



Baldrige Award Winner Selects CBA to Maintain Highest Patient Satisfaction Ratings and Sees \$1.8M in Implemented Savings to Boot

»»» CHALLENGE

Hill Country Memorial had won the Baldrige award for the highest patient satisfaction scores in the country. However, they needed to build on the efficiency skillsets and accountability of their middle management team to be a continued, top performer in all categories and expand their profit margins.

»»» SOLUTION

CBA 100-Day Workouts

- Quality Waste
- In Quality Staffing
- Patient Experience

»»» RESULTS

Average customer relationship scores at 96% - none below 90%.

Completed and validated Waste-related plans were 280% of target. Entered plans were 119% of target.

CFO validates \$1.8M in implemented savings – 227% of goal.

Situation

Hill Country Memorial is a non-tax-supported, 86-licensed bed facility, with a state-of-art ICU wing and a new surgical department, all delivering programs and services to the Fredericksburg, TX community. It employs nearly 700 staff.

Hill Country Memorial had won the 2014 Malcolm Baldrige National Quality Award for the highest patient satisfaction scores in the country. However, since the Affordable Care Act, all healthcare organizations have been improving patient satisfaction. While Hill Country's team had great patient management experience, different skills are required to improve efficiency. There were also concerns that despite those great patient experience scores, a brand new hospital built on the edge of their service area would overcome attitudinal factors. They were afraid the new facility might be deemed better than their middle-aged facility.

- Expand profit margins
- Maximize efficiency
- Instill a culture of rapid change
- Build on the efficiency and change process skillsets of their middle management team
- Adopt a system to train their leaders in driving change, overcoming obstacles and inspiring others to join them

Solution Applied

Hill Country Memorial engaged CBA, tapping its expertise and 15 years of ensuring continuity and sustainable work through leadership coaching that delivers improved margins while driving change and overcoming obstacles.

Engaging Leaders

Engaging executives, directors and managers in tactical, process-oriented organizational change to increase margin within their cost centers was necessary, both to improve accountability and position Hill Country to achieve its organizational goals.

Hill Country adopted CBA's 100 Day Workout structure and have completed three 100 Day Workouts to date. This system makes progress, or its absence, instantly visible, thus demanding a corrective

response from leadership when unacceptable variations from workout goals occur. To create a sense of urgency and encourage a commitment to change to run throughout the organization, each workout includes a minimum of two (mandatory) successful process changes for all managers and directors per month. The organization-wide focus on making these changes all move the hospital toward its financial goals.

In all, Hill Country Memorial 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.
- **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.
- **Patient Experience:** CBA delivers the structure and proactive methods that enable all teams to help caregivers at the bedside by focusing on key strategic areas that drive the improvement of patient experience scores. This next-gen focus on patient experience goes beyond attitudinal changes alone, to creating an environment that focuses on responsiveness to patients and their families.

Building Sustainability with the Right Tools

Throughout this process CBA also taught Hill Country Memorial'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 Hill Country Memorial a structure for:

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

Results

While specific financial metrics may not always be directly tied to patient experience, the results can be measured in other ways, including in patient satisfaction scores. Everyone can influence patient or customer experience regardless of their department.

▶▶▶ 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

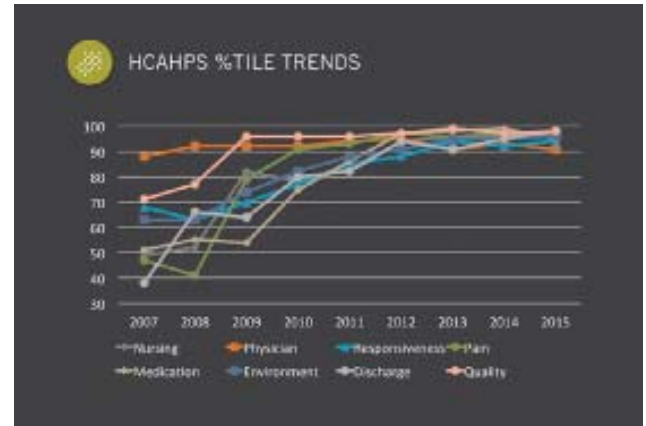
- HCAHPS Percentile trends saw a significant boost after Workouts began and have steadily climbed
 - numbers at 90% or better for the last three years.

A 100 Day Workout structure boosts collaboration – gets directors working with people they might not have ever worked with – as they focus on broader goals of the organization.

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.

With just three performance improvement 100-Day Workouts, Hill Country Memorial was able to realize \$2.5M in implemented savings, with \$1.8M of that figure budgeted by the CFO.

Plans were designed with a constant focus on implementation and accountability through executive and one-on-one coaching and mentoring for sustainable results beyond the initial engagement that also improved leadership skills overall for the entire team.



Below is a detailed look at Hill Country Memorial's results:

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

The first 100-Day Workout produced over 302 slated changes with \$1.2M in CFO-validated savings - a considerable impact to their overall operating budget.

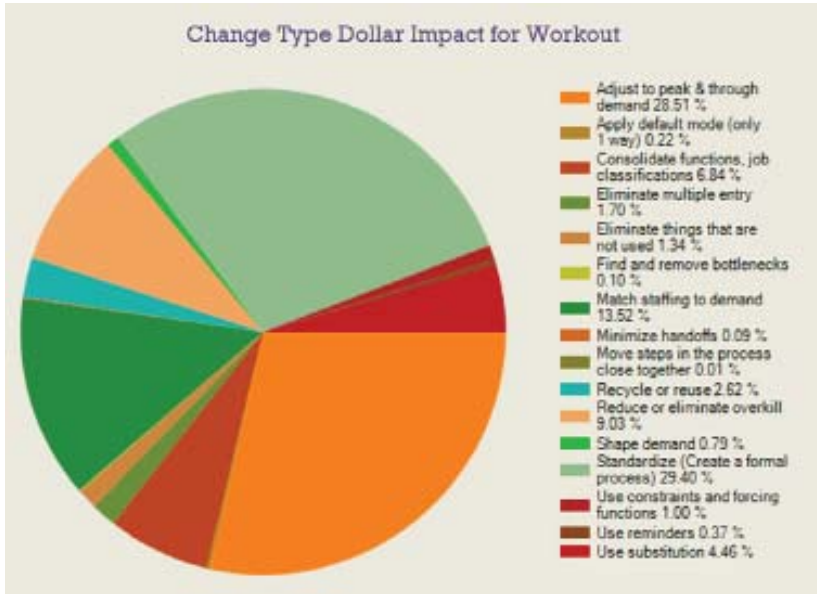
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|----------------------------------|-----------------------|
| Savings from detailed plans | \$1.6M |
| Completed changes | \$1.6M |
| Validated & budgeted by CFO | \$1.2M |
| Director/manager changes | 284: 9.16 per manager |
| Percentage of Plans Implemented: | 114.52% |



100-Day Workout 2: IQS (In Quality Staffing)

By the end of this second 100-Day Workout directors and managers amassed over \$1.8M in CFO-validated margin improvement.

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| Savings from detailed plans | \$1.3M |
| Completed changes | \$904K |
| Validated & budgeted by CFO | \$630K |
| Director/manager changes | 269: 8.68 per manager |
| Percentage of Plans Implemented: | 108.47% |



100-Day Workout 3: Patient Experience

By their third workout, Hill Country wanted to ensure its patient experience levels were still high performing. Several measurable results noted:

- Patient Willingness to Recommend scores have consistently been above 95% for three year's running for Inpatient, ED, AS and Home Care divisions
- Workforce Willingness to Recommend Physicians has been at nearly 100% for three year's running.

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| Plans Implemented for Patient Experience | 337 (36% above target!) |
| Targeted Plans | 248 |
| Average Plans Per Manager | 10.87 (well above average of 8) |

Summary of all Hill Country Workouts

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|------------------------------------|---------------------------------|
| Plans Implemented for All Workouts | 901 (21% above target!) |
| Targeted Plans | 744 |
| Average Plans Per Manager | 10.14 (well above average of 8) |
| Implemented changes | \$2.5M |
| Validated & budgeted by CFO | \$1.8M – 227% of goal! |

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 apprenticing 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 apprenticing 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