The Process Improvement Imperative

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Nowhere in our society is process improvement needed more than in health care. Growing at an annual rate over 6%, health care costs are outpacing inflation and wages. The media is focusing a lot of attention on inadequate access, service delays, error rates and less-than optimal outcomes, but significant labor shortages and care-giver burnout (including physicians) also threaten quality. At the same time, baby boomers grow older, the elderly live longer, and the prevalence of chronic disease increases; the industry faces significant increases in demand but limited resources to manage it.

While there is no panacea for all that ails the healthcare system, physician groups and hospitals can achieve dramatic improve-ments in efficiency, quality, and satisfaction by embracing system-level process improvement. Successful implementation requires a change in methods -- and a change in leadership. This shift in focus is neither easy nor quick, but the long term benefits are well-worth the investment. Using lean prin-ciples as a foundation, healthcare organizations can do something that matters right now: implement improvement in their core busi-ness processes and move towards a more efficient overall delivery system.

Specify value from the patient's perspective

Lean process improvement can be described as the least wasteful way to provide value to your patients. The critical starting point then is to understand value, not as we have traditionally defined and measured it in healthcare organizations (e.g., revenue centers, asset optimiza-tion, technologies), but as speci-fied from the patient's (customer's) perspective.

How do you find out what patients value? Ask them. Conduct focus groups or interviews with patients and ask targeted questions aimed at understanding the underlying (emotional) attributes they ascribe to the value of your services. If your budget doesn't allow for a formal interview process, start with the patient feedback informa-tion you already obtain through patient satisfaction surveys, pa-tient complaint reports and patient suggestion systems. Categorize and quantify the information to be-gin understanding value. It's only when healthcare organizations fundamentally rethink value from the perspective of the patient that they begin to clearly focus on a service line, and ways to increase the value of that service for the pa-tient.

Streamline primary patient pathways end-to-end

As we shift our thinking from functions or departments to ser-vice lines, it enables us to define the primary value streams within the core business. Through the process of mapping the value streams, we can begin to see clear-ly the individual steps of the pro-cess from beginning to end. With a clear view of each step, we are ready to streamline the process – to eliminate the hidden waste and improve the flow of value to the patient.

The key to streamlining your core business processes is to involve and engage the people providing the service - the physicians and front-line staff. Armed with the proper tools, techniques and train-ing, they become your improve-ment experts to identify, quantify,

and eliminate waste in their processes.

Core business process improvement - specifying value from the patient's perspective and streamlining patient pathways - is an enlightening experience. Not only is there clear benefit to the patient (e.g., better access, fewer service delays, quicker response to requests, higher quality), but the organization benefits as well. Physicians and staff experience increased satisfaction with their work, while at the same time increasing throughput, productivity, and overall profitability.

Identify organizational change needed to sustain improvement

The activities outlined previously require new methods (such as techniques for specifying value, mapping value streams, defining and eliminating waste). The third activity, identifying the changes needed to sustain improvement, requires new leadership. It involves rethinking organizational behavior and development, plus management systems and structures. It involves rethinking the traditional roles of department managers, for example, and introducing the concept of value stream managers. It involves the design of new systems to manage the improvement process itself, to monitor the value streams, and to ensure that the improvement efforts are linked to the over arching strategy and direction of the organization. It involves rethinking the flow of information throughout the organization, and how this knowledge flows to the people closest to the work - the physicians, clinical staff, schedulers and receptionists performing the core business processes. In other words, it requires the organization to develop the capacity to keep the primary patient pathways clear and ensure improvement results are sustained.

Summary

While the healthcare industry faces its share of challenges, core business process improvement provides an exciting opportunity for healthcare organizations to enhance their competitive position and ongoing ability to thrive. Just as important, continuing dedication to finding better ways to produce value-added services is what our industry needs now more than ever.

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