

# *Business Operating System in HC*

## **BUSINESS OPERATING SYSTEM (BOS) FOR HEALTH CARE ORGANIZATIONS**

by

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with notes from

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# *Quality Management in HC*

## ❖ Why a Business Operating System for HC organizations?

– To lead and operate an organization successfully, it is necessary to direct and control it in a systematic and transparent manner.

- Manage the whole system and not just parts
- More consistency in processes
- More effective use of resources
- Focus on achievement of results
- Better patient safety when the system is well managed
- Continual improvement over time

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## ❖ Continual improvement

- Use of various tools and methods
  - Lean (suggested by Joint Commission and others)
  - Six Sigma (the hot topic)
  - SPC, DOE
  - FMEA (required by Joint Commission criteria)
- Changes are institutionalized by becoming part of the system so the gains are sustained
- Review of system periodically for effectiveness
- Quality objectives
  - A stated goal to achieve in time

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## ❖ What is a BOS?

– To direct and control the organization with regard for quality in **ALL** processes.

- Basic clinical protocols
- Basic financial standards
- Basic ancillary processes
  - Examples:
    - » **Housekeeping, Laundry**
    - » **Dietary, Coding & Billing**
    - » **Maintenance, Bio-Med**
    - » **Pharmacy**
- Basic monitoring and measurement of results
- Basic analysis of data to generate information to manage and continually improve

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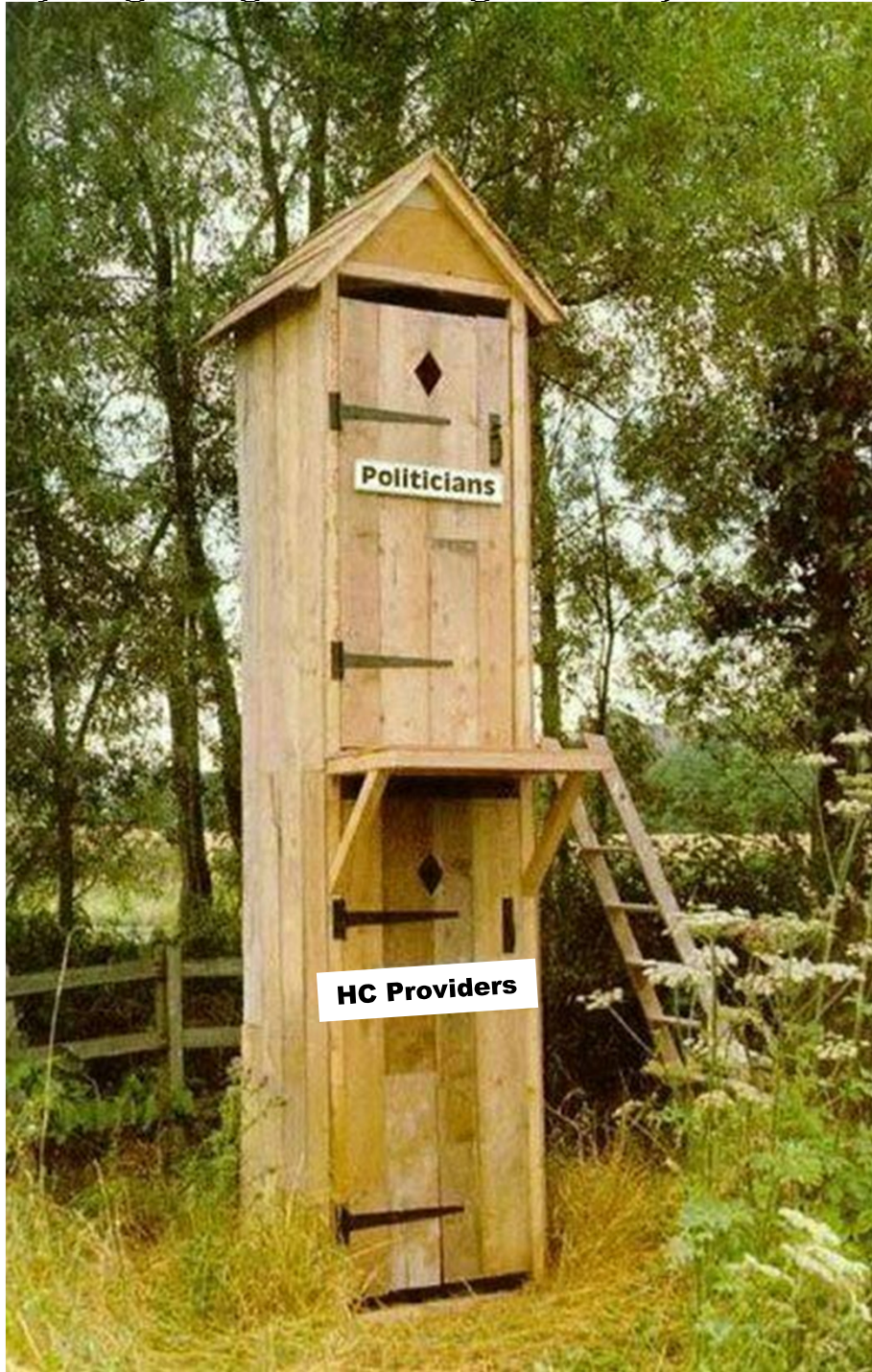
## ❖ ISO 9001:2008 (Quality Management System standard) supplements other requirements



- Good fit with CMS conditions of participation
- Blends in with Baldrige Criteria
- Generic and provides a basic system for any organization
- Does **not** tell clinicians how to practice medicine
- Does prescribe some processes necessary to implement a good management system

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When you get a good management system?



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## ❖ Some requirements associated with BOS

- Identify processes and describe interaction and sequence
- Control outsourced products and services
- Control documents
  - internal documents reviewed and approved prior to use
  - external documents -- version and distribution controlled
  - Records are evidence of work performed



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Use the **KISS** process:

**K**keep

**I**t

**S**imple &

**S**ufficient

**Bureaucracy:**

A fool proof method of converting  
**pure energy...**



**... into solid waste.**



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## ❖ Some requirements – cont'd

- Manual for policies and procedures controlled
- Management committed and customer (patient) focused
- Responsibilities and authority for all is defined and understood
- Management reviews the system periodically for improvement
- Adequate resources are provided



- Competent personnel
- Appropriate infrastructure and work environment

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**Without management commitment --**

**Quality Management is like the sunset,**

**it is pretty for a while and then it gets dark!**

**Statement by M. M. "Mickey" Christensen**

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## ❖ Some requirements – cont'd

– Adequate business results to aid sustainability:

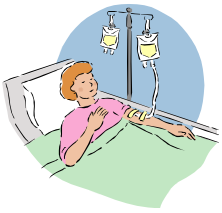
- Correct billing to receive appropriate fees
- Market share is understood and management strives to maintain/grow market share
- Proper collection procedures are in place to minimize accounts receivable days
- Financial planning is tied to operational planning.



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## ❖ Some requirements – cont'd

– Customer (patient and others) requirements are understood and met



- includes regulatory and statutory
- includes those not specified by the customer, but are necessary
- includes those of payers
- communications are appropriate

– Design of product (care plan) or service is managed and meets the requirements

– Purchasing of products and services managed

- Suppliers are evaluated and re-evaluated
- Orders describe product or service correctly
- Suppliers deliver what was ordered on time

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## ❖ Some requirements – cont'd

- Work processes are controlled to provide results expected
  - Suitable work instructions, equipment, measuring and monitoring devices, etc.
  - Assure proper coding and billing
- Proper identification and traceability of product, service, **and patient**
- Control of customer property
- Control of monitoring and measuring equipment
  - maintained and **calibrated** to National standards

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## ❖ Some requirements – cont'd

- Customer (patient) perception of meeting their requirements to be monitored
  - Not a measure of dis-satisfaction
- System to have internal audits periodically
  - Internal by employees
  - Use of QIO, RAC, or PSO groups if needed
- Monitor and measure processes for effectiveness
  - Are results of patient care as expected?
- Control of non-conforming product or service throughout
- Collect and analyze data about the system
- Take corrective/preventive actions
  - Verify effectiveness of actions taken

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## ❖ Other systems

- Baldrige National Quality Award Healthcare criteria [AIAG document, Business Operating Systems (BOS) for health care organizations included]
- DNV Healthcare, Inc. system that includes CMS conditions of participation and ISO 9001 (CMS deeming authority granted in 2008)
- Joint Commission that includes CMS conditions of participation and JC added criteria (CMS Deeming authority)
- AOA system (HFAP) that includes CMS conditions of participation and AOA added criteria (CMS Deeming authority)
- NCQA [National Committee for Quality Assurance] (Health Plan accreditation)
- URAC (health plans and preferred provider organizations)
- ACHC [Accreditation Commission for Health Care] (CMS Deeming authority for home care)
- SGS system that includes CMS conditions of participation and ISO 9001 (CMS deeming authority to be applied for soon)

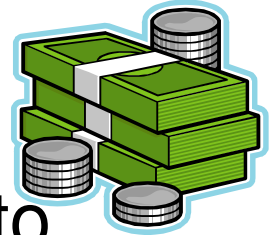
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## ❖ Some references that may be helpful

- IOM reports can be purchased from National Academy Press at [www.nap.edu](http://www.nap.edu)
- The Dept of State has headquarters clinic certified to ISO 9001 and will do all embassy clinics soon
- About 20 hospitals and a total of about 45 HC organizations are certified to ISO 9001 in the USA. About 4500 in Europe.
- NCQA and URAC are at: [www.ncqa.org](http://www.ncqa.org) and [www.urac.org](http://www.urac.org)
- Accreditation Commission for Health Care (ACHC) which accredits DME and Home care is certified to ISO 9001 [www.achc.org](http://www.achc.org)
- SGS-S&SC registrar [laura.prioli@sgs.com](mailto:laura.prioli@sgs.com)
- DNV Healthcare, Inc. has deeming authority to accredit and is a registrar at: [www.dnv.com](http://www.dnv.com)
- AIAG for BOS document at: [www.aiag.com](http://www.aiag.com)

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## ❖ Benefits to hospitals

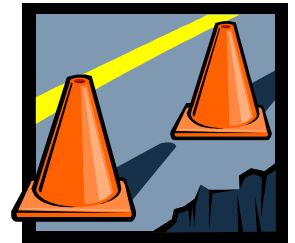


- More consistent approach to providing care
- Saved approx. \$130,000 per year by better managing suppliers (approx 130 beds)
- Doctors feel data from **calibrated** devices is more accurate
- Reduced number of forms and documents
- Improved overall efficiency
- Patient satisfaction improved
- Quality objectives drive continual improvement

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## ❖ Some bumps in the road for HC to implement

- New terminology to learn
- Not all people wanted the change
- Doctors concerned about someone telling them how to practice medicine (BOS & ISO 9001 **do not** do this.)
- Resources to get system in place and then maintain
- How to prioritize relative to all other things going on



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**Proof there is a 'Pot of Gold' at the end of the rainbow!**



*"The way I see it, if you want the rainbow you gotta put up with the rain."*

*- Dolly Parton*

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## **Mickey's Motto for Living**

Life should **NOT** be a journey to the grave with the intention of arriving safely in an attractive and well preserved body, but rather to skid in sideways, dark chocolate in one hand, good bourbon in the other, totally worn out, recently broke and screaming...

"Aiyeee" what a ride!"

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❖ Thank you for your time.

❖ Questions?



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# *Business Operating System in HC*

Introduction: Today's quality management guidelines are much more "health care" friendly than earlier versions, and have led to numerous success stories within the industry. Achieving certification to an ISO standard (such as ISO 9001) is still a challenging process for many companies. This presentation will cover how to get the most value out of implementing a quality management system in a health care organization.

Benefits for health care organizations from ISO 9001 and related systems are:

- Organization-wide quality policy, vision, goals, and use of tools like benchmarking and Six Sigma
- Attention to features that impact not just patients, but payers, regulators, suppliers, and staff
- Procedural consistency and efficiency for administrative tasks
- Lower operating costs and greater satisfaction for staff

Mickey Christensen, President of TQM Systems will focus on the hybrid Baldrige and ISO 9001 criteria as used in a hospital. He will also discuss other programs and the information covered will be applicable to any healthcare organization. The presentation will also include a quick review of helpful reference information.