



## Enhancing Value in Care Delivery

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**W**hat does the term “clinical efficiency” mean? For hospitals it means delivering the highest quality care that results in optimal outcomes for the patient. It means eliminating mistakes, rework, unnecessary readmissions and other inefficiencies by using the right staff, the right processes and the right tools in every case. It means knowing how individual service lines affect overall operations, setting specific targets, collecting and analyzing data to measure progress in real time, forecasting future trends accurately, and being nimble enough to make adjustments in a timely fashion.

Hospitals are under growing pressure to enhance clinical efficiency, driven both by the increasing costs of doing business

and by the switch from volume-based to value-based reimbursement. “Of all the transformations reshaping American health care, none is more profound than the shift toward value,” according to the Healthcare Financial Management Association. “Economic pressures and the growing numbers of uninsured are cutting hospital margins. Meanwhile, quality and patient satisfaction are being factored into Medicare reimbursement, while private payers are pushing for performance and risk-based payment structures, capitated contracts and pay-for-performance incentives.”

Health reform requires “physicians and health care systems to truly align on cost-reduction efforts across all DRGs,” VHA Inc. points out. “That’s a mammoth task for systems to undertake

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when they're trying to manage the day-to-day business of providing the best possible care for their patients."

In 2008, the Leapfrog Group began to identify hospitals that have made "big leaps in health care safety, quality and customer value." Of the nearly 1,300 hospitals that submitted data that year, 13 achieved top scores in quality of care while keeping resource use low. The Commonwealth Fund contracted with Health Management Associates Inc. to conduct case studies of four of those "highest-value hospitals" so that other hospitals and health systems can learn from their experiences.

This Fiscal Fitness foldout section is based largely on those studies of Fairview Southdale Hospital in Edina, Minn.; North Mississippi Medical Center in Tupelo; Park Nicollet Methodist Hospital in St. Louis Park, Minn.; and Providence St. Vincent Medical Center in Portland, Ore. The research was conducted by Sharon Silow-Carroll of HMA, and Aimee Lashbrook and Jennifer Edwards of the Commonwealth Fund. For the complete case studies, visit <http://bit.ly/rpfiWy>.

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## 5 Things to consider to enhance clinical efficiency

### SERVICE-LINE MANAGEMENT

A clear understanding of how individual service lines connect with the organization as a whole is essential. Coordination is key when a service line is delivered at multiple sites in a health care network. In some cases, hospitals will want to hire a full-time, service-line executive. Utilization review, population health, goal setting, monitoring success and adjusting for changes in such things as reimbursement, consumer demand and staffing require robust data collection and analysis.

### STRATEGIC STAFF DEPLOYMENT

Making sure the right number and type of staff are on hand at any given time requires hospitals to understand patient-flow patterns. Documenting day-to-day and hour-to-hour trends over time provides a basis for planning. Computerized systems enable staff to schedule additional shifts from home. Some hospitals have encouraged different units to "lend" staff to each other when there are unexpected surges in demand. Elective procedures can be scheduled to make the most efficient use of staff.

### HOSPITALISTS AND INTENSIVISTS

Hospitalists are always on-site; they can monitor patients face to face more frequently than other physicians. They can determine if a patient is ready for discharge more readily than off-site physicians, thus improving throughput and bed use. They can spend more time educating patients, especially at discharge, to avoid unnecessary readmissions. Intensivists can play similar roles in the surgical arena.

### PROCESS IMPROVEMENT

Increasingly, hospitals are adopting such management methodologies as Lean and Six Sigma to identify inefficiencies in work processes. These involve specific steps focused on particular goals to achieve incremental success rapidly on a continuous basis.

### PHYSICIAN PARTNERS

Shared savings programs encourage physicians to participate in efforts to improve efficiency and cut costs.

Source: *H&HN* research, 2012

### CASE STUDY..... Park Nicollet Methodist Hospital ST. LOUIS PARK, MINN.



Shorter lengths of stay and high quality scores helped the 426-bed hospital earn the designation of Highest Value Hospital. Administrators and clinical leaders told Edwards and Silow-Carroll that several strategies are key to its success:

- The hospital's integration with the health system's outpatient clinics and post-hospitalization treatment programs helps to prevent hospitalizations, keep hospitalizations shorter, and lessen the risk of rehospitalization. For example, a shared electronic medical record system makes patient information available throughout the delivery system.
- The wide distribution of performance data at all levels of the organization enables staff to benchmark their clinical and financial performances and motivates them to improve.
- Methodist works to delegate staff to meet demand, optimize patient flow and ensure effectiveness, thus improving quality and lowering costs.
- Looking ahead to a health care system in which performance is measured and rewarded, Methodist has taken steps to ensure that it meets all national quality and safety standards, while controlling costs. ●

### CASE STUDY..... Providence St. Vincent Medical Center PORTLAND, ORE.



Three major initiatives helped this 523-bed community hospital enhance the value of its services. The Safe Patient Access Capacity Enhancement (SPACE) project focused on shortening the length of time from admission to discharge by increasing staff productivity, streamlining and standardizing processes, and redesigning roles. Simplifying surgical orders reduced variation in supplies, order sets and care processes. Staff councils developed low-cost patient safety improvements that reduced falls and injuries. Researchers Edwards and Lashbrook identified several lessons:

- Improving efficiency did not start with financial analysis; it started with an understanding of ways the hospital was not achieving its goals of patient access, satisfaction, quality and safety. Ensuring access, reducing variation and safeguarding patients are all consistent with improving efficiency.
- Supporting a major initiative that rallies staff around improving patient care can create a strong culture of teamwork that spans all units.
- Integrating decision-making through formal structures — some financial, some clinical — helps align resources and rationalize decisions. ●



### The '5s' path to more efficient, higher-quality care

Barnes-Jewish Hospital in St. Louis applied Lean and Six Sigma to improve the patient experience and prevent bottlenecks in its women and infants department, according to a Hospitals in Pursuit of Excellence case study. The results: a big drop in reviewable events and a cut in length of stay in the pregnancy assessment center for high-acuity patients from 154 minutes to 21 minutes in two years. The number of PAC patients sent to the waiting room fell from 18 to 4 percent, and 87 percent of patients are now discharged by 1 p.m. One strategy that led to these successes is the so-called "5s." It includes:

- 1. SORT:** Eliminate all unnecessary tools, parts and instructions. Keep only what is essential and order those by priority.
- 2. STRAIGHTEN:** Keep everything in its place, clearly labeled and arranged in a way that promotes efficient work and keeps them accessible.
- 3. SHINE:** Keep the workplace and everything in it clean and organized. After each shift, put everything back where it belongs and tidy any messes.
- 4. STANDARDIZE:** Work practices and workstations should be organized the same way. Any employee doing the same job should be able to work in the same station with the same tools accessible in the same place.
- 5. SUSTAIN:** Do not allow backtracking to the old way of doing things. However, be continually alert to improvements.

Source: HPOE, 2012, <http://www.hpoe.org/case-studies/4826300997>



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