Developing a hierarchy of value

Transcript

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I think one of the big things that's important is the SOAP methodology and how … can you talk a little bit about that? That we tried to go do that first before we did the tech.

Dr. Peter Pronovost

Yeah. It's a, it's a great … So, when we were looking to take cost out to get to Medicare-level payments, you know, we largely jumped to fancy models with AI. A lot of what we need is simply a regression model or just some prediction. It doesn't need to be that sophisticated. But I'll share with you … we developed a "hierarchy of value" that says, "What could we stop doing that is just pure waste?" We'll go to that in a second. If I can't stop it, could I automate it? So, take the labor out. If I can't automate it, it … could I have it being done by a less expensive staff? If I can't do it by a lower expenses staff, could I do it remotely and get more productivity?

And then probably the most important part of this model is — what stays sacred at the bedside? Meaning, this is the special thing that makes a doctor a doctor, or a nurse a nurse, or a pharmacist … And you don't want it … you don't want to take it away. It's the secret sauce.

So, I mean, I'll give you a concrete example of and hopefully someone makes a company to automate this. We started asking our nurses where there's waste, and it came up that policies are an enormous source of waste. Some were from the federal government or The Joint Commission or the DMV that we're working to regulate. But most of them were our own imposed policies that unduly burden people. And maybe (they) made sense when you had an 8% margin. They make no sense when you have a negative margin and there's no value for them.
So just to give you an example, over the last three years, we sunset 2,600 policies across our system — 2,600. We specifically did this exercise with our nursing leaders and said, "Tell us, what policies do the burden exceed the benefit?" They at first said, "Oh, you

know, Peter, we have a policy team. We ask that every month. We really haven't had any topics on our agenda." I said, "I don't buy it. Pretend you had the freedom to stop whatever you wanted," because they didn't trust that we would actually, you know, remove a policy. And they said, "OK, we ended up with 180 policies that were embedded in 1,400 order sets." Most of them were frequency of vital signs, but it was 30% of a nurse's time that went away before we even started automating. And so, the point is, get rid of waste before you starting to look at what are the things we can automate. Because there's a whole lot of waste that we're riddled with.