



# VIRIDIANT business

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## Newsletter

### Hospital Management: **Innovation** To Improve Staffing and Patient Safety

**Techniques to improve hospital care may come from improved practice standards, institution of JCAHO guidelines, and committees that do their work. But additional improvements may come from...**

**Studies in three states** (Utah, Colorado, and New York) reported on medical errors in hospitals. If we extrapolate the frequency with which those errors caused death to the total number of U.S. Hospital admissions, we find that medical errors caused the deaths of between 44,000 and 98,000 patients in 1997. In 2006, the Institute of Medicine reported that medication errors harm at least 1.5 million people annually. Treating drug-related injuries in hospitals alone costs at least \$3.5 billion annually; this sum does not take into account lost wages, productivity or additional health care costs.

Efforts to improve the quality and safety of hospital care have been made at both the local (hospital committees) and national levels. The Joint Commission on Accreditation of Hospitals has set up numerous patient safety guidelines. However, instituting change in hospitals, which are large organizations with many fixed policies, has proven to be extremely difficult. Hospitals will need to undergo a great deal of change.

How may a hospital best pursue the goal of improving patient care? Quality Assurance, Performance Improvement, and Root Cause Analysis committees may meet regularly, but are they performing the task

for which they were formed? Or merely creating a paper trail? Sometimes, committee members are afraid to criticize colleagues for fear of legal retribution. In one case, a physician with dangerous practices was not counseled. It was later learned that a senior person on the review committee was a close friend, while another was romantically involved with the physician.

Techniques to improve hospital care may come from improved practice standards, institution of JCAHO guidelines, and committees that do their work. But additional improvements may come from incorporation of technology and corporate methodologies within the hospital environment. Some of these items will be discussed below.

### Hospital Techniques

Perhaps the most common technology used to improve hospital safety is the use of computerized order systems. Numerous medication errors occur due to misinterpretation of physician handwriting by nurses and/or pharmacists. Computer based order systems are always legible. They also alert healthcare workers to drug interactions, patient allergies, and may provide an efficient method to identify patients who are ready to be switched from IV to oral therapy.<sup>1</sup> Bar code identifiers for patients are another way to prevent errors in patient care. (<http://www.fda.gov/oc/initiatives/barcode-sadr/fs-barcode.html>). RFID tags are being evaluated as a method to decrease blood transfusion errors. These are just a few examples of technologies devised to improve patient safety.

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Viridian is a consulting firm with particular expertise in innovation, strategy, change management, biotechnology, education and healthcare.

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### Corporate Techniques

Numerous corporate techniques to improve quality and safety may be applied in the hospital setting. A few are described below.

### Catalytic Mechanisms

A catalytic mechanism is a technique that does not direct change, but rather drives change, that links objectives to performance. Described by Jim Collins, catalytic mechanisms have sharp teeth and can result in major changes and improved ability to accomplish goals.<sup>2</sup> He uses short pay as an example, a technique instituted by Granite Rock, whereby a customer could write a note on an invoice why they were not satisfied with an item, and deduct the cost of that item from the invoice. True, the company lost some revenue. But the requirement to explain why they were not satisfied resulted in immediate feedback from customers. Obviously, the financial state of hospitals today precludes the use of a mechanism such as short pay. But short pay is a good example of the kind of sharp teeth and force for change that are a requirement of catalytic mechanisms. Though the dramatic change associated with catalytic mechanisms are not always easily applied to medical care, to shake up committees, and carefully chosen patient care policies.

### Discard Policies

One of the largest obstacles to improvement is a bound three-inch thick policy and procedure manual. In order to create improvement we need a place to put it. Policies may be ripe for change or the trash, and should be reviewed on at least an annual basis. Removing outdated policies makes room for new and improved ones.

### The Right Employees

Perhaps the most important step to build a great company is to hire the right workers. That means skilled and dedicated employees. It is vital to prevent unwanted turnover that leads to fatal mistakes and incurs high replacement and recruiting costs, which vary from 1.3 – 4 times the cost of the lost worker’s annual salary.

Decreasing salaries and/or increasing patient loads for academic and hospital-based physicians have hastened the move to private practice by some of the best physicians. Per-diem substitutes may not be up to par. Even if they are, bringing new physicians on board every few months is not advisable. On a one-day hospital visit, I came across multiple per-diem staffers. One, a physician, endangered a patient’s life through an error that should not have occurred. Nursing is a greater problem, with nationwide shortages. Though per-diem staffers may fill in the gaps “with a body,” the lack of hospital-based nurses may lead to disorganization and medical errors due to the per diem staffer’s lack of familiarity with the particular hospital setting.

### How Can Hospitals Hire and Keep The Right Employees?

Hospitals can take a cue from the corporate setting, where unique benefits are sometimes provided to retain employees. One employee requires child-care, another tuition reimbursement, a third an extra week of vacation to visit elderly parents on another continent. Hospitals need to be as flexible as their corporate counterparts in tailoring benefits to individual employees.

Shortages of hospital staff, especially nursing staff, are already a significant problem. Employing techniques from the corporate world may result in improved employee hiring and retention at your hospital. Viridian can work with your CEO and human resources department to develop improved employee recruitment and retention strategies.

1. Journal of Antimicrobial Chemotherapy Vol. 46: 2000, 518-519
2. Collins, J. Turning Goals into Results: The Power of Catalytic Mechanisms. In *Harvard Business Review on Turnarounds*. Harvard Business School Press. 2001