

**Patient-Centered Organizational Transformation
Luther Midelfort – Mayo Health System
2004 Acclaim Award Honoree**

In the fall of 2001, the Board of Directors of Luther Midelfort-Mayo Health System formally adopted the philosophies of “Pursuing Perfection” and committed to a vision of promising health care that is safe, effective, patient-centered, timely, efficient and equitable. Its stated goal was to pursue perfection through organizational transformation, involving system redesign.

Goal

| Objective | Actions |
|--|---|
| Change the management structure | <ul style="list-style-type: none"> • Establish a new Leadership Council • Implement process management from a patient’s perspective |
| Acquire additional knowledge and skills in system design and improvement | <ul style="list-style-type: none"> • Implement Six Sigma as an additional tool in ORG’s “improvement toolbox” • Commitment to the Baldrige National Quality Program |
| Improve healthcare delivery | <ul style="list-style-type: none"> • Implement a comprehensive model of chronic disease management • Improve safety efforts |
| Change the organization’s infrastructure to support these efforts | <ul style="list-style-type: none"> • Implement a comprehensive Electronic Medical Record |
| Change the culture of the organization | <ul style="list-style-type: none"> • Formal cultural clarification and transformation |

Intervention

In 2002 the organization committed to the development of an organizational infrastructure that would promote a patient-centered view of care processes and enable the identification and support of system level process improvement and management. The result was the [Luther Midelfort Patient-Centered System Map](#). The system map has allowed for a more horizontal, patient-centered view of the organization and its functions. This new approach to “system thinking” now guides the organization’s commitment to a comprehensive organizational transformation to achieve the IOM’s six aims.

The system map has allowed for a more horizontal, patient-centered view of the organization and its functions. The vertical departmental structure has remained intact, but to augment this traditional view of a healthcare organization, and to ensure that issues are addressed across “departmental silos,” Luther Midelfort created a horizontal, cross-functional structure of core and support processes.

Permanent process management teams create value for patients by a concerted focus on the patients' perspectives throughout their healthcare experience. These teams are responsible for managing both process and outcome measures. Gaps in desired performance in these measures drive improvement teams that are responsible for implementing processes and improving outcomes. Teams use standardized improvement methods to identify opportunities for improvements.

Highlights

- Luther Midelfort committed to changing its management structure to allow for both horizontal and vertical management - a major innovation, with no previous models to use as a guide, that has taken significant time, energy and resources.
- An investment of \$1.2 million was made to educate staff on process management and Six Sigma methodologies.
- Significant resources have been committed to the establishment of an EMR - a long-term decision without a clearly identifiable financial return.
- A long-term senior executive, who struggled with the decision to give total commitment to ORG's new strategic direction, left the organization at an early point in the implementation of process management.

Results

The initiatives necessary to successfully achieve organizational transformation have broad impact and require a well-designed system for data collection and measure review. Luther Midelfort is rapidly transforming into a data-driven organization where decisions are made on data, not intuition.

Data is used at all levels, including board of directors, Leadership Council, process management teams, work teams and departments, to measure, monitor and improve performance. Measures are chosen based on high risk, high value and problem-prone areas. Sources include:

System directed measures. Some measures are inherent to the corporate structure and its relationship with its parent organization. These include many prevention and patient satisfaction measures. In addition to providing information on performance, these measures provide benchmark data comparisons to other sites within the system.

State and national comparative measures. When available, state and national benchmark measures are used to compare performance with other organizations in the healthcare industry.

Process management team measures. Through their work, process management teams identify process and outcome measures that allow them to monitor key, patient-centered processes.

Key indicators of patient/customer satisfaction, financial performance, market performance, clinical quality and staffing are aggregated at the organizational level; many can be drilled down to specific department levels. Key leading measures (volumes, admission rates, encounters) have a direct impact on lagging measures (e.g. financial measures).

Virtually all identified measures are collected and graphed on control charts and reported on a monthly basis. All departments receive training and instruction on data collection and control chart templates for gathering and reporting information to ensure standardization and consistency between departments and work teams. As new measures are identified (through process management teams, external benchmarking, etc.), data collection is implemented throughout the system, so that all departments are defining, gathering and reporting data consistently.

Each process management team has a dashboard of measures that includes process and outcome measures affecting core and support processes. Data and measures are used to identify improvement opportunities, to track clinical performance and to drive action plans that affect financial results.

Both clinical and organizational performance (e.g. financial) results for Luther Midelfort have been strong. In addition, a recent survey of process management team members showed broad support for the value of these efforts and a commitment to continued focus. In addition to its own ongoing analysis, feedback from its Baldrige and state quality award applications will be incorporated into strategic planning efforts and organizational initiatives.