

The Framework for a Whole-System Transformation

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In my previous column in this series (see the Operations and Strategy column in the September/October issue of *JHM*), I described the structure of a Lean healthcare or rapid-adaptability system. In such a system, every employee's job is to find and fix problems using the scientific method. The system consists of varying degrees of standard work for all—from technicians to senior executives—and management practices that are as reliable and repeatable as the transformed frontline care-delivery processes. The pieces of the system fit together to ensure that people are not only solving problems but are solving the right problems.

To people who have not worked in a Lean system, this can seem like pie-in-the-sky idealism. While it is true that much change is required for traditional systems to become Lean and rapidly adaptable, these transformations are happening around the globe and the changes required have become well known. In this article, I describe the more systemic changes that must be made to ensure that all support systems transform along with operations.

BREAKING DOWN SILOS

Most healthcare systems keep support functions such as finance, human resources (HR), and information technology in separate silos. Each department speaks its own language and keeps jealous control of certain aspects of the organization. When operations leaders begin the Lean transformation and experiment with new roles for managers or new job descriptions for registered nurses, they often hit the HR silo's brick wall. When they try to obtain daily data reports or rewrite profit and loss statements to reflect the new focus, leaders run into walls labeled "IT" and "finance." This happens at every organization. Misunderstandings that turn into turf wars can scuttle a transformation. On the flip side, stronger partnerships between operations and support functions will accelerate progress. Over the past decade, as I have studied and assisted in transformations at more than 160 organizations around the world, I have seen many health systems take creative approaches to breaking down the silos and begin rowing together.

OPERATIONS AND SUPPORT SERVICES WORKING TOGETHER

At ThedaCare's hospitals and clinics in northeast Wisconsin, our biggest breakthrough with HR occurred when leaders in operations (I was CEO at the time)

realized how much we needed HR to help us keep our promises. In a Lean transformation, the first and most important promise we make is to our employees when we say that nobody will ever be laid off because of productivity improvements. People will not “improve” themselves out of a job. However, few organizations plan for redeployment. Whenever we look closely at a traditional process, we almost always find that, over time, additional labor is the easy answer to a problem. A continuous improvement team usually finds that the same care can be delivered more reliably and efficiently with fewer people, which means that a unit or clinic might have extra staff members who need to be reabsorbed into the organization. Operations cannot do this alone. We tried. After a receptionist at ThedaCare quit because there appeared to be no place for her after her job was made redundant, people started saying that Lean was mean.

We learned that HR needed to become actively involved in every improvement effort from the planning stage. During months of careful negotiations, HR and operations created a process that has been replicated many times. Essentially, an HR representative is assigned to every improvement project in which Lean facilitators suspect there will be a workforce reduction. Following standard work practices, the HR representative then consults with area managers to select candidates for possible reassignment and assigns people to new jobs, new training, or temporary labor pools while waiting for permanent jobs to open up. Before any improvement project begins, all staff members know that they will be taken care of in the case of redundancies. This has resulted in more robust cross-training programs, which are necessary in a system striving for rapid adaptability.

Drawing on the expertise of people in support services is especially important when it comes to finance. As area managers take more control of their own small businesses—as they do in a Lean management system—they often need help in understanding profit and loss statements, estimating labor use rates, and so forth. Many organizations have found that pairing managers and other leaders with a personal accountant from the finance department is enormously helpful. To make time for these new consulting roles, finance professionals need to be freed from activities that do not produce value, such as creating an annual budget.

The moment a budget is written on paper, it becomes obsolete. Executives spend enormous amounts of time fighting for their share of the perceived resources, trying to explain budget variances, and then spending every penny of their allotted budget so they do not face cuts the following year. Budgets are a distraction that elicits the wrong behaviors. For Rachele Schultz, CEO of Winona Health in Minnesota, the budget was becoming an obvious impediment by year 3 of her organization’s Lean transformation. Staff members were becoming used to collecting real-time information, finding problems, and fixing issues immediately. Then, for a few weeks every year, they would set aside their current information systems and projects to focus on the budget. However, they no longer found it acceptable to put so much effort into something they all knew was inaccurate from the moment it was released. “Since we could never accurately predict everything, we were spending more time explaining

the budget variances than we were calibrating the business and figuring out how to get to where we wanted to go," Schultz said (oral communication, October 2014).

After presenting her case to Winona's board of trustees, Schultz moved to a forecasting-only system. Like other organizations that have adopted this type of system, Winona Health Services uses a rolling forecast that shows four quarters in the past and six quarters in the future and is updated four times a year. Leaders in the organization now consider the financial facts of the business on an ongoing basis; they look at the numbers often and without drama, and they meet regularly to track progress on key performance indicators, review what drives cost and revenue in the system, and insert new information about the business climate into the forecast. For example, executives might track nursing hours worked across the system while trying to better understand the financial consequences of different staffing models. They conduct full updates quarterly.

Schultz discovered that forecasting not only promotes better behaviors, but it requires less time and energy to produce better-quality information. Accountants were released from their desks in back offices to work for area managers and improvement teams as financial consultants. Job satisfaction in the finance department showed a marked uptick.

The theme of the support services transformation should be clear. In every case, we are taking the consolidated, specialized expertise of our support staff and dispersing it throughout the operation. In the case of IT, we have found that this department needs to evolve—or, more often, split into separate functions—before specialists can be mobilized to the frontline. Most IT departments are consumed by the requirements of maintaining electronic health records, as well as maintaining hardware and implementing software solutions throughout the organization. Although Lean improvement teams need packaged software, they need much more. The teams need help collecting and analyzing data to answer questions such as whether there is a correlation between surgical infections and nursing staff levels in postoperative care.

Salem Health, a community-based not-for-profit system of two hospitals and several clinics in Salem, Oregon, addressed this need through the Clinical Business Intelligence (CBI) program. Like similar efforts at other Lean health systems, CBI is composed of a team of information experts who partner with executives, area managers, and Lean facilitators to tease relevant facts out of the mountains of data collected. They work with frontline teams for the good of the patient and can proudly point to evidence of lives saved.

For instance, CBI team leaders at Salem Health heard about ongoing problems with central-line infections in 2013, shortly after their program was launched. On average, one central-line infection occurred every month, and the trend was moving in the wrong direction. Leaders tagged the issue for an improvement project and asked CBI to join.

Together, team members broke down the central-line process into a few important components: deciding to place the line, ordering the line, and documenting reasons for placing the line. Early on, it became clear that documentation of the

procedure was inconsistent. The team created standardized reporting, trained front-line staff in keeping records, and routed all reports through the CBI team. Any time a central line was placed in a patient without a written order, an order was incomplete, or the line was ordered for an uncommon reason, the team knew about it, investigated the circumstances, and provided training in correct procedures.

“One failure we found was in the standardized nursing documentation on central lines,” explained Jason Stark, business intelligence manager at Salem Health (personal communication, October 2014). “There was no reporting of how the site was prepped or how often it was cleaned because it wasn’t part of the original documentation. Changing that procedure had a big impact.”

When the incidence of central-line infections fell dramatically, clinical staff decided they needed to be certain of the reason. For months, they tracked every slight spike in temperature in everyone who had a central line, and they ran tests to be certain there was no infection. Within 6 months of beginning the standard work pertaining to ordering, placing, prepping, and cleaning central lines, the rate of infection fell to 0. The improvement team, with CBI’s help, saved 12 people every year from a life-threatening infection.

In a truly Lean healthcare system, support services become vital to overall improvement and, therefore, to patient health. Without the assistance of support services, a Lean transformation can easily stumble and fail. With the assistance of support services, organizations achieve rapid adaptability more quickly than imagined.

For more information about the concepts in this column, contact Dr. Toussaint at jtoussaint@createvalue.org.