A Proven Approach for Improving Clinical Outcomes and Achieving a Culture of Safety

ThedaCare Center for Healthcare Value

- Founded in 2008 as a 501(c)3 not-for-profit education center
- Independent board includes Paul O’Neill; John Shook, CEO LEI; George Koenigsaecker, former President Jake Brake (Danaher); Maureen Bisognano, CEO IHI; Arnold Milstein, Stanford Professor; Steve Shortell, Dean, U.C. Berkeley
- Goals: Redesign care to improve value, develop payment systems that reward value, publicly report health outcomes
Agenda

- Results
- Principles of Operational Excellence
- Key Elements of a Roadmap
- Reflections

Score Distribution of 2013 MSSP ACO Quality Performance*
Score Distribution of 2013 Pioneer ACO Quality Performance*
*(Year 2 Scoring Methodology)
Transformation Questions

- What is our purpose or what problem are we trying to solve, what value to create?
- How do we improve the actual work?
- How do we develop the people?
- What role must leadership take and how does the management system support the new way of working?
- What basic thinking or assumptions underlie this transformation?
Standard Work for Senior Leaders

- True North
- A3 thinking
- Strategy Deployment
- Visual Management
- Gemba to see waste and remove barriers
- Management System

The Best Place to Give Care
The Best Place to Get Care
Principles of Operational Excellence

The Model Cell Approach

- An inch wide, mile deep experiment
- Focused on an important business problem
- Creates a new system with standard work
- Ties to key organizational performance
- Involves and is supported by senior leadership
- Once complete requires spread
Key Systems to Deliver a Culture of Improvement at ThedaCare

- Human Development Value Stream: Respect for People
- ThedaCare Improvement System: Lean Thinking & Tools
- Leader standard work & discipline
- Performance
- Time
- Culture of continuous Improvement
The Management Problem

Ideal State Information Flow

Status of the Business:
- Information
- Continuous Improvement
- Metrics
- Escalation

Level 1
Level 2
Level 3
Level 4
Level 5
Level 6
Level 7

Strategy
Goals
- Purpose
- Executive Functions
- Weekly/Monthly Assessment
- 10-25% Standard Work

VP
Sr VP
CEO
Level 1
Level 2
Level 3
Level 4
Level 5
Level 6
Level 7

Level 1
Level 2
Level 3
Level 4
Level 5
Level 6
Level 7

7/31/2015
Management by Process

- Andons
- A3 thinking
- Daily patient and business status sheet
- Daily performance-and-defect review huddle
- Unit-based leadership teams focused on achieving results
- Standard work for leaders and supervisors
- Standard work audits
- Visual progress tracking

New Habits for Leaders

“White Coat Leadership”
- All knowing
- “In charge”
- Autocratic
- “Buck stops here”
- Impatient
- Blaming
- Controlling

Improvement Leadership
- Patient
- Knowledgeable
- Facilitator
- Teacher
- Student
- Helper
- Communicator
- Guide
Shame and Blame vs. Process and People

<table>
<thead>
<tr>
<th>“Name, Blame &amp; Shame”</th>
<th>“Systems Thinking”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who</td>
<td>Why</td>
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Purpose of the Improvement Central Office

- Build capability for lean thinking
- Support kaizen and other events
- Train the future leaders in the organization
- Build one quality improvement system
ThedaCare’s Central Office: Facilitator Competencies

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Phase 1 (First 8 weeks)</th>
<th>Phase 2 (Months 9–12)</th>
<th>Phase 3 (Months 13–24)</th>
<th>Phase 4 (Months 25–36)</th>
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<tbody>
<tr>
<td>Goal/Phase</td>
<td>Demonstrate competencies leading to facilitation core competencies.</td>
<td>Enhanced level of proficiency in tools, helping and complex tools/ SW and other competencies.</td>
<td>Enhanced effectiveness by focusing on key processes, developing, and integrating CSS into other programs.</td>
<td>A high level of proficiency in all tools; building competencies in leadership and skills for new facilitators.</td>
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<tr>
<td>Capability</td>
<td>Able to facilitate events/ projects with supervision and assistance.</td>
<td>Able to facilitate events/ projects with minimal supervision.</td>
<td>Able to facilitate value chain 1Ps and 2Ps.</td>
<td>Able to facilitate 3Ps and foster new facilitators.</td>
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* Indicates that these have been developed and are part of the Facilitator Skills: Tools and Process Competency Development Plan

Organizational System Functions must change to support the lean transformation

- This includes finance, human resources, information technology, training and development, and organizational development
Human Development Value Stream

- No lay-off philosophy
- Hiring process to get the right people
- Re-deployment pool for up to six months
- Performance review established as a real time feedback process
- Succession planning at every level
- Development: Who will succeed you

Succession Plan Worksheet 5 – Individual Development Plan

<table>
<thead>
<tr>
<th>Needs</th>
<th>Strategies</th>
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<td>What knowledge is needed?</td>
<td></td>
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<tr>
<td>(increase business acumen and experience through these experiences)</td>
<td></td>
</tr>
<tr>
<td>What skills are needed?</td>
<td></td>
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<td>What relationships are needed?</td>
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<td>Other developmental needs:</td>
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Conclusion:
Definition of Clinical Business Intelligence

The process of integrating analytics and operations data in meaningful, digestible reports that support daily decision making and complement performance excellence strategies, such as Lean, in accelerating efforts to lower costs and improve quality.

“Clinical Business Intelligence: The Missing Strategy for Improving Quality of Care and Lowering Costs” Accepted for publication Journal of Healthcare Management November 2014
Seven Key Problems with Traditional Budgeting

1. Budgets take too long to prepare (often making them out of date when published)
2. Budgets cost too much
3. Budgeting is based on assumptions that are nearly always wrong
4. Budgeting causes gaming that erodes the ethical foundation of the company
5. Budgeting triggers unnecessary spending
6. Budgeting gives the illusion of control by robbing potential
7. Impedes lean implementation

ThedaCare’s Budget Elimination Results

- We eliminated a sacred cow!
- We redeployed 20,000 hours of time to value added projects and discussions
- Current accuracy rate: +/- less than 2%
- We are proactively engaged in the business
- We understand and act on our key drivers
- We are still learning and are working together to improve the process each quarter!
The Three Biggest Barriers

- Leadership unwillingness to change
- Flawed payment system
- Education system which delivers heroes not improvement thinking

What behaviors and systems are prevalent in your organization?
John Toussaint, MD

John is one of the foremost figures in the adoption of lean principles in healthcare. Under his leadership, the Center has launched several peer-to-peer learning networks, developed in-depth workshops and advanced the idea of healthcare value through delivery reform, transparency and payment reform.

He was the founding chair of the Wisconsin Collaborative for Healthcare Quality and of the Wisconsin Health Information Organization, as well as the non-executive leader of the Partnership for Healthcare Payment Reform in Wisconsin. He has participated in many Institute of Medicine subcommittees, including most recently the Value Incentives Learning Collaborative and was co-author of "The CEO Checklist for High Value Healthcare."

Dr. Toussaint has been recognized for his work in transforming healthcare by organizations such as The Association of Manufacturing Excellence (AME), which inducted him into its 2012 Hall of Fame, and the Jon M. Huntsman School of Business at Utah State University, which hosts the Shingo Prize for Operational Excellence. Dr. Toussaint was named a lifetime member of the Shingo Academy in 2011. Wisconsin Governor Jim Doyle also honored Dr. Toussaint with a Certificate of Commendation for Innovation from the State of Wisconsin in 2005.

His groundbreaking first book, On the Mend: Revolutionizing Healthcare to Save Lives and Transform the Industry, was awarded the 2012 Shingo Research and Publication Award.

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Suggested Readings


