

The Business Case for High Reliability



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***If we each take responsibility
in shifting our own behavior,
we can trigger the type of changes
necessary to achieve
high quality outcomes
and financial sustainability.***

Presentation Overview

- What is High Reliability?
- Why should High Reliability be important to health care leaders?
- How do you create a culture of High Reliability?
- Who benefits from High Reliability?

What is High Reliability?



Zero defects
Zero harm

High Reliability Organizations (HROs)



Dying from radiation exposure while living next door to a nuclear energy plant is **1 in 100 million per year.**

Dying in a US hospital from error is 1 in 600 admissions. (Makary, BMJ 2016)

Dying during a flight on a domestic carrier within this country is **1 in 10 million departures.**



High Reliability Organizations



A social system that has developed a culture sensitive to safety that makes it possible for employees to prevent or mitigate accidents or errors.

High Reliability Organizations “operate under very trying conditions all the time and yet manage to have fewer than their fair share of accidents.”

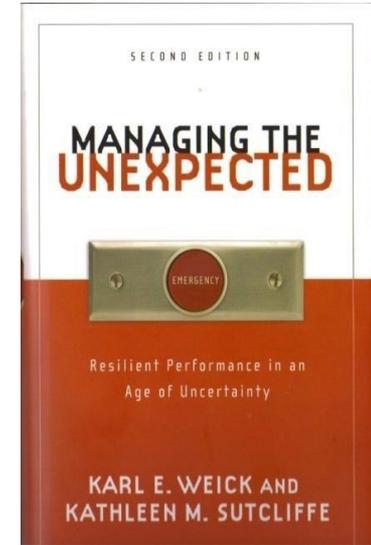
– Weick & Sutcliffe

Attributes of High Reliability

HROs share five similar attributes driven by the culture:

1. Sensitivity to operations
2. Reluctance to simplify interpretations
3. Preoccupation with failure
4. Deference to expertise
5. Commitment to resilience

From Weick and Sutcliffe, *Managing the Unexpected* 2007



High Reliability means...

...getting things right each and every time by:

- Building and sustaining a high reliability culture
- Preventing failure
- Reducing the probability of error



Two Types of Reliability



Process Reliability

Managing the expected

- Standardization
- Standard work
- Automation

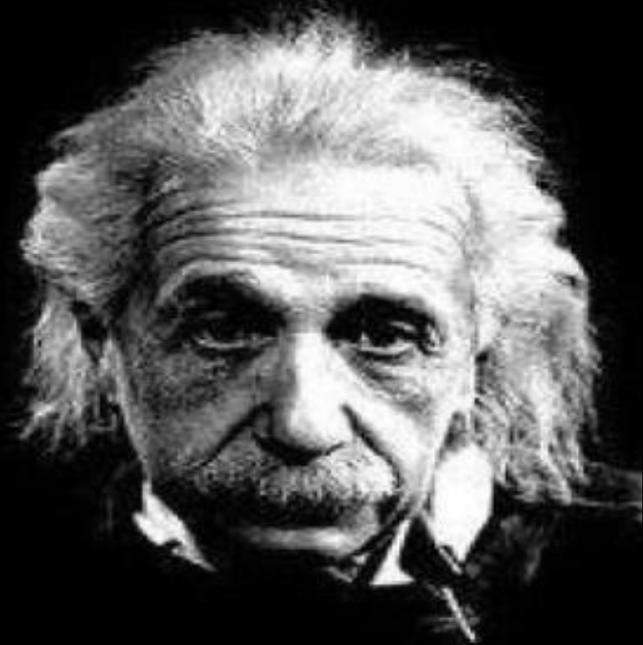


System Resilience

Managing the unexpected

- Thinking
- Thinking in teams
- Information systems + adjustments

“WE CANNOT
SOLVE OUR
PROBLEMS
WITH THE SAME
THINKING WE
USED WHEN WE
CREATED THEM”



Why should High Reliability be important to health care leaders?



Health Care Margins Will Be Challenged

Organizational sustainability is vital to the future of health care!

Poor quality, inefficient processes, and re-work has an unfavorable financial impact.



- Preventable harm
- Process inefficiency
- Overuse

2018 will see continued downward pressures on profitability!

- Healthcare spending growth will continue and is expected to increase over 5% per year between now and 2025.*
- Health plan consolidation and value based purchasing will continue to erode reimbursement.
- Consumerism will continue to drive prices down.
- Margins will be impacted!

High Reliability Impacts Every Organization!

- **The patients ...** *Quality, patient harm, and the health care experience*
- **The employee ...** *Cost of personal harm and direct / indirect costs*
- **Employee and physician engagement ...** *The organizational culture*
- **Impacts the cost of health care**
- **Impacts organizational financial sustainability**



Reliability Impacts Your Patients

Patient Harm



- **1995 to 2010:** 956 wrong-site surgeries reported
- **Medication errors:** 10M annually, 1.5M harmed
- **Hospital acquired infections (HAIs):** 1 out of 20 hospitalized patients
- **Falls:** 500K annually, 150K will be injured

The Patient Experience

Serious Safety Events



Sharp Memorial Hospital Serious Safety Event Rate (SSER)

January 2013 - October 2017

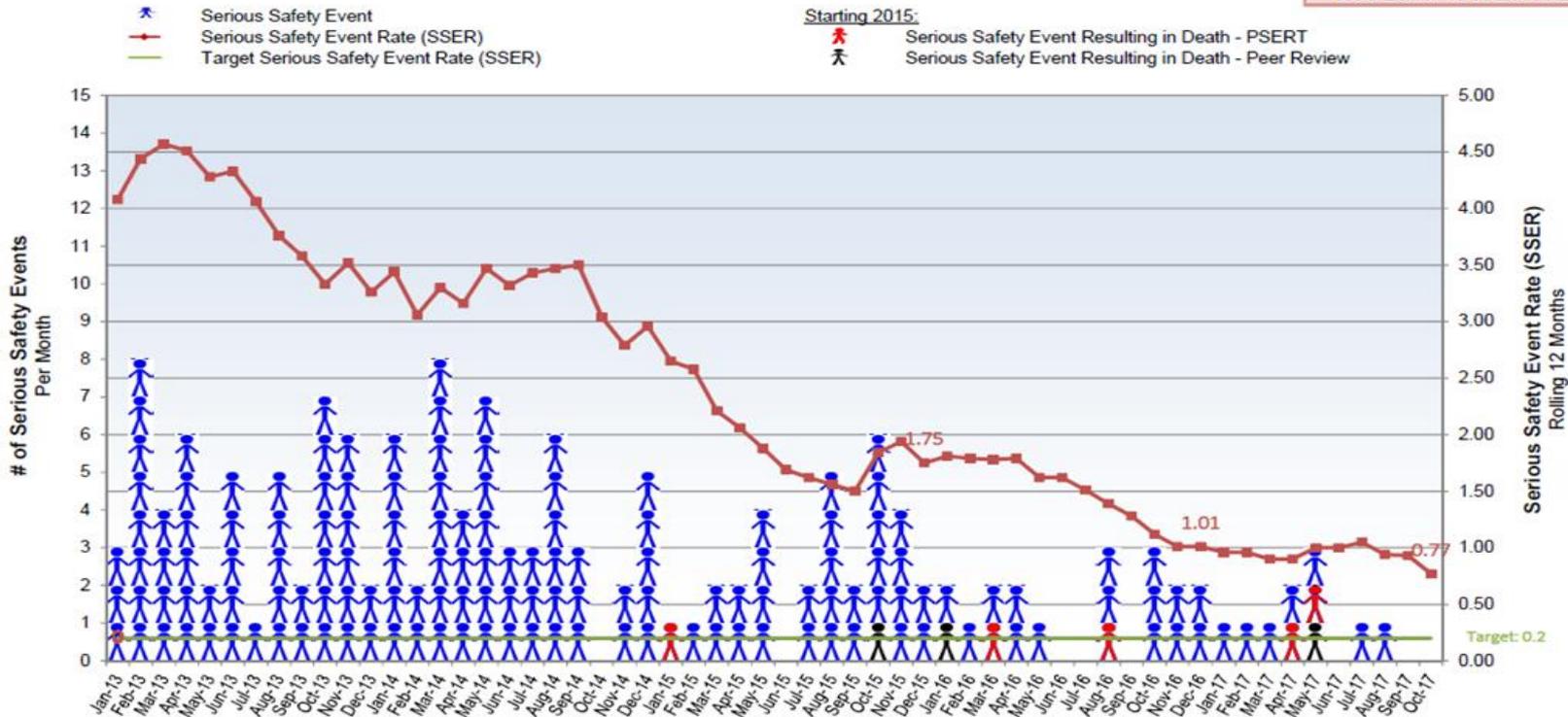
Rolling 12-month Rate of Serious Safety Events per 10,000 Adjusted Patient Days

Average Number of Days between
Serious Safety Events

2015: 11.8

2016: 20.3

Nov 2016 - Oct 2017: 26.1



Serious Safety Event: A deviation in generally accepted performance standards resulting in moderate to severe patient harm or death

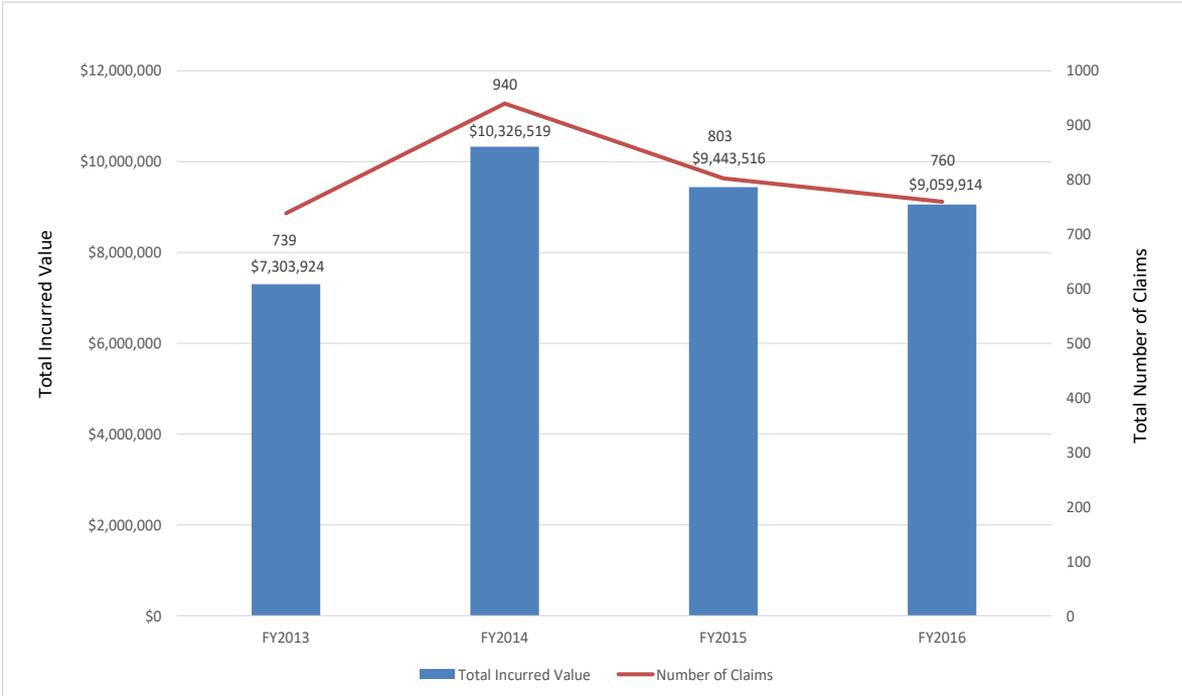
Confidential and Privileged Patient Safety Work Product

Reliability Impacts Your Employees

The Cost of Personal Harm



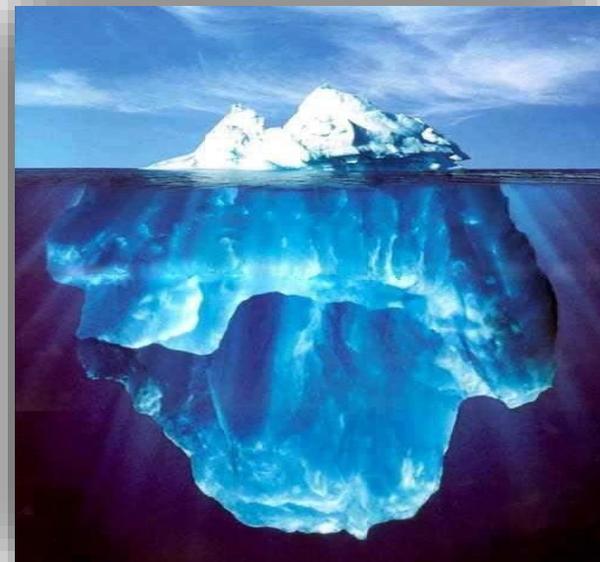
Workers' Compensation - OSHA Recordable Claims
FY2013 through FY2016



Most Valued Assets – Our Employees

Indirect Costs

1. Impact to coworkers productivity and work schedule
2. Loss of efficiency due to break-up of clinical team
3. Impact to supervisor's productivity and schedule
4. Recruitment costs for replacement of workers
5. Training costs for new/replacement workers
6. Loss of production for remainder of the day
7. Failure to fill orders/meet deadlines
8. Overhead costs while work was disrupted
9. Employee and physician morale and engagement



Reliability Impacts Your Culture

Employee and Physician Engagement

- High-reliability performance enhances employee engagement.
- Employee and physician engagement improve the patient experience.
- Your organizational reputation drives financial performance!

Culture will always trump your best strategy!



Reliability Impacts the Cost of Health Care

40% of health care dollars spent is waste!

Medical errors cost the United States an estimated \$21 billion.



A Lack of Reliability Increases Waste



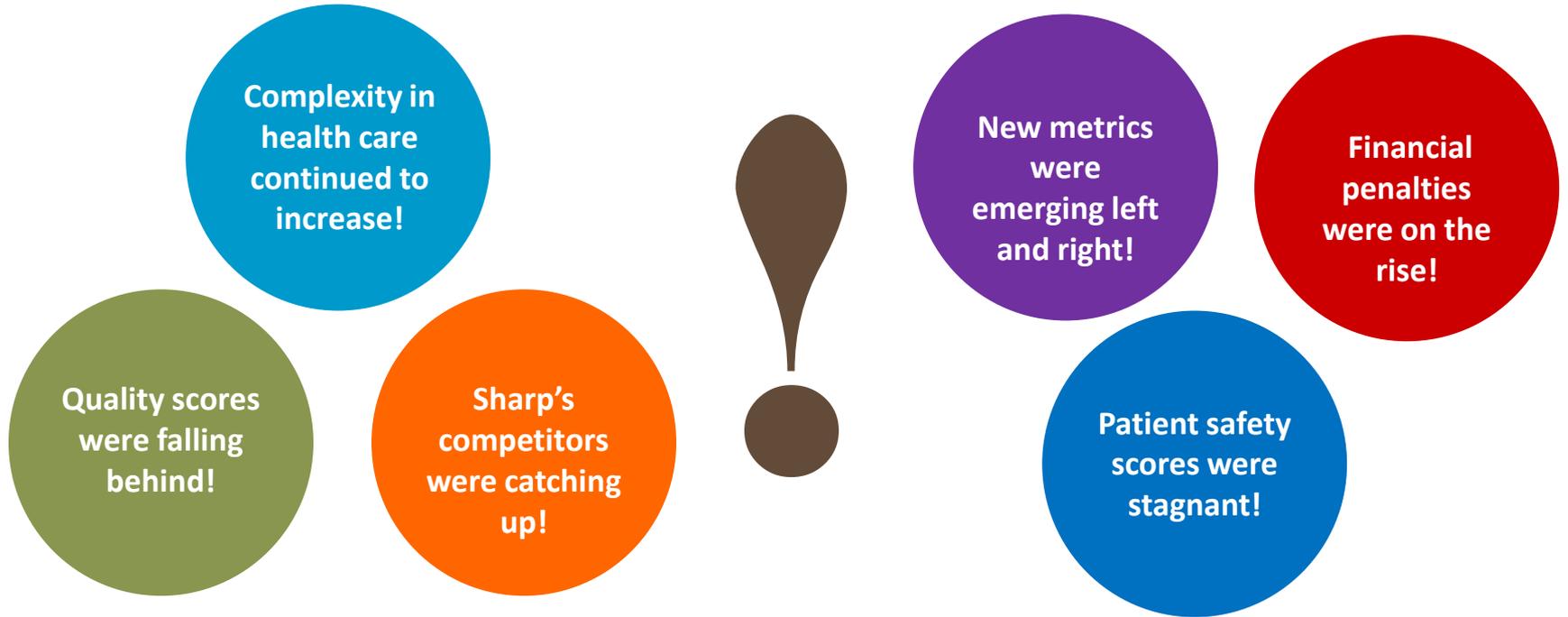
The cost of waste equals 32% to 42% of what the federal government will spend on Medicare this year!

How do you create a culture of High Reliability?



Sharp's HRO Story Began in July 2014

Sharp is a leading health care system in San Diego but...



Start with the Deep Dive...

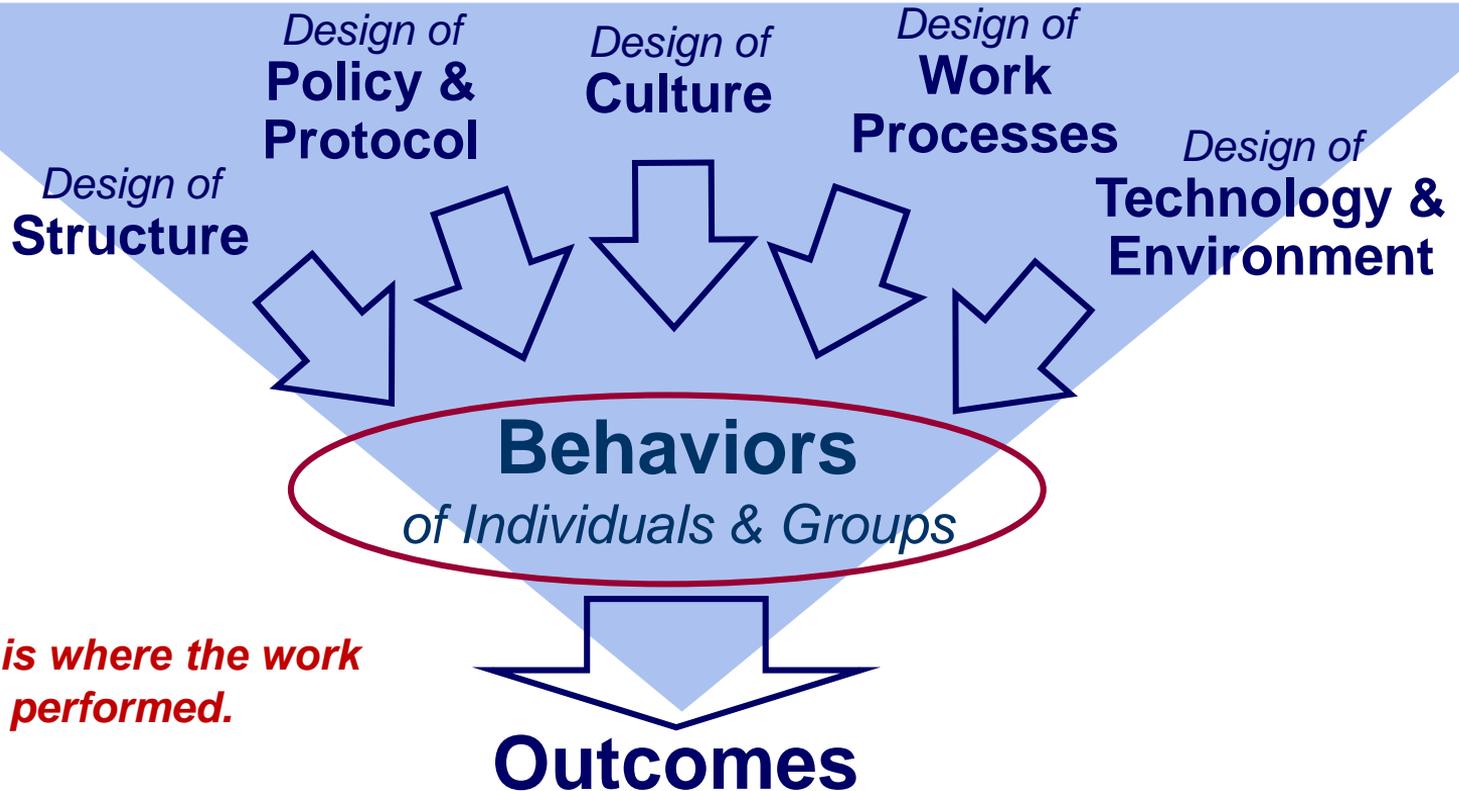
- Analyze serious safety events
 - Patient Harm
 - Employee Harm
- Understand your safety culture
- Deeper dive into employee and physician engagement
- Understand how this impacts the patient experience



“What if we don’t change at all ...
and something magical just happens?”

Understand the Shaping Behaviors

The 'blunt end' represents system factors.



The 'sharp end' is where the work activity is performed.

Adapted from R. Cook and D. Woods, *Operating at the Sharp End: The Complexity of Human Error* (1994)

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Mutual Respect and High Reliability

A culture of mutual respect is a prerequisite to *creating* a high-reliability organization.



Its All About Culture

Mutual Respect is the foundation to achieving zero harm and zero defects and it demonstrates the value we have for one another.



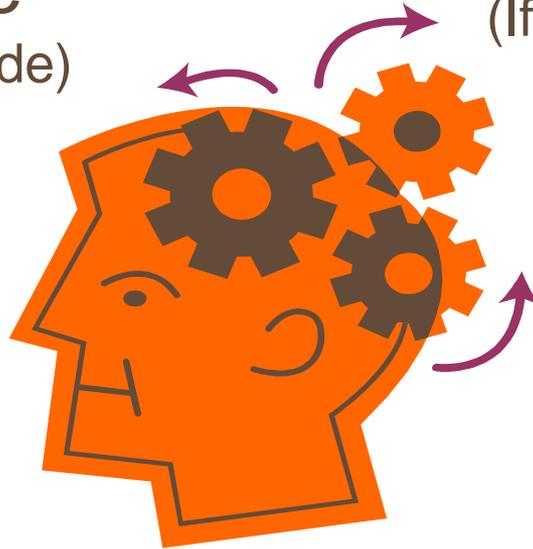
Team Work

- Reliability huddles and debriefs
- Ownership for reporting issues and offering solutions
- Receiving and giving thoughtful feedback

Understand Human Performance

Knowledge-Based
Performance
(Figuring-It-Out Mode)

Rule-Based
Performance
(If-Then-Response Mode)

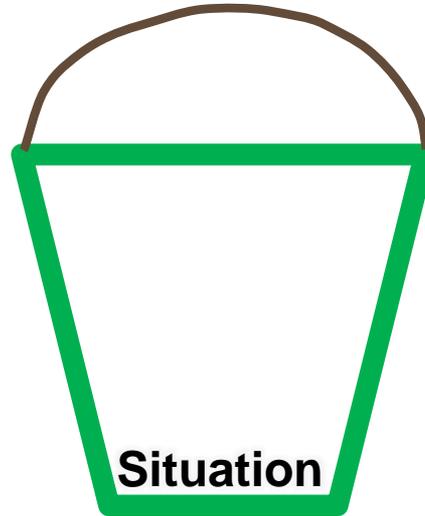
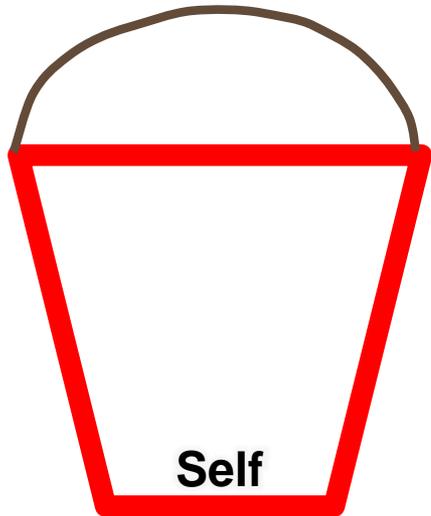


Skill-Based
Performance
(Auto-Pilot Mode)

Reduce Error Influencers

Fatigue
Positive and negative life events
Lack of knowledge

Handovers
Lack of time
Distractions
Interruptions



Create Barriers to Risk

The Anatomy of an Event

The Swiss Cheese Model

Multiple Barriers - technology, processes, and people - designed to stop active errors

Preconditions

Culture

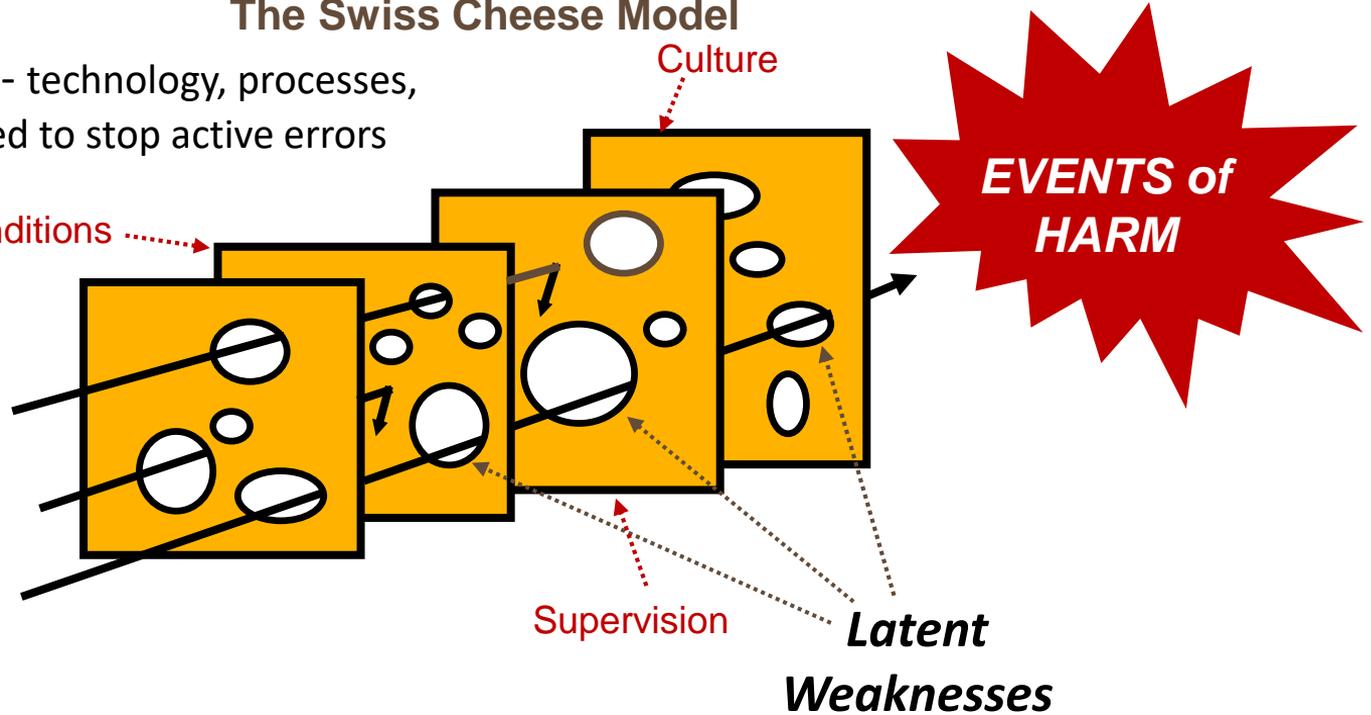
EVENTS of HARM

Active Errors

by individuals result in initiating action(s)

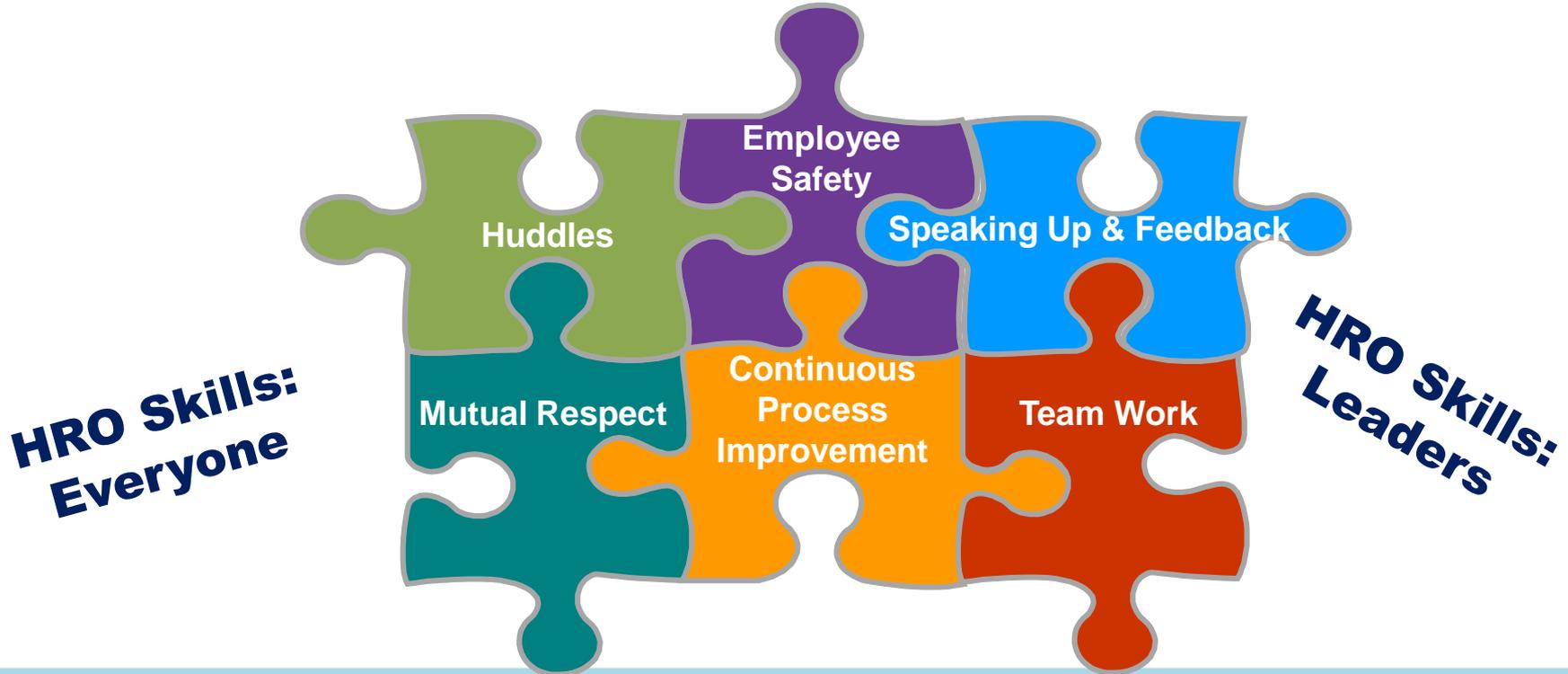
Supervision

Latent Weaknesses



Adapted from James Reason,
Managing the Risks of Organizational Accidents (1997)

Establish Skills and a Unified High Reliability Mindset



High Reliability Skills

Pay Attention to Detail



- **STAR** (Stop Think Act Review)
1 second pause results in at least a 10 time increase in reliability
- **Cross-Monitoring**
Multiplies reliability

High Reliability Skills

Communicate Clearly

Communication failures are the single most common cause of sentinel events according The Joint Commission.



- **Closed Loop Communication**
- **SBAR** (Situation, Background, Assessment, Recommendation)

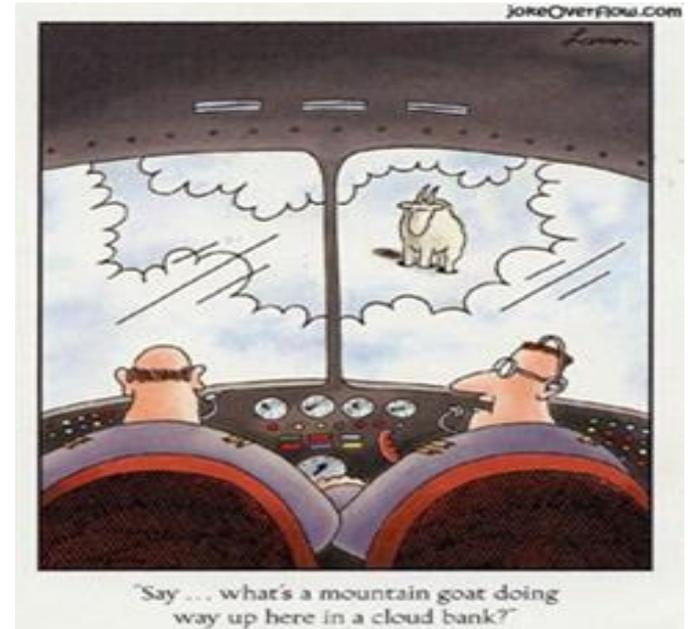
High Reliability Skills

Use Critical Thinking

- Know Why and Comply
- Questioning Attitude
- Validate and Verify

Speak Up for Safety

- Make it safe to speak up
- Ask a clarifying question
- CUS (Concerned, Uncomfortable, Stop)



Make it Safe to Speak Up

People may not speak up if they don't feel safe or that their opinion or input will be valued.



What can you do to make it safe for people to speak up to you?

Process Improvement is Vital to High Reliability

“HROs are organizations with systems in place that are exceptionally consistent in:

- *accomplishing their goals*
- *avoiding catastrophic errors.”*

~ Agency for Health Care Research Quality

Why Have Standard Work?

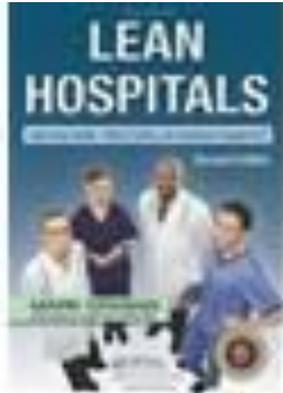
As long as work is done in a chaotic system where random decision-making prevails, system learning and improvement cannot occur.

- How can you be effective if everyone does things differently?
- Need consistent performance ... same processes every patient, every time.



What is Standard Work?

The Who, What, When, Where, Why, and How for staff and leaders



“The current **one best** way to **safely** complete an activity with the proper **outcome** and highest **quality**” ~ Graban

Standardize all tasks that directly impact safety or quality.

Eliminate Waste

- **Defects** – not doing something right the first time
- **Transportation** – unnecessary moving of materials or patients
- **Searching** – looking for supplies or people to complete a task
- **Inventory** – having more supply than is required for the task
- **Movement** – moving people that does not add value
- **Excessive Processing** – activities that do not add value from the customers perspective
- **Waiting** – time wasted when people or materials are not at hand
- **Confusion** – not knowing how to do the work or the current status of the work

Improving Employee Safety

A Safety Culture is an Organizational Attitude....



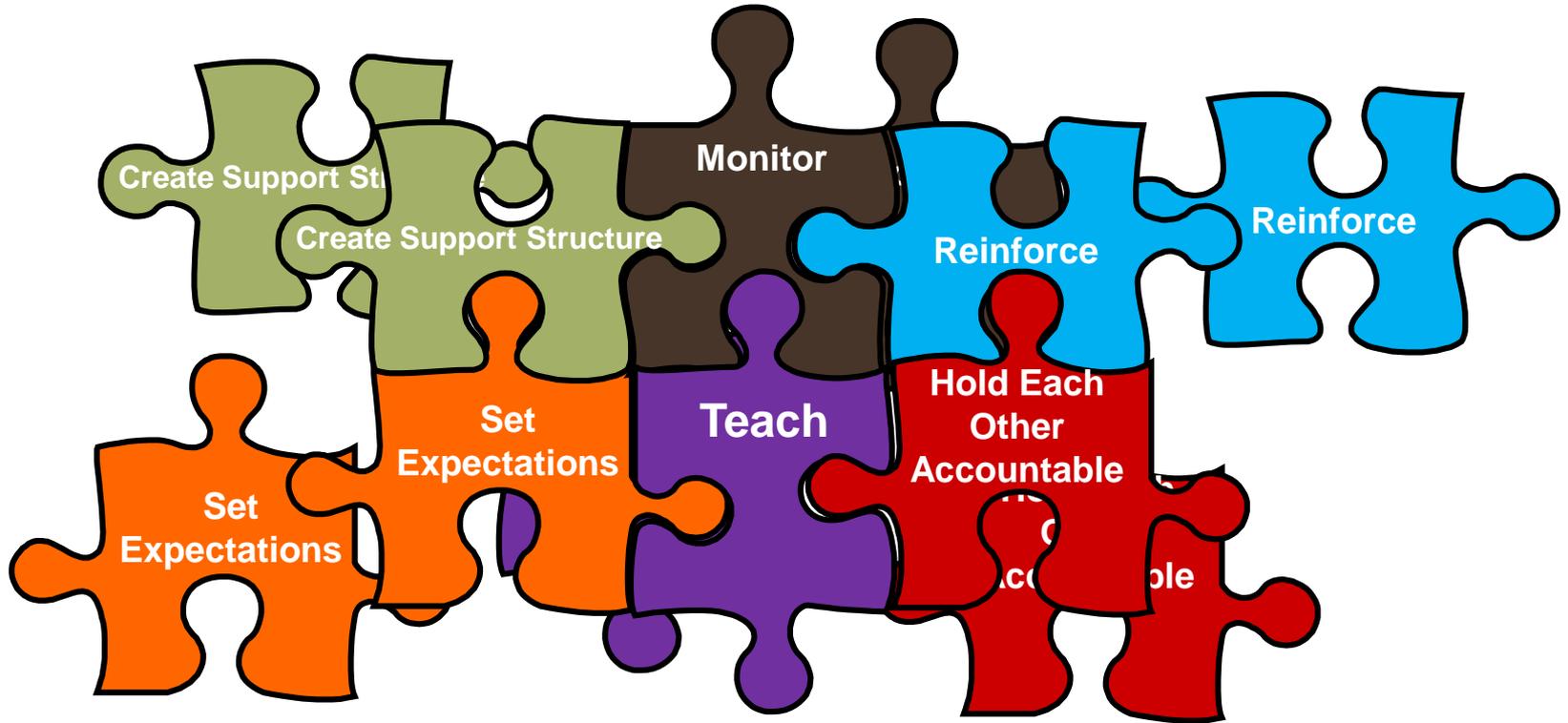
- Safety is equal to production
- Leaders work with staff to fix problems
- Develop health safety environmental programs
- Create accountability with front-line management / employees

Outcomes of an Employee Safety Program



- Reduction in lost duty days
- Reduction in patient movement injuries
- Reduction in repetitive motion injuries
- Reduction in slip/trip fall injuries
- Reduction in push/pull/lift objects, boxes, carts, etc.

How to Hardwire HRO Behaviors and Skills



The Finance Role in High Reliability



Finance's Role in High Reliability

- **Understand the measurement**
 - What is the cost of adverse events and employee harm?
- **Connect the Dots**
 - Educate stakeholders on financial impact
- **Align metrics with strategic goals**
- **Track and report metrics on a routine basis**



Everyone Benefits from High Reliability



The Benefits of High Reliability

For a health care provider to thrive, an organization must:



- ✓ Provide safe, appropriate, and efficient quality care,
- ✓ Have engaged employees and physicians focused on quality and the patient experience, and
- ✓ Generate a financial return to sustain the organization.

The High Reliability Investment

Reduces patient harm

- Improves quality
- Improves patient satisfaction
- Improves financials



Reduces employee harm

- Improves employee satisfaction
- Decreases employee turnover
- Improves financials

The High Reliability Investment

Improves financial viability

- Eliminates waste
- Decreases costs
- Ensures success with value-based purchasing and CMS Five-Star rating



The pursuit of optimal patient outcomes, improved quality, and creating a safe work environment is an effective business strategy for improving financial outcomes!

San Diego's Health Care LeaderSM



Malcolm Baldrige National Quality Award, 2007



MAGNET Designation for Nursing Excellence: Sharp Grossmont Hospital, Sharp Memorial Hospital and Sharp Mary Birch Hospital for Women & Newborns



Press Ganey Beacon of Excellence, Pinnacle of Excellence and Guardian of Excellence Awards; multiple entities, 2013 - 2016



Designated Planetree Patient-Centered Hospitals, multiple hospitals



Elite Status, SRSMG and SCMG, 2010 - 2017



Forbes 2016 and 2017 America's Best Large Employers



Sharp HealthCare once again named by Ethisphere Institute as a World's Most Ethical Company, 2017



SDG&E Energy Showcase Award - Grand Champion, 2017



Hospitals & Health Networks "Most Wired," 2012 - 2017

Sharp HealthCare is on a journey ... A journey to become the best health system in the universe

Questions