# Creating Tomorrow's Healthcare Delivery System

Pay for Performance Summit

Karen Wolk Feinstein, PhD

President and Chief Executive Officer Jewish Healthcare Foundation and Pittsburgh Regional Health Initiative

> San Francisco, California March 8, 2010



## Agenda

- PRHI: Who we are & our work in Quality Improvement
- Transforming the delivery of care
- The challenge of spread
- ▶ Introducing Tomorrow's Healthcare<sup>TM</sup>



### PRHI is...

A Pittsburgh regional multi-stakeholder coalition working to reduce costs by improving the quality, safety and efficiency of health care

Supporting organization of the Jewish Healthcare Foundation



### Formed in 1997

- Before IOM Reports:
  - To Err is Human: Building a Safer Health System
  - Crossing the Quality Chasm: A New Health System for the 21<sup>st</sup> Century
  - Michael Porter's Defining Competition in Markets: Why and How?
- By Pittsburgh's leading corporate CEO entity: The Allegheny Conference on Community Development
- To create the highest value delivery system in the Pittsburgh region



# U.S. Healthcare Quality and Efficiency: the grim statistics

- U.S. healthcare costs \$2+ trillion
  - ≥ 15% of GDP
- 47 million (16%) lack coverage
- Patients receive recommended treatment only 55% of the time
- Lowest in safety, patient-centeredness, efficiency and equity

#### Where We Stand in the World

#### Figure ES-1. International Rankings and National Health Expenditures

	AUS	CAN	GER	NZ	UK	US
Overall Ranking	4	5	1	2	3	6
Patient Safety	4	5	2	3	1	6
Effectiveness	4	2	3	6	5	1
Patient- Centeredness	3	5	1	2	4	6
Timeliness	4	6	1	2	5	3
Efficiency	4	5	1	2	3	6
Equity	2	4	5	3	1	6
Health Expenditures per Capita	\$2,903	\$3,003	\$2,996	\$1,886	\$2,231	\$5,635

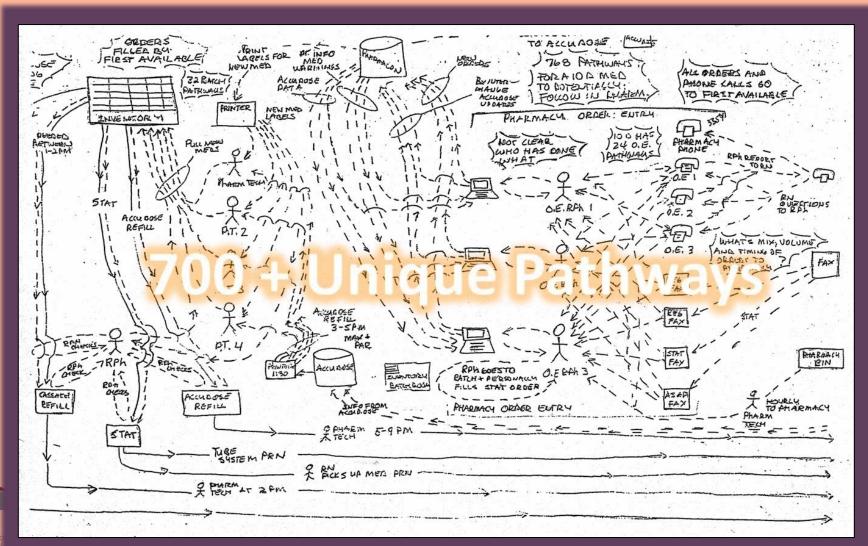
Note: 1=highest ranking, 6=lowest ranking.

Health expenditures data are from 2003, except UK data (2002).

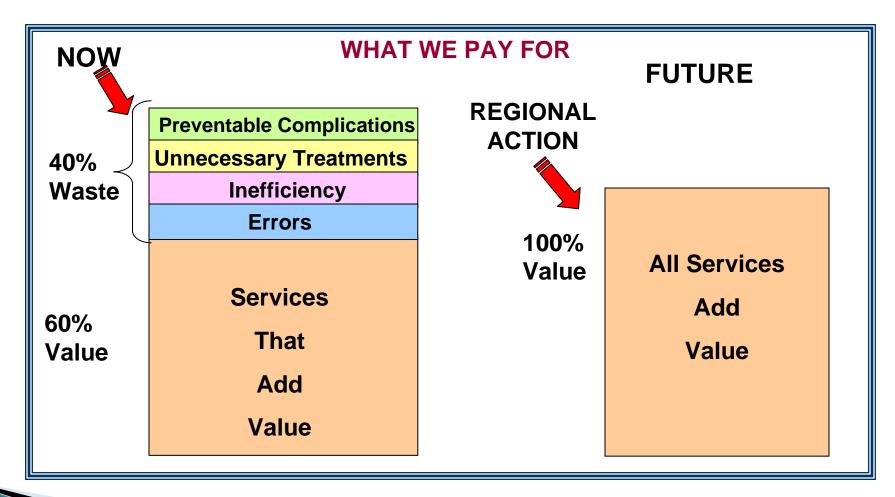


<sup>\*</sup> Health expenditures per capita figures are adjusted for differences in cost of living. Source: B.K. Frogner and G.F. Anderson, Multinational Comparisons of Health Systems Data, 2005 (New York: The Commonwealth Fund, Apr. 2006).

# Status Quo: Waste & Chaos in Healthcare



## Pittsburgh's Prescription for Healthcare Reform





A federally designated Community Leader

## Waste in US Healthcare



### \$505 - \$850 Billion Per Year

37% Overuse – unnecessary testing

22% Fraud

18% Inefficiency

11% Errors

Preventable illnesses and

12% complications

Source: Reuters 2009



## Efficiency: two views

### **Traditional Approach**

- Reduce utilization: fewer tests, visits
- Cut length of stay
- Cut costs: generics, cheaper supplies, etc.
- Reduce overtime
- Reduce staff

# Perfecting Patient Care<sup>sm</sup> (Lean)

- Correct medications on time
- Standardized work
- Clean, Lean, orderly supply/equipment rooms
- No redundancies, errors, work-arounds
- Information available



## Our Vision of the Ideal

Frontline clinical teams applying daily problem solving methods and work process improvement techniques to deliver perfect care to patient

Perfect = Safe • Efficient • Proven Best Practices



## What Comprises 100% Value?

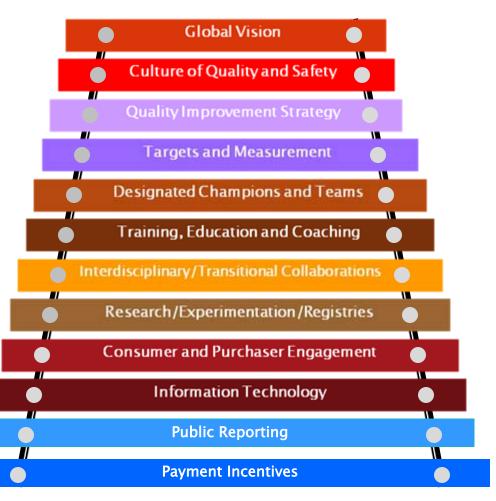
#### Five core principles for perfecting care

- 1. Care systems organized to meet patient need, safely, efficiently and completely
- 2. Ambitious targets for eliminating error, waste and obstacles to the best care
- 3. Teamwork for 100% compliance with proven clinical and safety practices
- 4. Work redesign experiments for rapid problem solving during daily work
- Leadership support for continuous improvement



# Xylophone for **VALUE**









## A Decade of Change:

### moving a revolution forward

#### Why we needed a new organization

- Circulate vision of perfect care
- Create educational system
- Demonstrate improvement methods
- Build internal champions (raise an army)
- Raise expectations
- Share what we learn
- Change policy and behavior





## Five Phases of Reform

#### Phase 1

#### **Defining a Vision and Strategy to Deliver Value**

- > Establishing the trilogy of improvement: efficiency, safety, best practices
- Focusing at the frontline
- Reaching consensus on core principles:
  - Care systems organized around patient need
  - Ambitious improvement targets
  - Teamwork for ongoing problem solving
  - Leadership's obligation to support continuous improvement

#### Phase 2

#### **Operationalizing our Vision**

- ➤ Developing an improvement method: Perfecting Patient Care<sup>SM</sup> (PPC)
- > Creating an education system
- > Enlisting Champions of Reform

#### Phase 3

#### **Demonstrating the Value of PPC**

- > Testing PPC in different settings and across professions
- > Exposing weaknesses of current condition
- Challenging Champions to higher performance
- Raising expectations



## Five Phases of Reform

#### Phase 4

#### **Aligning Incentives**

- Creating a climate and infrastructure for change
- Changing policy and regulations
- > Building transparency
- Reforming payment systems
- > Rewarding teamwork
- Helping consumers and purchasers shop for care

#### Phase 5

#### **Spread and Stabilization**

- Knowledge networks pushing the frontier
- Quality management tools supporting quality champions
- > Good data making transparency credible

#### **Transformation**

- Stakeholder behavior is aligned to deliver value
- Leadership is obligated to govern and manage accordingly



# Perfecting Patient Care<sup>SM</sup> PRHI's Unique Brand of Quality Improvement

- Adapted from Lean
- Patient-focused systems redesign
- Can be applied in the course of everyday work
- The ultimate goal is perfection

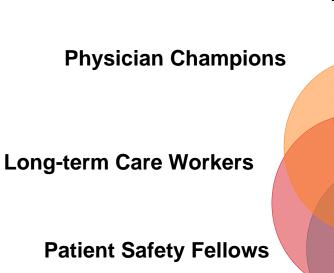




# Whom We Empower: frontline staff...and more



#### **PPC METHODS**



**Nurse Navigators** 

**Clinical Pharmacists** 

**Nurse Managers** 

**Hospital Trustees** 

Salk Fellows

Librarians

**Team Leaders** 



## PPC as a Common Platform

- It's not just a set of tools but a philosophy
- It's easily grasped and used by people on the front line of care
- It instills practical, new thinking about problem-solving at all levels of the organization
- It keeps everyone focused on the goal: ZERO



# PRHI Stories of Success Eliminating Waste, Hazards & Inefficiencies



**17% Drop** 

In pediatric clinic wait times

100% Reduction

in nurse turnover

**180 to Zero!** 

Lost patient hours per month due to ambulance diversions

50% Fewer
Readmissions
w/ COPD focus

35 to Zero!

defective charts

>20% Decline

Nosocomial
C. difficile
infections

68% Drop
in CLABs in 34 regional hospitals

**50% Reduction** 

in pap smear sampling defects

**Efficiency Increased 100%** 

in pathology lab

100% Compliance

w/ guidelines & aspirin use in a diabetes clinic

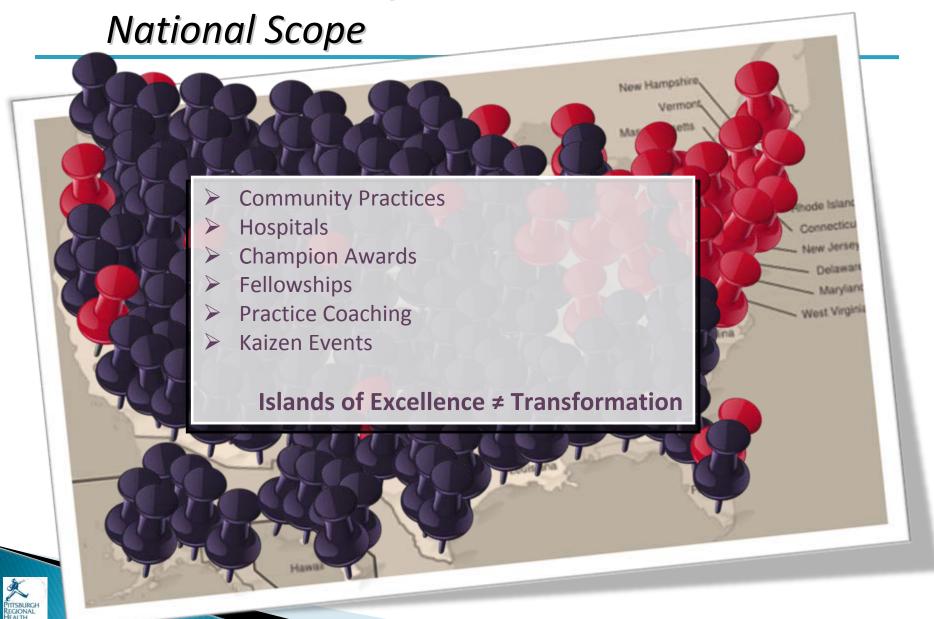
HEALTH INITIATIVE

## Accomplishments





## **PPC University Reach**



© 2010 Pittsburgh Regional Health Initiative

## What We've Learned

- Perfecting Patient
   Care<sup>SM</sup> is a versatile tool for addressing quality, safety and efficiency
- 2. It takes institutional support
- It takes a clinical champion
- It must support the worker and the patient

- 5. Biggest hurdles: denial, payment system
- 6. Action group is slim
- 7. Resistance is reality
- 8. No clear command and control
- 9. The hidden message
- 10. Middle managers forgotten
- 11. No quick fix



# Limitations of Current Quality Improvement Efforts

- However, despite great success, current quality improvement efforts are limited
- Limitations:
  - Difficult to scale
    - Personnel, expenses, time
  - Inconsistent delivery of information
  - No platforms for collaboration focused on healthcare quality — Quality doesn't spread
  - Institutions are less safe after a decade
  - No one fixes what isn't measured
  - People are paid for screwing up



# What the Revolution Requires - Action and Leadership





- Rapid Corrective Action
  - To remove error, waste, and bad practices
- CEOs and managers who are capable of leading widespread systemic change

## What the Revolution Requires – Improvement Tools



### Improvement Tools to:

- Educate
- Enlist frontline workers as change agents and problem solvers
- Record progress
- Communicate breakthroughs



# What the Revolution Requires – Frontline Scientists



#### **Frontline Scientists that:**

Design and test rapid improvements in the

course of work

Measure change

Record progress





# What the Revolution Requires – External Action

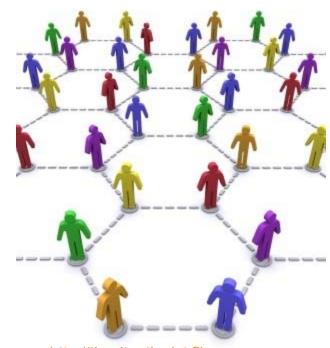


#### Incentives

 Reward care and performance rather than action

### Learning Networks

 Share success and challenges for collective learning



http://thesituationist.files.wordpress.com/2008/03/istocksocial-network.jpg



## Spread in a "Flat" World

How can a global knowledge network of clinical reform champions focused on value creation overcome health care's inefficiency, error and substandard practice?

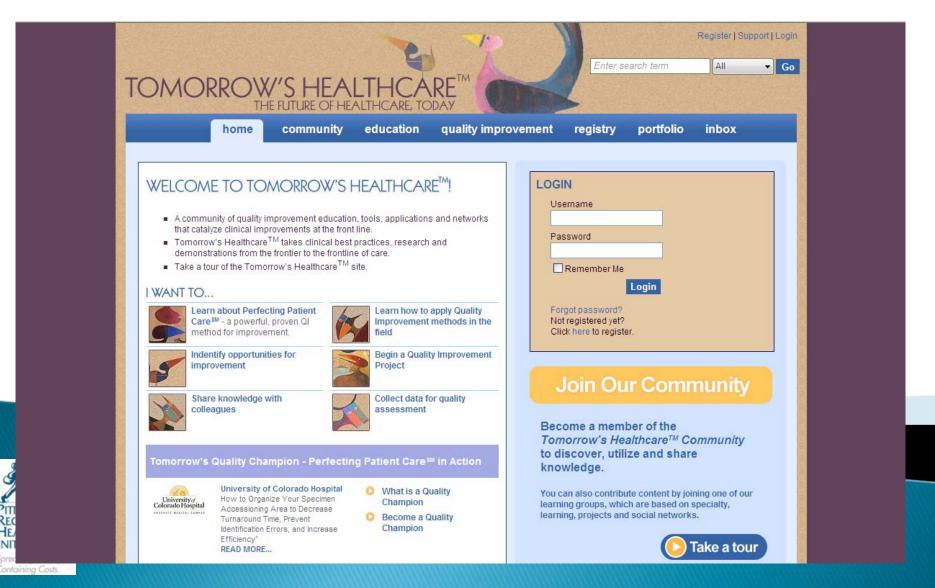


# Introducing Tomorrow's Healthcare<sup>TM</sup>

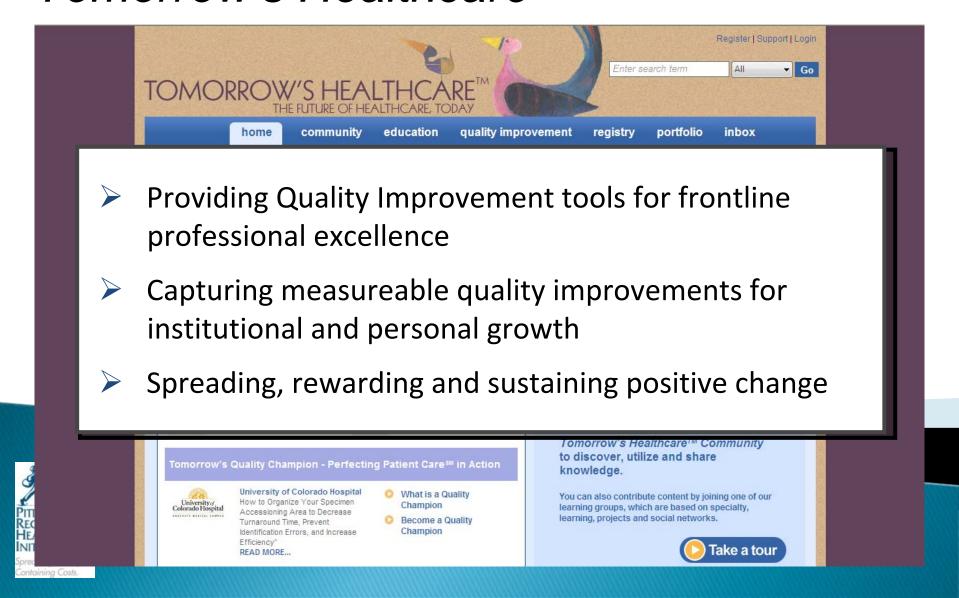
Simplicity • Functionality • Creativity



# How to Spread & Sustain Transformation Tomorrow's Healthcare



# How to Spread & Sustain Transformation Tomorrow's Healthcare



## Tomorrow's Healthcare is



- ➤ An essential Quality
  Management Tool
- > A new Approach to work
- > An Evolution in health care



### Tomorrow's Healthcare at a Glance

# Process & Quality Improvement

Lean Tools: A3

Assessment Templates

Sample Interventions



Registries

Leadership Guides

Implementation Guides



Learning



Customized

ePortfolio



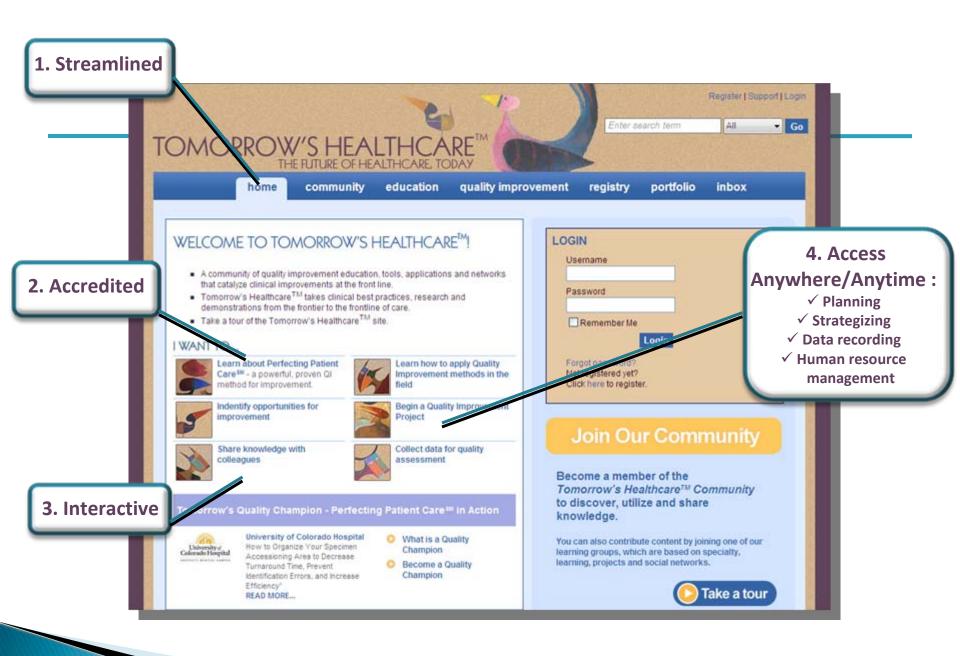
Professional

Networking



# Tomorrow's Healthcare Participants





Enter search term

All





home

community

education

quality improvement

registry

LOCIN

portfolio

inbox

#### WELCOME TO TOMORROW'S MEALTHCARETM!

- A community of quality improvement sucation, tools, applications and networks that catalyze clinical improvements at the front line.
- Tomorrow's Healthcare TM take clinical best practices, research and demonstrat
- Take a tour

**Access accredited** & animated lessons

#### I WANT TO ...



Learn about Perfecting Patient Care<sup>\$M</sup> - a powerful, proven QI method for improvement.



Learn how to apply Quality Improvement methods in the



Indentify opportunities for improvement



Begin a Quality Improvement Project



Share knowledge with colleagues



Collect data for quality assessment

#### Tomorrow's Quality Champion - Perfecting Patient Care™ in Action



University of Colorado Hospital How to Organize Your Specimen Accessioning Area to Decrease Turnaround Time, Prevent Identification Errors, and Increase Efficiency\* READ MORE ...

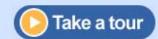
- What is a Quality Champion
- Become a Quality Champion
- © Pittsburgh Regional Health Initiative 2010

Username	
Password	
Remember Me	gin
Forgot password? Not registered yet?	

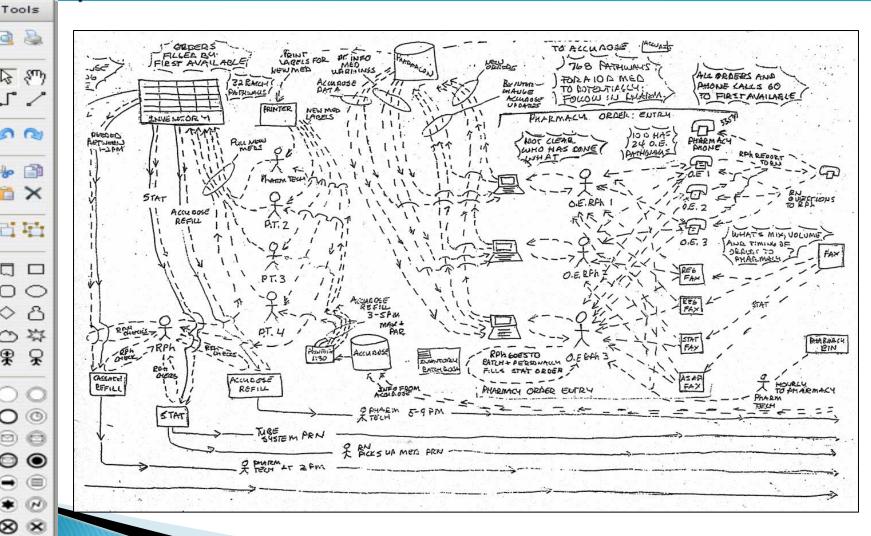
#### **Join Our Community**

Become a member of the Tomorrow's Healthcare™ Community to discover, utilize and share knowledge.

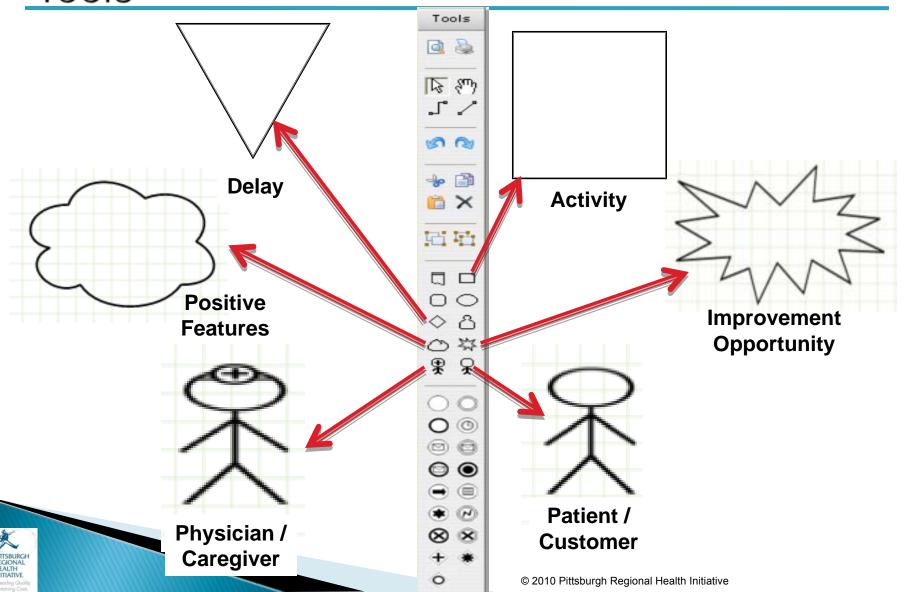
You can also contribute content by joining one of our learning groups, which are based on specialty, learning, projects and social networks.

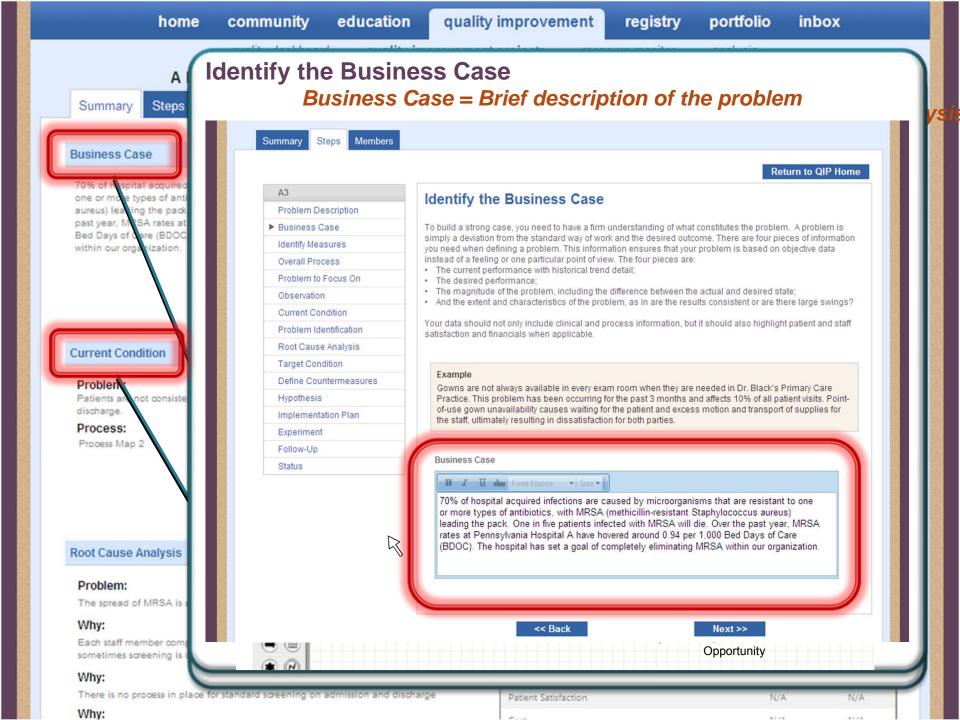


## A Visual Language for Performance Improvement – The A3



# Interpreting and Building an A3 - Sample Tools





### Tomorrow's Healthcare Executive Will...

View all current quality improvement initiatives

Track institutional learning, staff member by staff member

Access frontline reports in common format based on standard methodology



### Tomorrow's Frontline Staff Will...

- Learn PPC principles
- Apply PPC for daily problem solving and rapid corrective action
- Record strategies, improve design, intended outcomes
- Report in standard format; universal Ql/Lean "language"
- Capture achievements for e-portfolio
- Share successes and best practices



# P(I)ay for Performance

- Improve patient care
- Solve problems
- Learn PPC
- Remove waste and inefficiency that interfere with patient care...
- **AND HAVE FUN**

