Leading High Reliability Organizations in Healthcare

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Baseline Performance – Healthcare Compared

Exhibit 3. Health System Performance Scores

Higher Performing

UK  AUS  NETH  NZ  NOR  SWIZ  SWE  GER  CAN  FRA  US

Eleven-country Average

Lower Performing

Note: See How This Study Was Conducted for a description of how the performance scores are calculated.

Source: Commonwealth Fund analysis.
Organizations Excelling in Reliability

- **Motorola**
  - **How it can help:** Save your life
  - Even if you’re hurt and can’t respond, the Advisor knows your exact location through GPS technology and can direct emergency responders to the scene.

- **OnStar**
  - **BMW**

- **Eaton**
  - **Products & Services**
  - **Healthcare**
  - **Sustainability**
  - **Arc faults and electrical safety**

- **SKF**

- **Healthcare Performance Partners**
Payers are driving value by redistributing* $1.9B in reimbursement through Value-Based Purchasing

Today’s Lesson: How to Become Paul

*CMS FY2018 IPPS Final Rule estimate
Reimbursement is Shifting to Reliability = Clinical Outcomes and Value

Source: CALHIIN
### Value-Based Care Report

#### VALUE-BASED PURCHASING (VBP)

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<td>Clinical Care - Safety Domain Score</td>
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<td><strong>2017</strong></td>
<td><strong>2018 FCST</strong></td>
<td><strong>VBP Multiplier</strong></td>
<td><strong>VBP Multiplier (2018)</strong></td>
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<td>VBP Total Performance Score</td>
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<td>13 14 15 16 17 18 19</td>
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**Overall Star Rating**: 1

**Net change**: Annual reimbursement reduction or incentive

$ (2,650,343)
Then, Paul can lose it all in readmission and hospital-acquired conditions penalties

The cost of poor reliability comes to healthcare
Becoming a High Reliability Healthcare Organization

- What is reliability?
- How bad is it today?
- What causes poor reliability?
- What improves it?
- How do we sustain it?
HIGH RELIABILITY is:

CAPABILITY IN ACHIEVING THE EXPECTED OUTCOME THROUGH TIME
High Reliability is Not...

- Just about safety
- Six wrong site surgeries every week
- Patient and caregiver satisfaction below national median
- Readmissions being big business for you
- Entertaining your State Inspectors
Comparing Complexity and Reliability Skills

If this is true, how are you going to compete and win the margins to sustain your mission?
Required: Systems Approach to High Reliability

Systems Engineering

Reliability Engineering
Expected outcome for the expected time
Measured using the probability of survival or failure and commonly cost of failure or time between/until failure

Safety Engineering
Expected preservation of life and environment
Measured using accidents, close calls, catastrophic failure (Loss of life or equipment)

High Reliability
Step 1: Safety Engineering - Leadership’s Role

“I was absolutely amazed that the NASA people I argued with against the launch...

didn't even mention to other members of the mission management team that there was a concern...”
High Reliability Healthcare

It may seem a strange principle to enunciate as the very first requirement in a hospital that it should do the sick no harm.

Florence Nightingale
Step 2: Reliability Engineering principles taught to leadership and staff (Yellow – Master Level)
High Reliability Organizations Utilize 3Ms:

1. **Measure** daily

2. **Manage** to that measure

3. **Make it easy** to do the right thing
Utilize the 3Ms of Performance Reliability

1. Measure the Process - Daily
Failure Mode and Effects Analysis the Right Way & the Healthcare Way

HRO Starts FMEA

Healthcare Starts FMEA

Conceptual Design and Approval

Prototype

Piloting & First Assembly Dry Run

“Open the Door”

Quality & Process Validation

Pilot – Controlled Variable

Pilot – Stress test

Pilot – All Variables “Full Dress” Full Production

System FMEA

Design FMEA

Process FMEA

Bad Event
2. Manage to the Measure – Every Day

Don’t accept failure

The movie, “Lincoln,” Directed by Steven Spielberg
3. Make it easier for teams to solve problems

“Circulate among followers consistently,”

Abraham Lincoln

The movie, “Lincoln,” Directed by Steven Spielberg
What Can Be Achieved

• Benchmark for clinical outcomes – Center of Excellence
• Top 5% in Value-Based Purchasing with Zero Penalties
• Leads the market and wins the margins
How to Build Reliability Skills - Example of a High Reliability Training System

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<td>Reliability Principles for Healthcare</td>
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<td>Clinical Technology</td>
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<td>Workflow that utilizes technology effectively</td>
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Safety Culture

Reliability Principles for Healthcare

Population Health (System Reliability)
What is your next step to reliability?