



Preparing for the next health crisis

What federal HHS
leaders can do now



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In no uncertain terms, our global community will face another public health emergency. Our response must be grounded in scientific evidence, lessons learned from the public health and scientific communities, healthcare providers, patients, special populations, employers, and local community leaders. Our response will also require new and different strategies, tools, and resources.

Whether a new pandemic, bioterrorism, natural disaster, or other similar potential calamity, one thing is for certain: We cannot assume that the next public health emergency will take the same shape and form as COVID-19.



Defining Public Health Preparedness

Following the September 11 attack in 2001 and subsequent anthrax attacks, a diverse panel of experts devised a definition for public health preparedness. It has stood the test of time, although it remains aspirational. Their definition: “public health emergency preparedness (PHEP) is the capability of the public health and health care systems, communities and individuals, to prevent, protect against, quickly respond to and recover from health emergencies, particularly those whose scale, timing or unpredictability threatens to overwhelm routine capabilities. Preparedness involves a coordinated and continuous process of planning and implementation that relies on measuring performance and taking corrective action.”¹

¹ National Library of Medicine, “Conceptualizing and defining public health emergency preparedness,” April 2007, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1854988/>

Background

In this paper we focus specifically on the role of the US Department of Health and Human Services (HHS) and how it can be best prepared for the next public health emergency, whatever form it takes.

The mission of HHS is to enhance the health and well-being of all Americans, by providing for effective health and human services and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social services.²

In the context of the COVID-19 response, HHS and the public servants working in government made tireless and monumental efforts to respond appropriately working in collaboration with other federal government entities, such as the US Department of Defense, and state and local authorities. To be sure, a public health crisis so widespread and devastating as COVID-19 presented unusual challenges. COVID-19's global, unprecedented scale disrupted lives, pushed health systems to capacity, and contributed to an economic slowdown. Hugely complicated, its demands continue to stretch public and private capabilities in the US and globally.

HHS played a central role in numerous aspects of the pandemic response, including, but not limited to, collaborating with the US Food and Drug Administration (FDA) and US Department of Defense to increase the availability of medical countermeasures such as vaccines, tests, therapeutics, and personal protective equipment (PPE), the Centers for Disease Control and Prevention (CDC) on COVID-19 data surveillance and monitoring, and Health Resources and Services Administration (HRSA) on distribution of critical funds to healthcare providers to ensure health system capacity.

But despite its monumental response effort, there was a structural challenge that served as a significant barrier to effective response: its organizational operating model.³



Challenges with HHS response efforts can be attributed in part to known gaps in organizational preparedness. Examples from two oversight bodies help illustrate this point:

- In January 2022 the Government Accountability Office (GAO) added HHS's leadership and coordination of public health emergencies to its "high risk list" of federal programs or operations that are in need of transformation, after finding "persistent deficiencies" for more than a decade.⁴
- The Majority Staff of the Senate Committee on Homeland Security & Governmental Affairs released a report on the COVID-19 response, noting that "HHS is not effectively organized to respond to public health emergencies or coordinate with partners."⁵

Deficiencies in organizational preparedness can result in substantial downstream impacts, including coordination issues with private and public partners; duplication of effort across operating divisions; wasted time, energy and resources; and confusion created by conflicting or inconsistent directives to the public. To be fully prepared to quickly adapt to the next public health emergency, HHS must look beyond COVID-19, starting first with its operating model.

The end goal should be institutionalized preparedness—embedded as a consistent, prioritized function across government, with roles and responsibilities that are clear, documented and communicated both internally and externally.

² US Department of Health and Human Services, About HHS | HHS.gov

³ US Government Accountability Office, "National efforts to prevent, respond to, and recover from drug misuse," 2022, <https://files.gao.gov/reports/GAO-23-106203/index.html#appendix30>

⁴ US Government Accountability Office, "National efforts to prevent, respond to, and recover from drug misuse," 2022, <https://files.gao.gov/reports/GAO-23-106203/index.html#appendix30>

⁵ US Senate Committee on Homeland Security & Governmental Affairs, "Examination of the federal government's pandemic preparedness and initial COVID-19 response," December 2022, https://www.hsgac.senate.gov/wp-content/uploads/imo/media/doc/221208_HSGACMajorityReport_Covid-19.pdf

Institutionalizing preparedness with KPMG Connected

The KPMG Connected Framework (KPMG Connected) is an approach to tackling operating model challenges with a high level of complexity to enable government to deliver on its promise to customers and employees. At its core, KPMG Connected is designed to help governments translate their mission into every facet of their operations. For example, rather than focusing on what institutionalized public health preparedness means for siloed components like payments or program integrity, KPMG Connected can provide a holistic approach to evaluating core business functions that stretch across operating divisions and programs.

The process consists of three primary phases that help governments:

- 1 Define the ideal end state of the organization through the development and validation of a **Target Operating Model (TOM)**
- 2 Conduct a **readiness assessment** against the TOM to identify relevant constraints and barriers to change
- 3 Develop an **adoption framework** to provide a tactical, time-bound roadmap to realizing the desired end state.

Applied correctly and with the right sponsorship, this process can help government leaders break through functional silos and enable executive decision-making in support of institutionalized public health preparedness by:

- Offering a starting point for discussions around the idealized end state for an organization, with recognition of the constraints under which government operates
- Helping government aim for the “art of the possible,” while also being grounded in what’s pragmatic
- Uncovering operational and programmatic barriers to embedding core capabilities across the organization.

The Target Operating Model

Developing a TOM is the first step in KPMG Connected. Through the process of developing or validating its TOM, an organization can clearly and concisely identify the qualities of an ideal future state of public health preparedness by defining or refining four core components of an organizational structure:

- A government’s **Enterprise Strategy**, that is the strategic mission, vision, and values, and it’s corresponding operational strategy
- The primary functions of an organization, or its **Core Business Practices**
- The **Operating Model Pillars**, or cross-cutting functions that support core business practices
- The **Enabling Functions** or the systems, data, technology, etc. that can be leveraged in support of the enterprise to realize its mission.

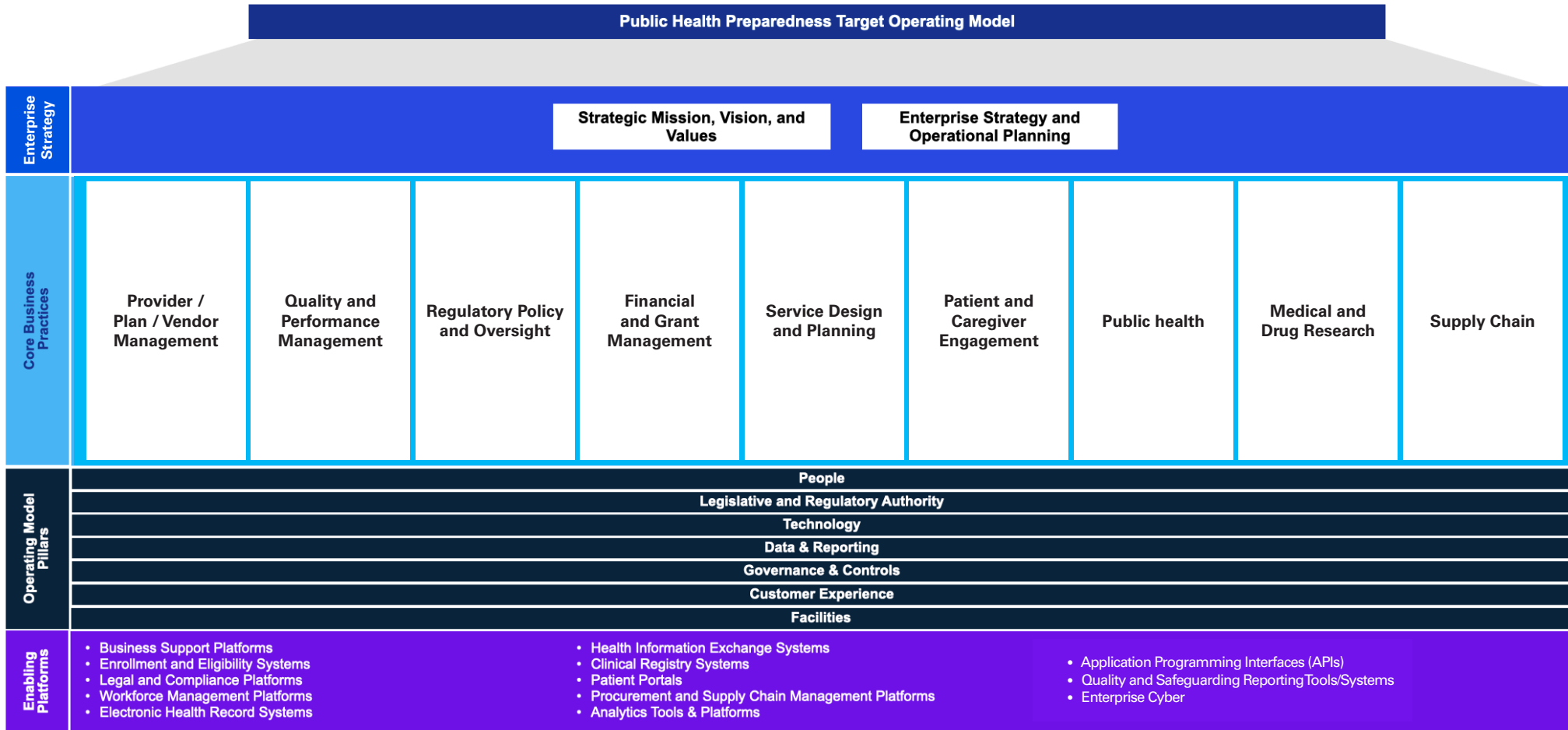
By enabling a process to define or refine these core components in the context of public health preparedness goals, the TOM allows governments to clearly identify “what good looks like” and the specific leading practices, capabilities, and functions that will be required to fully institutionalize public health preparedness.

Figure 1 is an illustrative example of a Public Health Preparedness TOM, including the core components described above, that could be used as a starting point discussion for further refinement.

⁷ “State prisons harness the power of solar energy,” Energy Digital magazine, May 17, 2020

Our Methodology - Illustrative Target Operating Model

Figure 1. Illustrative Public Health Preparedness Target Operating Model












Operating Model Validation and Readiness Assessment

The second step of KPMG Connected is to assess each core business practice within the context of each operating model pillar to guide validation of the future-state operating model and development of a readiness assessment. The result is identification and prioritization of targeted opportunities to realize the desired future state and broader observations about enabling factors, such as how well personnel and systems are organized, or to what extent current data is available and harmonized to provide evidence for decision-making.

Figure 2. Readiness Assessment Matrix

Core Business Practices	Operating Model Pillars						
	 People	 Legislative and Regulatory Authority	 Technology	 Data and Reporting	 Governance and Controls	 Customer Experience	 Facilities
Provider / Plan / Vendor Management							
Quality and Performance Management							
Regulatory Policy and Oversight							
Financial and Grant Management							
Service Design and Planning							
Patient and Caregiver Engagement							
Public Health							
Medical and Drug Research							
Supply Chain							

To illustrate, below are some examples of the benefit of proactively evaluating “what good looks like” in the context of public health preparedness across specific core business practices:

Oversight functions

Evaluating oversight activities can help ensure that procurement, program integrity, and other agency coordination sufficiently considers and integrates public health emergency needs and requirements from the outset: establishing what “good looks like” in program integrity in the context of a public health emergency, for example, can help ensure that funds are more easily disbursed, tracked, and used in accordance with their intended use.

Performance management

Assessing activities within performance management can help ensure that reporting channels, data sources, data systems, and technology platforms sufficiently consider and integrate public health emergency needs and requirements from the outset: establishing what “good looks like” in data collection in the context of a public health emergency, for example, can help accelerate and enhance data collection, tracking, and reporting efforts once a response is initiated. It can also help identify what requirements may need to be suspended to reduce burden on care providers and the overall system and/or inform manufacturing or distribution.

Benefit design and planning

Examining benefit design and planning can help ensure that beneficiary analysis, market analysis, clinical services, and coverage designs sufficiently consider and integrate public health emergency needs and requirements from the outset: establishing what “good looks like” in coverage design evaluation in the context of a public health emergency, for example, can help ensure that there are mechanisms in place to quickly determine statutory and regulatory flexibilities or establish pathways to quickly ascertain what providers and payers may need to deliver care to patients or what populations may need continued or new access to public coverage programs.

Adoption framework

The third and final step in KPMG Connected is the development of the adoption framework. This is when the readiness assessment insights turn tactical, starting with plotting actionable opportunities that lay out the priority initiatives along an appropriate timeline. We recommend using a Multi-Generational Project Plan (MGPP), which borrows from Lean methodologies to help improve the efficiency of large and highly-interconnected transformation projects. The MGPP can help plan a series of activities that serve to both build capability and help enable the next “generation” of activities that are required. Each generation will represent a meaningful achievement in terms of overall capabilities but will also be an important step toward the larger goal.

At the end of this process, the government will have:

- 1** A complete and thorough assessment of its organizational public health preparedness readiness
- 2** A strategic and conceptual adoption framework to close gaps in readiness
- 3** Executive leadership buy-in on a shared vision for implementation of the adoption framework.

How KPMG can help

Adopting a public health preparedness mindset is essential to effective emergency response. KPMG has deep and wide experience in organizational design and change strategies to move an organization closer to its ideal end state. Having worked with numerous agencies at every level of government, KPMG understands the intricacies and challenges of internal and intra-agency coordination efforts. We also have first-hand experience helping agencies tackle public health challenges head on, including rapid scaling of testing and treatment access centers nationally in response to COVID-19. We can help government entities across federal, state, and local jurisdictions assess their current state and map a pathway to achieve target public health preparedness

standards, whether at an enterprise, department, or program level. KPMG government, healthcare, and organizational design professionals can help organizations advance their preparedness efforts, wherever they are in their process.

KPMG is convening the conversations to reframe the future of health. We're bringing together experts from research, policy, and practice, engaging diverse perspectives, and combining insight with innovation to help build practical, real-world solutions on the most pressing topics of our times. Join us for a discussion series on institutionalizing and operationalizing a public health preparedness mindset in federal government. Send an email to us-advhealthcatalyst@kpmg.com to receive an invitation to upcoming events.

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Thank you to the following for your review and contribution: Tom Dowd, Principal; Meghan Hendery, Principal; Erika Rogan, Director; Lydia Mitts, Director; Melissa Jaffe, Director; Ross White, Director.

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