THE MILLENNIUM HEALTHCARE BILL (MHCB) PROJECT

Let's dive into the case study we will use to illustrate techniques and tools through the remainder of the book. It concerns a healthcare organization's implementation of a patient data collection system to meet new federal regulations. To develop all the components of the strategic plan, we'll see our project manager fight through the principal difficulties in completing a strategic plan and pick up new techniques along the way.

OUR PROJECT AT PEOPLE'S HEALTHCARE

Kelly Jamison pressed down the metal clasp over the Lessons Learned document and then closed the last of the blue work-paper binders on the just completed project. Carrying the folder to the file shelves, Kelly smiled at the now orderly office after months of stepping over files and papers. It was a nice feeling to close out the last of the documentation on an extremely successful project. Now hopefully there'd be a few weeks of recuperation before starting the next project, whatever it might be. The phone rang, breaking the easy rhythms of the local jazz station. Kelly punched the talk button on the speakerphone and heard,

"Kelly, this is Lane Larson. Glad I caught you. We need to get going on a big project."

People's HealthCare, where Lane was Chief Financial Officer, was formed through a "shotgun marriage" of two struggling providers, both savaged by the roller coaster ride of third-party reimbursement reimbursement. The larger organization needed additional volume to support its overhead costs. The smaller organization needed technical support to meet burdensome regulations.

After a quick exchange of pleasantries, Lane said, "As you know, the clock is ticking on the implementation date for us to meet all those mandated Millennium Healthcare Bill (MHCB) requirements. Since the merger, the Board of Directors has had such a full plate that although the bill has been on the agenda for the past four months, last night was the first time we had a chance to discuss it and the project really exploded. I talked about the MHCB requirements and all the additional data we'll have to collect on every patient episode from every doc, nurse and tech in the facility. Then we got onto the reimbursement impacts. It'll affect every provider, service and how all of our third-party payers determine the cost per episode of patient care and, hence, all our revenues."

Kelly said, "You've got that right, MHCB's impact will be monstrous."

"You haven't heard the worst yet", Lane replied. "As soon as I mentioned billing the Board went off on a tangent about our billing system's problems and all the patient complaints about our billing. Then they started talking about costs of capturing and entering all the new data and how our patient records systems are a mess. As you know, we still have two systems from before the merger that aren't integrated. Then some troublemaker mentioned how much wasted effort there is transcribing all

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the patient orders and the doc's dictation and wondered if we couldn't actually save money having everyone, docs included, enter all their own data."

"I bet that went over real well," Kelly interjected.

"It was not pretty," Lane answered. "We heard a lot about everything… from the impact on the quality of patient care, to our docs not being data entry operators, to the dollar amount of bills that are on hold. So there's a lot on the table with patient complaints and accuracy being at the top of the list, not to mention the MHCB requirements. If we can save some money, or at least offset some of the costs of compliance, that would be great. K. C. Johnson, our new Administrator, asked me to be the internal point person for the project and I want you to manage the project."

"Well, Lane," Kelly replied, "I'm not telling you anything you don't know when I say this is a monumental undertaking. Tell me more about the resources that will be available for the project and the budget that was approved last night."

Lane replied, "I wouldn't be honest if I didn't tell you the budget will be tight. However, I think we have the opportunity to identify some cost savings that we can channel back into the project. Regarding the resources, everybody has promised full cooperation."

While twirling the phone cord, Kelly tried to think back about how many times that phrase about "full cooperation" had been mentioned at just about this point in a new project. "Great, Lane. When can we get together on this?" Kelly asked.

Kelly and Lane set the date for a Millennium Bill Steering Committee meeting and exchanged goodbyes.

THE MHCB STEERING COMMITTEE: INVITATION TO THE ACTIVITY TRAP

Two days later, Kelly pulled back one of the red leather chairs in People's boardroom. A tall thin man Kelly recognized as a manager from the Billing department groaned, "So we have only nine months from today until these regulations go into effect."

Kelly glanced around the table and recognized just about everyone. There were supervisors and managers representing X-ray, Laboratory, Accounting, three Nursing directors, Patient Intake and other departments that would be affected by the Millennium Bill. However, not a single physician or executive level decision-maker was in attendance. Even Lane had failed to attend.

"The first thing we have to talk about," Kelly began, "is meeting the new federal regulations in the Millennium Healthcare Bill."

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The manager from Billing responded, "This project is a whole lot bigger than that. This whole thing is about the efficient collection of data. Now, half of the organization on the clinical side is using the STAT system for the medical records, which includes most of the info we're required to have. The other half is on an old system and the interface causes endless problems for us in Billing and most everyone else. We have to get everyone on one system, the STAT system, first."

There were a few grumbles from people not on the STAT system. Then a red-haired woman Kelly recognized from Information Systems (IS) said, "The portable devices the Board talked about can feed the STAT system rather easily. With a lot more of those terminals we can provide the kind of access people will need, particularly if what I hear about all the docs and nurses doing their own data entry is true."

"We tried those damn things," a Nursing supervisor snapped, "and we had all kinds of problems with the hand-held devices. I have a list of examples from the staff. What we need are more secretaries to transcribe notes and orders."

Kelly hesitated before responding, "All of your points are well taken and we need to get clarification and resolution on all those issues for the project."

Even without any upper level decision-makers in the meeting, Kelly knew it was still worth getting an initial list put together. "Let's surface the other issues you feel will need to be addressed."

Over the next half hour, Kelly heard from each department representative and assembled the following list:

- Reduce the data collection burden and duplication by entering "electronic orders and notes"
- Effective compilation of the data necessary to meet new federal regulations
- Track the cost of each episode of care for each patient
- Achieve productivity expectations for number of patient contacts per day, per clinician
- Improve the interface between clinical, billing, and payroll systems
- Weekly rather than monthly billing
- Reduce the number of bills on hold awaiting documentation
- Improve patient services by reducing red tape and gathering the same data multiple times.

Kelly closed the meeting and headed directly to Lane's office. After a short wait, Kelly sat down in the chair in front of Lane's desk and got right to the point, "Lane, we are already headed for disaster. We only got middle managers and supervisors at the planning session because the decision-makers all delegated the project planning downward. Not a single department head or chief of service or physician showed up. You know as well as I do that we need to set the overall strategic framework or this project will just wallow in interdepartmental bickering and people's resistance to change. "

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Lane grimaced, "I'm sorry about not coming but we had an emergency meeting of the Executive Staff on another issue."

Kelly pressed on, "If we don't get started on the right foot and have a clear sense of direction we will go nowhere fast. I need time from the chiefs of service and administrators to set the strategy."

"I understand, Kelly, I really do. But our emergency meeting this morning was with the largest physician group we have. They are not getting paid from our largest fiscal intermediary and they are threatening not to renew their contract with us. The situation with them is very touchy now and may affect the project. Maybe you can use what you got today at least to get started and then you and I can plan this thing as we go…?"

AVOIDING THE ACTIVITY TRAP

We've come to the first moment of truth in this project. We have stakeholders that are ready to deluge us with a list of what each department needs while at the same time pushing us very hard to get started so we can hit an already determined finish date. We have absolutely no idea how the stakeholders will evaluate the success of the project nor do we know what specific business benefits they are seeking from the project. We also have no commitments at all from decision-makers, administrative or provider, on what they will deliver for the project. This is not an unusual situation for an HC project manager.

There's no doubt that we could carefully record every one of the many requirements. We could then develop a detailed technical specification to deliver that laundry list of requirements and stakeholders from the various departments would be happy with how quickly we have started work on the project. Of course, we would have no ability to control the scope of the project; no chance of finishing in this millennium and the cost might well exceed the gross national product of a small country. Worst of all, many aspects of the project hinge on bringing about organizational change in the organization. Our decision-makers are, it seems, avoiding even discussing that due to the inherent conflicts.

This situation is the activity trap. If we start work with no strategic plan and leap directly into tactical planning, our project will suffer the problems that always result when we drive a project from a list of features and requirements rather than from a measured and verifiable business outcome. We will face these consequences:

- The list of requirements from the stakeholders will grow each week
- The technical specifications we have to deliver will constantly change
- The quality produced will be poor
- We will have no ability to exercise control over changes to the project scope

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- The stakeholders will almost certainly be dissatisfied with the project results
- We will finish long after their target date.

Climbing out of the activity trap is not easy. The only way we avoid it is to gain the formal commitment of executive decision-makers to the measurable business results that define project success; what we'll call a measure of success (MOS™). In other words, we need the executives who will evaluate the success of our project to sign off on a project measure of success before we start work.

From that MOS™, we will develop a high-level achievement (HLA™) network that specifies the network of measurable business achievements required to deliver the end business result our executive decision-makers want. When the executives have approved this achievement network, we have avoided the activity trap and can:

- Develop our process and technical requirements needed to deliver the measured achievements in our plan
- Exercise more effective change control because we can evaluate all requirements and changes from the perspective of whether or not they contribute to the specific measured results the stakeholder has approved
- Develop a budget and duration that is based on data, not on dates and dollar figures "plucked from the sky"
- Work with our stakeholders in a trade-off environment where we can quantify the impact of every change or additional feature they request.

Climbing out of the activity trap is difficult for several reasons. First, in most organizations it is very difficult to get upper-level decision-makers to spend time on strategic project planning. Second, it is difficult to get these decision-makers to commit to a precise definition of what measures will define project success. Third, the lower-level decision-makers to whom planning is usually delegated do not know how their bosses will measure the project's success so they can't tell us.

At the same time that we face all of these obstacles, there is tremendous pressure to start work. Nevertheless, if we fall into the activity trap, we're almost certainly doomed to have dissatisfied stakeholders at the end of the project. If we start work quickly, they will be very happy with us at the beginning of the project and we will avoid the hard decision-making and necessary conflict that accompany digging out of the activity trap. Perhaps the main reason that so many projects get stuck in the activity trap is that it is the easiest path to take at the beginning of a project.

Achieving consistent success on projects requires that before we start work, we do the thinking with stakeholder decision-makers to define the business outcomes, not the features they want. It's convenient when this type of planning is required in the organization but usually in healthcare organizations, it is not. Let's examine the techniques we need to get this done.

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STRATEGIC PLANNING AT THE RIGHT LEVEL

We need to accomplish three things to avoid the activity trap:

- We need to gain access to, and time from, upper-level decision-makers
- We need to secure their commitment to the measured definition of project success, the MOS™
- We need to get their formal approval of a network of business achievements (HLA™) that will yield that end result.

GAINING ACCESS

In many healthcare organizations, gaining access to upper-level decision-makers is difficult. In these formal hierarchical organizations, people at that level may not be accustomed to spending time with low-ranking project managers. There may be organizational culture norms of executives working primarily with their peers and subordinates, not lower-ranking people from other organizational units. There are also cultural issues about physician involvement in what they regard as “administrative” efforts as well as resistance to the involvement of “lay” person in patient care issues. We can also add turf issues between various “silos” in the organization where cross-functional efforts are viewed as an intrusion of outsiders at best. Second, on previous projects, HC project managers may have trained administrators and physicians to avoid project planning meetings like the plague. If these stakeholders have experienced planning sessions consisting of nothing but technical mumbo jumbo and detail, they very reasonable have little interest in attending another. With that sort of prior experience, we should not be surprised when executives insist on delegating the planning chore to lower-level decision-makers or even hire the own interface people so they don't have to sit through all the technical talk that is irrelevant to the pressures they face.

If we have these access problems, we can use three techniques. First, we might directly approach the key decision-makers from both the Administration and Medical Staff and ask for time to do strategic project planning. In some organizations, this direct approach would be a "career-ending move.” In other, usually smaller, organizations it might be accepted. However, in most HC organizations pecking order and status issues cause decision-makers to be very sensitive to having their toes stepped on. For example, a project manager who approached several radiologists without going through the Chief of Services and the manager of that department might cause great offense to those people who would feel that the PM had "gone around them." If we can directly approach the decision-makers, we ask for a limited amount of time for strategic project planning, using phrases like, "I need strategic direction on where you want this project to go." Or, "Before I can get started, I need to understand how you will evaluate the results of this project and exactly what business results you want to

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