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Trials & Triumphs of Introducing Lean to Canadian Healthcare

Kevin Brodt

First Annual Lean Healthcare Conference

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Las Vegas, NV

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Presentation Overview

- ▶ Introduction
- ▶ Background on Canadian healthcare “system”
 - Dispelling the myth that healthcare is “free”
- ▶ Fertile ground for introducing Lean education
- ▶ Fraser Health Authority
- ▶ Introduction of reVIEW[®] course
- ▶ Early successes
- ▶ Challenge ahead – sustainability
- ▶ Conclusion





Introduction

Lean Innovations

- ▶ Traditional work – industrial engineers / mgmt consultants
 - Process improvement
 - Operations analysis
 - Facility layout and design
- ▶ Experience in materials management planning for hospitals
- ▶ Began looking at Lean Healthcare education in 2004
- ▶ Learn by doing – “Find yourself a client then call me” (CJ)
- ▶ “Hey Cindy, it’s Canada calling. Are you sitting down?”
- ▶ Now the Lean Healthcare Network partner for Canada





Background on Canadian Healthcare “System”

Socialized Medicine = Politicized Medicine

- ▶ Health falls under Provincial jurisdiction (constitutionally)
- ▶ Federal legislation (latest is Canada Health Act, 1985)¹
 - establishes 5 main principles to receive federal funding
 - Includes penalties for non-conformance
- ▶ 13 “interlocking” Provincial/Territorial insurance plans with “certain common features and basic standards of coverage”¹
- ▶ Major cuts to healthcare funding by federal government in early 1990s to balance the federal budget
- ▶ Frequent Federal/Provincial spats over money and control
- ▶ Frequent restructuring of healthcare delivery organizations by Provincial governments to gain efficiencies & improve service





Background on Canadian Healthcare “System”

Latest fixes – “Regionalization” of Healthcare Delivery

- ▶ Many provinces have evolved from directly funding hospitals to funding through regional health authorities
- ▶ Example: BC went from 52 health authorities to 5 regional health authorities (geographic limits) overseeing 16 health services delivery areas²
- ▶ Health authority spans the continuum of care for the population within a given geographic area
- ▶ Physicians remain independent “fee for service” entrepreneurs





Background on Canadian Healthcare “System”

Popular Myth: Socialized Medicine is “Free”

- ▶ Taxpayer funded plans cover “medically necessary” hospital and physician services on a **prepaid** basis
- ▶ Patient presents health card and never sees a bill
- ▶ Services get “de-listed” to cut costs
- ▶ Some provinces charge healthcare premiums, often paid by employers as a taxable benefit (e.g. BC charges \$108/mo. for a family of 4)
- ▶ Total \$99b public + \$43b private = \$142 billion (CAD)³
- ▶ ±42% of provincial govt. budgets⁴ and ±10.4% of GDP⁵
- ▶ Total taxes range from 23% - 33% of household income⁴





Background on Canadian Healthcare “System”

Wait Lists, Rationing of Care, Little Competition

- ▶ Hospital budgets funded by operating grants from provincial governments or through regional authorities
- ▶ Budgets NOT based on services provided or actual costs!
- ▶ Unit closures, bed closures, etc., to respond to funding shortfalls (“unfunded” beds are then used when over census)
- ▶ Waiting lists for referral to specialists, advanced diagnostics, and surgeries are all symptoms of a system that rations resources to operate within its means
- ▶ Waiting lists compound (wait for specialist, then for diagnostics, then for surgery) – specific examples
- ▶ Almost no competition





Background on Canadian Healthcare “System”

Despite complexities, there are benefits...

- ▶ No one is refused care
- ▶ No one goes broke to pay for care
- ▶ Low administrative/handling costs compared to insurance reimbursement plans
- ▶ One of the highest life expectancies (about 80 years) and lowest infant mortality rates of industrialized countries⁶





Fertile Ground for Introducing Lean Education

Like most western medicine...

- ▶ Improvements/changes traditionally delivered as projects
- ▶ Continually restructuring and/or adding to responsibilities
- ▶ High level of change fatigue amongst workers and managers
- ▶ Studies indicate where they should be but not how to get there
- ▶ Frustration level is high with processes that don't support the work
- ▶ Staff know where the problems are, need the tools and support to improve their own work





Fraser Health Authority

Overview

- ▶ 12 acute care hospitals with 2,000 acute care beds
- ▶ Full continuum of care (includes Home & Community care, Public Health)
- ▶ Employs 21,000 workers & works with 2,200 physicians
- ▶ Serves population of 1.5 million
- ▶ Budget of \$1.8 billion (CAD)
- ▶ Corporate culture (not government), known for innovative & forward thinking

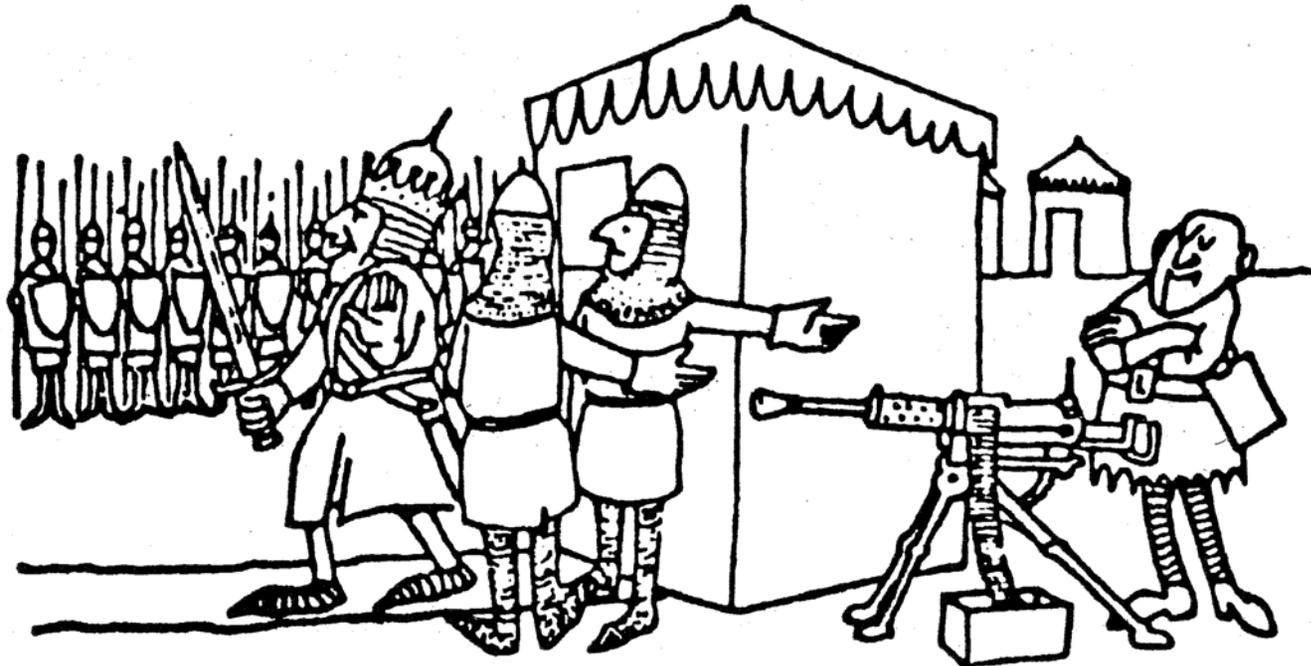


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Is Your Organization Ready ?



**“NO! - I can't be Bothered to see any crazy salesman.
We've got a battle to fight!”**



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Pilot Project – Lean Review of ED Processes

Background

One of the busiest emergency departments in western Canada:

- ▶ Constructed to handle 50,000 visits per year but was handling 70,000 visits
- ▶ Typically 14 of 39 stretchers occupied by admitted pts.
- ▶ Population growth $\pm 1,000$ per month
- ▶ Recent incidents fed into media circus
- ▶ Many outside “reviews” had been carried out
- ▶ Staff morale low, verbal abuse from patients & families
- ▶ Despite this, staff dedication was high





Pilot Project – Lean Review of ED Processes

Lean with a straightjacket... try not to fall down!

- ▶ Consulting assignment to improve processes prior to re-design and to demonstrate effectiveness of Lean
- ▶ Activity restricted to ED, minimal interaction permitted with support departments, none with other clinical units downstream
- ▶ Excellent staff engagement from outset, but no time
- ▶ List of 80 recommended issues for problem solving
- ▶ Hospital Administrator later admitted she “gave it 5 days before the staff would run us out of the hospital”; was elated when that didn’t happen (so were we!)





Pilot Project – Lean Review of ED Processes

Challenges

- ▶ Were restricted to solving issues contained within the ED
- ▶ Staff did not “own” the countermeasures at first
- ▶ 5 months (Apr to Sept) before courses began and staff could take this on

Successes

- ▶ Extremely good response from staff
- ▶ Supply Rooms stocking and layout
- ▶ Supply re-stocking system in ENT Exam Room
- ▶ Interest in participating in education program





Introduction of reVIEW[®] Courses

Began reVIEW[®] as a trial at 3 acute hospital sites in Sep 2005

- ▶ Good participation
- ▶ Good response, all 3 sites elected to continue to Session 2
- ▶ All 3 sites now have their own instructors
- ▶ 4th site now running one course in Ambulatory Care as a departmental project



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Introduction of reVIEW[®] Courses

Successes

- ▶ Almost every participant was engaged and almost all produced real improvements during the course
- ▶ Every site has trained instructors to continue the program
- ▶ 4th site now running course as a pilot project for their site
- ▶ One site now piloting Lean with (centralized) support services
- ▶ A3 on scheduling of Meditech training impacted 1/3 of FHA





Introduction of reVIEW[®] Courses

Lessons Learned & Challenges

- ▶ 1 class per week at each site makes it difficult to build momentum and for participants to attend coaching
- ▶ Active participation of senior leadership had a great impact when it happened, but was difficult to achieve
- ▶ 3 months later, not known how many are practicing what they've learned; need tracking / sharing / follow-up
- ▶ Behaviours are slow to change in a permanent way (inertia vs. momentum)
- ▶ Client likes Lean, but natural tendency still favours consulting projects, not education (yet)
- ▶ Sustainability is the biggest challenge to their lean journey





The Challenge Ahead – Sustainability

reVIEW[©] Sustainability Plan Under Development (A3!)

Pre-reVIEW[©] team building & planning:

- ▶ Establish lean leadership core team
- ▶ Core team must create an expectation that this will be the new way of making improvements and responding to change (must understand the a change in the culture is required)
- ▶ Map out implementation plan for entire hospital

During/after reVIEW[©]:

- ▶ Track and document progress, celebrate success stories
- ▶ Establish internal/external Lean links, communication channels, idea forum, etc.





Sustainability Action Plan

Lean Sustainability Workshop Planned for June 2006

- ▶ Gather Lean leaders from all FHA sites for one day session
- ▶ Share and celebrate successes from each site
- ▶ Interactive A3 working sessions and/or breakouts on existing vs. required infrastructure and resources to sustain reVIEW[®] and the Lean initiatives (likely different at each site)
- ▶ Concrete action plan to be presented to concerned executives at end of session (same day!)
- ▶ Goal: create awareness and spur on leadership action to quickly/efficiently align resources with THEIR strategic direction





Conclusions

- ▶ Differences in how Canadian healthcare delivery is structured and funded
- ▶ Delivery of care is very similar (we ALL have broken processes thanks to the evolution of western medicine!)
- ▶ Lean consulting can lead to difficulties, particularly in implementation of countermeasures, if workers are not engaged
- ▶ Delivery of reVIEW[®] program is highly successful
- ▶ To be sustained over time, Lean healthcare education requires strong leadership up front coupled with appropriate resources





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Thank you / Merci Questions?

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