

Improve Organizational Alignment to Optimize Overall Performance

With the focus on pay-for-performance, health-care facilities will be able to achieve higher reimbursements for measurable higher quality care. Most facilities will focus on process improvement, coding and the supply chain to vie for additional reimbursement.

The major point of this is really about how to make high quality healthcare and cost effectiveness compatible. The answers lie in proving that improving quality actually reduces costs. To do this, healthcare providers will need new tools and protocols that link cost, consumption and quality, while aligning physicians and surgeons with healthcare executives and materials managers in their shared mission to provide high quality, cost-effective healthcare.

In this pursuit, general best practices when undertaking projects and initiatives should include:

- Obtain senior management commitment
- Build a representative project team, including physicians and surgeons
- Define a manageable project scope
- Anchor projects in data



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- Design clear protocols
- Establish measurable goals and measure results

Obtain Senior Management Commitment

Continual commitment from senior management helps keep projects moving and demonstrates the importance of them to all hospital staff. Even if the project originates in materials manage-

ment, the materials manager should win executive team support before engaging physicians and surgeons. Senior leadership must be willing to support the process, stay with it through difficult moments and see it through on an ongoing basis.

Build a Representative Project Team Including Physicians and Surgeons

Initiatives will affect numerous stakeholders ranging from physicians, surgeons and nurses to materials managers, the CEO and CFO. To ensure that the project meets both its quality and cost goals, the project team must include representatives from each of these areas. Physicians and clinical staff will support the final cost-savings initiative if they are invited to

work with senior management and materials management through benchmarking and establishing protocols.

Also, nearly all physicians and surgeons say that money is not their top motivator. What motivates physicians is positive patient outcomes, professional recognition and a sense of pride in the work they do. Any alignment model or project should make sure to include this component.

Define a Manageable Project Scope and Timetable

It is also important to establish a clear timetable and stick to it. In the case of physicians especially, time is valuable, and they want to know that it is being put to good use. For them, anything that affects their patient time, affects their ability to bill. Also, in any project that offers the promise of savings, the executive team will want quick results.

Anchor the Project in Data

Comprehensive cost and quality data are critical to project success. Discussions should start with benchmark data for the facility. This data creates the case for the cost saving initiative and establishes a quality and outcomes baseline for building protocols and incentive goals.

Because success depends on the teams' full confidence in the integrity of the data

presented, the care should be taken to conduct a thorough audit of logs, process documents, purchase orders and invoices.

Establish Measurable Goals and Measure Results

To ensure quality improvements and cost savings, hospitals and health systems must establish measurable goals and monitor them continually. Tracking outcomes and cost data enables executives to assess performance against goals, quantify the quality and savings gains, build credibility for future quality-based initiatives, and establish a new baseline for the next initiative. To reap full benefits, the team should establish an advisory panel to address noncompliance and exceptions, including the introduction of new technology.

The most compelling aspect of quality-based initiatives is their potential to have a long-term effect on the quality of healthcare delivery. It is sustainable within an individual hospital or health system. There is always room to improve outcomes. More importantly, this model puts quality first, aligning all incentives with the true mission of each healthcare provider – caring for patients.

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