

CLINICAL PROCESSES

Summer Regional Health signs on to HPP's Lean management system

BY ROY MOORE

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Sumner Regional Health Systems has expanded its relationship with Healthcare Performance Partners, putting more of the system's operations under the Lean business improvement analysis.

The system's flagship hospital has worked with Gallatin-based HPP since earlier this year on process improvements that originated at Toyota. A new deal will include centralizing material distribution in one location and then sending individual items to the hospitals, potentially creating bulk savings, system administrator Bruce James says.

The deal gives HPP eight health care clients in the 18 months since its parent, the Access Group, brought the manufacturing techniques to the health care space. CEO Charles Hagood says the company could have another four significantly sized facilities in the next month.

The Lean concept has been common in the manufacturing space for decades, instituted as part of the Toyota Production System to eliminate waste in the production cycle. That concept has been adopted to other industries and has finally made its way into health care, the nation's largest sector at \$1.7 billion spent annually.

Under Lean, every event undergoes a value stream analysis that looks at individual pieces for improvement. For a visit to the emergency room, such analysis could lead to reduced waiting times or faster processing of paperwork.

"Now that I've been doing this

for a while, it's almost like this was designed for health care," Hagood says.

Analyzing Sumner Regional's operating room cut the turnover time between cases by 25 percent. For workers, improved processes makes them more efficient without cutting jobs.

"With the ability to move things through the process faster, that's better for the patients, that's better for the physicians and that's better for the staff," Bruce says.

Such changes could benefit health care providers, who suffer from pricing constraints from insurers. With payments limited, the only way to improve bottom-line results is through increased efficiency. A more efficient surgery center can see more patients in the same amount of time, boosting both revenue and profit.

"This is one of the ways to drive cost out of the operations so we can thrive in an environment that's constantly being challenged on the revenue side," Bruce says.

Hagood believes there's plenty of waste to be cut from the health care space, upwards of 80 percent. The biggest opportunity is among the support functions, starting with making scheduling and registration more efficient.

By removing the financial and time waste, providers can spend more money on new equipment and services and give caregivers more time with individual patients, potentially cutting down on medical errors.

Writing in last month's Harvard Business Review, Steven Spear of the Institute for Healthcare Improvement said the University of



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Healthcare Performance Partners**

Pittsburgh Medical Center implemented the Toyota approach to its pharmacy department. By examining

the steps in their pharmacy management, the time spent looking for medication dropped by 60 percent and stock-outs fell by 85 percent.

More facilities are expected to embrace the change. Besides Sumner Regional, Parkridge Medical Center, an HCA facility in Chattanooga, has adopted the Lean concept.

Hagood believes in the next 24 to 36 months, the Lean concept will be a major buzzword among health care executives nationally.

**rmoore@bizjournals.com,
■ 615-248-2222 ext. 117**