3rd Annual Lean Healthcare Summit Recap of Day 2 CEO Panel

THEDAÇ CARE CENTER FOR HEALTHCARE VALUE

Targeting Value. Spreading Change.

CEO PANELISTS



PAUL
DECHANT
CEO, Sutter
Gould Medical
Foundation



RACHELLE SHULTZ CEO, Winona Health



MICHEL
TÉTREAULT
CEO, St.
Boniface General
Hospital



JOAN R.

MAGRUDER

President,

Missouri Baptist

Medical Center

Can you start with a lean management system or do you need to build the culture first?

Joan: I think you need a cultural foundation so that when you roll-out the lean daily management, it's positioned for success.

Rachelle: When you start lean, you start wherever you are. It's evolutionary. You're building and learning a new culture as you integrate tools and behaviors. Lean management is the next level of pull that emerges from that. The power of it comes when you connect leader standard work with the culture

How do you make the shift to a Gemba culture?

Rachelle: Require it. We had to train all leaders to adopt these habits.

Joan: It's also important to walk-the-walk. We tracked how often our senior leadership attended certain lean events, and we had a discussion about what a "new leader" looks like. Those traits are synonymous with the lean daily management model. If you don't lead as a teacher, role model, maybe you're not meant for healthcare lean.

How do you balance desired pace with organizational capacity?

Paul: Invest in the right people and resources. You can have all the resources in the world, but if you don't have good lean leaders trained, it won't make a difference.

Rachelle: When you begin this process, *everything* looks like it needs to be fixed. It's very overwhelming, and you don't know where all those resources will come from. As you learn more and more about lean, you become more strategic about how to truly align it with the organization's needs or mission. You also need to be disciplined around those priorities.

Joan: Lean is "instead of," not "in addition to." It's a better, smarter way to work that will lead to less waste.

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What does it mean and why is it helpful for discussions with managers and staff?

- Quantity
- Quality
- Timeline
- Resources needed

It answers the questions, "What do you need," and "How can I contribute?"

It gives staff confidence that system leadership is fully behind the change, and that they'll be empowered with the tools they need to succeed. **Michel:** I spend half my time elated at what we've been able to do, and the other half frustrated at how much we still have to do. We're very careful at what we choose to do, because you're not just managing activity, you're managing cultural change.

How do you prevent a never-ending list of projects?

Joan: It's important for people to come into that discussion without egos or personal biases toward which projects they want to do vs. the projects that make the most sense overall. Also, create a parking lot for important items you can't pursue at the moment.

Rachelle: It's based on our strategic plan. We have a process for determining what projects we're willing to put resources toward. It's similar to capital planning – there are always three times more requests than you can pursue, and you have to prioritize.

What have you done to convince your team that lean's not "just another healthcare program?"

Rachelle: It's now embedded in our core processes. Once people have been part of the team process and see how this works and what it does, they really flip the switch and want to be involved. The transition from the "old world" is messy, but once you decide to change the culture and get informal leaders involved as well, it gains momentum.

Michel: Frontline staff have said, "This is putting the fun back in healthcare," and "You're giving us hope." If we don't want this to be just another program, we need to get people involved. Are there going to be naysayers? Yes, but if we can engage people, they'll start to see the difference

Paul: A3 thinking has been a big culture change for us. It helps us recognize our trouble areas and gives us the freedom to pursue experiments.

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CHARACTERISTICS OF A LEAN CULTURE

- Continuous improvement
- Respect for people
- Leadership with humility
- Acknowledging you don't know the answer
- Stewardship
- Transparency
- The courage to ask for help
- Willingness to embrace a loss of control
- Welcoming of outside eyes
- Belief that the patient is the most important person

How can you help everyone be a problem-solver every day?

Paul: We try to celebrate it. We started doing skits to demonstrate current and future states, and people have gotten into it in a big way. It gets people engaged. When people look at the current state, they feel bad "I've been doing this wrong the whole time," and we need to remind them that it's the management system, not them. They're good people trying to do their best in the poor management system we've given them.

Joan: Understand the framework for problem-solving. We sent the message at a high level that VPs should take time to do these kind of events.

Comment on your participation in lean events.

Joan: It was humbling, powerful and fun. A chance to celebrate employees' wisdom in their venues.

Michel: Two things get back to you:

- 1) Wow, the CEO actually cares
- 2) Hey, he's like a human being too

Are you participating in any payment experiments?

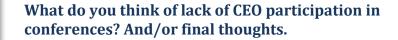
Joan: We've submitted an application to be a total joint replacement center through CMS. We're transitioning from fee-for-service to pay-for-performance, and this is a chance to use the expertise of lean to drive the pay-for-performance value proposition.

Rachelle: We are part of a grant process on the bundled payment. Also part of a Beacon Grant, partnered with Mayo regarding telemedicine in southeastern Minnesota. We've been piloting telemedicine in homes, schools, nursing homes. We're in the last year of demonstrating outcomes. We're possibly expanding the grant for chronic disease.

Michel: I'm working with our region about how we get paid for what we do. They're starting to understand the value equation.



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Joan: I think it's important to demystify lean for CEOs. This will be very foreign for some CEOs. Time is precious, and CEOs will want the triple reassurance that this is worth the time. I highly encourage them to get to a site visit to see the power of a mature lean organization in action.

Paul: Lean is so different in so many ways from how we've managed in the past. I would encourage you to have perseverance and patience. That will get you results, and CEOs respond best to results. We often hear, "Lean takes too long," but two years in, we have seen dramatic results and now we're seeing senior leadership embrace it. As you get results, share them, publicize them, and celebrate them. Hang in there!

Rachelle: As more organizations continue this work and see results, there will be a pull for more people to pick this up. In the early years, lean is very disruptive in an organization, and you really do need the CEO onboard to help manage things and see you through.

Michel: Thinking about our mission – to deliver the best care to the patient – we've been pursuing that for years, and the closest we've come to achieving it is with lean.