Managing Resources in the Changing Healthcare Environment
Components included in this module

1. Centers for Medicare and Medicaid Service (CMS) Measures and Value-Based Purchasing (VBP)
2. Change Management and Tolerance
3. Elimination of Wasteful Process and the Assumption of Fiscal Responsibility into Clinical Practice
Objectives

- Achieve Value-Based Purchasing metrics in clinical practice
- Exhibit approaches to change management/change tolerance that are conducive to individual and unit success
- Advocate for patient access to care and for judicious use of patient resources
- Incorporate the elimination of wasteful process and the assumption of fiscal responsibility into clinical practice
Pre-test

1. Quality and safety are integral to providing care to patients in the hospital setting. Barcode medication administration is an example of innovation improving patient safety
   a) True
   b) False

2. Traditional nursing practice is based on multi-settings, outcome driven, best practice oriented, emphasized by technology and minimally invasive interventions, user driven, health based, geared for early intervention
   a) True
   b) False

3. Resistance is recognized as a natural and expected response to change
   a) True
   b) False
Pre-test

4. 20% to 30% of health spending is waste that yields no benefit to patients
a) True
b) False

5. Learning Kaizan is a methodology to
a) Look at waste
b) Learn Japanese
c) Make employees understand their work better
Centers For Medicare and Medicaid Service (CMS) Measures and Value-Based Purchasing (VBP)
How Nursing Impacts CMS Measures

Jo May, MSN, CNS, RN, RN-BC
Leah Scalf RN, MSN, NE-BC
Objectives

The new graduate nurse will

- Understand the history behind CMS and quality measures
- Understand the definition of Value-Based Purchasing in relation to hospital reimbursement
- Identify how quality measures impact nursing care
- Understand what measures nursing can directly impact
- Synthesize learning into everyday practice
Centers for Medicare and Medicaid Services--CMS

- Part of the Department of Health and Human Services (HHS)
- Oversees Medicare/Medicaid programs
  - Medicare and Medicaid created in 1965 during President Lyndon B. Johnson’s administration
  - Part of the Social Security Act
Medicare

- Provides coverage for elderly
- 35% did not have any health insurance prior to Medicare
- Expanded to younger persons with permanent disabilities
- Coverage intended for duration of person’s life

Medicaid

- Created to help states offer medical coverage for low income families
- Originally designed for short-term coverage
- Eligibility based on state requirements
- Provides coverage for necessary medical treatments – not intended for long term coverage
- By 2032, we will see the possibility for the first generation of persons born under Medicaid to age into eligibility for Medicare

CMS overview

- Currently covers 100 million patients
- In 2011, CMS reimbursement represented 47.2 percent ($182.7 billion) of total aggregate inpatient hospital costs in the United States
- Coverage and eligibility requirements for Medicaid are to be expanded by ACA (Affordable Care Act)
- The average age of the population is increasing: Medicare eligible will increase by 2030 from 48 to 80 million
- Baby Boomer generation (born between 1946-1964) is sicker: 20% with five or more chronic conditions.
- CMS is the largest consumers of healthcare services in US

CMS quality measures developed in 2001

- Agency for Healthcare Research and Quality (AHRQ)
- National Quality Forum (NQF)
- Evidence-based practice
- Core competencies
  - Reasonable expectations of care for frequent admission diagnoses
  - Better care and better health at lower cost

...quality healthcare for all Americans through accountability and public disclosure

Value-Based Purchasing

- Emerging movement in healthcare
- Traditional fee-for-service—how many did you do?
- Moving to pay-for-performance—how well did you do?
Value-Based Purchasing

- Rewarded for meeting pre-established targets for delivery of healthcare services- performance measures of quality and efficiency
  - Hospitals
  - Physicians
  - Other healthcare providers
- Disincentives for negative consequences of care
- Penalty for HAC and readmissions
- Scope of responsibility is moving outside of hospital
How is data collected and reported to CMS?

Quality measures/VBP measures data are collected and reported in a variety of ways:

- **Chart abstraction** – manually audited charts by hospital
  - Influenza vaccinations

- **Claims** – sent to CMS for payment
  - 30-day readmission rates, nursing sensitive measures, cost efficiency

- **Abstracted data reported through an outside vendor**
  - Quantros, Indiana Hospital Association
Transparency: Hospital Compare
www.medicare.gov/hospitalcompare
Not just CMS...

- Anthem Report
- HealthGrades
- Blue Distinction Awards
- Top 100 Hospitals
- Centers of Excellence
VBP domains--2017 weighting for payment

Clinical care outcomes
  ▪ 25%

Efficiency and cost reduction
  ▪ 25%

Patient and caregiver experience
  ▪ 25%

Safety
  ▪ 5%

Clinical care processes
  ▪ 5%
How will hospitals be evaluated?

- Hospitals are given points for achievement and improvement for each measure
- Points are added across all measures to reach total performance score
  - Patient and caregiver centered experience of care
  - Care coordination experience of care
  - Clinical care outcomes
  - Efficiency and cost reduction
  - Safety
  - Clinical care processes
How will hospitals be evaluated?

**Achievement Points** - Hospital compared to other hospitals
- Hospital rate at or above benchmark = 10 points
- Hospital rate below threshold = 0 points
- Hospital between threshold and benchmark = 1-9 points

**Improvement Points** - Hospital compared to itself
- Hospital at or above benchmark = 9 points
- Hospital at or below baseline = 0 points
- Hospital between baseline and benchmark = 0-9 points
Payment based on score as compared to other hospitals

Money hospitals receive **today** for payment

Put in 2% currently. We can earn back more than 2%.

Money redistributed to hospitals based on score

- **Hospital A** highest score
- **Hospital B** next highest score
- **Hospital C** lower score
- **Hospital D** lowest score
What measures can nursing focus on?

Patient experience of care dimensions
- Nurse communication
- Hospital staff responsiveness
- Pain management
- Medicine communication
- Discharge information

Preventative measures
- Influenza immunizations

Safety, efficiency, and cost reduction measures
- Preventing central line-associated blood stream infections (CLABSI)
- Preventing catheter-associated urinary tract infections (CAUTI)
- Doing your part in preventing hospital-associated infections (HAIs) such as C-diff and MRSA
CMS Goal-Our Goal

The right care for every person every time
References


References

Hospital Compare. Retrieved from: 

Quality initiatives-general information. Retrieved from: 

Change Management and Tolerance

Kathleen Kleefisch, DNP, FNP-BC
Objectives

1. Define change and innovation and what facilitates both
2. Identify changes in nursing practice
3. Discuss elements that make healthcare complex and promote a constantly changing environment
4. Define Complex Adaptive Systems Change Theory
5. Describe resistance to change
6. Identify actions that facilitate successful change
Change and Innovation

Change can be defined as:

The act or process of substitution, alteration, or variation.

(Webster’s New World Dictionary, 2000, p. 45)

Ask yourself:

▪ What is my attitude toward change?
▪ How do I define innovation?
▪ What ties at the heart of both innovation and change?
Change and innovation

**Innovation** is putting a process in place for the first time; think of it as the idea

**Change** is a broader concept that deals with any modification in organization composition, structure or behavior to implement the innovation
Changes in the healthcare environment

- Information technology
- An expanding world economy
- Advances in biological and clinical sciences
- Aging population
- Increased ethnic and cultural diversity
- Increased accountability for performance
- Globalization of the world economy
- Make the healthcare environment safe, efficient and promote quality
Organizations are preserved by change and constant renewal. Without change, the organization may stagnate and die.

(Marquis & Huston, 2009)
Quality and Safety Education for Nurses (QSEN)

The QSEN project aimed to:
meet the challenge of preparing future nurses who will have the knowledge, skills, and attitudes necessary to continuously improve the quality and safety of the health care systems within which they work

(QSEN, 2011)

Six core competencies that nurses should demonstrate with knowledge, skill and attitude:

- patient-centered care
- teamwork and collaboration
- evidence-based practice
- quality improvement
- safety
- informatics
Changes in nursing practice
Planned change or change by drift

- According to Marquis and Huston (2009), change should be planned and thus implemented gradually, not sporadically or suddenly.
- Those who may be affected by a change should be involved in planning for it. Likewise, workers should thoroughly understand the change and its effect on them.
- The feeling of control is critical to thriving in a changing environment.
- The change agent has leadership skills--problem-solving and decision making and has good interpersonal skills.
- In contrast to planned, change by drift is unplanned or accidental.
COMPLEX ADAPTIVE SYSTEMS (CAS)
Main features of Complex Adaptive Systems (CAS) approach

- Changes should be achieved through connections
- Expect uncertainty during the change
- Goals, plans and structures should be allowed to emerge
- Value differences should be amplified and explored
- Change can start at different levels of the organization
- Successful change fits with the current organizational environment instead of with an ideal

(Marquis & Huston, 2009)
Resistance to change

- Resistance is recognized as a natural and expected response to change.
- Technological changes meet with less resistance than changes that are perceived as social or that are contrary to established customs or norms.
- Example: changing to a new IV tubing is easier than changing who is allowed to give the IV medication.
- In the past, in an attempt to eliminate resistance to change in the workplace, managers historically used an ineffective autocratic leadership style.

(Marquis & Huston, 2009)
What is greatest factor contributing to resistance?

- Lack of trust between the employee and the manager or the employee and the organization

- Employees want security and predictability
Reviewing the evidence

Qualitative study
Suggested that leadership credibility in a planned change exists when the leadership is perceived as a united team that communicates planned change in a meaningful way and in a consistent manner, using well-structured and well-planned multiple methods to communicate the planned change

(Gradwell, 2004)
What is your attitude toward change?

- How do you typically respond to change?
- Do you embrace it?
- Seek it out?
- Accept it reluctantly?
- Avoid it at all cost?
- Is this behavioral pattern similar to your friends’ and that of your family?
- Has your behavior always fit this pattern, or has the pattern changed throughout your life?
Key concepts for successful change

- Change should not be viewed as a threat but as a challenge and a chance to do something new and innovative
- Change should be implemented for good reason
- Resistance should be viewed as a natural part of change, but can be managed using appropriate measures
- It is much easier to change a person’s behavior than it is to change an entire group’s behavior. It also is easier to change knowledge levels than attitudes
- Most importantly, involve key members in the change process. The feeling of control is critical to thriving in a changing environment
References


References


References


References


Elimination of Wasteful Process and the Assumption of Fiscal Responsibility into Clinical Practice

Joseph Swartz, MS, LSSBB
Matthew Pierce, RN, MSN, LSSBB
Factors in controlling costs & improving the efficiency of healthcare

- Spending on healthcare has generally grown faster than the economy as a whole
- The cost of healthcare imposes an increasing burden on the federal government, state governments, and the private sector
- Rapidly rising costs for healthcare have generated rapid increases in the price of health insurance
- The available evidence suggests that a substantial share of spending on healthcare contributes little if anything to the overall health of the nation

(Retrieved from: https://www.cbo.gov/publication/41167)
Healthcare spending facts

Spending on healthcare and related activities will account for nearly 18% of GDP in 2009—an expected total of $2.5 trillion.

20% to 30% of health spending is waste that yields no benefit to patients.

— Dr. Donald M. Berwick, former Administrator for CMS

The national numbers for waste in healthcare are between 30% and 40%, but the reality of what we've observed doing minute-by-minute observation over the last three years is closer to 60%.

— Cindy Jimmerson, RN National Science Foundation medical researcher
Eliminating waste

- Waste can be identified only after one understands what adds value in a process

- Waste can be defined as any activity or action that does not add value to the customer or that negatively impacts the value the customer receives

- Waste can also be described as any motion, problem, or delay that interferes with the caregiver’s ability to provide the safest, most timely, high-quality patient care

(Graban and Swartz, 2012)
Nursing’s part in healthcare

- Nursing is the nation's largest healthcare profession, with more than 3.1 million registered nurses nationwide
- Nearly 58% of RNs worked in general medical and surgical hospitals
- Nurses comprise the largest single component of hospital staff, are the primary providers of hospital patient care, and deliver most of the nation's long-term care
- Nurses' roles range from direct patient care and case management to establishing nursing practice standards, developing quality assurance procedures, and directing complex nursing care systems

(Retrieved from: http://www.aacn.nche.edu/media-relations/fact-sheets/nursing-fact-sheet)
Nurses are uniquely positioned to aid in the elimination of waste in healthcare
Types of waste

1. Transportation
2. Overproduction
3. Motion
4. Defects (errors and rework)
5. Waiting
6. Inventory
7. Overprocessing
8. Lost human potential, creativity and opportunities
Transportation

- Includes patient, material, or information movement
- Also includes conveying, transferring, picking up or setting down, piling up, and otherwise unnecessary movement

Examples

- Moving patients from location to location
- Moving equipment to a patient location
- Moving a patient chart from its designated location

(Graban and Swartz, 2012)
Overproduction

- Includes producing more than what is really needed or producing faster (or earlier) than needed
- Examples
  - Preparing labels or packets of documents “just in case”
  - Delivering large batches of specimens to the lab faster than can be received
  - Making up IV fluids after a patient has been changed to oral medicines
  - Reports (lab, radiology, etc.) printed and/or mailed when not needed

(Graban and Swartz, 2012)
Motion

- Includes any unnecessary movement of people or machines
- Time and motion saved can be reapplied into patient care activities, especially in nursing settings
- Examples
  - Searching for things: supplies, equipment, patient charts, records, other care team members, etc.
  - Walking to get equipment and medications
  - Walking across the room to answer the phone
  - Walking to get charts

(Graban and Swartz, 2012)
Defects (errors and rework)

- Related to errors, inspection, and rework, as well as handling and addressing customer complaints
- Cannot just inspect if we do not have a better way of error-proofing the process to ensure quality
- Examples
  - Relearning due to poor training or lack of knowledge sharing
  - Errors and harm to patients
  - Missing information, such as orders not being completed before a procedure
  - Complaints about service
  - Errors or mistakes caused by incorrect information or miscommunication

(Graban and Swartz, 2012)
Waiting

- Includes ideal time caused when people or equipment are waiting for one or the other
- Can affect patients or staff members
- When we see waiting, we should improve the system to eliminate the root causes of the problems that causes the delays

Examples

- Waiting to be seen or waiting in hallways to be admitted
- Waiting for missing instruments to start a procedure
- Waiting for callbacks
- Waiting for drug validation
- Waiting for a patient to be properly positioned on a CT scanner table

(Graban and Swartz, 2012)
Inventory

- Includes any supply in excess of what is necessary to provide the right service and patient care
- The lack of inventory often creates the waste of motion or the waste of waiting

Examples
- Stocks of printed forms
- Hidden and hoarded supplies and equipment
- Outdated supplies and expired medicines or specimen collection tubes
- Unnecessary proliferation of different variants of items that cannot be medically justified

(Graban and Swartz, 2012)
Overprocessing

Can be described as effort that adds no value to the product or service

Examples:

- Redundant capture of information upon admission
- Giving every patient with back pain a CT instead of first trying physical therapy
- Multiple recording and logging of data
- Producing paper hard copy when a computer file is sufficient
- Making hand copies of computer documents

(Graban and Swartz, 2012)
Lost human potential, creativity, opportunities

Examples

- Employees and staff not being engaged in process or quality improvement
- People consistently working below their education and skill level

(Graban and Swartz, 2012)
Tools to eliminate waste

- Kaizen
- 5S
- 5 Why
Kaizen

- Japanese—Kai(change) Zen(good)
- Kaizen benefits the patient, employee, and organization

Creating a Kaizen
- See and find waste/opportunity
- Discuss
- Implement
- Surface (document)
- Share (submit)
Benefits of Kaizen

Employee
- Empower
- Engage
- Job satisfaction/recognition
- Quality of work

Patient
- Satisfaction
- Safety
- Quality
- Cost of care

Organization
Kaizen example at Franciscan St. Francis Health Mooresville (MV) Emergency Department (ED)

<table>
<thead>
<tr>
<th>Baby Triage</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Before</strong></td>
<td><strong>After</strong></td>
</tr>
<tr>
<td>It has always been awkward to take temperatures and do quick exams of infants in the triage rooms at the MV ED. Parents had to either lie the child over their lap or hold them as there was no good place to lie the child.</td>
<td>![Image of baby triage setup]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The triage nurse now has a better place to lie the infant for temperature and exam making the flow of triage much smoother.</td>
<td></td>
</tr>
</tbody>
</table>
5S

- A simple method to achieve a change for the better by improving workspace layout for better process flow
- A lean tool for organizing workspace in order to be more efficient when performing a process

1. Sort—remove unneeded items
2. Set in order—find an appropriate place for everything
3. Shine—clean the area
4. Standardize—standard (visual) organization of the area
5. Sustain—maintain and improve the 5S design
**S1: Sort**

- Not Needed
- (Red Tagged)
- Remove from Workplace
- Discard after a defined time

**Before 5S**

**Needed**

**After 5S**

**-S5: Sustain**
The 5 Why’s

- A simple approach to drill down on the root cause of a problem by asking *Why?* 5 times (or more)

- A way to drill down on process issues, not people issues

- Once the root cause has been identified, a change (Kaizen) can be made to eliminate the root cause
5 Why example

Problem Statement: Inpatient satisfaction scores for meal quality have decreased

5 Why?
1 – Patients say the food does not taste good
2 – Because hot food is cold, cold food is hot
3 – Because of the time it takes to be delivered
4 – Because of the time it takes to leave the kitchen
5 – Because there are several obstacles in the path used to exit for delivery—Root Cause!
5 Why example

<table>
<thead>
<tr>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tray passers had a difficult time moving meal carts out for delivery.</td>
<td>A path was cleared to the elevators.</td>
</tr>
<tr>
<td>This was due to crates, boxes, carts, tables and other objects</td>
<td>Any items that are used regularly were given standardized spaces</td>
</tr>
<tr>
<td>obstructing their path.</td>
<td>marked by tape on the floor.</td>
</tr>
</tbody>
</table>

**The Effect**

Meal carts now take less time to get out of the kitchen, the overall time to deliver food is quicker.
Summary

- Spending on healthcare has generally grown faster than the economy as a whole
- The cost of healthcare is imposing an increasing burden on the federal government, state governments, and the private sector
- Within healthcare, there is a considerable amount of waste which has been estimated to be as high as 60%
- Given their numbers and involvement in many aspects of healthcare, nurses are uniquely positioned to identify and assist in the elimination of waste
- Nurses have a responsibility to be a part of eliminating waste in healthcare
References


Nursing Fact Sheet, American Association of Colleges of Nursing, retrieved from: http://www.aacn.nche.edu/mediarelations/factsheets/nursing-fact-sheet
Post-test

1. Quality and safety are integral to providing care to patient in the hospital setting. Barcode medication administration is an example of innovation improving patient safety
   a) True
   b) False

2. Traditional nursing practice is based on multi-settings, outcome driven, best practice oriented, emphasized by technology and minimally invasive interventions, user driven, health based, geared for early intervention
   a) True
   b) False

3. Resistance is recognized as a natural and expected response to change
   a) True
   b) False
Post-test

4. 20% to 30% of health spending is waste that yields no benefit to patients
a) True
b) False

5. Learning Kaizan is a methodology to:
   a) Look at waste
   b) Learn Japanese
   c) Make employees understand their work better
Pre & post-test answers

1. True
2. False
3. True
4. True
5. a