

Sustainable change: How Vizient does things differently to make sure progress sticks



Lean health care transformation: A new engine driving quality-based organizations

In health care, lowering total costs and achieving operational excellence require new, quality-driven strategic imperatives based on proven processes.

Instead of margins driving the mission, leaders are embracing a new mantra: quality driving the achievement of margins. This maxim has never been more true than now, in the midst of the journey from fee-for-service to value-based care.

Traditional chain-of-command silos for decision-making are being dismantled, and historical standards for measuring and implementing improvement are giving way to new operating models. As reimbursements increasingly are tied

to clinical quality, patient experience, readmission rates and overall efficiency, Lean principles can guide you as you strive to improve service value and quality.

A Lean path to success

At Vizient,[™] we work with providers to implement proven improvement tools, and we design management systems to make those tools sustainable for the long haul.

Lean transformation methodology uses rapid improvement, education and daily problem-solving to guide providers like you in maintaining change that lowers costs and improves the patient care process. By approaching problems in the right manner and making the right work easier to do, these solutions lay the foundation for a high-quality, high-performing health care delivery system.

Overcoming challenges

The road to transformational improvement based on Lean principles comes with considerable challenges. The industry's prevailing management structure and philosophy are two major barriers to becoming a Lean organization and adopting quality as an operating system.

The traditional provider structure inefficiently directs problems up the chain of command, across silos and back down the chain before remedial action can occur. Establishing new mechanisms and responsibilities for empowered decision-making is an important component for adopting a culture of continuous improvement.

Another hurdle is the frequent use of “management by objective” as a guiding force for measuring success. This philosophy designates achievement of objectives as the ultimate barometer of improvement — even by means of an inferior process. In contrast, Lean principles rely on overall quality and efficiency as the primary criteria for evaluating success.

While most organizations have experimented with Lean-based improvement projects, far fewer have adopted a Lean-based quality-driven operating system. Very few providers have completed the transformational journey to achieve long-term levels of success, but those fully vested in continuous improvement are enjoying remarkable boosts in performance.

Aligning the elements for success

Successful change often hinges on the cultural aspects of managing it. The transformational journey starts with an assessment of your organization's capacity and readiness for change. The assessment must employ a structured methodology, with scoring based on observable evidence from more than 100 scoring elements. Results help you identify strengths, existing gaps and opportunities for improvement.

We work with providers on aligning four key elements that work in concert to assure the sustainability of Lean management solutions over time: people, process, purpose and problem-solving.

Elements that drive sustained success for Lean transformation

Lean health care transformation is based on four elements that create immediate impact, produce data-driven results, and serve as building blocks for sustaining a quality operating system.

1. People. The most important task is developing your people to practice daily management and continuous improvement. The front-line team for improved emergency

department (ED) flow must become an effective, self-managing unit. Team members need to know their daily performance levels, to the point of measuring wait time on each case, tracking performance against the desired standard, and seeing results visually displayed.

2. Process. Lean management also requires establishing processes that make the right work more efficient and easier to do, delivered by personnel who are engaged and supported in their efforts. Our process-design methods effectively leverage the wisdom of hospital staff to implement best practices for delivering the right care, each and every time.

3. Purpose. Lean efforts are strategic only if their purpose is directly tied to your organization's overall strategy. Hospitals initially must adopt and articulate strategic imperatives aligned with the pursuit of quality. Providers at all organizational levels must clearly communicate the critical link between those imperatives and strategy, tactics, process improvement, and specific behaviors required for improvement.

For example, increasing satisfaction may be a strategic priority. When beginning a project to increase ED patient flow, ED employees should understand how shortening excessive delays correlates to overall patient satisfaction — and how their improvement efforts integrate with overall organizational objectives.

4. Problem-solving. Because health care environments are incredibly complex, continuous improvement and problem-solving require everyone's participation. Vizient uses a combination of classroom instruction and project-based learning and management systems to embed root-cause problem-solving deeply into the organization, ensuring that improvements take hold and are sustainable.

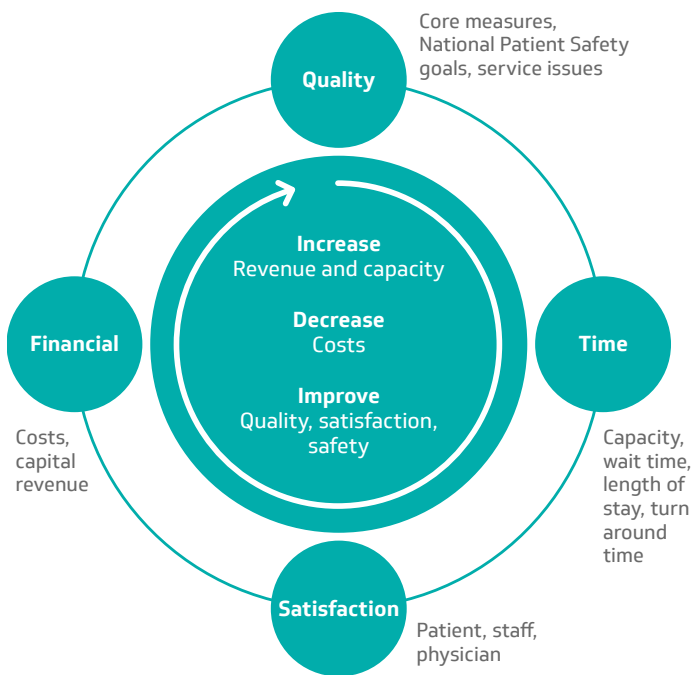
Quality focus raises all measures

The concept of quality as an operating system uses four categories of measurement: financial, time, quality outcomes, and patient and employee satisfaction. While many hospitals put a lot of time and energy into financial measurements, performance gaps often remain in the three other categories. It's important to remember that in a service-oriented business such as health care, employee satisfaction is the first link in the value chain and a huge patient satisfaction contributor.

The legacy of improvement in the health care industry has often involved “trade-off” thinking — trading quality, safety, and reliability for the rewards of time and money. In a healthy operating system focused on quality metrics, Lean initiatives result in simultaneous improvement in all metrics categories. The laser-like focus on quality eliminates defects and waste, which in turn improves financials, satisfaction and efficiency.

Core measures for a quality operating system

Leveraging Vizient expertise, you can achieve a smoother-running organization with more satisfied patients, more productive staff and physicians, and an improved bottom line.



While it's easy to pay lip service to the concept of quality-based improvement, decisive action is the bottom line for sustaining the journey to building a quality operating system. We teach transformational customers how to live Lean principles daily. The education is based on a simple concept: when certain things are done, specific results follow; and conversely, when those things aren't done, the desired results won't happen.

A singular focus on the right work

Many providers address just the strategic and tactical levels — focusing only on the pursuit of a given strategy delivered through certain tactics. We help organizations achieve a deeper understanding of which processes must get better, exactly how much they should improve, and how to involve front-line employees to drive process improvement.

Micro-level behaviors are actions that hospital staff members take as part of their standard work. However, only one best-practice method for a certain procedure is proven to be the most effective — and therefore is the standard that should be adopted across the system.

Because performance is measured and visually tracked daily, performance gaps against the standard can easily be identified and actions can be taken to solve the problem and close the gap. But the loop of continuous improvement doesn't stop. If performance levels rise to regularly meet the standard, further improvement is possible by setting the bar even higher. The gap between performance at the old standard and reaching the new standard can now be evaluated using a new round of analysis and process improvement.

Coaching a winning strategy

Teaching and repetition of desired behavior produces not only quick improvement, but results in sustainable process change that extends from the executive leadership to system personnel. It's a learn-by-doing approach that helps organizations navigate the process, create an appropriate decision-making structure, identify areas where executive action is appropriate, and understand the components required to sustain a quality-focused culture.

Our quality coaching helps highlight performance gaps and finesse processes, particularly when dealing with areas concerning executive action. Coaches also help create and execute plans to close the gaps — in many cases custom-tailoring plans to fit your preferred learning style. Once plans are formulated, coaching helps bring performance expectations to life, makes them tangible and measurable, and clarifies what it takes to meet the standard.

Creating and maintaining an interlocking system of accountability is the final part of building a quality-driven organization. It's often called the engine that drives implementation because it ties purpose, people, processes and problem-solving together into one integrated system.

A learning process for organizational change

At Vizient, we use a combination of classroom instruction and project-based learning and management systems to drive root-cause problem-solving deeply into your organization.

Training

Custom training modules for your leadership to enable sustainment, plus courses for the front line and managers.

Coaching

Follow-up coaching for your leadership after training modules to build skills and promote sustainment.

Developing

Just-in-time coaching of internal facilitators and other staff as they lead and support rapid improvement.

Performance issues are on everyone's radar screen, from front-line supervisors to mid-level managers and senior executives. We can help you create this system of accountability from the bottom up, starting with a process that gives front-line employees the greatest knowledge of daily operations — enabling them to evaluate performance and solve problems as they occur.

If process problems are not caught initially, checkpoints are in place for others to identify them quickly. The accountability chain begins with a fully documented process where everyone is aware of the standards. This allows you to track your progress toward achieving your desired standards and identifying performance gaps when they occur.

Lean-based action yields results

Vizient experts worked with a large Southwestern U.S.-based health system to reduce the prevalence of health care-associated infections during the process of care — a key quality outcome indicator that also influences reimbursement rates. As part of a broader effort to improve quality across the enterprise, we applied Lean solutions to reduce central line-associated bloodstream infections (CLABSI).

The system was vexed by stubbornly high industry-average CLABSI rates. We worked directly with personnel in target system hospitals to understand prevention practices, conduct rigorous process audits, establish a culture of interlocking accountability among all involved in patient treatment and care, apply solutions, and document compliance.

With a prevention protocol in place that was also supported by an accountable organizational chain, CLABSI rates in one hospital plummeted to zero during the first 90 days. Another provider went nearly 300 days without a CLABSI incident in its intensive care unit. Overall, the system saved \$2.9 million in avoidable variable costs and more than 1,700 total avoided days.

Our experts also have helped many other providers implement Lean principles to improve clinical quality, such as achieving 100 percent sustained compliance with pneumonia core measures and decreasing blood waste by 30 percent through a standardized mass transfusion protocol.

In other cases, Lean initiatives have produced significant financial improvement, including \$1 million in reduced perioperative supply chain costs, \$19 million in documented revenue cycle savings, \$12 million in additional revenue from added operating room capacity, and \$1.5 million in annual savings from a 50 percent reduction in medication reconciliation process time.

In a wide range of operational settings, we've helped providers deploy tools that transformed their approaches to quality improvement, achieving immediate success — but with an eye on laying the groundwork for Lean health care practices to remain long after the engagement ended.



For more information, contact consulting@vizientinc.com or go to www.vizientinc.com.

Lean in action

Hospitals across the nation have realized various successes that sustain financial, operational and quality improvements.

\$1 million reduction

in perioperative supply chain costs

\$19 million documented savings

in the revenue cycle

\$12 million incremental revenue

from increased OR capacity

50 percent reduction

in medication-reconciliation process time

100 percent compliance

with pneumonia core measures

30 percent decrease

in blood waste

A journey in pursuit of perfection

Once adopted, Lean management principles create immediate impact, produce data-driven results, and generate momentum for sustainable change — while also laying the building blocks for a quality operating system. From this foundation begins an ongoing journey to relentlessly pursue perfection, with continuous communication across the enterprise to reinforce how this pursuit links strategically with broader organizational goals.

Vizient works with providers to weave Lean health care principles into an integrated system, with all parts working together. Performance in the pursuit of quality is tracked and visible in simple terms on a daily basis.

Using the structure of interlocking accountability, Lean solutions help build an army of problem-solvers taught to take corrective action when issues arise, and when processes aren't working to meet the standard. All personnel know how to fulfill their roles in powering the engine of a quality operating system that provides the highest levels of patient care and delivers significant bottom-line results.

As the nation's largest member-owned health care services company, Vizient provides network-powered insights in the critical areas of clinical, operational, and supply chain performance and empowers members to deliver exceptional, cost-effective care.