



# Innovation: Unlocking Capacity for Health and Prosperity

Linda Thomas-Hemak, MD

The Wright Center for Graduate Medical Education and Primary Care

RWJF/Academy Health Work Group for Payment Reform

February 27-28, 2014

# The Wright Center

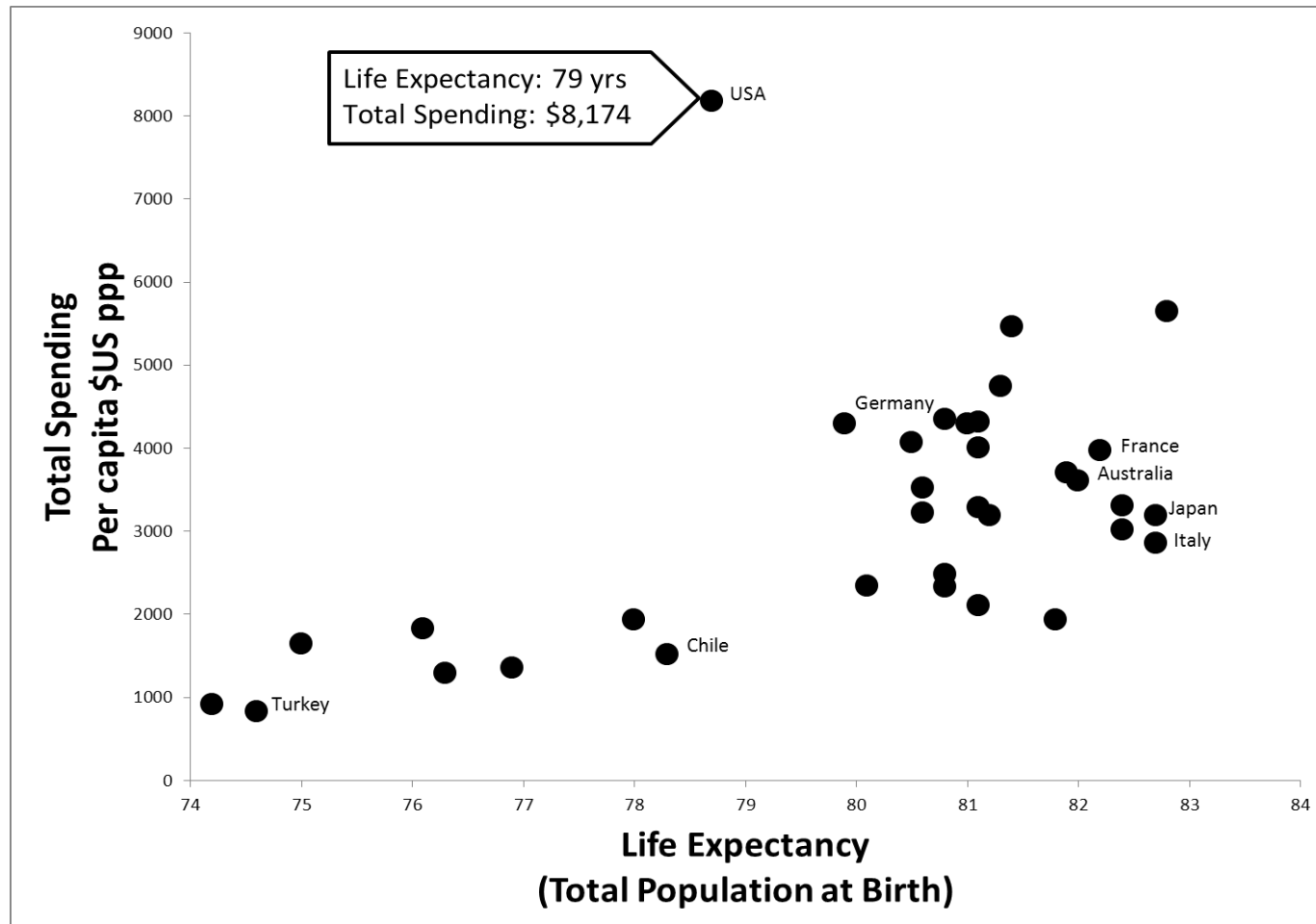
## **VISION**

By 2017, we will integrate patient care delivery, workforce development and innovation to be the leading model of health care in America.

## **MISSION**

Our mission is to continuously improve the relationship between education and patient care to enhance outcomes, access and affordability.

# Perspective.



OECD Health Data. (2012). Retrieved September 5, 2013, from Organization for Economic Cooperation and Development: [http://stats.oecd.org/index.aspx?DataSetCode=HEALTH\\_STAT](http://stats.oecd.org/index.aspx?DataSetCode=HEALTH_STAT)



# Perspective.

- Healthcare costs us, our families, friends, and children one fifth of our total economic output.
- 34% of healthcare costs are waste.
- This is the opportunity.

Berwick Donald .M., and Hackbarth Andrew, D. "Health Policy Brief: Reducing Waste in Health Care," *Health Affairs*, December 13, 2012. <http://www.healthaffairs.org/healthpolicybriefs/>

## How Health Care Costs Affect Small Town Living

By the time people feel the effects of reduced city services, it's hard to tell that medical spending is a part of the problem.



If roads in your town look like this, health care cuts could be impacting your town's ability to repair roads properly.

By Susan Brink

Feb. 5, 2014

Leave a Comment

SHARE

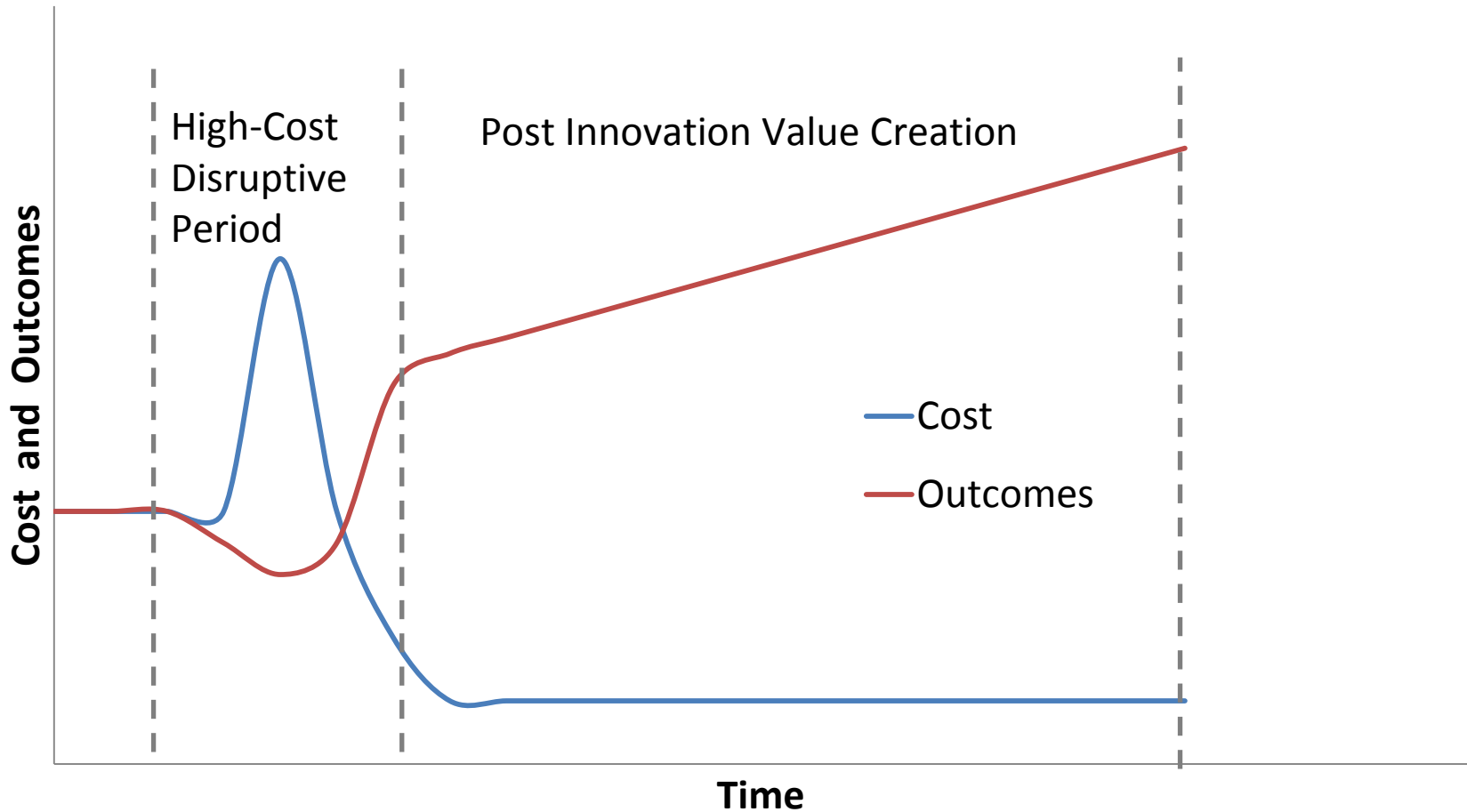
# We Must Innovate.

$$\textit{Value} = \frac{\textit{Outcome}}{\textit{Cost}}$$

- We need to improve outcomes or reduce cost.
- Why choose? Do both.

Porter, M. E. and Teisberg E. O.. *Redefining Healthcare*. (2006)

# Innovation for Value



Joseph Featherall, Project Manager, The Wright Center, February 2014



# A Massive Example

- Between 2002 and 2008, Johnson & Johnson implemented smoking cessation and wellness initiatives.
- 2/3 reduction in employee smoking
- \$250 million in healthcare costs saved

Porter, M. E. (2011). Creating Shared Value. *Harvard Business Review Reprints*, 1-17.



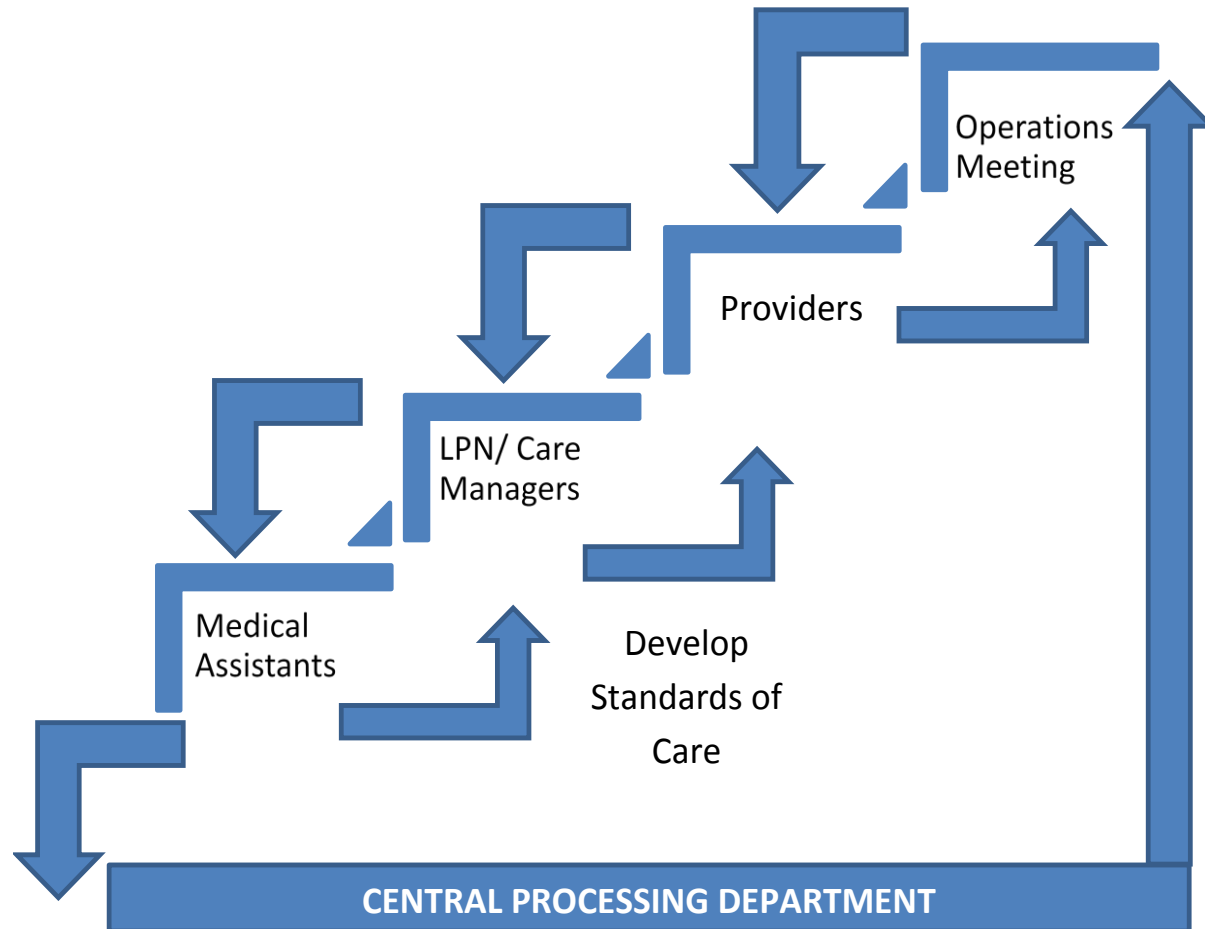
# A Smaller, Wright Center Example

- Care Management Story

# Overcoming Challenges in Workflow Redesign

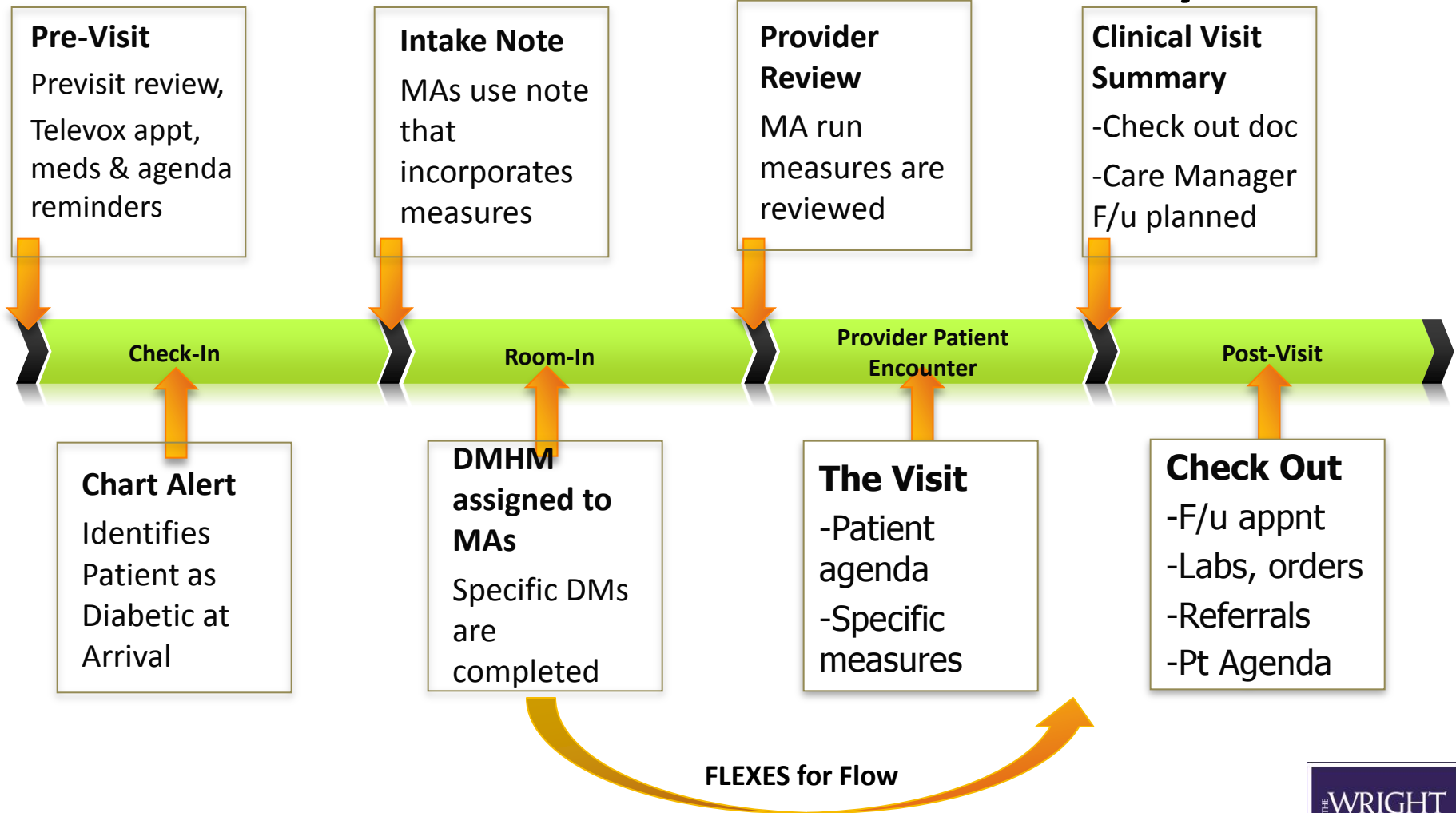
Challenge	Solution
Reactive culture of more in busy trenches, with volume driven incentives	Stepping out for reflection and strategy to work smarter and leaner
Gap between espoused theory of value driven and theory of volume driven in action	EMR Meaningful Use Data Informed Payment Reform
Absence of shared vision and a roadmap	Building shared vision: we must change the way we work and integrate innovation
Disconnect: WIFM? attitude	Staff, Patient, Family and Provider Engagement
Change aversion and fatigue	Find the swing and synergy
Leadership voids at all levels	Leadership training at all levels

# Unlocking Capacity: Provider Team



Teresa Lacey, VP of Operations, The Wright Center, November 2013

# Unlocking Capacity: Collective Accountability



# Unlocking Capacity: Patient Engagement



## SMS Query Sheet:

Given to the patient to be filled out



## Completed SMS Sheet:

Reviewed with patient by MA



## SMS Goal Review:

Confirmed and finalized by provider



## Final SMS Sheet:

Given to patient at Check-out



## Follow-up:

High Risk – Care Manager  
Low Risk – MAs

Check-In

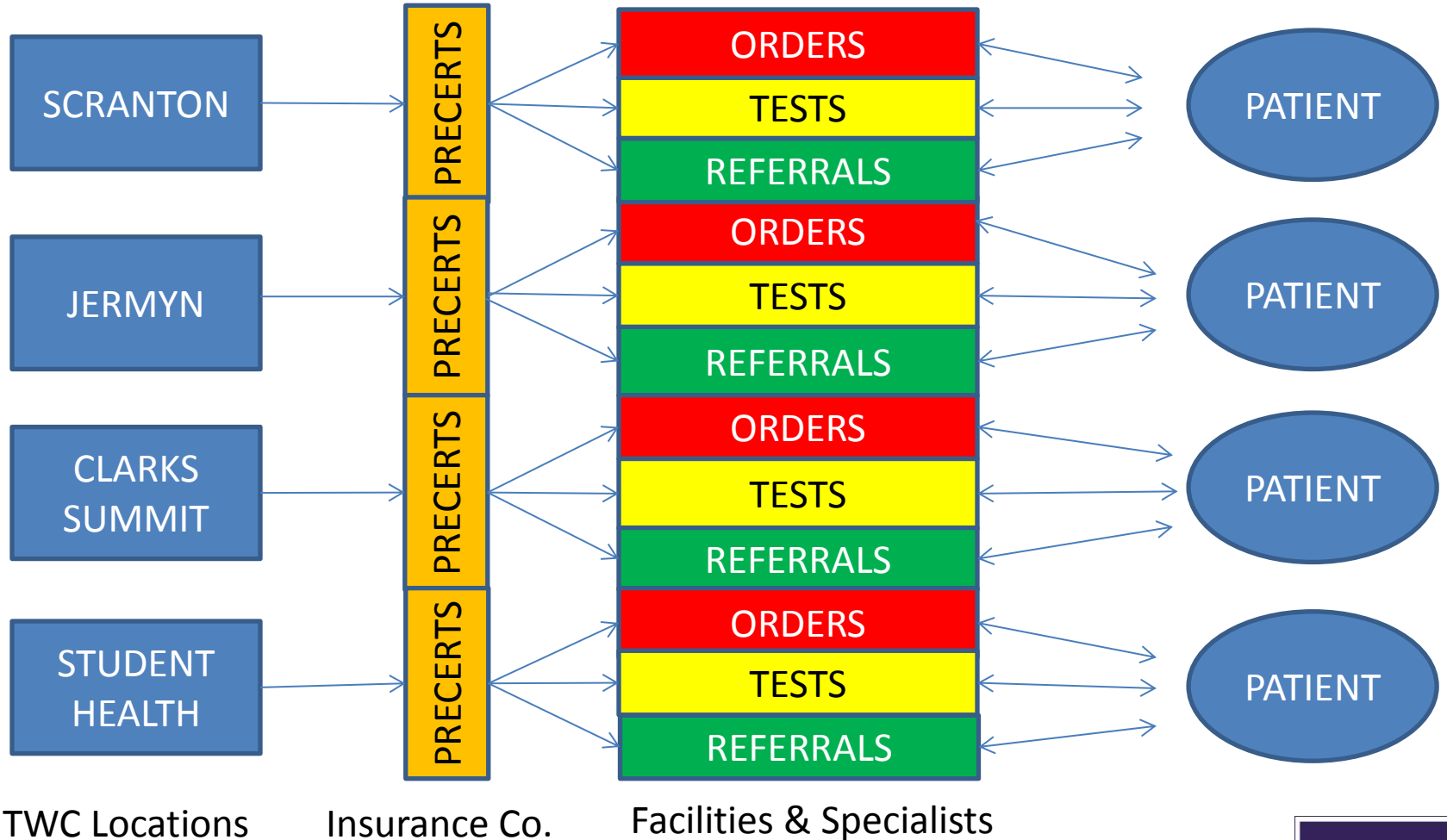
Room-In

Visit

Check-out

Follow-up

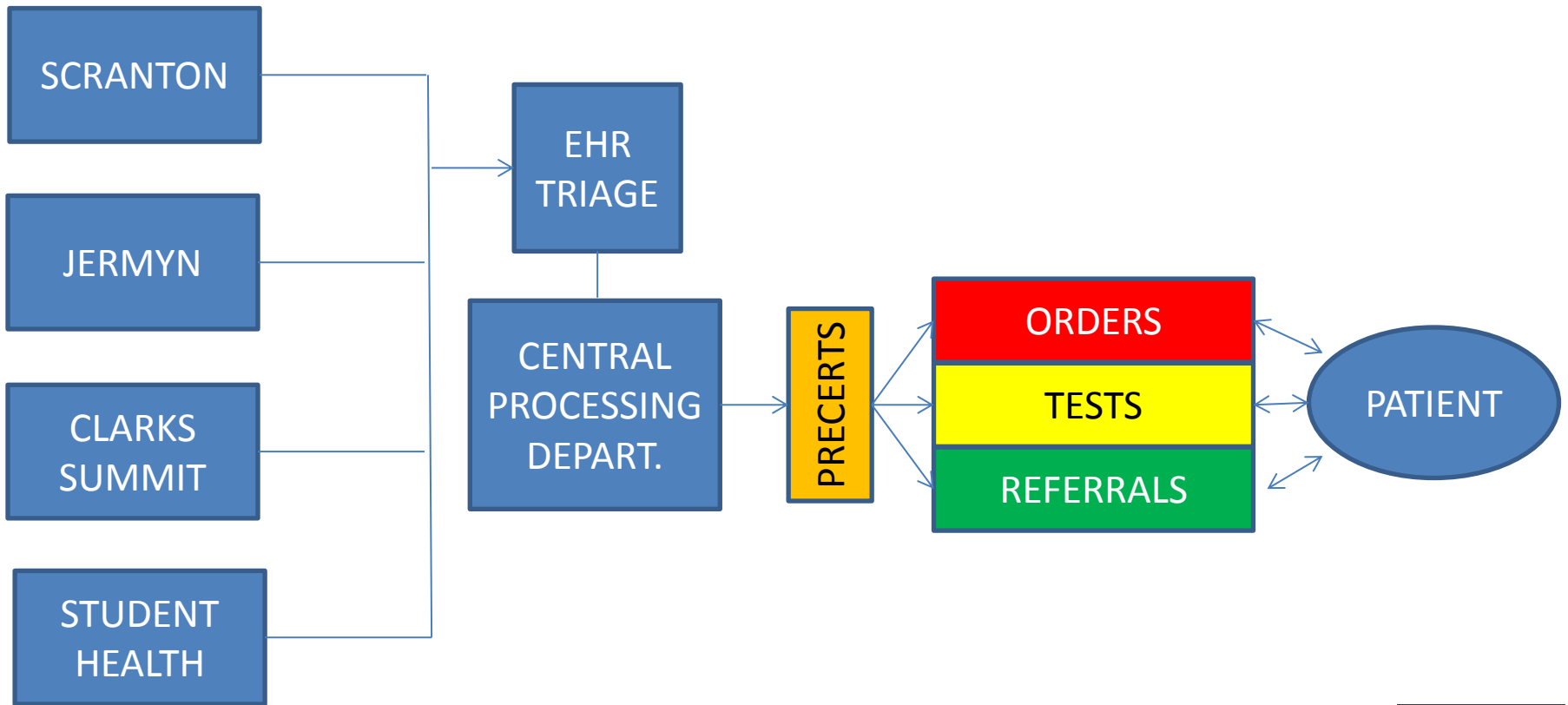
# Work Duplication: Pre-Central Processing



Teresa Lacey, VP of Operations, The Wright Center, November 2013



# Unlocking Capacity: Central Processing



Teresa Lacey, VP of Operations, The Wright Center, November 2013

# Unlocking Capacity: Inter-Professional Learners



**Televox  
Reminder:**  
To bring meds  
filled out  
**MA Previsit:**  
Surescript  
Importing



**Patients as  
Proofreaders:**  
Med list given  
at Check-in



**OTC Meds:**  
MAs and  
students  
inquire and  
add OTC meds  
to chart



**IDT Review:**  
LPN/Pharmacy  
leaners check  
for interactions  
and educate  
patient



**Validation:** Primary  
Care Residents , NP  
and PA students  
validate med list for  
provider use and  
updates for Check-out

Previsit

Check-in

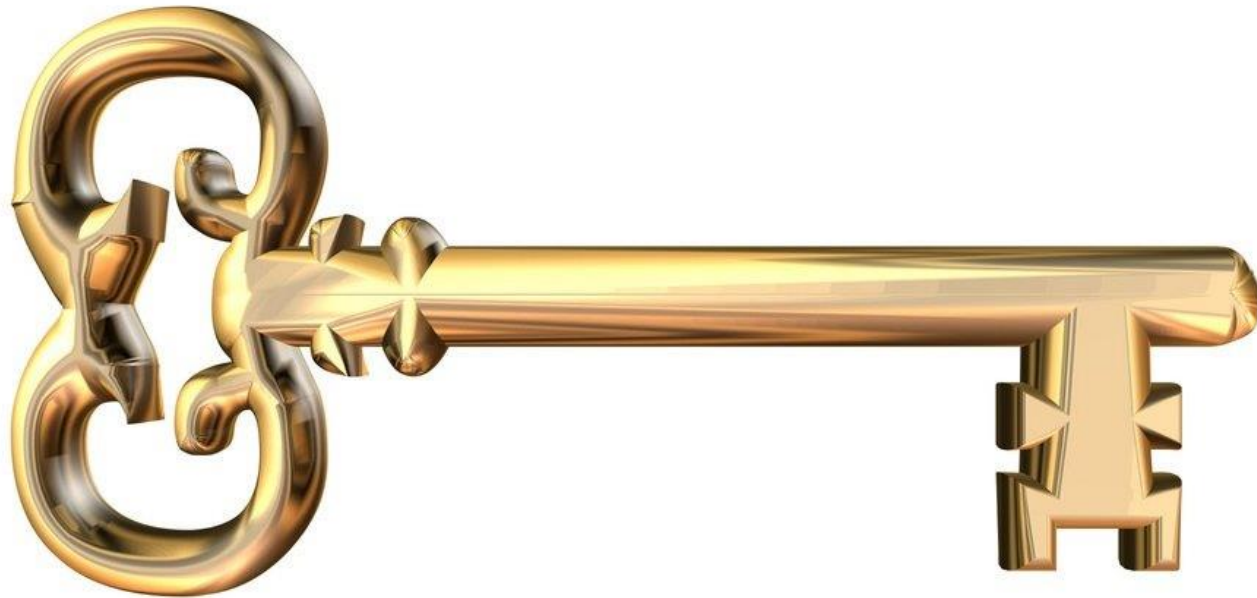
Room-in

IDT Review

Validate and Review



# Unlocking and Aligning Human Talent and Work Capacity



# Our Financial Framework

- Business model previously guided by patient-centered intuition
- Current initiatives to understand the “true cost” of care delivery and education
- Quantify the model for predictability, reproducibility and spread

# Time-Driven Activity-Based Costing

- Estimating the cost per time unit of capacity
- Estimating the unit of time for activities
- Deriving cost-driver rates
- Analyzing and reporting costs
- Updating the new model

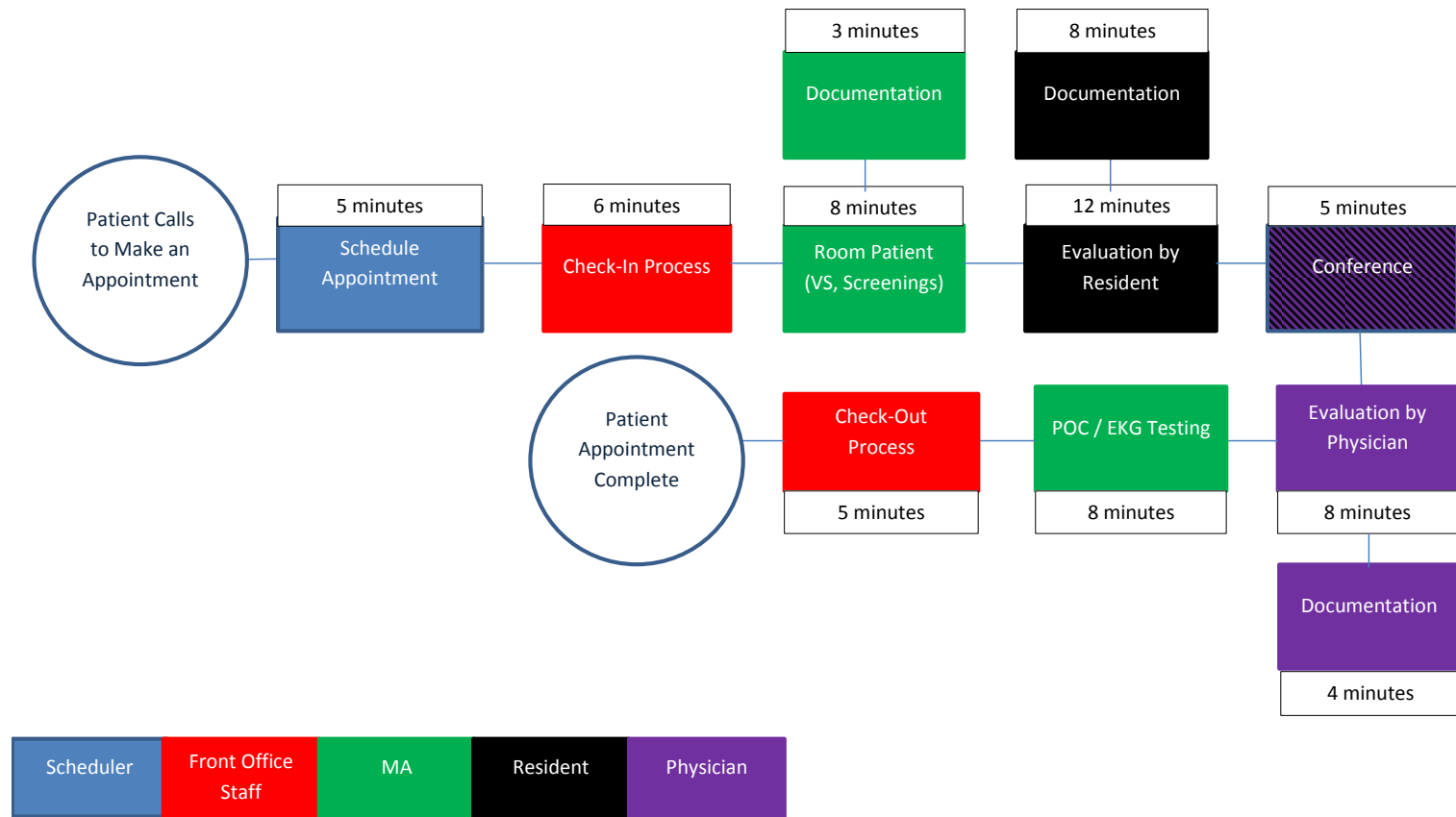
ABC, the Time-Driven Way

Activity	Quantity	Unit Time	Total Time Used (in minutes)	Cost-Driver Rate	Total Cost Assigned
Process customer orders	51,000	8	408,000	\$6.40	\$326,400
Handle customer inquiries	1,150	44	50,600	\$35.20	\$40,480
Perform credit checks	2,700	50	135,000	\$40.00	\$108,000
<b>Total Used</b>			<b>593,600</b>		<b>\$474,880</b>
<b>Total Supplied</b>			<b>700,000</b>		<b>\$560,000</b>
<b>Unused Capacity</b>			<b>106,400</b>		<b>\$85,120</b>

Copyright © 2004 Harvard Business School Publishing Corporation. All rights reserved.

Robert S. Kaplan and Steven R. Anderson. (2004). Time-Driven Activity-Based Costing. *Harvard Business Review Reprints*, 1-10.

# Time Based Primary Care Visit Process Map Example



Teresa Lacey, VP of Operations, The Wright Center, February 2014



# Time-Driven Activity Based Costing

## Primary Care Office Visit Example

### Time Driven Activity Based Costing

Function	Position	Time in min.	Per min. rate	Cost
Schedule Appt.	Scheduler	5	\$0.25	\$1.23
Check in	Front Office	5	\$0.25	\$1.23
Room Patient	MA	5	\$0.26	\$1.30
Documentation 1	MA	3	\$0.26	\$0.78
Resident Eval	Resident	12	\$0.55	\$6.55
Documenation 2	Resident	8	\$0.55	\$4.37
Conference	Resident	5	\$0.55	\$2.73
Conference	Physician	5	\$1.89	\$9.45
Physician Eval	Physician	8	\$1.89	\$15.12
Documentation 3	Physician	4	\$1.89	\$7.56
POC/EKG	MA	8	\$0.26	\$2.08
Check Out	Front Office	5	\$0.25	\$1.23
<b>Total Visit Cost</b>				<b>\$53.63</b>

Joseph Featherall, Project Manager, The Wright Center, February 2014

# Sustaining Innovation After The Incentive Ends

## Spiritual Counsellor Story

- TDABC: the position and infrastructure of work
- Shared vision: tangible and intangible value created, appreciating confounding variables
- Sustainability:
  - Expands capacity where revenue is generated
  - Positive effect on shared savings metrics
  - A mission related expense we can afford

# “The Quickest Way Out Is The Road Back In”

- The ACA investment intends to enhance outcomes, access and affordability.
- Investments for innovation without accountability for work redesign and measurable value creation may worsen our national healthcare dilemma.
- Can authenticity be predicted and promoted so investments for innovations actuate the IHI Triple Aim?