The Baldrige Foundation
Institute for Performance Excellence

Presents:

A Virtual Executive Roundtable

Technology – Maximizing Your Systems to Accomplish Your Goals

December 9, 2022

BALDRIGE FOUNDATION

America's Best Investment

A Special Thanks to Our Donors & Sponsors!

AARP Real Possibilities

AEHIS Association for Executives in Healthcare Information Security

Alamo Colleges District

American College of Healthcare Executives

Beyond Feedback

CAMC Health System

CHIME

Dallas College

Donor Alliance Organ & Tissue Donation

Elevations Credit Union

LULU Process Design Group

Mid-America Transplant inspired by life

The Synergy Organization

Tri County Tech

Yuma Regional Medical Center

Wellstar Health System

Walden University Education for Good

Mac Baldrige Society Institute Trustees

The Baldrige Family Midge, Molly, & Megan

AdventistHealth

Stellar Solutions 25 Years Leading the Way

MidwayUSA

ABOUT™

Freese and Nichols

TATA

Mid-America Transplant inspired by life

CORE Center for Organ Recovery & Education

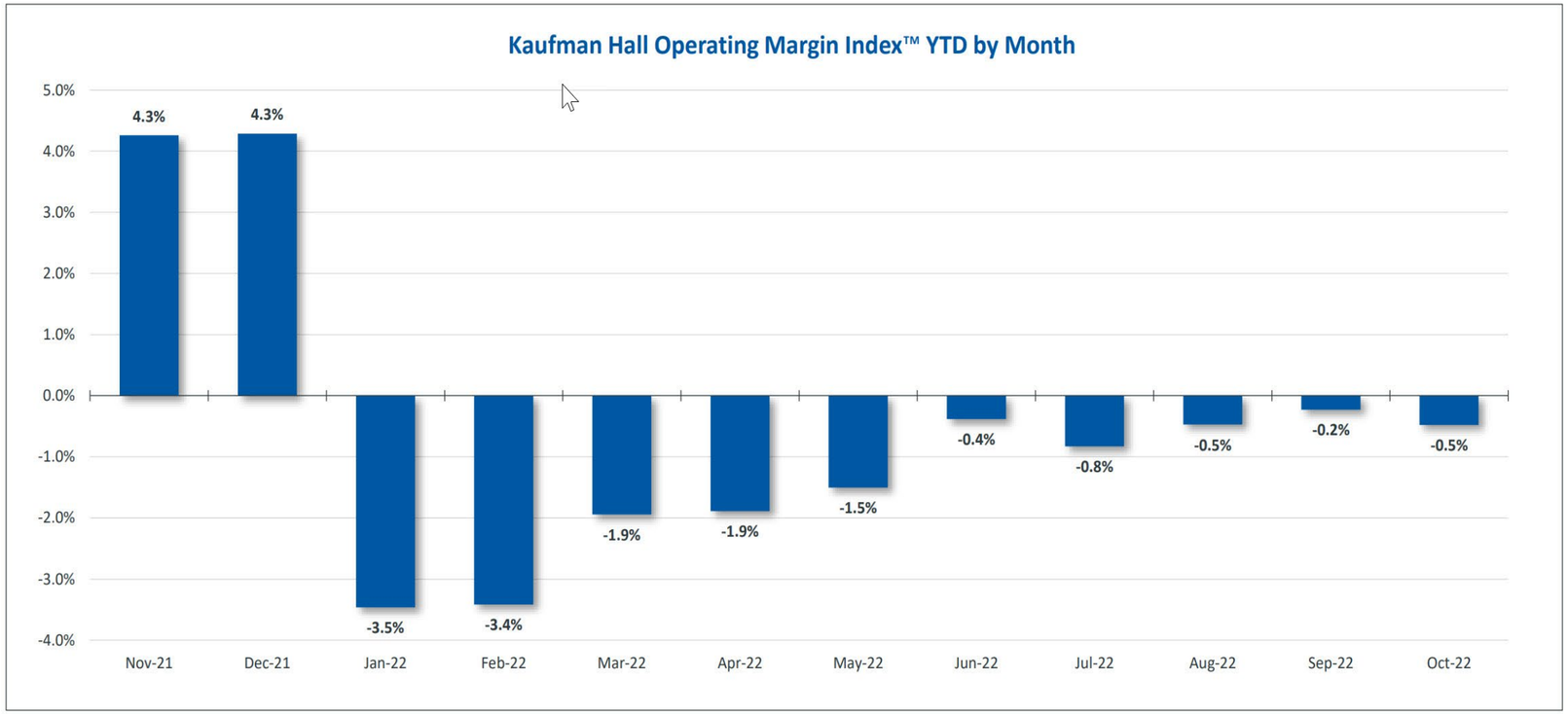
Opening Remarks/Agenda

Introduction	**Al Faber, President & CEO, Baldrige Foundation**
Facilitator	**Roger Spoelman, DBA, MBA** **Senior Advisor - Strategy, Leadership, and Innovation** **Co-Host, Baldrige Foundation Leader Dialogue Program**
Panelists	**Ben Sawyer, MBA, PT, OCS, LBB – VP, Transformation Engineering, ABOUT Healthcare** **Dan Mullen, MBA, MBB, CSM – VP, Innovation, ABOUT Healthcare** **Darin Vercillo, MD - Co-Founder and Chief Medical Officer, ABOUT Healthcare**
Audience Questions	**Moderator – Roger Spoelman**
Closing	**Al Faber, Remarks**

Persistent Financial Headwinds

Key Takeaways

1. **Oct 2022 represents another month of negative operating margins**
   - Compounding months of poor performance signal continued difficulties unless something changes
2. **Cost pressures are driving poor performance**
   - Weight of high expenses is outpacing revenues, particularly when it comes to the cost of labor
   - High cost of materials due to inflation has not abated
3. **Hospitals continue to struggle to admit and discharge patients**
   - Impacted by labor shortages both in the hospital as well as in post-acute settings. Increases in LOS
   - Increased LOS did not translate to additional revenue as OE ratios were > 1.0 increasing avoidable day costs
4. **ED visits and operating room minutes increased slightly in October**
   - However, ED visits increases put further strain on hospitals as many hospitals were unable to admit patients needing in-patient care
   - Increased boarding of patients in the ED has led to increased pressure on ED staff



Kaufman Hall, *National Hospital Flash Report* (November 2022)

5. **Highly Competitive Environment with New Non-traditional Entrants**
   - Challenges health system market share
6. **Consumer Demand has Increased as have Care Options**
   - Cost cutting focus could stifle the innovation necessary to fulfill demand

© Kaufman Hall, National Hospital Flash Report (November 2022)

**The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.*

Frontline Insights

Roundtable Feedback

1. **"Covid really pulled out the ugly"**
2. **"We're doing things in the near term just to stop the bleeding"**
   - Nice to incentivize retention by increasing time off benefits for example, but we need achieve a high-performance culture
3. **"These problems are not unique, but they are more pronounced"**
   - We cannot solve problems with the same workarounds
4. **"What really matters is not the technology we use but how are we are changing. We tend to react in healthcare"**
   - For example, when *BPCI-A APM models were introduced, we've worked to figure out how to make it happen
   - That's what we need to do now more than ever. There's no going back to pre-COVID days.
5. **"It is like using a pipe with cracks"**
   - When you only run a small volume of water through the pipe it doesn't really show
   - However, if you attempt to push a lot of water through the pipe it will shoot out all sides
   - We must maximize our systems to meet the new demands, in order to accomplish our goals

* *BPCI-A is an Advanced Alternate Payment Model (APM) in which healthcare providers agree to receive a single payment for physician, hospital and other healthcare services for specific diagnoses within an episode of care. An episode of care is defined as an anchor stay and 90 days following the anchor stay.*

Technology – Maximizing Your Systems to Accomplish Your Goals

What Will it Take to Succeed?

1 INNOVATION:

Baldrige Guidance

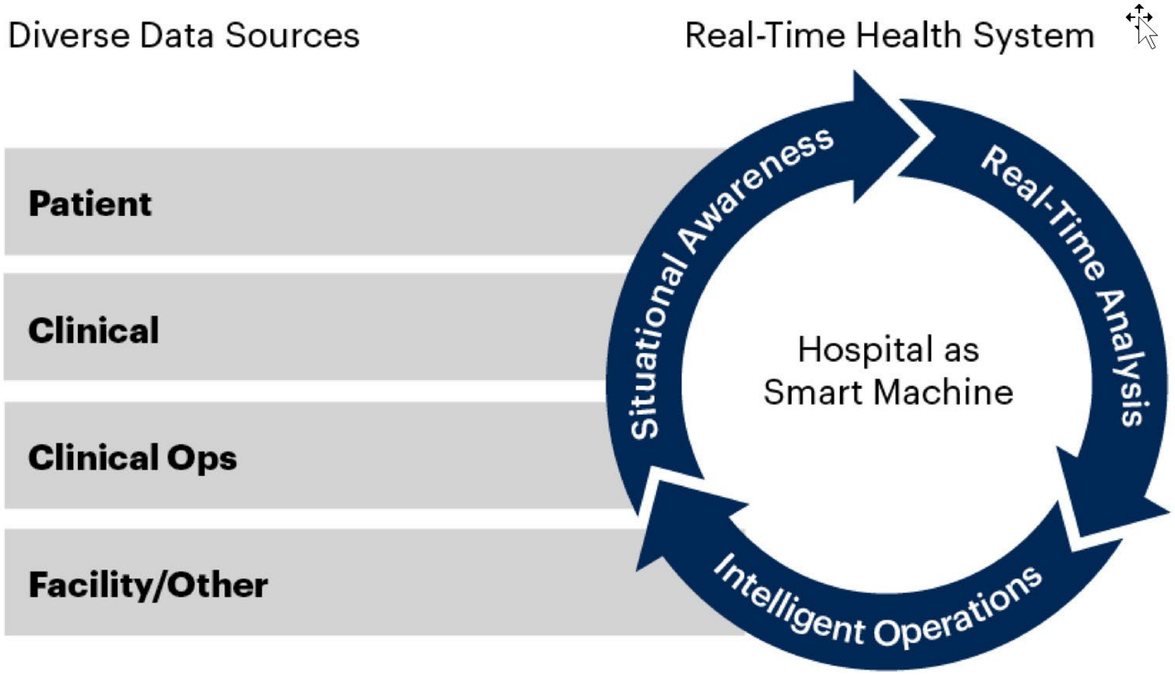
- Innovation means making **meaningful change** to improve your organization's health care services, programs, processes, operations, health care delivery model, use of technology, and business model, with the **purpose of creating new value for stakeholders**.
- Innovation should **lead** your organization to new dimensions of performance.
- Innovation requires a supportive environment, a **process** for identifying strategic opportunities, and the pursuit of intelligent risks.
- **Innovation** and **continuous incremental improvement** are different, but complementary concepts. Successful organizations use both approaches to improve performance.

Technology – Maximizing Your Systems to Accomplish Your Goals

What Will it Take to Succeed?

2 CREATE A REAL-TIME HEALTH SYSTEM

The RTHS Vision – Sources of Operational Intelligence (Gartner Guidance)



1. Gartner, "The Real-Time Health System Architecture", By Gregg Pessin, 4 August 2021.
2. Wikipedia contributors, "Composability," *Wikipedia*, The Free Encyclopedia, https://en.wikipedia.org/w/index.php?title=Composability&oldid=1030547806 (accessed September 30, 2021).

GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission.

Gartner

ACCORDING TO GARTNER®[1]

1. Stay Up-to-date

"Gartner sees the RTHS as the next evolutionary phase of technology-based change that arises from the electronic health record (EHR)-centric era and bridges to the longer-term era of precision medicine and digital care delivery."

2. Benefits of RTHS

"The RTHS focuses on delivering value to health consumers while fully exploiting the organizational benefits of more streamlined and efficient orchestration for care teams and managers."

3. How It's Done

"The architecture fully supports the notion of composability, which is required if HDOs are to nimbly adapt their business and operating model in response to external disruption and change in business strategy."

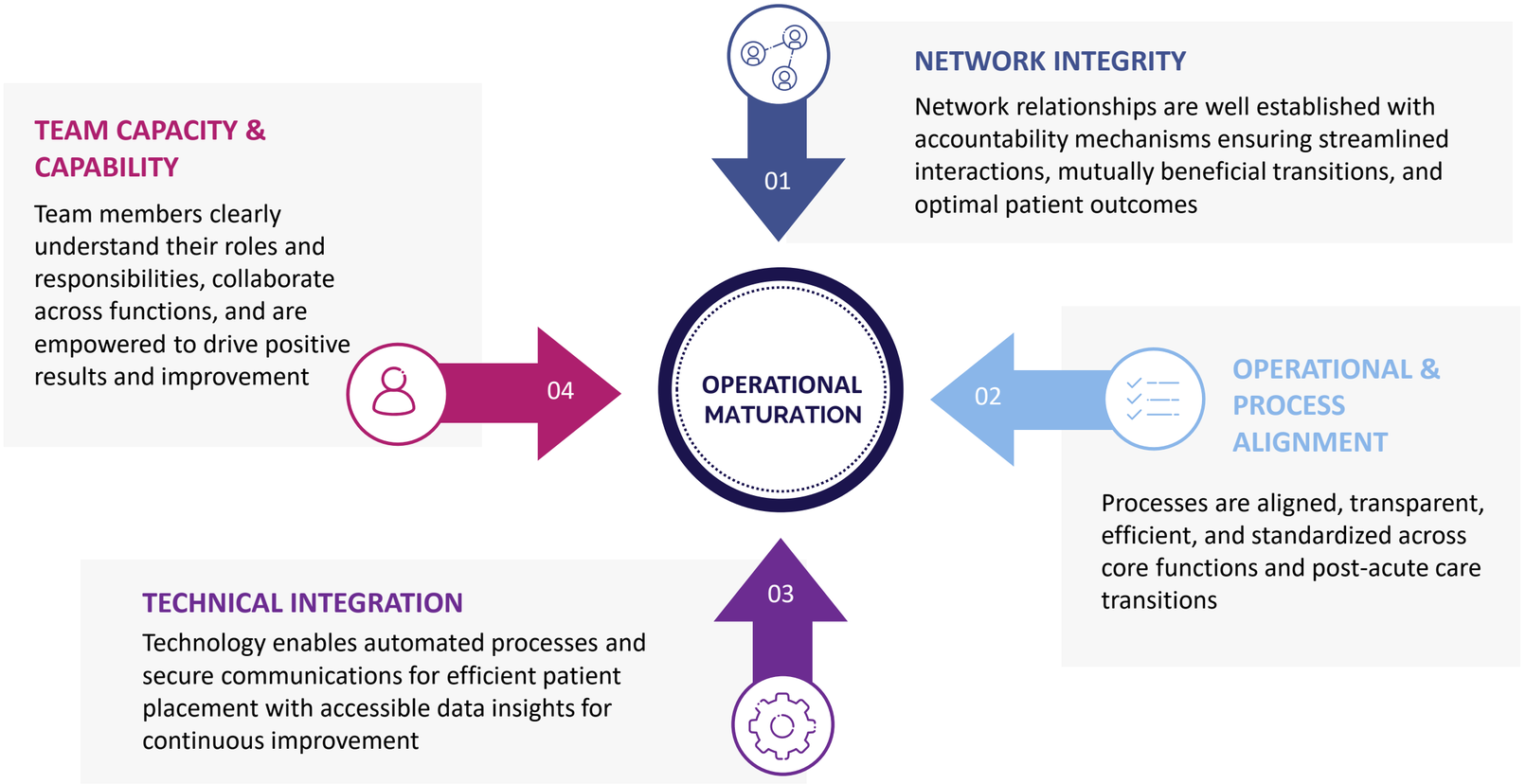
Composability[2]: Composability is a system design principle that deals with the inter-relationships of components. A highly composable system provides components that can be selected and assembled in various combinations to satisfy specific user requirements.

Technology – Maximizing Your Systems to Accomplish Your Goals

What Will it Take to Succeed?

3 PURSUE OPERATIONAL MATURATION:

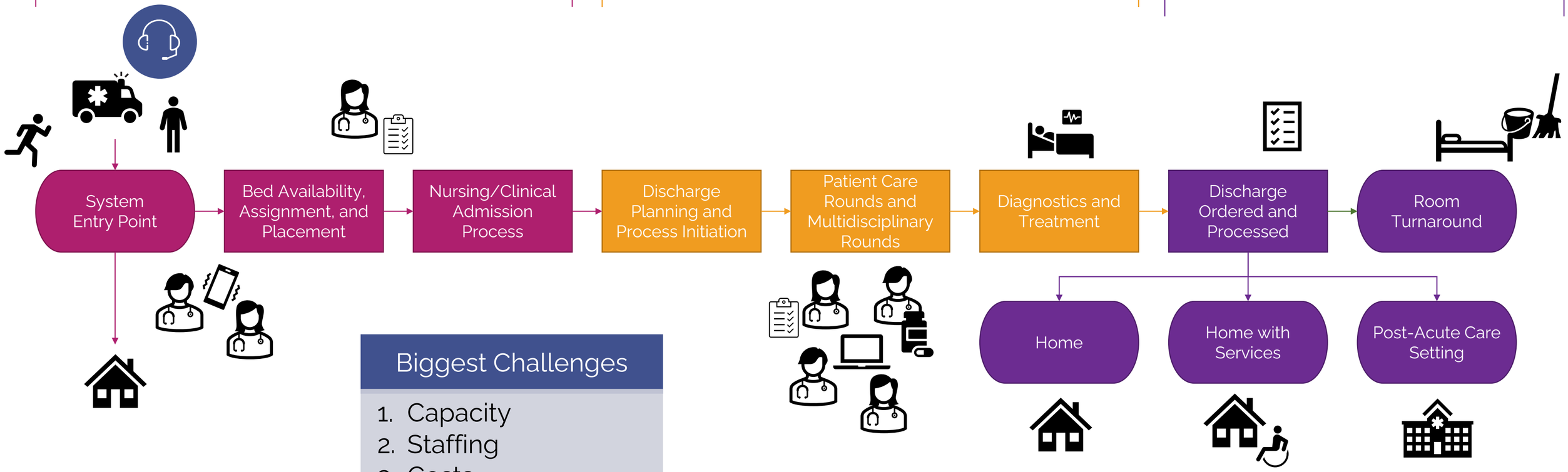
Summary Diagram



Technology – Maximizing Your Systems to Accomplish Your Goals

Practical Example: The Journey Across the Hospital

ADMIT | **CARE: ASSESS, DIAGNOSE, TREAT** | **DISCHARGE**

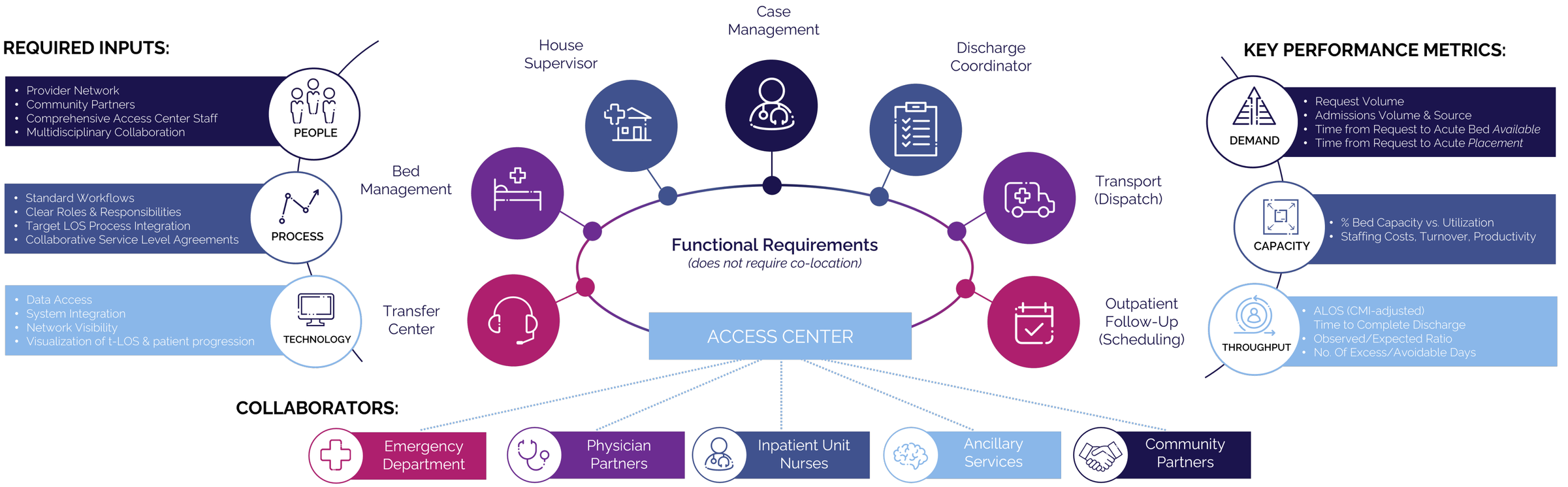


Biggest Challenges

1. Capacity
2. Staffing
3. Costs
4. Coordination
5. Focus

Technology – Maximizing Your Systems to Accomplish Your Goals

Practical Example: Improve Performance with the Maturation of a Real-time Access Center



EXPECTED OUTCOMES:

ACCESS

- Efficient, predictive admissions and placement with clear prioritization processes
- Comprehensive relationships with provider networks across service lines
- Anticipated plan of care and discharge disposition upon review for admission and medical necessity
- Automated workflows to streamline placements & expedite access to best clinical care setting

PROGRESSION

- Smooth transitions between levels of care without unnecessary patient movements
- Coordinated care & services with timely prioritization criteria and transportation between & within facilities
- Multidisciplinary collaboration to common discharge plan and clinical goals based on DRG-related t-LOS
- Management of patient throughput milestones
- Real-time operational intelligence

TRANSITION

- Market-wide visibility of curated provider networks for timely, safe, and clinically appropriate PAC placements
- Patient-centered coordination between Inpatient and Outpatient settings of care to prevent readmissions and maximize health system loyalty
- Automated PAC referral, acceptance, and transfer process for timely transitions & optimal team productivity
- Enhanced relationships with community partners

Technology – Maximizing Your Systems to Accomplish Your Goals

Practical Example: Improve Performance with the Maturation of a Real-time Access Center

Connect critical priorities and key performance indicators to organizational levers using technology and process enhancements

	PRIORITIES	KPIs	OUTCOMES
DEMAND	• Be able to say "yes" and open the front door • Better manage volume of requests • Achieve the right patient mix	• Request Volume • Admission Volume • Time from request to placement	• Increase equitable access to care • Enhance market share • Increase patient safety and revenues
CAPACITY	• Provide systemwide visibility • Load balance demand to resources • Optimize resource utilization	• % Bed Capacity vs. Utilization • Staffing Costs • Resource availability	• Optimize staffing • Reduce contracted labor costs • Load balance between facilities and units
THROUGHPUT	• Start discharge planning upon admission • Anticipate patient care transitions • Rapidly transition patients to the next best care setting	• CMI-adjusted ALOS • Time to Complete Discharge • O/E Ratio (# of Excess Days)	• Improve safety and quality performance • Reduce administrative burdens • Drive healthy patient network retention

Technology – Maximizing Your Systems to Accomplish Your Goals

Practical Example: Improve Performance with the Maturation of a Real-time Access Center

Use a 3-fold approach to gain relevant data and insights

1 ANALYTICS

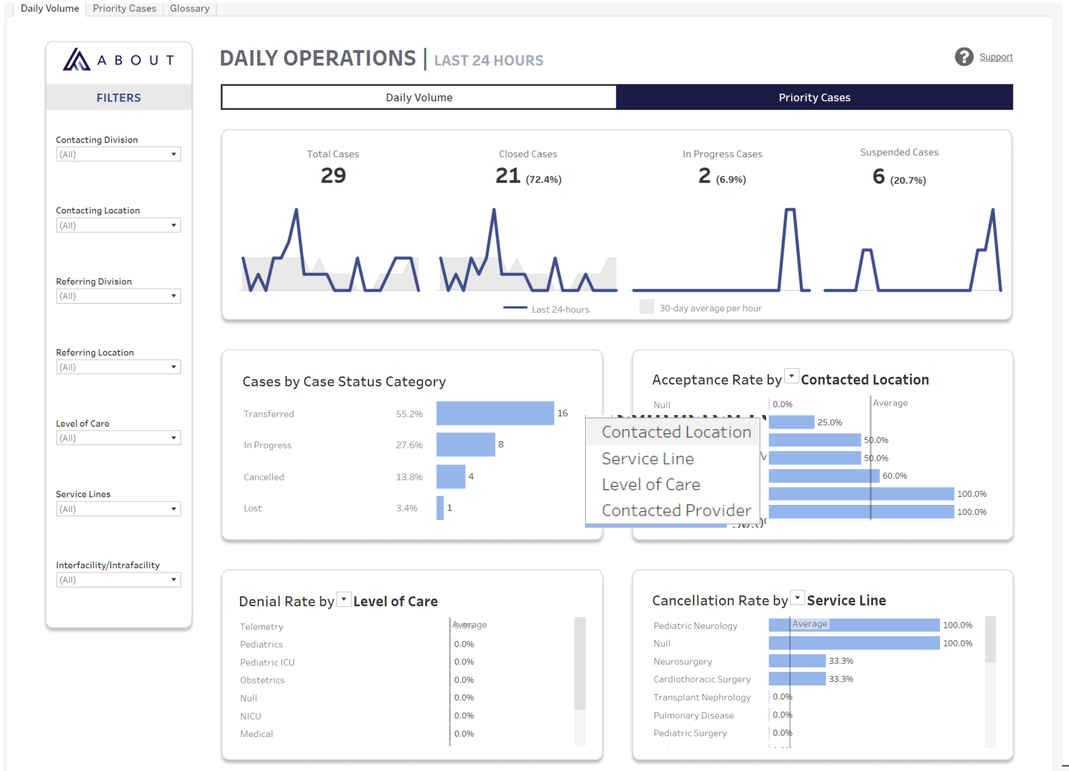
Professionally designed electronic dashboards and printed reports

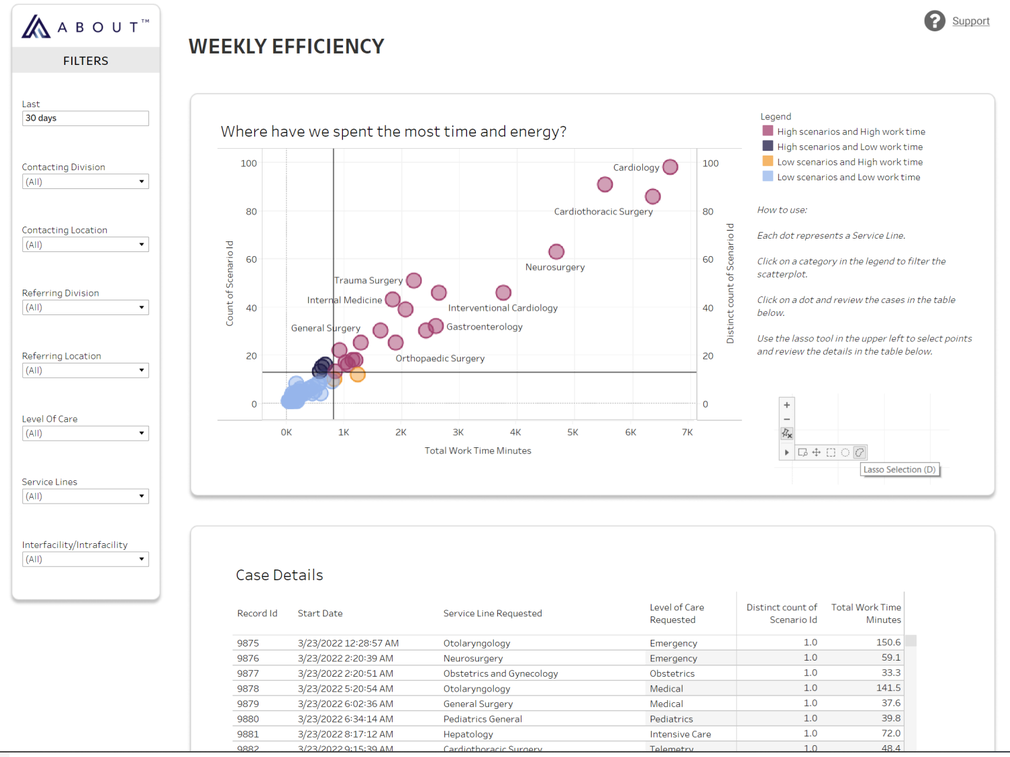
2 EXTRACTS

Organized, quick data exports to spreadsheets and PDFs

3 DATA ACCESS

Direct EDW connections to live, unfiltered data





Technology – Maximizing Your Systems to Accomplish Your Goals

Practical Example: Improve Performance with the Maturation of a Real-time Access Center

Drive improved performance across 3 key variables as the access center matures

I. Expanded Breadth of Care Setting Services

+

II. Improved Visibility and Decision Support

+

III. Enhanced Care Team Interactions

= **Represents the Maturation of the Access Center**

Summary: Technology - Maximizing Your Systems to Accomplish Your Goals

Develop a High Performing Operating System

1 INNOVATE

Follow the Baldrige Guidance

2 CREATE A REAL-TIME HEALTH SYSTEM

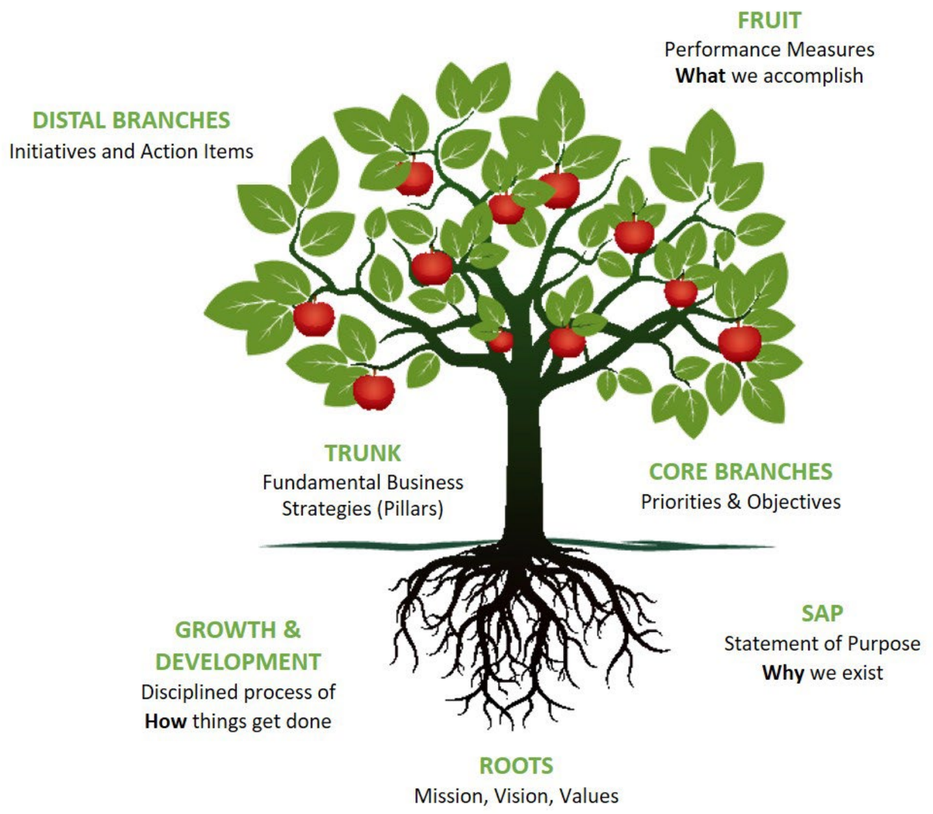
The RTHS Vision – Leverage Sources of Operational Intelligence (Gartner Guidance)

3 PURSUE OPERATIONAL MATURATION

Refer to Summary Diagram & Example of Maturing an Access Center for Reference (ABOUT Guidance)

High Performing Operating System

Healthy Tree Example



Panelist Questions and Discussion

Ben Sawyer, MBA, PT, OCS, LBB
VP, Transformation Engineering
ABOUT Healthcare

Roger Spoelman, DBA, MBA
Co-Host, Baldrige Foundation
Leader Dialogue Program

Darin Vercillo, MD
Co-Founder & Chief Medical Officer
ABOUT Healthcare

Dan Mullen, MBA, MBB, CSM
VP, Innovation
ABOUT Healthcare

Training & Professional Development

https://www.baldrigeinstitute.org/education

Excellence in Education

The Baldrige Foundation Institute for Performance Excellence supports individuals and organizations around the world by providing quality educational programs.

Is Your Organization an Institute for Performance Excellence Partner?

Partners of the Baldrige Institute for Performance Excellence receive additional discounts on all of our training opportunities.

Learn More About the Institute

Our Programs

All General Courses

Catering to a broad community of learners, we offer over 370 generalized courses that are specifically designed to support the unique demands of the 21st century learner. Let Baldrige turn your learning experiences into meaningful educational opportunities.

Lean Six Sigma Courses

Looking for training and certifications in Lean and Six Sigma? We offer a variety of industry-specific trainings, such as Lean Health Care Professional, as well as industry-agnostic trainings, such as Project Management, Agile, and Diversity, Equity, & Inclusion.

Strategic Planning & Management Training

Our training allows your to impart the full strategy management process into your everyday decisions. Make better decisions and grow by instilling the ability to think and act strategically in an ever-changing business landscape.

Degree Programs

Earn your degree by enrolling in a degree program, including associates, bachelors, masters, or doctorate programs, through one of our Baldrige Foundation Institute for Performance Excellence Degree Partners.

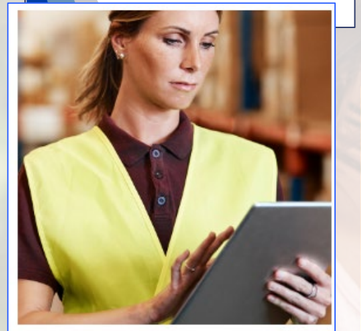
OUR SELF-PACED COURSES

Lean Six Sigma White Belt	$50
Lean Six Sigma Yellow Belt	$125
Lean Six Sigma Green Belt	$257
Lean Six Sigma Black Belt	$399
Lean Six Sigma Master Black Belt	$699
Diversity & Inclusion Yellow Belt	$99
Process Improvement Specialist	$299
Project Management	$157
Supply Chain Management	$299
Agile Professional	$299
Agile Leader	$225
Data Analytics	$199
Scrum Master	$299
Lean Practitioner	$157
Lean Health Care Professional	$299
Health Care White Belt	$50
Health Care Yellow Belt	$149
Health Care Green Belt	$275

Project Management Institute — Registered Education Provider

CPD MEMBER — The CPD Certification Service

SHRM — SHRM-CP | SHRM-SCP — RECERTIFICATION PROVIDER



Supply Chain Management

Lean Healthcare Professional

BALDRIGE FOUNDATION

America's Best Investment

A Special Thanks to Our Donors & Sponsors!

AARP Real Possibilities

AEHIS Association for Executives in Healthcare Information Security

Alamo Colleges District

American College of Healthcare Executives

Beyond Feedback

CAMC Health System

CHiME

Dallas College

Donor Alliance Organ & Tissue Donation

Elevations Credit Union

LULU Process Design Group

Mid-America Transplant inspired by life

The Synergy Organization

Tri County Tech

Yuma Regional Medical Center

Wellstar Health System

Walden University Education for Good

Mac Baldrige Society Institute Trustees

The Baldrige Family
Midge, Molly, & Megan

Adventist Health

Stellar Solutions 25 Years Leading the Way

Midway USA

ABOUT™

Freese and Nichols

TATA

Mid-America Transplant inspired by life

CORE Center for Organ Recovery & Education