



Center for Rural Health Policy Analysis

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# Rural Health Value

UNDERSTANDING  
AND FACILITATING  
RURAL HEALTH  
TRANSFORMATION.



## Rural Innovation Profile

### *Rural Hospital System Transformation*

**What:** Putting the right resources in the right place at the right time for every caregiver to increase quality, increase patient satisfaction, and decrease costs

**Who:** Mercy Health Network, Iowa

**How:** Network-wide performance improvement using a Lean approach

#### Key Points

- Learn from those outside the health care industry.
- Identify leaders who are ready to develop and implement a performance improvement program.
- Establish a short list of priorities, set high-level goals, and aim big.
- Assign accountability.
- Set lofty goals, but demonstrate slow incremental improvements over time.
- Don't allow distractions.

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Mercy Health Network includes 28 rural hospitals in Iowa that are owned or managed by two health care systems, Catholic Health Initiatives and CHE Trinity Health. Network hub hospitals located in Mason City and Des Moines are working on performance improvement using the Lean methodology (see box below). The system adopted the acronym PEx (Process Excellence) to describe their approach. The hospitals leverage resources from both health care systems to drive change. Their goals are to do more with less, have the right resources in the right place at the right time for every caregiver, decrease costs, and increase quality of care and patient safety.

The Lean rollout to the Des Moines region of network hospitals started with a meeting of all participating hospital leaders to discuss and learn about Lean. Network leadership selected three goals for implementation: improved patient experience, increased quality of care, and improved data reporting (quality and financial). Each hospital CEO was assigned accountabilities, selected process improvements, and helped educate the hospital board. Although the hospitals shared Lean process goals, employees at each hospital implemented unique initiatives to address hospital-specific performance issues. This process was then repeated elsewhere in the Mercy health Network.

After 18 months, process improvements resulted in a 51 percent decrease in patient falls and a 37 percent decrease in medical errors. Based on these initial successes, network hospitals have begun to expand the use of Lean (PEx) as a performance improvement strategy in other clinical situations.

**“You can’t lead cultural transitions. You need to create a culture where every person is committed to solving problems on a daily basis.”**

***Jim Fitzpatrick, Senior Vice President – Network Development, Mercy Health Network***

***Lean*** (Process Excellence) is derived from the manufacturing environment and is a production improvement methodology that considers the “expenditure of resources for any goal other than the creation of value for the end customer as wasteful, and thus a target for elimination.” In essence, “lean means creating more value for customers with fewer resources.” –

Wikipedia [http://en.wikipedia.org/wiki/Lean\\_manufacturing](http://en.wikipedia.org/wiki/Lean_manufacturing), and Enterprise Institute <http://www.lean.org/whatslean/>





Mercy Health Network leaders ultimately seek to develop an organizational culture in which every employee provides high quality and patient centered health care and, concurrently, improves the care they deliver. Lean (PEx) is one performance improvement tool. The Mercy Health Network continues to learn about additional performance improvement tools from other health care experts and from experts outside the health care industry. In fact, Mercy Health Network leaders have found that outside experts tend to more readily identify improvement opportunities and resourcefully implement new performance improvement solutions.

Identifying improvement opportunities and applying innovative improvement tools (like PEx) is only one part of the Mercy Health Network performance improvement plan. In fact, prior to applying PEx in each of its hospitals, the Mercy Health Network helped hospital CEOs establish a short list of priorities, set high-level goals, and aim big. The hospitals now implement and manage performance improvement projects, many using PEx techniques. Slow, steady, and demonstrable improvement is acceptable, but distraction from the goals is not. To support performance improvement efforts, the Mercy Health Network, along with hospital CEOs, provide hospital board education regarding balancing quality of care concerns and cost control priorities.

Improved network-wide financial metrics, more timely clinical performance data, and new performance improvement tools like PEx will increasingly allow Mercy Health Network employees, leaders, and board members to pursue the Triple Aim<sup>®</sup> of better patient care, improved community health, and lower per capita cost. As Mercy Health Network leaders say, “It’s the right thing to do.”

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