



CBA's Helps Net \$5.4M in Completed Savings for Unionized, Hybrid Critical Access and Community Hospital

»»» CHALLENGE

Heywood Hospital needed to maximize throughput, develop operational goals and a process to align physician practices - all while keeping some separation between its two facilities and ensuring its good working relationship with the union was not compromised.

»»» SOLUTION

CBA 100-Day Workouts

- Quality Waste
- One More Throughput
- In Quality Staffing (Hybrid)
- Leadership Effectiveness and Accountability Program (LEAP)

»»» RESULTS

1,350 plans identified in just four workouts.

Conservative CFO validates \$4.6M in implemented savings - nearly 90% of completed changes.

Heywood is able to consistently plan timing of changes, and even Workouts, around union deadlines and schedules.

Situation

Heywood Hospital, is a non-profit, community-owned hospital in Gardner, MA. Located about 90 minutes from Boston, this unique organization supports the rural community with both critical access care from one 25-bed hospital, as well as inpatient and outpatient services via its traditional, 100-bed community hospital and physician practices. They came to CBA with several key challenges, including:

- Changes in reimbursement affecting revenue.
- Needed to keep some separation between two facilities to maintain critical care status.
 - Per diem vs. flat rate reimbursement.
 - General/designated staff can't cross over.
 - Laws spanning critical access might limit use of some traditional changes/methods.
- Union environment requires advanced notice, meetings and additional engagement when making staff-related changes.
- In turnaround situation - new leadership recently brought on board.
- Lacked a sense of urgency and method for creating accountability.
- Needed operational goals and processes to align physician practices and maximize throughput.
- Process changes not corresponding to the bottom line.
- Missing a structure to monitor and track activity.

Heywood Hospital's CIO had worked with CBA for four years at another organization, and knew the CBA methods would also help Heywood meet the rapid changes occurring in their environment by delivering an action-oriented approach to planning with the entire staff, that went beyond just additional Lean Six Sigma training.

Solution Applied

Heywood Hospital engaged CBA, tapping its expertise and 15 years of ensuring continuity and sustainable work through leadership coaching and driving accountability. Together they focused on designing a system that included proven methods for increasing focus, accountability, speed and inter-departmental collaboration while producing tangible ROI with validated margin improvement.

Engaging Managers & Directors

Engaging directors and managers in tactical, process-oriented organizational change to increase margin in their cost centers was necessary to make them accountable and for the entire organization to reach its goals.

Heywood Hospital focused on two initial key business areas, and have two additional workouts in other focus areas now in the works. They adopted CBA's 100-Day Workout accountability structure to help them get there. This system makes progress, or its absence, instantly visible, thus demanding a corrective response from leadership when unacceptable deviations from plans occur. To create a sense of urgency and encourage the commitment to change to run throughout the organization, each workout included a minimum of two (mandatory) successful process changes for all managers, directors, and senior leaders, per month. These changes would all move the hospital toward its financial goals.

In all, Heywood Hospital completed 100-Day Workouts focused on the following high opportunity areas:

- **Quality Waste:** The first 100 days were spent focused on quality waste, and getting dollars out on the expense side. To do this, managers were exposed to Lean concepts and an easy-to-understand overview of the seven categories of waste. By the end of day one, each manager had recorded several ideas and was expected to have eight plans recorded that they could fully implement in the next 100 days.
- **One More Throughput:** Used for two 100-day cycles, during which directors are coached to handle "one more" unit of service with the same staffing to address issues like long wait times for physicians, shortening length of stay and increasing volumes.
- **In Quality Staffing:** Utilizing CBA's proprietary In Quality Staffing approach in which managers are coached to detect variations in quality staffing standards, combined with 35 change concepts.
- **Leadership Effectiveness and Accountability Program (LEAP):** A leader development, cross-department collaborative approach that produces confidence, self-esteem, skill building, skill sharing, and camaraderie of purpose by making the group responsible for any deficiencies of individual members.

Throughout this process CBA also taught Heywood Hospital's staff how to leverage its core programs like Rapid Cycle Testing and the resources of the CBA ToolBOX, so they could act on the information they were receiving to improve operating margin as a whole. This approach creates an experimental mind set, reducing the fear of failure, increasing speed and reducing barriers to change.

Most importantly, this introduced CBA's EXCEerator™ - an online accountability tool giving Heywood Hospital a structure for:

- Taking ownership of changes, assigning accountability and tracking key plans.
- Validating process changes that affect the bottom line.
- Providing a way to monitor implementation.
- Creating a sense of urgency.

▶▶▶ METHODS APPLIED

- 100-Day Workout Structure
- General introduction to Lean Concepts of:
 - Quality Waste Recovery (7 Categories of Waste)
 - In- and Out-of-Quality Staffing
 - Material & Information Movement
 - Over-Processing
 - Over-Inventory
 - Motion
 - Over-Correction/ Inspection
 - Waiting
- Rapid Cycle Testing
- Action Targets
- EXCEerator™
- 84 Proven Change Concepts

Results

CBA understood which changes could be applied toward both hospitals, and others that were unique to each facility. As such, they helped Heywood Hospital dramatically improved access to care in the community throughout its operations.

- Decreased wait times for physician appointments (increased volume).
- Optimized physician panels.
- Improved same-day acute appointments to keep patients out of ER.
- Have the right people staffed at the right time to meet community needs.
- Now keep more referrals internal.

They have also seen considerable improvements in:

- ER room length of stay
- Decrease in LWBS (Left Without Being Seen)
- Increase in patient days for swing beds (Critical Access)

Heywood is sensitive about their union relationship. CBA's expertise working with both union and non-union environments ensured a continued successful working partnership with Heywood's union.

- Understand what changes need 30-Day notice vs. those that can be made more rapidly.
- Help get the ball rolling quickly for things that take time to implement.
- Provide advice for compiling proposed plans.
- Heywood is able to consistently plan timing of changes, and even Workouts, around union deadlines and schedules.

Heywood's extremely conservative CFO has approved and validated nearly 90% of completed changes.

They just completed a successful fiscal year and exceeded budget expectations, with CBA credited with contributing, at least in part, to this success.

The hospital's leadership involvement throughout the planning and implementation processes helped align the new management team, instill buy-in and create a strong culture of accountability.

Four four-month (trimester) performance improvement 100-Day Workouts enabled Heywood Hospital to realize \$5.4M in implemented savings, with \$4.6M of that figure budgetized by the CFO.

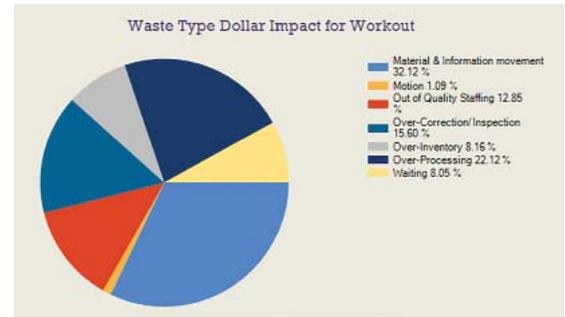
Plans were designed with a constant focus on implementation and accountability through coaching and mentoring for sustainable results beyond the initial engagement.

Below is a detailed look at Heywood Hospital's \$5.4M in completed savings.

100-Day Workout 1: Quality Waste – Directors and Physician Leaders

The first 100-Day Workout produced over 410 slated changes with \$1.14M in CFO-validated savings - a considerable impact to their overall operating budget.

Savings from detailed plans	\$1.9M
Completed changes	\$1.4M
Validated & budgetized by CFO	\$1.14M
Director/manager changes	410 plans: 8 per manager



100-Day Workout 2: One More Throughput (Part I)

By the end of this second 100-Day Workout directors and managers amassed over \$1.8M in CFO-validated margin improvement. Moreover, directors were well on their way on the road to becoming world-class leaders who assure sustainability for the challenging times ahead.

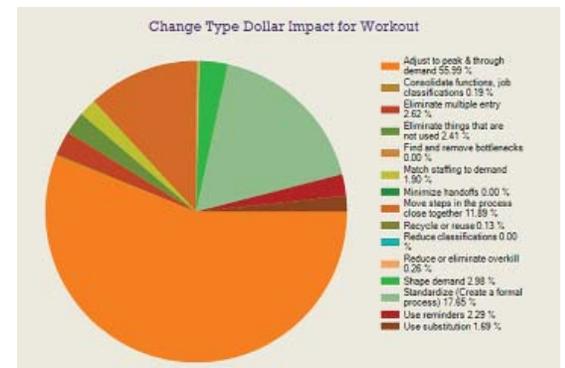
Savings from detailed plans	\$2.3M
Completed changes	\$1.9M
Validated & budgetized by CFO	\$1.8M
Director/manager changes	347 plans: 7 per manager



100-Day Workout 3: One More Throughput (Part II)

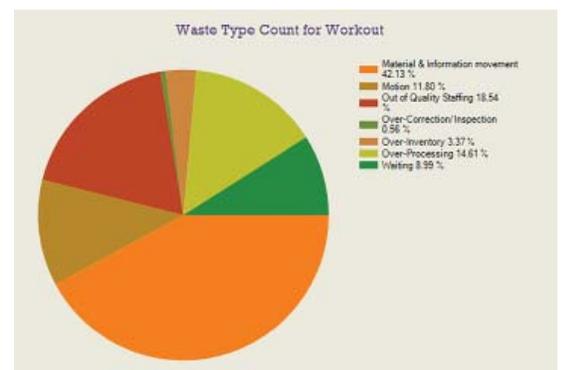
Some of the more dramatic results have been seen as part of the One More Throughput series with issues like shortening long wait times for physicians and length of stay to increase volumes overall.

Savings from detailed plans	\$2.1M
Completed changes	\$1.5M
Validated & budgetized by CFO	\$1.35M
Director/manager changes	417 plans: 8 per manager



100-Day Workout 4: IQS Hybrid (In Progress)

Savings from detailed plans	\$363,168
Completed changes	\$350,668
Validated & budgetized by CFO	\$321,543M
Director/manager changes	176 plans: 3.5 per manager



Heywood Hospital is well positioned for the challenging times ahead with the presence of a sustainable accountability system and leader skill development of senior leaders, directors, and managers who have mastered short-term goal-setting, project management, overcoming barriers to rapid change, building coalitions and collaboratives, Rapid Cycle Testing, and more.

The CBA Advantage

CBA is the nation's leading expert in successfully leading transformational initiatives and margin improvement for healthcare. For the past 15 years, CBA has conducted national research and published its findings on the methods of top performing organizations to improve performance. These proven methods have been field-tested and CBA has refined these concepts into proven tools you can deploy in your organization.



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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 & Associates 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