Highlights from the Service Line Study (1997-2000)

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In previous issues of *Transition Watch* we reported our observations of the implementation of service lines throughout VA, provided definitions of service lines and the variations in their forms (see *Transition Watch*, Fall 1998, Winter 1999 and Winter 2000), and provided snapshots of VISN-level service line structures (see *Transition Watch*, Winter 1997, Fall 1998 and Winter 2000). We also reported on our analysis of managers' perceptions of the impacts of VISN-level service lines on VISN performance (see *Transition Watch*, Summer 1999, Fall 1999 and Fall 2000).

This issue provides a summary of the highlights of our evaluation of service lines over the last three years. In addition to summarizing some previously reported findings, we present - for the first time in *Transition Watch* - the highlights of detailed analyses of service line effects in facilities. This evaluation is based on site visits to VISN offices and facilities, written surveys of facilities, and analyses of VA databases. Among the key findings are:

1. Service lines are widely used in VA, but their structures vary considerably.

- The term "service line" is not used consistently throughout VA (or in the private sector). Reliable information cannot be obtained simply by asking about "service lines." It is necessary to obtain detailed information about organizational form and reporting relationships to determine the existence of service lines and their structure (see *Transition Watch,* Winter 1999 and Winter 2000 for definitions of facility and network-level structures we have studied and reported on).

- All VISNs report that they have implemented VISN-level service lines of some form. Most VISNs have actually implemented task forces, which do not alter lines of authority and do not meet the definition of service lines as described in "VA Service Line Guidelines." Six VISNs are using VISN-level

service lines as a central element of their integration strategy. These VISNs have implemented either service line division or matrix structures, in which authority is shifted from facility leadership to VISN service lines (see *Transition Watch*, Fall 1998 and Winter 2000 for additional information on VISN service lines).

- By 1999, 75% of all facilities had implemented service lines of some form, with several facility-level service lines having been implemented as early as 1993. In 1996 the rate of implementation of facility-level service lines increased sharply. Some respondents believed that Dr. Kizer encouraged service line implementation at that time.

- Of those facilities that implemented service lines, more of them implemented service line divisions than any other structure. In the divisional form, lines of authority are shifted from service chiefs to service line managers.

- Only 29 of the 144 facilities and integrated systems and 2 of the 22 VISNs that have implemented service lines have shifted budget control to the service lines. While the organizational literature suggests that personnel control and budget control are correlated, this was not borne out by our findings. Some managers felt that budget control was necessary to manage their service lines effectively, but a barrier to this shift was the inability of the VA financial system to provide financial information by service line. In several VISNs new financial systems have been developed and implemented over a three-year period.

- The clinical focus of VA service lines is predominantly in primary care, mental health, and geriatrics/extended care. This contrasts with the private

sector, where the majority of service lines are in cardiovascular disease, oncology, and women's health.

• Most service lines had a single individual serving in the position of service line manager. Fourteen of the 109 mental health service lines and nine of the 111 primary care service lines, however, were led by a dyad or by a larger group of individuals. Most often dyads consisted of a physician-nurse pairing, or a clinician-administrator pairing. Of the individual service line managers, the majority were physicians. In mental health, there were also some psychologists and social workers in these roles. In primary care, the second most frequent disciplinary background for service line managers was nursing.

2. Initially, facility service lines had mostly negative effects.

• Statistically significant and primarily negative relationships were found between facility-level service lines and quantitative outcomes related to VA performance goals in the areas of utilization, patient satisfaction and indicators of quality. Since there has, in general, been an improvement in these measures in VA nationally, we accounted for this in our examination of the effects of service lines by measuring the change in these measures between fiscal years 1997 and 1998.

• Most notably, facilities with service lines that had been in existence 24 months or less had significantly less improvement in outcomes between 1997 and 1998 than facilities without service lines.

• We also found twelve sites in which one or two key disciplines (Medicine, Nursing, Social Work, and Medical Administration Service, as well as Psychology in mental health service lines) were included in the service lines and reported to the service line manager while other key disciplines remained organized in their traditional structure, with personnel accountable to their discipline or profession. We termed this structure "mixed-evaluation" because the inconsistency in reporting relationships prevented our categorizing the service line into any one of our theoretical forms. Strikingly, mixed-evaluation service lines that had been

in existence for 24 months had significantly less improvement in outcomes than facilities without service lines.

• The negative findings may reflect the turbulence associated with implementing change, resistance to change, or ambiguity in both the change process and in the mixed-evaluation service lines.

• Facilities with service lines in existence for 24 months and structured in forms other than "mixed" performed as well as facilities without service lines. As service lines mature further, beyond 24 months, we have yet to determine whether their improvements in performance will exceed those of traditionally-organized facilities.

• Several interviewees expressed concern that service lines would have a negative effect on professionals, professional standards, and professional development. We do not have direct evidence of such negative effects. However, several facilities implemented service line structures in which disciplinary leadership was completely eliminated, but later modified the structure to re-establish professional leadership positions such as "lead social worker" and "nurse executive," or professional councils. We have collected baseline data from staff regarding professional values, and we hope over time to examine whether service lines have any effect on professionals.

• In facilities with strong academic affiliations, many interviewees expressed concern about the potential negative effects of service lines on academic missions. Many service lines have academic missions and goals, as well as those for patient care. We have anecdotal information about greater pressures for clinical productivity, reducing time available for research and education. However, we cannot attribute this directly to service lines, as the pressures for productivity are present in facilities with traditional organizational structures as well as those that have reorganized into service lines. Additionally, some professional staff in service lines attribute higher academic productivity to the facilitation of interdisciplinary efforts by their service lines.

- The separation of primary care and acute and specialty care into separate service lines fragments general internal medicine from specialty medicine. This structure does not mirror the medical school organization, and is an area of concern in many teaching sites.

3. Sufficient quantitative data was not available to measure the effects of service lines at the VISN level.

- VISN-level service lines have not been implemented long enough to measure their effects on quantitative measures associated with VA performance goals.

- At the VISN level, managers in the network office reported that service lines had positive effects on guideline implementation, uniformity of care, care coordination, cost and utilization, access and enrollment, communication, reduced competition, enhanced attention to professional issues, and staff motivation. Managers in VISN 2, the VISN that had implemented the most extensive service line restructuring, reported the strongest effects. Managers in VISNs that had implemented the least extensive service line forms reported the weakest effects. VISN 2 management believed that the service line structure had assisted them greatly in improving VISN performance. It is possible, however, that managers most committed to the service line structure are more inclined to attribute positive effects to that structure. Sufficient quantitative data are not yet available to support or refute the perceptions of VISN service line effects.

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4. Implementing service lines presents many management challenges.

- The VA personnel system was noted as a substantial barrier to service line implementation. Many interviewees reported difficulty establishing service line manager positions at a grade level that was attractive to qualified candidates. They often worked around the personnel system by giving people collateral duties or temporary assignments as service line manager, or by appointing clinicians to service line manager positions.

- Many interviewees perceived that service line managers lacked requisite skills and experience, especially in general management and financial management, and would benefit from additional training.

- Facility leadership frequently resisted implementation of VISN-level service lines, and service chiefs frequently resisted implementation of facility-level service lines. This resistance took both active and passive forms. Unable to completely overcome such resistance, VISNs sometimes could not implement robust service line structures in which facility leadership would have to give up some control to VISN service line directors. Similarly, facilities sometimes could not implement robust service line structures in which service chiefs would have to give up some control to service line managers.

- In implementing service line divisional structures, it was a common occurrence that initially some responsibilities of traditional services were not clearly assigned to service lines. For example, interviewees in one site noted that it was not clear who was responsible for the crash cart. One method that was used to assist in the reallocation of responsibilities was "responsibility charting."[1] This technique, described in "VA Service Line Guidelines," requires that participants develop a list of key actions and decisions that need to be made, and then determine who is responsible for each action or decision, as well as who needs to provide support, who must approve, and who must be informed about each action taken or decision made.

- We are aware of three facilities that returned to a traditional organizational structure after embarking on service line implementation. Service lines were not fully implemented in these sites due to resistance to change. For example, in one facility we were told that the Medical Administration Service (MAS) had assigned to the service lines those staff that they felt they could best "spare" rather than those that would make the greatest contribution to the service lines, keeping the most talented staff in a core MAS service. Several interviewees in that facility indicated that these staff assignments prevented the success of service lines from their inception.

Conclusion

In examining the findings of our service line evaluation so far, we see that it is difficult to separate the effects of service line structures from those associated with the process of implementing change. We have seen that some structures were implemented as compromises between what facility or VISN leadership desired to implement and what they were able to implement in the face of resistance to change. We have also seen the subversion of service lines by the control of personnel assignments, as in the MAS example above. We are unable to determine definitively whether service lines or the change process of implementing service lines is more highly associated with the outcomes we have observed.

Overall, we can conclude that at this point that the "jury is still out" on service lines. Some managers and clinicians have strong feelings regarding the positive effects of service lines; others have concluded that service lines are not for them. From our initial analyses at the facility level we can make two recommendations:

- Recognize that for a period of time after service lines are initially implemented, facility performance declines. Do not have expectations otherwise. Ambiguity characterizes all large-scale organizational change, and staff placed in new roles do not initially have the skills or clarity of responsibility to perform at high levels. We have seen some organizations, unaware of this period of expected decline, that have abandoned a new service line structure too early. As a result, their staff experienced the ambiguity and stress of two changes rather than one, as well as incurring reduced performance associated with two changes.

- In implementing service lines, ensure that there is clarity of direction and commitment to the new way of organizing and managing. The change process itself brings ambiguity and stress, and the literature on organizational change argues that additional ambiguity has negative consequences for staff and organizational performance. Although we can only speculate on the dynamics of how "mixed-evaluation" service lines might affect staff and medical center outcomes, we believe this situation introduces additional ambiguity for staff and gives them mixed signals about the facility's commitment to the new organization. We therefore suggest that the "mixed-evaluation" service lines be avoided. This means that in implementing service lines, ensure that all of the key disciplines are included and do not allow personnel from one or more disciplines to continue to report to their traditional service chief.

We will continue to refine our analyses and pursue both greater detail and a perspective of service line implementation over a longer period of time. In subsequent issues of *Transition Watch* we will report additional findings, including the effects of service lines on outcomes and lessons learned in managing change.

1 Beckhard, R, Harris, RT. *Organizational Transitions: Managing Complex Change.* Reading, MA: Addison-Wesley, 1977.