How to Trim the Fat Without Losing the Flavor!
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Objectives
After attending this presentation, the conference participant will be able to:
- Identify two ways to ensure an organization is maximizing supply resources.
- Describe ways to ensure front line staff have tools necessary to deliver high quality nursing care while minimizing waste.
- Identify two staffing models supporting resource allocation for high risk, low volume procedures.
- Describe two balancing measures to watch when implementing lean strategies.

Disclaimer Slide
- We have nothing to disclose.
Cost-Savings Opportunities

- Milliman benchmarks “well managed” versus “loosely managed” plans
- Data used to estimate largest cost savings opportunities in pediatrics
Cost-Savings Opportunities
• No surprise newborn inpatient is the top category
• Represents 60% top avoidable costs for inpatients
• It is imperative we do all we can to provide exceptional patient care and reduce costs

Reducing Costs
• What do people think of?
  - Slash & dash
  - Painful
  - Resources lost
  - Quality reduction
  - It doesn’t have to be that way!

Reducing Costs
• But providing excellent patient care does take money!
Shared Goals
• IOM’s Aims for Healthcare Improvement
  - Safe
  - Effective
  - Patient Centered
  - Timely
  - Efficient
  - Equitable

Shared Challenges
• Increased patient complexity
• Constantly changing technology
• Do more with less (supplies, people, money)
• Patient and family expectations

IOM’s Rules for Redesign
• Decision making is evidence based.
  - Care should not vary illogically from clinician to clinician or from place to place.
• Waste is continuously decreased.
  - The system should not waste resources or patient time.

Reducing Costs & Quality Improvement

• The two should go together

• We’re nurses – we like to fix things!

• What happens when we Do & Act without the Plan & Study?

Reducing Costs & Quality Improvement

• Supply drawer fiasco

• Started with good intentions

• Patient safety issue & nurse workflow problem

• Plan phase was missing key stakeholder feedback

What’s the right mix?
Delivering on the Vision

• We all have a vision

• To deliver on your vision, you need financial resources

• Instead of cutting resources, streamline for savings!

Texas Children’s Story

• From 2010-2013, we had a lot of growth
  - Opened Texas Children’s West Campus, Houston’s first suburban pediatric hospital
  - Opened Texas Children’s Pavilion for Women, a full service hospital for women connected to our main campus pediatric hospital
  - Opened the Neurological Research Institute dedicated to improving the lives of people with neurological diseases
  - And more!
Texas Children's Call to Action

• Our growth in spending had outpaced our growth in revenue
• We wanted to ensure fiscal stability & revenue growth to continue to expand care & research

Initial Assessment

• Seven teams focused on a variety of possibilities
• Goals set to safely decrease costs
• Number 1 goal for each team – Be Courageous!
• Additional goals –
  - Go after big items
  - Go Green
  - Standardization within the organization

Products

• Multidisciplinary team including front-line staff
• Recognized variations across the system
• Started with the question, “What is the right thing for patients and staff?”
Products
• Why are we using this product?
  - Because it’s the one we’ve always used.
  - Because ___ likes it.

Products
• How do we streamline for savings?
• Evaluate current supply & demand
• Key stakeholders
• Gather all the information
• Balanced choice for the organization – what is best for patient care, staff, & the organization?

Systematic Approach
• Large organization with almost 10,000 employees
• How do we systematically start evaluating products?
What did we find?

• PIVs
  - TCH stocked almost 10 different PIV brands/types
  - Did we need 10? No, but we needed more than 1.
  - Narrowed selection down to 4 choices based on patient needs
  - Saved >$150,000 in less than a year!
How did it work?

• PIVs
  - Lots of input from providers
    • Front line staff, physicians, phlebotomy, interventional radiology, OR, EC, outpatient, inpatient, transport
  - Careful evaluation with Supply Chain colleagues about usage
  - Continued focus on patient needs

What did we find?

• Linen Usage
  - We used a lot of linen!
  - Need a blanket? Here’s 3!
  - Once again, careful evaluation of usage

• Linen Usage
  - Eleven items made up about 95% of all linen used each month
  - Standardizing what linen was stocked at each bed & used to make each crib/bed had the potential to save $30,000 per month!
How did it work?

- Linen Usage
  - People laughed at first
  - Once they realized the savings potential, it became a priority
  - Training for all inpatient & outpatient nurses, patient care assistants, and others that utilized linen
  - Actual linen savings = $32,000 per month or $384,000 per year!

Other Examples

- Renegotiating existing contracts based on usage
- Making recycling of reusable products easier
- Standardizing bedside drawers in the Newborn Center to reduce waste and save time restocking

How did we do?

- Since 2012, the teams have done amazing work
- Changes have occurred across the organization
- Work continues to be done – the new norm
- And as of March 2014, we’ve saved…
Keys to Success

• The small stuff adds up!
  - PIVs and Linen
  - Don’t be afraid to speak up and encourage your staff to do the same
  - Some of our best ideas came from staff

Keys to Success

• Engage the front line staff
  - Nurses
  - Physicians
  - Respiratory Therapists
  - Patient Care Assistants
  - Whoever you’re impacting!
Keys to Success

• Be methodical
  - Slow down, rushing will ensure you miss something
  - Pull in the thinkers
  - Try it on a small scale – one patient, one hour, one nurse

Keys to Success

• Engage support across the organization
  - Every impacted area should be represented
  - Your non-clinical colleagues are extremely valuable
  - Executive support is crucial

Keys to Success

• Hardwire Reassessments
  - Don’t implement & forget
  - Build in periodic reviews – every 6 months, every year, etc.
  - Partner with Business/Contracts to continually look for contracted savings
Keys to Success

• Be courageous!
  - You must challenge the current processes or you’ll continue doing it the way it’s always been done.

• Celebrate successes!

Management Moments...

Do you ever look back over your years of management and just cringe at...

...some of the decisions you made?
...some of the incredibly stupid things you said?

Well I’m about to share examples of all of these cringing management moments!

Setting the Scene

• Patient Protection and Affordable Care Act
• Pay for performance sent healthcare into a tail spin.
• “Value Initiative” (VI)
• On June 28, 2012 the Supreme Court rendered a final decision to uphold the health care law.
• Today, healthcare is a different world than it was four short years ago!
VI: The Good

- Millions of dollars saved

- Examples: Supply chain management and facilities charges.

- Balancing Measures:
  - Lean processes freed up time for other initiatives
  - No decreases in patient or family satisfaction.
  - Staff very engaged.

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VI: The Bad

- Micromanagement of Human Capitol

- Examples:
  - Early clock in management
  - Non-productive work hours
  - Hiring freeze

- Balancing Measures:
  - Low Staff Morale
  - Important work not completed
  - Staffing

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VI: The Ugly

- Cheaper supplies, process changes, expert teams dissolved

- Examples:
  - PICC team, skin team, developmental team and
  - Charge nurses placed back to the bedside
  - Managers put in charge

- Balancing Measures:
  - Increase in CABS and pressure ulcers.
  - Turnover in bedside nurses, charge nurses and managers.
And to make matters worse...

**CRINGE MOMENT**

...some of those ideas (early clock in, getting rid of the PICC team and skin team) came from me!

**CRINGE MOMENT**

...I heard myself saying:
- "It’s ‘value initiative’, we should be glad we have jobs!"
- "Our nurses work in an ICU – they should be perfectly competent to do their own PICC dressing changes and skin assessments."
- "The charge nurses can easily go back to the bedside!"
- "Put the managers in charge!"

And worse yet...

**CRINGE MOMENT**

...I thought I was doing a good job!!! Heck, we were saving the hospital money hand over fist!

**NOT SO FAST....**

The data Speaks for itself

CABSI
NICU CLABSI Rates FY2011-FY2014

Monthly Rate

FY11: 2 CLABSI'S
FY12: 12 CLABSI'S
FY13: 5 CLABSI'S
FY14: 5 CLABSI'S

FY11:
2 CLABSI'S
8 hours/5 days

FY12:
12 CLABSI'S
4 hours/3 days

FY13:
5 CLABSI'S
4 hours/4 days

FY14:
5 CLABSI'S
4 hours/4 days

Product
Medication
Centralization
Sometimes spending $ saves $$$!!

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>RN</td>
<td>68,640</td>
<td>0.00</td>
<td>20,592</td>
<td>27,465</td>
</tr>
<tr>
<td>CLABSI</td>
<td>66,000</td>
<td>396,000</td>
<td>165,000</td>
<td>198,000</td>
</tr>
<tr>
<td>Difference</td>
<td>2,640</td>
<td>396,000</td>
<td>144,408</td>
<td>170,535</td>
</tr>
<tr>
<td>TU Rate</td>
<td>7.16</td>
<td>6.31</td>
<td>3.44</td>
<td>3.44</td>
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</tbody>
</table>

Lessons Learned:
- Keep an eye on the big picture.
- It’s hard to recover when you get too far behind.
- Pay attention to elements outside of your control that impact your bottom line.
- Never underestimate the value of human capital and expert nurses!

Specialized Teams
High Risk Low Volume Procedures: ECMO
Staff Distribution

One on ECMO:

NICU

PICU

CICU

Staff Distribution

Two on ECMO:

NICU

PICU

CICU

Staff Distribution

Three on ECMO:

NICU

PICU

CICU
Staff Comments

- Felt tension between home departments and ECMO
- Training felt like a lot but it was only simulation, not practice so not quite comfortable
- Hesitated to call backup because they had a full assignment
- Two people would tell you two ways to do things — added complexity and stress to a newcomer

Historical Model

New Staffing Plan

- ECMO Coordinator = 1.0 FTE
- ECMO Clinician = 5.2 FTE
- ECMO Specialist = 4.7 FTE

New Model

Staff Distribution

- NICU
- PICU
- CICU

One on ECMO:
Staff Distribution

Two on ECMO:
- NICU
- PICU
- CICU

Staff Distribution

Three on ECMO:
- NICU
- PICU
- CICU

Training and Education

Historical Competency Requirements

New Competency Requirements
New Staffing Model Implemented

Perfusion Days and Overtime

Outcomes

<table>
<thead>
<tr>
<th>Turnover</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>27%</td>
</tr>
<tr>
<td>FY14 to date</td>
<td>12%</td>
</tr>
</tbody>
</table>

>50% decrease in turnover
Training costs average $10,000 per specialist

Perfusion Days and Overtime

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Salary Dollars</td>
<td>$418,990</td>
<td>$620,358</td>
</tr>
<tr>
<td>Total Overtime Dollars</td>
<td>$35,017</td>
<td>$19,277</td>
</tr>
<tr>
<td>Turnover Dollars</td>
<td>$90,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Total Dollars</td>
<td>$544,007</td>
<td>$679,635</td>
</tr>
<tr>
<td>Total difference for new staffing model:</td>
<td>$135,628</td>
<td></td>
</tr>
<tr>
<td>Cost of SSE, unit stress, coordinator stress</td>
<td>$5555555</td>
<td>0</td>
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Morehead Survey

Select Focus Areas: Then and Now

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Then</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Involvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. My ideas and suggestions are seriously considered</td>
<td>4.34</td>
<td>4.38</td>
</tr>
<tr>
<td>2. If I have a question or problem, I believe I can talk to someone in my chain of command</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job-Person Match</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. I get the training I need to do a good job</td>
<td>4.31</td>
<td>4.63</td>
</tr>
<tr>
<td>Leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. The person I report to is a good communicator</td>
<td>4.44</td>
<td>4.19</td>
</tr>
<tr>
<td>2. The person I report to is supportive of my learning and development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Alignment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. My work area, physical, and self generally work well together</td>
<td>3.69</td>
<td>4.13</td>
</tr>
<tr>
<td>Quality/Customer Focus</td>
<td></td>
<td></td>
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<td>1. I get the training I need to do a good job</td>
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<td>4.13</td>
</tr>
<tr>
<td>Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Patient safety problems are addressed as they occur in my work unit</td>
<td>3.81</td>
<td>4.25</td>
</tr>
<tr>
<td>Work-Life Balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. I am NOT concerned about the amount of job stress I feel on a regular basis</td>
<td>3.19</td>
<td>3.38</td>
</tr>
<tr>
<td>2. My work area is adequately staffed</td>
<td></td>
<td></td>
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Staff Comments

- We now have a support system, now you have an experienced person on your help.
- We're spending more time assigned to ECMO pump rather than being called in from the unit, which is less disruptive to the unit.
- Clinician role is fantastic, quick access for questions and education, good for new people. ECMO can be scary for new people, an expert always in-house, increases patient consistency.
- NICU no longer has to pick up most the slack.
- We’re training more often now.
- We are able to prepare & feel confident.