



Havasus Regional Medical Center Needed Increased Throughput in the OR

Havasus Regional Medical Center is located in a resort-retirement community that creates significant fluctuations in their volume. Primarily the volume increases during the winter months when the community is heavily visited by retirees desiring warmer climates. The leadership team was under growing pressure to maintain operating margins and recognized there were significant opportunities to improve the efficiency of the OR while reducing waste throughout the entire organization. The leadership also believed that these efforts would improve surgeon loyalty and satisfaction. Unfortunately, previous efforts had stalled in analysis and had been further hindered by the inability to move beyond traditional means to realize strong gains.

Havasus Turns to CBA for Over \$7M in Margin Improvement

Havasus Regional's leadership team adopted the 100-Day Workout as their accountability structure to ensure continued improvement of the hospital's surgery workflow. At the recommendation of CBA, the goal was to achieve "One more case per OR suite per day." Per CBA's recommendations, Havasus formed four teams and assigned action targets to increase urgency and create a bias toward action. Every person on the four teams was responsible for testing and implementing two successful changes per month that impacted the stated goal. After the OR initiative was underway, it was time to focus on waste elimination throughout the organization. Again, the 100-Day Workout was applied with a result of over \$7 million in Quality Waste Recovery efforts.

Strategy Development: With the support of CBA, Havasus Regional organized into continuum teams. Within the larger team, four sub-teams were created along subsets of the entire surgical process. These sub-teams included Diagnosis to Day of Surgery, day of Surgery to Wheels In, Wheels in to Wheels Out and PACU to Discharge. These teams developed and implemented successful changes that resulted in significant savings in overtime while also radically improving the First Case On-Time Starts from 45% to 94%.

The second strategic development cycle occurred around targeting of quality waste for elimination. Every manager in the organization was charged with identifying eight changes that simultaneously positively impacted quality and reduced operating costs. The managers were given an overview of Lean, the 7 Categories of Waste, Rapid Cycle Testing, and 84 Proven Change Concepts for hard wiring the gains.

First Case On Time Starts: The Havasus Regional team focused on margin improvement in the OR, which showed great gains in FCOTS. By shifting minutes to the shifts that worked before 3:00 PM, they saved over 100 hours of overtime in one month while improving start times from 45% to 86%. They have continued to make improvements with the following months' FCOTS at 94%, for a month over month average of 80% improvement over 5 months.

Implementation of Rapid Cycle Testing: Caldwell Butler & Associates mentored the Havasus team on Rapid Cycle Testing, producing benefits of reducing fear of failure, creating a culture that values experimentation, and increasing the speed of the organization.

Havasus Regional's Needs

- Maintain profitable operating margins
- Improve the efficiency of the OR
- Reduce waste throughout the organization
- Improve surgeon loyalty & satisfaction
- Increase speed of making improvements

Methods Applied

- 100-Day Workout Structure
- General introduction to Lean Concepts of:
 - Quality Waste
 - Mistake Proofing
- Rapid Cycle Testing
- Action Targets
- EXCELerator
- 84 Proven Change Concepts

Demonstrated Statistically Significant Results of the Havasu Regional Implementation

Measurable Benefits:

- Improve FCOTS from 45% to 94% over the 100-Day Workout
- Shifted minutes in OR schedules so that overtime was decreased by minimizing the 3 PM to 7 PM shift from 32% of OR minutes to 16% of OR minutes
- Over \$300K in validated savings through participation of other departments
- Quality Waste Recovery efforts generated 288 plans representing over \$7 million in margin improvement, including:
 - \$2.6 million on Material & Information movement
 - \$2.25 million on Over-Correction / Inspection
 - \$1.5 million on Out of Quality Staffing

Intangible Benefits:

- Implemented Monthly Scorecard system for continued process improvement
- Less down time for staff, improving morale and ensuring higher productivity
- Developed office education and packet to outline requirements for scheduling a patient for surgery
- New surgery block policy provided predictability for scheduling resources and happier surgeons



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Caldwell Butler & Associates, LLC

Caldwell Butler & Associates is an innovative firm specializing in strategic deployment of Lean-Six Sigma resulting in cost position improvement, financial turnarounds, and patient throughput optimization. Caldwell Butler & Associates has assisted hundreds of clients increase productivity, maximize patient throughput, and improve patient satisfaction.

Our team is exclusively dedicated to healthcare and brings extensive practical experience in hospital operations to each project. Our knowledge of the healthcare environment allows us to implement effective performance improvement programs tailored to the specific needs of your organization. Caldwell Butler & Associates is the trainer of choice for both the American College of Healthcare Executives and the American Society of Quality. During the past decade, Caldwell Butler has personally trained thousands of senior hospital executives in the effective healthcare application of Lean-Six Sigma.

Unlike traditional consulting firms, Caldwell Butler & Associates believes on-site mentoring and apprenticeship are the most effective methods for achieving sustainable gains in performance. Our on-site programs empower your employees by providing them with the tools to attain new levels of performance. We offer proven techniques and methods for enhancing personal accountability, monitoring progress of initiatives and tracking your ROI on each project. Where most consulting firms are satisfied with finding "identified savings," Caldwell Butler & Associates works along side your team throughout implementation thus providing you with a sustainable process for managing the entire productivity improvement cycle.

Caldwell Butler & Associates apprenticeship and mentoring programs include:

- Effective use of aggressive benchmarking data
- Proven techniques for non-negotiable goal-setting
- Methods of identifying waste and generating cost savings strategies
- Creation of implementable 100-Day Action Plans
- Flawless execution of performance improvement projects
- Creation of internal tracking methods for enhancing personal accountability