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San Diego's Health Care Leader



Office of Transformation Ensures Systemwide Alignment, Continuous Improvement

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Sharp HealthCare

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Learning Objectives



- Describe essential components of a governance structure and strategic approach to drive systemwide improvements.
- Explain how data-driven decision-making, Lean Six Sigma methodologies and structured accountability measures contribute to measurable improvements in financial performance, operational efficiency and patient care outcomes.



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Why Transformation



- Cost outpacing revenue
 - Labor Cost/Staffing challenges
 - Operating cost outpacing revenue
 - Higher cost to borrow capital
 - Higher cost to build
- Political and regulatory landscape rapidly changing
 - Budget reconciliation bill-Medicaid funding and changes to Patient Protection and Affordable Care Act
- Significant shifts and care model disrupters
 - Inpatient to ambulatory
 - Rural hospitals closing down and stopping services
 - Virtual Care exploding
 - ED Hospitals—Hospital At Home Models emerging



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Negative Margins



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Sharp HealthCare

- Located in San Diego, CA
- Not-for-profit serving 3.3 million San Diegans
- San Diego's largest health system and private employer
- Comprehensive programs and services
 - Acute and specialty hospitals
 - Outpatient clinics
 - Urgent cares
 - Ambulatory Surgery Centers
 - Acute rehab, skilled nursing and sub-acute
 - Health Plan

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Scope of Work



- **Transformation:** Best practices developed and integrated into a *system approach*
- **Lean Six Sigma:** Complex improvement work that creates and/or modifies a specific process, product, or service.
- **Performance Improvement:** *Entity or Local department* improvement work that creates and/or modifies a specific process, product, or service.



Office of Transformation Capabilities



PROGRAM GOVERNANCE

- Establish a governance structure for the Office of Transformation
- Develop key roles and responsibilities for the System Transformation Steering Committee, Office of Transformation Program Management Office, and the Transformation Council
- Develop process for Executive prioritization of transformation initiatives that includes a strategic multi-year cadence and timeline



CHANGE MANAGEMENT

- Establish a standard approach to organizational change management
- Deploy processes that support strategic coordination of communication
- Identify key functional leaders to lead change initiatives integral to each transformation workstream



PROJECT MANAGEMENT

- Deploy a standard approach to project management that includes Lean Six Sigma and Transformation Project methodology and framework
- Develop and deploy structure, resources and reporting processes
- Implement a standard process for identification of resourcing requirements
- Establish processes that support engagement and communication with key stakeholders
- Establish processes that support sustainment and replication



BENEFIT/VALUE REALIZATION

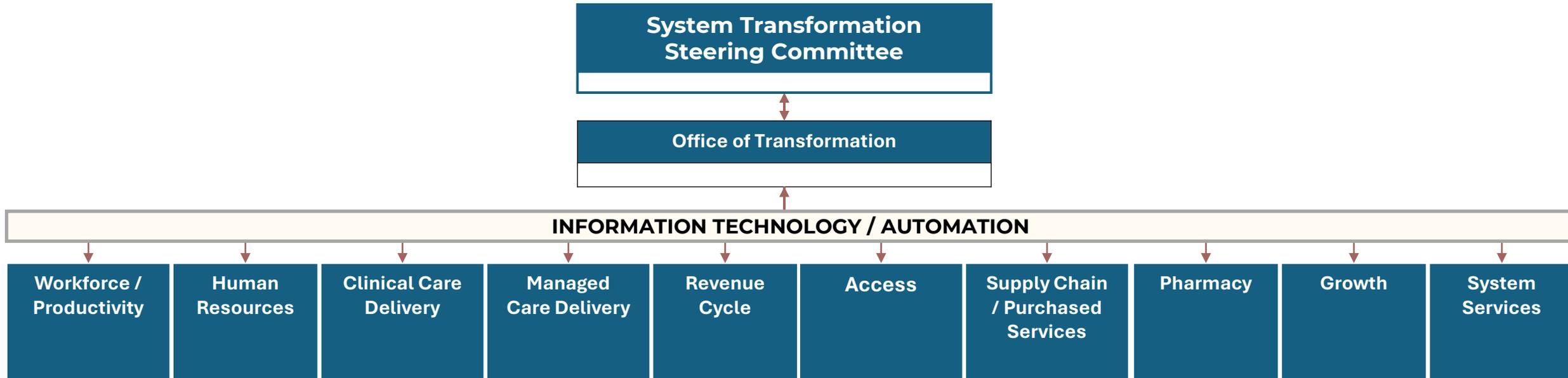
- Develop standard processes that support benefit/value realization
- Develop clear processes for benefit validation
- Implement processes to report and measure estimated, expected and actualized benefits



TRAINING/ MENTORING

- Develop and implement a standard training and mentoring program that supports development of performance improvement/problem solving capability for the workforce
- Establish and deploy processes to evaluate training needs for the organization in support of performance improvement

Transformation Workstreams



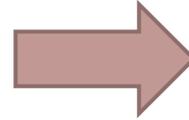
Rules for Engagement: *Criteria and Prioritization*



Determined in Sensing and Scoping

Criteria for Consideration

- High Financial Impact
- Business Critical
- One Sharp
- Regulatory
- Quality
- Safety



Prioritized by System Transformation Steering

	Priority 1 Escalated Request – Needs Immediate Action	
	Priority 2 Standard Request – Needs Action in next 3 months- 6 months	
	Priority 3 Pending Request – Needs Action in 6-12 months	
	No Action/Revisit <i>Denied or Revisit in [Timeframe set by Steering]</i>	

Transformation Projects



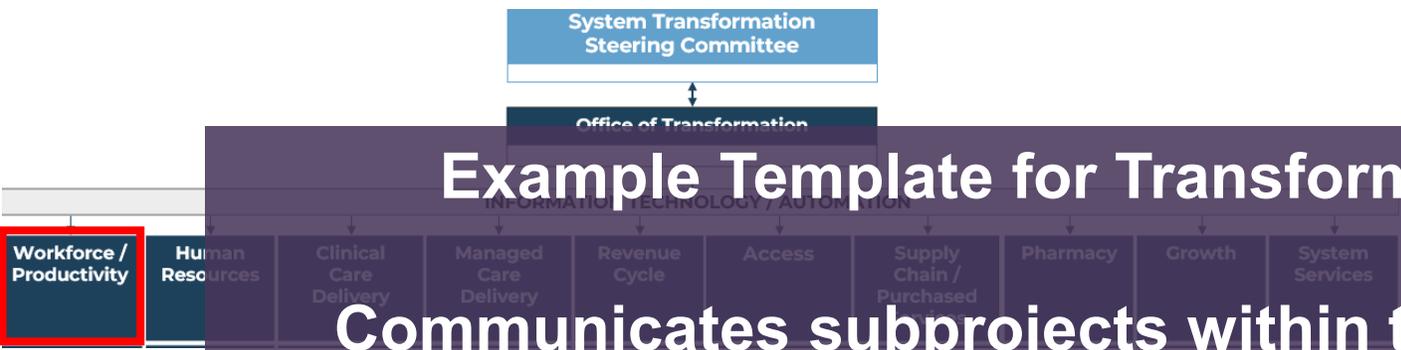
- **RN Traveler Reduction**
- Discharge RX Services
- Prior Authorization
- Home Infusion
- CDI/CMI
- Throughput
- Post Acute Care
- Out of Network
- Clinical Engineering
- Supply Standardization
- Indirect Spend
- Contact Center
- Care Delivery
- Productivity
- UM Workforce Design
- Growth

Workforce/Productivity

Productivity

Workforce / Productivity
 Executive Workstream Chair:
 Co-Chairs:
 Black Belt:

Productivity (Nursing, Ancillary, Administration)
 Executive Sponsor:
 Process Owner:
 Financial Contact:
 Data Contact:
 Black Belt:



Example Template for Transformations with Subprojects

Communicates subprojects within transformation projects with identified sponsor(s), process owner(s) and teams

Supports alignment of initiatives and level of loading of stakeholders

The goal of the Productivity Transformation is to support labor decision making and prioritization through deployment of software and tools that support and inform leaders through access to real-time analytics on productivity, labor cost and staffing levels. Subprojects include Software implementation, Operations and Maintenance Plan, Timecard Optimization, Productivity Optimization.

Productivity Tracker (LaborLytics)
 Team:

Position Administration Process
 Process Owner:

Timekeeping Modernization Education
 Process Owners:

Acuity Implementation
 Process Owners:

Productivity Transformation

Workforce/Productivity

Owners	FY 25 Target	Forecasted	Actualized FY25 to Date	Actualize Remaining
	\$20,061,000	\$30,961,635	\$20,993,083	\$8,886,415
On Track	Planning 100%		Implementation 100%	

Executive Chair: _____ Financial Contact: _____
 Executive Sponsor: _____ Black Belt: _____

Strategy

The strategy to meet the goal of Productivity Transformation is to improve labor decision making and prioritization through deployment of software and tools that support and inform leaders through access to real-time analytics on productivity, labor cost and staffing levels. Subprojects include: X Software Implementation, On-Time and M-Team, Timecard Optimization, Productivity Optimization.

Current progress

1. The X Software implementation is 100% complete and on-time.
2. Over 1500 Leaders have completed training.

Next steps

1. SMMC Refresh: working with leader to better utilize to LL tools.
2. Monitoring Progress
3. Review Labor standards
4. Engaging leaders to review and act upon less than 100% productivity levels.

Challenges or potential risks to achieving target (Risk Level)

1. No barriers at this time

Example Template for Transformation Project Updates

Updated bimonthly by Black Belt and shared at Executive Transformation Steering Meetings

Promotes accountability and transparency of strategy, progress, next steps and challenges



FY25 Benefits based on Entity budgets reflecting productivity. Actualized dollars based on meeting or exceeding plan.

FY 2025 Transformation Tracker



Transformation Workstream	FY 25 Target	Cost Savings	Revenue	Indirect	FY25 Forecast	Actualized	Remaining
Workforce/Productivity	\$22,561,000	\$22.6M	\$0M	\$0M	\$71,715,498	\$18,928,278	\$12,887,220
Revenue Cycle	-	-	-	-	-	-	-
Supply Chain / Purchased Services	\$5,650,002	-	-	-	\$5,165,400	-\$484,602	\$2,207,069
Clinical Care Delivery	\$8,200,000	\$8.2M	-	-	\$11,633,436	\$5,513,880	\$6,119,556
Managed Care Delivery	\$2,720,000	\$620K	-	-	\$2,545,981	\$18,872	\$2,527,109
Human Resources	-	-	-	-	\$2,906,402	\$2,906,402	-
Access	-	-	-	-	-	-	-
Pharmacy	\$6,330,000	\$6.3	-	-	\$7,752,159	\$4,054,781	\$3,697,378
Growth	\$16,695,141	-	\$16.7	-	\$19,930,924	\$8,813,317	\$11,117,607
System Services	\$16,200,000	-	-	-	\$16,200,000	\$0	\$6,284,129
FIPs	\$36,911,115	\$31.3M	\$5.6M	-	\$22,683,656	(\$3,214,077)	\$25,897,733
Unidentified FIPs	\$0	\$0	-	-	\$0	\$0	\$0
TOTAL	\$115,267,258	\$90.9M	\$22.3	\$0M	\$119,588,764	\$48,850,962	\$70,737,801
System Cash Flow Placeholder	\$40,000,000	-	-	\$40M	\$40,000,000	-	\$40,000,000
(Change from last week)	\$0	-	-	-	\$1,993,121	\$3,148,330	(\$1,155,208)

Updated weekly in Transformation Tracker by Financial Contact or Process Owner

Weekly dissemination to the leadership team

Packaged by Workstream and Entity

Stratified by cost savings, revenue and indirect benefit

Communicating Priorities and Results



Office of Transformation

SHARP

SHARP HEALTHCARE OFFICE OF TRANSFORMATION GOVERNANCE & BYLAWS

3/31/2023

SHARP

Sharp HealthCare Transformation

Contact Center Transformation

System Services Workstream

Executive Sponsors

Goal of Transformation:

The goal of Contact Center Transformation is to improve Sharp HealthCare's customer experience while optimizing efficiency and cost savings.

Transformation Highlights

- 1. Sharp Contact Centers**
 - Sharp Rees-Stealy Patient Contact Center
 - Sharp Community Medical Group Contact Center
 - Sharp Health Plan Contact Center
 - Patient Financial Services Contact Center
 - 82-Sharp Contact Center
 - Sharp Technical Assistance Center Contact Center
- 2. Key Transformation Initiatives:**
 - Deploy new cloud-based platform at all Sharp contact centers.
 - Standardize data measures including Calls Offered, Calls Handled, Abandon Rate, Service Level, Average Handle time and cost per call.
 - Implement salient recommendations from contractor assessment.
 - Explore future opportunities for cross-training and/or consolidation of function.

We Want You To Know

- Sharp has 6 contact centers managing internal and external calls from employees and patients.
- The contact center transformation is designed to align functions, improve service, drive efficiency, and generate cost savings by reducing redundancy and standardizing processes.
- Our new contact center platform allows for enhanced experience with self-service, automation, metrics, faster and more accurate service, and EHR integration.

Key Dates and Milestones

- Deployment schedule:
 - o TAC: 1 April 25
 - o 82-Sharp: 3 June 25
 - o SRS: 30 Sept 25
 - o SHP: 4 Nov 25
 - o SCMG: 4 Nov 25
 - o PFS: Pending date

Our contact center agents are ambassadors of Sharp HealthCare. They hear the true voice of our customers and help them access and navigate our system.

2025-2028

Sharp HealthCare Performance Improvement Stakeholders' Report

SHARP

RN Recruitment Traveler Reduction



Key Initiatives

Manager and Executive Dashboards

A multimedia brand campaign

A “boomerang” initiative

Traveler reduction measures

Professional development programs

Outcomes

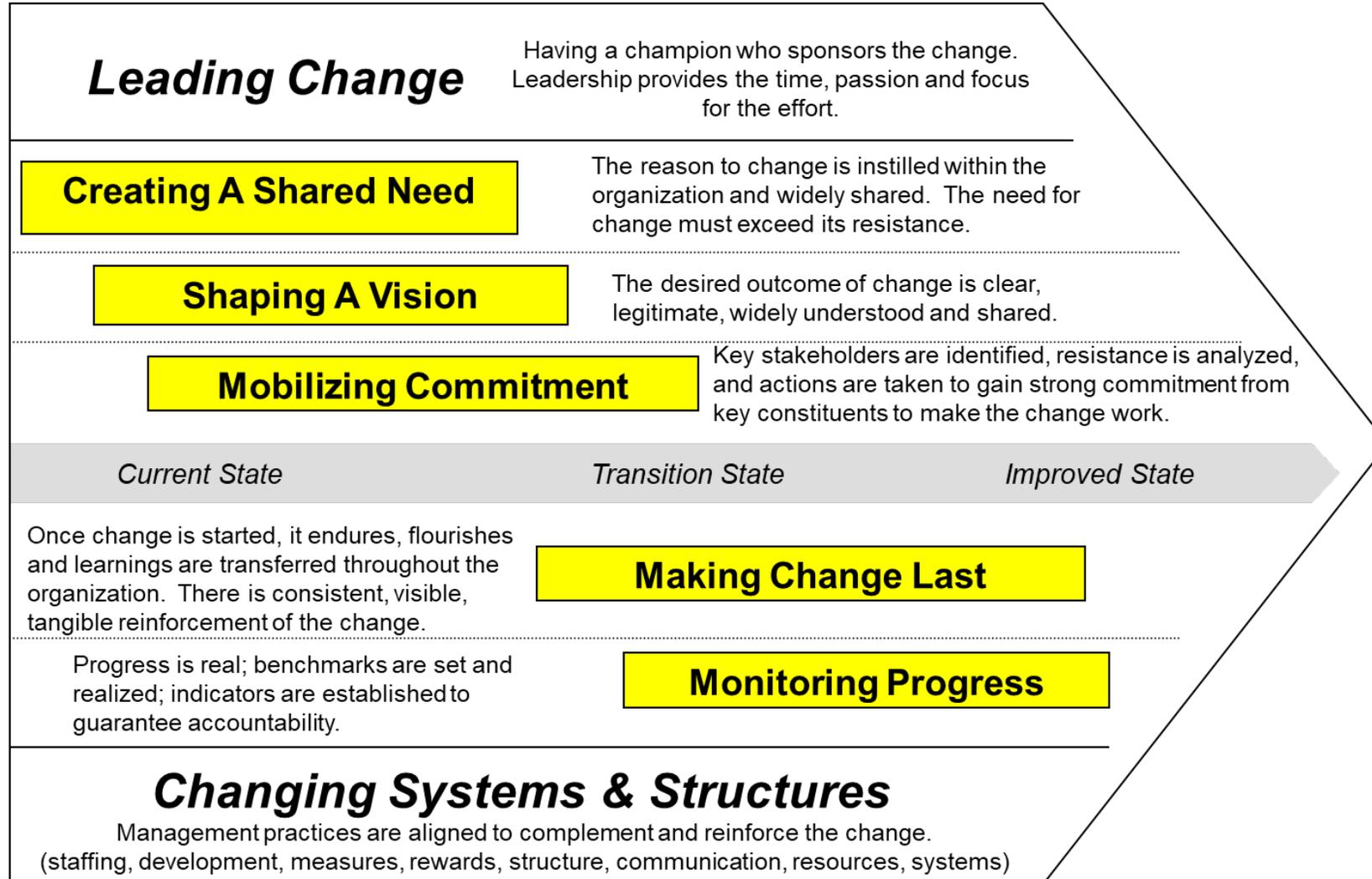
Monthly traveler expenses from \$6.1M to \$0

87% reduction in travelers

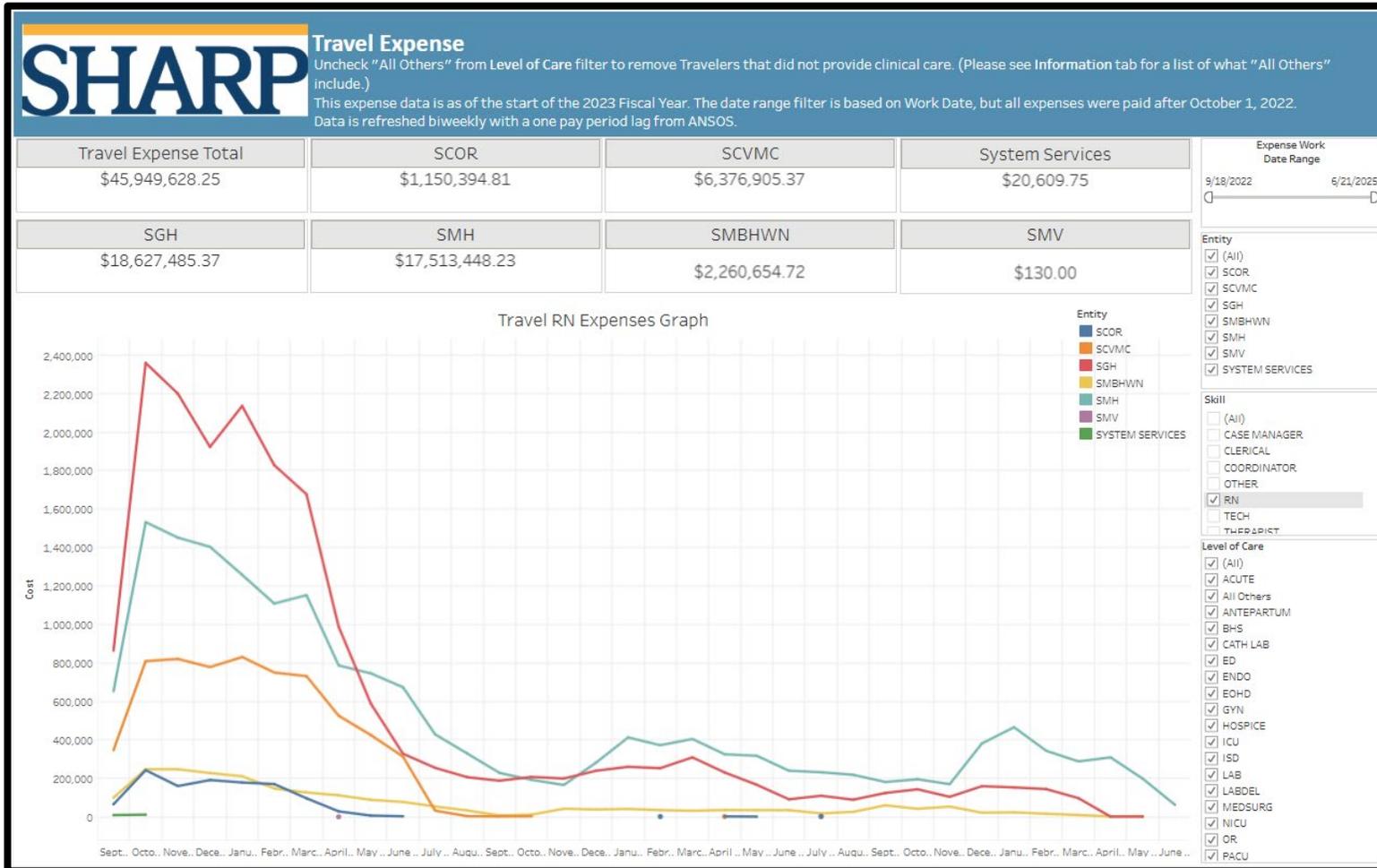
Hiring over 1300 experienced

Hiring Throughput decreased 112 days to 35 days

Change Acceleration Process



Dashboard



Key performance metrics:

- Traveler costs
- RN hiring throughput
- Active traveler counts and length of contract
- RN vacancy rate

- Manager and Executive views

- Evolved to include non-clinical and non-RN clinical roles

Key Drivers

- Shared need and burning platform
- Strong executive support
- Clear, concise communication
- Transparency of data
- Accountability

Transformation Critical Success Factors



- Transparency builds accountability
- Synchronizing efforts
- Leader engagement and ownership
- Right-sizing resources
- Communication
- Data driven decision making
- Timing, sequencing and coordination
- Work on the right opportunities



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Financial Impact

- FY23 Transformation target: \$79.8M;
Actualized: \$94.8M
- FY24 Transformation target: \$50.3M;
Actualized: \$61.1M
- FY25 Transformation target: \$122M;
Actualized to date: \$80M
- **GRAND TOTAL: \$236M**

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Lessons Learned



Plus

- Catalyzed by stable, engaged executive leaders
- Make progress/lack of progress visible
- Strong foundation of Lean Six Sigma structure and culture

Deltas

- Moving faster than the organization's bandwidth
- Sensitivity to operations
- Strategic sequencing

Key Takeaways



- Integrated Lean Six Sigma principles with a structured governance model to systematically identify, implement, and scale high-impact projects across 10 strategic workstreams.
- The use of the 'Transformation Tracker' to provide real-time executive oversight ensures accountability and data-driven decision-making.
- This model fosters cross-functional collaboration, accelerates financial and operational improvements, and creates a scalable blueprint for sustainable healthcare transformation.

Questions?



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