Volume 3 / Issue 1 2008 - Management

Managing Change in Healthcare

The Senior Leader's Nondeleable Role

Author

Chip Caldwell
*is president of Chip Caldwell & Associates,
and is the Northern Florida Regent of the
American College of Healthcare Executives.*

As a consultant and coach to senior leader teams, Black Belts, and physician leaders who are learning to use improvement approaches like lean and Six Sigma in healthcare, Chip Caldwell also takes on the role of translator. "Any quality system involves a lot of jargon, " he says, "so the first thing we do is read a three-page glossary of terms."

Caldwell, faculty member and instructor for the American Society for Quality (ASQ) and coauthor of Lean-Six Sigma for Healthcare, finds that translating a lean and Six Sigma vocabulary into a language healthcare workers understand helps establish a foundation for successful change. Once workers see that lean and Six Sigma concepts already exist in their own world, simply under different names, implementation becomes easier.

For instance, introducing lean effectively is often a matter of discussing throughput - a concept hospital workers know well, as accreditation standards require documentation of measures for addressing throughout and patient flow. With Six Sigma, speaking in conventional healthcare terms of "errors" or "bottlenecks" achieves better results than "defects per million opportunities."

Although overcoming communication boundaries is crucial when introducing any change, Caldwell points out that using terminology to establish common ground should not give the impression that a healthcare lean-Six Sigma initiative is like any other initiative in any other industry. Implementation leaders must understand what makes healthcare different.

How Is Healthcare Different?

According to Caldwell, the most important difference between healthcare and non-healthcare implementations is the role the senior leader plays. The active engagement of leadership usually enhances any Six Sigma implementation, but healthcare senior leaders must accept day-today ownership for two reasons in particular:

ÓThe role of physicians must be integrated for a healthcare application to be successful, and senior leaders are the integrators of physician processes.

ÓWhen deployed below the senior leader level, Six Sigma projects have a tendency to become tactical, proceeding project by project without working toward strategic objectives.

Ultimately, Caldwell maintains, to ensure that an implementation avoids a tactical focus and achieves true organisational change, leaders must treat deploying lean-Six Sigma as a "nondelegable" role.

The Three-Year Magic Moment Approach to Projects

Tactical approaches to selecting and scoping projects focus on solving specific problems. Teams identify a problem and then launch a project to uncover causes and implement solutions.

Caldwell, however, teaches an approach that places individual projects in a larger context of systemic change. Long term targets, which he calls "three-year Magic Moments," as opposed to problems, serve as the reasons for conducting projects.

He outlines three questions to consider in order to begin using the three-year Magic Moment approach:

Ó Three years from now, what results would you like to see? Identify a measurable goal, establishing a target metric 25% improvement in emergency department length-of-stay, for example.

Ó Which senior leader owns this Magic Moment goal? Find a senior leader who will manage the project work that will realise the goal.

Ó How many projects will it take to reach the goal? Consider not only the core process or department associated directly with the goal, but other related processes as well.

Ó Are hiring and staffing solutions needed? Will new or existing technologies need to be incorporated or implemented?

Example:

Approximately 20% of a hospital's discharged patients go home by 2:00 pm. Understanding that the time of day discharged patients leave has enormous impact on overall throughput, the hospital wishes to focus an improvement effort on "time of day."

The Tactical approach:

ÓThe hospital launches a project to identify and implement a process improvement.

ÓThe hospital reviews project results to determine whether improvement occurred or another project is needed.

The Magic Moment approach:

ÓThe hospital identifies a long-term target. The "Magic Moment" will be reached when 80% of patients leave at 2:00 pm.

ÓThe hospital assigns a senior leader to own the target.

ÓThe senior leader determines a number of projects throughout the organisation that will help reach the goal over the next one to three years.

The first project launched as part of the tactical approach may identify an improvement that brings results. The risk, however, is that the solution will not be systemic. "A tactical approach attacks subprocesses, not the system," says Caldwell. "This approach to finding solutions is like throwing wet noodles at a wall to see which ones stick."

Integrating Projects and Processes

An advantage of the Magic Moment approach is that it emphasizes the interrelationships of different functions within

an organisation. A Magic Moment itself focuses on a strategic area, but all of the organisation can be involved in projects selected to help achieve the Magic Moment. As Caldwell says, "Projects integrate everything an organisation does for a particular core process to get to the Magic Moment."

Where can hospitals find the best opportunities for Magic Moments that are certain to integrate processes?

ÓThe emergency department (ED), particularly addressing length of stay/ throughput, and the interfaces between the ED and the rest of the enterprise.

ÓThe surgery, addressing capacity optimisation, best measured by "cut to close" hours divided by staffed hours.

Ó Nursing floors/patient floors, improving patient care throughput, measured by the percentage of

patients discharged by a specified time.

Ó Clinical practice, measured by length of stay and percentage adherence to established evidence-based medicine.

Ó Staff productivity as it relates to quality, measured by the percentage of "In Quality" staffing levels.

For most hospitals, these strategic areas represent what Caldwell calls "the five lever points". They contain the "vital few" opportunities for improvement but also have hundreds of interfaces throughout hospitals. Every employee at every level can have a role in lean-Six Sigma improvements when change begins with these levers.

Deploy from the Top Down for Real Results

The integration of projects, processes, and employees under the Magic Moment approach makes senior leader involvement indispensable.

Senior leaders not only must own individual Magic Moments and identify projects to achieve

them, but they also must actively and continually steer the overall implementation, ensuring that the right Magic Moments are pursued at the right time.

At the beginning of a deployment, a hospital's senior leaders must:

ÓCome together formally as a senior leader team.

ÓDetermine Magic Moment goals for the organisation and synergize collective Magic Moments.

ÓPlan the training and deployment Black Belts.

Active engagement of senior leaders from the launch of a deployment ensures a strategic focus on the most influential process lever points and on one other factor that, Caldwell states, healthcare staff often neglect—dollar results.

"Senior leaders understand that if the hospital's core process levers are improved, the exhaust will be cost recovery," says Caldwell. Below the senior leader level, healthcare leaders tend to shy away from cost reduction. Physicians and nurses have been trained to think that cost is not part of quality, that improving quality requires adding resources.

The place of savings in improvement initiatives, then, is yet another way in which healthcare differs from other industries. Manufacturers openly discuss cost as a quality characteristic, but healthcare defines quality by the amount of resources applied. Concepts like savings, waste, and even errors and defects, says Caldwell, don't enter into the typical healthcare discussion of quality.

Changing the Terms of Healthcare Quality

Only senior leaders are in the position to change the definition of quality in their organisations. Leaders who do accept active responsibility for lean-Six Sigma will find the results worthwhile, in terms of both improved patient care and dollar savings.

Caldwell describes results he has witnessed

at three hospitals:

ÓMiami Baptist Hospital achieved a 20% improvement in patient care throughput using lean and Six Sigma approaches.

ÓMorton Plant Hospital in Clearwater, Florida, achieved a three-year Magic Moment of 26% improvement in ED length of stay, capturing over $5 million in cost of quality.

ÓWest Jefferson Medical Center in New Orleans recovered over $5 million in less than six months by focusing on "In Quality" staffing and reduction of hospital wide process waste.

Hospitals that are ready to consider quality in terms of efficiencies and dollar savings, as well as improvements in care, will find that the keys to achieving lean-Six Sigma results like these are systemic, organisation-wide improvements, accomplished through senior leadership involvement.

© American Society for Quality, 2007.

Lean-Six Sigma for Healthcare:

A Senior Leader Guide to Improving Cost and Throughput, by Chip Caldwell, Jim Brexler, and Tom Gillem, is available from ASQ Quality Press.

Chip Caldwell conducts the senior leader lean-Six Sigma course for the American College of Healthcare Executives

and the American Society for Quality. He was the healthcare representative on the U.S. Quality Council in 1999-2000 and was formerly Health Industry Executive of Juran Institute.

Caldwell previously served as president of the HCA Atlanta health system, an eight-hospital network with fifteen owned family practice centers and more than 250 contracted physicians. He also served as president CEO of HCA West Paces Medical Center in Atlanta from 1986 through 1993.

Published on : Thu, 3 Jan 2008