

California Flex Lean Project

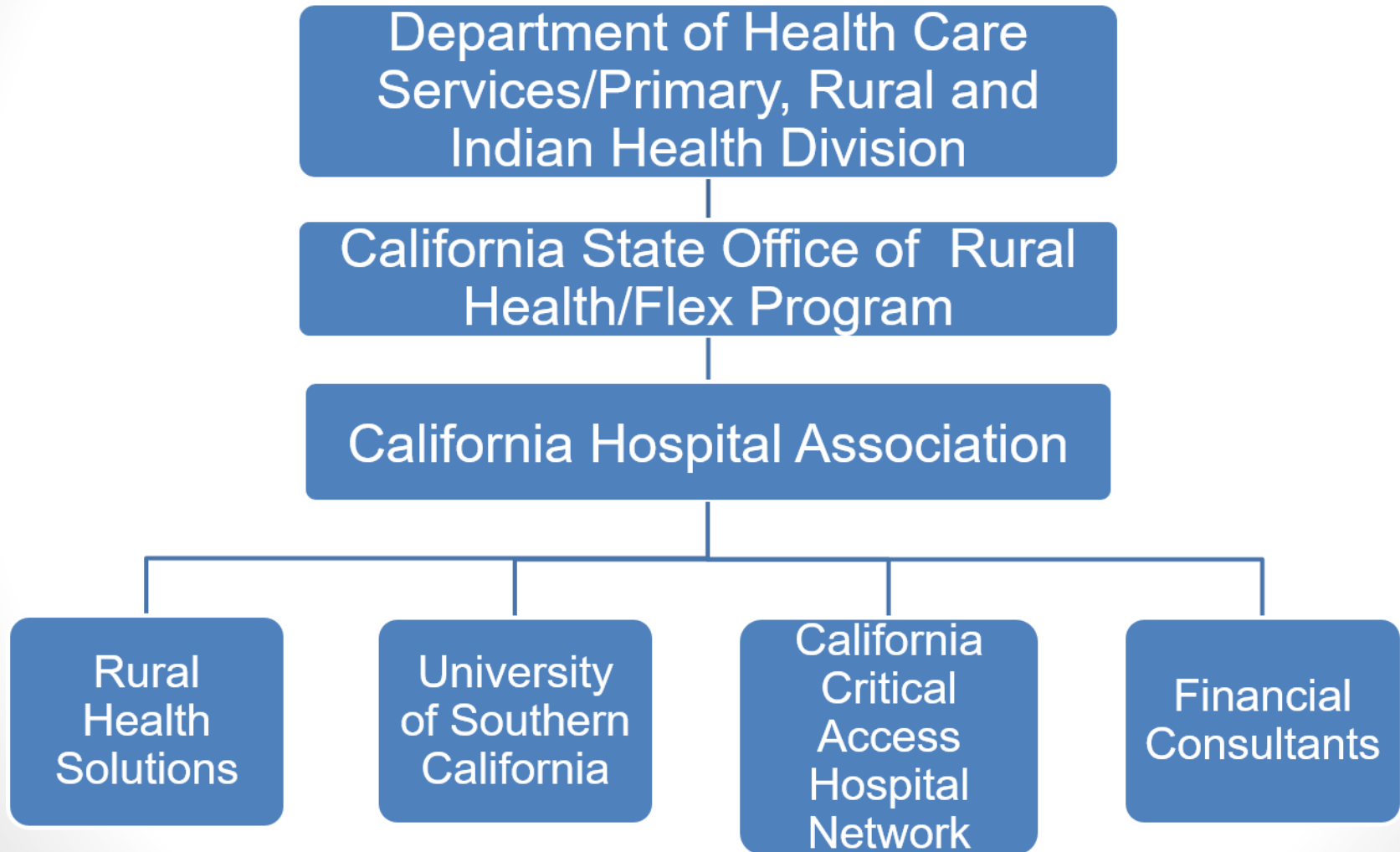
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Discussion Topics

- 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



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

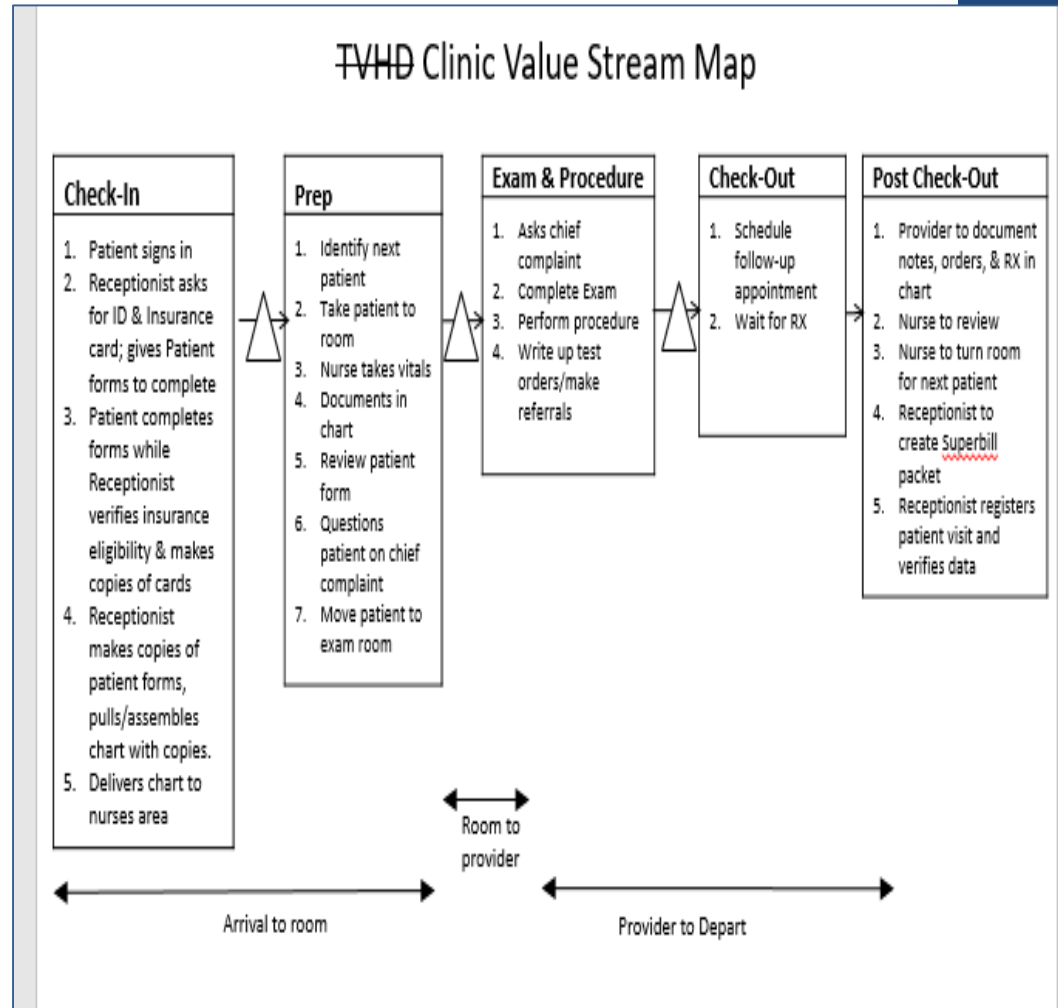
Work: Observed workflow, process mapping developed better standard work and documentation, incremental change planned

Outcome: Inventory of controlled substances now meets required controls, reduced legal risk, reduced lost revenue



Lean Works, Continued!

- **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



Lean Works, Final!

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

Some Lean Tools



- Waste reduction
- Process mapping
- Value stream mapping
- Five Ss
- Five why's
- Spaghetti diagram
- Kaizen blitz or event
- Poke Yoke
- Kanban
- Flow
- Pull
- Takt time
- Standardized work
- Andon
- + more

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

FMT Distressed Hospital Index for California CAHs					
Risk	2014	2015	2016	2017	2018
High/Mid-High	9 (26%)	11 (32%)	12 (35%)	6 (18%)	5 (15%)
Low/Mid-Low	22 (65%)	19 (56%)	19 (56%)	25 (73%)	27 (79%)
Missing	3 (9%)	4 (12%)	3 (9%)	3 (9%)	2 (6%)

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.

Service	2013	2017	Difference
IP Patient Days	84,895	83,828	(1.26%)
Nursery Days	3,627	3,482	(4%)
OP Visits	568,571	476,329	(16.22%)
Clinic Visits	627,993	798,322	27.12%
ER Visits	269,049	319,472	18.74%



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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