BJC HealthCare Transformation Journey
Understand the Following:

- Who is BJC
- BJC’s Quality Initiative & Performance Improvement Journey
- Transformation Core Competencies
  - Process Improvement (Lean & Six Sigma)
  - Change Management
  - Project Management
  - Rational Thinking Processes
- Lean Management System

Finding the answers to:
We don’t know what we don’t know
Who is BJC HealthCare?

- Non Profit
- 13 Hospitals
- Inpatient care
- Outpatient care
- Primary care
- Community health and wellness
- Workplace health
- Home health
- Community mental health
- Rehabilitation
- Long-term care
- Hospice

- Employees: 26,477
- Physicians: 6,415
- Net Revenues: $3.4 billion
- Charity and unreimbursed care (2008): $189 million
- Staffed Beds: 3,475
- Inpatient Admissions: 150,460
- Outpatient Surgery Visits: 61,459
- Emergency Dept. Visits: 461,182

- Barnes-Jewish Hospital and St. Louis Children’s Hospital among top ten hospitals in the nation on the Honor Roll of U.S. News & World Report.
- Missouri Baptist Medical Center, Boone Hospital Center and Barnes-Jewish St. Peters Hospital named among Thompson Reuters’ Top 100 Hospitals®.
- Affiliated with Washington University School of Medicine, ranked as one of the nation’s top five medical schools by U.S. News & World Report.
1996 -1999
Diverse independent hospitals merging together to form a “System”
CEO initiated “Command and Control” centralized approach intended for economies of scale, elimination of redundancies and improved financials – FAILED on all points

1999- present
New CEO, Steve Lipstein implemented “Directed Autonomy and Congenial Controls” philosophy and embraced diversity as a strength
Highly invested in “Learning and Innovation for better health and better health care”

2005- present
Challenge for excellence heightened, pressure on reimbursements, consumer advocacy and visibility, capital intensity, availability of qualified staff
And now – Healthcare Reform

How do we do more with less?
The BJC Journey Quality Initiatives & Performance Improvement

- BJC Center for Quality Management (CQM) formed
- Community Hospital QI Assessment performed
- BJC Lean Sigma (effort officially re-launched with Destra Consulting (incorporating ACT)
- Process Excellence Initiative launched
- 2007 GE Healthcare Assessment conducted
- Project Management & Kepner-T regoe added
- SPC & FOCUS-PDCA Adopted
- Excellence in Patient Care Committee formed
- People, Processes, and Simplification Team launched
- Transformation Working Group launched
- Hospital-based Lean Programs begin at BJH & MBMC
- 2007 GE Healthcare Assessment conducted
- Lean Management System (GDP/LDM) at Community Hospitals with Next Level Partners
- BJC Transformation Support Consulting re-launched
Lean Sigma Toolset Deployed 2006

- Combined to get best from both proven methodologies
- Integrated with a Change Management model
- Facilitation skills were built in as the underlying golden thread
- Process-Centric, Data-Driven, Customer-Focused philosophy

Affect of launching “more than a set of tools but not a Management System”?
Why Lean?

• Improve flow, eliminate waste and standardize work
• More applicable tool set for a broader audience including front line
• Offered alternative rapid cycle improvement option of running Kaizen events to accelerate Improve phase (within DMAIC)

Lean is more than a set of tools to be plugged into a project framework
Why Six Sigma?

- Rigorous DMAIC methodology
- High quality (only 3.4 defects per million opportunities)
- Thought we understood the application questions
  - Are process outputs meeting requirements – No
  - Is the root cause known? – No
  - Is the solution mandated? - No

Our processes are not stable, repeatable, and predictable in order to apply 6σ to identify the critical inputs affecting the outputs.
Why a Formal Change Management Model?

Accelerating Change & Transitions™ (ACT)

- Creating a Shared Urgency
- Focusing the Vision
- Leading the Way
- Building Coalitions & Commitment
- Aligning Systems & Structures
- Charting a Transition Roadmap
- Sustaining Momentum

Current State

Transitions & Learning

Desired Results

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The Effectiveness of any initiative in achieving results is a function of the Quality of the technical solution “times” its Acceptance by the culture.
What did Lean Sigma at BJC Look Like (2006-2008)

- Invested ~$18 million
- Hired external Six Sigma Black Belts (manufacturing engineers)
- Developed a comprehensive internal Black Belt and Yellow Belt training program
- Trained over 350 Yellow Belts
  - Front line to senior executive participants
  - 2 week training program including Lean, Six Sigma, Change Management and Facilitation Skills for Leaders
  - Required assignment of a strategically aligned project
  - Participants’ direct manager required to take Champion Training

Not a strong enough focus on the Process Owners and middle managers
Lessons Learned

- Pockets of “Big Wins”
- Excellent training however, many participants sent without expectations for application after initial project
- Change Management not being successfully driven at leader level
- Charters were scoped too large - boil the ocean problem statements
- Project timelines were too open-ended – scope, schedule, resources, cost and risks not managed tightly
- Overall organization was not good at prioritizing or strategically aligning project work
- Dependency on Lean Sigma resources was becoming unsustainable – difficult transition to Process Owners

Not just about “Process Improvement” but about developing Transformation Core Competencies at multiple levels in the organization
Project Management

- Start Project
- Initiating Processes
- Planning Processes
- Executing Processes
- Closing Processes
- End Project

- Monitor and Control Processes
- Cost
- Scope
- Risk
- Schedule
- Resource
Rational Thinking Processes (Kepner-Tregoe)

- **Problem Analysis**
  - Describe Problem
  - Identify Possible Causes
  - Evaluate Possible Causes
  - Confirm True Cause

- **Decision Analysis**
  - Clarify Purpose
  - Evaluate Alternatives
  - Assess Risks
  - Make Decision

- **Potential Problem (Opportunity) Analysis**
  - Identify Potential Problems (Opportunities)
  - Identify Likely Causes
  - Take Preventive (Promoting) Action
  - Plan Contingent (Capitalizing) Action and Set Triggers

- **Situation Appraisal**
  - Identify Concerns
  - Set Priority
  - Plan Next Steps
  - Plan Involvement
Transformation Core Competencies

Process Improvement
- Lean
- Six Sigma
- Kaizen
- Rapid Improvement Events

Change Leadership & Management
- Leading the Way
- Creating a Shared Urgency
- Focusing the Vision
- Building Coalitions & Commitment
- Charting a Transition Roadmap
- Aligning Systems & Structures
- Sustaining Momentum
  (Accelerating Change & Transitions™ (ACT))

Leadership & Critical Thinking

Rational Processes
- Situation Appraisal
- Problem Analysis
- Decision Analysis
- Potential Problem Analysis
- Potential Opportunity Analysis
  (Kepner-Tregoe)

Project Management
- Scope
- Schedule
- Fiscal / Cost
- Resources
- Risk
  (PMI Standards)

Operations

Process

People

Strategy
BJC’s Integrated Leadership and Critical Thinking toolset designed to ask the questions necessary to identify appropriate actions and behaviors for improving the strategies, people, operations and processes that take exceptional care of people.

1. **Process Improvement**: Methodologies and tools, emphasizing Lean and Six Sigma strategies which focus on providing consistent outcomes to our customers by minimizing the waste, defects and variation in care delivery and supporting operations.

2. **Change Management**: Change is inevitable, constant and ongoing – successful leaders understand the key elements to leading and managing change in order to affect positive change, drive to achieve the BJC vision through successful transitions to new improved future states.

3. **Project Management**: Clear plans regarding the project effort needed to manage scope, schedule, cost, resource and risk will provide leaders with the data to quickly direct/re-direct resources to the areas of highest impact at the right time.

4. **Rational Processes**: Situation Appraisal, Decision Analysis, Problem Analysis, and Potential Problem/Opportunity Analysis which allow leaders to use a systematic approach to identify concerns, separate, clarify and plan next steps in order to make balanced decisions, solve problems, protect or optimize plans.

We are confident in the “What” but have not mastered or mandated the “How”
BJH & Missouri Baptist Medical Center
Focus on Lean

• Executive leadership embraced benefits of Lean as the deployment model and not just a set of tools
• Hired Director to lead a team of Lean Facilitators
• Strengths
  – Executive commitment
  – Prioritized Value Streams
  – Monthly Rapid Improvement Events (RIEs)
  – High employee engagement

Building a foundation beyond process improvement into Operational Excellence
Review of What We Didn’t Know we Didn’t Know

• How do we do more with less?
• What is the affect of launching “more than a set of tools but not a Management System?”
• Lean is more than a set of tools to be plugged into a project framework
• Our processes are not stable, repeatable, and predictable in order to apply $6\sigma$ to identify the critical inputs affecting the outputs
• Not a strong enough focus on the Process Owners and middle managers
• Not just about “Process Improvement” but about developing Transformation Core Competencies at multiple levels
• We are confident in the “What” but have not mastered or mandated the “How”
• BJH/MBMC started building a foundation beyond process improvement into Operational Excellence
Lean Management System is the Next Step

- Improve the culture such that organization leadership through front-line staff is “equipped” with Lean-based skills and mindsets to thrive in the rapidly-changing healthcare environment
- Execute a consistent deployment model allowing increased shared solutions, improved communication, clear measurement of progress and increased employee engagement
Key Underlying Philosophies

• Toyota Production System

• Disciplined Execution

• The Tyranny of the “OR” vs. the Genius of the “AND”
  – Coined by Jim Collins in *Built to Last*

Lean Management System pulled these tried and true concepts into a deployment model
- Focused on learning to see waste
- Cadence of events
- Building a strong framework for rapid improvement
- Starting to be fed by GDP, LDM, HITs
- Leadership tool for Strategic Plan execution
- 9 Community Hospitals, Medical Group, Clinical Asset Management, Corporate Health launched and seeing success
- Lean Facilitator development
- Ability to readily see the RIE schedule
- Share improved practices
- See impact & sustainability
- Implemented KaizenOptimizer
- Strongest connection to front line in history of PI at BJC
- Focus on Executive Gemba Walkers
- Connecting through KPIs to GDP TTIs and BJC KRAs
Why Goal Deployment?

**Typical Environment**
- Company Vision
- Scattered Flurry of Tactical Activity Around Many “Projects”
- Incremental “Hit or Miss” Improvements

**Goal Deployment Environment**
- Company Vision
- Strategic Plan
- Goal Deployment Process
- Disciplined Operating Review Process
- Sustainable Breakthrough Improvements

Company Vision

Strategic Plan

Converts Strategy Into Reality
Goal Deployment 5 Step Thought Process

Step 1: WHAT? Breakthrough Thinking

Step 2: HOW FAR... This Year?

Step 3: HOW? Which Key Processes?

Step 4: WHO? Resource Deployment

Step 5: MEASURES? How Much and by When?

Action Plans are the key! Without action there is no improvement.

5 Step Thought Process is Documented on a “Top Level Matrix”
Lean Daily Management

Balanced Key Performance Indicators (KPIs)
Safety, Quality, Delivery, Productivity, Cost

Department Name

Daily Performance for the month (RED or GREEN)

KPI Countermeasure Action Plan

5 Why analysis (Root Cause drill down)

Living Pareto Chart (contributing factors to missing a target)
LDM Key Talking Points

- Feeling increased ownership of our Department
- Ability to remove barriers within their normal working day
- Communication of what Department is working/looking at
- Daily communication to Leadership Team
- Gets your message out there of where the problems are
- Getting staff and leadership involved in LDM
- Effective change to improve a process. Saving staff time.
- Quick resolution to identified problems
- Visual to see what is Root Cause
- Improve safety for the patients and staff
- Increase Awareness
## Example: KRA → Organization (KPIs) → LDM (KPIs)

### Enterprise KRAs

1. Clinical Quality
2. Service Excellence
3. Financial Strength
   - a) Labor & Supply Productivity per stat LPS
   - b) Unit Cost
   - c) Operating Earnings
4. Long Term Positioning

### BJC Enterprise level

### are enabled by organization effort...

- HITs
- Business Unit Goal Deployment
- LPS

### Organization level

- **KPIs:**
  - Overtime, Agency cost

### Department level

### Daily Management

**KPIs:**
- Christian Radiology early ins/late outs, contributing factors pareto (RCA), countermeasure actions
- Housekeeping call ins, contributing factors pareto (RCA), countermeasure actions
What we don’t know we don’t know - NOW?

- What needs to be common – for each to be unique
- How to balance control with autonomy
- How to have top down AND bottom up
  - Goal Deployment for Top Down
  - Lean Daily Management for Bottom Up
- How not to reinvent the wheel – but learn by doing
- How rigid specifications – allows for flexibility and creativity