

LEADERSHIP

BREAKTHROUGH BUSINESS MANAGEMENT IN HEALTH CARE™

TRANSFORMING CARE DELIVERY

Case studies of Trinity Health,
HealthPartners, Virginia Mason, and
other innovative providers:

- Creating the burning platform for change
- Designing economic incentives
- Coordinating evidence-based care
- Tracking performance in real time
- Integrating supply chain functions



CREATING THE BURNING PLATFORM FOR CHANGE

Forward-thinking healthcare leaders are not waiting for legislation to dictate how to transform health care. They have a vision of the future—and they are already headed toward it.

There are many ways for healthcare organizations to move toward higher quality and greater coordination and efficiency in patient care. But all paths start from the same point: a leadership team that effectively identifies and communicates the need to radically restructure the way in which healthcare services are delivered.

That transformation requires leaders to bring all constituencies—the governing board, physicians, clinical managers, employees, vendors, patients, and the community at large—on board with a new vision for the organization.

FINDING THE RIGHT PLATFORM

Setting an example in proactive leadership, executives at Michigan-based Trinity Health launched a major technology investment and change initiative nine years ago. When they foresaw the current financial crisis—in trends such as sharply reduced patient volumes and rising bad debt—they moved quickly to build on their earlier preparations. By the time the stock market collapsed in September 2008, Trinity Health president and CEO Joseph R. Swedish was ready to launch a series of initiatives to fundamentally reinvent the system's business, which includes 45 hospitals and 379 ambulatory facilities in seven states.

“To take the organization to the next level, it was necessary to more aggressively unify and standardize our processes of care delivery, service, and support so as to reduce variation and accelerate gains,” says Swedish.

The program, called “Sustaining the Ministry,” started with immediate steps, including capital spending reductions, to offset a multimillion dollar budget gap resulting from the unprecedented challenges of the recession. Beyond that, however, the program is guiding Trinity Health as it redefines the model of care. “This is really our effort to accelerate change in the organization,” says Kedrick D. Adkins, president of integrated services at the not-for-profit Catholic health system.

By “change,” Adkins means a radical departure. Trinity Health aims to transform itself from a traditional, hospital-centric organization that focuses primarily on acute care to a care delivery organization that delivers the full spectrum of care—ambulatory care, critical care, chronic disease care, long-term care, home care, retail-oriented care—in a coordinated, efficient manner.

The vision reflects a healthcare ideal in which providers work together across care sites to deliver the highest-quality care in the most appropriate setting and in the most efficient manner.

The vision also makes good business sense as hospital-centric organizations watch inpatient volumes decline and outpatient numbers rise. Revenue from ambulatory care and physician practices now represent almost 50 percent of Trinity Health's business.

Fortuitously, Trinity Health's \$400 million investment nine years ago has proved crucial toward achieving the system's new vision. The majority of the dollars went toward building an electronic health record (EHR), complete with computerized physician order entry, which is now up and running at 22 system hospitals.

Physicians can now access medical records and place orders from the hospital, their homes, their offices, or anywhere. Nurses are spending 8 percent more time with patients, as opposed to documenting in paper records. Most important, patient safety has improved: Computer-generated alerts flag about 14,000 potential adverse drug events each year.

The EHR rollout coincided with a clinical improvement effort aimed at adopting evidence-based care protocols. Long before the federal government passed legislation on comparative effectiveness research, Trinity Health physicians were weighing the benefits and costs

of various treatment approaches. Today, the health system has 172 standard order sets in place and more than 2,500 standard drugs in the formulary.

Patients receive the greatest benefit from standardized, evidenced-based care: Trinity Health saw a 21 percent reduction in severity-adjusted mortality (or 2,612 fewer deaths) in 2007. Also, the health system performs better than the national average on 97 percent of core clinical indicators.

"As the government and private payers move toward payment that rewards outcomes

and care coordination rather than volume, Trinity Health can leverage a full array of EHR and clinical support tools to align with physicians and create better,

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MANAGING CHANGE

There is no one-size-fits-all formula for managing change. Below are some key points.

Determine the context for change. This step requires information gathering and analysis. What is the imperative for change? Who are all the groups that need to be involved? What are the potential impediments to change?

Build support for change. Early in the change process, core believers need to involve a larger group of "initial participators" who will participate in the initiative out of loyalty to the organization.

Develop a motivating vision. Such a vision enables people to imagine new possibilities for the organization and for themselves as members of the organization.

Articulate clear, specific, and realistic goals and strategies. Specific goals and strategies guide people as they undertake the steps necessary to make the vision a reality.

Communicate. Use all available methods of communication to get across the need for change, the vision, and the change process.

Identify barriers to change and develop strategies to overcome them. Problems that are ignored and allowed to fester can breed resentment, distrust, and uncertainty.

Look for the early win. By making the most out of small, early successes, managers can establish the credibility of the change initiative.

Recognize participants for their efforts. Possible rewards include promotions, bonuses, praise, and notes of recognition.

Source: Adapted from *Organizational Change: Primer*, Department of Veterans Affairs, Health Services Research and Development, 2000. For the full report, visit www.hsrd.research.va.gov/publications/primer/.

more efficient systems of care,” says Terry O’Rourke, MD, chief clinical officer.

Despite how far Trinity Health has come, it still has a lot of work to do before it can call itself a “care delivery organization.” Most of the progress to date has been done on the inpatient side. Now the health system is extending its EHR and clinical improvement efforts to ambulatory clinics and outpatient services. The work includes implementing standard EHRs and related technologies for more than 1,000 employed physicians.

“EHR capabilities already support care delivery in our hospital-based outpatient service settings, and we are in the process of finalizing a strategy and approach for ambulatory clinics,” said CIO Paul Browne. “These will be areas of intense focus for the next several years.”

Trinity Health is also reaching out to physicians to gain their support and cooperation in improving quality and efficiency across care sites. The health system is studying various alignment models, including physician employment and clinical service line comanagement agreements.

COMMUNICATING THE VISION

Seattle-based Virginia Mason Medical Center’s view of the future can be summed up in the organization’s motivational vision: “To be the Quality Leader and transform health care.” Virginia Mason leaders seek to have zero defects in the quality and safety of care delivered to patients, and they intend to lead all health-care providers to share their vision.

To move toward this goal, Virginia Mason—a 336-bed hospital and a network of clinics across western Washington—uses the Virginia Mason Production System, which is adapted from the famed Toyota Production System. Virginia Mason seeks continuous improvement to eliminate defects and waste. The idea is that, by creating processes that eradicate rework and inefficiency, the health system frees up staff time and financial resources to focus on patients.

To date, the positive effects on quality and costs are inspirational. Here are a few examples: Patient falls have decreased from 3.42 per 1,000 patient days to 2.92 falls

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