

## Large Multi Specialty Physician Group

Prescribing a plan to improve the Group's health

Our client is one of the most progressive and integrated health care organizations in the USA and their Medical Group brings together more than 720 primary care physicians and specialists, providing dedicated physician coverage and other high-quality medical services.

The Group was looking for ways to increase performance of the practices, allowing for better capacity utilization and increased patient satisfaction to deal with the ever increasing demand for services.

### ANALYSIS

Using our proprietary three step "Deep Dive" approach, with minimal disruption to the client, and in a remarkably quick timeframe, Renoir:

- Gained an understanding of the entire physician network,
- Quantified the opportunities to improve
- Detailed the steps to achieve the improvement
- Gained the support from client staff (at all levels) to the need and extent of the changes required.

### DEEP DIVE DIAGNOSTIC

Renoir quickly identified those things preventing the organization from achieving full potential and efficiencies. This was done by using Renoir's 'Analysis Toolkit', a state of the art combination of proprietary models, tools and techniques.

#### Key Results

##### Opportunities Identified:

\$20 million additional revenue through increased productivity

\$3.3 million reduction of excess staff costs

\$250K reduction of excess overtime

##### Detailed implementation plans committing to:

Financial benefits of USD 10,692,000

5% capacity increase

Standardised set of processes

Data driven Management Control System

Training and coaching program

Training for Taskforce roll-out

#### WEEKS 1-3

##### 'DEEP-DIVE' DIAGNOSIS

###### Studies

- Systems, processes
- People (behavioural)
- Performances; people and assets
- Organisational
- Cultural

###### Cause and effect of problems

##### OPPORTUNITIES

- Identify opportunities to improve
- Quantify opportunities for improvement
- Operational
- Financial
- Gain common understanding

#### WEEK 3

##### CHANGE PLATFORM

- Define in detail - what needs to be done to change
- Agree scope, deliverables, approach and the plan
- Identify costs
- Move to project?

- A new "fresh set of eyes" objective operational assessment

- Quantification of the problems that intuitively, anecdotally, are known

- Determining the gap from the 'As Is' state to one of international operational excellence ('To Be' state)

- The approach to bridge the gap

- How to implement the changes together

- How to deliver the results
- Timetable for deliverables

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The deep dive simultaneously assessed the operational effort, the strategic plan, the organization structure and the co-ordination of the elements to give a detailed snapshot of the organization. The diagnostic included:

**Observational Studies** – Spending entire shifts with the frontline staff gave an invaluable insight into the efficiency, the effectiveness and the culture of the organization. These studies allowed Renoir to assess the extent and root cause of the issues. Some of the results included:

- Managers spending 87% of their time on admin, 0% with patients and 0% on supervision, while their direct manager thought they were (and should be) doing 25% with patient, 25% admin, and 25% supervision.
- Senior managers without effective management tools to measure and manage performance.
- Nurses checking secretary's work and vice versa work because they didn't 'trust' each other.
- Frequent staff idle time due to poorly thought out roles and demarcation.

**Scheduling and Patient Studies** – Reviewing the ability of the organization to maximize planning and scheduling efficiency in the way they organize, (people, equipment and facility) through a combination of observations, patient surveys and data analysis. Some of the results included

- Example 1: the head of the service out-performs everyone and consistently does more than the maximum, indicating that the 'theoretical' maximum is not really the maximum.
- Example 2: if all performed at average or above on a daily basis, the 20 physicians, potentially, could see an additional 166 patients daily (12%). If all performed as well as top quartile the potential then increases from 166 patients to 632 (39%).
- Only 9% of the practices achieve the 'target appointment block time'. The scheduled slot times are 15 minutes, yet the reality is an average of 43 minutes.
- The average patient time at a facility was 2:23 hours, of which 1:33 hours (65%) was waiting time.

**Capacity Utilization and Resource Requirements Studies** –

Assessing the extent to which the organization actually uses its full productive capacity - the relationship between actual output that 'is' produced and the potential output which 'could' be produced if capacity was fully used. Some of the results included:

- On average exam rooms are utilized 55% of the time.
- Using existing standards, the plan was to use 58% of their capacity
- Variances between physicians' time with patients ranged from 14-22%.
- 27% of patients cancel appointments that are then 'rescheduled' while an additional 5% are no shows on day of appointment.
- Observational studies of nurses showed idle time of 35% - 50%.
- Office/building lease prices per square foot increasing 30% per year, on average, indicating that increasing productivity is critical.

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**Management Control System Studies** – measuring the system which gathers and uses information to evaluate the performance of different organizational resources. Management control systems should be tools to aid management in steering an organization toward its strategic objectives and competitive advantage. Some of the results included:

- Virtually all the practices worked in different ways, some better and some worse, but none with data driven metrics to assess and improve.
- Numerous 'disconnects' that significantly affected overall performance, resulting in people working hard but not effectively.
- There are almost no operational indicators available to management based on data, plans and targets.

### OPPORTUNITIES

As a result of the data and studies gathered during the Analysis, Renoir summarized the main opportunities as:

#### PROCESS / STRUCTURE / COMMUNICATIONS

- Process / Structure / Communications
- Standardize patient flow management process for all clinics to improve utilization
- Develop an effective meeting platform at all clinics
- Define standardized roles and responsibilities across all clinics
- Share Best Practices throughout the division
- Re-assess and standardize organization structures within clinics of similar sizes and specialties
- Develop a governance model to ensure staff are accountable for performance

#### MANAGEMENT

- Develop effective, data driven management tools to measure performance, current status, activity levels and progress
- Develop relevant KPIs and short interval controls
- Empower clinic managers to challenge providers with respect to schedules
- Set clear operational targets and expectations for managers

#### PRIMARY / SPECIALTY / URGENT CARE

- Standardize management control systems across all clinics
- Develop formal common practices to measure patient flow/timestamps
- Using existing best practice, develop standardized processes for handling urgent care patient flow
- Develop a tracking process of patient waiting times prior to triage or patients leaving before being triaged

#### BEHAVIOR

- Create a systematic data driven approach to managing day to day operations.
- Develop a continuous improvement culture
- Develop a structured approach to requesting resources and approving overtime
- Focus rounding practices on holding staff accountable for performance targets

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With the client's financial team, Renoir jointly translated the operational improvements uncovered in the Analysis into financial opportunities of:

- \$20 million revenue opportunity through productivity improvement
- \$3.3 million in excess staff costs
- \$250K in excess overtime

### CHANGE PLATFORM

Of the quantified financial opportunities defined, Renoir developed a program plan that identified which of those improvements could be implemented over the course of a year long effort. Assuming Renoir's involvement and through the utilization of their Trademarked processes, the commitment that Renoir was willing to make was:

- A financial benefit of USD 10,692,000
- 5% capacity increase (measured in visits/provider/day)

To support this Renoir completed a set of tailored and specific approaches, plans and timetables to realize those opportunities along with calculating the resources and effort required. This detail included: Standardised set of corporate processes

- Data driven Management Control System with corresponding management tools,
- Training and coaching program.
- Training for Taskforce to roll-out processes and systems.
- Step by step Implementation approach, project structure and governance
- Plan for imbedding the Continuous Improvement Process into The Medical Group's culture.

This was a major step for the Medical Group, a decisive move to obtain a quick, certain and sustainable breakthrough from the current performance, providing stability as well as a foundation for the future business operations.

Following the intensive and eye-opening Analysis, the Medical Group felt they needed some additional time to digest and properly prepare for the crucial implementation phase. This is now in progress.

## THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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