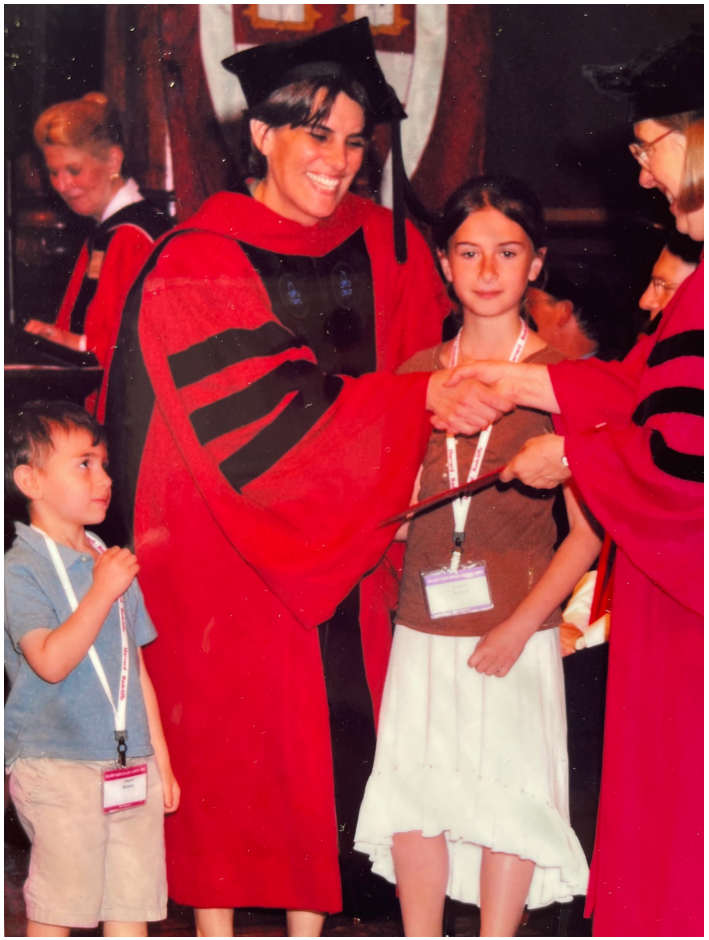
What's going on with the health system and what can health care management scholarship do about it? A sensemaking exercise

Sara J. Singer

Preliminaries

Tak (thank you)!

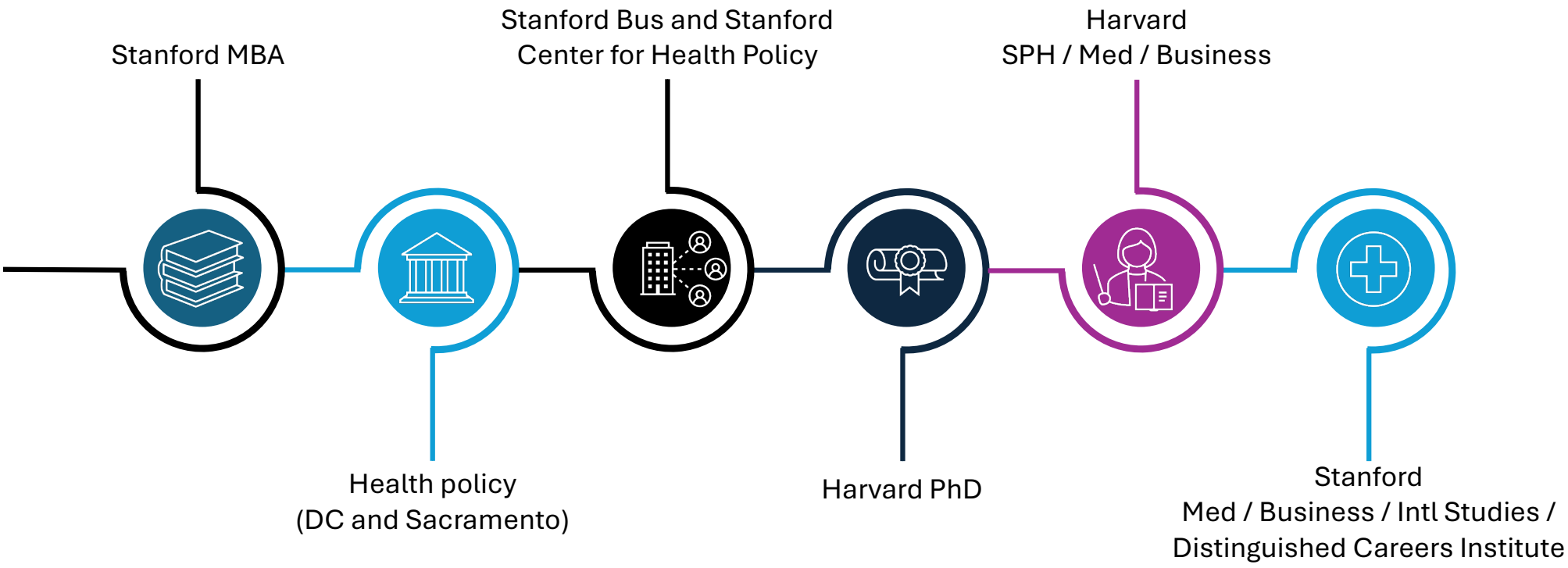
- Drs. Brian Hilligoss, Laura McClelland, Ingrid Nembhard, Steve Shortell, and Tim Vogus



2007

2025

Where I've been



Why I wake up for work in the morning

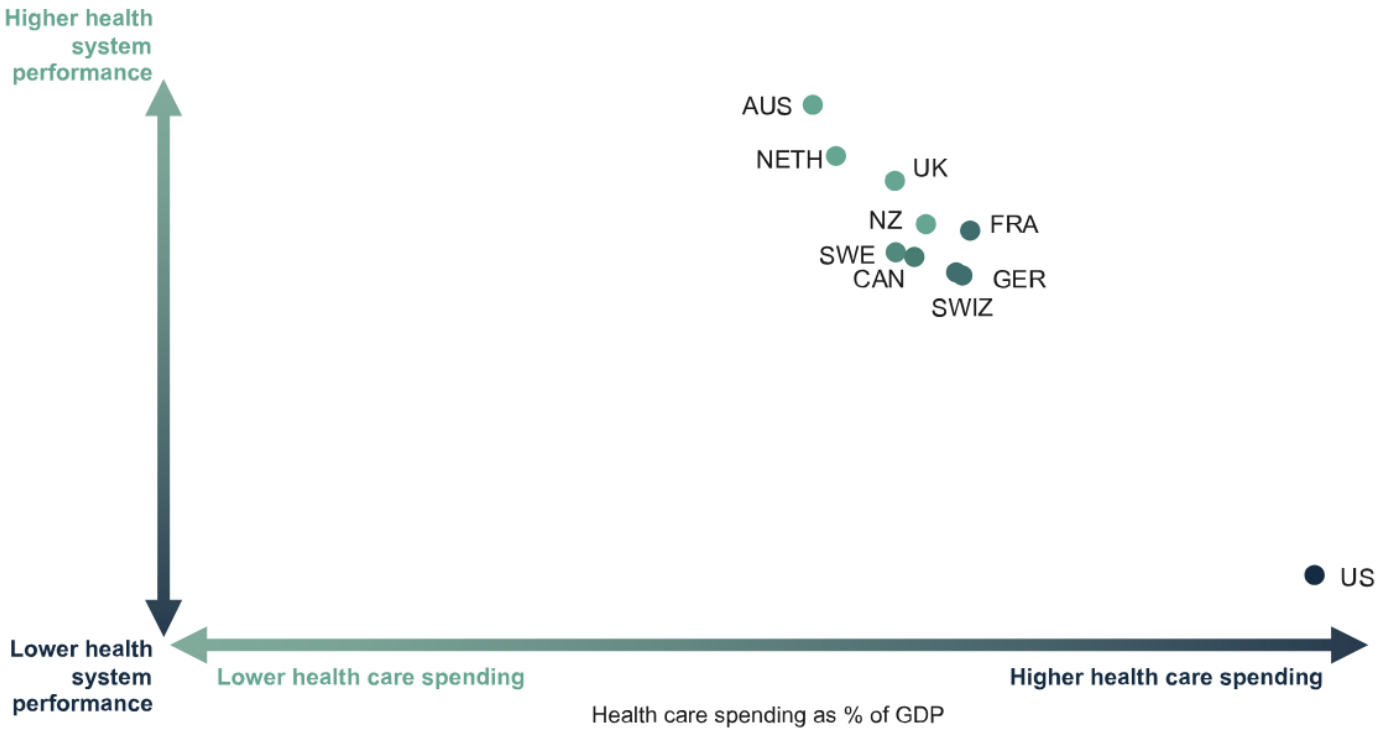
To help current and future decision-makers, trend setters, and innovators understand the role of leadership, culture, and collaboration in enabling teams, organizations, systems, and communities to deliver health and health care that is safe, reliable, integrated, efficient, innovative, and improving

Central challenges I've tackled

- Ensuring patient safety despite enormous complexity and uncertainty in diagnosis, treatment, and disease progression
- Integrating increasingly fragmented services across multiple service providers and organizations
- Implementing, adapting, scaling, and sustaining technological innovations that enhance the value of health care
- Creating a culture of health and well-being among sectors, e.g., business, not traditionally considered part of the health ecosystem

Sensemaking

Health care system performance compared to spending (10 countries)



--Blumenthal D, et al., Mirror, Mirror 2024: A Portrait of the Failing U.S. Health System: Comparing Performance in 10 Nations, Commonwealth Fund

Spotlight on health care in Denmark

- Comprehensive healthcare services free of charge to all residents
- Largely publicly financed through taxes, with state setting policy and allocating block grants to regions and municipalities
- Significant focus on public health and prevention and comprehensive social welfare system
- High use of telemedicine and electronic records
- High levels of satisfaction with the system
- Public and private spending on healthcare totals 10.8% of GDP
- Patient care and research facilitated by universal system, government-maintained nationwide, longitudinal registries of administrative, health and clinical quality data, and unique identifiers for every resident

What's wrong with the US health system?

Regulatory perspective

- We (as a country) don't treat healthcare as a right: don't provide universal, publicly-financed coverage
- We don't regulate prices, especially for hospital care and prescription drugs
- We underspend on primary care, prevention, and social services
- We allow dominant third-party administrators
- We haven't invested in nationwide information technology

Free market perspective

- The consumer doesn't pay for the service
- Prices aren't transparent
- Consumers are unlikely to fully understand the product (even competitive markets must be adequately managed)
- The system pays for volume, not outcomes
- Systems haven't invested in information technology, despite great need and opportunity

Every system

- Quality is hard to define, measure, and improve
- No one controls the full patient experience

What we've tried in the US: major milestones

- Post WW2: employer sponsored insurance
- 1965: Medicare and Medicaid
- 1990s: managed care; emphasis on choice, value, competition
- Also: HIPAA accountability (1996), Medicare Part D drugs (2003), HITECH Act meaningful use of EHRs (2009)
- 2010: Affordable Care Act introduced a level playing field, marketplace exchanges, and Medicaid expansion and subsidies
- 2020 to ~2023: Covid response
- July 4, 2025: OBBBA

"You can always count on Americans to do the right thing - after they've *tried everything* else."
--Winston Churchill.

US HR1, one (not so) big beautiful bill act

"The biggest rollback in federal support for health coverage ever"

--Larry Levitt, KFF

- Changes to Medicaid (low-income), CHIP (children), and SNAP (nutrition) programs, including stricter work and citizenship requirements, and increasing bureaucratic hurdles
- Expiration of enhanced premiums established by the Affordable Care Act ("a partial repeal of the ACA")
- Reduces allowable taxes on hospitals that states use to help finance Medicaid programs and pay providers for Medicaid patients
- Inaction: Does not extend tax credits to subsidize marketplace premiums established during Covid past Dec 2025

Other (not horrible but not sufficient) provisions

- Makes some marketplace plans eligible for health savings account (HSA) contributions, allows HSA reimbursement for direct primary care service arrangements, and clarifies that plans that offer pre-deductible telehealth services can still be high-deductible health plans
- Creates a five-year $50 billion rural health transformation program
- Expands carve-out for orphan drugs under the Medicare drug negotiation program
- Adopts a one-year fix to the Medicare physician fee schedule

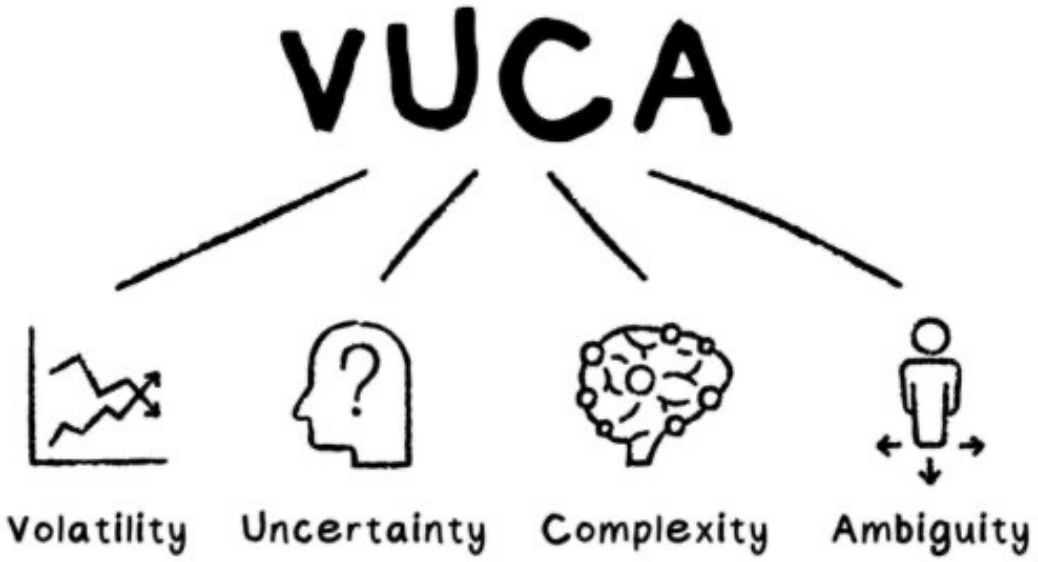
Implications of the reconciliation bill

- Reduce federal spending for Medicaid and ACA provisions by >$1trillion over a decade
  - Though National Health Expenditure growth is projected to continue to outpace GDP (Keehan et al., 2025, Health Affairs)
- Increase number without insurance by 17 million people, up from 8 (more will lose access to food assistance)
  - Nearly 12 million from cuts to Medicaid and ACA (5 million due to red tape related to work requirements)
  - 4 million from (on avg 75%) higher marketplace plan premiums
  - 1 million due to increased friction to enroll thru marketplace
- Translate into 100,000 to 140,000 preventable deaths over the next decade (Washington Post, June 9, 2025)
- Anticipated rural hospital closures, given high Medicaid prevalence and low profit margins (despite $50 billion stabilization fund)

More on the horizon

- Threats to federal agencies, universities, foreign students, immigrants, not to mention trade wars and world wars or world peace
- “Trump’s policies are like a random number generator” – Roger Bohn

What does this new legislation mean?



Health care management is well-positioned to help in face of challenging, high stakes situations

Some questions in need of answers

Questions

- How will Medicaid cuts affect access to care and ability of organizations to deliver integrated care? How will health systems deal with coverage disruptions? Will care/how will care be reconfigured in context of fewer resources? How will rural hospitals and health systems respond?
- How will Medicaid affect consumer behavior given lack of coverage or higher out of pocket costs?
- Will we finally/how might we shift away from medicine to prevention? Which innovations, and under what conditions do they, improve value? How can we scale these?
- How will fewer resources impact already distressed workforce? In what ways will technology address or exacerbate the problems? How can leaders maintain workforce wellbeing?
- Will employers finally take charge (in the US, given employment-based insurance) ?
- What are the repercussions of US policies affecting immigration and international flows on research and health delivery?
- What will be the impact of HHS reorganization on research: funders, universities, investigators, and data-driven policy solutions?

Potential Lenses

- Care coordination, communication, integration, and social networks
- Decision-making under uncertainty and scarcity
- Organizational culture and institutionalization
- Strategic alliances, resource dependence, power and influence
- Team-based care/shifting care to lower cost providers/
- Adaptation and change
- Motivation and work group design
- Learning; learning-oriented and adaptive leadership
- …

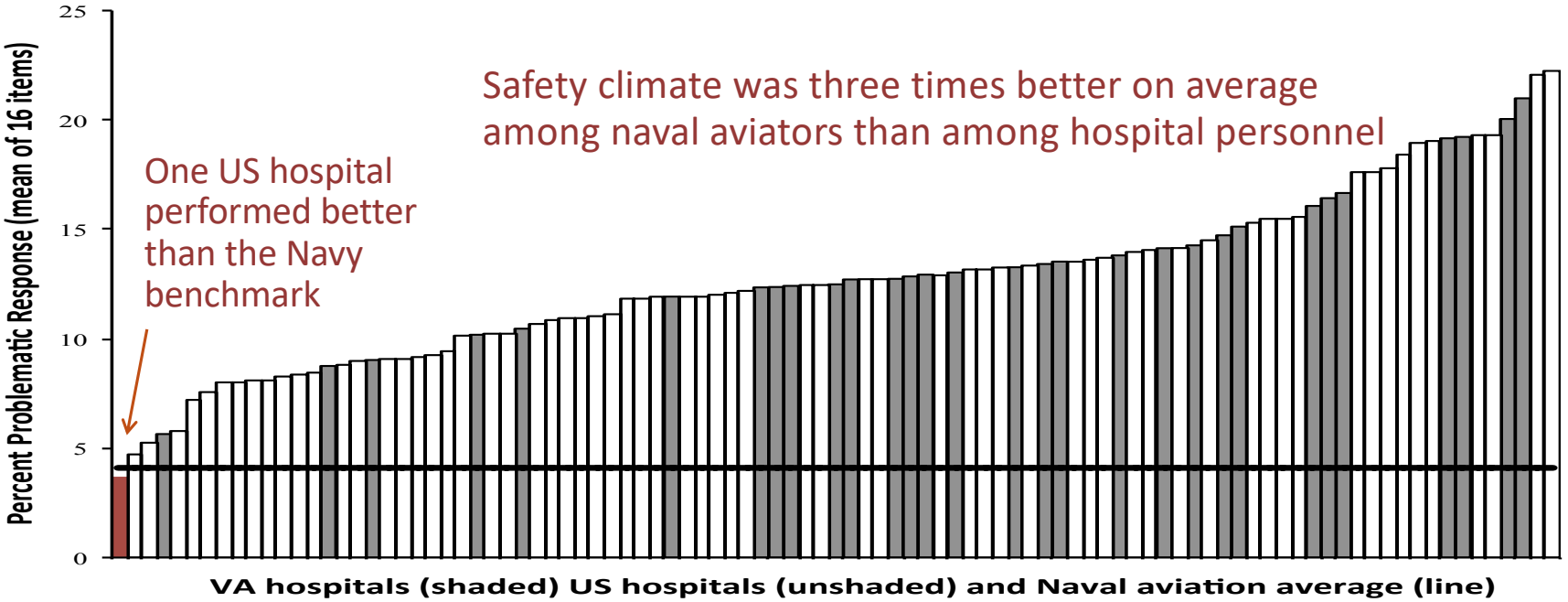
Still central challenges to tackle

- Ensuring patient safety despite enormous complexity and uncertainty in diagnosis, treatment, and disease progression
- Integrating increasingly fragmented services across multiple service providers and organizations
- Implementing, adapting, scaling, and sustaining technological innovations that enhance the value of health care
- Creating a culture of health and well-being among sectors, e.g., business, not traditionally considered part of the health ecosystem

Findings re keeping patients safe amidst VUCA

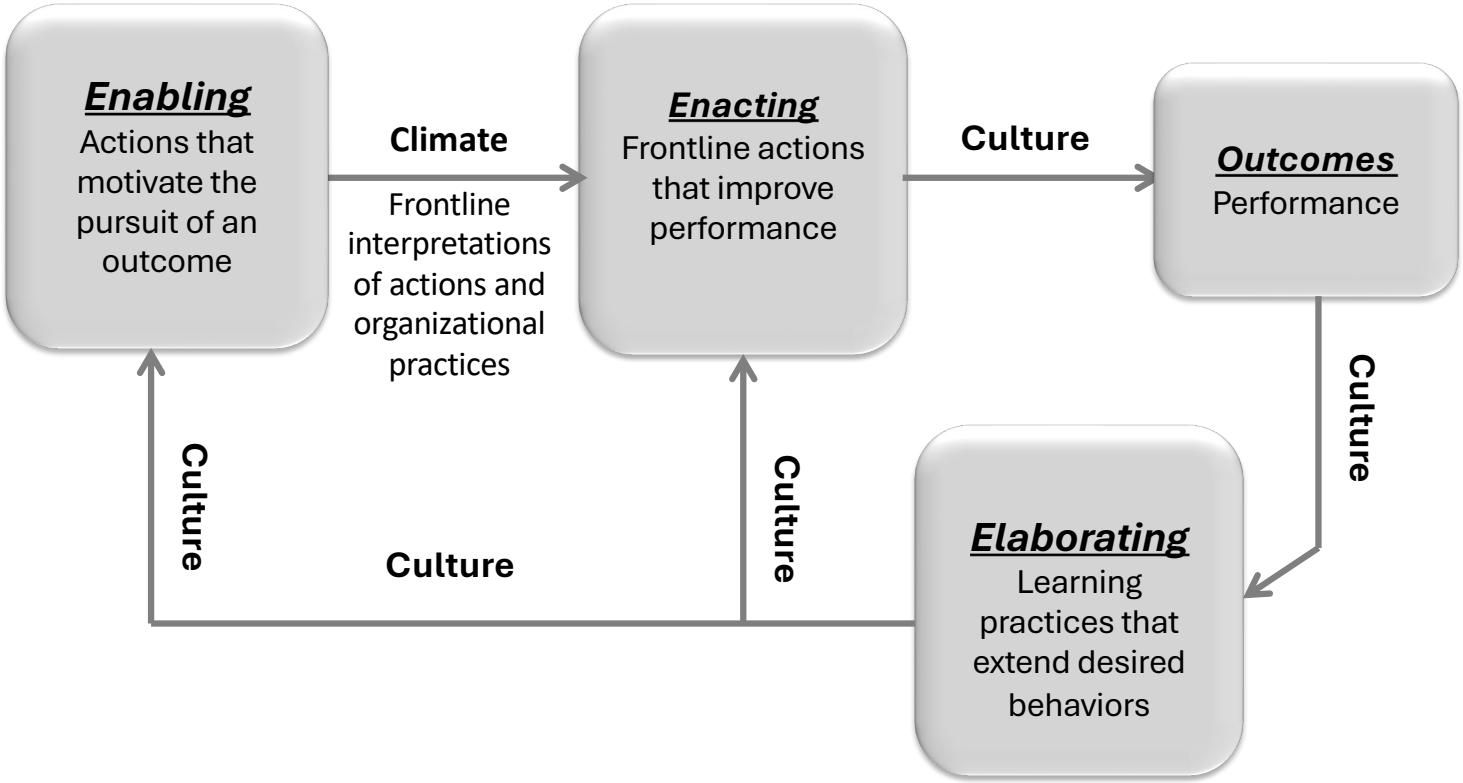
Culture matters

- Culture varies widely across and within organizations, and measures are higher and more uniform in organizations considered highly reliable



-- Singer et al. (2010) "Comparing safety climate in naval aviation and hospitals: Implications for improving patient safety." *Health Care Management Review*.

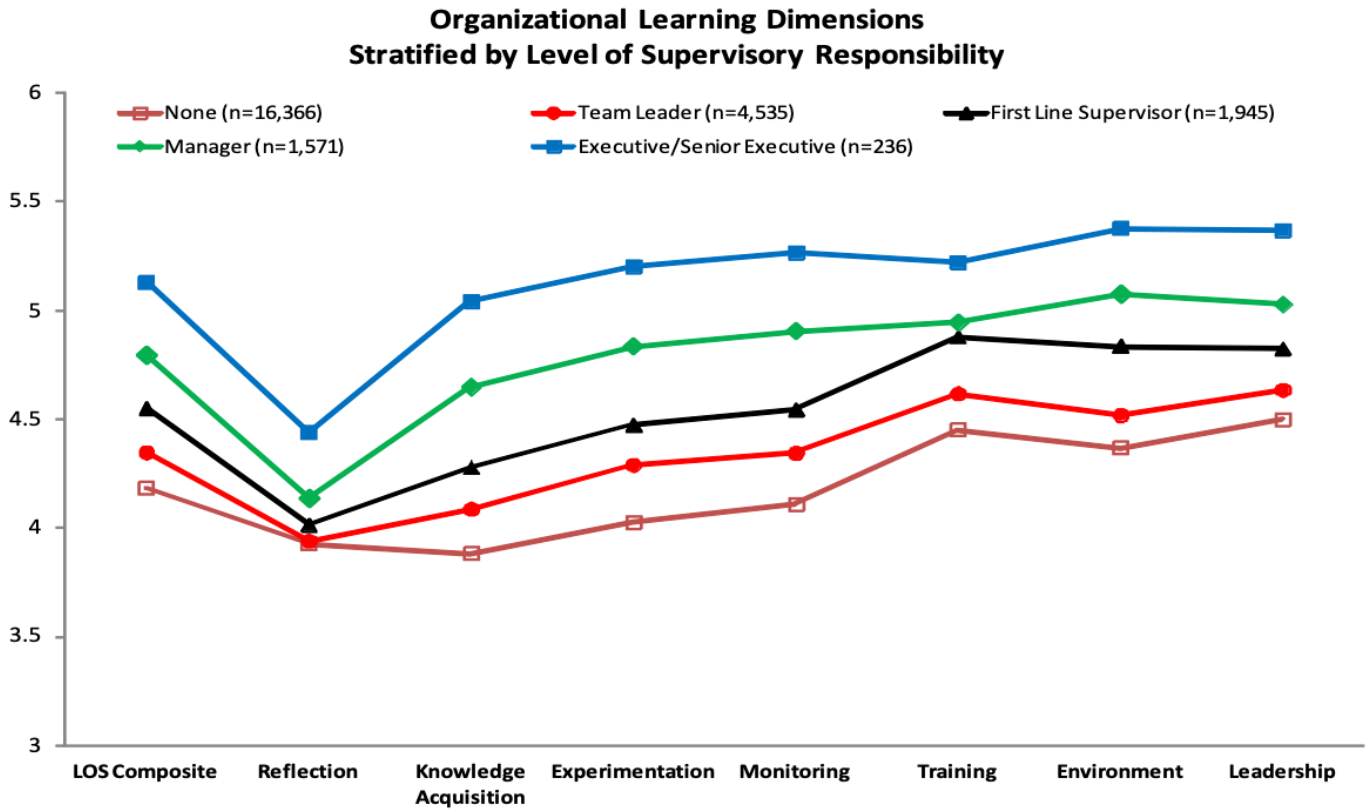
Leaders shape culture



- Leaders shape culture through enabling actions
- Improving performance requires systemic interventions
- Enacting culture means performing work in ways that embody the desired culture, not "working on culture" itself
- Interventions should fit and build on an existing culture

-- Singer & Vogus (2013). A Review of Interventions with the Potential to Reduce Hospital Errors: the Culture-Outcomes Connection. *Annual Review of Public Health*.

Managers and frontline workers don't connect when it comes to culture



- Managers perceive climate (Singer et al. 2008; Singer et al., 2014) more positively than frontline staff
- Managers are frequently ill-informed about problems on the frontlines (Singer et al. 2009; Hansen, Williams, Singer 2010; Birkmeyer et al. 2013)

Leadership interventions can improve culture when they meet requirements

- **Appreciation** for frontline knowledge
- **Ability** to engage frontline workers in authentic discussion about operational problems
- **Action** orientation and effort to build capacity for learning and innovation

--Singer and Tucker. BMJ Quality & Safety, 2014; Tucker and Singer. Production and Operations Management, 2015; Singer SJ et al., Joint Commission Journal on Quality and Patient Safety, 2013.

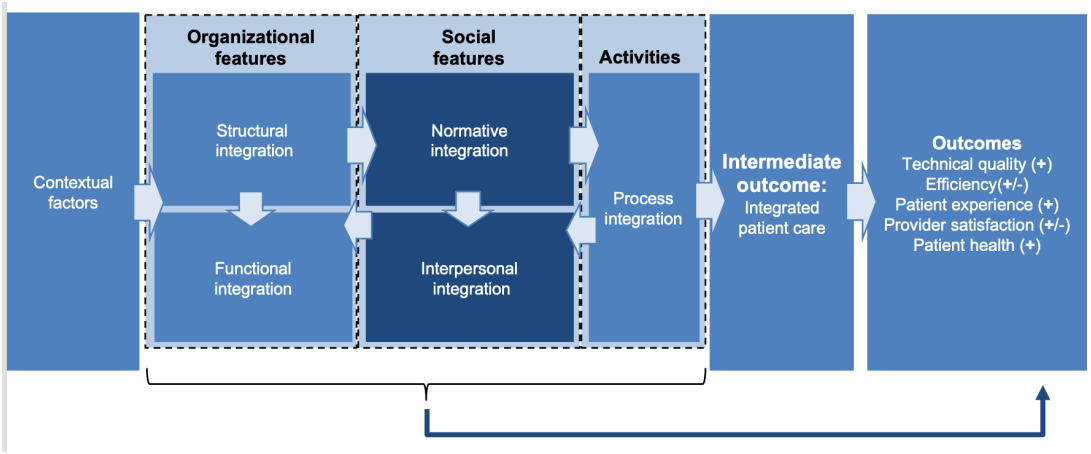
Findings re integrating care when no one controls the full patient experience

Care is fragmented

- Fragmentation affects especially patients with complex conditions
- Integrated care and integrated organizations aren't the same thing (Singer et al. Med Care Res Rev 2011)
- Integrating care is hard, especially outside systems. Even, who is on "the team", is unclear (Singer, et al., Health Services Research, 2020; Kerrissey et al., Social Science in Medicine, 2023)
- Consequences are significant in terms of quality and cost (Aaron et al., Health Services Research, 2023)

There is no silver bullet

- Social features are part of the secret sauce; achieving integrated patient care requires organizational and social processes
  - Managerial perspectives oriented to both systems and people that enable structures
  - Systems and structures promote interpersonal processes
  - Interpersonal processes realize functional capabilities
  - Functional capabilities enable engaging stakeholders
  - All of these must work together to keep attention and effort focused on patient needs



--Singer et al., Medical Care Research and Review, 2020; Kerrissey et al., Medical Care Research and Review, 2021; Clark et al., Health Care Management Review, 2023

Enable patients to be part of the solution

Improve Communication

“I would ask them to be one hundred percent transparent, and communicate to the best of their knowledge how risky the condition is, to allow me to figure out how much concern I should or should not have."

Provide empowering information

”They sometimes ask: Do you have any questions? But some people doesn't really know what to ask for, because they really don't know about whatever they having. (The doctors) should explain more, so patients can understand more."

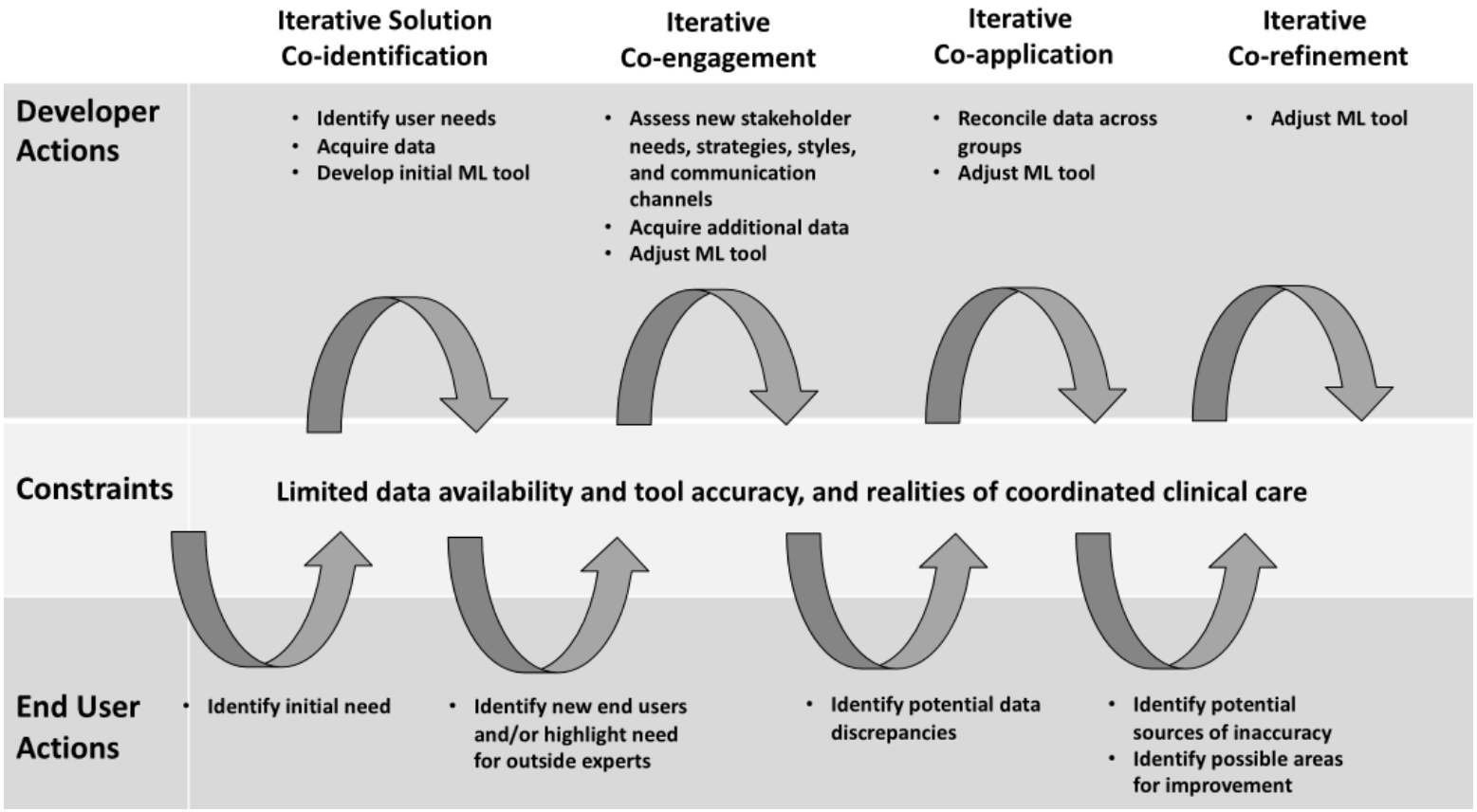
Overcome barriers

"There were at least five things that I was responsible to get taken care of, and I guess it wasn't clear enough. It should have been made more clear that I actually (needed) to follow up on the dermatology booking”

--Fernandez et al., Patient Perspectives on Delayed Specialty Follow-Up After a Primary Care Visit, J Am Board Fam Med. 2025 May 12;38(1):139-153

Findings re innovating to enhance health care value

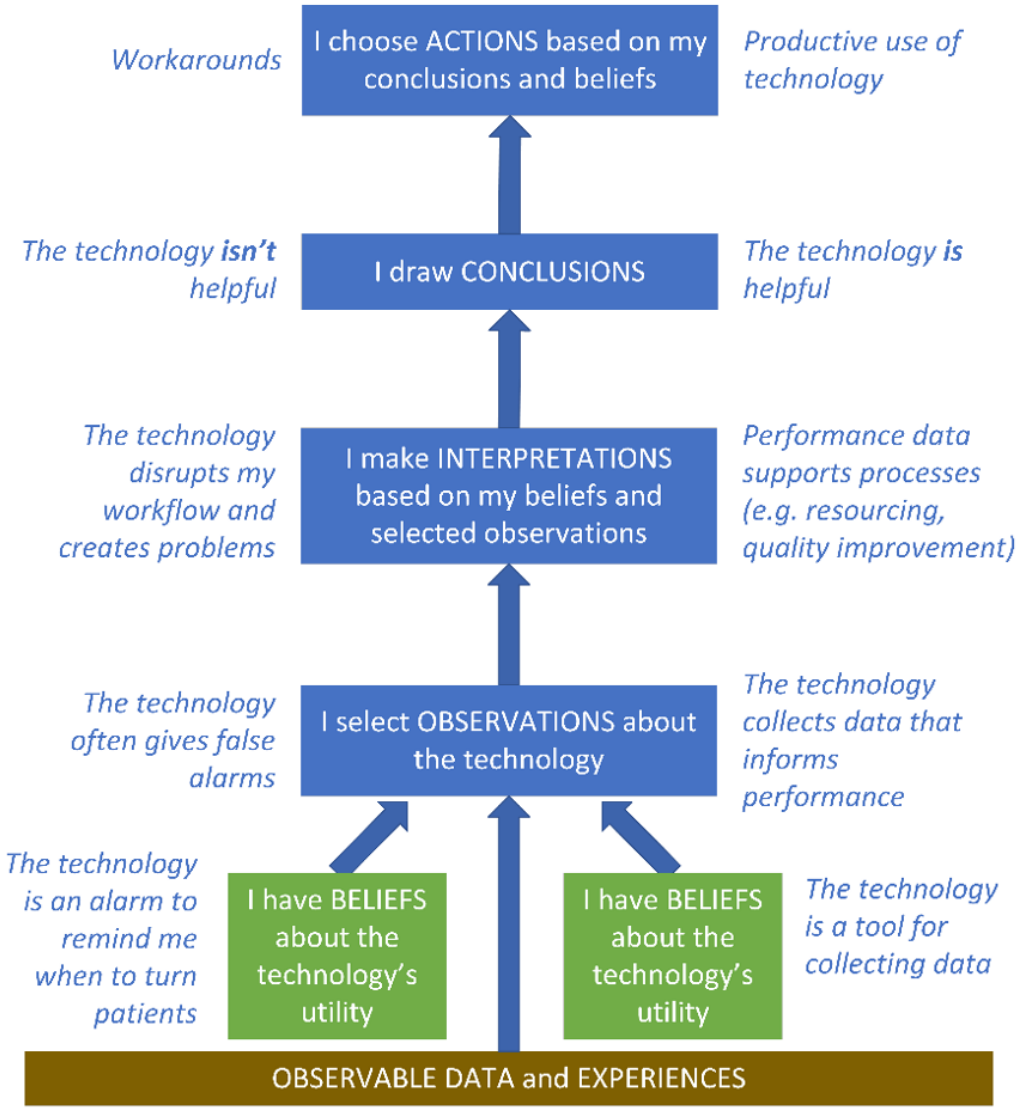
To promote technology deployment, get input



--Singer, Kellogg, Galper, Viola. Enhancing the value to users of ML-based clinical decision support tools: A framework for iterative, collaborative development and implementation. HCMR. 2022; 47(2): E21-E31

To understand innovation-values fit, inquire into beliefs behind the actions

- Acceptance and resistance of the same technology stem from differing beliefs, assumptions, values



--Sakata, Olsen, Novikov, Bohn, Singer. Understanding caregiver attitudes toward a clinical monitoring technology. Forthcoming

To promote implementation effectiveness, choose well, choose few, and integrate

- The wrong technologies

You need to take things off, not keep adding stuff on (ICU Nurse)

- Too many technologies and too much data

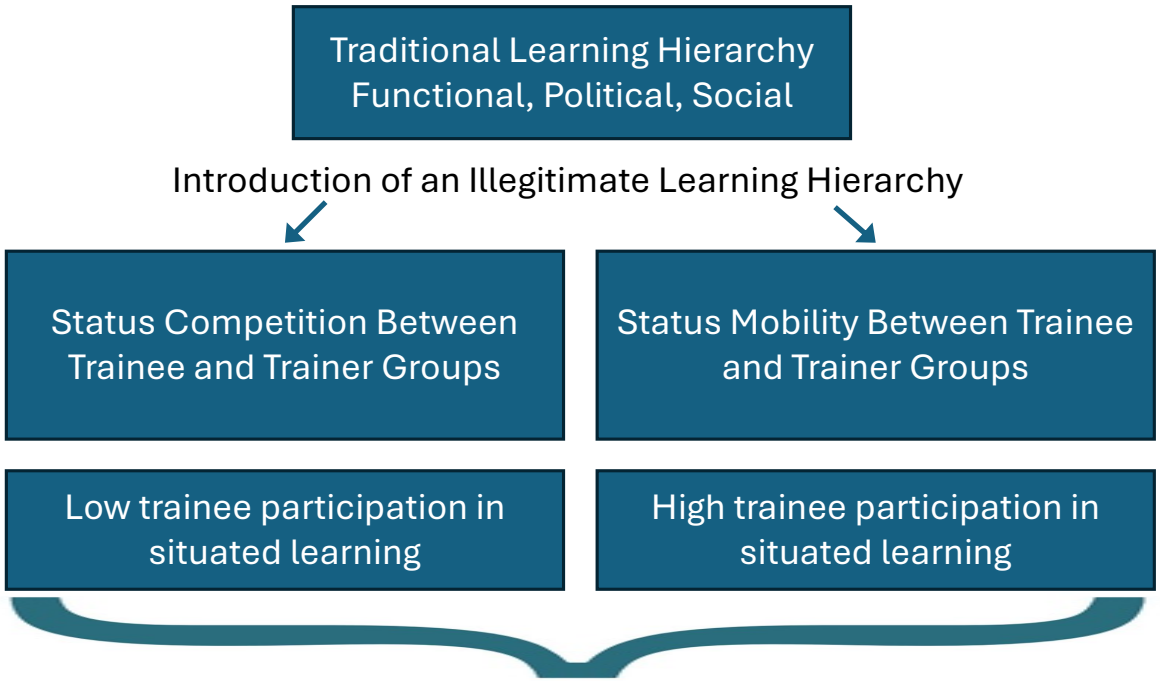
We literally have carts that are named after physicians that use them (ICU Administrator)

- Lack of tech-tech and socio-tech integration
  - Integration with other technologies and with EHR
  - Increase automation to decrease work and workarounds
  - Address privacy and autonomy concerns

--Olsen, Novikov, Sakata, Lambert, Lorenzo, Bohn, Singer. More isn't always better: Technology in the ICU. HCMR. 2024; 49(2): 127-138.

To promote implementation effectiveness, consider power dynamics

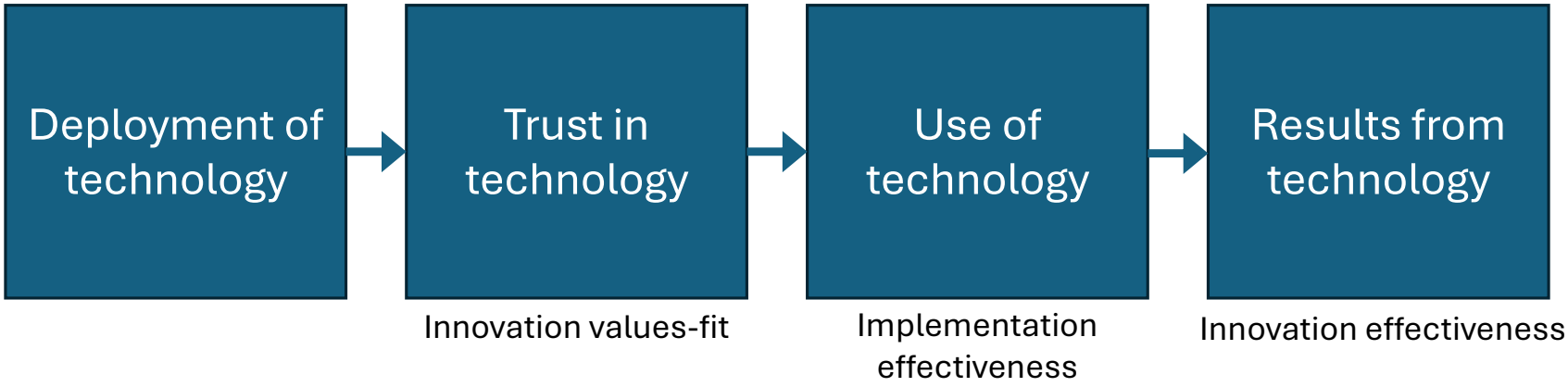
- New technology can flip traditional learning hierarchies
- When traditionally lower-status members are well-suited to train higher-status members, offering status mobility can help



Additional enabling conditions for situated learning:
framing new processes as helpful to trainees and critical to client

--Kellogg, Myers, Gainer, Singer. Moving violations: Pairing an Illegitimate Learning Hierarchy with Trainee Status Mobility for Acquiring New Skills When Traditional Expertise Erodes. Organization Science. 2021; 32(1):181-209.

It’s not about the technology but what you do with it



--Klein and Sorra. The challenge of innovation implementation. Academy of Management Review. 1996; 21(4) 1055-1080.

Findings re the role of business in building a culture of health

Every business lays down a public health footprint

Culture of Health

a business leadership imperative

Pillar	Definition
Employee Health	Health and well-being of the individuals and family members of people who work for your company and its suppliers
Environmental Health	Health and sustainability of the environment
Consumer Health	Safety, health, and well-being of people who consume your company's products and services
Community Health	Health and well-being of people in the communities in which your company makes or sells its products or services

--Quelch and Boudreau, *Building a Culture of Health: A New Imperative for Business*, Springer International, 2016

So far, businesses perform poorly on employee health

- Most do little to assume accountability for employee health benefits (measuring, managing, seeking employee feedback)
- Emphasize financial over nonfinancial criteria in measurement and decision-making
- What differentiates employers that do from those who don't measure and manage is no demographic trait but rather leaders' choice to actively engage in health benefits oversight and to care about employee experience with health benefits
- At least one-third appear to neglect even the most basic of their fiduciary obligations to their employees, with most likely source of liability stems from failing to adequately invest in robust shopping process for insurer or benefits administrators
- With few exceptions, employers aren't giving employees choices they want, while consumers are attracted to a narrow network option with chance to keep the savings.

--Pfeffer et al., JOEM 2020; Pfeffer et al., JAMA Health Forum, 2025; Richman et al, Journal of Law, Medicine & Ethics, in press; Singer et al, Social Science and Medicine, in press.

Employer action may help

- Health plan performance is unlikely to improve until benefits administrators face pressure for them to do so
- Need employer action—much more attention to quality, experience, and cost/value of health benefits; more demand for better plan options
- Could be spurred by employee demands, courts, Department of Labor, or the OBBBA
- Acknowledging obstacles employers face from oligopolistic third-party administrators
  - Which still doesn't preclude that employers measure and manage

Summary

- The US health system is VUCA, but health care has always been a volatile, uncertain, complex, and ambiguous setting
- When these conditions increase, the value of health care management theories and research increases with them
- Opportunities (meaty questions) abound, as do prior studies on which to build

Lessons learned

- (Rigor &) Relevance matters: choose problems you feel are important and communicate your findings to those who should know
  - As a field, we would benefit from more rapid analysis and new ways to communicate findings clearly and effectively to policymakers and the public
- People matter (for your own wellbeing): sometimes it's as much about the people as the problem
- Messy, large scale field work is hard but rewarding
- This too shall pass

Thank you!

Sara.Singer@Stanford.edu