



## **Where Should Healthcare Invest?**

The healthcare service industry in the United States is being pressured to improve from many perspectives. The industry's heavy investment in technology has produced miracle cures for those that can receive the service, but at a cost that limits the availability of service to many customers. Customers are highly critical of their care provided, and comparative statistics indicate that the system is delivering lower quality than less expensive delivery systems in other areas of the world. The United States was recently ranked lowest among 11 industrialized nations for life expectancy<sup>1</sup>. Healthcare faces another decision to adopt medical record technologies to improve, but we contend *that will only be a successful investment if they make the smaller investment that must accompany the electronic systems to improve their processes used to provide improved patient care with improved medical information.*

Employers that provide healthcare benefits to their workers (healthcare's customers) claim now that they must either reduce their benefits or move business elsewhere to remain competitive in global marketplaces. As healthcare service costs have increased to recover technological costs, government insurance programs that provide healthcare benefits reduce their payment percentages to control their cost burden. Healthcare providers with the ability have shifted those uncovered costs to insurance carriers, who have shifted them to their employer clients. This unending circle of cost-shifting has not only obscured the appropriate cost signals for healthcare customers, it has also increased the system complexity to the extent that more technology has been required to manage billings.

Process improvement using methods such as Lean Healthcare (the Toyota Production System methodologies adapted to healthcare services) will be the essential investment needed along with medical records investment to insure that improved records actually result in improved service delivery. If there is no process improvement the results might be:

- An inability to gain access to electronic records at the time of service so staff must still resort to wasteful, redundant manual recordkeeping;
- Procedures that are not designed to effectively use the electronic records, so that care will still be delivered in disconnected ways as one shift replaces another, or as doctors fail to talk with nursing staff about needed changes in treatment; or

---

<sup>1</sup> From The Business of Health: The Role of Competition, Markets, and Regulation by Robert L. Ohsfeldt and John E. Schneider, page 17. The other 10 countries are Australia, Canada, Denmark, France, Germany, Italy, Japan, Sweden, Switzerland, and the United Kingdom  
James L. Christensen, Principal  
6409 Old Sauk Road  
Madison, Wisconsin 53705-2420

- **The electronic system will become one more obstacle to better care if it adds more complexity and greater burden to an already stressed medical staff.**

**Lean Healthcare provides the methodology for our trained facilitators to bring the tools to the healthcare team and help them redesign processes to reduce waste and increase quality. We can use:**

- **Process mapping tools that help staff learn how complicated and wasteful existing ways of doing things can be improved to reduce waste and improve service in the future;**
- **Root cause analysis tools that help staff learn the real causes of current system failures so they can be designed out of standard operating procedures and equipment to prevent future failures;**
- **Work with software designers and staff to learn the benefits of the electronic records systems and redesign processes to maximize the improvements expected from the system implementation;**
- **Compressed meeting schedules that permit staff to work effectively in a brief period of time to redesign processes and be up and running with new approaches that reduce wasted time and errors in a few weeks.**

**Whether you as a healthcare provider are investing in medical records technology or not, you need to consider investing in process improvements. We can work with your existing quality staff and train them to use lean healthcare methods to improve processes in more effective ways. Providers such as the Cleveland Clinic, Mayo Clinic, and Seattle's Virginia Mason Medical Center are gaining considerable praise for their improvements using this methodology. We can help you incorporate these techniques into your capabilities so that you can improve, as well.**

**Contact us to learn more about Lean Healthcare. It will be a small investment that will reap huge benefit for you, just as it has for your peers.**