Secrets of Great Healthcare Organizations in Leading Change

Presented By: Gregory Butler

©Copyright American College of Healthcare Executives
Greg Butler is president of Caldwell Butler & Associates in McKinney, Texas, a firm dedicated to improving hospital performance through the implementation of advanced quality methods. Mr. Butler is an expert in successfully leading transformational efforts and brings more than 30 years of experience in the healthcare field, having held leadership positions with some of the country’s leading healthcare manufacturers, service providers and performance improvement consulting firms. Mr. Butler’s experience includes leadership positions with Abbott Laboratories, VHA and Cardinal Health.
At the end of this session, you will be able to:

- Discover the “Hard Side” structural side of change
- Understand the barriers to change & progress
- Conduct a self assessment of your organization
- Comprehensive change model (Six Step Model)
  - Improving accountability
  - Accelerating execution of strategies / improvements
  - Creating a bias toward action and speed
  - Achieving strategic results
- Develop and action plan for my organization
At the end of this session, you will be able to:

- Develop and action plan for my organization
  - Improved management of your Change Capacity / Focus
  - Develop an Accountability System
  - Improve organization speed, adaptive response and bias to act
  - Increase your tangible ROI
  - Improve interdepartmental collaboration
  - Develop coach talent / LEAP Leaders

Break Out Session 1

Divide into 3 groups for discussion

1. Executive leaders of multi-hospital systems
2. Directors and Managers
3. Executive of single independent hospital or small systems

10 Minutes to discuss questions
Cross-walk of our 3 ACHE senior leader courses

- **Achieving Speed, Spread, Scalability, and Sustainability in Health Systems: A C-Suite Program**
- **Secrets of Great Healthcare Organizations**
  - Structural Side of Change / Accountability / Speed
  - Principles for Designing Your System
- **Aggressively Improve Cost, Quality, & Throughput Using Advanced Lean**
  - 7 Million-Dollar Tips for Accelerated Use of Lean to improve margin
- **Onsite programs**


© CaldwellButler & Associates, LLC. 2010. All Rights Reserved.
Why is Change So Hard in Healthcare?

When you try to implement change, what are the common barriers to change that you encounter?

- Take 10 minutes at your table and list as many of the common barriers and objections that block progress.
- Develop a top 10 list of common objections at your table.
- What do you believe the effect of these obstacles are on:
  - Rate of progress?
  - Your ability to make needed changes?
  - Sustainability of changes?
  - Maintain or improved margin requirements?

Budget Process vs. Transformational Process

<table>
<thead>
<tr>
<th>Budget Process</th>
<th>Transformational Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Deliberately designed by senior leaders</td>
<td>• Training approach</td>
</tr>
<tr>
<td>• Participation isn’t optional</td>
<td>• Change optional</td>
</tr>
<tr>
<td>• Set dates on the calendar</td>
<td>• Lack of milestones / check points</td>
</tr>
<tr>
<td>• Methods of detecting low performers</td>
<td>• Committees, taskforces, teams</td>
</tr>
<tr>
<td>• Hard end date</td>
<td>• It’s done when we have a solution</td>
</tr>
<tr>
<td>• Ambiguity tolerated</td>
<td>• Analysis paralysis</td>
</tr>
<tr>
<td>• Connected to operational performance</td>
<td>• Disconnected from operations</td>
</tr>
</tbody>
</table>
### 10 Common Obstacles

1. We need more data! Handling ambiguity and analysis paralysis. Is this benchmark valid?
2. I’m waiting on…senior leaders, someone else
3. We already thought about that, BUT …!
4. Initiative overload… I’m just too busy.
5. Resource Constraints …Overworked, under funded
6. Our demand is too unpredictable.
7. We’re a fixed department.
8. We can’t change anything until …
9. I can’t get results in 30,60,90 days.
10. But I don’t control that…Real problem is….
What can we learn from top margin improvers?

Structure Drives Culture

Collaboration

Right Focus/Right Priorities

Speed to Action Plans

Accountability/Speed of Implementation

Fin Impact of Changes

1. Assess Change Capacity
   • Sequence / Prioritize Strategic Focus
   • Establish Tangible Measurable Goals
   • 90%+ Participation / Identify LEAP Leaders

2. Establish/Refine Accountability Structure

3. Communicate Strategic Focus / Theme

4. Track Results Real Time / Validate ROI

5. Coaching Support / LEAP Leader Development

6. Refine and Repeat / Launch Next 100-Day Workout
100 Day Work Out Results – $109M CFO-Validated Changes

Case in Point. Maricopa Survey Pre & Post May ‘15 Update

Dramatic increase toward Top Performer attitudes and behaviors

N=48. 11.16.15
Frontier Magazine

A Community Hospital’s Journey into Lean Six Sigma
Chicago: Health Administration Press.
(www.ache.org)

$50 million in documented margin improvement

Cost Reduction in Health Systems: Lessons from an Analysis of $200 Million Saved by Top-Performing Organizations
Chicago: Health Administration Press.
(www.ache.org)

$200 million in documented margin improvement
What is Culture?
The values and behaviors that contribute to the unique social and psychological environment of an organization. Shared attitudes, beliefs, rules.

- Way it conducts business, treats employees / customers
- Freedom it allows in decisions, developing new ideas
- Power, information flow, hierarchy
- Commitment of employees toward a common objective

The Case For Change

What is the compelling case for being better at transformation management?

How will the evolving healthcare environment affect the pace of change?

© Caldwell Butler & Associates, LLC.
2018 . All Rights Reserved.
Because

Happens

Building the Case for Urgency
Status Quo is not an Option!

National CEO Survey

- Increase margin (cost & growth)
- Shifting toward population health, risk and scale
- Continuing differentiation on clinical quality and costs through physician engagement
- Increase their pursuit of partnerships to expand post-acute care services
- Which are true for your health system?

Financial Forecast

What is your organization’s financial forecast for the 2017 (or current) fiscal year?

- Strongly positive: 9%
- Positive: 41%
- Flat: 32%
- Negative: 11%
- Strongly negative: 4%
- Don’t know: 3%

Base = 310

Source: HlthLdrs Webinar, 1.30.17

Top Positive Influencers

Which of the following will be the top three positive influences on your organizations’ efforts to reach financial targets over the next three years?

- Cost control: 49%
- Care models (e.g., population health, medical home): 39%
- Strategic partnerships with providers: 37%
- Physician-hospital alignment: 33%
- Revenue cycle: 28%
- Healthcare IT and analytics: 25%
- Care redesign: 24%
- Care standardization: 24%
- Strategic partnerships with payers: 24%
- Care redesign: 19%

Source: HlthLdrs Webinar, 1.30.17
The Coming Storm: Unprecedented attack on five fronts

- Reimbursement and payment caps. No Medicaid expansion in many states.
- Movement to “Value” vs “Volume” healthcare financing economics (read, 17% less inpatient utilization).
- End of life care reform.
- Clinical outcomes, patient experience, and patient safety transparency.
- Employers exerting their muscle.

The Coming Storm: Employer/Insurer-driven change beginning to rank “value”

Employer’s Health Provider Report Card

- Colonoscopy $563 ---- 7X --------------- $3967
- PCP Visit $ 85 ---- 3X --------------- $270
- EKG $ 27 ---- 5X --------------- $143

Source: Castlight
Projected decrease in profitable procedures

- Total hips - 26%
- Total knee - 38%
- Angioplasty - 12%
- Pacemakers - 20%

Source: USA Today.

Projected 15% reimbursement decline will have a dramatic impact on HFWB profitability.

Source: Caldwell Butler. All Rights Reserved, 2017.
Admissions shift will ADC to 117. While many argue over the exact calculations, all agree that the figures are directionally correct. In order to meet the challenges ahead, a Transformational Management System will be required.

Source: Caldwell Butler. All Rights Reserved, 2016.

<table>
<thead>
<tr>
<th>Salary/Benefits % OE</th>
<th>40.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTEs/ AOB</td>
<td>4.1</td>
</tr>
<tr>
<td>Prod Hrs/ ED Visit</td>
<td>2.13</td>
</tr>
<tr>
<td>Prod Hrs/ Surg Case</td>
<td>10.25</td>
</tr>
</tbody>
</table>

Regardless of strategic positioning, margin levers remain--
1. Operations efficiency (COO)
2. Capacity optimization (COO or CNO)
3. Clinical Utilization & Integration (CMO)
4. Growth & Leakage (VP Mkt)
Most health systems in need of 4%-7% margin improvement as percent of operating expense just to enter this new era.

Speed of change must become your ultimate competitive advantage.

Current silo-based systems not up to the task (benchmarking, productivity systems).

Lean alone is inadequate, producing only $150K per project. An “all hands on deck” approach is necessary.

The Coming Storm.

Transformational Times Ahead

Overview of 28 questions that are predictive of success and sustainable progress.

- 125+ Participating Hospitals
- 5,000 + Participant Responses
- Response Comparison to Top Performing Organization
Critical Dimensions

- Focus / Sense of Urgency / Change Capacity
- Accountability Structure
- Speed & Bias to Act
- Inter-Departmental Boundaries
- ROI / Linkage / Tracking
- Leader Development / Anticipating and Overcoming Obstacles

Culture vs Structure

- Its structure that drives and culture
- Changing structure you alter culture:
  - Your way of doing business
  - Expectations, belief, values
  - Flow of information
  - Decisions authority, lines of responsibilities
  - Your view of shared objectives and success
Likely Quotes from interviews at an Average Hospital

“I can’t get it all done so it’s up to me to pick and choose.”

“It is initiative du’ jour or flavor of the day around here!”

“Just wait long enough and senior leaders will forget about this, too! This too shall pass.”

“It’s all important.”

---

High Performing Healthcare Organizations

• Can’t solve world hunger, Translate short term focus
• Active management of change capacity
• Prioritization owned by senior leaders
• Senior leaders are active in prioritization
• Systematic tracking of assignments for managers
• High sense of urgency, thoroughly communicated
Accountability Structure: Observations

Average Performing Healthcare Organizations
- Project-by-project mentality, delegated to PI staff
- Change is viewed as extra work and effort
- Substituting methods for structure (DMAIC, Kaizen)
- Lack of a sense of time line / milestones, due dates
- Focused on the appearance of progress
- Limited sense of urgency, perpetual state

Likely quotes from interviews of average Hospitals
“We are still studying the problem in order to develop a comprehensive solution.”
“We need more analysis, considering more alternatives.”
“We haven’t established an end date?”
“We are trying to gain agreement on the right metrics, measures, definitions.”
### High Performing Healthcare Organizations

- Mandatory linkage to higher performance drivers.
- Change is everyone’s job, effort is constant.
- Function/results valued over form, tools, methods.
- Hard Dates (Monthly Check ins / Timelines / milestones).
- Focus is on results, tangible progress toward goals.
- Strong sense of urgency, Must Win Now Mentality!

### Accountability Structure

**Observations**

<table>
<thead>
<tr>
<th>Speed / Bias to Act: Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Performing Healthcare Organizations</strong></td>
</tr>
</tbody>
</table>

| Focus is on preventing failure / mistakes |
| Data must be perfect prior to implementation |
| Status quo is safer than implementing a change |
| The total plan must be known prior to implementation of any changes |
Likely quotes from interviews of average hospitals

“We need to thoroughly evaluate each alternative to be sure it will work.”

“We can’t take action because the data contain errors!”

“We are not sure who has to approve this change.”

“Doctors, nurses,…. Will never go for it!”

High Performing Healthcare Organizations

• Failure is part of learning, experimental mindset
• All data is flawed / Focus on what is actionable?
• Change is safer than protecting the status quo
• Solving incremental elements toward the grand solution “50% gap closure”
Inter-Departmental: Observations

Average Performing Healthcare Organizations
• Work occurs within departmental silos
• Driven through the organizational chart
• Culture inhibits honest discussion / collaboration
• Lack of shared goals along the process continuum

Likely quotes from interviews of average hospitals
“That’s not my problem.”
“I don’t control that.”
“If I do that, it will affect my…budget, goals, evaluation….”
“I can’t talk to them, it’s for the VPs to work out.”
High Performing Healthcare Organizations
- More work occurs within process continuum
- Work accomplished through process continuum team
- Culture explicitly demands honest discussion / collaboration
- Goals for the process continuum explicitly stated

Average Performing Healthcare Organizations
- Quality/Safety/Margin and Budget are disconnected
- No direct integration of improvements into the budget
- Lack of systemic tracking of implementation by directors/managers
- Lack of systemic visibility of progress
- Counts theoretical soft costs, unrealized opportunity
Likely quotes from interviews of average hospitals

“We have a whole separate process for budget…our quality efforts are separate.”

“We are 30% more efficient in my department.”

“We had patients backed up…now we have two more open slots per day.”

“We were focused on quality, nobody asked about dollars!”

High Performing Healthcare Organizations

• Quality/Margin and Budget are connected
• Deliberate integration with the budget process
• Systemic tracking of implementation by directors/managers
• Systemic visibility of progress
• Focus on hard tangible margin improvement
  - Real Green Tangible Dollars
What can we learn from senior leaders in top performers?

Database: $1.6B, 165K changes, 130+ organizations

Top Quartile
- 2.3 changes/Mgr/month

Bottom Quartile
- 0.1 changes/Mgr/month

Boca Raton—$24.5M results while increasing PE scores 20% thru leader development (LEAP)
Childrens Kings Daughters—$15.5M results thru Next Gen Clinical Co-Mgmt & leader development (LEAP)

Achieving Results: Univ of Vermont MC

Source: CBA EXCELeator Files, 2014
### Achieving Results: Prov Sacred Heart

<table>
<thead>
<tr>
<th>Waste</th>
<th>IQS</th>
<th>Flow</th>
<th>Growth</th>
<th>Throughput</th>
<th>Triple AIM</th>
<th>Supply Chain/Epic</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td># Chgs/Dir/Mo</td>
<td>2.2</td>
<td>2.0</td>
<td>1.8</td>
<td>1.7</td>
<td>1.9</td>
<td>1.5</td>
<td>1.8</td>
</tr>
<tr>
<td>Annualized (M$)</td>
<td>$21.5</td>
<td>$9.4</td>
<td>$2.3</td>
<td>$4.5</td>
<td>$6.6</td>
<td>$6.0</td>
<td>$55.3</td>
</tr>
<tr>
<td>CFO Validated (M$)</td>
<td>$59.7</td>
<td>$6.3</td>
<td>$1.0</td>
<td>$2.8</td>
<td>$5.1</td>
<td>$2.4</td>
<td>$53.1</td>
</tr>
<tr>
<td>% OE</td>
<td>3.5%</td>
<td>0.8%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.5%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

5% OE Reduced at Sacred Heart after traditional lean failed

Source: ACHE Congress, 2014

### Achieving Results: BJC Christian NE

<table>
<thead>
<tr>
<th>Waste</th>
<th>IQS</th>
<th>Throughput</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualized</td>
<td>$2,503,108</td>
<td>$2,127,398</td>
<td>$1,177,722</td>
</tr>
<tr>
<td># Chgs/Dir/Mo</td>
<td>2.4</td>
<td>1.7</td>
<td>1.9</td>
</tr>
<tr>
<td>% OE</td>
<td>1%</td>
<td>1%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

2.5% OE Reduced at BJC-NE after traditional lean failed
What Changed?

- Leadership?
- Staff /People?
- Strategy?
- Investments in IT?
- Competitors / Environment?

Opportunity in every corner, particularly Focus & Collaboration.

Managers, by self-analysis, financial gains to-date have been senior leader-driven, not manager-driven.

• Dramatic increase toward Top Performer, but still opportunity to improve in key areas.

Recommendation: Focus / Urgency

**Design Principles**

• Non-Delegable role of senior leaders
  1. Design and own your accountability structure
  2. Actively manage your change capacity
  3. Design for speed, speed, speed
  4. Design for interdepartmental collaboration
  5. Insist on a tangible ROI / Systematic tracking / Validation
Recommendation: Focus / Urgency

Design Principles

- Organize your priorities into 100 Day increments
- Prioritize / Establish a “Doing” List and “Stop Doing” List. Mandate Action Targets
  - 2+ changes per month per manager
  - 8+ changes every 100 days
  - Must result in a tangible improvement

Recommendation: Accountability

Design Principles

- Life style change, not a diet, not a bucket of projects
- Divide year into 3 trimesters, 4 month increments
- Monthly check-ins
  - Un-wavering, hard dates
  - Senior Leaders present and engaged in check in
- Everyone should be prepared to present
Recommendation: Accountability

**Design Principles**

- **Key Roles**
  - Executive champion
  - Finance liaison
  - Communication coordinator
  - Logistics / Workout Coordinator

Recommendation: Speed / Bias to Act

**Design Principles**

- Visibly reward risk taking / celebrate failures
- Embrace Rapid Cycle Testing (RCTs) as a foundation
- Create a sense of urgency through:
  - Establish and enforce Action Targets
  - 30 day check-ins
  - Reporting system / visibility
  - 50 % Gap Closure Goal Setting
Recommendation: Inter Disciplinary Eff.

Design Principles

• Define common definitions of success that transcend departmental barriers

• Establish living Process Continuum Teams
  ▪ Individual vs team ownership of plans / actionable items
  ▪ Not more committees

• Action Targets 2 changes in collaboration with:
  ▪ 2 Changes with other departments in process continuum

Recommendation: ROI/Linkage/Tracking

Design Principles

• Quality is the goal, margin improvement is the by-product of quality improvement.

• Use monthly check-in to educate:
  ▪ Connect quality, safety, satisfaction
  ▪ Tangible vs intangible improvements in margin

• Transparency, On-line, real time tracking

• Establish a finance liaison
What is the unfashionable Hard Side of Change?

- Four Hard Factors (DICE Score)
  - **Duration** – Time between reviews
  - **Integrity** – Capabilities of teams
  - **Commitment** – Senior leaders and staff
  - **Effort** – Employees must make to cope

"Execution is the result of thousands of decisions made every day by employees acting according to the information they have in their own self-interest."

- Gary Neilson
Observations
• Study method:
  ▪ 125,000+ On-line surveys, interviews
  ▪ 1,000 Companies, 50+ gov. agencies
• Divided into:
  ▪ Top performers (TP) – Excellent on execution
  ▪ Low performers (LP) – Weak on execution
• Identified 17 traits of top performers
• 3 out of 5 rated their organization weak

Conclusions: What matters most?

<table>
<thead>
<tr>
<th>Information Flow</th>
<th>54</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision Rights</td>
<td>50</td>
</tr>
<tr>
<td>Motivators</td>
<td>26</td>
</tr>
<tr>
<td>Org Structure</td>
<td>25</td>
</tr>
</tbody>
</table>

Org Structure: Least important, most frequently used solution

Conclusions: What Matters Most?
1. Everyone has a good idea of the decision and actions for which they are responsible.
   - 71% TP = Yes (Strength Index 81 of 100)
   - Blurring occurs over time
     • With complexity of organization
     • Bureaucracy, controls
     • Hoarding of decision authority
   - Conflicting decisions, competing agendas
   - Diminishes true accountability

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.

Conclusions: What Matters Most?
2. Important information gets to executives quickly.
   - Rank 2 (Strength Index 68 of 100)
   - 77% TP = Yes
   - Flows quickly, relatively unfiltered
   - Identify patterns, deciphering intelligence
   - Promulgate best practices

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.
Conclusions: What Matters Most?
3. Once made, decisions are rarely second guessed.
   - Rank 3  (Strength Index 58 of 100)
   - 55% TP = Yes
   - Adds little value, slows progress
   - Second guess can “become an art form”
   - Ideas vetted until there is no accountability


Conclusions: What Matters Most?
4. Information flows freely across organizational boundaries.
   - Rank 4  (Strength Index 58 of 100)
   - 55% TP = Yes
   - Issue every organization can work on
   - Regularly standing quarterly PI meeting
     • Promote cross departmental flow of information
     • Increases team work and collaboration
   - Promotes sharing and trust

Secrets to Successful Strategy Execution
Gary Neilson

Conclusions: What Matters Most?
5. Front line employees have the information they need to understand the bottom line impact of their day-to-day decisions.
   - Rank 5  (Strength Index 55 of 100)
   - 61% TP = Yes
   - How my behavior effects the organization?
   - Pursuit of competing goals
   - Leads to distrust, conflicts, sabotage
   - Key focus: “What’s the Goal?”


Break Out Session I, Sec 1

“Tale of Two Hospitals”
• Read Case Study: Section 1
• 5 Minutes
• Identify possible success and failure factors
• Which organization seems best suited for success
“Never under estimate the forces protecting the status quo.”

John Kotter
Harvard Professor, author

8 Reasons Why T.E. Efforts Fail

1. Not establishing a great enough sense of urgency
2. Not creating a powerful enough guiding coalition
3. Lacking a vision
4. Under communicating by a factor of ten
5. Not removing obstacles to a new vision
6. Not systematically planning for short term wins
7. Declaring victory too soon
8. Not anchoring change in the organization’s culture

“The Red Flag Exercise”
• 10 Minutes
• Read the story
• Highlight 5 “Red Flags” to change
• Identify possible corrective actions
(Part 2 to be continued after review of Kotter concepts.)

8 Reasons Why T.E. Efforts Fail
John Kotter

1. Not establishing a sense of urgency
   • How: Strategically and deliberately harness:
      External threats
      Economic pressures
      Major opportunities
      Competitive challenges
      Organization’s survival
   • Create a compelling reason to act now!

8 Reasons Why T.E. Efforts Fail
John Kotter

1. Not establishing a sense of urgency
   - Test: “Is it strategic” or “flavor of the day”?
     - Critical to success or survival of organization
     - Too important to delegate
     - Deep determination to “move and win-now.”
     - Sense of pride, but minus complacency
     - Never associated with long list of activities
       - Activity is connected to something important
       - Not viewed as “howling wind activity”

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.

2. Not Creating a Powerful Enough Guiding Coalition
   - Goal: “Achieve a critical mass of support”
   - Requires critical mass at multiple levels
     - Board
     - Senior Leaders
     - Managers
     - Customers
   - May have no history of teamwork

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.
2. Not Creating a Powerful Enough Guiding Coalition

• How: Create a:
  ▪ Shared assessment of:
    ▪ Problems
    ▪ Opportunities
  ▪ Structure outside of formal boundaries
    ▪ Senior Leader
    ▪ Multidisciplinary teams


3. Lacking a vision

• Goal: Create a statement that motivates
  ▪ “Clarify the direction an organization needs to move”
  ▪ “A clear and compelling statement of where all this effort is leading”
  ▪ An element of strategy regarding how to achieve the vision

3. Lacking a vision

- **How:** Effective visions contain:
  - Use creation process builds support
  - Articulation of:
    - End state
    - Strategy for achieving vision
  - Test message for:
    - Understanding, a sense of “How”
    - Interest
    - Ability to communicate in 5 minutes or less


4. Undercommunicating the vision X10

- **Goal:** Systematically penetrate every level of the organization with the vision...
- **Achieving a critical mass that believes change is possible.**
- **Three common patterns to avoid:**
  - Pattern 1: Single meeting, single memo
  - Pattern 2: CEO speaks to employee groups
  - Pattern 3: Leadership behaves antithetical to vision

8 Reasons Why T.E. Efforts Fail
John Kotter

4. Undercommunicating the vision X10
   • How: Effective communication includes:
     ▪ Incorporating into daily communications
     ▪ Guiding which solutions do and don’t fit the vision
     ▪ Using every channel available
     ▪ Turn boring meetings into lively discussions

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.

5. Not removing obstacles to the new vision
   • Goal: Identify and minimize obstacles
     ▪ Lack of clarity in priorities
     ▪ Behaviors inconsistent with vision
     ▪ Misaligned incentives
       ▪ Pay and incentive bonuses
       ▪ Performance reviews
     ▪ Misaligned expectations and resources
     ▪ Narrow job categories and roles

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.
5. Not removing obstacles to the new vision

• How: Remove obstacles:
  ▪ Create a “Stop Doing” list
  ▪ Discontinue non-productive activities
  ▪ Deliberately create “Slack” in the organization
  ▪ Focus on the “Important vs the Urgent”
  ▪ Identify/neutralize or eliminate the “No No’s”

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.

5. Not removing obstacles to the new vision

• The “No Nos” -- A special breed:
  ▪ Not your skeptic
  ▪ Bright, articulate, persuasive, high performers
  ▪ Highly skilled urgency killers
  ▪ Behaviors:
    ▪ Discredit those creating urgency and change
    ▪ Never persuaded by data, new information
    ▪ Highly disruptive
    ▪ Disguise true motivations

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.
5. Not removing obstacles to the new vision

- Four strategies for “No Nos”
  - Co-opting (Most frequently tried, never works)
  - Distracting the NoNos
  - Terminate the NoNos
  - Immobilize NoNos with social pressure


6. Not systematically identifying short term wins

- Goal: Maintain momentum and progress
  - Deliberate plan versus “hoping”
  - “Too many people give up”
  - Actively join ranks of resistance
  - Without a short term “Win” progress
    - Becomes ambiguous
    - Discounted by those who oppose change
    - Lacks compelling reason to continue

6. Not systematically identifying short term wins
   • How: Effective visions contain:
     - Clearly defined milestones
     - Success horizon consistent with culture
     - Incremental approach to change
     - Tracking and closing the gap in performance
     - Establish channels outside of departmental structure


7. Declaring victory too soon
   • Goal: Prevent a premature loss of momentum and progress
     - Celebrating a win vs declaring the war won
     - Belief in change is not complete
     - New approaches are fragile, subject to regression
     - Forces associated with tradition emerge

7. Declaring victory too soon
   • How: Increase sustainability of gains by:
     ▪ Eliminating systems inconsistent with vision
     ▪ Pay great attention to promotions and hires
     ▪ Continue short term wins
     ▪ Think in years not months
     ▪ May be lead by a coalition of:
       • Supporters
       • Resistors

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.

8. Anchoring Changes in Culture
   • Goal: Establish changes as the new social norms and shared values
     ▪ The “way we do it around here”
     ▪ Degrading performance as:
       • Sense of urgency / pressure is removed
       • Attention is focused on new challenges

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.
8. Anchoring Changes in Culture

How: Increase sustainability of gains by:

- Identify and tracking the true cause of gains
- Change requirements for promotion
- Encourage “process thinking”
- Hardwire changes with “Change Concepts”


Break Out Session II, Part 2

“The Red Flag Exercise”

- Discuss with your table 20 Minutes
- Highlight 10 “Red Flags” to change
- Identify possible corrective actions

(Continued from Breakout Session I, Part 1)
“The Red Flag Exercise”

Discussion Questions

• What do you believe to be the single biggest issue facing this organization?
• Do you sense urgency when you view the actions of the senior team?
  – How was urgency communicated?
  – Where did the issue fall on the priority list for executives?
• Do you believe there is executive ownership of the problem strategies, and potential solutions?
• What observations can you make about the teams decision-making process?
• Do you sense there is any accountability or repercussions for failure to act?
• How effective are senior leaders in communicating the vision, strategy etc…?
• What are your thoughts about how the CEO chose the members of the Implementation Task Force?

6 Step Process for Senior Leaders

1. Assess Change Capacity / Focus
   • Urgency / Sequence / Prioritize Strategic Focus
   • Establish Tangible Measurable Goals
   • 90%+ Participation / Identify LEAP Leaders
2. Establish/ Refine Accountability Structure
3. Communicate Strategic Focus / Theme
4. Track Results Real Time / Validate ROI
5. Coaching Support / LEAP Leader Development
6. Refine and Repeat / Launch Next 100-Day Workout
### Leadership Track

<table>
<thead>
<tr>
<th>1. Operations Track.</th>
<th>% Opn Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Quality (Lean) Waste Workout</td>
<td>1% - 3%</td>
</tr>
<tr>
<td>• In Quality Staffing</td>
<td>1% - 3%</td>
</tr>
<tr>
<td>• Rapid Variance Response Workout</td>
<td>1% - 3%</td>
</tr>
<tr>
<td>• Senior Leader Parallel Workout</td>
<td>1% - 3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Capacity Optimization/Throughput Track</th>
<th>% Opn Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>• “One More Throughput” per Director</td>
<td>1% - 3%</td>
</tr>
<tr>
<td>• In Quality Staffing</td>
<td>TDB</td>
</tr>
<tr>
<td>• Realtime Throughput Using RFID</td>
<td>1% - 3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Growth &amp; Leakage Workout</th>
<th>% Opn Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Clinical-Financial</td>
<td>0.5% - 1% per</td>
</tr>
<tr>
<td>• Clinical Waste/ Frustrations</td>
<td></td>
</tr>
<tr>
<td>• Clinical-Financial Value Stream &lt; 15%</td>
<td></td>
</tr>
</tbody>
</table>

---

### Structure & Culture

- **Collaboration**
- **Right Focus/ Right Priorities**
- **Speed to Action Plans**
- **Accountability/ Speed of Implementation**
- **Fin Impact of Changes**

---

Top Recommendations for quick 3%- 5% opn budget cost recovery.
Case in Point. Maricopa Survey Pre & Post All Respondents, May ‘15 Update

- Dramatic increase toward Top Performer, but still opportunity to improve in key areas.

N=48. 11.16.15

Creating Focus

Management of Change Capacity / Focus
Big Quality: Where are the opportunities to improve margin?

1. Labor & Overhead/Span of Control/Cost of Mgmt: Cost Recovery by Unit of Service (2-3%)  
2. Leakage & Growth – Margin from lost & increased volume, including denials (market dependent)  
3. Non-Labor: Cost Recovery from Cost of Waste (3-5%) GPO Shoot-out  
4. Clinical Co-Management– Cost Recovery from Utilization (incl Medical Home, ACO/bundled payment pricing, etc.) (5-12%)  
5. Revenue Cycle – Denials, DNFB, DNC, POS Collections (3-5%)  

Corporate Mandates?

Big Initiatives: It’s what corporate does!  
• Mandates?  
• Benchmarks?  
• Productivity Systems?  
• Playbooks?  
• Training?  
• Other?
Run for Open Space

• Latitude of sequencing priorities?
• Holding people accountable?
• Meeting frequency & format?
• Tracking system for changes completed?
• Method for quantify the value of changes?
• Leader development of coaching skills?
• Corporate Initiatives: Coopting/transform?
• Other?

Effectively Managing Change Capacity

<table>
<thead>
<tr>
<th>Total Change Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Change Capacity = 80 changes / 100 Days</td>
</tr>
<tr>
<td>Goal = Use 100%</td>
</tr>
<tr>
<td>Improve Focus</td>
</tr>
</tbody>
</table>

Capacity = 80 changes / 100 Days
Goal = Use 100%
Improve Focus
Diagnostic Questions

- Have we as senior leaders deliberately designed our accountability system?
- Do we have a clear way to track the progress or absence of progress?
- Is leading change “action targets” a clear expectation?
- Is execution occurring at a sufficient pace to meet our needs?

Self Assessment: Managing Change Capacity

Please complete the questions in the self assessment section

(10 Minutes)
Accountability / Change Model

1. Assess Change Capacity
   - Urgency / Sequence / Prioritize Strategic Focus
   - Establish Tangible Measurable Goals
   - 90%+ Participation / Identify LEAP Leaders

2. Establish/ Refine Accountability Structure

3. Communicate Strategic Focus / Theme

4. Track Results Real Time / Validate ROI

5. Coaching Support / LEAP Leader Development

6. Refine and Repeat / Launch Next 100-Day Workout
Quantum Improver Priorities

#1

**Accountable Change Model**
(Senior Ldrs)

# 2

“**Big Quality” Strategy Deployment**
(Senior Ldrs)

# 3

**Accelerating Quality Methods**
(Managers)

—

© CaldwellButler & Associates, LLC. 2010. All Rights Reserved.

---

7 Proven Steps
Prioritizing the Effort

**Design Accountability Structure**

Senior leaders design accountability structure

- How to make progress or its absence visible
- Frequency of senior leader check-ins
- Systems for tracking progress / results
- Methods, tools, skills, practicum
- Hardwire calendar dates

Benchmarking to Success

WE WILL BE ADOPTING THE BEST PRACTICES IN OUR INDUSTRY, JUST LIKE EVERYONE ELSE.

IF EVERYONE IS DOING IT, BEST PRACTICES IS THE SAME THING AS MEDIocre.

STOP MAKING MEDIocrITY SOUND BAD!

Tight

- Sequence Focus
- 100-Day Workout
- Action Targets/2 changes/mgr/month
- Individual Plans
- Idea Sharing
- Spec. Resources

Senior Leaders

Loose

- Changes Focus Linked
- Continuum Teams
- Mandated Collaboration
- Identify Local Solutions
- Rapid Cycle Testing
- Application of Lean
- Action Targets

Managers
(with senior leader coaching)

Tight

- Results Tracking (EXCELerator)
- Key Metrics
- Finance Liaison
- ROI Reporting

Senior Leaders
# 6: “Big Q” strategies vs “little quality” one-project-at-a-time

**Big Quality 3-Year Strategy**
(Cost, ED, Dsch Time of Day, Surgery, etc.)

- Focus Area #1
- Focus Area #2
- Focus Area #3

**Vs. One-project-at-a-time**

- Stat Lab
- X-ray Retakes
- Compliance
- Falls
- Missing Wheelchairs
- Handwashing
- Lost Charges
- Surgical Wound Infections
- Outpatient Surgery
- Missing Meds
- ER
- X-ray Retakes
- Surgical Wound Infections
- Outpatient Surgery
- Missing Meds
- ER

---

**100-Day Workout: Highly structured organization change model**

**100 - Day Workout Cycle**

- 12-Months
  - Planning
    - Execution
    - Planning
    - Execution
    - Planning
  - 100 Days
  - 100 Days
  - 100 Days

- \( N_1 \)
- \( N_2 \)
- \( N_3 \)
- \( \ldots \)
- \( N_x \)

25% Planning : 75% Execution
### Accountability through Structure

#### 100-Day Workout Kick-Off
- Review goals & targets
- Training, new tools, New focus
- Develop 100-Day Action Plans
- Begin DO NOWs today!

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>• DO NOWs begin today</td>
<td>25 %</td>
</tr>
</tbody>
</table>

| 30-Day Check-In/ Coaching | 2 changes |
| 45-Day Structured Review | 4 changes |
| 60-Day Check-In/ Coaching | 6 changes |
| 90-Day Check-In/ Coaching Summation/ Kickoff Next WO | 8 changes |

### For Those in Corporate Structure: Run for Open Space

- Latitude of sequencing priorities?
- Holding people accountable?
- Meeting frequency & format?
- Tracking system for changes completed?
- Method for quantify the value of changes?
- Leader development of coaching skills?
- Corporate Initiatives: Coopting/transform?
- Other?

© Caldwell Butler & Associates, LLC. 2017. All Rights Reserved.
Key Roles

Key roles

• Executive Champion/ Chief Implementation Off.
• Finance Liaison
• Communication Coordinator
• Workout Coordinator
• Technical Expertise if required

Roles: Executive Champion

• Accountable for “3 Year Big Q Goals”
• Face and voice of senior team
• Designs structure for:
  ▪ Accountability
  ▪ Speed / Bias toward action
  ▪ Ensuring financial credibility and integrity / ROI
• Governs allocation of PI resources

Key Roles

Roles: Finance Liaison

• Supports managers – Mgr. Acc. expertise
  ▪ Financial coach
  ▪ Strategy partner
• Ensuring financial credibility and integrity / ROI
• Integrates gains into the budget process
  ▪ Tracks changes
  ▪ Validates tangibility and value of changes
• Qualifications:
  ▪ Accessibility (time) and approachability
  ▪ Access to financial systems and databases


Key Roles

Roles: Workout Coordinator

• Manage calendar and logistics of 100-Day WO
• Resource for 100-Day WO Participants
  ▪ Tools, templates, logistics
• Monitors managers progress
• Qualifications:
  ▪ Reputation for getting things done
  ▪ Bias toward action
  ▪ Passion for improving work processes

### Key Roles

#### Roles: Communication Coordinator

- Over communicates by a factor of 10
- Assist Executive Champion with:
  - Establishing a “quality based” message
  - Developing formal communications for stakeholders
  - Integrating key message into communication venues
- Capturing and publishing information
  - Attending monthly Check-Ins
  - Showcasing activity and results
  - Making progress visible


#### Roles: Technical Expertise (Lean-Six Sigma)

- Selection of appropriate methods
  - Appropriate for the focus
  - Will accelerate change, build belief in changes
  - Increase probability of success?
- Pushing methods outward
  - De-jargonization of tools
  - Creation of templates / Manager friendly tools

Self Assessment: Accountability Structure

Please complete the questions in the self assessment section

(10 Minutes)

Communication / Building a Guiding Coalition
### 6 Step Process for Senior Leaders

1. **Assess Change Capacity**
   - Urgency / Sequence / Prioritize Strategic Focus
   - Establish Tangible Measurable Goals
   - 90%+ Participation / Identify LEAP Leaders

2. **Establish/ Refine Accountability Structure**

3. **Communicate Strategic Focus / Theme**

4. **Track Results Real Time / Validate ROI**

5. **Coaching Support / LEAP Leader Development**

6. **Refine and Repeat / Launch Next 100-Day Workout**

### Communication

#### Diagnostic Questions

- Do you managers know what is most important to senior leaders?
- Is there a sense of urgency and strategic relevance?
- Do they have measurable short term goals?
- Is success clearly defined?
- Are their clear expectations of participation?
Components

- Urgency “Do Now”, Action oriented
- Establish Tangible Measurable Goals
- Clear expectations / Define success

Examples

- In it to Win it"
- Achieve 95% In-Quality Staffing
- One more case per OR day
- Waste- “No more “barbeque” the sacred cows”
- “Just Say Yes”- Growth and Patient Access

Tangible Results

Tracking / ROI
6 Step Process for Senior Leaders

1. Assess Change Capacity
   • Urgency / Sequence / Prioritize Strategic Focus
   • Establish Tangible Measurable Goals
   • 90%+ Participation / Identify LEAP Leaders

2. Establish/ Refine Accountability Structure

3. Communicate Strategic Focus / Theme

4. Track Results Real Time / Validate ROI

5. Coaching Support / LEAP Leader Development

6. Refine and Repeat / Launch Next 100-Day Workout

Accountability through Structure

Example: EXCELerator / 100-Day Action Plan

Who
Proposed change
Assumptions
Due date
Completed date
Financial impact
Category of waste
Type of change

Accountability through Structure

Example: EXCELerator / Summarized Results

- $$$ summaries
- By type of waste
- By change type
- #Change by Team
- # Change by VP
- $ Change by Team
- $ Change by VP
Diagnostic Questions

• Do you have a deliberate defined way to track results?

• Is it readily available to everyone?

• Is the information contained current “real time”, and accessible?

• Is the information used on a regular basis?

• Is learning shared?

• Does it integrate with the budget process? Validation?
Please complete the questions in the self assessment section

(10 Minutes)

“We are generally better persuaded by the reasons we discover ourselves than by those given to us by others.”

Blaise Pascal
French Mathematician, physicist 1623-1662
Rapid Cycle Testing

Key Concepts of RCT

• When is failure acceptable?
  ▪ Part of a well structured learning process
    • Stepping stone to success
    • Detect unknown variables
  ▪ Risk from unintended consequences are:
    • Evaluated, commensurate with potential gains
    • Conducted in a controlled environment
    • Appropriate measures established

Rapid Cycle Testing (RCT)

• Rapid Cycle Testing builds credibility and belief for changes / ideas.
• Rapid Cycle Testing removes fear of change.
Rapid Cycle Testing

Confidence in Decisions

Decision

Options
- Continue to RCT?
- Modify concept and RCT?
- Expand RCT, Belief in change?
- Develop new solution and RCT?

# Data Points

25 to 30 Data Points

Time


Rapid Cycle Testing

Problem Identification
Idea Generation
Change Concepts

Testing
Solutions

Hard Wiring Control Plan

Building Belief in Change over Time


© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.
Rapid Cycle Testing

Testing Lab Turnaround time

Control Chart Stat Lab Turnaround - Before and After Improvements

Randomized data - Oct
Random stat min April

Individual Value

<table>
<thead>
<tr>
<th>Observation</th>
<th>0</th>
<th>5</th>
<th>10</th>
<th>15</th>
<th>20</th>
<th>25</th>
<th>30</th>
<th>35</th>
<th>40</th>
<th>45</th>
<th>50</th>
<th>55</th>
<th>60</th>
<th>65</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>49.8</td>
<td>50.8</td>
<td>51.8</td>
<td>52.8</td>
<td>53.8</td>
<td>54.8</td>
<td>55.8</td>
<td>56.8</td>
<td>57.8</td>
<td>58.8</td>
<td>59.8</td>
<td>60.8</td>
<td>61.8</td>
<td>62.8</td>
</tr>
<tr>
<td>UCL</td>
<td>116.8</td>
<td>117.8</td>
<td>118.8</td>
<td>119.8</td>
<td>120.8</td>
<td>121.8</td>
<td>122.8</td>
<td>123.8</td>
<td>124.8</td>
<td>125.8</td>
<td>126.8</td>
<td>127.8</td>
<td>128.8</td>
<td>129.8</td>
</tr>
<tr>
<td>LCL</td>
<td>-17.2</td>
<td>-16.2</td>
<td>-15.2</td>
<td>-14.2</td>
<td>-13.2</td>
<td>-12.2</td>
<td>-11.2</td>
<td>-10.2</td>
<td>-9.2</td>
<td>-8.2</td>
<td>-7.2</td>
<td>-6.2</td>
<td>-5.2</td>
<td>-4.2</td>
</tr>
</tbody>
</table>

Randomized data - Oct Random stat min April

Control Chart Stat Lab Turnaround - Before and After Improvements

Randomized data - Oct
Random stat min April

Individual Value

<table>
<thead>
<tr>
<th>Observation</th>
<th>0</th>
<th>5</th>
<th>10</th>
<th>15</th>
<th>20</th>
<th>25</th>
<th>30</th>
<th>35</th>
<th>40</th>
<th>45</th>
<th>50</th>
<th>55</th>
<th>60</th>
<th>65</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>49.8</td>
<td>50.8</td>
<td>51.8</td>
<td>52.8</td>
<td>53.8</td>
<td>54.8</td>
<td>55.8</td>
<td>56.8</td>
<td>57.8</td>
<td>58.8</td>
<td>59.8</td>
<td>60.8</td>
<td>61.8</td>
<td>62.8</td>
</tr>
<tr>
<td>UCL</td>
<td>116.8</td>
<td>117.8</td>
<td>118.8</td>
<td>119.8</td>
<td>120.8</td>
<td>121.8</td>
<td>122.8</td>
<td>123.8</td>
<td>124.8</td>
<td>125.8</td>
<td>126.8</td>
<td>127.8</td>
<td>128.8</td>
<td>129.8</td>
</tr>
<tr>
<td>LCL</td>
<td>-17.2</td>
<td>-16.2</td>
<td>-15.2</td>
<td>-14.2</td>
<td>-13.2</td>
<td>-12.2</td>
<td>-11.2</td>
<td>-10.2</td>
<td>-9.2</td>
<td>-8.2</td>
<td>-7.2</td>
<td>-6.2</td>
<td>-5.2</td>
<td>-4.2</td>
</tr>
</tbody>
</table>

Rapid Cycle Testing

Patient Flow – X-Ray to ED

Time between Exam Completion/Out of Exam Room & Departure from Xray Dept

Improvement: Xray tech returns patient to ER

Before After

<table>
<thead>
<tr>
<th>Observation</th>
<th>0</th>
<th>5</th>
<th>10</th>
<th>15</th>
<th>20</th>
<th>25</th>
<th>30</th>
<th>35</th>
<th>40</th>
<th>45</th>
<th>50</th>
<th>55</th>
<th>60</th>
<th>65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (min)</td>
<td>191</td>
<td>172</td>
<td>153</td>
<td>134</td>
<td>115</td>
<td>96</td>
<td>77</td>
<td>58</td>
<td>49</td>
<td>39</td>
<td>20</td>
<td>11</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>400</td>
<td>300</td>
<td>200</td>
<td>100</td>
<td>0</td>
<td>-100</td>
<td>200</td>
<td>300</td>
<td>400</td>
<td>500</td>
<td>600</td>
<td>700</td>
<td>800</td>
<td>900</td>
</tr>
</tbody>
</table>

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.
Rapid Cycle Testing

ED - Testing new bed request protocol

30 Day Rapid Cycle Testing Results

- Patient Samples vs. Length of Process in Minutes
- Process Change: MD, Mid-Levels, 30 Day Rapid Cycle Testing Results
- New Teams Added: Building Belief in Change

Baseline vs. 1st Rapid Cycle Change Jan 2007

- First rapid cycle test reduced the variation, reduced the mean from 131 minutes to 38.8 minutes.
- Upon receiving CT results MD made disposition decision within 7 minutes.
Rapid Cycle Testing

Key Concepts of RCT

• When is failure acceptable?
  ▪ Part of a well structured learning process
    • Stepping stone to success
    • Detect unknown variables
  ▪ Risk from unintended consequences are:
    • Evaluated, commensurate with potential gains
    • Conducted in a controlled environment
    • Appropriate measures established

Why is Change So Hard in Healthcare?

“Today’s scientists have substituted mathematics for experiments, and they wander through equation after equation, and eventually build a structure that has no relation to reality.”

Nikola Tesla (1857-1943), Modern Mechanics and Inventions
Break Out Session III

Rapid Cycle Testing
Case Studies: A & B

• Review case study (30 Minutes)
• Discuss questions with table
• Design an RCT to overcome concerns

“Never discourage anyone…who continually makes progress, no matter how slow.”

Plato
Greek Philosopher, 27 BC-347 BC
Designing for Speed

<table>
<thead>
<tr>
<th>D</th>
<th>M</th>
<th>A</th>
<th>I</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-6 Months</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Define</td>
<td>Measure</td>
<td>Analyze</td>
<td>Improve</td>
<td>Control</td>
</tr>
<tr>
<td>2-3 month of Analysis</td>
<td>1 month of Implementation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

100-Day Workout I
Implement Control

100-Day Workout II
Implement Control

DMA 100-WO II IC DMA 100-WO III

4 month of Implementation 4 month of Implementation

© Caldwell Butler & Associates, LLC. 2009. All Rights Reserved.

Speed & Bias to Act

Diagnostic Questions

- Do we as an organization view speed as a competitive advantage?
- Are we moving as fast as we need to be successful?
- Is it safer to act in our organization to act or protect the status quo?
- Is the way we use analytics and data helping us or inadvertently slowing us down?
- What would actions might we take to be faster?
Self Assessment: Speed / Bias to Act

Please complete the questions in the self assessment section

(10 Minutes)

© Caldwell Butler & Associates, LLC. 2018. All Rights Reserved.

Coaching Through Objections

LEAP Leader Development
“Leader Effectiveness Accountability Process”
Coaching Through Objections

© Caldwell Butler & Associates, LLC. 2010. All Rights Reserved.
6 Step Process for Senior Leaders

1. Assess Change Capacity
   • Urgency / Sequence / Prioritize Strategic Focus
   • Establish Tangible Measurable Goals
   • 90%+ Participation / Identify LEAP Leaders

2. Establish/ Refine Accountability Structure

3. Communicate Strategic Focus / Theme

4. Track Results Real Time / Validate ROI

5. Coaching Support / LEAP Leader Development

6. Refine and Repeat / Launch Next 100-Day Workout

Leader Effectiveness & Accountability Program (LEAP)

The aim is for EVERYONE to achieve A+. The energies of the entire organization are aligned to this purpose!
Repeat Leader Effectiveness & Accountability Process Until ALL Directors have mastered change leadership

Next FY

Next FY
Leader Effectiveness & Accountability Program (LEAP): Team Otis: Non-negotiable Goal - $4M

Team Dereadt: Non-negotiable Goal - $3.6M
At 90-day Check-in: $32M implemented & CFO-Validated.

<table>
<thead>
<tr>
<th>LEAP - Devadutt</th>
<th>Target</th>
<th>Entered</th>
<th>Implemented</th>
<th>Validated</th>
<th>Target ($</th>
<th>Entered ($</th>
<th>Implemented ($</th>
<th>Validated ($)</th>
<th>% to Target ($)</th>
<th>% to Target ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Devadutt, Paul</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>$134,067</td>
<td>$840,028</td>
<td>$489,487</td>
<td>$489,487</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>Aiyara, Arnon</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>$453,986</td>
<td>$498,077</td>
<td>$286,877</td>
<td>$286,877</td>
<td>63%</td>
<td>63%</td>
</tr>
<tr>
<td>Thakrah, Philit</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>$1,111,968</td>
<td>$459,006</td>
<td>$329,313</td>
<td>$329,313</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Graham, Randy</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>$82,329</td>
<td>$273,596</td>
<td>$238,530</td>
<td>$238,530</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>Kosick, Joyce</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>$1,703,065</td>
<td>$2,505,487</td>
<td>$1,097,252</td>
<td>$1,097,252</td>
<td>121%</td>
<td>121%</td>
</tr>
<tr>
<td>Maner, Brian</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>$22,775</td>
<td>$486,506</td>
<td>$480,000</td>
<td>$480,000</td>
<td>214%</td>
<td>214%</td>
</tr>
<tr>
<td>Martinez, Martha</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>$52,956</td>
<td>$81,358</td>
<td>$81,358</td>
<td>$81,358</td>
<td>154%</td>
<td>154%</td>
</tr>
<tr>
<td>Totals</td>
<td>53</td>
<td>53</td>
<td>53</td>
<td>53</td>
<td>$3,332,706</td>
<td>$8,007,329</td>
<td>$3,741,731</td>
<td>$3,741,731</td>
<td>101%</td>
<td>101%</td>
</tr>
</tbody>
</table>

Ideas are the Easy Part: Implementation is the hard part

Developing LEAP Leaders
Skills to Overcome the Five Common Obstacles to Progress!
Why Do People Resist Change?

Healthcare environment

• Overwhelming majority:
  ▪ Want to do the right thing?
  ▪ Support the organization?
  ▪ Provide excellent care?
  ▪ Be successful?

So why do they resist change?


What Makes Healthcare Different?

Healthcare environment

• Trained to be risk averse
  ▪ First do no harm
  ▪ Fear of failure
  ▪ Bound by tradition
  ▪ Data driven / Clinical mentality

• Collections of independent professionals
  ▪ Highly educated
  ▪ Individual / Independent thinkers

## Strategies for Dealing with Obstacles

1. Anticipate blocks and threats to progress
2. Identify and recognize them early
3. Have plans and skills to deal with threats
4. Train staff / build skill set
5. Track effectiveness

## Five Common Patterns / Barriers to Change

1. Fear Mongering
2. Death by Delay / Analysis
3. Confusion & Distraction / Shifting Focus
4. Ridicule / Discrediting / Sniping / Character Assassination
5. Tradition / Regulation / Rituals
Common Objections

1. We need more data! Handling ambiguity and analysis paralysis. Is this benchmark valid?
2. I’m waiting on…senior leaders, someone else
3. We already thought about that, BUT …!
4. Initiative overload… I’m just too busy.
5. Resource Constraints …Overworked, under funded
6. Our demand is too unpredictable.
7. We’re a fixed department.
8. We can’t change anything until …
9. I can’t get results in 30,60,90 days.
10. But I don’t control that…Real problem is….

Fear Mongering

1. If we make this change bad things might happen
2. If we make this change it might affect safety, satisfaction, quality, etc…
3. We tried something like this before and it failed.

Methods of Pivoting the Conversation

1. RCT…Experiment, test the concerns of stake holders
2. Doomsday Planning…what is the worst that can happen
3. Conquer & Divide…build a coalition of the willing
Ideas are the Easy Part: Implementation is the hard part

Death by Delay & Analysis
1. We need more data and information before we...
2. I think there might be errors in the data...
3. Who is included in the benchmarks...

Methods of Pivoting the Conversation
1. Percent Right: Refocus on how right the data is
2. Decouple Analysis from Action: Implement in parallel with more data analysis
3. Reduce to the Ridiculous: focus on the insignificance of errors
4. 50% Gap Closure: Focus on being directionally correct

Confusion & Distraction
1. The problem is not with us, it's...bed control, nurses...
2. This needs to be fixed before we can take action
3. I'd like to help but I need more resources, money, IT...

Methods of Pivoting the Conversation
1. Focus on what can be done
2. Focus on influence rather than control
3. Create SIPOC “Continuum Teams”
Tradition & Regulation
1. Everybody does it this way!
2. This is the way it is done here!
3. I’m required to do it that way.

Methods of Pivoting the Conversation
1. Proof Sources: Ask for proof of source on regulations
2. Bring the Outside In: Best practices, field visits, etc…
3. Sense of Urgency: Same as everybody = Mediocrity

Ridicule, Discrediting, Character Assassination
1. Just consider the source
2. Raise question regarding motives of those involved
3. Snipe from behind cover… Meeting after the Meeting

Methods of Pivoting the Conversation
1. Remove cover of sniper
2. Promote structures that force public discussion
3. Closing back channels, Force conversation into the open
Case Study 1

Alan: The Difficult Director of the Emergency Department

Available Resources

- a) Frontier Articles, HBR Articles
- b) Principles of Design for Transformation
- c) In-Quality Staffing 30+ Change Concepts
- d) 84 Change Concepts
- e) Overcoming Obstacles
- f) Case Studies
- g) Rapid Cycle Testing
- h) 100-Day Workout
- i) Top Performer On-Line Survey
**Additional Resources**


**Interviews & Site Visits**

- David Jimenez, COO, CHP *
- Sarah Sinclair, CNO, Cleveland Clinic *
- Margaret Lewis, Pres, HCA Capital Div & 2 CFOs (18 hospitals)
- Mark Tolosky, CEO, Baystate Health System *
- Kurt Stuenkel, CEO, Floyd Medical Center *
- Kevin Cook, CEO, Mercy Health System, Scranton *
- Elaine Couture, CEO, Providence Sacred Heart, Spokane *
- Rob Thames, COO, St. Anthony *
- Peter Goslin, CEO, Monadnack *
- Eric Evans, COS, Tenet
- Barclay Berdan, EVP, Texas Health Resources
- Mark Jones, CEO, Univ Med Ctr Princeton *
- James Porter, MD, CMO, Deaconess *
- Neil MacDonald, COO, Union Med Ctr, Baltimore *
- Dave Pitman, CFO, Harbor Hospital *
- Bernie Klein, MD, CEO, Providence Holy Cross, LA *
- Arnie Stenberg, COO/John Harding, VP Ops, All Childrens *
- 12 Non-Starter Organizations

* Client
Principles for Designing a Comprehensive Transformation System

“Two out of three transformation initiatives fail. ... gurus focus on soft issues, such as culture, leadership and motivation. ... But these aspects alone are not sufficient to implement transformational projects. What’s missing, we believe, is a focus on the not-so-fashionable aspect of change management: the hard structural side of change.”


Managing change is the number one obstacle for healthcare organizations of all types and sizes. Executive leaders have over relied on analytical tools such as benchmarking, productivity systems, and methods like Lean while neglecting the inevitable human forces that block progress. There are distinct principles of design that leaders can follow to make their organizations not only receptive to change, but actually able to thrive. Below five key areas that executive leadership must address to ensure success as well as achieve a sustainable increase in operating margin for their efforts.

Management of Change Capacity / Focus

Leaders must actively manage the change capacity of the organization by systematically sequencing priorities in short strategic bursts. This is a key step in preventing organizational overload and paralysis. Second these priorities must clearly and continually communicated to all the stakeholders.

- Change capacity is actively managed by senior leaders
- Provides a clear sense of “Win Now” sense of urgency
- All action plans are linked to core strategies of the organization
- Emphasis is placed on tangible changes that produce an ROI
- Leaders deliberately search for ways to free change capacity
- Goal is to have 95% of leaders, directors and managers engaged in change 356 days per year
- Change is continuous vs an episodic project-based approach

Speed and Bias to Act
Leaders must recognize that speed is and adaptability is key competitive advantage. The system for change must emphasize speed and reward a bias to act with a rapid nimble response. Executive leaders will win when they make changing safer than protecting the status quo.

- Change must be safer than the status quo
- Function is valued over form, results become the key focus
- The system must value action and an experimental mind set among employees
- Goal is to allow information to flow rapidly and unfiltered
- Process owner buy-in developed through self-discovery for sustainability
- System should place decision making where the knowledge ends

**Accountability Structure**

Executives have a non-delegable role to develop an accountability structure that makes progress, or its absence, instantly visible. And when there is a block to progress, they system demands a corrective response. A strong accountability structure is the most critical variable of success. Below are some key design elements.

- Action targets are established, two changes per month recommended
- Action Plans are owned by individuals, not teams, task forces or committees
- Built on a foundation of positive peer pressure / reward / recognition
- Plans have hard key dates and milestones tied to expected results
- Leaders are highly visible and engaged
- Decisions are made where the knowledge ends
- Leaders are coaches, not players - process owners are accountable
- Strong tool for tracking implementation is in place

**Inter-disciplinary Team**

Major gains in performance can only be made by improving inter-departmental team work. As healthcare professionals, it is important to work together as a coordinated team, for the good of the patient, regardless of varied backgrounds. Yet collaboration remains a common point of struggle for most healthcare organizations. Executives need to deliberately design systems to mandate this activity and structures that make it easier for managers to break down departmental silos.

- Inter departmental collaboration is not just encouraged, its mandated, tracked and measured.
- Efforts are designed in process-continuum team/ SIPOC thinking
- While working as a team, everyone must have actionable items - plans owned by individuals that require individual effort
- The skills to successful lead inter-departmental initiatives are requisite for further promotion within the organization.
Tracking and ROI

Most change initiatives are sparked by margin pressures and budget demands. Yet few organizations have a highly structured method of validating tangibility and value of the changes made through their performance improvement efforts. If it is tracked, soft and theoretical costs are included in the measurement and frequently disassociated from the budget. Identifying desired outcomes and successfully tracking that activity are key components to monitoring progress.

- Changes must have an impact on someone's cost center
- Tangible vs soft cost are well articulated and defined by leadership
- Leaders have agreed to a budgetization process
- Linkage to implementation tracking tool is key

Leader Development / Overcoming Obstacles

Blocks and objections to progress will inevitably occur. People have a natural aversion to changing or disrupting their work processes and habits. Resistance will take one or more of five forms including Fear Mongering, Analysis Paralysis, Confusion and Distraction, Tradition and Regulation, and Sniping/Discrediting/Assassination. Developing coaching talent capable of anticipating and thwarting these blocks is a critical element of success.

- Executive must have a deliberate plan to identify and develop coaches who can lead people through their fears and concerns to achieve the desired results.
- Develop these leaders by providing them a chance to learn the proven techniques for overcoming Fear Mongering, Analysis Paralysis, Confusion and Distraction, Tradition and Regulation, and Sniping/Discrediting/Assassination.
- Establish a formal and objective process measuring each coach's individual effectiveness such as ability to drive change as an individual, within their department and team, and across interdepartmental boundaries.
- Build success in the program as a requisite for further leadership roles.
Breakout 1: A Tale of Two Hospitals

Section 1: Background Information

Objective: Review the following scenarios and determine which of the following organizations is the most likely to achieve their stated performance improvement goals. Prepare to discuss your observations and opinions with your fellow participants by discussing the questions at the end of each section.

Southern Connecticut Hospital

Southern Connecticut Hospital is a 350-bed community hospital located less than one hour north of the New York metropolitan area. The hospital was the beneficiary of a healthy market and payer mix in previous years. The senior leadership team believed that their current state was likely to change and concern was growing that the staff was not prepared to deal with the impending challenges. Senior leaders predicted that reimbursement rates were likely to decrease by 15 to 18% in the coming months. They believed the organization would need to become much more efficient in its use of resources if it was going to maintain its operating margins. In the past, their market had been relatively profitable and the managers had been shielded from some of the competitive pressures felt in other markets. The team recognized their organization’s culture would need to be transformed if they were going to keep up with the pace of change and have a chance at preserving operating margins. The senior team strongly agreed that they needed to build a new skill set among their managers.

In response, the senior team decided that Lean was going to be their total management system of choice. At the time, the senior team became enamored by the Virginia Mason experience and wanted to parallel Virginia Mason’s 5-year journey into Lean. The organization elected to have 5 members of their staff formally certified in Lean methodology. These individuals spent several months in training and completing small Lean projects in order to be certified. In addition, the leadership team and all managers received formal introductory training in Lean methodology.

After 8 months of training, the resources were now in place for hospital wide deployment. The senior team charted approximately 25 projects and Kaizen events were scheduled. These performance improvement events were scheduled throughout the next two years. The goal was to have each department select a project and participate in a performance improvement event during which the Lean process would be deployed.

North East Georgia Hospital

North East Georgia Hospital is a 300-bed community hospital located one hour north of the Atlanta market. Competition in this market was intense. The organization faced a strong local competitor. In addition, the potential loss of business to Atlanta hospitals was a growing threat. The hospital had gone through a turnaround two years earlier that
included the removal of the CEO. The turnaround included significant restructuring and slash-and-burn cost cutting in order to return to profitability. In addition, the senior leadership team thought it was highly likely that the Georgia state legislature was about to impose draconian cuts in reimbursement in the following calendar year.

At the current time, North East Georgia Hospital was measuring in the top decile of several benchmarks. In spite of its improvements in performance, the CEO believed that the organization needed to be faster in its response to the aforementioned threats. Among the senior team there was concern that as the financial conditions improved, complacency would put the organization at risk of loosing momentum. In addition, most of the obvious improvements were completed during the prior two years and there was a growing sense that managers were out of ideas.

In the past, the leadership team had used benchmarking and productivity tools successfully to trim waste. The organization employed productivity/financial analyst but had no formally trained productivity engineers or Lean-Six Sigma expertise within the organization.

**Questions:**
State your case for which of these hospitals you believe will be the most successful in achieving its goal and why.

What are the major variables that will influence their progress?

Discuss your observations with your tablemates.

*(Do not read any further!)*
Breakout 1: A Tale of Two Hospitals
Section 2: Current Status

Objective: The following briefs provide an update on the progress of each of these hospitals. Read and note any observations and be prepared to discuss the questions at the end of the section.

Southern Connecticut Hospital

The hospital was nearing two years into their Lean journey. Senior leaders were growing frustrated by the lack of progress and absences of tangible gains. There was even discussions among the senior team of abandoning their Lean journey in favor of an alternative. The hospital had completed more than 30+ Lean Kaizen events. Each event lasted five consecutive days during which team members were trained in Lean concepts, created A3 charters, value stream maps, collected and analyzed information, and identified opportunities for improvement. In some cases, managers had tested proposed changes.

In-spite of the resources and time expended, 9 out of 10 events resulted in no substantial improvements being impended. When the training company was challenged on the lack of results, they stated the senior team needed to spend more time meeting with the various teams and applying pressure. The senior team strongly believed they were already spending enough time on the Lean effort and that their other leadership duties would be neglected if they spent more time. The organization was already having weekly (Tier I) reviews with the performance improvement teams and the respective team leaders. There was also a (Tier II) review conducted by the performance improvement staff and each team leader to monitor progress of each project.

The performance improvement team produced textbook quality documentation and tracked the progress of the Lean projects. In most ways, this effort could be considered a classic example of how to implement Lean from an academic perspective.

Over a two-day period, various managers were interviewed about their performance improvement efforts. Some of the most revealing quotes from these interviews were:

- “ROI? Senior leaders never asked or expressed a need for an ROI. This was all about improving quality, not the budget!”
- “Once we return from the Kaizen event, it is difficult to catch up on my regular job since I have been out for 5 days. Its hard to move into implementation.”
- “We do a Kaizen event but they just don’t seem to take. It is difficult to convince the staff that did not participate in the Kaizen event to support the
change in work processes. They are frequently skeptical since they did not directly participate."

- “We identified multiple opportunities to reduce waste but we were told that we should wait until the process is complete before we implement.”

- “Each event lasts five days whether we need it or not. Some we could have gotten done in a day.”

- “Be careful of who you send to participate in the Kaizen event. If the person you send has authority to approve changes, they will actually expect you to do something.”

- “We have so many initiatives competing with Lean that it is difficult to get anything done. I just don’t see how we can fit this into our schedule. We have a safety initiative, budget process, Magnet, ... blah blah blah”

**North East Georgia Hospital**

North East Georgia Hospital was now facing the prospect of significant budget cuts by the State of Georgia. The hospital had no formally trained staff with experience in advanced quality methods. Senior leaders worried that the obvious corrections had already been accomplished and they were losing momentum. They had personnel responsible for providing benchmarking and productivity measurements to managers. Their benchmarking information provided managers with evidence that most departments were in the upper 15% of their comparative group. The senior team believed that returning to the slash and burn budgeting approach implemented two years earlier would be harmful to the moral and trust that had been rebuilt within the organization. Further use of benchmarking and productivity reports only reinforced the manager’s belief that all that can be done had already been accomplished.

Quotes from various managers provided the following insights:

- “We are already in the top 10%. Where are we going to cut and not hurt patients or quality?”

- “We are too lean in our staffing to take on one more initiative. We are already on meeting overload.”

- “We do not have the depth and skill to address this problem. Perhaps we need a staffing firm to come in and provide us with staffing recommendations. Maybe we need benchmarks of a better productivity tool.”
• “One of the mills is laying off quality experts, perhaps we can hire one of these industrial experts and bring them in to take costs out of our operation. We just don't have the time to develop internal talent.”

• “We just need to give everyone an aggressive target and let it be known we need each department to hit their number.”

Questions:

What do the comments reveal about the barriers facing each organization?

Assess the risks of each hospital and what factors do you believe will cause each hospital to potentially succeed or fail in their endeavors.

Discuss with your tablemates the potential solutions and corrective actions you would make to each organization to ensure they hit their plan.

Do not read any further!
Breakout 1: A Tale of Two Hospitals  
Section 3: Epitaph (And now, the rest of the story)

Objective: The following briefs provide an update on the progress of each of these hospitals achieved.

Southern Connecticut Hospital

Southern Connecticut Hospital continued on its current course making only cosmetic adjustments to their Lean program. Many of the planned performance improvement events were cancelled or suspended due to competing priorities citing the managers’ busy schedules. Further, senior leadership has since suspended any further investments in Lean training and are contemplating the future of their performance improvement program. They are in search of their next “management system.”

North East Georgia Hospital

North East Georgia Hospital was able to leverage the crisis caused by the State of Georgia cutting Medicaid reimbursement. The senior team called for the support of every manager and staff member to mobilize in a war to eliminate waste from the organization. Their stated goal was to improve quality and the patient experience by eliminating all of the 7 categories of waste. The CEO stated at the kick off that he believed the organization surly had $3-5 million in waste and that team would be able to meet a substantial portion of the budget shortfall by eliminating non-value added activities.

The following steps were implemented:

100-Day Workout I: Quality Waste Recovery
- Senior team implemented a strong accountability system.
- Established action targets for each manager. Everyone was required to make two changes that would produce tangible gains.
- Senior team charters a 100-Day Workout specifically for the purpose of attacking the 7 categories of waste. The goal was to implement quality based improvements that would also produce tangible cost recovery as the exhaust.
• The 100-Day Workout Out structure included fixed dates for the review of progress with strong senior leader participation and visibility.

• Managers primarily focused on their own departments but were encouraged and rewarded for their collaboration with other departments.

• Managers action plans were created and due by the end of the first day.

Lean Overview / 84 Engineering Change Concepts

• The management staff was provided a brief overview of the fundamental concepts of Lean. This introduction was provided at the kick off and used to stimulate the manager’s thinking about their current work processes.

• Managers were also familiarized with the 18 most commonly used change concepts used to reduce healthcare costs.

Implementation of Rapid Cycle Testing

• Teams were provided basic skills in Rapid Cycle Testing to improve the organizations speed of implementation and create a bias toward action.

• Activity targets were established and each member was required to actively participate in two rapid cycle test every 30 days

Building Internal Capacity

• Formal Certification: In a parallel effort to implementation, senior leadership established a plan to identify and build their internal capacity and skills. The team identified a select group of individuals who expressed interest in full time performance improvement roles.

• Selection Criteria: They established criteria for selection and a process by which these individual could demonstrate their ability to drive change prior to migrating toward full time roles. They were adamant that candidates for certification prove their ability to successfully lead initiatives and coach people through change prior to investing substantial amounts of money into advanced training.

North East Georgia Hospital is now entering their 18th 100-Day Workout Cycle. The organization has achieved more than $50 million in margin improvement following this approach. They have also focused the organization and radically reduced the number of meetings by consolidating the work into the 100-Day Workout structure. It has successfully used this basic approach to improve:
• Staffing deployment Optimization
• Surgical capacity
• ED wait times and LWOTS
• Growth and reduction in market leakage
• Revenue cycle and billing accuracy
• IT implementation
• Admission and Discharge processes
• Clinical improvements
• New facility construction
Questionnaire Response Comparison

Q4: While there are many improvement initiatives we could be working on, senior leaders are personally involved in helping me prioritize which two or three strategic initiatives I should be focused on at any time.

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>54%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Q5: It is more accurate to describe our organization as frequently launching new initiatives and it’s up to me to prioritize which ones I am able to complete.

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>34%</td>
<td>66%</td>
</tr>
</tbody>
</table>

Q6: Senior leadership has clearly laid out goals and metrics that help me focus on the desired outcomes of performance improvement activities and success is always clearly defined.

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>6%</td>
<td>94%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>34%</td>
<td>66%</td>
</tr>
</tbody>
</table>

Q7: It is more accurate to describe the performance improvement efforts of this organization as “top down / senior leader driven.”

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>41%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Q8: It is more accurate to describe the performance improvement efforts of this organization as “Bottom Up / Manager Driven.”

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>73%</td>
<td>27%</td>
</tr>
</tbody>
</table>
Q9: Generally it is clear to me why senior leaders have selected certain performance improvement initiatives as top priorities for the organization.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>6%</td>
<td>94%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>20%</td>
<td>80% (Marginal Agreement)</td>
</tr>
</tbody>
</table>

Q10: Department managers have timely access to the metrics and information they need to measure the key drivers of performance and make necessary corrections.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>49%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Q11: Everyone in the organization has a good idea of the decisions and actions for which he or she is responsible and the changes they can make without approval.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>42%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Q12: Once made, decisions to make changes in work processes are rarely second-guessed.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>51%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Q13: If critical deadlines or timelines are missed, senior leaders are quick to follow up in order to maintain progress.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>11%</td>
<td>89%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>47%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Q14: Important information about performance issues affecting hospital operations gets to senior leaders quickly.
Q15: There are regularly scheduled meetings with senior leaders dedicated to the review of progress and results of performance improvement efforts where all of those involved in implementing a process improvement are present and available to comment if issues and progress is blocked.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>7%</td>
<td>93%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>34%</td>
<td>66%   (Marginal Agreement)</td>
</tr>
</tbody>
</table>

Q16: When organizational boundaries and politics block progress, senior leaders are quickly made aware and actions are taken to ensure momentum is maintained.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>9%</td>
<td>91%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>24%</td>
<td>76%   (Marginal Agreement)</td>
</tr>
</tbody>
</table>

Q17: Information about performance improvement efforts flows freely across organizational boundaries and departmental lines rather than stays in departmental silos.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>14%</td>
<td>86%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>48%</td>
<td>52%   (Marginal Agreement)</td>
</tr>
</tbody>
</table>

Q18: It is easy for managers in this organization to work across departmental lines of authorities to improve work processes or handoffs in care processes.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>16%</td>
<td>74%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>64%</td>
<td>36%   (Marginal Agreement)</td>
</tr>
</tbody>
</table>

Q19: The information required for improving work processes flows freely across organizational boundaries and formal reporting relationships.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>14%</td>
<td>86%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>59%</td>
<td>41%   (Marginal Agreement)</td>
</tr>
</tbody>
</table>
Q20: Managers and staff usually have the information they need to understand the bottom-line impact of their day-to-day choices on hospital performance.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>50%</td>
<td>50%   (Marginal Agreement)</td>
</tr>
</tbody>
</table>

Q21: It is very clear to me how the performance of my department affects the performance of other departments in the hospital.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>2%</td>
<td>98%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>17%</td>
<td>83%</td>
</tr>
</tbody>
</table>

Q22: Most of the time, my department primarily conducts performance improvement efforts within our respective area of direct control.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>37%</td>
<td>63%</td>
</tr>
</tbody>
</table>

Q23: The primary role of identifying opportunities for performance improvement resides with the performance improvement staff.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>71%</td>
<td>29%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>68%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Q24: We typically implement a proposed change only after completing a thorough analysis of available data and careful consideration of all possible consequences to ensure we avoid making an error.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>25%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Q25: If someone has an idea on how to improve a work process, our culture makes it relatively easy to test the proposed change and experiment to see if it works.

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>19%</td>
<td>81%</td>
</tr>
</tbody>
</table>
Q26: In our organization, the emphasis is on avoiding a change that fails. As a result, we conduct exhaustive analysis, discussion and planning to avoid a change that does not work.

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>33%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Q27: In our organization, it is all right to try an idea even if it does not work the first time; there are generally no consequences for a failure.

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>13%</td>
<td>87%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>46%</td>
<td>54%</td>
</tr>
</tbody>
</table>

Q28: As an organization, we are generally very fast at implementing a proposed change in work processes.

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>67%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Q29: Expected financial returns for projects are explicitly stated at the start of each initiative.

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>66%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Q30: Our performance improvement initiatives are primary focused on improving quality and financial issues are handled separately during the budgeting process.

<table>
<thead>
<tr>
<th>Location</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>54%</td>
<td>46%</td>
</tr>
</tbody>
</table>
Q31: When working on performance improvement projects, tangible financial gains are tracked, measured, validated and the information is made readily available to all those who were involved in the project.

<table>
<thead>
<tr>
<th>Region</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East Georgia</td>
<td>11%</td>
<td>89%</td>
</tr>
<tr>
<td>Southern Connecticut</td>
<td>59%</td>
<td>41%</td>
</tr>
</tbody>
</table>
Objective:

Take a moment to review the following series of events. St. Mary’s is an organization in need of change. With a pen, mark and identify the “Red Flags” that would indicate the possibility of failure. Once completed, discuss the “Red Flags” you identified as a team with your tablemates. Identify any corrective actions you believe would increase the probability of success.

St. Mary’s Medical Center is located in a once prosperous area of St. Louis. This 400 bed acute care hospital enjoys a solid reputation built on years of medical achievement and quality service to the community. St. Mary employees take great pride in being part of the organization and frequently hold themselves out as the standard of care and performance.

In recent years, shifting demographics, deteriorating economic conditions, and the migration of procedures to specialty hospitals had caused the organization to lose market share and experience eroding margins. These conditions meant the hospital was facing a high probability that they would default on their bond covenants within the year without significant changes. Don Evans, St. Mary’s CEO, decided strong action needed to be taken. The next day he met with members of the finance team and requested that specific information be prepared over the next two weeks.

During the next Senior Leadership’s weekly meeting, Don made a case for change and the need to control costs, stop the erosion in market share and regain the financial health of the organization. Don’s comments were well articulated and supported by a well-polished PowerPoint slide presentation developed and created by analysts in the finance department. Don expressed that the executive team and Hospital Board must come to grips with the changes in the market, payer mix, down turn in the local economy, and the increase in competition due to the ever expanding options patients have to meet their healthcare needs. Don reminded the group that there were still rumors circulating that a major physicians group was considering building a competing facility within a mile of the campus.

The executive team concurred with 75% to 85% of the analysis in the presentation. After a brief moment of discussion and cordial dialogue, Sam Waite, the hospital’s CFO suggested that they solicit bids from a strategy consultant to provide them with greater insight and possible solutions to their most pressing issues. There was unanimous acceptance of the suggestion.
Sam and Bob Nichols, the CIO, volunteered to serve on the selection committee and Jenifer Dawson, the CNO, and Joseph Painter, Vice President of Business Development were asked to volunteer. The members of the selection committee met briefly following the morning’s meeting in order to establish a date to begin developing criteria for the request for proposal. Joint Commission had shown up and the following week they were being reviewed for Magnet status. The earliest they could meet was in three weeks due to pressing demands and prescheduled appointments.

After several meetings, the selection committee was able to agree on the scope of work and criteria for the selection of the consulting firm. The total time to create the RFP was two months. This was followed by two months for the consulting firms to prepare their response and begin the process of narrowing down acceptable firms. The goal was to narrow the choice to two final candidates. By the time the selection committee had completed this task more than 7 months had elapsed. St. Mary’s financial health continued to deteriorate during this time and they were within weeks of violating their bond covenant for cash on hand.

The consultants report was reasonably well received and there was support for many of the conclusions and ideas. At this point Don, the CEO decided to charter and form a carefully selected Implementation Task Force. Their job would be to roll out the strategy presented by the consultant. The Implementation Task Force consisted of several members of the executive team and a few other director-level personnel in the organization deemed vital to the project’s success.

Calendars remained a constant challenge due to the large number of executives and very busy schedules. More than four weeks passed until the Implementation Task Force was able to convene. During the first meeting there was confusion as to what the consultants actually recommended and questions surfaced regarding the intended strategy. Most of the meeting was spent debating a few controversial points in the strategy.

Consensus remained elusive. As time in the meeting expired, the only decision the Implementation Task Force reached was to have another meeting. By the second meeting, several of the committee members were beginning to question why they were even on the Task Force. Hints of dissension were beginning to well up in and out of the meeting. Comments were made such as; “Why did we hire consultants and waste all this time and money” and “Do we really have time for all this? After all, we need to be caring for patients.” In addition, Don Evans had wanted Joseph Painter on the Implementation Task Force because he was extremely influential in the organization and well connected to the physician community. Don was concerned that Joseph did not fully support the need for...
making changes in St. Mary’s strategy. Joseph was the most vocal and consistently raised concerns and questions about every recommendation made by the consultants. In fact, he was concerned about the disruptive influence the VP would play going forward. Don believed that by placing this skeptic on the task force that he would be more likely to support the large goals of his vision for St. Mary’s.

Upon its second meeting, the Implementation Task Force faced mounting pressure to get something done. The task force made the decision to form sub task forces in an attempt to achieve progress by breaking the work up into more manageable pieces. Don was concerned about both the lack of progress when he heard about this meeting. He immediately began meeting with each team member. In addition, he called a long time associate and consultant to meet with him in private to review the original strategy and recommendation. Don was at his wits end and wondered what to do next.

Key Players:

**Executive Committee**
Don Evans, CEO
Sam Waite, CFO
Jenifer Dawson, CNO
Joseph Thomas Painter, VP Business Development
Bob Nichols, CIO

**Implementation Task Force**
Sam Waite, CFO
Jenifer Dawson, CNO
Thomas Painter, VP Business Development
Bob Nichols, CIO
Dr. Mas Nagula, Medical Staff
Betty Lottaforms, HR
Tom Prescott, Director Ancillary Services
Frank Sterling, Director House Keeping, Facilities
The Red Flag Exercise Observations

Identify a minimum of five “Red Flags” that you believe are indications that this organization is going to have difficulty making the needed changes to be successful and survive.

Red Flag 1. ____________________________________________________

Red Flag 2. ____________________________________________________

Red Flag 3. ____________________________________________________

Red Flag 4. ____________________________________________________

Red Flag 5. ____________________________________________________

Red Flag 6. ____________________________________________________

Red Flag 7. ____________________________________________________

Red Flag 8. ____________________________________________________

Red Flag 9. ____________________________________________________

Red Flag 10. _________________________________________________
Breakout III: 6 Change Killing Patterns

Share your observations and experience with your fellow participants. Discuss and identify methods leaders can implement to alter each of the 6 Change Killing Patterns.

1. A Culture of Nos
   a) ______________________________________________
   b) ______________________________________________
   c) ______________________________________________
   d) ______________________________________________

2. The Dog and Pony Show Must Go On
   a) ______________________________________________
   b) ______________________________________________
   c) ______________________________________________
   d) ______________________________________________

3. The Grass is Always Greener
   a) ______________________________________________
   b) ______________________________________________
   c) ______________________________________________
   d) ______________________________________________

4. After the Meeting, the Real Debate Begins
   a) ______________________________________________
   b) ______________________________________________
   c) ______________________________________________
   d) ______________________________________________

5. Ready Aim, Aim, Aim….
   a) ______________________________________________
   b) ______________________________________________
   c) ______________________________________________
   d) ______________________________________________

6. This Too Shall Pass
   a) ______________________________________________
   b) ______________________________________________
   c) ______________________________________________
   d) ______________________________________________
Breakout III: Alan the ED Director

The Project
Alan Brinks the ED Director is having a meeting with Nancy Miller the hospital’s head of performance improvement. Nancy is a master black belt and Lean expert. Senior leadership has expressed a need to improve the performance of this busy emergency department. Alan has been less than enthusiastic about the attention being focused on his department and has not been completely open in his disclosure concerning performance issues. Senior leadership has chartered Nancy to examine the ED’s work processes and identify opportunities to improve the patient experience by:

- Reducing wait times
- Reducing LWOTs
- Improving satisfaction scores
- Door-to-Doc times

For the past 90 days, Nancy has interviewed ED staff. She has personally observed ED’s workflow and processes and documented opportunities to streamline work. Nancy has worked with the IT department to query 12 months of data from various legacy systems and compiled what she believes is the most accurate analysis of ED operations possible given the normal flaws in the data.

The Meeting
Today is the day that Nancy meets Alan to reveal his findings. Nancy plans to show Nancy:

- Value Stream Map identifying possible opportunities to reduce wasted steps and re-sequence critical activities.
- Spaghetti Diagram showing opportunities to improve excess motion and reduce steps.
- Regression Analysis pin pointing the critical to quality variables and bottlenecks in the ED.

Nancy enthusiastically revealed her findings to Alan over the course of the next hour. Alan asked a few questions and took notes during Nancy’s presentation. Nancy had every indication that Alan was agreeing that Nancy’s analysis was correct and that action and improvements would be forthcoming. Then Nancy heard Alan take a breath and say: “Nancy, this is great work but there is something I must tell you. We have been making changes to the ED’s work processes over the past 90 days while you have been collecting data. While I’m sure your findings are correct based on our old work processes, I am not sure the analysis is still relevant. Plus I am certain there are errors in the data. Would it
be possible for you to freshen up the data and provide us with a more accurate assessment before we consider your recommendations? I don’t want to make a change that does not work. Nancy, thought for a second and said: “Sure it’s possible, I can have new information in about 30 days and see what has changed.” At this point the meeting was preparing to end.

What would you do?

Questions

What progress killing methods is Alan using to forestall the need to make changes?

What is going to be the likely response when Nancy returns to meet in 30+ days?

What senior leader roles seem to missing in this scenario?

- Accountability?
- Focus and Goals?
- Bias to Act and Speed?
- Roles of stakeholders?
- Role of other departments?

How would you coach Nancy to manage the dialogue with Alan to achieve progress?
Breakout IV: Rapid Cycle Testing: Case Study A

Tom Snider manages a busy respiratory care department. The administration of the hospital has been putting pressure on Tom to control his labor costs. Tom believes he manages a quality department. However, several benchmarks indicated his labor expenses appeared to be higher than any of his peer groups. Tom began analyzing his staffing patterns using the principles of In-Quality Staffing. Using this method, he realized that on Monday’s and during certain times in the morning his staff was getting slammed. They frequently had to bring in PRN staffing to meet the overflow in demand that stemmed from the weekends. Tom theorized he could make two possible changes that would radically reduce his labor costs and put them in line with expectations.

Concept 1. Block appointments on Monday morning to allow regular staff to catch up from weekend demand. The thought was if we can catch up, it would reduce the pattern of calling in PRN staffing on Mondays. The department would still respond to emergency and special needs but push most regular appointments to Monday afternoon. Tom was uncertain that all the physicians would support the change. He knew he could convince some of the physicians to try the new appointment system but it was unlikely all would accept such a change.

Concept 2. In-Quality staffing analysis revealed that between 9:00am -11:00am the department was running at maximum capacity. However, from 2:00 pm-4:00pm on week days the demand dropped and staff was being underutilized.

Discussion Questions:

What concerns or fears might Tom have if he implements the changes?
• Issues with staff?
• Concerns over patient care?
• Reaction from physicians?
• Other issues?

How might Tom design a Rapid Cycle Test of the proposed changes?
• Test impact of changes on labor?
• Reaction of patients, physician, others?
• Staffs ability to adapt to changes in schedules?
Mary Thomson manages a new diagnostic imaging unit. The hospital had made a substantial investment in the new facility on the hopes that it would be able to increase revenue. Mary was frustrated. Although her number of appointments was up, her operating margins and productivity was 10% below budget. This was primary due to the fact that budgeted growth had not materialized. Hospital administration was placing pressure on Mary to turn the situation around. Administration had provided Mary with Lean-Six Sigma support and an analysis was completed.

The analysis identified two significant areas that could potentially yield immediate improvements. The first opportunity was to decrease the number of missed appointments. The data indicated that when patients were called within 24 hrs ahead of the appointment there was an 85% decrease in the no-show rate. This decreased revenue and left open appointments which made staff unproductive. The departments current process was undisciplined and frequently neglected.

The second area for improvement was to grow mammography and other annual exams. The data indicated that patients who were due for annual exams were not scheduling their next appointment. Capturing even a fraction of this volume could make a big difference in revenue.

**Concept 1.** Establish a reminder system that would insure that 99.9997% of patients receive a call between 8:00-6:00pm the prior day. In the current system, staff shared the responsibility and called as time allowed. In the new system, this would be assigned to a specific individual and be made a priority and tracked. She knew it would initially mean taking resources from other functions in the department.

**Concept 2.** Establish an appointment system that booked the follow up appointments the day of the initial mammogram as well as systematic method of reminders. Mary modeled her plan after the practices used by her Dentist’s office. It would involve changing the way the staff does business in the office and booking patient’s for their next exam prior to exiting the center. This would involve creating an IT solution for tracking the follow up appointments. She was unsure what the cost might be of implementing a total solution.

**Discussion Questions:**

What concerns or fears might Mary have if she implements the changes?
- Issues with staff?
- Concerns over patient reaction?
- How might she avoid initially making huge capital investments?

© Caldwell Butler & Assoc, LLC. 2009. All Rights Reserved. Use of this material without written permission is prohibited.
• Other issues?

How might Mary design a Rapid Cycle Test of the proposed changes?
  • Test impact of changes on labor?
  • Reaction of patients, physician, others?
  • Staffs ability to adapt to changes in schedules?
Breakout IV: Memorial Community Hospital Case Study

Bill Ringer, COO of Memorial left the ED Performance Task Force meeting shaking his head in amazement. Bill was stunned by what had just transpired. Bill thought to himself: "The Executive Team has been focused on the ED for more than 3 years. We have tried everything under the Sun to improve our wait times. We have tried best practices, capital expansion of the facility, and consulting. Nothing seems to allow us to make progress. This ED Consulting engagement was our best hope to improve the situation. I wonder where do we go from here?"

Bill left the meeting where the consultant had just finished presenting the results from six months of work to redesign ED work process. Ten minutes into the presentation a vigorous internal debate ensued among Memorial’s staff. The team of consultants folded their hands and sat silent as the ED’s physician leadership and ED clinical staff engaged in a raging debate about the validity of the data, findings and the consultants’ recommendations.

Background
Memorial Community Hospital is a 250 bed hospital located in a rural community in central Pennsylvania. Bill Ringer was growing increasingly concerned about the perception of his emergency room among the community and key stakeholders for the past three years. Average wait times in the ED have continued to rise in spite of a growing amount of the organization’s attention and resources being focused on solving the issues in the ED. Bill remained confident in the quality of care being delivered to patients. However, patient satisfaction scores continued to decline and ED wait times were beginning to harm the reputation of the entire hospital's service line.

The 3 Year Journey

3 Years Prior
The ED was led by a very bright and energetic physician named Dr. Koch. She had been intrigued by the research done by a reputable advisory group who specialized in identifying best practices in acute care facilities. Dr. Kock strongly believed that if Memorial implemented or at least tested all 25 recommended published best practices, they would achieve meaningful reductions in ED wait times and improve their patient satisfaction scores. Dr. Kock set about implementing her vision by calling together the staff and explaining each of the best practices. She organized the staff into teams and began requiring the staff to implement each of the best practices. Mary Stichem, Director of ED had reservation about some of the concepts but agreed to at least try them. After 12
months, there was no discernable improvement in patient flow or reductions in ED wait times. Staff moral began declining during this process and initial enthusiasm changed to ambivalence.

**2 Years Prior**
ED leadership and Memorial’s executive team were becoming convinced that few gains would be obtained until the existing physical structure of the ED was improved. A capital expansion plan was launched and an ambitious construction project was begun over the next 12 months tripling the ED’s Exam Rooms. The entire entrance to the hospital was renovated which included improved access and capacity of the ED. In addition, the ED was enlarged from 5 exam rooms to 15 exam rooms. Memorial made a number of investments in technologies such as adding new patient tracking software, electronic medical records, video surveillance for patient observation, and other features to improve the efficiency of care. The ED was also expanded to serve as an active occupational medicine department for local employers.

In spite of these capital investments, excessive ED wait times remained a problem. Staff did not fully embrace the new patient tracking system. Instead they relied on their old manual paper based systems and continued to run it in parallel with the new technology. Many of the new exam rooms remained dark and unused. Nurses complained that some of the rooms did not afford them a direct line of sight to the patient and expressed a reluctance to rely on the monitoring and observation systems. When Bill observed the ED he noticed that the center of activity continued to be the old circular desk that was located in the original ED space. The other matching work stations remained relatively unused for most of the day. Bill knew the new space was not fully being utilized.

**1 Year Prior**
Senior leadership hired a large consulting firm to provide the ED staff with recommendations on how to reduce wait times and improve ED flow. The entire engagement took 6 months during which time all performance improvement activities were suspended awaiting the outcome of the report. The consulting firm analyzed 18 months of data. In addition, they extensively interviewed physicians, nurses and other key stakeholders related to the performance of the ED. They conducted extensive observations of ED workflow and spent months preparing their report.

The day came for the consulting team to present their findings and recommendations. A meeting was called with ED staff as well as a contingent of ED physicians. The consultants produced a thorough analysis and an impressive set of 150 recommended changes in work process for the ED.
Approximately 10 minutes into the presentation, the physicians and clinical staff began to raise objections over the findings. The physicians in a surprise move, started rebutting the analysis presented by the consultants. The ED physicians had been collecting their own information and came to the meeting with graphs showing conflicting findings to those of the consultants. The meeting rapidly degenerated into circular internal debate among the staff. The consultants retreated to become observers and the debate gained momentum. By the end of the meeting the ED team lost focus and left the room without reaching resolution on the recommendations or agreeing to implement any changes.

Bill Ringer returned to his office and pulled out a pad of paper and began to list possible alternatives. He could attempt to enforce the changes through sheer will and determination. He could engage another consultant and hope that the staff receives the information with more acceptances. He had received a proposal earlier for the outsourcing of the ED to a professional management company. Bill knew that the ED was very frustrated and that they might not recover from another false start. Something had to change and quickly.

Key Players
Bill Ringer, COO
Dr. Martha Koch, Medical Director of Emergency Medicine
Mary Stichem, Director of ED
Table Discussion Questions

1. What are Bill’s top 3 issues contributing to the lack of progress in the ED?

2. Why do you think implementing best practices failed to produce gains?

3. Why would the physical improvement in the ED and the addition of technology designed to improve productivity fail to produce gains in ED performance?

4. What strategies can you offer Bill Ringer to get his ED staff back on track?
   a. Complete a more thorough analysis of the EDs bottle necks?
   b. Conduct another meeting with key players to resolve the differences of opinions and gain consensus?
   c. Enforce the implementation of the consultant’s recommendation and use of technology?
   d. Apply Lean Six Sigma methods and implement a DMAIC process?
   e. Replace staff and bring in new leadership?
   f. Outsource ED operations?
   g. Other?

What are the top three actions you would advise Bill Ringer to take to improve his situation and increase his probability of success?

1. _________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

2. _________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

3. _________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

STOP: Do not proceed further
Breakout IV: Strategy to Achieve Implementation and Results

Bill Ringer considered all his alternatives carefully. He was concerned about bringing in additional outside experts and opinions into the equation. He found no fundamental fault with the recommendations that had already been completed. All the ideas came from proven practices and he believed the staff actually agreed with 85% of the recommended solutions.

He met with a Lean-Six Sigma Black Belt they had recently hired onto his performance improvement staff. The Black Belt insisted that more analysis be completed and that a full project using the DMAIC process be initiated. She argued that within two months, she could produce an analysis which would pin point the EDs critical bottle necks and critical variables. She indicated that within three months the process could be completed and the team would be ready to implement the right changes. Bill rejected the notion that more data and analysis would yield results in the ED. The ED had looked at every best practice to come along, 152 recommendations from experts, and analysis for staff and physicians. In his view the team was not suffering from a shortage of analysis but too many competing views.

Replacing the staff or outsourcing the ED would have had far reaching ramifications in this rural community. Bill felt convinced the fundamental problem was not with his people but with the structure and management of change.

Bill had been working on eliminating quality waste from the organization with CCA. This initiative was having great success and Bill thought it could possibly work for the ED.

Strategy
After consultation with CCA, the following strategy to ED developed. It was determined that any further analysis or ideas would actually hinder not help progress. What the ED team needed was the following:

1. Break the cycle of endless analysis and the injection of new information at the point of decision.
2. A systematic way of driving accountability and implementation.
3. A method of moving managers into action testing changes rather than continuing the debates and overcoming fears.
4. A structure that would neutralize several of the EDs strong personalities and allow for broader participation.
The plan rolled out as follows:

- **Host an Idea Clearing House Summit /Kick Off**
  The strategy was to rapidly end the argument and establish a plan to move people into action. The ED team needed to have some boundaries and absolutes while leaving the group with the freedom required to build belief in the changes. At the Kick Off the following guidelines were announced:

  1. All ideas and data to be considered **must be present at the meeting if they are to be considered.**

  2. All ideas will be evaluated and categorized into three categories:  
     - **A Pile:** Ideas with high consensus for rapid implementation. These were concepts the team could move on rapidly with minimal risk.
     - **B Pile:** Ideas with reasonable consensus and merit but might have some risk or concerns associated with their implementation. This pile also included competing ideas where teams could not agree on which alternative solution is best.
     - **C Pile:** This group consisted of ideas that the team knew were unlikely to succeed and there was little support. Prior to this session, this also was the group of solutions that was occupying most of the team’s attention and time.

  3. **100-Day Action Plans are Due by End of the Kick Off on Day 1.**

  4. All sub teams would meet as an entire team once a month and pre scheduled meetings with senior leaders to review results.

- **Improve Accountability through 100-Day Workout Structure**
  It was likely that any further efforts to improve the ED would meet the same fate unless there was more accountability for implementing changes. The decision was made to implement the 100-Day Workout structure with regular monthly check-ins. This system accomplished several goals. First it made progress or its absence instantly visible. Second, it offered visible proof of senior leadership’s interest in improving the ED. Third, it made protecting the status quo more risky than implementing change. By doing so the structure harnessed positive peer pressure.
- **Divide the group into 4 teams**
  CCA recommended to Bill that the group be divided into sub teams focusing on improving a different aspect of the care continuum. The goal was to allow each group to focus on making progress on improving a different aspect of the care continuum. This move was also done to reduce the influence of a few strong personalities and allow ideas to flow more freely. This also allowed the teams to generate more focus on a specific aspect of the work processes. Teams were:

  1. Door to triage
  2. Triage to Exam
  3. Diagnostic cycles
  4. Exam to Discharge

- **Introduce Rapid Cycle Testing**
  Bill had been exposed to the concept of Rapid Cycle Testing when CCA used it to help the hospital recover $3.5 million in quality waste. CCA recommended that Bill deploy it as the hospital's primary method of breaking down the status quo. After teams parsed their ideas into the A-B-C categories, each team was asked to implement a minimum of 2 Rapid Cycle Tests per month. The teams use Rapid Cycle Testing primarily on ideas from the B category to quickly evaluate alternative solutions as well as test concepts where staff had concerns regarding potential negative consequences.

**Results**

As a direct result of adding structure, all of the sub teams gained traction and implemented 125 of the 152 recommendations during the following 100 day period. Dividing up into teams produced the intended results of neutralizing dominate personalities and allowing broad participation in the process. Rapid Cycle Testing served a key role in overcoming resistance and moving people into action. Their efforts were reinforced by achieving some short term wins. The process reinvigorated the staff and encouraged further experimentation with their work processes. The separation of ideas into ABC categories focused the teams on the proposed solutions with high consensus rather than consuming all their time and resources by dwelling on the solutions where there is contention.

The 100-Day Workout structure, which included monthly check-ins with senior leaders, improved accountability and helped increase the belief among staff that senior leaders were serious about improving the performance of the ED.
As a result of the changes the ED achieved a 30% reduction in the ED length of stay and reduced the average ED visit from 3.25 hours to 2.25 hours. During this first 100 Days, LWOTs dropped by 75% due to reduction in the time it takes for patients to be seen by a physician. The ED Team had set a quality standard of having every patient seen by a physician in no greater that 30 minutes from front door to exam. Initial analysis indicated that this standard was achieved less than 20% of the time at the beginning of the process. By the end of the first 100 days the team was meeting this objective 60% of the time.

1. Which factors contributed the most to Bill’s success? Rank in order from most important 1 to least important 10.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>___</td>
<td>Creating a sense of urgency</td>
</tr>
<tr>
<td>___</td>
<td>Building a case for change</td>
</tr>
<tr>
<td>___</td>
<td>Building a guiding coalition</td>
</tr>
<tr>
<td>___</td>
<td>Appointing an accountable executive champion (himself)</td>
</tr>
<tr>
<td>___</td>
<td>Communicating the goal(s)</td>
</tr>
<tr>
<td>___</td>
<td>Eliminating previous/existing barriers to change</td>
</tr>
<tr>
<td>___</td>
<td>Setting clear expectations for results vs status quo</td>
</tr>
<tr>
<td>___</td>
<td>Setting a defined timeline for change to produce results</td>
</tr>
<tr>
<td>___</td>
<td>Establishing an accountable change model</td>
</tr>
<tr>
<td>___</td>
<td>Imbedding visible success metrics</td>
</tr>
</tbody>
</table>
## Breakout 7 Proven Steps: Prioritizing the Effort Discussion Guide

<table>
<thead>
<tr>
<th>Step</th>
<th>Notes &amp; Action Steps</th>
</tr>
</thead>
</table>
| **1. Select a core care or business process with the most impact on strategic & operational plans. / Establish “Big Q” goal metric(s)**  
a) Has the senior team identified and achieve consensus on the organization’s large strategic core processes?  
b) What is our organization’s capacity for change?  
   1) How many Big Q Core processes can we improve at this time?  
   2) Can we free up resources, suspend or stop other initiatives to create capacity?  
c) What is our most important Big Q Core process at the moment?  
d) What can we accomplish in the next 100 days?  
e) If we improve this Big Q Core process, how will we measure success?  
   1) Quality measures  
   2) Financial ROI  
   3) Satisfaction measures |
| **2. Assign to an accountable executive champion and other Key Resources. (name individuals)**  
a) Executive Champion  
b) Finance Liaison  
c) Communication Coordinator  
d) 100-Day Workout Coordinator  
e) Technical Expertise  
   1) Lean  
   2) Six Sigma  
   3) Other |
### 3. Prioritize subprocess metrics that drive Big Q goal(s) (key drivers).

a) Which sub-processes of the Big Q shall be the focus?
   1) Which 3 or 4 sub processes the organization can successfully improve in the next 100 days?

b) Do we have enough information to take action?
   1) Does the group have possible solutions or have they exhausted their current knowledge?
   2) Will additional analysis be required to produce fresh insights or can we take action now?
   3) What are the potential risks in proceeding without further analysis?

c) What are the potential barriers of change associated with this team of people?
   1) From whom can we expect active resistance?
   2) From whom can we expect active support?
   3) Do we have the right set of people?

d) What are the potential barriers that we need to overcome?
   1) Resources?
   2) Incentive alignment?
   3) Time?

### 4. Design an Accountability Structure (100-Day Workout).

a) How will we make progress or its absence visible?

b) How frequently will we need updates to keep slippage at an acceptable level?

c) How and which senior leaders will participate?

d) Are dates set and hardwired on the calendar?
<table>
<thead>
<tr>
<th>Step</th>
<th>Notes &amp; Action Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>e) What new knowledge, skills, or training will participants require to be successful?</td>
<td></td>
</tr>
<tr>
<td>1) Lean / Six Sigma / Other</td>
<td></td>
</tr>
<tr>
<td>2) Practicum to gain competency in skills</td>
<td>5. Track project milestones within 100-Day Quality Workout structure.</td>
</tr>
<tr>
<td>a) How will we track critical information?</td>
<td></td>
</tr>
<tr>
<td>b) What information needs to be tracked?</td>
<td>1) Projects, Rapid Cycle Tests</td>
</tr>
<tr>
<td>2) Due dates</td>
<td>3) Completion dates</td>
</tr>
<tr>
<td>4) Financial ROI</td>
<td></td>
</tr>
<tr>
<td>c) How will managers update information?</td>
<td>1) Real time.. Internet app, Excel, Word</td>
</tr>
<tr>
<td>2) Who should have access rights to information?</td>
<td></td>
</tr>
<tr>
<td>6. Hardwire gains &amp; charter next 100-Day Quality Workout cycle project(s) aimed at Big Q metric(s).</td>
<td></td>
</tr>
<tr>
<td>a) Do we believe the changes made are accepted by the organization?</td>
<td></td>
</tr>
<tr>
<td>b) Have we moved beyond vigilance to ensure the gains?</td>
<td></td>
</tr>
<tr>
<td>c) Have they been hardwired and linked to solid engineering concepts?</td>
<td>1) Is there an control plan in place?</td>
</tr>
<tr>
<td>2) Can we identify any of the 84 change concepts?</td>
<td></td>
</tr>
<tr>
<td>d) Are we ready to announce the next Big Q Focus?</td>
<td>1) What resources will be required?</td>
</tr>
<tr>
<td>2) What data and analysis will be required?</td>
<td></td>
</tr>
</tbody>
</table>
7. **Repeat these steps for the next core care/business process until at steady state.**

   a) Have we created an expectation that performance improvement and managing change is an ongoing process?
   b) Do our managers consider it extra work or part of their job?
   c) How is our quality system working and what adjustments need to be made in order for the organization to achieve and sustain progress?
Processing the “Big Q” Core Processes (Key Task #1)

- ED-Bed Mgmt: ED Length of Stay < 3 Hrs Discharged / 4 Hrs Admit
- Surgery Cut-to-Close Hrs/ Staffed Hours > 40%
- 2pm Discharge/ 60-min to Next Patient > 80%
- Clinical Core Measures = 0% Denials/LOS/Utilization/CMS
- Clinics: Treatment minutes to total minutes > 40%
- Revenue Cycle: # Clean Claims 5 days Post Discharge > 90%
- In-Quality Staffing > 95%
- After-Care: 80% pre-2pm admits

➢ In-Quality Staffing > 95%

➢ ED Length of Stay < 3 Hrs Discharged/ 4Hrs Admit
  - Walk-In to ED Bed < 30 Minute (USL)**
  - ED Bed to ED Physician Assessment < 15 Minutes (USL)**
  - Triage to Last Diagnostic Order < 45 Minutes (USL)**
  - Lab/X-Ray Order to Result < 60 Minutes (USL)
  - Diagnostic Results to ED Phys Review < 15 Minutes (USL)**
  - ED Phys Assess to IP Request for Bed < 30 Minutes (USL)**
  - Bed Notified to Transport < 30 Minutes (USL)
  - Discharge Order to Discharge < 20 Minutes (USL)
  - In-Quality Staffing > 95% (LSL)**
  - ED Phys Practice Variation 3-hr/ 4-hr +/- 45 min**

➢ Surgery Cut-To-Close/ Staffed Hours > 40%
  - Incision Time No Later Than < 7:40 am Start Time
  - Room Turn-Around-Time (TAT) < 15 Minutes
  - To-Follow Case Scheduling Variance +/- 15 Minutes
  - Surgeon Preference Card Accuracy > 95% (USL)
  - Surgeon In-Room to Sched Time +/- 10 Minutes
  - In-Quality Staffing > 95% (LSL)

➢ 2pm Patient Discharge/ 60-min to Next Patient < 80%
  - Zero Missed Discharge Appt. / FMEA < 30 Minute (USL)
  - Lab Results Reviewed by Physician Dsch < 4 Hours Prior to Expected Dsch
  - Patient Departure Pickup Confirmed < 4 pm Prior Day
  - Next Patient in Room < 60 Minutes after last Dsch
  - Physician Practice Variation Drivers
  - In-Quality Staffing > 95% (LSL)
<table>
<thead>
<tr>
<th>Focus / Managing Change Capacity</th>
<th>Self-Assessment</th>
<th>Actions / Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has executive leadership deliberately designed and implemented a comprehensive management system for leading transformational work? If yes, is it producing sufficient results to meet the current needs and challenges facing the organization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are managers currently overwhelmed by the number of priorities?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is it clear which one two or three initiatives they should be focused on any given day?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does executive leadership have a system for prioritizing and sequencing the initiatives for managers and directors? Are all initiatives equally important and urgent? If you have a system, please rate the effectiveness of the system?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does executive leadership have a process and routinely search for ways to free up change capacity and remove the activity and distractions blocking progress?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has executive leadership explicitly stated the expectation that every manager and director is responsible for a certain number of changes each month?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What percentage of your managers and directors complete two or more changes in work/ care processes that produce a tangible result?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there a system for tracking the number of changes made by each manager month by month?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is active participation in leading change factored into the job performance evaluation of the managers and directors?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accountability System</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is responsibility for progress generally owned by committee, workgroups, and task forces or by the individual managers and directors in your organization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there an explicitly stated goal that managers are to deliver a completed number of changes/improvements every month?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the Performance Improvement Department (PI) seen as the primary driver of improvement initiatives or is it the managers and directors? Are managers and directors (process owners) responsible for leading change with or without the help of the PI department? Are decisions to make changes to work processes being made where the knowledge ends with directors and managers or more top down?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In your organization, is progress or its absence instantly visible to leadership, and is there a rapid corrective process to keep things on track when progress gets blocked?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is it personally safer for a manager to try something new and fail or is it better not to take a chance?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are executive leaders highly visible (physically present) in the change and are made quickly aware when progress is blocked?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are Executive Leaders seen as coaches or the responsible party for making decisions about what processes to change? / Or are managers to develop the specific changes?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tracking /ROI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you have a centralized way to track progress that is visible to managers, directors, and executives?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can every stakeholder see progress?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you have a platform for measuring the tangible financial return of all completed changes implemented?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do the organization have a system for recording and sharing successful changes across the organization to accelerate learning and pace of change?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are tangible vs soft costs well-articulated by executive leadership and understood by managers and directors?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is it common for PI efforts to include soft cost, avoided cost and other things such as incremental time saved?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there an expectation that most changes (90%+) or improvements should be linked to someone’s specific cost centers?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the PI department have an explicit ROI goal on their efforts that is validated by the Finance Department?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Speed / Bias for Action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do your managers and directors view it as part of their job description to improve operations for their department even if they are not specifically asked by senior leadership or assigned to participate in an initiative?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would say that your managers operate as franchise owners or with an employee mind set?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would your managers say it’s personally safer to be involved in leading change that to avoid it and protect the status quo?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How would you rate the managers/directors mind set over fear of trying a change that might not work? (Failure!)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From a manager’s perspective, is being engaged in leading change safer for them personally, than being active in leading the implementation of changes that might potentially</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How would managers view their level of personal risk? Do you believe that your organization’s progress is too dependent on data, benchmarks, analytics, and process?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are there mechanisms to allow for practical self-discovery and experimentation?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Overcoming Obstacles/Coaching**

<p>| How would you rate your organization’s coaching talent related to overcoming the inevitable obstacles and objections to proposed changes? |
| Do you currently have a process for identifying individuals with the aptitude to coach others through change? |
| If so, is the process for identifying individuals for their ability to lead change well developed, systemic and measurements quantifiable? |</p>
<table>
<thead>
<tr>
<th>Does the organization currently provide additional training and mentoring to developing these coaching skills?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inter-departmental Collaboration</strong></td>
</tr>
<tr>
<td>Is interdepartmental collaboration an encouraged behavior or is it an actual mandate with objective measurements defining the expectations for a manager?</td>
</tr>
<tr>
<td>Is there a system for tracking participation, the rate of completed improvement, tangible results and compliance?</td>
</tr>
<tr>
<td>Do managers and directors have inter-departmental goals for changes explicitly stated in their annual performance plan?</td>
</tr>
<tr>
<td>Are these goals tangible and easy to quantify?</td>
</tr>
<tr>
<td>Even though managers participating on cross-team collaboratives do they own goals as individuals or are goals corporately held by the team?</td>
</tr>
</tbody>
</table>

© Caldwell Butler & Associates, LLC. 2018. All Rights Reserved.
It is the policy of the American College of Healthcare Executives (ACHE) as an accredited provider of ACCME to ensure that anyone who is in a position to control (planning/development) the content of the education activity has disclosed to us all relevant financial relationships with any commercial interest (see below for definitions) as it pertains to the content of the presentation. Should it be determined that a conflict of interest exists as a result of a financial relationship you may have, you will be contacted and methods to resolve the conflict will be discussed with you. In addition, all affirmative disclosures must be revealed within the material for the course. Failure or refusal to disclose or the inability to resolve the identified conflict will result in the inability to be a part of the planning and/or course development.

Glossary of Terms

Commercial Interest
A commercial interest is any entity producing, marketing, re-selling, or distributing health care goods or services consumed by, or used on, patients. The ACHE and ACCME does not consider providers of clinical service directly to patients to be commercial interests.

Financial Relationships
Financial relationships are those relationships in which the individual benefits by receiving a salary, royalty, intellectual property rights, consulting fee, honoraria, ownership interest (e.g., stocks, stock options or other ownership interest, excluding diversified mutual funds), or other financial benefit. Financial benefits are usually associated with employment, management position, independent contractor (including contracted research), consulting, speaking and teaching, membership on committees or review panels, board membership, and other activities from which remuneration is received, or expected. ACHE and ACCME considers relationships of the person involved in the CE activity to include financial relationships of a spouse or partner.

Relevant Financial Relationships
The ACHE and ACCME focuses on financial relationships with commercial interests in the 12-month period preceding the time that the individual is being asked to assume a role controlling content of the CE activity. ACHE and ACCME has not set a minimal dollar amount for relationships to be significant. Inherent in any amount is the incentive to maintain or increase the value of the relationship. The ACHE and ACCME defines "relevance" as financial relationships in any amount occurring within the past 12 months that create a conflict of interest.

Conflict of Interest
Circumstances create a conflict of interest when an individual has an opportunity to affect CE content about products or services of a commercial interest with which he/she has a financial relationship.

- I do not have any relevant financial relationships with commercial interests that pertain to the planning/development of content.
- I do have relevant financial relationships with commercial interests that pertain to planning/development of the content.

- List the names of proprietary entities producing health care goods or services, with the exemption of non-profit or government organizations and non-health care related companies with which you or your spouse/partner have, or have had, a relevant financial relationship within the past 12 months. For this purpose we consider the relevant financial relationships of your spouse or partner that you are aware of to be yours.
- Explain what you or your spouse/partner received (ex: salary, honorarium, etc) and specify your role(s).

[Table]

<table>
<thead>
<tr>
<th>Commercial Interest</th>
<th>Nature of Relevant Financial Relationship (Include all those that apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example: Company 'X'</td>
<td>Honorarium</td>
</tr>
<tr>
<td></td>
<td>Speaker/Faculty</td>
</tr>
</tbody>
</table>

* What was received: Salary, royalty, intellectual property rights, consulting fee, honoraria, ownership interest, (e.g., stocks, stock options or other ownership interest, excluding diversified mutual funds), or other financial benefit.

** My Role(s): Employment, management position, independent contractor (including contracted research), consulting, speaking and teaching, membership on advisory committees or review panels, board membership, and other activities.

- I agree that I will not accept honorarium, travel expenses, in-kind contributions, or any other support from commercial companies in connection with this activity.

Signature: Gregory Butler
Date: 1/5/2018