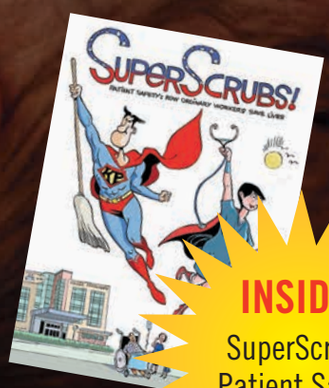
hank

Winter 2013 | Issue 34

FRONTLINE NEWS FOR KP WORKERS, MANAGERS AND PHYSICANS

AFFORDABLE HEALTH CARE FOR ALL

HOW DO WE DO IT?



INSIDE!
SuperScrubs Patient Safety Comic Book

IN THIS ISSUE »

HENRIETTA

The power of "why?"

I am reminded of the old joke about the holiday ham:

A young bride is preparing her first holiday ham as her adoring husband watches. She slices off one end of the ham and sets it aside and puts the remainder in her roasting pan. "Darling," her husband asks, "why did you lop off the end of the ham?"

"Why—I don't know. My mother always did," she replies. Curious, they call her mother, but her answer echoes her daughter's: "My mother always did." When grandma is called, she has the same answer.

Happily, great-grandma is still on the scene. Her answer to the question is quick: "Why," great-grandma says, "so it will fit in the pan!"

The obvious point being that sometimes we need to question whether old routines still serve us well. A more subtle point for anyone involved in improving performance is to recognize a workaround for what it is. The more than 3,500 unit-based teams at Kaiser Permanente have daily opportunities to question "the way we've always done it." And as team members become skilled at problem solving and create a culture where asking questions is encouraged, they can create systemic solutions to recurring problems.

In these and other ways, they will create more efficient, cost-effective and safer ways to deliver quality health care. It is essential work, as the cover story of this issue, "Affordable Health Care for All," makes clear. And the work already is well under way: Every story in this issue highlights a different way that teams are improving quality while working to keep Kaiser Permanente affordable.

Kaiser Permanente is the model for the future of health care. Read on and be inspired. hank

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+ other features

TEAR-OFF BACK COVER POSTER
10 top tips for reducing supply waste

WHO'S BEHIND HANK?

Published by Kaiser Permanente and the Coalition of Kaiser Permanente Unions

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WHAT IS HANK?

Hank is an award-winning journal named in honor of Kaiser Permanente's visionary co-founder and innovator, Henry J. Kaiser.

Hank's mission: Highlight the successes and struggles of Kaiser Permanente's Labor Management Partnership, which has been recognized as a model operating strategy for health care. *Hank* is published quarterly for the partnership's 130,000 workers, managers, physicians and dentists. All of them are working to make KP the best place to receive care and the best place to work—and in the process are making health care history. That's what Henry Kaiser had in mind from the start.

For information about the management and union co-leads advancing partnership in your region, please visit LMPartnership.org.

(L+M)P The Power of Partnership

AROUND THE REGIONS: SAVING PENNIES, SAVING LIVES

COLORADO

When the Minor Procedures department at the Franklin Medical Office added three surgeons to its staff, the impact was positive: Access improved—patients got appointments faster. But staff members noticed the new surgeons were using $20 to $30 more in dressings and drapes than surgeons who had been in the department longer. The physicians responded positively when shown the information and, while allowing for medically justified exceptions, have standardized their usage of soft goods so it is more cost effective.

Team member Juan Hernandez, RN

GEORGIA

The Oncology/Infectious Disease staff at the Cumberland Medical Office Building embarked on a medication reconciliation project to keep patients safe and avoid unnecessary hospital admissions. A manual cleanup of patient records came first. To check the accuracy of the records, medical assistants and licensed practical nurses, all members of UFCW Local 1996, called patients and asked them to bring their medications (or a list) to their next appointment. Providers deleted duplicates and worked across clinical disciplines and with pharmacy colleagues to sustain and improve the process. In just three months in 2011, the percent of duplicate medications fell to 15 percent, which translates to $90,000 saved by reducing hospital admissions.

HAWAII

The nurses in the 23-bed Mother/Baby unit at Moanalua Medical Center learned a lesson in human nature when they placed life-saving emergency airway kits—essential for keeping a weak infant's airways unobstructed—at each bedside. Individual parts of the kits come in handy in other procedures and regularly turned up missing. Keeping everything in zipper plastic bags with a "do not remove" sign didn't do the trick. But after the team started re-purposing breast pump kit bags—which are sturdier and have labels with room to list the kit's contents, whether an item has been used and if it's been replaced—the team went from 75 percent of beds with fully stocked kits to 100 percent in four months.

MID-ATLANTIC STATES

The Adult Primary Care UBT in Falls Church, Va., is using the New Member Identifier tool in KP HealthConnect as the basis for targeted welcome letters and phone calls to set up appointments with primary care physicians and help refill prescriptions. And, when a new member comes in, he or she is provided with a new member kit and offered a one-on-one facility tour. Patient satisfaction percentile scores have risen from 84.6 in the first quarter to 87.4 in the third quarter. Cassandra Hodziewich, MD, a family practice physician, says more new members "are getting needed labs (and) screenings…. I think it's made a difference in the quality of their care."

Isolina Pistoessi, RN, with a new member

NORTHERN CALIFORNIA

Santa Clara Medical Center showcased its performance improvement work in October to eight UBTs from five regions as part of a two-day LMP learning lab. Visiting the Cardiovascular ICU, the delegation learned how the team uses visual boards to share improvement ideas and track projects. The Pharmacy department explained how it used Six Sigma to reduce workplace hazards, and the Women's Clinic department outlined its use of process mapping to reduce lab errors. On returning home, the visitors were tasked with finding ways to implement some of what they learned.

NORTHWEST

The Primary Care Team B staff at the North Lancaster Medical Office feels especially strongly about the importance of detecting colorectal cancer early, when it's highly treatable, since some of their own providers have suffered from the disease. The team, which presented a poster at the Institute for Healthcare Improvement conference in December, tracks who's eligible for a Fecal Immunochemical Test (FIT) kit, makes sure those members get one, and follows up if the kit isn't returned. And staff members tell patients how early detection made the difference for their co-workers. The return rate is now 85 percent, up from 50 percent. "We add a personal touch by telling our story," says labor co-lead Bill Waters, a medical assistant and SEIU Local 49 member, "and people respond."

Medical assistant Bill Waters

OHIO

The Parma Internal Medicine UBT has had a host of successes in its journey to becoming a high-performing team. In addition to improving meetings by defining roles and responsibilities, it has ensured sponsor support and increased staff engagement by creating subcommittees to work on projects. One of its innovative tests of change? Team members decided that while continuing to reduce actual wait times, they would work on the perception of time that patients experience while waiting—and created a slide presentation. The slideshow plays on computers in exam rooms and features health information on chronic diseases.

Medical assistant Ashley Silverthom

SOUTHERN CALIFORNIA

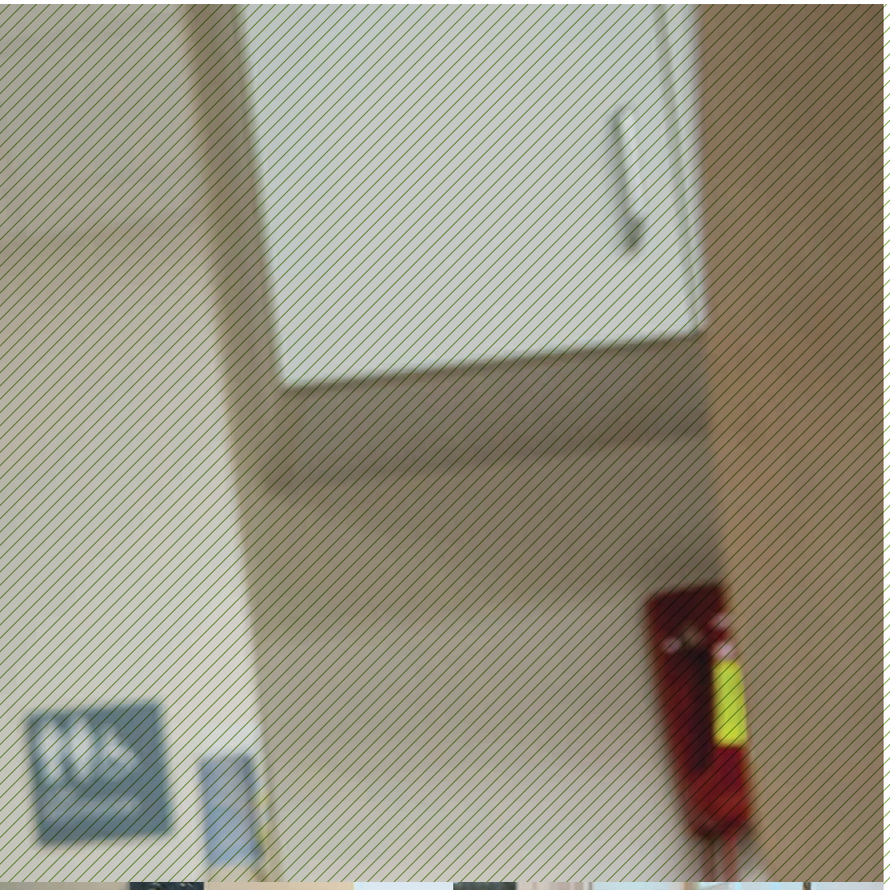
The Bonita Primary Care unit-based team in San Diego, which was included in a poster presentation at the Institute for Healthcare Improvement conference, set out on a four-month blitz to reduce its supply expenses by 10 percent, or about $4,750. The team agreed to decreased minimum levels of stock and made diagrams of shelves with new quantities. Staff labeled bins and removed, combined and organized the excess stock, and then used the excess as the primary source for exam room restock over the next four months. As a result, fewer supplies were stocked in exam rooms, fewer supplies were ordered and less stock expired (which would have needed to be replaced). In five months, the team saved nearly $24,700. hank

AFFORDABLE HEALTH CARE FOR ALL

HOW UBTs ARE MAKING IT HAPPEN

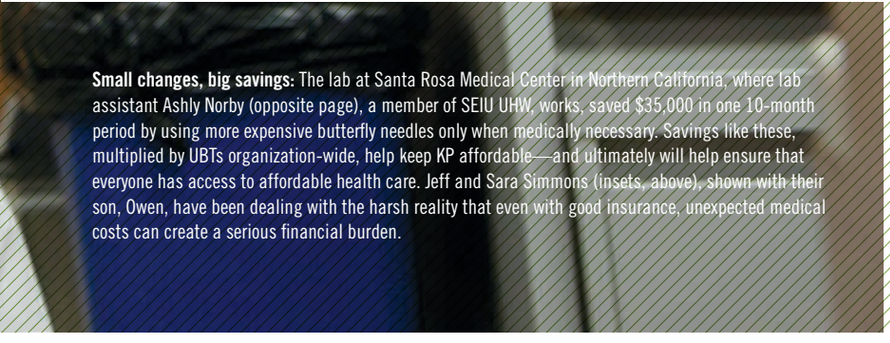
Article by:

LAUREEN LAZAROVICI



'Everybody should have affordable health care. Period.'

—JEFF SIMMONS, KP member, husband and father of two



Small changes, big savings: The lab at Santa Rosa Medical Center in Northern California, where lab assistant Ashly Norby (opposite page), a member of SEIU UHW, works, saved $35,000 in one 10-month period by using more expensive butterfly needles only when medically necessary. Savings like these, multiplied by UBTs organization-wide, help keep KP affordable—and ultimately will help ensure that everyone has access to affordable health care. Jeff and Sara Simmons (insets, above), shown with their son, Owen, have been dealing with the harsh reality that even with good insurance, unexpected medical costs can create a serious financial burden.

Jeff and Sara Simmons describe themselves as a "pretty average, middle-class" family living in a Northern California suburb with their sons. "We live a Lego life with two boys," laughs Sara, describing her toy-strewn living room.

But eight years ago, Sara was diagnosed with Type 1 diabetes, thrusting her into a routine of checking her insulin, monitoring her diet—and paying steep bills for medication and medical equipment. Recently, 7-year-old Owen also was diagnosed with the disease. And the family has to plan for the possibility that 5-year-old Griffin might be diagnosed with it as well.

Even though the family has medical insurance with Kaiser Permanente, the new bills related to Owen's care overwhelmed them. They applied for help from one of KP's medical assistance programs, which helped tide them over until they could get a handle on their new reality.

In the months since, the Simmonses have made some tough choices—deciding, for example, to sell their home and move to an area with a lower cost of living. But Jeff, a manager in a major corporation, worries about how families with lower incomes and fewer health care benefits than his would have fared under similar circumstances.

"How do they do this?" he wonders. "How are they surviving all of these curveballs?"

Health care is "absolutely not" affordable for most people, he says—then adds, "Everybody should have affordable health care. Period."

A difficult equation

The passage of the Patient Protection and Affordable Care Act in 2010 was a major step toward ensuring all Americans have access to health care. As provisions of that act take effect in 2014, Kaiser Permanente will have an extraordinary opportunity to further our historic mission of providing affordable, high-quality health care to working families. But with the opportunity comes a difficult financial reality. Because these incoming new members may not have had access to health care in the past, they may be costly to treat—and federal reimbursements may be on the low side. In addition, the federal government has cut the rates for Medicare reimbursements, which typically have provided about one-third of KP's revenue.

So Kaiser Permanente and unit-based teams face the challenge of treating more—and perhaps sicker—patients with fewer resources while maintaining and increasing the quality of care. Now more than ever, allocating our resources wisely is vitally important.

[continues on page 6 ·····►

AFFORDABLE HEALTH CARE FOR ALL

◄····· continued from page 5]

BORROW AN IDEA!

Here are some projects that UBTs have taken on to address affordability. Would one of these work for your team?

COST REDUCTION

- Standardize supply storage and ordering
- Reduce variation in supply ordering
- Reduce demand for STAT orders
- Internalize testing and other services

EFFICIENCY

- Reduce re-work caused by incomplete information
- Reduce error rate in processes
- Use templates to reduce documentation time
- Reduce readmissions

HOSPITAL PATIENT FLOW

- Ensure on-time surgical starts
- Improve operating room turnaround times
- Reduce transport delays
- Aim for 11 a.m. discharge
- Integrate transport and lift teams

OUTPATIENT FLOW

- Ensure clinic day starts on time
- Decrease failure to keep appointments
- Stagger start times for medical assistants to ensure physician support

Frugal power

It's easy to see how departments with multimillion-dollar budgets play a role in keeping KP affordable. For example, National Facility Services kept an eye on potential energy savings when a new data center was built and saved about $450,000 in electricity costs in 2010 and earned a $300,000 incentive from the local utility company. Another example: KP saved $26 million in 2010 alone by buying safer and more environmentally friendly industrial chemicals. And a redesign of the way KP deploys computer workstations saved $12 million as of August 2011.

But unit-based teams have just as big a role to play, even if most don't control huge budgets. The fact that there are more than 3,500 UBTs across the organization means savings can add up dramatically.

Some teams are saving "light green dollars," focusing on efforts that indirectly improve the financial picture. That might be boosting service and quality, which helps us get new members and retain the ones we have, or improving patient safety, which reduces a variety of expenses, including costly hospital readmissions.

Others are tackling "dark green dollars," direct savings that improve the bottom line right away. In fact, efficiency and non-payroll cost reduction is the fastest-growing category of projects for teams, according to an analysis of UBT Tracker data.

Is your team looking for new ways to save light or dark green dollars—or in need of ideas to get started saving? Keep reading.

Four ways to save money

1: Build business literacy

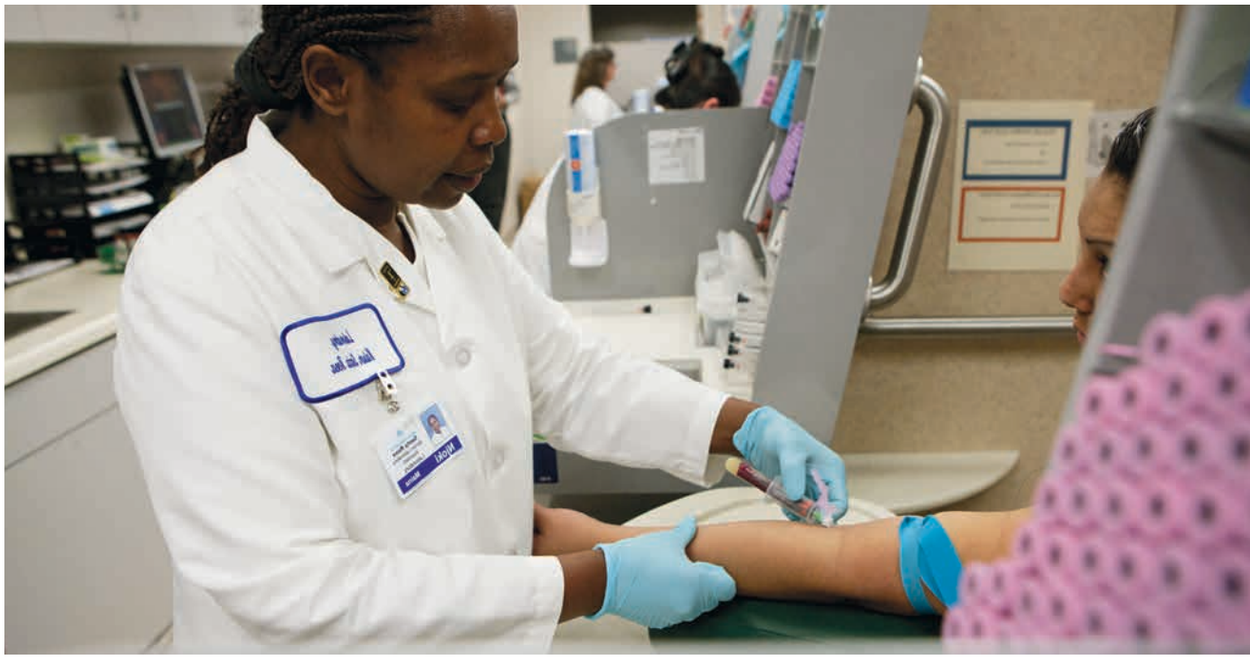
The more teams know about the business of health care in general and of their own departments specifically, the better equipped they are to find savings. To that end, LMP's Education and Training department is rolling out an economic literacy program in the coming year. Meantime, teams in both California regions have been using a curriculum developed by a multidisciplinary team in Northern California. The four-part course has caused some trepidation, since in the last two trainings teams go through their department's budget line by line—but that's exactly what gives the training its juice.

At the Fremont Medical Center in Northern California, the OR team took the training and instantly started looking for ways to save money. Co-leads Yolanda Gho, Operating Room nurse manager, and surgical tech Gus Garcia, an SEIU UHW steward, talk about the training, its benefits and how it inspired their team to do better on page 10.

2: Be supply savvy

Teams that take the time to make a comprehensive assessment of their supplies—tracking inventory use, tidying up storage areas, streamlining ordering and so on—can save tens of thousands of dollars with hardly any pain.

For instance, the scientists in the Immunology department at Southern California's regional reference lab use expensive chemicals, called reagents, to test whether patients have serious infections such as



hepatitis and HIV. Cleaning out and meticulously organizing the department's huge walk-in refrigerators allowed the team to order larger quantities of reagents at one time. Since employees have to test a sample from each shipment, fewer shipments mean fewer tests—saving staff time and expensive reagent. The work, which also means the team needs fewer rush shipments, is saving $50,000 a year.

Another example comes from the Head and Neck Surgery UBT at the Franklin Medical Office in Colorado, which kept trying small tests of change until it found a reliable way to prevent the disappearance of expensive surgical tools. Read about the team's work on page 12.

3: Bring it home

Contracting with outside individuals or companies often is more expensive than having the same thing done in-house. "In-sourcing" can range from health education centers in Northern California using KP-produced pamphlets instead of costlier items from an outside company, saving $64,000, to the Ohio region opening new micro-clinics so patients in the suburbs can see KP physicians instead of non-Permanente providers. (See the Summer 2012 edition of *Hank*, available on **LMPartnership.org**, for more about the Ohio region's work.)

4: Collect the money we're owed

Health care in general and Kaiser Permanente in particular is filled with mission-driven people. But KP can't sustain its mission if we don't collect the money we're owed.

In Colorado, the Medicare Risk Business Services UBT members spotted and fixed a technical problem with incomplete physician signatures on patient charts, which allowed them to bring in more than $10 million in Medicare revenue that otherwise never would have been collected. In Santa Rosa, Calif., the patient services representatives in the Emergency Room analyzed data and did some role playing with one another to reduce discomfort about asking for co-payments.

Figuring out issues like these takes tenacity, as the Patient Financial Services team in the Mid-Atlantic States discovered when it set out to fix problems with workers' compensation claims. Read about that team's work on page 8 and be inspired!

Summing it up

The next step for UBTs—a step they are being challenged to take by top management and union leaders—is to make the leap from successful individual team projects to a systemic effort to implement proven practices throughout the organization.

Meantime, remember another bottom line: High-performing teams score more favorably on People Pulse questions related to efficiency and cost reduction, and high-performing teams are more likely to take on affordability projects.

Working with your colleagues to become a high-performing team is a sure step toward reducing waste and improving affordability. Being high performing will help Kaiser Permanente continue to assist and care for families like the Simmonses—and will help us ensure *everyone* has affordable health care. hank

Keeping KP affordable

$50,000

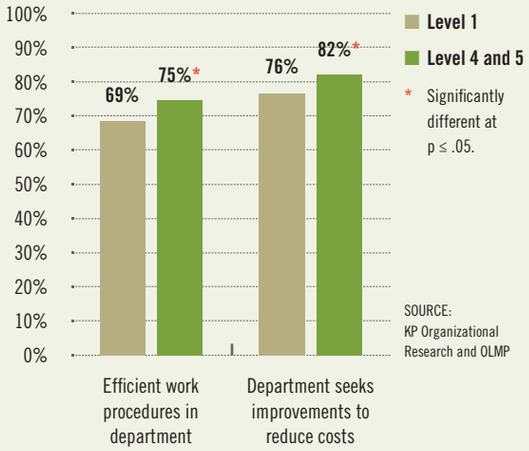
AMOUNT **ONE** IMMUNOLOGY DEPARTMENT SAVED BY BETTER ORGANIZING SUPPLIES.

$64,000

AMOUNT **ONE** REGION'S HEALTH ED CENTERS SAVED SIMPLY BY BRINGING PAMPHLET PRINTING IN-HOUSE.

Adding value

Responses to two People Pulse questions demonstrate the power of high-performing teams.



Don't reinvent the wheel!

There are lots of resources available to get your UBT geared up for working on affordability issues. Here are just a few.

Ten top tips. Get tip sheets on reducing supply waste and collecting co-pays. Visit **LMPartnership.org** and type 10 tips toolkit in the search box on the home page.

Frazzled by financial terms? Learn the lingo in just 30 minutes with this class from KP Learn. Sign on to **learn.kp.org** and search for hpi financial basics.

Read up! Learn more about what other UBTs are doing to keep KP affordable. Visit **LMPartnership.org/stories-videos** and select "affordability" from the Topics section in the left-hand column.

Be inspired. "Solving for affordability" is part of KP's overall strategy. Find out what other departments organization-wide are doing at **http://insidekp.kp.org/insidekp/strategy/affordability/index.html**.

Asking questions: One step teams can take to save money is to look at routine practices from time to time with fresh eyes. There may be less expensive ways to accomplish the same thing, as the lab team at Santa Rosa Medical Center discovered when it looked at its use of butterfly needles; shown (opposite page) is Njoki Maina, a senior lab assistant and SEIU UHW member.

CLOSING A FINANCIAL GAP

BILLING TEAM COLLABORATES WITH PROVIDERS AND PHARMACISTS TO END CODING ERRORS AND FRAUD THAT WERE COSTING KP THOUSANDS

Article by:

ANJETTA MCQUEEN

$85,000

THE AMOUNT BILLED TO THIRD PARTIES IN ALL OF 2011

$135,000

THE AMOUNT BILLED TO THIRD PARTIES IN FIRST NINE MONTHS OF 2012

Do workers' compensation funds and other third parties always pay their share of the cost of treating Kaiser Permanente patients? A patient billing team in the Mid-Atlantic States region tackled the thorny issue with a little sleuthing and a lot of collaboration.

"KP was losing money because there wasn't a good process in place to adequately bill third parties," says Angela Dautt, workers' compensation coordinator and the team's management co-lead. "For the good of our members, we needed to look at this."

The Patient Financial Services team—partnering with unit-based teams at the Falls Church Pharmacy in Virginia and Capitol Hill Internal Medicine in Washington, D.C.—created tests of change that led to:

- processing more than nine times as many third-party cases in the first three quarters of 2012 as in all of 2011
- accurately billing third parties nearly $135,000 through September 2012, up from about $85,000 in all of 2011

When a KP member is hurt on the job or is injured in an accident, the needed medical care typically is covered by another insurance company; in such cases, Dautt's team works to make sure Kaiser Permanente doesn't take on the costs that should be billed to third parties. But when the team, which is based in regional headquarters in Rockville, Md., reviewed its 2011 files, it found it had sent out bills for just 212 cases.

The team also noticed that third-party disputes over prescription drugs associated with treating work-related injuries seemed to be growing.

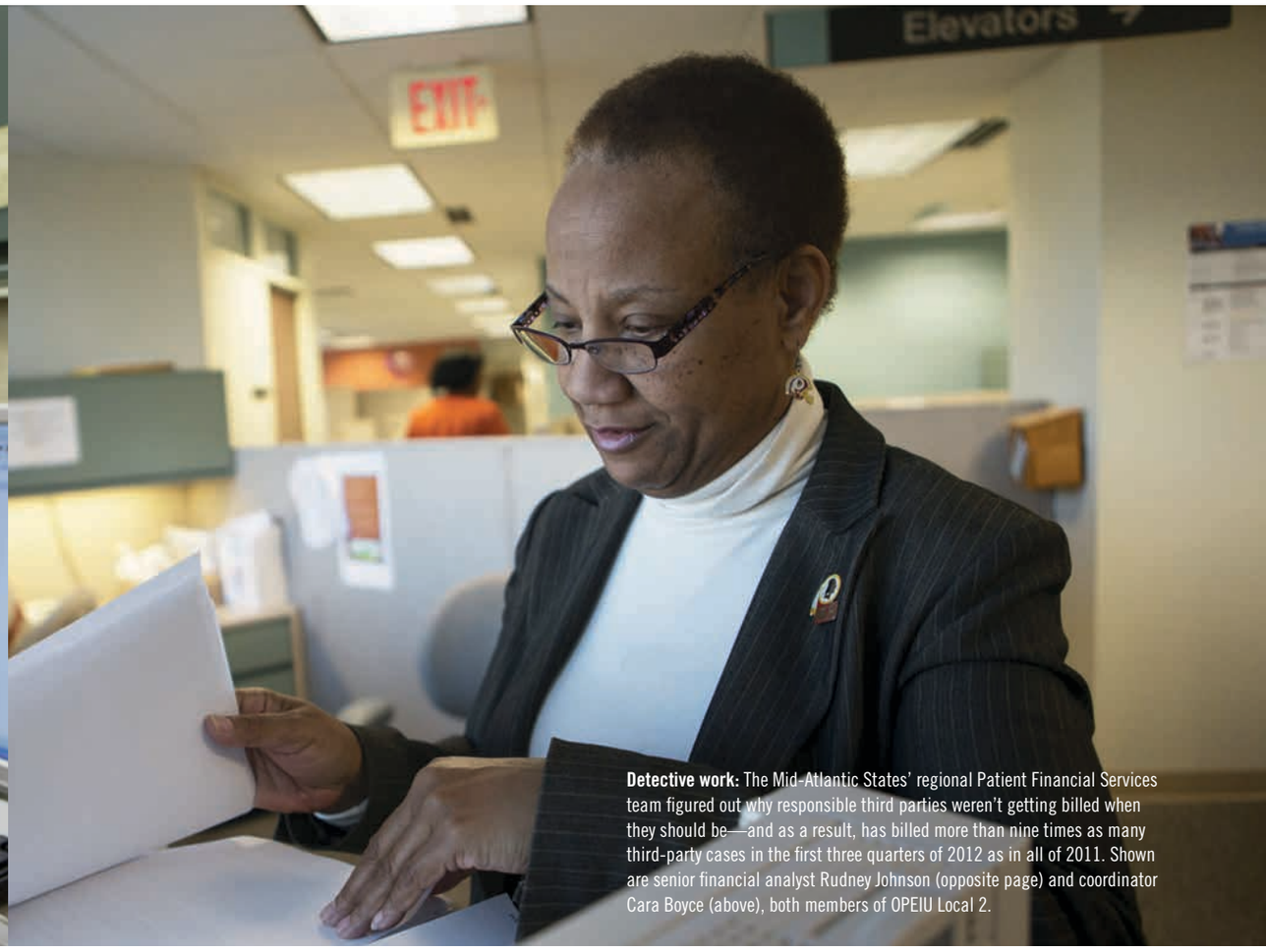
These discoveries presented the team with two challenges:

- improving how KP providers code workers' compensation treatments
- ensuring KP pharmacies are properly linking prescriptions to the workers' compensation treatment

Spotting workplace injury cases

The team decided to address these issues by reaching out to and working with internal medicine providers at Capitol Hill Medical Center and pharmacists at Falls Church.

Along the way, says Mae Littlejohn, who supervises Third Party Liability/Workers' Compensation billing and is a team sponsor, the team pinpointed some critical gaps and addressed them, too.



Detective work: The Mid-Atlantic States' regional Patient Financial Services team figured out why responsible third parties weren't getting billed when they should be—and as a result, has billed more than nine times as many third-party cases in the first three quarters of 2012 as in all of 2011. Shown are senior financial analyst Rudney Johnson (opposite page) and coordinator Cara Boyce (above), both members of OPEIU Local 2.

'KP was losing money because there wasn't a good process in place to adequately bill third parties. For the good of our members, we needed to look at this.'

— **ANGELA DAUTT,**
workers' compensation coordinator and team co-lead

For example, she says, "The pharmacy system did not speak to HealthConnect. Now we can link doctors' orders with workers' compensation and third-party liability cases."

"Much of the information we needed to bill was getting lost," says Tamara Teel, who is a third party liability identification representative, the team's labor co-lead and member of OPEIU Local 2.

So when the team met with the Capitol Hill and Falls Church UBTs, it helped providers understand the importance of coding all workplace injury treatments at *every* point during the visit. Pharmacists learned better ways to spot potential problems when filling prescriptions ultimately billed to third parties.

Specifically, the Patient Financial Services team:

- showed providers where and how to code workplace injury-related treatments during patient visits
- taught pharmacy staff members ways they could better identify medications related to workplace injuries and conditions
- used KP's electronic prescription drug information system to auto-populate KP HealthConnect records to make sure cases are better cross-referenced

To help reduce the number of third-party prescription-related disputes, the team modified the workers' compensation cards that patients use when purchasing prescriptions related to their claims. The cards, which waive the usual co-pay, now feature a raised, tamper-proof seal, deterring the fraudulent purchase of narcotics or other drugs unrelated to a work injury. A new training manual helps pharmacy technicians recognize fake cards.

"At first we were afraid of how what we had to say might be received," Teel says. But Littlejohn says the guidance was taken in the best spirit: "Now they understand the process from beginning to end."

As a result of the team's work, bills to third parties jumped to 1,981 through September 2012.

The raised provider awareness and new waiver cards help the teams serve KP's members and patients better.

Dautt explains that eliminating fraud guarantees that our members' co-pays are waived when they should be and that the responsible third party is billed. And lowering the cost of care per member helps keeps premiums down, especially for small groups that purchase Kaiser Permanente for their employees.

"There's more revenue for Kaiser," Dautt says, "and we're providing good and honest customer service." hank

Red bad, black good

YOLANDA GHO

JOB TITLE:
Operating Room nurse manager

GUS GARCIA

JOB TITLE:
Surgical technologist, SEIU UHW steward

FACILITY:
Fremont Medical Center

REGION:
Northern California

Fremont's Operating Room team loved taking the first parts of Northern California's business literacy training—so much so, it immediately requested the last two sessions, when teams pull out their budgets to review line-item expenses for the department. The review of payroll and non-payroll budgets has caused controversy and concern in some quarters, but the Fremont OR team not only took it in stride, it rode the momentum of the training by developing several performance improvement projects to reduce waste. One of those, streamlining its ready-made surgical supply packs, is projected to save roughly $34,000 a year.

The Northern California training began rolling out in 2011. The first three sessions are a tutorial on the basics of Kaiser Permanente business, explaining such things as our integrated business model (how the various KP entities do business together), key sources of revenue, and business concepts like margin goals. The rubber meets the road in the final two sessions, with their look at the department's financial realities. Team co-leads Yolanda Gho, Operating Room nurse manager, and Gus Garcia, a surgical technologist and SEIU UHW steward, talked with communications consultant Cassandra Braun about the training, its benefits and how it inspired their team to do better.

Q + A

Were you concerned about sharing the department's payroll and non-payroll budget with staff?

Gho: Not really. I thought, "Why don't we highlight the areas where we have opportunities to improve, like sutures—ones we can improve on and have control over." With payroll, my one concern was showing someone's salary. But it was explained that they didn't show individuals' salaries. So I was totally on board.

What was the staff's reaction to the training?

Gho: The response was quite eye-opening. There was an audible gasp. When they saw [the red lines], they were like, "Oooh, I thought we were doing great. Why do we have all that red on the screen?" What's great about this group is their minds immediately started running, thinking about what they could do.

Garcia: To me, it's like: We can fix that, or come up with ideas (for fixing it). That is what melds it all together.

Talk about your project to streamline surgical packs and how it was influenced by the business literacy training.

Garcia: Surgical packs have draping and supplies for each particular procedure. They're ready-made. So you always had to add things or throw away things that you didn't want, depending on the procedure. I was trying to see what we need or don't need. I worked with the supplier and our teams, like general surgery, and I asked their opinion—"What do you need in this thing and what do you not need?" We streamlined the packs to have the bare minimum. So everyone uses everything in the pack.

Gho: After the training, Garcia wanted to revisit this issue, because he had brought this up before.

Garcia: The wheels were turning in my head. If we're not using it, we're wasting money.

You also started work on reducing waste of sutures and other supplies?

Gho: Yeah, it was a culture change. In the past, as a nurse or tech, you were trained to always be ready. You were trained that the surgeons shouldn't have to ask for something. Some people think that if they're able to do that, they're seen as efficient and anticipating the needs. But the world is different, the economy is different. Now we have to ask ourselves, "Do we need to have this open to look good or just in case a surgeon asks for it? Or is it OK not to open it, but to have it in the room and ready?" Before, we were all trained that way—anticipate, anticipate, anticipate. We now give ourselves a centering moment before we open sutures or supplies that are not needed immediately for a case.

Watch for an announcement on **LMPartnership.org** when the national economic literacy training is available. In Northern California, you can arrange to have your team take the existing business literacy training by call the regional LMP office at **(510) 987-3567**; in Southern California, call **Marcia Meredith** at **(626) 405-3967** or email **Marcia.X.Meredith@kp.org**.

A streamlined approach: After the Fremont Medical Center OR studied the department's budget line by line, labor co-lead Gus Garcia pushed to streamline the surgical packs so nothing in them went to waste; management co-lead Yolanda Gho and Garcia (opposite page, left to right) both think that educating staff in the business of health care helps teams make better decisions.

What advice would you give to other teams thinking about taking business literacy training?

Gho: My advice is to help educate your staff members by being transparent about information that affects them and the team. As a manager, I want to create awareness and understanding of the issues with my staff. It bridges the information and knowledge gap. The more we're armed with information, the better decisions we make.

Garcia: If it was up to me, I'd have everyone take the class. I think it just gives you a different perspective. It breaks it down and gives you an overall view that staff members don't get to see all the time. It keeps them informed.

Gho: People tend to complain about things but do nothing about it. In our UBT, you bring solutions. We're doers. It's our chance to do something. hank

'The wheels were turning in my head. If we're not using it, we're wasting money.'

—GUS GARCIA, surgical technologist, SEIU UHW steward

TIPS AND TOOLS

Biz lit lingo

Business literacy training helps frontline staff members participate in discussing budgets and generating ideas that both serve patients and save money.

CORNERSTONES OF KAISER PERMANENTE	
Kaiser Foundation Hospital (KFH)	Operates hospitals and owns the physical assets for the hospitals and clinics.
Kaiser Foundation Health Plan (KFHP)	Offers high-quality health plans to businesses, individuals, state and federal agencies.
The Permanente Federation	The umbrella group representing the regional medical groups and their physicians.
Permanente medical groups	Eight regional groups that provide the medical care for KP members and operate the outpatient clinics.
Coalition of Kaiser Permanente Unions	A consortium of 29 union locals, representing nearly 100,000 employees, that works collaboratively with Kaiser Permanente entities through the Labor Management Partnership and, currently, the 2012 National Agreement.
Integrated business model	How KP entities do business together.
Integrated service model	How departments that are dependent on one another work together, regardless of which entity they belong to, to provide efficient services to KP members. For example, a nurse in a Kaiser Foundation Hospital orders a blood test from a lab run by a medical group.

REVENUE	
Revenue	Money Kaiser Permanente gets every month from members' premiums in addition to money from other sources, such as visit co-pays.
National businesses revenue	Revenue from businesses that operate nationally and federal government agencies.
Local businesses and individual revenue	Revenue from statewide employers and individuals.
Medicare reimbursement	Revenue from reimbursements for Senior Advantage members and other Medicare fee-for-service programs.
Co-pays and supplemental fees	Fees our members are charged for outpatient, inpatient, emergency room and optical visits, as well as pharmacy purchases.

EXPENSES	
Expenses	Money spent or costs incurred in the course of generating revenue.
Capital equipment	Any piece of equipment costing more than $5,000.
Capital reinvestment	Money earmarked for building new facilities, renovating existing ones or purchasing new equipment and technology.
Margin	Revenue minus expenses—money left over after all expenses are paid.
Margin goals	The amount of money needed to fund capital reinvestment projects and have a cash balance remaining each year.

PDSA »

Each issue, *Hank* features a team that has successfully used the "plan, do, study, act" (PDSA) steps of the Rapid Improvement Model (RIM). Find out about other teams' successful practices and learn more about how to use the PDSA steps by visiting **LMPartnership.org/ubt**.

LOSING STREAK ENDS FOR UBT

Article by:

JENNIFER GLADWELL

FEATURED DEPARTMENT:
Head and Neck Surgery, Franklin Medical Office

REGION:
Colorado

VALUE COMPASS:
Most Affordable

Replacing expensive instruments goes by the wayside

SMART goal

Decrease instrument loss by more than 90 percent in one month's time

Metric

Number of lost instruments

Team co-leads

Angela Peace, scheduler, SEIU Local 105; Angela Garcia, RN, UFCW Local 7; Michele Boes, supervisor

Small test of change:

Nurses "own" the instruments their surgeons need for the day and count the inventory at the beginning and end of their shifts, similar to reconciling a cash box in a retail environment.

Result

In the first half of 2011, the team spent more than $26,000 replacing 300 lost instruments. A year after the successful test of change in June 2011, only five instruments have needed replacing—two instruments that were lost and three that were broken. The team has met its goal and sustained its success.

Background

Surgeons often use delicate and expensive instruments in the Head and Neck Surgery department. And with 900 instruments being used and processed for reuse, it wasn't hard to lose track of an instrument.
But replacing them is expensive—some cost several hundred dollars each. When the department received the news that due to budget constraints lost instruments would not be replaced, team members knew they had to get a grip on the problem.

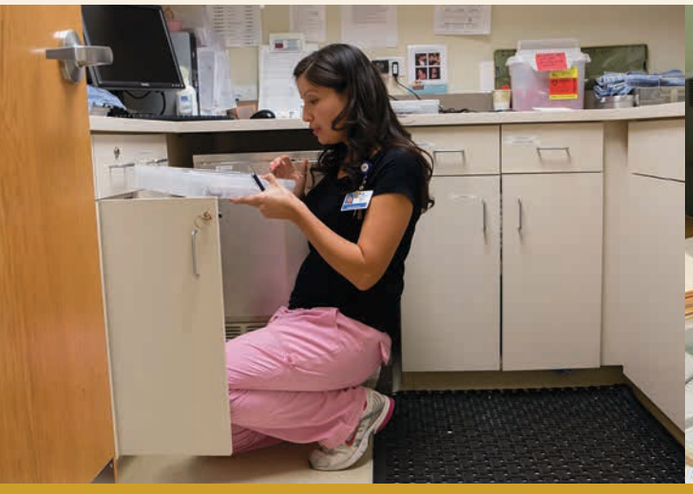
"When we came up to the crisis, we brainstormed through it," says labor co-lead Garcia. The team tested several ideas, including color-coding instruments with

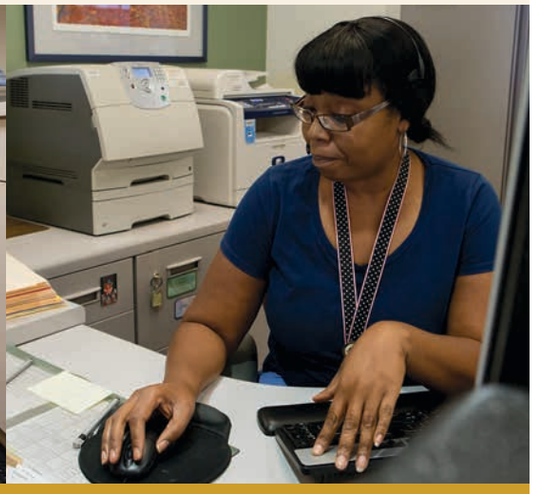
Clarifying responsibility: The Head and Neck Surgery team tried several tests of change before hitting on a solution, which made it clear who needed to keep track of expensive surgical instruments. Shown are the team co-leads (opposite page, left to right): scheduling specialist Angela Peace, an SEIU Local 105 member (also shown below right); Angela Garcia, RN, a UFCW Local 7 member (also shown below left), and supervisor Michele Boes.

Too many lost instruments

$26,000

THE AMOUNT SPENT ON REPLACING LOST INSTRUMENTS IN THE FIRST HALF OF 2011





Nurses now 'own' the instruments their surgeons need and track down anything that has gone missing at the end of each shift.

tape—a change that didn't get adopted because of infection control issues and because it turned out the tape didn't help prevent loss.

Then the team tried dividing the instruments among the 20 patient rooms and two procedure rooms. That didn't work either, because each physician has his or her own preference for certain instruments, and the staff didn't know where the instruments would be needed.

But the team remained focused on the problem and finally landed on a process that has done the trick.

"Nobody was taking responsibility for the instruments," Garcia says. "We needed to hold people responsible for what they were using."

The UBT wound up purchasing plastic bead boxes from a local craft store and labeling each box by nurse. The nurse is in charge of the box, just as a store clerk is responsible for a cash box. Nurses check the inventory at the beginning and end of each shift to make sure their boxes balance, and if something is missing, they are responsible for finding it.

"Coming up with the system was ingenious," says Liz Vandyck, a clinical audiologist and member of UFCW Local 7.

The team also took time to educate the entire staff about the process and explain both how valuable and how fragile the instruments are. This helped everyone understand the reason for the change—and inspired everyone to be more responsible. It conducts monthly audits to ensure it sustains its success.

"This was a really interesting way to solve the problem," commends Lorana Brass, MD, one of the department's physicians. hank

SHARE YOUR BEST PRACTICE

Has your team successfully used the PDSA steps to improve service, quality, affordability or the work environment? Email *Hank* about it at **hank@kp.org**.

TIPS AND TOOLS

Brainstorming

Brainstorming is a technique used to generate ideas. All team members participate, and a recorder captures each idea as it is suggested.

WHEN TO USE IT

To create options

BENEFITS

- Involves everyone in the problem-solving process
- Develops creative and innovative ideas
- Generates options that meet varying interests
- Enlarges the pool of options

TIPS FOR EFFECTIVE BRAINSTORMING

- Be freewheeling
- Imagine, wonder, dream, share mental images, synonyms, play on words, free associations, far-fetched ideas
- Take risks
- Don't censor your own ideas
- Build on others' ideas
- Listen, combine, adapt, expand, hitchhike, piggyback, aim for quality
- Don't worry about duplicate ideas; don't stop to fine-tune an idea

WHAT TO AVOID

Do not critique, evaluate, ridicule or otherwise comment negatively on any idea during brainstorming. A team member who hears immediate criticism may withdraw from the process. Though the first idea that comes to mind may not be the best, that kernel may lead to an excellent idea. Criticism interrupts the flow of developing ideas. hank

LABOR HISTORY

Socialist medicine?

Article by:

LINCOLN CUSHING
Kaiser Permanente Heritage Resources

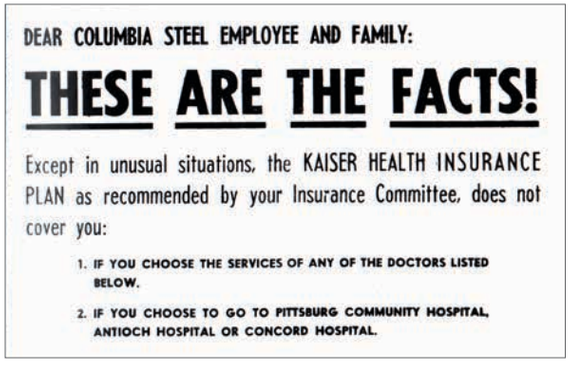
In the boom years after World War II, the Kaiser Foundation Health Plan (KFHP) faced an uphill battle. It had expanded to the public in 1945, but the wartime truce between fee-for-service doctors and the prepaid, group practice model developed by Dr. Sidney Garfield had faded. The gloves came off in 1953.

That year, the Kaiser Foundation built a brand-new 94-bed "hospital of the future" in Walnut Creek. The Insurance Committee of United Steelworkers Union of America Local 1440, based in nearby Pittsburg, asked it to bid on a comprehensive health plan. Local private practice doctors went ballistic.

Over an 11-week period, the private practice doctors published full-page ads in the local papers, sent direct mailings to union members and even cruised the streets with a sound truck. The American Medical Association resorted to red-baiting, calling the Kaiser plan "socialistic." An alternative "Doctor's Plan" proposal was reviewed by the union and rejected.

The doctors hammered at the lack of "freedom" involved with KFHP. Union members were warned that, should they pick Kaiser, they no longer would receive treatment from their beloved "family doctors" or get care from their community hospitals.

On Sept. 3, however, 2,622 USW members—65 percent of eligible workers at United States Steel's Columbia Steel plant—voted by secret ballot, and more than 83 percent of them picked the option to be covered by KFHP. Although they could have continued with fee-for-service treatment, some 10,000 Steelworkers and their dependents chose Kaiser. hank



DEAR COLUMBIA STEEL EMPLOYEE AND FAMILY:

THESE ARE THE FACTS!

Except in unusual situations, the KAISER HEALTH INSURANCE PLAN as recommended by your Insurance Committee, does not cover you:

1. IF YOU CHOOSE THE SERVICES OF ANY OF THE DOCTORS LISTED BELOW.
2. IF YOU CHOOSE TO GO TO PITTSBURG COMMUNITY HOSPITAL, ANTIOCH HOSPITAL OR CONCORD HOSPITAL.

An ad opposing the Kaiser plan, placed in the *Pittsburg Post Dispatch* in July 1953, was signed by more than three dozen local doctors.

PUZZLES AND GAMES

MEET THE WINTER LMP STAR!

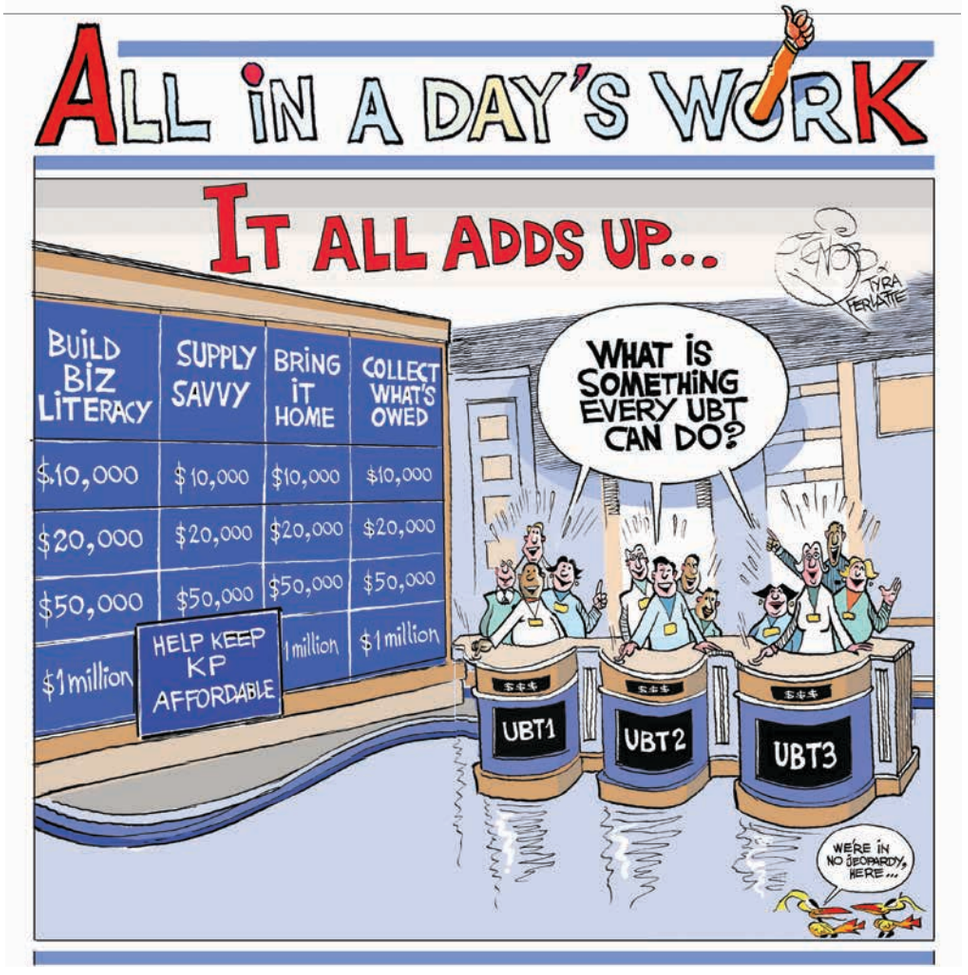
Sheena Chen, a senior analyst in Northern California's regional offices, is responsible for some critical behind-the-scenes work that influences the work of frontline unit-based teams. She tracks metrics on how our hospitals are utilizing resources, including, for example, the length of patient stays. She's interested in the possibility of making site visits, to make a better connection between the metrics she reports and the patient's experience of care. She values the agility of unit-based teams and their ability "to experiment and see what works best for the patient." Chen has worked for Kaiser Permanente for a year and a half.

BE OUR NEXT STAR! Here's how:

1. **Complete each puzzle/game on the opposite page.**
2. **Have fun filling out the HANK LIBS.**
3. **Mail the page to:**
   LMP Communications/Hank,
   1 Kaiser Plaza 24L, Oakland CA 94612
   or scan it in and email it to hank@kp.org.

NOTE: All entries that have the first four puzzles/games correct will proceed to the tie-breaking round, and our panel of LMP judges will vote for the most creative HANK LIBS.

Check out this issue's answers to the puzzles and games at **LMPartnership.org/puzzles-and-games/answers**.



WHO'S THAT PERSON?

In each issue of *Hank*, we will feature someone prominent from Kaiser Permanente on the front cover.

CAN YOU NAME THIS PERSON?

WHERE'S THE MISTAKE?

In each issue of *Hank*, there will be a purposeful mistake hidden somewhere in the pages. Can you find it?

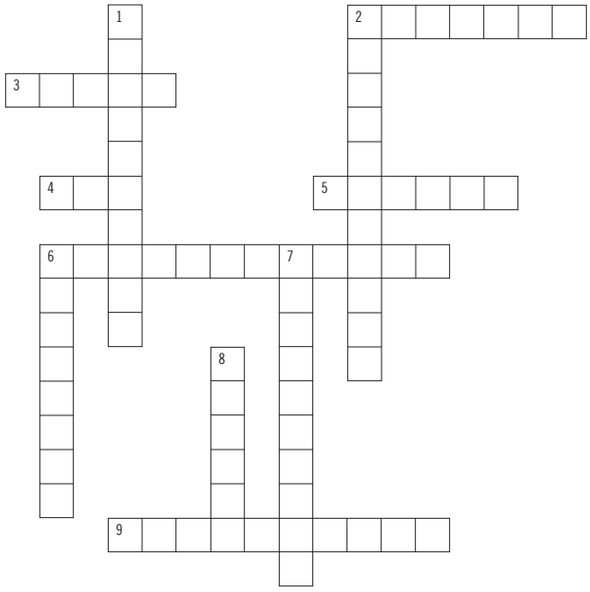
FOR EXAMPLE:

Name tag on backwards.

YOUR ANSWER FOR THIS ISSUE:

CROSSWORD: Business literacy

DIRECTIONS: Test your knowledge of business terms by working this puzzle.



ACROSS

2 Equipment costing more than $5,000

3 Fee charged for visits and pharmacy purchases

4 Owns hospitals and physical assets for hospitals and clinics

5 Revenue minus expenses

6 Guides values; keeps patients/members in the center (2 words)

9 Number assigned to a department or a unit (2 words)

DOWN

1 Entity that enrolls members, collects dues, maintains records (2 words)

2 Money as safety measure for the unexpected (2 words)

6 Difference between what's approved and what's actually spent

7 Primary source of revenue to KP

8 Plan for managing financial resources

HANK LIBS: Show me the money

DIRECTIONS: Before reading on, hand this to a fellow employee and ask him or her to read aloud the description for each blank and write the answer you give in the spaces.

From _____ to _____, unit-based teams are tackling
(KP region) (KP region)
_____ dealing with _____ money and _____ Kaiser
(plural noun) (verb "ing") (verb "ing")
Permanente affordable. When the organization saves _____, those savings
(noun)
help keep our members' premiums from going _____. In addition, KP
(direction)
_____ back to the community in _____ ways. From serving kids
(verb) (adjective)
in _____ health clinics to helping out victims from Hurricane Katrina, we are
(adjective)
there for our _____. So next time you have an _____ that might
(plural noun) (noun starting with a vowel)
save some _____ in your department, _____ your voice.
(plural noun) (verb)
If every department _____ a few dollars savings, it will _____ up to
(verb) (verb)
_____ savings for our members and our communities.
(adjective)

Submitted by _____ Position _____

Region _____ Facility _____

Phone _____ Email _____

MEETING ICEBREAKER

What's in your wallet?

Ask each person to pick a coin from their purse or wallet. (Have some coins on hand to pass out in case people don't have coins.) Then ask them to look at the date on the coin and think about something that happened that year that impacted their financial situation—good or bad. Have each person briefly share the event and the impact it had.

For example: "In 1983, my daughter was born and…." Or, "I bought a house in 1998 and…." Allow 10 to 15 minutes, depending on the group's size.

MEDICAL TRIVIA QUESTION

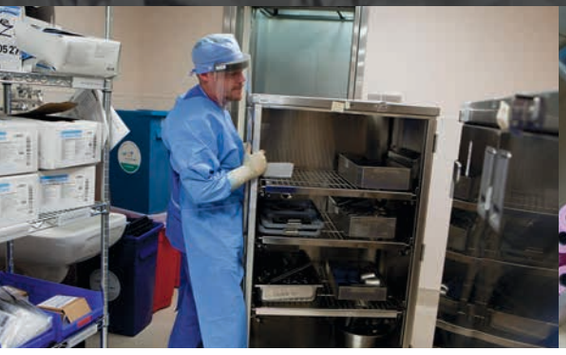
Surgeons originally were associated with what group of trade workers not typically linked to modern medicine, but in which a sharp edge is also the instrument of choice?

a. swordsmiths b. butchers c. seamstresses
d. barbers

SUPPLIES A MESS?

10 WAYS TO ELIMINATE WASTE

1. **Sort your supplies.** Keep the ones you need and get rid of the ones you don't. Separate the ones you're not sure about, then get the information you need to make a decision.
2. **Give everyone in the department a chance** to say why something should be kept.
3. **Organize supplies**, keeping safety in mind (e.g., don't set it up so people will have to lift something that's too heavy). Label where supplies belong.
4. **Set "par" levels:** How much should always be on hand?
5. **Establish a signal** for when supplies need to be re-ordered or are getting close to their expiration date.
6. **Set up a system** for making sure supplies stay organized.
7. **Check in with team members periodically** to see if the new system needs fine-tuning.
8. **Investigate** whether you can consolidate orders with other departments that use the same supplies.
9. **Inspire the team:** Calculate how much money is being saved with the new system.
10. **Tell your story:** Take before and after pictures to help inspire other departments to tackle waste in their units.



HELP KAISER PERMANENTE REMAIN AFFORDABLE FOR OUR MEMBERS AND PATIENTS

(L+M)P
The Power of Partnership

FOLD AND TEAR ALONG DOTTED LINE