California Flex Lean Project

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California State Office of Rural Health
Discussion Topics

- Flex Program administration and Critical Access Hospital (CAH) operational improvements/Lean projects
- Keeping pace with change
- Steps to building a relevant Lean program for Rural Health Clinics (RHCs)
- How to effectively recruit RHCs to the project
CA Flex Program Structure

Department of Health Care Services/Primary, Rural and Indian Health Division

California State Office of Rural Health/Flex Program

California Hospital Association

- Rural Health Solutions
- University of Southern California
- California Critical Access Hospital Network
- Financial Consultants
Why Choose Lean?

Flex Program Operational Improvement Objective
Improve the financial viability of CAHs by assessing their needs and supporting projects that improve efficiency, operations and financial stability

A Definition of Lean in the Health Care Setting
An organization’s cultural commitment to applying scientific methods to designing, performing and continuously improving the work delivered by teams of people, leading to measurably better value for patients and other stakeholders
California’s Experience

Background
➢ For the past 8 years, the CA Flex Program has supported Lean projects in various hospital departments
➢ Aim for Lean projects in 3 – 4 hospitals each year
➢ Utilization of Subject Matter Experts (SMEs): University of Southern California, Viterbi School of Engineering

Challenges
➢ Waning interest in Lean projects/Lean fatigue in last two years
➢ Performance improvement in hospitals is often complicated and complex, requiring long-term, sustained commitment
Lean Works!

**Challenge:** Pharmacy was doing a poor job in managing controlled substances, had received warnings.

**Work:** Observed workflow, process mapping developed, better standard work and documentation, incremental change planned.

**Outcome:** Inventory of controlled substances now meets required controls, reduced legal risk, reduced lost revenue.
**Challenge:** Crowded Outpatient Clinic, long wait times, lost revenue, low patient satisfaction

**Work:** Process mapping, Kaizen (group) brainstorming, diagramming flow, physical rearrangement of clinic, identified waste and clutter to be eliminated, standard work defined and documented

**Outcome:** Increased productivity in patients seen per day, added revenue, less wait time, improved patient satisfaction
**Challenge:** Hospital wanted to make a number of operational changes but needed board of directors support

**Work:** USC presentation on Lean methods, plan and timeline to board re: Emergency Department (ED) improvements and Lean training of staff

**Outcome:** Board came on board and hospital administration was better able to implement necessary changes
Financial Viability

- Overall financial strength of CAHs has improved
- CAHs have improved in all 11 FMT indicators
- Average percent of CAHs with negative net income is flat at 35%
- The number of financially distressed hospitals is dropping

<table>
<thead>
<tr>
<th>FMT Distressed Hospital Index for California CAHs</th>
<th>Risk</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High/Mid-High</strong></td>
<td>9 (26%)</td>
<td>11 (32%)</td>
<td>12 (35%)</td>
<td>6 (18%)</td>
<td>5 (15%)</td>
<td></td>
</tr>
<tr>
<td><strong>Low/Mid-Low</strong></td>
<td>22 (65%)</td>
<td>19 (56%)</td>
<td>19 (56%)</td>
<td>25 (73%)</td>
<td>27 (79%)</td>
<td></td>
</tr>
<tr>
<td><strong>Missing</strong></td>
<td>3 (9%)</td>
<td>4 (12%)</td>
<td>3 (9%)</td>
<td>3 (9%)</td>
<td>2 (6%)</td>
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Utilization: Keeping Pace with Change

The Affordable Care Act (ACA), including Medicaid expansion, decreased the number of uninsured Californians from 17.2% to 7.2%, which greatly impacted CAH payer mix and how rural health care services are utilized.

<table>
<thead>
<tr>
<th>Service</th>
<th>2013</th>
<th>2017</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP Patient Days</td>
<td>84,895</td>
<td>83,828</td>
<td>(1.26%)</td>
</tr>
<tr>
<td>Nursery Days</td>
<td>3,627</td>
<td>3,482</td>
<td>(4%)</td>
</tr>
<tr>
<td>OP Visits</td>
<td>568,571</td>
<td>476,329</td>
<td>(16.22%)</td>
</tr>
<tr>
<td>Clinic Visits</td>
<td>627,993</td>
<td>798,322</td>
<td>27.12%</td>
</tr>
<tr>
<td>ER Visits</td>
<td>269,049</td>
<td>319,472</td>
<td>18.74%</td>
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Building a Relevant Lean Program for RHCs

- Identify general needs through data analysis and specific needs through surveys and discussions with peer networks/hospitals
- Brainstorm sessions with Flex Team and USC
- Experience with specialty clinics at L.A County Department of Health Care Services pointed the way
- Simplify: Clinic productivity (the number of patients seen per hour per provider) is critical to the financial success of any clinic and was identified as an area in need of improvement in most clinics.
- Develop a case study/implement a pilot project
Lean RHC Pilot Project

Lean project piloted at RHC (4 sites) owned by Eastern Plumas Hospital focusing on productivity only
Impact and Challenges of Pilot

**Baseline:** Overall throughput 1.5 patients per hour per provider

**Goal:** Hospital-specific, but most well designed (and often larger) clinics achieve 3 or 4 patients per hour

**Challenges**
- Physicians anxious to keep patient contact times in place
- Implementation of staff huddle, including physicians, at least weekly to discuss changes and impact
- Timing and prioritization of changes

**Preliminary Impact**
- Four changes were implemented resulting in an average of 2 patients per hour
- Improved staff morale
Rolling Out Lean RHC

- Webinar marketed to CEOs/CFOs and hosted by USC and Eastern Plumas Hospital
- Offered only productivity improvement project
- Simplified request process for hospital
- **Amazing Response**: 13 requests for RHC Lean and 1 request for ED Lean
- Interviews conducted by USC
- Preliminary work is being done now
Takeaways

➢ New approach for changing times
➢ Include a peer hospital when marketing the program ⭐
➢ Simplify the project by focusing on improving one process rather than all processes in a department
➢ Follow-up for sustained success
Contact Information

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