representative from one department said that while employees take pride in serving people who need services, they work on constant overdrive and are always asked to do more with less. The values are to serve the public, but the current culture is “keep your nose to the grindstone because if you turn away, you’ll get behind.”

Another participant observed that one department states that it values innovation, but its historic audit culture does not tolerate mistakes or risks.

A participant observed that some long-time workers who are the architects of the current system can be the biggest barriers to change.

*There is often more value is in the discussions around measures, than in the measures themselves.*

One participant said his department initially monitored too many performance measures. Now, the department is reviewing what types of questions it wants to answer with performance data, then working backwards to identify the most appropriate measures; it has whittled the number of measures from 64 down to 13. He said the real value does not come from the measures, but from the weekly discussions around the measures at executive staff meetings.

A representative from a different department had a similar experience. The executive staff became overly enthusiastic about new “dashboard” software, but no one was asking “where are we going?” and “how will we know when we get there?” He said that it can be a challenge to get people to focus on defining the mission, but regular communication about common goals is essential to reinforce a culture change.

*Build in quick wins.*

A representative from a department that is undergoing a reorganization said that until recently, there always had been a wall between the director’s office and satellite offices. But in researching how the new department should operate, the director’s office staff scheduled multiple visits with field offices to solicit ideas about the new department structure. She said the first visit was well received – some satellite staff had already had suggestions for consideration – and the executive team came in with a strategy to identify action items they could easily address before the second meeting. Building in these “quick wins” helped show the field staff that the director’s office team was responsive and interested in their thoughts. It changed the dynamic of the second meeting for the better.

In another department, the executive team visited a selection field offices and set up open house-style meetings. In these meetings, staff talked about perceptions of the way the field offices or headquarters works. Some field staff met the executive director for the first time and appreciated the connection. The executive director learned that headquarters was seen as “the place that denies your request” or “the place where

potential money *doesn't* come from." Seeing the field offices gave executive staff a clearer understanding of how the organization operates.

#### *Communicate across organizational layers.*

One representative said that communicating across organizational layers can be a challenge when there is not full support for reform. In her organization, the performance team receives strong support from executive level staff at the top, and from the line staff at the bottom, but the middle management is not on board. This is especially challenging, she said, for staff that are not getting support from their supervisors and deputies.

#### **Other Resources**

["Technology has transformed the VA,"](#) *Fortune* (2006). Veterans' hospitals used to be a byword for second-rate care or worse. Now, thanks to technology, they're national leaders in efficiency and quality.

["The Best Medical Care in The U.S.,"](#) *Businessweek* (2006). How Veterans Affairs transformed itself – and what it means for the rest of us.

[Start with Why,](#) Simon Sinek (2009).

[The Checklist Manifesto: How to Get Things Right,](#) Atul Gawande (2009).

[Leading Change,](#) John Kotter (1996).

[Best Care Anywhere: Why VA Health Care is Better Than Yours,](#) Phillip Longman (2007).

["Tribal Leadership,"](#) David Logan, TED talk (2009).

Steve Jobs [Commencement Address](#) at Stanford University (2005).

#### **Next Meetings – Save The Date**

October 2011: Date and topic to be determined.

December 7, 2011: presentation and discussion about Washington State's performance management program, led by Joe Dear, CalPERS chief investment officer and former director of Washington State's performance management program.

If you have anything to add to this summary, please contact the Commission staff, Tamar Foster or Eric Stern, at (916) 445-2125.

# Performance Management Council **Living Library PILOT**

**SIGN ME UP!! I WOULD LIKE TO SERVE AS A RESOURCE TO STATE AGENCIES IN SUPPORT OF THE PERFORMANCE MANAGEMENT COUNCIL GOALS.**

**Name:**

**Phone:**

**E-mail:**

**Current Title, Department**

**Past Title(s), Departments:**

**Performance Management Topics of Expertise**

- Performance Management (All)
  - Strategic Planning
  - SWOT Analysis
  - Writing Vision, Mission, Goal, Objective statements
  - Writing Metrics/Key Performance Indicators
  - Program / Operational Planning and aligning programs with Strategic Plans
  - Employee Performance
  
  - \_\_\_\_\_
  - \_\_\_\_\_
- Marketing Performance and Change Management
  - Technology and Performance Management (Organizational)
  - Balanced Scorecard
  - Implementation Plans
  - Aligning Employee Performance with Organizational Performance
  - Executive Sponsorship
  - Training
  
  - \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_

Submit completed form to [Jodi.Traversaro@dpa.ca.gov](mailto:Jodi.Traversaro@dpa.ca.gov)