



CBA's Sustainable Approach Helps Olathe Medical Center Realize \$8.7M in Savings, Then Complete Three More Workouts On Their Own

»»» CHALLENGE

Olathe Medical Center wanted to capitalize on the opportunities in its growing community, but needed help developing and tracking strategies, improving operations and streamlining access to care.

»»» SOLUTION

CBA 100-Day Workouts

- Quality Waste
- Growth / Leakage

»»» RESULTS

Over 847 plans identified in just the first two workouts.

\$8.7M in CFO-Validated Savings.

Coaching and training the Olathe team during the first two 100-Day Workouts enabled them to take what they learned and complete another three workouts on their own.

Situation

Olathe Medical Center, an independent and locally owned system delivering a wide range of high-tech care in Olathe, Kansas, was looking for an action-oriented solution to help solve the following challenges:

- Community was growing, giving Olathe an opportunity to grab outpatient market share and expand – had no strategy for identifying opportunities and capitalizing on them.
- Needed a sense of urgency and method for creating accountability.
- Acquired a small community hospital with disparate processes that needed to be integrated.
- Experiencing challenges collecting AR in a timely manner.
- Process changes not corresponding to the bottom line.
- Suffering from patient cancellations and no-shows.
- Feeling the pressure of Medicare putting more dollars at risk, need for better HCAHP scores.
- Lacked a structure to monitor and track activity.

Although Olathe Medical Center did consider additional Lean Six Sigma training for its staff, it was determined that would not be enough to meet the rapid changes at the heart of their needs. They needed a solution that would motivate the entire staff, fully engaging managers and directors, while breaking down the barriers and resistance to change.

Solution Applied

Olathe Medical Center 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 from CBA's American College of Healthcare-sponsored research of U.S. top margin improvers, featuring the following critical success factors:

- Sustainable and re-usable training and tools for increasing focus, accountability and speed of implementation.
- Inter-department collaboration constructs.

- Teaching directors and senior leaders to “connect the dots” between process changes and cost center impact to produce tangible ROI.
- 100-Day Workouts to make them accountable.

Engaging Managers & Directors

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

Olathe Medical Center adopted CBA's 100-Day Workout accountability structure to meet these needs. With CBA's guidance, they worked through the first two 100-Day Workouts focused on Quality Waste and Growth/Leakage. From there, Olathe Medical Center went on to perform three more workouts on their own, for a combined boosting of ROI in the following areas:

- Multiple Workouts for Quality Waste
- Growth/Leakage
- Customer, Quality & Growth
- Net Revenue Growth

The 100-Day Workout system makes progress, or its absence, instantly visible, thus demanding a corrective response from leadership when unacceptable deviations from plans occur. Critical to the workout, is a minimum of two (mandatory) successful process changes for all managers, directors, and senior leaders, per month. These changes are what move the hospital toward its financial goals while creating a sense of urgency and encouraging the commitment to change to run throughout the organization.

Throughout this process CBA also taught Olathe Medical Center'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 teaches clients to reuse what they learn while creating 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 Olathe Medical Center a structure for:

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

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

The hospital's leadership involvement throughout the planning and implementation processes instilled buy-in and created a strong culture of accountability among the management team.

Coaching and training the Olathe team during the first two 100-Day Workouts enabled them to take what they learned and complete another three workouts on their own - for a total of over \$16M in planned savings, and \$8.7M of that budgetized by the CFO.

The structure delivered by 100-Day Workouts helped Olathe Medical Center in multiple areas:

- Integrating physicians, billing, services, etc. for an acquired hospital was accelerated and simple.
- Able to capture new market share and expand outpatient services.
- Revamped scheduling processes to reduce cancelations and no-shows and see as many patients as possible.
- Close gap on value-based purchasing scores with Medicare.
- Improved billing submissions and days in A/R by making sure charges submitted in a timely manner and billing and coding are best in class.

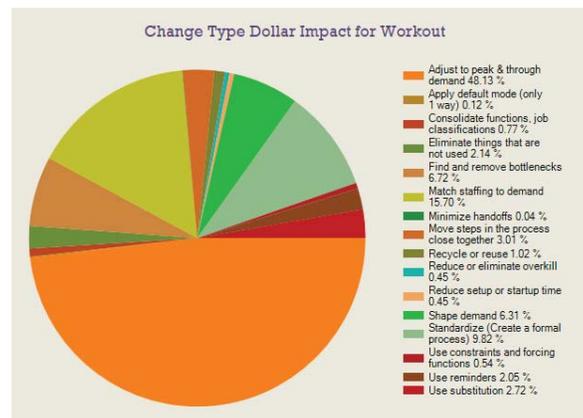
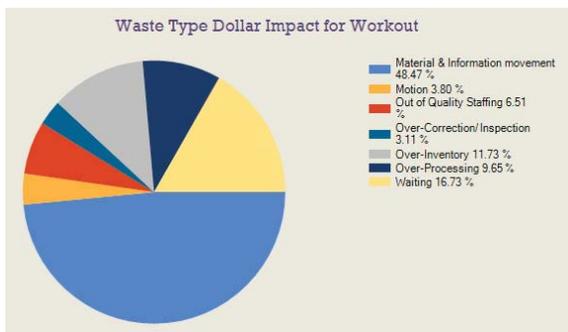
Below is a detailed look at Olathe Medical Center's \$8.7M in CFO-validated results.

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

Savings from detailed plans	\$10M
Completed changes	\$4.8M
Validated & budgetized by CFO	\$6.66M
Director/manager changes	496

100-Day Workout 2: Growth/Leakage

Savings from detailed plans	\$2.8M
Completed changes	\$1.74M
Validated & budgetized by CFO	\$1.5M
Director/manager changes	351



Cumulative Margin Improvement

Detailed Plans	Total Changes	Completed	CFO-Budgetized
\$16M	847	\$8.2M	\$8.7M

In addition to the initial marginal improvements, Olathe Medical Center now has a sustainable accountability system and a team 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. All skills they can continue to use on their own to advance ROI.

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