Clinical Transformation: From Rhetoric to Reality

May, 2008
“Vision...is the art of seeing things invisible.”

Jonathon Swift
1711
Charles Duell, 1887

“Everything that can be invented, has been invented.”

Harry Warner, 1927

“Who the hell wants to hear actors talk, anyway.”

Bill Gates, 1981

“640K ought to be enough for anybody.”

Bill Gates, 2003

“The spam problem will be solved by 2006.”

Spammers fired off 183 billion emails in 2006, or, 70% of all email traffic in the world and, double the 2005 rate.
"The real voyage of discovery consists not of finding new lands but of seeing the territory with new eyes."

- Marcel Proust
The Premise…

• Society is demanding for all goods and services but – especially for healthcare – that we…
  – ↓ Costs
  – ↑ Quality
  – ↑ Service

• The inherent incentives of healthcare are disparate, inconsistent and dysfunctional – causing leaders significant challenges

• Society is moving inextricably towards an information democracy rather than professionally dominated theocracy
  
  = Focal point for healthcare change
  = Appropriate management of information required
  = Intellectual capital of medicine
  = Simultaneously empowering (consumers) and disempowering (physicians)
So, what are the broad trends that are affecting healthcare?
On top of all that, there’s growing consumerism…

The Dorchester

Kmart

McDonald’s

Lexus

Waitrose

Whole Foods Market

Travelodge

Harrods

Gordon
The question for the new millenium:
Where do we think things are going?
How is Work Changing in The World...
The World of Work is Becoming... 

Networked and Virtual

not

Proprietary
The World of Work is Becoming... Systems-Centric not Professions-Centric
The World of Work is Becoming... *Integrated* not *Sequestered*
The World of Work is Becoming... 

**Global and Aggregated**

*not*

**Segmented**
The World of Work is Becoming...

*Biological and Improvised*  
*not*  
* Mechanical and Orchestrated*
Innovation-oriented not Replication-focused
So...
What do people really want?
What people want…
What providers want…
What planners design…
What the regulators want…
What politicians pass as law…
What the NHS implements…
What the media reports!!!
What the government funds…
And, what the public understands...
So... Where are we going?

The Story of
Oliver Wendell Holmes
Our Point-of-View

Achieving Transformation
Our Transformation Philosophy

We believe:

- **Discipline and rigor** focused on understanding the needs of clinicians, the changes required in clinical and operational processes, and performance improvement coupled with effective technology design and implementation—gives the best results.

- Value is typically derived from the **people** and **process** elements rather than through the deployment of **technology**.

- Effectively implemented information systems **improve care coordination** by sharing information anywhere, anytime, and anyplace using a longitudinal, person-centric patient data model.

- Effective deployment requires agreed on **metrics** that measure care process outcomes and results over time.
What is Clinical Transformation?

**clinical transformation**

1. A comprehensive ongoing approach to care delivery excellence that delivers value by measurably improving quality, enhancing service, and reducing costs through the effective alignment of people, process, and technology.
A Perspective...

- **Reframe the culture**—For transformation to succeed, it must be woven into the fabric of the organization.
- **Create improvement capability**—The organisation must use a flexible framework for solving problems and applying knowledge.
- **Collaborate across boundaries**—Cross-disciplinary teams create more effective, long-term results.
- **Make decisions based on evidence**—Data, not anecdotes, must drive process improvements and performance.
- **Drive results and benefits**—Ideas are good … execution is better … pace is critical.
- **Maintain constancy and ongoing focus**—The attention of leadership on the importance of transformation must be present and palpable.
- **Allocate resources**—Ensuring the adequacy of people, time, and funds in support of the initiative sends critical messages and generates support.

Source: James L. Reinertsen, M.D.—A Theory of Leadership for the Transformation for Health Care Organizations; January 13, 2004
Domains of Benefits

Benefits realized can be grouped into domains that help organize measurement and reporting in the complex healthcare environment:

- **Transformation**
- **Technology**
- **Safety/Quality**
- **Clinical Adoption**
- **Operational Efficiency**
- **Return on Investment (ROI)**
- **Evidence-based Decision-making**

Positive outcomes (benefits) resulting from interactions within a healthcare organisation that optimize the use of e-technologies and clinical transformation strategies.
Example: Clinical Adoption—CPOE Saturation Rates

![Chart showing CPOE saturation rates for different clients and hospitals over time with a target and threshold level.]

- **Hospital A-1**
  - Jun-06: 69.6%
  - Jul-06: 72.0%
  - Aug-06: 72.4%
  - Sep-06: 72.3%
  - Oct-06: 72.7%
  - Nov-06: 74.6%
  - Dec-06: 73.0%
  - Jan-07: 74.1%
  - Feb-07: 73.3%
  - Mar-07: 73.7%
  - Apr-07: 74.8%
  - May-07: 74.8%
  - Jun-07: 75.1%
  - Jul-07: 74.7%
  - Aug-07: 75.3%
  - Sep-07: 74.6%
  - Oct-07: 75.1%
  - Nov-07: 75.8%
  - Dec-07: 75.1%
  - Jan-08: 74.8%

- **Hospital A-2**
  - Jun-06: 44.8%
  - Jul-06: 78.1%
  - Aug-06: 79.9%
  - Sep-06: 80.3%
  - Oct-06: 80.9%
  - Nov-06: 80.6%
  - Dec-06: 83.6%
  - Jan-07: 82.2%
  - Feb-07: 82.6%
  - Mar-07: 81.9%
  - Apr-07: 82.6%
  - May-07: 82.2%
  - Jun-07: 82.5%

- **Hospital A-3**
  - Jun-06: 78.3%
  - Jul-06: 82.1%
  - Aug-06: 83.4%
  - Sep-06: 83.8%
  - Oct-06: 86.0%
  - Nov-06: 85.0%
  - Dec-06: 83.7%
  - Jan-07: 83.4%
  - Feb-07: 84.4%
  - Mar-07: 84.7%
  - Apr-07: 84.1%

- **Target**
  - 75%

- **Threshold**
  - 70%

Note: Higher is better.
Example: Medication Verification Rates by Pharmacists

Mean Time for Medication Order Verification by Pharmacist (in Minutes)

Lower is better.
Example: Value or Return on Investment

Large healthcare system realized ROI; **75.6% increase** (70.2% with Adverse Drug Event Cost Avoidance) over projected ROI

ROI Based on:
1) HIM forms reduction
2) Case-mix index improvement
3) Fewer denials
4) ED left without being seen
5) ED capacity increase
6) LOS (Medicare excess days decrease)
7) Pharmaceutical cost reduction

- Realized
- Expected
- Realized w/ADE
- Expected w/ADE
Top-Five Critical Success Factors

Based on our experience, there are several critical success factors requiring the attention of healthcare leadership.

• The unique characteristics of the institution must be considered
• Continuous feeding and support of the desired culture is required to facilitate transformation of the organisation

“We don’t receive wisdom. We must discover it for ourselves after a journey no one can take for us or spare us, for it is a point of view about things.”

— Proust
Remembrance of Things Past
Culture: The Implications

Clinical Transformation Strategic Implementation Matrix

**The Franchise**
- Behavior: Coordinated Leadership
- Characteristics:
  - Clinical and business processes consistent within the institution and aligned with system
  - Care paths and protocols shared
  - Best practices are shared and used
  - Common systems – some shared svc centers
- Indicator:
  - Shared service centres

**The Republic**
- Behavior: Unified Leadership
- Characteristics:
  - Common processes, single system approach
  - Centralised paths and protocols + required used
  - One best practice applied rigorously
  - Centralised data centre operation
- Indicator:
  - Organisational integration

**The Sovereign**
- Behavior: Autonomous Leadership
- Characteristics:
  - Numerous and inconsistent clinical and business processes
  - Care paths and protocols directed locally
  - Multiple approaches to clinical standards
  - Multiple disparate systems
- Indicator:
  - Hospital focused

**The Confederate**
- Behavior: Collaborative Leadership
- Characteristics:
  - Clinical and business processes organized locally within the institution
  - Care paths and protocols are shared
  - Best practices shared and monitored
  - Common systems operated locally
- Indicator:
  - System mindset

Decision-Making Culture
- More Centralised
- De-centralised
Top-Five Critical Success Factors

Based on our experience, there are several critical success factors requiring the attention of healthcare leadership.

- The learning curve is longer than you expect
- Ongoing work in other areas of the organisation must be considered as part of the overall change management plan
- Changes can occur in an organisation that will result in unintended consequences in the business and clinical redesign areas
- The transformation process must be driven by well-defined organisational goals and performance metrics
- Transformation goes far beyond technology—it requires effective change, implementation, and enablement management

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Remembrance of Things Past
“The significant problems of our day cannot be solved with the same knowledge used in creating them.”

- Albert Einstein
Some Final Thoughts…

- Transparency will increase
- Demands for value are accelerating
- Costs must be managed effectively
- Consumers will empower themselves
- Innovation is derived from virtualization/partnering— not, control
- Unanticipated competitors will enter the market
- Digitalization absolutely changes the landscape in healthcare
- Healthcare must become much more process savvy
- Healthcare must renew a focus on its core competencies
- Activities that touch the patient will remain as core competencies – and, at the bedside
Satisfaction – when I want it...
Outcomes – with the results I want...
Value – at the right cost
“Never forget that a small group of committed citizens can change the world. Indeed, it is the only thing that ever has.”

- Margaret Mead
A Final Thought
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