

County of Santa Clara
Santa Clara Valley Health & Hospital System
Agency Administration
Planning and Business Development




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DATE: April 21, 2009

TO: Board of Supervisors

FROM: 
Kim Roberts
SCVHHS - Chief Executive Officer

SUBJECT: Status Report on Santa Clara Valley Medical Center's Transformation 2010

RECOMMENDED ACTION

Consider recommendations relating to the Transformation 2010 (T2010) report.

Possible action:

- a. Accept the fourteenth monthly status report and presentation from Santa Clara Valley Medical Center regarding T2010.
- b. Accept transitioning future T2010 status reports to the Health and Hospital Committee from a monthly to a semi-annual basis starting in October 2009.

FISCAL IMPLICATIONS

There is no impact to the County General Fund. This report is informational only.

Transformation 2010 is the means by which SCVMC is achieving its reduction target during the two rounds of budget reductions for FY2009, which totaled \$27.1 million. Further reductions of \$32.3 million have been included in the FY10 budget proposals and will be considered by the Board of Supervisors; if the FY10 proposals are approved, the total savings generated will be \$59.4 million through FY10.

CONTRACT HISTORY

On September 12, 2006, the Board of Supervisors approved a delegation of authority to the then-acting Executive Director of SCVHHS, to execute an agreement with consultants to be selected based on a competitive review to conduct an assessment of financial performance improvement opportunities for SCVMC, in an amount not to exceed \$500,000, following approval as to form and legality by County Counsel and approval by the County Executive. Deloitte Consulting was selected after an extensive RFP process.

On November 6, 2007, the Board of Supervisors approved a contract with Deloitte Consulting in an amount not to exceed \$20 million for the period beginning November 6, 2007 through the completion of the services, as defined in the Agreement, but not to exceed November 6, 2012 for the purposes of providing design and implementation of T2010 to achieve financial performance improvements of between \$57 - 107 million by FY2011 for SCVMC.

REASONS FOR RECOMMENDATION

On November 6, 2007, the County Executive presented to the Board of Supervisors a "Report on County Financial Projections, Including FY 2009 Financial Projection and Potential Strategies to Address the Projected General Fund Deficit." Within the report was a preliminary FY 2009 budget deficit solution package that included a \$27 million budget reduction target for SCVMC. The Board of Supervisors accepted the County Executive's report and approved the contract with Deloitte Consulting for design and implementation of T2010.

As part of the approval, SCVMC committed to provide the Health and Hospital Committee (HHC) with monthly reports on the status of T2010. The reports were to include updates on progress, timelines, deliverables and accomplishments.

At Supervisor Kniss' request, this fourteenth report also includes an in-depth status report on T2010. See Attachment C - T2010 Update. This is an overall review of the process of T2010 from its conception to the present, including the Design, Implementation and the Performance Measurement and Monitoring phases of the Initiatives and the financial target realizations and benefits, and the sustainability of changes for the whole organization. This report was presented to HHC by SCVHHS and Deloitte Consulting on April 14, 2009.

BACKGROUND

SCVHHS is submitting its fourteenth monthly report to Health and Hospital Committee as a review of the progress and up-to-date results of T2010. This report covers the key accomplishments and upcoming activities of the Initiatives, a SCVMC Project Management Office (PMO) update on implementation progress, work plan progress and deliverables completion, and an update on transition activities and sustainability of T2010 benefits.

It is important to note that as of March 15, all but two (Physician Practice Management and Ambulatory Care Initiatives) of the Initiatives have completed the Deloitte-supported Design and Implementation phases and have transitioned all activities to the SCVMC PMO. However, there will be on-going SCVMC activities in the Implementation and Monitoring phases for these Initiatives.

Current Initiative Focus Areas

Ambulatory Care Initiative

The Ambulatory Care Initiative Team has been working on the development of the framework for Medical Home Model. In a Medical Home Model, primary care physicians and other professionals provide diagnostic and therapeutic services, as well as coordination of care for patients that require services not available in the primary care setting. The primary care physicians manage the chronic conditions of the patients, thus averting unnecessary tests and procedures, hospital admissions and avoidable complications.

The major upcoming activity for the Ambulatory Care leads will be to develop and obtain approval on the parameters that will achieve consistency of the Medical Home Model across clinics.

Physician Practice Management (PPM) Initiative

The Physician Practice Management Initiative Team has completed the Physician Activity Dashboard (a current and up-to-date profile of physician activities). This project involves associating each physician with a specific specialty as defined by the Medical Group Management Association and testing this new methodology for using Current Procedural Terminology (CPT) modifiers for ensuring billing accuracy.

The PPM Initiative Team has also completed a methodology to track the progress of achieving desired Relative Value Units (RVU) levels that determines the acuity/severity of inpatients compared to the actual level of those inpatients.

One of the upcoming activities will involve the Business Development Decision Support Unit preparing to distribute individual Physician Activity Dashboards which will contain monthly and year-to-date data. Another upcoming activity will be for the PPM Initiative Team to meet with the County Information Services Department staff to discuss developing a web-based Medicare Time Survey to facilitate creating a more user-friendly tool for physicians to complete the required annual Medicare and Medi-Cal cost reports.

Care and Capacity Management Initiative

The MSSU (Medical Short Stay Unit- for patients that stay less than 23 hours for diagnostic or follow-up purposes) physicians have seen over 180 patients in its first month of operation. The admission criteria continue to be reviewed with the Emergency Department (ED) to increase the appropriateness of admission to the Unit.

A multi-disciplinary discharge form has been developed and revised by the Discharge Follow-Up Primary Care Work Group for efficiency and compliance purposes. The Work Group also revised the discharge instructions for both urgent and no-urgent appointments. Another accomplishment is the re-designing the process of determining the scope of benefits for patients.

Care Delivery Systems Initiative

Some of the accomplishments of the Care Delivery System Initiative were working with the Transport Team that has assumed additional responsibilities in the new Valley Specialty Center including the calibration of measurement equipment.

The upcoming activities of the Initiative include presenting guidelines for self-scheduling to Nurse Managers and developing recommendations to revise the nurse job description to be consistent with the nurse evaluation methodology.

Ancillary & Support Services Initiative

Most of the sub-teams under the Ancillary and Support Services Initiative have completed their design and implementation activities. The Administrative and Transcription sub-team has acquired a new dictation system. The Facilities sub-team has tested a Request Priority System to determine which requests have a higher priority in order to improve efficiency. The Respiratory Therapy sub-team has received approval for the Nitric Oxide Protocol which will streamline the use of Nitric Oxide across the various nursing units with the goal of preventing/decreasing excessive use.

One of the upcoming activities for the Pharmacy sub-team is to implement the Inventory Module which will automate drug ordering and receiving at all pharmacy sites. The Pharmacy sub-team will also implement the Inpatient Pharmacy Model which will assign clinical pharmacists full-time to nursing units and design process to capture pharmacist clinical interventions. Another upcoming activity for the Pharmacy sub-team is using new technology to optimize the medication availability in nursing units.

The Administrative and Transcription sub-team will coordinate the technical groups for the deployment of the new dictation system. The Respiratory Therapy sub-team will begin inservice for the Respiratory Care staff on the Nitric Oxide Protocol.

Emergency Services Initiative

One of the key accomplishments of the Emergency Services Initiative is the medication reconciliation process that went into effect in February, where each patient goes through the list of medications with the provider to ensure clarity to both the patient and provider and to provide the patient with appropriate instructions and treatment based on that information.

The Emergency Services Initiative Team has established an Emergency Department (ED) Re-design Team to re-configure the front office in Express Care to accommodate a triage nurse station.

Some of the upcoming activities include re-configuring the front end office for streamlining the information gathering process of the patient by various ED staff, and to accommodate a physician presence for such tasks as writing prescriptions or test orders for patients.

Perioperative Services Initiative

One key accomplishment of the Perioperative Initiative Team was the establishment of the Pre-Op Clinic located at Valley Specialty Center (VSC). The Clinic would be used to prepare patients for surgery so that no delays would occur on the day of surgery due to clinical or financial issues. This also would allow more time to plan for add-on (unscheduled) surgeries and to minimize any patient related cancellations. Policies and procedures are being developed for the new Pre-op Clinic.

One key upcoming task will be to begin the process of physically setting up the Clinic and training the VSC staff on appointment scheduling.

Laboratory Services Initiative

The Laboratory Services Initiative Team has initiated a pilot study to assess clinic workflow and collect data on testing turnaround times. Another task of the Laboratory Services Initiative was studying the implementation of new testing technology in all pediatric sites and collecting correlation data.

Key upcoming activities include evaluation of the pilot study and continuing to assess the centralization of Lab Information Technology (IT) staff into the overall Health and Hospital IT.

Revenue Cycle Initiative

The Revenue Cycle Initiative continued transitioning activities to SCVMC Revenue Cycle Team members. These activities include modifying in-house reporting system to allow Admitting staff to perform financial counseling/insurance verification/eligibility functions, continuing efforts to increase clean claims (claims with no billing errors and are cleared for reimbursement) for Medicare and Medi-Cal billing, modifying data base access to allow review of all Medicare and Medi-Cal claims greater than \$100,000 in a Discharged Not Final Billed (DNFB) status, and initiating discussions regarding billing process and obtaining Treatment Authority Request (TARS) in the clinics.

In the Charge Capture area, implementation of detailed coding changes for intravenous drugs, clotting factors, skin grafts are underway and re-billing of some previously denied accounts continue. In addition, the Charge Capture Team initiated discussions with the Emergency Department and Labor and Delivery regarding charge capture opportunities.

Key upcoming activities include training of ED registration staff to improve timeliness of registrations of ambulance patients, and exploring opportunities to streamlining the registration of ED patients requiring lab or radiology services via a software program. The Denials Management Unit will develop a training program curriculum for staff in Patient Business Services Department. Other activities will be completing the implementation of re-billing and charge capture for skin grafts, clotting factor, vaccine, oncology and other drugs.

Accounts Receivables (A/R) Collections Initiative

The A/R Collections Initiative has completed its design and implementation work and continues to be monitored by the PMO. The Initiative has obtained sign-off on all of its deliverables and is now in the ongoing Performance Measurement and Monitoring phase.

Supply Chain Initiative

The Supply Initiative has concluded its design and implementation phases and continues to be monitored by PMO. The Initiative has received sign-off on all deliverables and is currently in the ongoing Performance Measurement and Monitoring phase.

Organizational Structure Initiative

The Organizational Structure Initiative has concluded its design and implementation phases and continues to be monitored by PMO. The Initiative has obtained sign-off on all deliverables and is now in the ongoing Performance Measurement and Monitoring stage. SCVMC will build upon the Initiative concept in our on-going work.

SCVMC PMO Update

The SCVMC PMO continues its function of monitoring and tracking the progress of each Initiative as it evolves from Design to Implementation and then to post-implementation's Performance Measurement and Monitoring. The PMO has implemented reporting tools to provide routine reporting on Initiative implementation progress, work plan status, and deliverables completion. The following is a summary status of key PMO reporting elements:

a) Implementation Progress Reporting – The PMO continues to monitor the implementation progress of active and completed Initiatives through the implementation tracking system. The benefits implemented in FY2008, for mid-year FY2009 and projected for FY2010 are being highlighted in Attachment A.

b) Work Plan Progress Reporting – The PMO and the T2010 Steering Committee continue to monitor and report the monthly implementation progress of each active Initiative against planned timelines and milestones. To date, work plan progress is on-track for all remaining Initiatives.

c) Deliverable Status Reporting – The PMO also tracks the extent of deliverables completion. Each Initiative has a Deliverables Completion Checklist form that specifies the key progress deliverables for that Initiative as well as their start date and completion date. The PMO has also developed a formal review process to ensure that the deliverable is reviewed by all key stakeholders. Attachment B shows the Deliverables completion status.

d) Post-Implementation Performance Measurement and Monitoring – Upon the completion of design and implementation activities, key performance indicators (KPIs) are developed and used to measure the achievement and sustainability of the implemented improvements. Examples of KPIs include total payroll dollars per 1,000 square feet service for Environmental Services Department, or total payroll dollars per meal equivalent served for Dietary Department. These KPIs are being tracked manually by the PMO. There is a similar tracking tool- department productivity indicators (DPIs) for tracking productivity and is used along with the existing SCVMC management reporting system. Examples of DPIs include hours worked per unit of service or the number of outpatient visits per day for that particular department. The DPI allows the executive and department-level management to monitor the overall productivity of their respective departments relative to volume and budget. These tracking tools and supporting implementation plan and training materials have been transitioned to SCVMC Finance Department personnel and the PMO.

CONSEQUENCES OF NEGATIVE ACTION

The Board of Supervisors will not receive the requested information.

ATTACHMENTS

- Attachment A - T2010 Implementation Progress
- Attachment B - Deliverables Completion Status
- Attachment B1 - Deliverables Completion Status (in table format)
- Attachment c - T2010 Update