

# Kaizen Case Studies

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## **CASE STUDY:** Rapid Improvement Event

**CLIENT:** Home Healthcare provider (noted as such below)

In jeopardy of closing, it was imperative for a regional hospital's Home Healthcare division to initiate and execute a financial turnaround to stop the loss of money that had plagued the division for years. The division's profitability was determined by the amount of Medicare reimbursement versus the cost of the care the division provided.

A rapid improvement team was formed to address the multi-faceted needs that, if left unattended, would contribute to the service's demise. Mapping out the process of how home healthcare services are delivered resulted in the rapid improvement team's ability to genuinely see where non-value added action (waste) occurred. The discovery that waste came in the form of transportation, two types of motion, waiting and overproduction was a key in determining how to increase the division's efficiency.

More specifically, the team examined the time needed to conduct a "Start of Care Consultation" and was successful in cutting the time in half, from two hours to one hour. This efficiency was realized by directly and immediately entering findings onto a laptop computer rather than writing and/or remembering the findings and later entering them on the laptop. The "Start of Care" consultation includes a patient assessment completed by the visiting nurse. The answer given to assessment questions predetermines the maximum allowed Medicare reimbursement. A change was made that allowed the visiting nurse visibility to see how their answers affected the HHRG score (the patient severity index) which in turn determines Medicare reimbursement.

In addition, the team designed a tool that allows the case manager to compare the cost of the plan of care (including needed equipment and supplies) with the allowed Medicare reimbursement. Armed with this information, the case manager can manage patient care within the Medicare budgeted reimbursement. The goal of reducing annual expenses by \$200,000 will be obtained as compliance to the new process is rolled out and adhered to.

The team's understanding of lean led to the discovery of how much can be accomplished in a short amount of time by remaining on task. Standardizing division processes allows for the elimination of waste. When there is buy-in from team members, each becomes a champion in ensuring improved processes are sustained in the field. The rapid improvement event's fast results and positive experience spawned additional improvement opportunities with the division.