

LEAN STRATEGY
DEPLOYMENT:
HOSHIN PLANNING TO ALIGN
13,000 STAFF

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Summary



- Large Healthcare System
- Setting system goals for several years
- Limited progress
- Our response: Deploy Hoshin planning to align goals at all levels of the organization
- Today we'll share
 - ▣ Methodology
 - ▣ Results
 - ▣ Lessons Learned

□ Altarum Overview

- Non-profit health systems research and consulting organization
- Over 500 staff based at 9 different locations
- Lean Six Sigma (LSS) Practice Area provides Lean facilitation and program development for a wide variety of clients across the US
- Highly trained and experienced LSS Coaches that develop healthcare organizations to become self-sufficient in their continuous improvement journey
- Helps healthcare organizations address their critical challenges through a holistic and sustainable approach to continuous improvement
- Provides clients with the training, tools, analysis, discipline, and flexibility to be successful

About Us



SCOTT & WHITE
Healthcare

□ Scott & White Overview

- Integrated, non-profit healthcare system
- 12 hospitals, 2 skilled nursing facilities, 60+ clinics
- Largest multi-specialty practice in Texas
- One of largest multi-specialty practices nationwide
- 13,000 staff, 900 physicians & scientists, 400 medical residents and fellows
- Scott & White Health Plan – 180,000 members

Terminology Review

- Lean
 - Identify value-added steps in a process
 - Work to minimize/ eliminate non-value-added steps and remove waste
- Hoshin Kanri
 - Ho-shin= Direction; Kan-ri= Management
- “Catchball”
 - 2-way goal-setting conversation
- SWAT
 - Scott & White Alignment Tool



Once Upon A Time...

- ❑ Flagship hospital in a small Texas town grew into a BIG healthcare system
- ❑ Strategic planning and goal alignment were never EASY...



Now It Was REALLY Difficult...



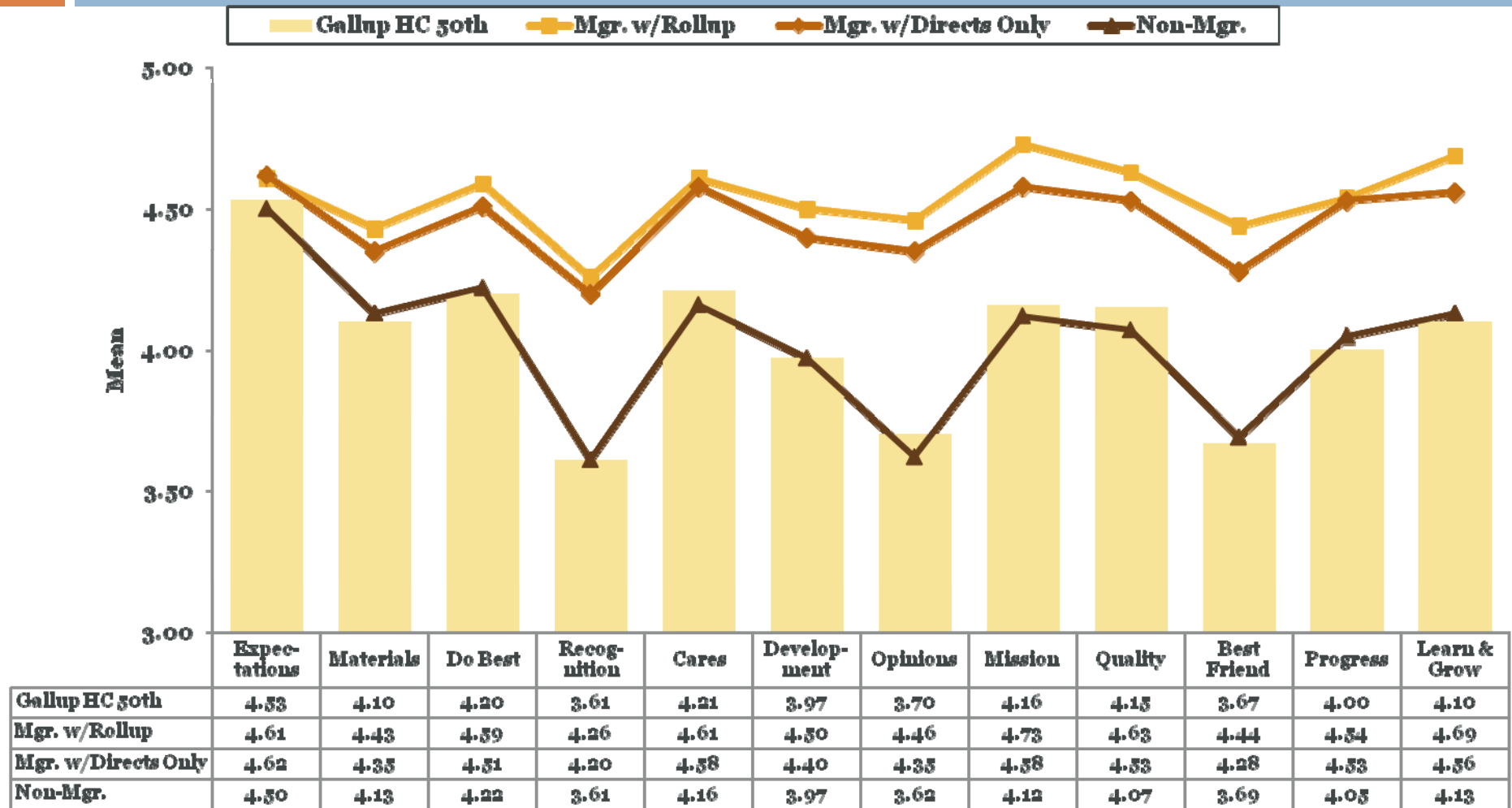
- C-Suite Shuffle
- Significant Growth: Organic and acquisitions/ mergers
- Geography: More than 29,000 square miles
- Healthcare Reform
- Benefits and Compensation Changes
- Financial Challenges
- Impending Audits from Regulatory Agencies
 - ▣ Both Joint Commission and CMS visited during our roll-out

Time to Act!



- Senior leaders had clarity about our goals, strategy, vision
- Clear disconnect between senior leaders and front-line staff
- Report from Gallup corporation : 2010 staff engagement survey opportunities for improvement
 - ▣ “The greater the distance between an employee and leadership, the greater the opportunity for them to be disengaged and feel disconnected.”

Key Driver: Disconnect



We Needed Help...

Hoshin
Kanri
Catchball



Lean
Alignment

**“Take your Strategic Vision to the tactical level
– THIS year!”**

Lean Groundwork

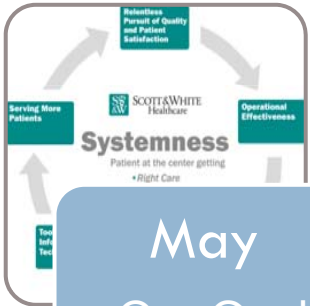


- 2008: Core leader group attended University of Michigan's Lean Healthcare Certification Program
- CLIP Office
 - ▣ VP plus 4 full-time coaches
- 4-day “deep dive” course held monthly
 - ▣ ~900 attendees to date
- 2-hr classes on specific lean tools
 - ▣ 5S, A3 Problem Solving, Waste Walk

HOSHIN
“DIRECTION
MANAGEMENT”

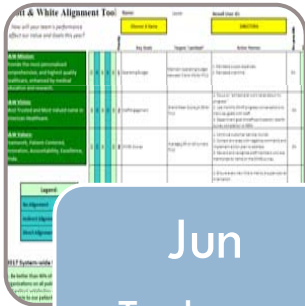
Methodology

May to December (Roll-Out, NOT Romance!)



May

- Org Goals
- Pilot



Jun

- Tool
- Roll-Out



Jul

- Training
- Leader Catchball



Aug

- Leader Goals Due



Sep

- FY 12
- Staff Catchball



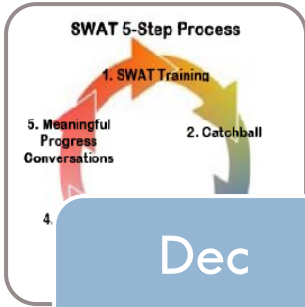
Oct

- All staff goals due
- New hires



Nov

- Processing
- Results

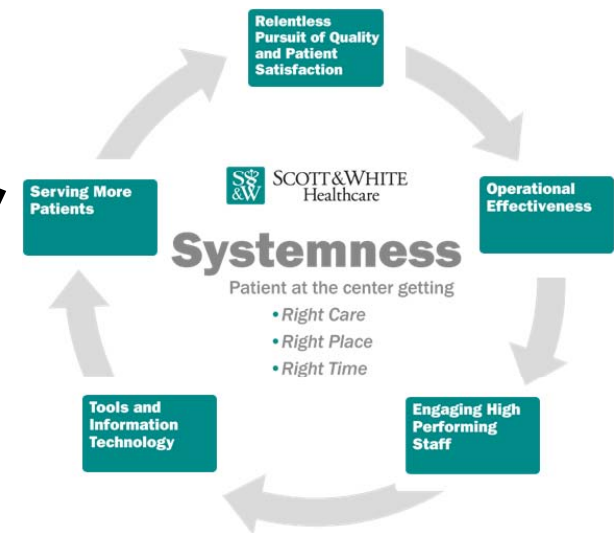


Dec

- Project to Permanent
- Tracking

May: System Goals & Pilot

- Senior leaders set **SMART** system goals
- C-level accountable owner for every goal
- Re-name the initiative: SWAT!
 - ▣ (Don't forget – we're special!)
- Facilitated Hoshin (catchball) sessions
 - ▣ All C-levels
 - ▣ Target pilot areas: Hospital, Clinic, Shared Services



June: Refine Tool



- SWAT Form Overview
 - Mission, Vision, Values
 - System Goals
 - Leader Goals
 - Staff Goals
 - Alignment Indicators
 - “Other Initiatives”

SWAT "Tool"

Scott & White Alignment Tool

How will your team's performance affect our Value and Goals this year?

Name: Leader

Allan Einboden, SWHP CEO

Novell User ID:

aeinboden

S&W Mission:
Provide the most personalized comprehensive, and highest quality healthcare, enhanced by medical education and research.

S&W Vision:
Most Trusted and Most Valued name in American Healthcare.

S&W Values:
Teamwork, Patient-Centered, Innovation, Accountability, Excellence, Pride.

Legend:	
No Alignment	
Indirect Alignment	0
Direct Alignment	X

Priority	Key Goals	Targets "catchball"	Action Themes	Responsible	1	2	3	4	5	6	7	8	9
1	For SVHP to achieve a top 10% ranking as measured by HEDIS for the 2012	SVHP to achieve a top 10% HEDIS score for the 2012 performance year based on business.	Produce physician specific performance reports, close gaps; deploy vitality coordinators; coordinate with medical groups; stop paying increases if not hitting measures.	AE									
2				AE									
3	Reduction of the Scott and White Health Plan Administrative Expense Ratio for the 2012 Fiscal Year by 0.4%.	Final reduction of the 2012 SVHP Administration Budget from 9.2% to 8.8% by August 31, 2012.	Removing of non-value added activities, focus on high-performance groups, contribution of reductions by all SVHP Leadership on a monthly basis	AE									
4	Completion of the Bend the Trend Projects that will have a direct effect on the reduction of Medical Care Ratio by 3.2%.	Reduction of the SVHP Medical Care Ratio from 92.4% to 89.2% by August 31, 2012.	S3 Completion, Value Based Benefit Design Implementation, and execution of a Contract Strategy	AE									
5													
6													
7													
8													
9													

Scott & White Mission, Vision, & Values (Does not change!)

2017 Mileposts See FY12 Strategic Plan for Details (Annual Change!)

*Recommended number of goals is 5

2017 System-wide Mile Posts:

1. Be better than 90% of US healthcare organizations on all publicly reported quality and patient satisfaction metrics and cause zero harm to our patients
 2. Be better than 75% of the health care organizations in the US on expense performance
 3. Be one of most desired places for high performers to work
 4. Have fully integrated our information systems connecting patients, clinics, hospitals and the health plan
 5. Expand our mission to care for 675,000 unique patients annually
- (See FY2012 Strategic Plan Document for Details)

Name: Staff Member

Jane Smith

Novell User ID:

jsmith

Priority	Key Goals	Targets "catchball"	Action Themes	Responsible	1	2	3	4	5	6	7	8	9
1	For SVHP to achieve a top 10% ranking as measured by HEDIS and CHAPS for the 2012 performance year.	SVHP to achieve a top 10% HEDIS and CHAPS score for the 2012 performance year based on Commercial and Medicare lines of business.	Achieve all MIM Standards, Service Guarantee, Customer Advocacy Training, Combined EOB/ Hospital Bill	JS	X	X	0	0	0	X			
2	Reduction of the Scott and White Health Plan Administrative Expense Ratio for the 2012 Fiscal Year by 0.	To contribute on a monthly basis proportionately to final reduction of the 2012 SWHP Administration Budget	Affiliation issues, Authorization issues, Process Improvements, Project Management	JS	0	0	X	X	X				

Name: Leader

Allan Einboden, SWHP CEO

Novell User ID:

aeinboden

Priority	Key Goals	Targets "catchball"	Action Themes	Responsible	1	2	3	4	5	6	7	8	9
X	0	0	0	X	1								
X	0	X	X	X	2								
	X	0	X	0	3								
X	X	0	X	0	4								
0	X	X	0	0	5								
0	X	0	X	0	6								
0	X	0	X	0	7								
					8								
					9								

*Recommended number of goals is 5

The Division or Top Leader's Goals and Means to Achieve Them (already aligned with System goals)

Name: Staff Member

Jane Smith

Novell User ID:

jsmith

Priority

Priority	Key Goals	Targets "catchball"	Action Themes	Responsible	1	2	3	4	5	6	7	8	9
1	For SWHP to achieve a top 10% ranking as measured by HEDIS and CHAPS for the 2012 performance year.	SWHP to achieve a top 10% HEDIS and CHAPS score for the 2012 performance year based on Commercial and Medicare lines of business.	Achieve all MIM Standards, Service Guarantee, Customer Advocacy Training, Combined EOB/ Hospital Bill	JS	X	X	0	0	0	X			
2	Reduction of the Scott and White Health Plan Administrative Expense Ratio for the 2012 Fiscal Year by 0.4%.	To contribute on a monthly basis proportionately to final reduction of the 2012 SWHP Administration Budget from 9.2% to 8.8% by August 31, 2012.	Affiliation issues, Authorization issues, Process Improvements, Project Management,	JS	0	0	X	X	X	X			
3	Development and implementation of a SWHP Operations Cost Containment Strategy.	Impacting the overall Cost Containment by x% by August 31, 2012.	Claim Cost Containment, Claim Check, Restructuring of Amisys System	JS	0	0	X	X	X	X			
4	Based on 2011 SWHP Gallup Action Plan's improve the 2012 Gallup Ratio Scores to 8:1	Improving the SWHP Gallup Engagement Ratio from 6:22:1 (Engaged: Not Engaged: Actively Disengaged) to 8:1 within Allan's 2012 Gallup roll-up report.	Q02 I have the materials and equipment I need to do my work right Q03 At work, I have the opportunity to do what I do best every day Q05 My supervisor, or someone at work, seems to care about me as a person	JS	0	0	0	0	X	0			
5	By March 1, 2012 for SWHP to implement a fully functioning SWHP Medicaid Offering for STAR.	To enroll at lease 50K Medicaid Members into the SWHP Medicaid Plan by August 31, 2012.	Completed RFP, Completed Readiness Exam, Fully Implemented Product, Process, Systems, and Programs. Build Medicaid Network	JS			X	X	0	X	X		
6													
7													
8													
9													



Legend:	
No Alignment	
Indirect Alignment	0
Direct Alignment	X

- Other Initiatives: (list)**
- Process Improvement- 2.4 M
 - ICD-10 and AA6 Upgrade
 - Provider Cost Estimator
 - Dashboard Reporting

* Recommended number of goals is 5

The Unit or Individual's Goals and Means to Achieve Them

June 24: Roll-Out

- Council for Strategic Activation (CSA)
- 450 physician and business leaders
- System goals and strategic plan unveiled
- Overview of SWAT process, training, tool, timeline

Scott & White FY 2012 Strategic Plan:		Relentless Pursuit of Quality and Patient Satisfaction
By the year 2017, SWHC will...	Be better than 90% of healthcare organizations in the U.S. on all publicly reported quality and patient satisfaction metrics, and cause zero harm to our patients.	
2012 Key Activity	2012 Metric	Accountable Leader
Achieve top quartile scores in the 7 Thomson Reuters Top 100 Health System performance metrics	<ul style="list-style-type: none"> • Mortality Index < 0.84 • Complications Index < 0.84 • Patient Safety Index < 0.88 • Core Measures Mean Percentage > 95.6% • 30-Day Mortality Rate < 12.5% • 30-Day Readmission Rate < 20.8% • Reduce LOS to achieve Opportunity Index < 0 • Top 10% on all measurable HEDIS scores • Zero occurrences of "never events" • Reduce unapproved medication overrides in Pynis and MAK to < 5% 	CQO Allan Finboden
Lead the nation in development of innovative, evidence-based care delivery models	<ul style="list-style-type: none"> • 1 Central region clinics will begin the process of achieving NCA level 3 certification for PCMH • Implement inpatient clinical pathways for top 10 admitting diagnoses • Define pathways, measure baselines, and begin systemwide education and implementation of standardized care of 5 disease entities • Standardize appropriate utilization of advanced imaging in all E.D.s 	CQO Mike Biss
Design and begin implementation of quality scorecards for individual providers	<ul style="list-style-type: none"> • Individual provider performance reports generated and outliers held accountable 	CQO
Utilize simulation to vet all new or high-risk procedures and procedure team members	<ul style="list-style-type: none"> • All new or high-risk procedures and procedure team members vetted using simulation to develop expertise, correct deficiencies, maintain skills and build teams 	Don Whelan Glen Coachman
Gain customer perspective by implementing Patient Advisory Council at SWMH	<ul style="list-style-type: none"> • Patient Advisory Council implemented to provide the Voice of the Customer on quality, safety, and satisfaction issues at SWMH 	CQO
Improve patient satisfaction	<ul style="list-style-type: none"> • Improvement of 7 percentile points in "Likelihood to Recommend" as applicable to Press Ganey • Improvement of 7 percentile points in "Recommend to Family and Friends" top box score for HCAHPS and CGCAHPS with a minimum performance of greater than 50th percentile (HCAHPS) • SWHUP CAHPS satisfaction rating in top 10% nationally 	Glen Coachman Pat Currie Allan Finboden
Implement "Board on Board" at all hospital sites	<ul style="list-style-type: none"> • Each hospital Board of Directors will take a leadership role in managing the quality and patient satisfaction programs at that site 	CQO

July: Step 1 – SWAT Overview Training

- Attending 1-hour SWAT overview session was assigned as “pre-work” to all leaders and staff
- Baseline knowledge for more effective catchball sessions
- 4 Altarum Coaches plus 12 internal coaches trained to present these overview sessions and field general questions
- Local or assigned coach at every regional site



July: Step 2 – Leader Catchball

- Catchball = 2-way conversation
- THE single most important ingredient in Hoshin
- Wave 1: Senior team completed one-on-one catchball sessions with President/ CEO to document their goals
 - ▣ “Center – Out” approach
- Third party “coach” or facilitator is KEY
- Leader goal completion tracked/reported for accountability



Catchball Resources

□ People

- Senior champion, C-level exec. (Owners)
- VP, Director (Barrier Busters)
- Altarum Partners (Movers & Shakers)
- Project Manager (Details)
- 12 master trainers/ catchball coaches (Worker Bees)
- 2 Central Schedulers

□ Technology

- Laptops and flash drives
- Paper and pen will work, too 😊

August: Leader Goals Due

- Compliance tracking by C-level leader roll-up
- All Director-level leaders and above (approximately 450) were due by 8/31
- Target was 95% compliance
- Result: 87% by 8/31
 - ▣ Continued to trickle in – 93%



September: FY 12 Begins, Staff Catchball

- ❑ Leader catchball and goals completed by 8/31
- ❑ Catchball “cascade” to all staff began in earnest
- ❑ Increased demand for coaches
- ❑ Leaders realize 2-3 catchball sessions needed

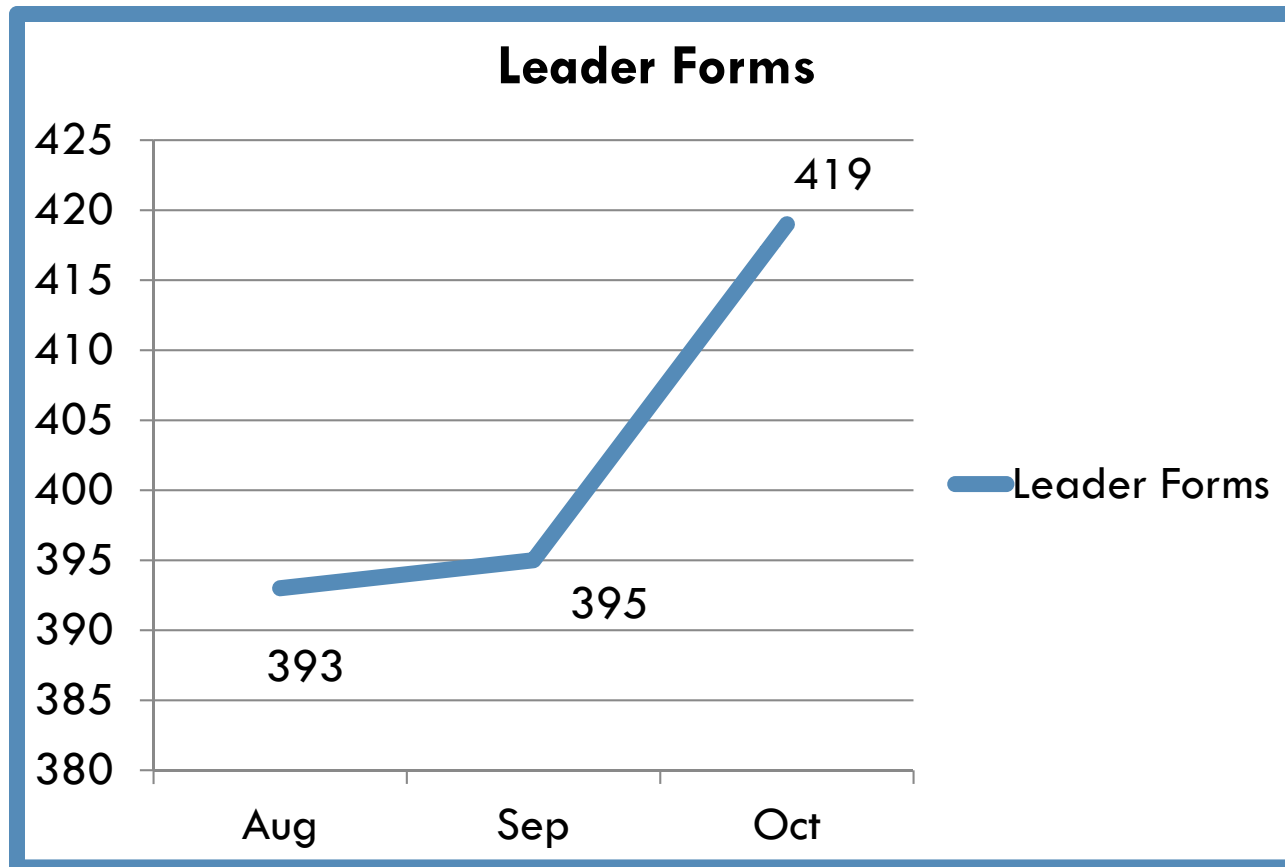


October: SWAT in Orientation, All Goals Due

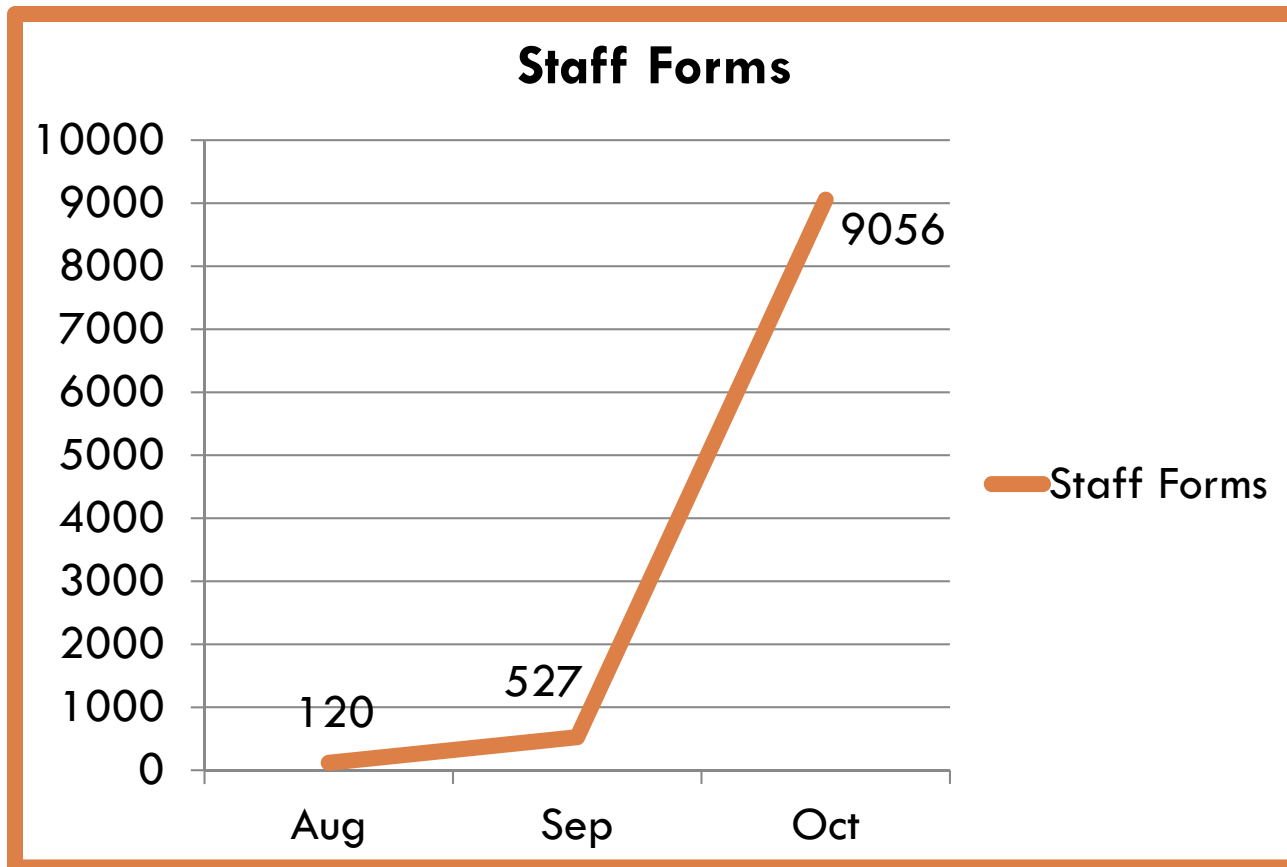


- Training to the “masses” complete in October
- 10 master trainers and 9 orientation trainers prepared to teach SWAT process
- Every new staff member receives SWAT overview in orientation at every regional location
- 2 homework assignments
 - ▣ Review your leader’s goals within 1 week
 - ▣ Submit your goals within 30 days
- Revised Department Orientation Checklist

October: We just THOUGHT we were busy last month!



October: We just THOUGHT we were busy last month!



October: Evidence of Alignment



November: Drum Roll, Please!

- Very publicized goal: 90% staff completion
- Historically, accountability wasn't a strong suit
- SWAT project team had an off-the-record bet
 - ▣ Project Manager: 60%
 - ▣ Altarum Consultant: 62%
 - ▣ H.R. Representative: 63%
 - ▣ VP: 65%
 - ▣ Director: 72%
 - ▣ C-level Exec: 73%
 - ▣ Sr. Project Manager: 80%
 - She was really new to the organization!



90%

Results

December: Project Transition

- Move SWAT from “project” to “permanent”
- It’s a way of life
- Workflow shift
 - ▣ New hire goals
 - ▣ Goal updates from existing staff
- Continue and emphasize the 5-step **PROCESS**
 - ▣ Training
 - ▣ Catchball
 - ▣ Plan
 - ▣ Track
 - ▣ Meaningful Progress Conversations



December: Steps 3-5 (Plan, Track, Talk!)

- Hoshin is NOT just a one-time process
- Long-term focus on continuous improvement is key
- “Tracker” form is built in to spreadsheet
- Staff member owns goals
 - ▣ Project “plan” data by month AND track actual results



Goal Alignment Target Tracker

Staff Member

Today's Date: 2/19/12

MANAGER B NAME	MANAGERB
----------------	----------

LEGEND
Met Goal

Step 3: PLAN

Objectives

The "Cliff" or "Step"

Key Goals	Yr to Date	Actual	Objectives												Totals	
			Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug		
Decrease Supply Costs	Decrease Sup (Baseline: \$9)		Plan	9,000	9,000	9,000	9,000	6,375	6,375	6,375	6,375	6,375	6,375	6,375	6,375	
			Actual													
			Note													
Meet or exceed contribution margin	5% for	3%	Plan	4.60	4.65	4.70	4.75	4.80	4.85	4.90						
			Actual													
			Note													
Increase score on XYZ Quality Survey to 4.02 for FY12.	XYZ S for C	3.6	Plan	3.96	3.96	3.96	3.96	3.98	3.98	3.98						
			Actual													
			Note													
Increase patient satisfaction	75th percenti "likelihood to		Plan	62	65	75	75	75	75	75						
			Actual													
			Note													
Increase SWISS Scores	Average > 93		Plan	93	93	93	93	93								
			Actual													
			Note													
Implement new ABC technology	Assemble team by 10/31/11 Complete project plan by 10/31/11 Submit RFP to potential vendors by 11/15/11 Vendor demos 1/15 - 1/20/12 Vendor selection by 2/15/12 Implementation 4/12 Testing 5/12 Roll-Out 8/12	BH, SH, TD	N/A	Team: Y Plan: Y RFP: Y Demos: Y Vendor Selected: Y Go Live: Y Testing: Y Roll-out: Y												
			Actual													
			Note													

"Steady as she Goes"

Monthly "Get There Quickly"

"Yes or No?"

"Quarterly Creep"

No baseline?

Step 5: Meaningful Conversations



- Monthly or Quarterly?
- 4 questions
 - ▣ What's your goal?
 - ▣ How are you doing on that goal?
 - ▣ What's your plan?
 - ▣ How can I help you?

Meet Face-to-Face



- What should you have prepared BEFORE the meeting? (Send, printed, etc.)
- How can you put the staff member at ease as you discuss sometimes “stretch” and strategic goal progress?
- How would YOU want to be treated during these progress meetings?

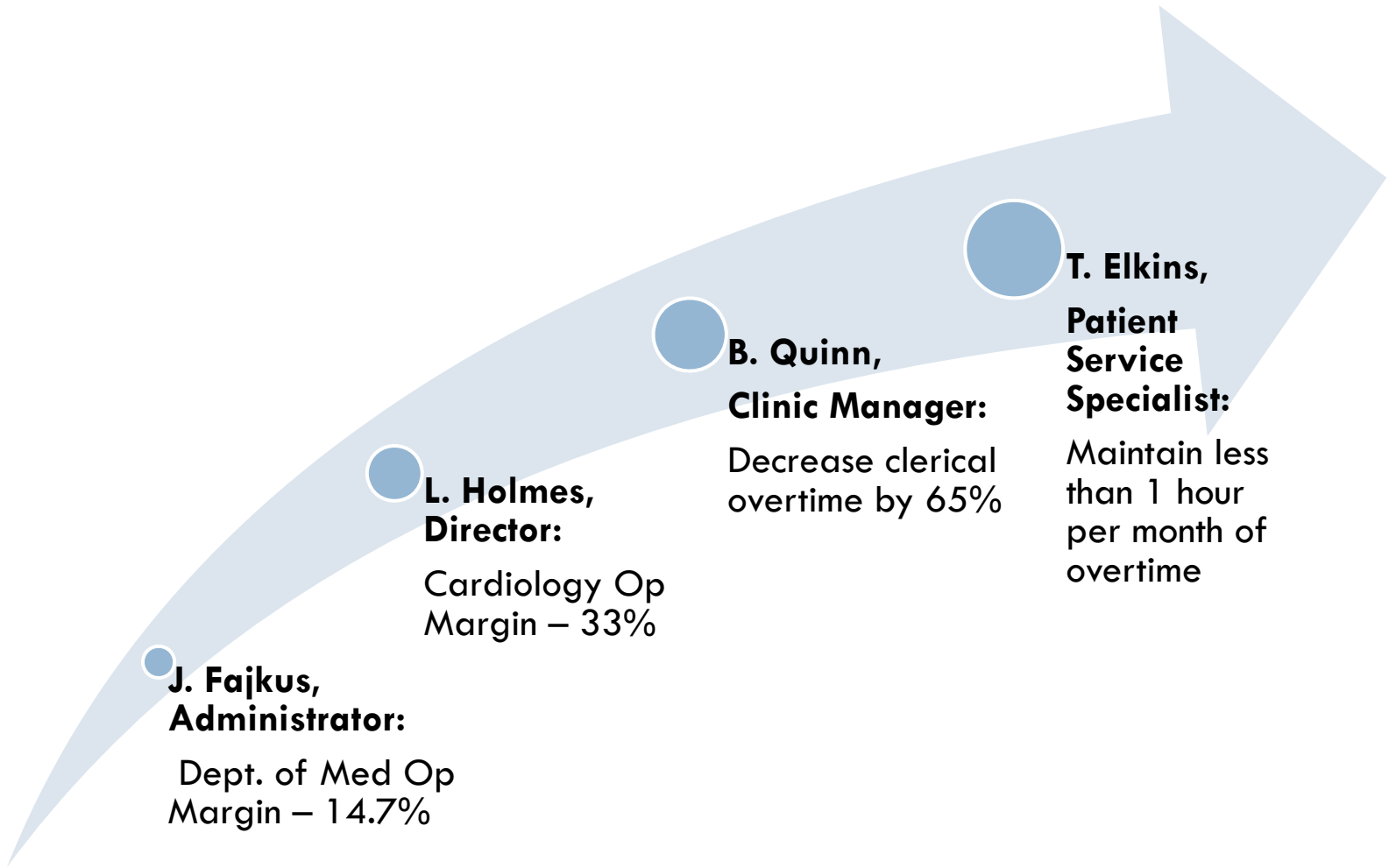
HOSHIN
“DIRECTION
MANAGEMENT”

Successes

Aha! Moments

- “I didn't realize just how critical *my* action themes are to this year's strategy.”
- “I *aligned well* with my boss, but even better with the system.”
- “I'm a lot *more aligned* than I thought I ever was.”
- “This is just a really good overdue conversation with my boss.”
- “Wow, it was hard and challenging time-wise, but I'm glad we had these conversations before the FY started.”

Actual Alignment



Collaboration



- In the past, physicians and “business partners” had separate goal setting-processes, even though physicians are employees
- The result? VERY different goals...
- This year, collaboration was evident
- How did we gain physician buy-in?
 - ▣ Physician-led organization: President/CEO and CMO
 - ▣ CMO’s message to direct reports: Physician participation is not optional
 - ▣ Office of CMO sent out joint appointments to physician department chairs and administrators

Results of Collaboration?



- Co-Catchball Sessions
 - ▣ CMO, Physician Department Chair, and Administrator worked together to document and prioritize goals
- Similar (if not identical) targets in critical areas:
 - ▣ Quality benchmarks
 - ▣ Contribution margin
 - ▣ Staff Engagement
 - ▣ Patient Satisfaction
 - ▣ RVU's
- Process was repeated out through the physician/business partner ranks

“Other Initiatives”



- ❑ Catchball process allowed leaders to take unaligned tasks OFF their plate
- ❑ In other goal-setting methods, tasks were never taken away...only added!

Big Wins



- Committed senior leaders
- Multiple modes of learning and communication
 - ▣ Classroom, video, webinars, website, e-mail
- Coach availability/ flexibility
 - ▣ Deep background knowledge of Lean AND operations
 - ▣ All other tasks removed: FOCUS on SWAT!
 - ▣ Do-Whatever-It-Takes attitude
- Altarum Partners
 - ▣ Predict issues, pitfalls and recommend strategies
 - ▣ Help implement, but teach us to own it ourselves

Remember our Lean Groundwork?

- System was starting to trust that traditional Lean tools influence outcomes
 - ▣ 5S, A3 Problem Solving, Waste Walk, VSM
- In goal-setting sessions, sometimes the “what” was clear, but the “how” wasn’t
- Leaders and staff looked to Lean tools to help with the “how” and listed Lean projects in the “Action Steps” area of the SWAT form
- Examples of 5 new VSM projects:
 - ▣ O.R. scheduling
 - ▣ Retail pharmacy
 - ▣ O.R. turnover
 - ▣ H.R. orientation
 - ▣ Call Center

HOSHIN
“DIRECTION
MANAGEMENT”

Lessons Learned

Lessons Learned (The HARD Way)



- Involve Project Manager early
- Finalize the steen-kin' form prior to pilot
- Brace yourself for naysayers, skeptics, grouches, and just plain old mean people
- Centralized scheduling is a bear

And...

- Project the “processing time” needs and staff appropriately (3 minutes x 9,700 forms = ???)
- Don’t underestimate the number of ways people can goof up an Excel form
- Determine minimum standards
 - ▣ When to send the form back to owner for revision
- Believe your consultants when they say that true “catchball” takes an hour!
- Believe your consultants when they say that 1-3 separate “catchball” sessions may be required to finalize goals!

Three More Just for Leaders...

- Ask top tier leaders to commit to TRUE catchball sessions ahead of time
 - ▣ Send appointments and block calendars EARLY
 - ▣ Cramming a catchball session into 20 minutes isn't feasible, especially the first time
- REQUIRE “plan” data from senior team when goals are set
 - ▣ No excuses, no exceptions
 - ▣ Best guess and then revise later if necessary
- 2-tiered completion deadlines insufficient
 - ▣ Top tier (450) took 2 months
 - ▣ Delayed cascade
 - ▣ Remaining 9,000 + staff had to complete in 2 months

Summary



- Don't confuse “simple” with “easy”
 - ▣ Hoshin Planning IS simple. It is NOT easy.
- Year 1 won't be perfect
 - ▣ The heart of lean is continuous improvement – it's okay to take risks, make mistakes, and *gasp* fail.
- Use carrots, not sticks
- Senior leader champion is essential

Questions?



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