

Lean Management Supplements Value-based Care



Patient-centred care is at the heart of the value-based system. But relying on value-based care alone to improve quality and outcomes may not be enough, especially amidst uncertainty brought about by regulatory and political changes.

With the transition moving at an "uncertain tempo," this leaves healthcare organisations with a mix of value-based payment models and more traditional fee-for-service patients. To overcome this problem, Nemours Children's Health System opted to implement alternative payment schemes supplemented by lean strategies to reduce waste and improve efficiency.

"We believe that value-based care, implemented using lean principles and in conjunction with an ongoing, community-wide effort to address social determinants of health, can reduce health spending and deliver on the promise of better health, for children and for all," according to Nemours' CEO David J. Bailey, MD.

So in addition to piloting value-based programmes, Nemours has spent five years cultivating a "lean methodology" to reduce waste and engage staff members on improvement strategies. Deploying a lean outlook has led to better outcomes and cost reductions, regardless of the payment model, Dr. Bailey points out.

For example, based on the lean principles, Nemours has virtually eliminated preadmission testing. This has led to fewer procedure cancellations and higher patient satisfaction without significant delays to surgery start times. The savings from programmes like this, Dr. Bailey notes, can be used to further fund value-based care and population health efforts.

Lean management, a widely used strategy in business, can drive continuous improvement as the organisation is able to focus on achieving small, incremental changes that result in better operational efficiency and cost reduction.

Private hospitals have long embraced lean strategies, and safety-net hospitals have followed suit. California hospitals have reduced clutter in supply closets to cut down on the time surgical teams spend looking for needed supplies, and have taken aim at reducing surgical cancellations.

Waste in healthcare is very common, and can lead to a large amount of discarded supplies and unneeded tests — both of which cost hospitals money.

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