

Deconstructing hospital processes: Reinventing care

Tajinder Vohra – Senior Vice President, Genpact

The alarming rise in the number of Swine Flu cases and resulting criticism of hospitals for not handling them fast enough has brought to light two key issues plaguing the healthcare industry today - lost capacity and inefficient processes that result in unpredictable outcomes, long wait times, unsatisfied patients and ultimately an unsustainable business model for hospitals. Further, issues such as a rising demand for physicians and medical staff and an increase in lifestyle induced diseases are straining the healthcare industry. These issues have injected the need for new thinking in healthcare.

The current challenges demand nothing less than a fundamental rethinking of hospital operations to improve outcome, increase capacity and meet the growing demand of users. A powerful way is to look at end-to-end individual processes of a hospital and work out solutions to optimize them.

Over the years, we have learnt that most major hospitals have 18 major processes, out of which, 5 are focused on core medical areas such as treatment and clinical processes. The rest are all related to support functions – the efficiency of which directly impacts the effectiveness of clinical processes and the hospital as a whole.

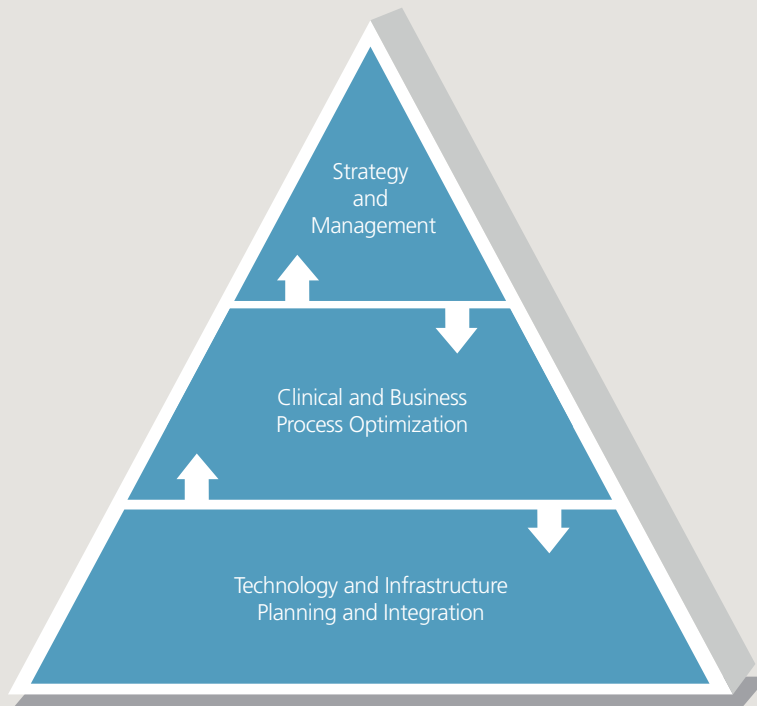
Across these 18 processes, there are three workflows that impact hospitals:

- Flow of people
- Flow of money
- Flow of supplies

There are enough opportunities in each of these workflows to optimize them for effectiveness.

Here are some examples of what can be applied to most key processes in hospitals:

- Stitch-to-Cut cycle times impacting surgical suite availability can be improved by 4-6% in 90 days by improving the patient flow process
- Pharmaceutical and non-pharmaceutical stock levels can be reduced within the first 90 days to prevent overstocking without impacting care - giving processes. This can be done by deploying Lean tools - similar to those used in other industries like manufacturing
- Overall supply costs can be further optimized by 8-12% by moving from physician preference items to standardized supplies
- Payer denials can be reduced on account of upstream challenges like patient referral systems. These can be improved by fixing processes upstream by having an end-to-end view
- Patient walk times can be reduced by 20% by optimizing process flow and ergonomics
- Potential exists to improve First Time Right in Billing by up to 25-30% by fixing avoidable and manageable root causes
- Expiration of medication and obsolescence of supplies contribute 1-3% of total operating costs of wards. This cost can be reduced by 30% within 90 days



For a leading US children’s hospital, Genpact achieved the following improvements using process optimization techniques:

- Reduced Length of Patient Stay (in ER) by 30%
- Reduced Overall Discharge Cycle Time by 30%
- Increased Overall Equipment Efficiency (MRI) by 24%
- Improved Asset Utilization (Cath lab –Surgical Suites) by 60%
- Reduced Perishable Consumables Wastage by 68%

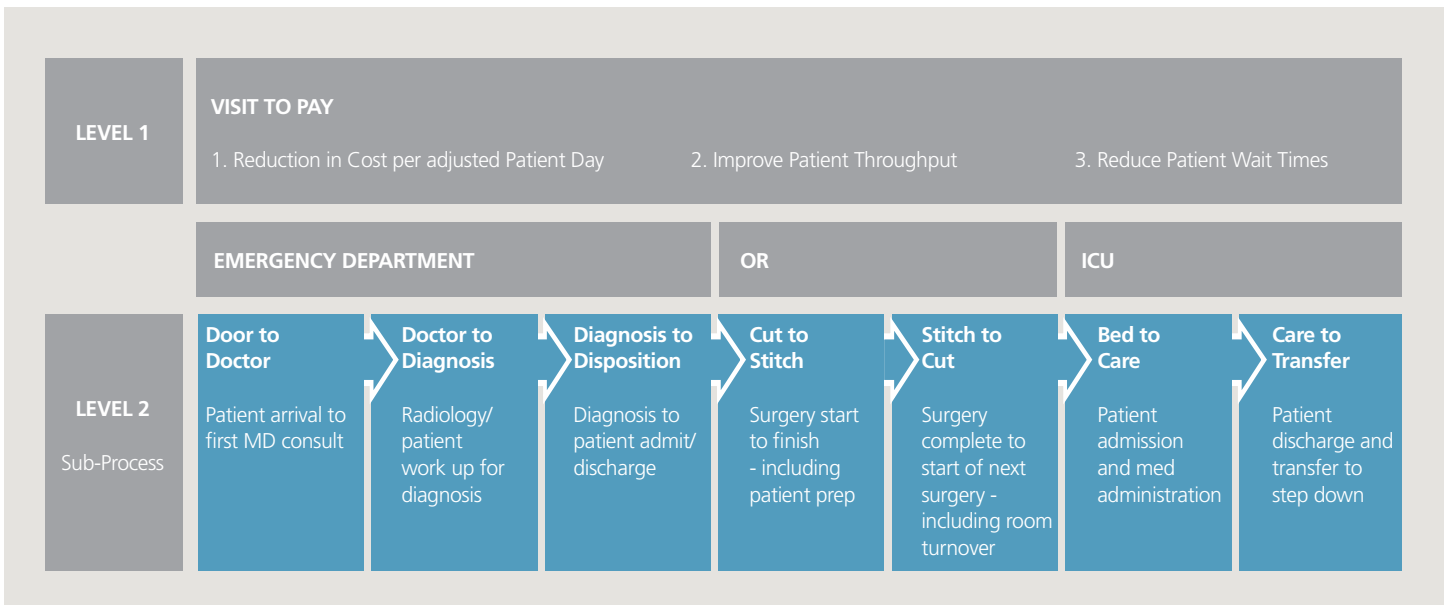
The benefits of these techniques are multifold; they improve patient care, optimize hospital equipment and reduce costs significantly. How a hospital manages its logistics greatly impacts its costs. High costs are associated with rendering advanced healthcare with modern diagnostic tools, medicines and trained professionals.

One of the most popular strategies in the past has been implementing expensive technology fixes to a poorly designed delivery process which

drives further inefficiency and sub optimizes the benefit that a large IT investment would have had otherwise. The philosophy of ‘Process’ before IT has helped forward thinking hospitals gain multiple benefits from IT investments - digitizing a bad process now means “bad transactions” flow faster.

Demanding customers and increasing cost pressures are forcing healthcare providers to realize the importance of improving quality and safety and eliminating waste as strategies for responding to the challenges mentioned earlier.

As the Healthcare sector reinvents itself, it is clear that survival will now depend on not doing more of the same but viewing challenges differently and applying newer paradigms to how hospitals are structured to deliver care. Hospitals will have to move from departmental ‘silos’ to ‘value flows’ and process thinking is going to be the most important lever for hospital CEO’s.



Genpact can apply the right tools to cut waste and standardize processes and procedures leading to dramatic improvements in the areas of care quality, cost-effectiveness and patient satisfaction. We do this through a unique approach that brings science to the management of business processes and provides a granular framework based on our detailed mapping and analysis of key processes. This enables us to test the effectiveness of processes by measuring points of leakage at each level of the end-to-end process and applying best-in-class benchmarks collated over the last 12 years from within and across industries.

The result is a client specific road map for maximizing process effectiveness. At Genpact, we focus on business outcomes like patient wait times, cash flow and total spend. The focus is on effectiveness of a process to drive business results vs. the traditional view of measuring process efficiency. We combine our deep domain knowledge of process, key insights and best practices with execution support including focused IT and technology applications, targeted analytics and global delivery.

For more information

To discover how Genpact can optimize your hospital operations, please contact:

Tajinder Vohra tajinder.vohra1@genpact.com

About Genpact

Genpact is a leader in managing business processes, offering a broad portfolio of enterprise G&A and industry-specific services, coupled with strong IT, analytics and reengineering capabilities.

For more information, visit: www.genpact.com

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