



HEALTHCARE

Patient Inspired Excellence π^{TM}

The Pursuit and Passion of
Healthcare Process Eminence

(Version 2.0)

The Hippocratic Oath

I SWEAR by Apollo Physician and Asclepius and Hygieia and Panacea and all the gods and goddesses, making them my witnesses, that I will fulfill according to my ability and judgment this oath and this covenant:

To hold him who has taught me this art as equal to my parents and to live my life in partnership with him, and if he is in need of money to give him a share of mine, and to regard his offspring as equal to my brothers in male lineage and to teach them this art - if they desire to learn it - without fee and covenant; to give a share of precepts and oral instruction and all the other learning to my sons and to the sons of him who has instructed me and to pupils who have signed the covenant and have taken an oath according to the medical law, but no one else.

I will apply dietetic measures for the benefit of the sick according to my ability and judgment; I will keep them from harm and injustice.

I will neither give a deadly drug to anybody who asked for it, nor will I make a suggestion to this effect. Similarly I will not give to a woman an abortive remedy. In purity and holiness I will guard my life and my art.

I will not use the knife, not even on sufferers from stone, but will withdraw in favor of such men as are engaged in this work.

Whatever houses I may visit, I will come for the benefit of the sick, remaining free of all intentional injustice, of all mischief and in particular of sexual relations with both female and male persons, be they free or slaves.

What I may see or hear in the course of the treatment or even outside of the treatment in regard to the life of men, which on no account one must spread abroad, I will keep to myself, holding such things shameful to be spoken about.

If I fulfill this oath and do not violate it, may it be granted to me to enjoy life and art, being honored with fame among all men for all time to come; if I transgress it and swear falsely, may the opposite of all this be my lot.

Circa - 4th Century B

PATIENT INSPIRED EXCELLENCE π ™

THE PURSUIT AND PASSION OF PROCESS EMINENCE



Today's senior executives are leading in a time of profound change in healthcare and abundant opportunity. They are making decisions in a transparent environment where Americans are empowered to find better value and better care filled with emerging paradoxes.

Adding to this mix; financial, regulatory, and competitive pressures continue to add challenges impeding the ability to deliver high performance healthcare in a cost efficient manner.

The fundamental tenet of the Healthcare business is to improve the quality of life for all of mankind with JCAHO outlining significant opportunities for improvement, stating,

"...30 to 40 cents of each health care dollar is wasted, that is, spent on non-value-added activities; it is a fact the proportion of the U.S. Gross Domestic Product (GDP) devoted to health care spending is 50% greater than in any other country and growing, without any evidence health care in this country is better"

In short, leading healthcare organizations are increasingly leveraging these new business conditions to reinvent their cost structures, evolve operations, set new performance standards, and create unmatched patient experiences. Changing the game on competitors is the outcome of a uniquely positioned **Patient Inspired Excellence™** strategy.

The VIP Group understands these challenges and has dedicated our **Lean Six Sigma** practice to address these opportunities and assist Healthcare organizations toward reaching their financial, operating, and performance improvement goals.

Our critical focus revolves around three key business issues summarized from an annual survey of over 7,000 executives leading healthcare organizations:

- *Offsetting financial challenges; unlocking the hidden capital residing in the inefficiencies of daily operations, increasing costs, Medicaid, and the uninsured.*
- *Improving organizational relations; fostering "win-win" collaboration between administration, physicians, care providers, and the support staff.*
- *Enhancing and assuring patient safety; in the diagnosis, treatment, and outcome of healthcare services.*

The VIP Groups **Patient Inspired Excellence™** approach is not a magic panacea or cost-cutting initiative, but rather a proven and sustainable operating strategy elevating healthcare organizations to higher levels of performance. Being process focused, results oriented, and metric driven; this approach engages the overall efficiency and effectiveness of Administrative functions and the delivery of Laboratory and Clinical services.

Adding value with financial returns is a natural benefit of **Patient Inspired Excellence™** and results tend to surface in four predictable waves of performance improvement:

1. **Perfecting Service Quality and Safety**
with fewer mistakes, redundancy, accidents, and errors.
2. **Improved Administrative, Laboratory, and Clinical Delivery** producing better work and completing work sooner.
3. **Increased Patient Flow and Throughput** utilizing the same resources enabling them to achieve much more.
4. **Accelerating Collaborative Momentum** creating stable working environments which lay the foundation for "win-win" elevated levels of performance.

PATIENT INSPIRED EXCELLENCE π ™

The VIP Group utilizes Lean Thinking as an overarching framework bundled with Six Sigma, Theory of Constraints, and Queuing Theory to deliver accelerated results in **Patient Inspired Excellence™**. The main impetus of our approach is perceived value as defined solely from the Patient's experience in receiving healthcare services.

Patient Inspired Excellence™ brings together several strands of process improvement. It starts by defining the purpose of the process (value for the patient), then redesigns the process to deliver this value with minimum variation, wasted time, effort and cost. It then organizes the organization to manage each value delivery process. Anything that helps treat the patient is considered value-adding. Everything else is waste. Lean Thinking supports our inspired approach by eliminating waste, improving workflow, and ultimately reinvesting released resources in value creation.

Pull

To create sustainable value, services provided must be in line with demand. No less and no more. Delivering care in line with demand means not producing it to meet some other, artificially imposed metric such as a productivity, asset utilization, or unit cost target. Performance is a by-product of how the system works and not an end in itself. If we eliminate waste, budgets and targets will be met along the way.

Delivering services in line with demand also means all work, materials, and information should be pulled towards the task as and when needed. Not before and not after. Any time spent waiting or staging is another form of waste where resources are being used but nothing being accomplished.

Flow

Pull leads to flow where each patient is cared for, one unit at a time, and passed on for the next step of the service process without any delay. A preoccupation of Lean is to identify blockages and obstacles that cause delay, and to remove them.

Value Streams

For flow to happen we need to design and manage each value stream – each sequence of steps that adds value for the patient from the start of the journey to the finish – as a single integrated whole. Each step in the process needs to be designed with an eye to the effects it has on the steps that precede it and follow it – so that they all link together seamlessly.

Moving to flow and enabling pull is often counter-intuitive to traditionally trained managers, who tend to think in terms of push – for example when a patient is ready for admission from an accident or emergency, they are found a bed. Many hospitals organize bed allocations in this way, with beds allocated to patients according to an assessment of clinical priority – urgent cases are put in any bed.

To manage these bed allocations, many hospitals developed a complex central bed management role. Bed managers are responsible for pushing patients into available areas, even if the area did not specialize in that illness or injury. This not only generates inefficiencies and safety concerns but also creates conflict and irritation. For example, clinical teams spend increasing amounts of time and effort traveling to and from as many as ten different areas – just to see their patients.

Perfection

By creating clear, visual, standardized processes we can create a foundation for continuous improvement, where each new improvement in the process becomes a platform for the next one.

THE LEAN RATIONALE

Why does applied Lean Thinking produces results? The answer is simple: Lean tackles the heart of the matter; how the organization's work gets done. The Lean insight shines when it comes to work where there are countless ways for organizations to consume time, energy and resources doing things that don't add value for the patient. It is very easy for layer upon layer of these waste-causing activities to accumulate, until a very high proportion of everything the organization does is non-value adding rather than creating value. The following eight areas further explore and support the Lean Rationale.

Things are hard to see

When errors are investigated – for example drug errors resulting from similar products with similar labels being stored next to each other – it is generally discovered that similar mistakes have been made many times before, and that many, many times before staff have come close to making such a mistake – and avoided it only by a last-minute check. It has taken a national intervention to take the apparently simple step of ensuring that drugs are packaged, labeled and stored in such a way that mistakes became almost impossible to make in the first place.

Responsibilities are not clear

Too many older patients with fractured hips end up suffering from dehydration. Why? Because, very often, they also have a heart, lung or other medical condition which is only discovered when they are being prepared for surgery, causing the operation to be delayed. Whereas the patient has been fasting in preparation for the operation, they are more prone to dehydration. The problem is exacerbated because patients are scattered around the hospital with orthopedic specialists focusing on one problem, medical staff focusing on the other problems, and not enough communication between them.

Unnecessary work is created

For example, a new machine is stored in an open space not necessarily where it belongs and every time staff needs to utilize it, they have to make an extra journey to retrieve the device. Because there is no clear system for bed allocations, staff have to keep on phoning, again and again, to see if they have a slot for a patient. Because there isn't a standard approach to treating a particular ailment or condition, doctors order tests which sometimes, aren't necessary. Because nurses don't have the right materials or information available at the right place at the right time, they spend a large portion of their day tracking things down rather than actually doing nursing.

Once work is looked at through Lean eyes, it becomes clear that people often do more unnecessary work than necessary work. They have to work very hard just to get into a position where they can do their jobs.

Critical Processes are not aligned

A test is not ready when the physician does his rounds, so a decision is delayed and a patient remains in a bed that could be used for someone else. A patient is being readied for discharge, but social services have not liaised with voluntary services, or an ambulance hasn't been ordered, so the discharge is delayed or rescheduled. 'Disconnects' like these are common in hospitals which, like many organizations, are organized around departmental or functional silos.

Disconnects are also compounded by cultures of expertise where specialists create islands of excellence at what they actually do, but everything else is invisible to them.

In fact, in many hospitals, nobody ever sees the end-to-end patient journey from admission through to discharge (except for patients themselves); it is no-

one's job to manage this journey as a whole. So disconnects are almost built in to how the system operates.

The fundamental law of performance improvement states, "a system or process behaves exactly how it is designed".

Inappropriate measures and targets

Many accounting measures such as unit cost and asset utilization focus on just one isolated part of a complex process. Subsequent attempts to improve efficiency and productivity simply pass costs on to another department rather than improving the efficiency of the process as a whole. For example, purchasing buys bulk supplies to qualify for a volume discount, which reduces unit costs. But because the supplies are not needed immediately, cash is tied up in inventory and extra time and money has to be spent storing the excess stock.

Problems are not resolved

When things go wrong, it creates extra pressure to 'get the job done', whereas, invariably, getting to the root of the problem takes extra time and effort and usually requires the co-operation of another other party. The nurse cannot tell drug companies or the pharmacy to label products better. So the cause of the problem never gets addressed.

Things get compounded

A basic lack of visibility, confused responsibilities, unnecessary work, disconnects extra work-arounds; all add up and tangle with one another. And the more complex things become, the greater the chance of errors that undermines patient quality and threatens safety.

For example, if there is a 5 per cent chance of making a mistake for each step in a series of tasks, and if there are 50 steps, the chance of getting them all right is less than 10 per cent.

Chance of Making a Mistake	5%	1%	0.1%
Number of Process Steps	Probability of Success		
1	0.95	0.99	0.999
25	0.28	0.78	0.98
50	0.08	0.61	0.95

Where clinical processes involve hundreds of steps, what chance is there for an error-free outcome?

Frustration dissipates energy

Because the quality of the organization's core processes is poor, mistakes are made and the organization gets pulled into endless fire-fighting and a blaming culture surfaces. More and more of the organization's resources are dissipated working around, rather than resolving, its underlying problems. Staff wants to do a good job, but the system doesn't let them.

WHERE TO BEGIN

The opportunities are vast and require a systematic approach to conceive and harvest the benefits of deploying **Patient Inspired Excellence™** programs.

- Where there are complex patient delivery systems, focus on an inventory of key patient processes, improving them end-to-end.
- Where things are hard to see, make them as visible as possible so everyone can see when and if there is a problem.
- Where responsibilities are not clear, create detailed, standardized processes to avoid error, ambiguity and confusion.
- Where there is unnecessary work or waste, whether it is in the form of excess inventory, excess processing, excess movement of people or things, waiting and queuing, redesign the work.
- Where problems are not resolved, pursue their root cause, and don't treat the symptom.

CULTURES OF DISTINCTION

One of the most critical provisions for success in any change effort is the impact on organizational culture.

Two of the greatest benefits of the Lean philosophy are its natural ability to drive continuous improvement and affect cultural change. The concept of organizational culture may be best described as the collective personality of an organization.

Elevating a culture to distinction requires a "destiny-driven" mindset with only two critical organizational values: (1) respect for people, and (2) continuous improvement in the activities of work.

Patient Inspired Excellence™ uniquely challenges organizations with a guided discovery process to transform itself as a result of Lean thinking – a relentless and tireless pursuit of perfection and humility.

From our experience, three basic questions must be addressed before any improvement effort proceeds:

- How does culture affect satisfaction and outcomes for people that are served by the organization?
- How does culture affect people who work within the organization?
- What are the primary elements and processes necessary to transform and sustain a healthy organization?

For organizations to change there must be a compelling awareness of the need to change. The purpose of our approach is to create a "culture of distinction" and is centered upon three initiatives underpinning the improvement effort.

1. **Establish the compelling need for cultural change** by fostering a distinctly different set of results - to engage and satisfy patients, eliminate error, improve clinical outcomes, and improve workforce loyalty and vitality.
2. **Identify and leverage successful cultural transformations** stimulating innovative approaches and to improve the overall performance of the healthcare system within your hospital.
3. **Reframe change as an opportunity** for growth, enlightenment, and enrichment.

When asked to describe the organizational culture existing in many of our clients, the responses were surprisingly consistent and can be grouped into seven broad areas that significantly affected performance and workforce vitality. These cultural footprints are classified as follows:

- (1) Clarity of Purpose, (2) Structural Layers, (3) Entitlement Mentality, (4) Burning Platform, (5) Head in Sand, (6) Disenfranchised, and the (7) Displaced Community.

The journey of a Lean cultural transformation is not linear. It is fluid, unpredictable, filled with obstacles and surprises. It requires commitment, time and flexibility. As with any real transformative process, no two journeys are identical. And while there are lessons to be shared and learned from those who have gone before, each organization must seek and discover its own path to meaning.

The VIP Group prides ourselves as preeminent "cultural change agents" enabling a better way of thinking and serving our clients' patients which are ultimately the focus of our efforts.

ABOUT THE VIP GROUP

Value Innovation Partners is a seasoned team and network of proven senior executives, entrepreneurs, investors, subject matter experts, and educational providers with proven experience in addressing the challenges facing high growth, learning, and troubled organizations. Through our practice areas we help organizations strengthen initiatives in Corporate Strategy, Procurement, Lean Six Sigma, Organizational Change and Human Resources, Product & Service Development, Sales & Marketing, and Operations Improvement.

VIP Group has successfully implemented operational strategies across the Fortune 500, Mid-Market, Healthcare, and smaller organizations desiring to leverage Lean Thinking and Performance Improvement into their organization.

Clients often average 15-25% hard savings across Administrative, Laboratory, and Service Operations and up to 50% efficiency improvements in:

Perfecting Service Quality and Safety

- Higher patient satisfaction and fewer complaints
- Fewer defects, redundancies, medical and prescription errors
- Safer, more efficient ER and OR Performance
- Ease of maintenance and good housekeeping
- Improved performance measurements

Improved Administrative, Laboratory, and Clinical Delivery

- Eliminated waste and non-value added activities
- Enhanced case planning and scheduling
- Reduced inventories, lead times while increasing turns
- Effective utilization of people, equipment, space and energy
- Improved Billing and Record Management

Increased Patient Flow and Throughput

- Eliminated bottlenecks & dramatically improved throughput
- Reduced wait times and service variation
- Improved process flexibility, flow and control

Accelerating Collaborative Momentum

- Increased communication, job satisfaction, safety, and management effectiveness
- Improved working conditions for all service providers
- Greater ability to address system-wide issues
- Fewer physician and staff complaints
- Better recruiting and retention power

CONTACT INFORMATION

For more information about the VIP Group, its business and team members, or to discuss a mutually rewarding and structured business arrangement, please contact us directly.

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