

River Region Faced Unfavorable Management Care Contract

River Region Medical Center, a multi-hospital system located in Vicksburg, Mississippi, faced significant cost issues resulting from aggressive renegotiation from their largest payor. In addition, the Emergency Department found patients were frequently “Leaving Without Treatment” (LWOTs) and ED patient satisfaction fell below the 5th percentile. River Region’s senior management acknowledged they needed to achieve immediate gains in their cost structure . In addition, there was a strong desire to optimize ED patient flow, thereby reducing LWOTs, and to improve ED patient satisfaction.

River Region’s Needs

- Improve the Medical Center’s cost position
- Reduce the number of ED LWOT’s below 3.2%
- Improve patient satisfaction scores

River Region engaged Caldwell Butler & Associates to critically examine operations waste, productivity, and work flow of its emergency department.

Caldwell Butler & Associates applied its skill in Lean-Six Sigma methodology to assist senior management in isolating the changes with the potential to yield the most significant improvements in patient care and productivity. Caldwell Butler & Associates’ expert staff employed the 100-Day Operations Waste Workout, techniques for enhancing accountability and the DMAIC method (Define-Measure-Analyze-Improve-Control) to systematically produce the desired results.

Non-Negotiable Goal-Setting Workshop: To assure the year-long process remained focused, CBA led managers in a 3-hour Non-Negotiable Goal-Setting Workshop 30 days prior to 100-Day Operations Waste Workout. Each manager’s goals were set at benchmark levels resulting in 39 FTE reduction target on a 1002 FTE base, plus a 3% non-salary cost target.

100-Day Operations Waste Workout: Caldwell Butler & Associates provided managers with the tools and support required to achieve their goals. Support included the services of a Master Black Belt in Lean-Six Sigma methodologies to identify opportunities for improving workflow. Training also included workshops in the 7 categories of waste and the Waste Walk Methodology. As part of the 100-Day Workout, Chip Caldwell & Associates assisted managers in creating 100-Day Action Plans and deploying a system for monitoring progress.

Lean-Six Sigma Deployed in ED / DMAIC: CBA then used its extensive healthcare experience to complete a thorough analysis of River Region Medical Center’s workflow. This information was transformed into specific categories for improving the performance of the Emergency Department. The team had targeted 3 key areas of focus and designed specific strategies to realize the opportunity contained in each area.

Identification of Waste

- Over production
- Correction
- Processing
- Inventory
- Waiting Time
- Motion
- Materials & Information

Change Concepts Deployed

- Reduce time to see a physician
- Speed availability of diagnostic results
- Improve bed control and availability

Demonstrated Results of River Region Implementation – Through two cycles of 100-Day Operation Waste Workouts and the ED DMAIC project facilitated by Caldwell Butler & Associates, River Region Medical Center gained:

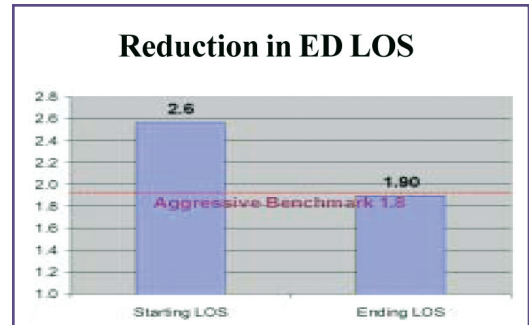
Measurable Benefits:

- 35% reduction in LOS, thereby achieving the worldclass benchmark of 1.9 ED LOS
- Patient Satisfaction Scores increased from 2 percentile to 77th percentile
- River Region realized \$1 million improvement in cost position
- ROI of investment in Caldwell & Associates services of 5:1

Intangible Benefits:

As a result of deploying CBA's expertise, River Region achieved:

- Staff acceptance of nonnegotiable goals
- Rapid deployment of proven methods and techniques for improving productivity and performance
- Apprenticed in Lean-Six Sigma Design Techniques and 100-Day Workout method to ensure sustainability



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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
- Creation of implementable 100 -Day Action Plans
- Proven techniques for non-negotiable goal-setting
- Flawless execution of performance improvement projects
- Methods of identifying waste and generating cost savings strategies
- Creation of internal tracking methods for enhancing personal accountability