

Lean in Healthcare Presentation

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Toni S. Davies, Ph.D.

The Industry:

Let me begin by saying that the Healthcare industry is one of the most stressed and challenged industries today. Public sector entities (Governmental, Legal, Regulatory, Social systems) and private sector industries (Manufacturing, pharmaceutical, Insurance) co-mingle amidst constant industry changes. This has fostered an atmosphere in which direct providers and end users struggle to have a customer-focused relationship. For example, the patient may compete with the 3rd party payer as the “customer”. Profit centered businesses follow a different code of professional ethics than non-profit entities. Accreditations are numerous and required to stay in business, and often focused on documentation versus actual observed processes. In the worst cases, medical or organizational decisions are made by non-providers, threatening quality of care as well as adding the inevitable cost of middlemen, or in kaizen speak, “non-value adding activities”.

Those of you who are promoting total quality in your organizations already know that excessive authorizations, inspections, and justification of these types of waste, plague efforts to keep down costs and increase care. While there is always a need for some important if technically ‘non-value adding’ support services, such as oversight for patient safety, the expansion of inspections & oversight activities often becomes the “improvement” in quality efforts.

The constraints and demands of Healthcare demand the utmost respect and admiration for those providers who stay in the field, let alone continue to try to change and improve the systems within which they work. In the most basic of manufacturing operations, support systems require a continuous improvement mandate in order to ensure manufacturing excellence. This is no less important, and often more critical, in healthcare.

The Challenges:

The practical challenges to incorporating lean in Healthcare begin with identifying the structural & organizational functionalism under which they operate. Policy Deployment is essential to integrate these functions and align leadership towards improvement objectives, through a very disciplined leadership approach utilized in the Toyota Production System. Healthcare industry consultants typically lack the experience & knowledge of what “lean” and “kaizen” really mean in terms of long-term change & the cultural practices, which drive quality services while reducing costs. Hospitals and other medical organizations drive for “ROI” but miss the process targets, which is the lean way to achieve that for them. Employees are unsure of the real goals of the organizations and their own managers. And frustrated internal improvement staff is saddled with trying to engage workers in improvement activities & “teams”, without the necessary direction or

mandate from the line management. Most damaging, senior staff goes out of their way to circumvent one another in defense of their own departments.

The Benefits:

Today, many healthcare organizations have begun to understand that the road to improvement may be well worth it through a true lean kaizen approach.

The benefits they have realized and other healthcare organizations can expect to gain from a Lean Healthcare Approach are:

- Aligned leadership strategy & direction for short & long term
- Integrated improvement efforts between and among departments
- Revitalized and higher performing workplace cultures
- High Patient Satisfaction AND Employee Satisfaction
- Reduced costs of Errors & Defects
- Faster resolution of bottlenecks in healthcare delivery processes
- Less work strain & more work balance
- Increased speed of data for problem resolution
- Reduced blame & higher accountability in a fact based, total systems culture
- Reduced employee turnover

Our experiences with Hospitals, Clinics, Psychiatric Hospitals & Associations, Biomedical Manufacturing, Health insurance & Pharmaceutical companies continues to underscore that not only improved quality but mere industry survival may depend upon it.