

AWD[®] Turning Broken Processes into Business Opportunities

By: Tracy Shelby, Systems Officer, DST Technologies

In healthcare organizations today, many tasks are viewed as beginning and ending at department doorways. Thus, communications between and within departments are subject to bottlenecks, blockages and manual handoffs. Often, computer systems used by different departments are not interoperable and don't support truly collaborative work environments.

These physical gaps (or "whitespace") between operational units reduce productivity, increase administrative costs, erode margins, and act to dissatisfy both patients and employees alike. As a result, most healthcare organizations are more efficient within their departments than they are across the enterprise. So who in the organization is responsible for optimizing enterprise processes and how do they manage this difficult task?

Fixing broken or disparate processes can be challenging because traditional software vendors generally focus on departmental solutions that create specific data which is supported by specialized features and functionality. Where these applications end, "whitespace" begins.

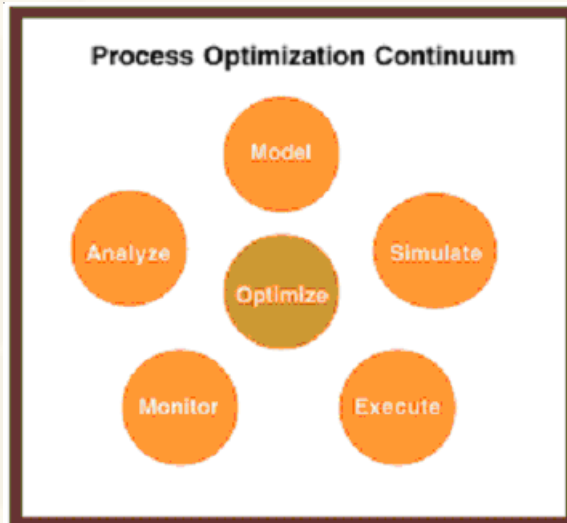
In the past, access to effective tools that integrate core clinical, business, and patient information flows across the entire organization haven't been available. Healthcare hasn't embraced "process-centric solutions" to the extent that they have "data-centric" technology. Therefore, creating data is often easier than accessing it.

As healthcare costs continue to rise at a pace much faster than national inflation rates, healthcare providers are at a point where they need to consider the optimization of their internal processes as a strategic approach to regaining control of their operational environment. But because process is "horizontal", cutting across many departments and venues, change is difficult. The "organic" organization understandably clings to the status quo.

Before provider organizations can improve processes, implement change, and regain organizational "agility" several things need to be in place. Optimizing processes start with a model of the current state.

After simulating various alternatives, the best operational plan is chosen and automated tools and integration points execute the process. Events are generated during the course of the day and these activities are monitored for real-time decision making. Looking at benchmark data, trends and various reports, analysis is conducted and fed back into the model to fulfill the objective of optimizing process flows.

Business Optimization Continuum



Bottom line is this:

First- Realize that end-to-end process is a tremendous asset that needs to be embraced.

Second- Improve, automate, innovate and nurture core processes.

Third- Inspect, monitor and act in real time to keep processes at optimal performance levels.



AWD Division
330 W. 9th St.
Kansas City, MO 64105
888.DST.INFO
www.dstawd.com

If these three steps are to become a part of the cultural fabric of the hospital, performance measures can take quantum leaps. This is not a hypothesis, but a set of activities that will accomplish tremendous things.

For those organizations that approach enterprise process optimization using some form of methodology, supported by modern process tools, and within the context of a “top-down” commitment to change, the benefits can be significant. For example, one Midwest IDN reduced its medical records backlog by 36%, reduced outpatient coding lag time from 4 days to 24 hours, saved over \$1 million in administrative costs, accelerated access to over \$4 million in receivables, and reduced DNFB by two days during the first ten months after using simple process optimization tools and methodologies. Regardless of whether process optimization is utilized in the revenue cycle (as in the example above) or in any healthcare activity where processes are broken and “whitespace” exists, the opportunities for improvement across the enterprise exist.

Potential benefits include:

- Fewer errors, lower administrative costs, and compressed operational lag time
- Increased associate and workgroup “collaboration” resulting from improved access to enterprise information
- Efficient, accountable, and “seamless” information flows across the enterprise that can better achieve “best practice” goals and expectations
- Revenue optimization through higher “yields per associate”
- Integration of tools and methodologies that stimulate a continuous process improvement environment

Using enterprise process optimization as a change agent generates improvements in operations, cost reduction, and margin contribution by using the resources we already own in a more effective way. This means better utilization of existing people, systems, and business rules without the need to add yet another database or a new departmental application or more associates. Process optimization tools and techniques better integrate, orchestrate, and choreograph the existing investments we’ve made so that each existing unit (whether and associate, a system, or a business rule) contributes more value to the patient and the process of delivering healthcare.

Good process optimization methods, tools, and techniques don’t cause existing systems to be discarded, but rather create opportunities for them to be expanded and used more effectively. These investments and the associated human training and expertise that emanates from them become an even greater set of operational assets.

Enterprise process optimization is the combination of services, design, tools, and implementation techniques within a comprehensive methodology for continuous improvement that makes it easier for healthcare providers to change their operations. By bundling these components into a single strategic solution the risks associated with organizational change can be greatly reduced. Provider organizations, by their very nature and because of their unique mission, are a conservative group. Nonetheless, all would agree that their organizations are fragmented, inefficient, and under-optimized. The adoption of sophisticated methodologies and tools that make process change more manageable is the first step in preparing provider organizations for the future. Only when the price of standing still is more costly than the price of moving forward will meaningful enterprise process optimization begin. A structured, methodology approach may be the “tipping point” that the provider community is looking for.

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