Aligning Process Redesign and Change Management with Project Management (System Implementation Projects)

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St. Joseph Health System
Information Services

HIMSS 2009: Project Management Pre-Conference Workshop
St. Joseph Health System Highlights

- $3.4 billion in revenues
- 14 hospitals in 3 states
- Licensed beds range from 35 to 1,352
- Home health agencies, hospice care, outpatient services, skilled nursing facilities, managed care operations, and multiple physician organizations
- 18,500 FTE's
- 1,500 affiliated physicians
- In FY 2006, SJHS provided more than $226 million in community benefits*

* Does not include 235 million unreimbursed costs for Medicare patients.
Today’s Objectives

- Understanding of process redesign and why it’s done
- Understand why we use change management
- Learn how process redesign and change management align with the Project Management phases (and the System Development Life Cycle)
- Review process redesign and change management steps
Process Redesign is the practice of changing existing processes to support business objectives and, specifically, to improve performance measures such as cycle time, cost, quality, and service.
Process Redesign helps system implementation projects achieve desired objectives and stakeholder requirements

- Improved process (cheaper, better, faster)
  - Decrease in cycle time
  - Reduction of errors
  - Higher (and more consistent) quality
- More effective use of resources
- Increased stakeholder (customer, employee) satisfaction
- User adoption (by involving user in design)
- Improves data management and tracking
  - Establish metrics up front
  - Determine what success means
Why don’t system implementation projects automatically include process redesign?

Process? This is an I.T. project. The business side does all the process work.

System engineer

How can we look at our current processes? We don’t even know what they are. They’re not written down anywhere.

Frontline worker

We just don’t have the time to make a bunch of process flows that are just going to sit in a notebook.

Department director

We can’t afford to hire a bunch of consultants to draw pictures. We just need a new system.

Executive sponsor

Process improvement? That’s why we’re putting the system in – so our process will improve.

System engineer

Judy is the only person who knows the process and she’s out on medical leave.

“Veteran” employee

We did that once – documented all our processes. By the time we were done, the process had changed so our flows were all wrong.

Project manager

We know that we should think about processes, but we just don’t have enough time or money.

Project manager

“Veteran” employee

System engineer
Change management is the process of applying knowledge, tools and resources to manage the people aspects of transition to a future state. This includes the development of communications, training, and rewards.
Why do Change Efforts Fail? (A CIO View)

Resistance by Employees: 82%
Inadequate Sponsorship: 72%
Unrealistic Expectations: 65%
Poor Project Management: 54%
Business Case not Compelling: 46%
Project Team Lacked Skills: 44%
Scope Expansion / Uncertainty: 44%
No Organizational Change Plan: 43%
Silos/No Horizontal Process View: 41%
IT Perspective not Integrated: 36%

Source: Deloitte CIO Survey
Change Leadership issues are noted in RED
How will I know when change management is needed?

- Does your project impact people?
- Do you anticipate resistance?
- Will the people need new skills?
- Will employees be affected differently?
- Does the entire company need to know about the project/change?

If you answered 'YES' to any of these, Change Management help is needed!
What Happens When There is Change?

Change Management efforts aim to minimize time spent here
What does a “change manager” do?

- Align leaders and sponsors around a common vision
- Advise, engage and support stakeholders and develop champions through early involvement
- Understand business requirements as it relates to “people”
- Assess and analyze issues and impacts of change
- Design, facilitate and implement various interventions to minimize the impact of change
- Develop, implement, monitor and track change management plans and communication and training plans
How do we ensure that process redesign and change management are part system implementation projects?

The Solution:

- Make it Easy!
- Make process redesign and change management part of the project management lifecycle
- Create and disseminate standard reusable tools, templates, workplans and training materials
- Develop a core team of skilled business process analysts and facilitators who can support multiple projects
Use your cultural/readiness assessment to identify target pilot business areas prior to implementation

<table>
<thead>
<tr>
<th>Question</th>
<th>Med Surg - Unit 1</th>
<th>Med Surg - Unit 2</th>
<th>Ambulatory Surgery Center</th>
<th>ARU</th>
<th>Health Center</th>
<th>Cardiology</th>
<th>CCLAB</th>
<th>CICU</th>
<th>Emergency Services</th>
<th>Endoscopy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nurse input is well received in this clinical area.</td>
<td>GOOD</td>
<td>GOOD</td>
<td>GOOD</td>
<td>OUCH!</td>
<td>GOOD</td>
<td>GOOD</td>
<td>GOOD</td>
<td>GOOD</td>
<td>OUCH!</td>
<td>OUCH!</td>
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<tr>
<td>In this clinical area, it is difficult to speak up if I perceive a problem with patient care.</td>
<td>75.00</td>
<td>81.25</td>
<td>90.91</td>
<td>90.91</td>
<td>76.92</td>
<td>85.71</td>
<td>84.62</td>
<td>84.31</td>
<td>81.08</td>
<td>100.00</td>
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<tr>
<td>It is easy for personnel here to ask questions when there is something that they do not understand.</td>
<td>5.00</td>
<td>18.75</td>
<td>9.52</td>
<td>27.27</td>
<td>15.63</td>
<td>37.50</td>
<td>7.69</td>
<td>27.45</td>
<td>15.79</td>
<td>40.00</td>
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<tr>
<td>The culture in this clinical area makes it easy to learn from the errors of others.</td>
<td>90.00</td>
<td>100.00</td>
<td>82.61</td>
<td>100.00</td>
<td>88.89</td>
<td>100.00</td>
<td>92.31</td>
<td>84.31</td>
<td>78.38</td>
<td>100.00</td>
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<tr>
<td>In this clinical area, it is difficult to discuss errors.</td>
<td>73.68</td>
<td>87.50</td>
<td>90.48</td>
<td>81.82</td>
<td>73.53</td>
<td>100.00</td>
<td>69.23</td>
<td>68.00</td>
<td>48.65</td>
<td>60.00</td>
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<tr>
<td>At work, my opinions seem to count</td>
<td>10.00</td>
<td>31.25</td>
<td>15.00</td>
<td>36.36</td>
<td>15.63</td>
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<td>16.67</td>
<td>36.00</td>
<td>27.78</td>
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<td>3.66</td>
<td>3.44</td>
<td>0.00</td>
<td>2.71</td>
<td>0.00</td>
<td>4.00</td>
<td>3.38</td>
<td>3.14</td>
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</tbody>
</table>
Consider conducting a cultural or change readiness assessment

Observations and Recommendations
Overall, there are significant improvement opportunities when it comes to staff performance management and professional development. There are several steps you should follow to mitigate this issue. Pay especially close attention to those units that have a RED score, and ensure that they implement the following recommendations.

- If YELLOW or RED, Ministry should consider adopting a policy that all managers/leaders will participate in management training sessions that address performance management. All new managers and leaders should be required to take this training. Refresher courses should be offered at least every two years to keep skills current in this area.
Consider creating a team structure to allow for process redesign and change management resources

Roles may be consolidated.
Process Redesign and Change Management should be integrated with the Project Life Cycle, providing a roadmap for project managers and team members.

**Project Management / Project Life Cycle**

<table>
<thead>
<tr>
<th>Initiation</th>
<th>Planning</th>
<th>Design</th>
<th>Development</th>
<th>Implementation</th>
<th>Closure</th>
</tr>
</thead>
</table>

**Process Redesign**

![Diagram of Process Redesign and Change Management]

**Change Management / Communication and Training**

- Communicate “Need”
- Secure Buy-In
- Plan for Action
- Build Training Tools
- Train and Monitor
- Communicate, Celebrate and Reward
- Sustain Change

Feedback Loop
### Decomposing the Methodology: Process Redesign

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<td>• Problem assessment and Measurement</td>
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<td>• Go-No-Go project decision/scoping</td>
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<td>• Gather Data from all Sites and review current processes</td>
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<td>• Site visits</td>
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<td>• Identify commonalities across sites</td>
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<td>• Define key metrics and benchmarks</td>
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<td>• design future state</td>
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<td>• use system defined process</td>
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<td>• Review current processes</td>
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<td>• Create “standard” or common process</td>
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<td>• Future State Visioning OR gap analysis</td>
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<td>• Incorporate best practices</td>
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<td>• Identify process gaps (between existing and “standard” or between existing and “future state”)</td>
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<td>• Develop process scenarios</td>
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<td>• Define how metrics will be tracked</td>
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<td>• Develop / define real-life process scenarios</td>
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<td>• Walk through processes using scenarios.</td>
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<td>• Identify gaps</td>
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<td>• Modify processes</td>
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<td>• Develop tools to implement new processes (training, P&amp;Ps, process models, timeline)</td>
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<td>• Roll out new processes</td>
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<td>• Test processes and system</td>
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<td>• Document gaps</td>
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<td>• Update process flows, workflows, etc.; ensure policies and procedures are updated to capture process changes</td>
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<td>• Monitor adoption of process changes</td>
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<td>• Capture and document lessons learned</td>
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<td>• Modify processes as needed</td>
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<td>• Review metrics – analyze results (are we getting desired benefits; if not, how can we modify work)</td>
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</tbody>
</table>
## Decomposing the Methodology: Change Management

<table>
<thead>
<tr>
<th>Change Management</th>
<th>Initiation/Planning</th>
<th>Analysis</th>
<th>Design</th>
<th>Development</th>
<th>Implementation</th>
<th>Closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicate “Need”</td>
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<tr>
<td>Secure Buy-In</td>
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<tr>
<td>Plan for Action</td>
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<tr>
<td>Build Training Tools</td>
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<tr>
<td>Train and Monitor</td>
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<tr>
<td>Communicate, Celebrate and Reward</td>
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<tr>
<td>Sustain Change</td>
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</tbody>
</table>

### Communicate “Need”
- Define stakeholders
- Develop communication plan
- Develop sense of “urgency”
- Build guiding team – ID advocates, sponsors
- Pain assessment
- Change Readiness Assessment

### Secure Buy-In
- Communicate vision and message for change
- Educate and share best practices

### Plan for Action
- Develop Detailed Change Mgmt Plan
- Update Comm Plan

### Build Training Tools
- Complete Change Management, Communication and Training Plans
- Develop Training materials

### Train and Monitor
- Train users on processes
- Monitor user understanding
- Revise training tools

### Communicate, Celebrate and Reward
- Celebrate short term wins
- Communicate stories, metrics, etc.

### Sustain Change
- Identify adoption barriers
- Revise Training and Communication Plans
- Communicate and reward successes
- Measure gains
Process Redesign and Change Management

Success Stories
Web-Enabled Referral Management for Physician Group
Initial goals were identified for the Referral Management Project.

- Reduce time required to process patient referrals
- Improve patient and physician satisfaction with the process
- Electronic communication between referring and consulting clinicians
- Linkages to results and reports
- Sharing of ambulatory lab and radiology results
The approach for Referral Management followed the integrated Process Redesign/Change Management Methodology

- Identified need for referral management application through ongoing physician and patient satisfaction assessments

|-----------------------------|---------------------------------|---------------------|-------------|---------------------|-----------------------|------------------------|--------|-------------------------|

**Process Redesign**

**Change Management**

- Communicate “Need”
- Secure Buy-In
- Plan for Action
- Build Training Tools
- Train and Monitor
- Communicate, Celebrate and Reward
- Make Behavior Stick
Our approach was aligned with the SJHS Process Redesign / Change Management Methodology.

- Evaluated current process(es) and identified opportunities to increase process efficiency
Our approach was aligned with the SJHS Process Redesign / Change Management Methodology.

|----------------------------|---------------------------------|---------------------|-------------|----------------------|------------------------|------------------------|---------|-------------------------|

- Designed future state process
- Reviewed Referral Management application functionality and process (future state), defined gaps between future state and existing practice
- Defined requirements for application customization
- Modeled processes, defined metrics and measured baseline

**Change Management**

- Communicate “Need”
- Secure Buy-In
- **Plan for Action**
- Build Training Tools
- Train and Monitor
- Communicate, Celebrate and Reward
- Make Behavior Stick
Our approach was aligned with the SJHS Process Redesign / Change Management Methodology.

- Identified target “change champions” for first implementations
- Interviewed users, implemented application and trained users in phased rollout process
- Partnered with vendor to define and redefine solution, based on user understanding and acceptance
- Defined process for capturing metrics on ongoing basis

Our approach was aligned with the SJHS Process Redesign / Change Management Methodology.
Our approach was aligned with the SJHS Process Redesign / Change Management Methodology.

- Conducted phased roll-out of application
- Conducted one-on-one training
Our approach was aligned with the SJHS Process Redesign / Change Management Methodology.

- Continue to measure physician and patient satisfaction on an annual basis, capturing referral management metrics, measuring against baseline
A key benefit of the Referral Management program was reduced cycle time in a fully deployed model.

<table>
<thead>
<tr>
<th>Referral Management Process - Old and New</th>
<th>Pre-Implementation 46.5 – 51.5 min.</th>
<th>Post-Implementation 10 to 11 min.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilization Manager</td>
<td>Manual – 1 min.</td>
<td>Manual – 1 min.</td>
</tr>
<tr>
<td>Specialist’s Office</td>
<td>Manual – 3 min.</td>
<td>Automated – 0.5 min.</td>
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<tr>
<td></td>
<td>Manual – 1 min.</td>
<td>Automated – 0.5 min.</td>
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<td></td>
<td>Manual –2 min.</td>
<td>Automatic – 0 min.</td>
</tr>
</tbody>
</table>

The table above shows the comparison between Pre-Implementation and Post-Implementation cycle times for different stages of the Referral Management process.
A key benefit of the Referral Management program was reduced cycle time in a fully deployed model (continued).

Referral Management Process - Old and New

<table>
<thead>
<tr>
<th>Referring Physician</th>
<th>Referral Admin</th>
<th>Utilization Manager</th>
<th>Specialist's Office</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Distribute Requests</td>
<td>Pre-Implementation</td>
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<td></td>
<td>Verify Eligibility/</td>
<td>48.5 – 51.5 min.</td>
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<td>Benefits</td>
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<td>Data Enter info</td>
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<td>into IDX</td>
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<td>Review referral</td>
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<td>and approve, pend</td>
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<td>or deny</td>
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<td>Receive and</td>
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<td>Distribute Fax</td>
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</tr>
</tbody>
</table>

Post-Implementation
10 to 11 min.

- Manual – 0.5 min.
- Manual – 1 min.
- Manual – 1 min.
- Manual – 2 to 5 min.
- Manual – 4 min.
- Manual – 1 min.

46.5 – 51.5 min.
10 to 11 min.
Post implementation, time required to process a referral was reduced by a range of 35.5 to 41.5 minutes.

Referral Management Process

- Complete Referral Request
- Verify Eligibility/Benefits
- Determine Provider Type
- Determine Service Type and Urgency
- Fax to UM
- F/U with UM on Status *
- Distribute Requests
- Verify Eligibility/Benefits
- Enter info into IDX
- Review referral and approve, pend or deny
- Route
- Receive and distribute fax

Referring Physician
RPRA
Referring Physician Referral Admin
Utilization Manager
Specialist's Office

Savings: 35.5-41.5 mins
While using the Web for Referral Management, users may also connect (link) to results and reports.

Once on the Web Portal, physicians and clinicians may also use it for:

- Viewing patient insurance data
- Hospital lab results
- Transcribed reports
- Ambulatory lab information
- Patient hospital admitting
- Obtaining industry data and information
- Communication with patients
- Secure messaging
- Care management
- Imaging data
- Ambulatory Radiology Results

228% Increase in users since “go-live” of Referral Management; 25% increase in physician usage.

375% Increase in web portal sessions since “go-live” of Referral Management (as of June 2007)
Roadmap for Failure

What happens when there is not sufficient focus on process redesign, standardization or change management...
**The initial “vision.”**

*Implement a common enterprise-wide Human Resources Information System that allows St. Joseph Health System Human Resources to move from multiple disparate payroll/benefits systems to a fully integrated HRIS.*

*Common HR processes will be implemented throughout SJHS. Significant change management across the enterprise will be required to ensure the successful rollout of the new system.*
The reality.

- System implementation project was not managed by I.T.
- The “lowest priced” outside consulting firm was engaged to perform implementation
- Best practices were not identified
- Processes were not evaluated, improved or standardized as part of the implementation
- All effort was geared toward “go-live” target dates
- Change management resources were not engaged
- Higher than anticipated implementation cost
Multiple system configurations (20+)
Multiple data formats, reports and interfaces
Excessively high support and operations costs
Inconsistent quality
HIGHLY dissatisfied “customers”
What happened next.

- Launch of “S&S” (Standardization and Stabilization) Program to:
  - Addressing existing cost drivers of HRIS Production support time to contain current costs
  - Enable risk mitigation and future cost avoidance through infrastructure stabilization
  - Define and communicate roles and responsibilities for application support and management (local and enterprise)
  - Improve ease of use/reliability of query reporting for ministries
  - Prepare SJHS for Version upgrade, and evaluation of e-applications and other HRIS functionality
Questions?