

# Improving efficiencies in hospitals

European Steering Group - “Reorganisation of care”



Picture from  
McKinsey&Company

**Apostolos Letsios**

CEO of Agios Andreas General Hospital Patras, Greece

## Questions to be answered ...

Can we improve the efficiency in Hospitals ...

keeping the quality of services provided to patients  
at a high level ?

Can we increase the accessibility of patients to the NHS ?

... preserving the sustainability of the NHS ?

**... Spending less money?**

The answer is ... the University Hospital of Patras  
way Performance through Engagement \*



# The University Hospital of Patras

## Capacity - Services

800 beds / 1300 employees/75,000 sqm.

Full health services - including out thoraco-cardiac, laparoscopic and vascular surgery, transplants, surgery for morbid obesity, coronary and peripheral vascular angioplasty procedures

## Annual statistics

250,000 outpatients

3,600,000 laboratory tests

60,000 inpatients

4.74 Average days of hospitalization / 8,000 surgeries

## Economic data

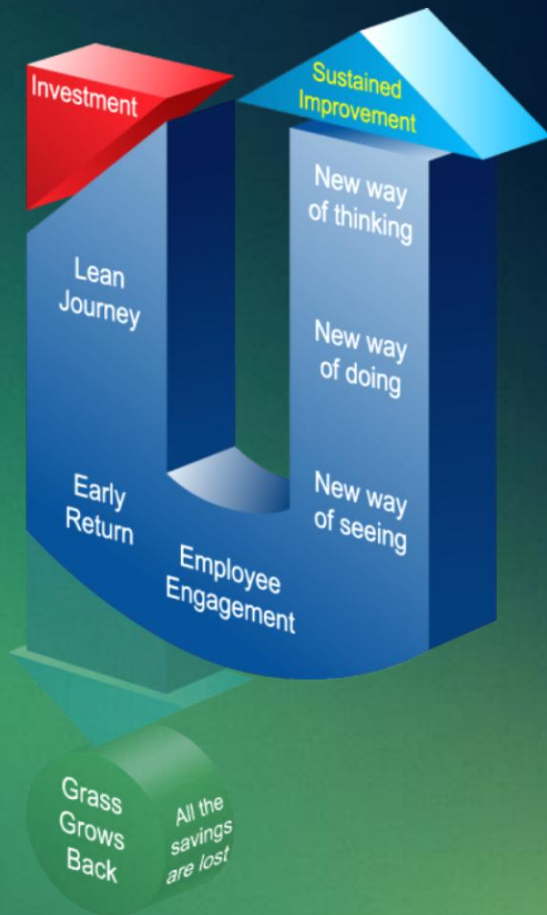
€ 73 m. was the total expenditure for 2011

€ 33 mil. for drugs and € 23 mil. for medical supplies

Notice 36 snack and 82 open competitions in 2011

*Under any conditions its a challenge - need for the hospital administration to implement quality management methods in the hospital environment, so as to guarantee that the services will meet specific requirements, taking into account the constantly changing patients needs.*

# 'Performance through Engagement'



- Our approach focuses on the rapid generation of leadership and employee engagement
- This is followed by the development of employee competence, confidence and enthusiasm (via skills and knowledge transfer)
- Which leads to a step-change in thinking, and attitude and culture (“working mentality”):
  - it is this change that is the key to sustained and continuous improvement
  - and delivers significant performance improvements



*The active  
participation  
of employees ...  
is  
the way to  
improve quality.*

The new methods of organization and operation will not be the result of a "**Top-down**" management model ...



policies

laws

regulations

goals

discipline

expectations

efficiency

**BUT** a “new” management model based on a “**Bottom-up**” approach that solves the daily and essential problems of the Hospital



It is not the management that tells staff how to improve the work, but vice versa ...



Who are our own consultants?

Involvement of all staff

The problems are immediately visible

## The "new" management model has to face ...

the lack of control and transparency

the lack of simple and standardized procedures for key functions within the Hospital

the inadequate staff training in Administration issues

the lack of implementation and retention of new working models based on predefined standards

## ... and also

the lack of incentives in problem solving at every hierarchy level

the lack of exchange of best practices and particularly those related to potential added value

the lack of interest and understanding of the consequences of the applied practices and services during patient care

the lack of understanding the efficiency of both procedures and personnel

... making possible quick and efficient corrective actions

## From Theory to Reality

The "**Modernization of the supply chain of the University Hospital of Patras (PGNP) - Performance through engagement**" implemented in 2012, is an excellent example of a very successful application of these organization and methods of operation presented above



We need to improve control,  
reduce inventory cost and free up  
nursing time

Mr A.Letsios, Chief Executive



It is about availability of product,  
I have material for the less used  
products but run out of the  
common items

Professor D. Alexopoulos



The project achieved the optimization of the supply chain processes of PGNP in a way ensuring...

the adequacy of materials

transparency

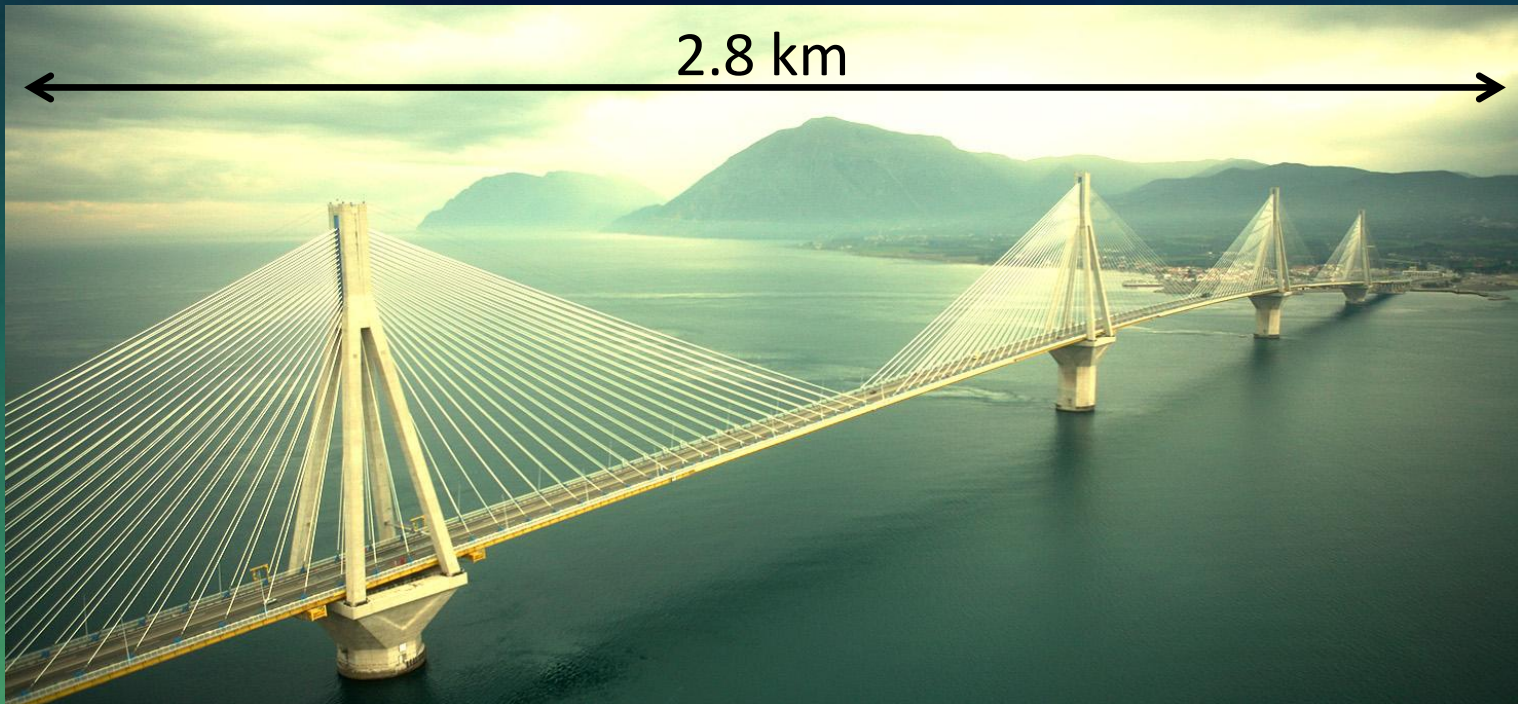
minimizing time-consuming procedures and thus minimizing the time spent nursing staff to manage stock and orders, resulting in increased time spent in nursing tasks

the absolute control of stocks and depository

reducing costs



As an example of waste, let's look at walking orders around the hospital

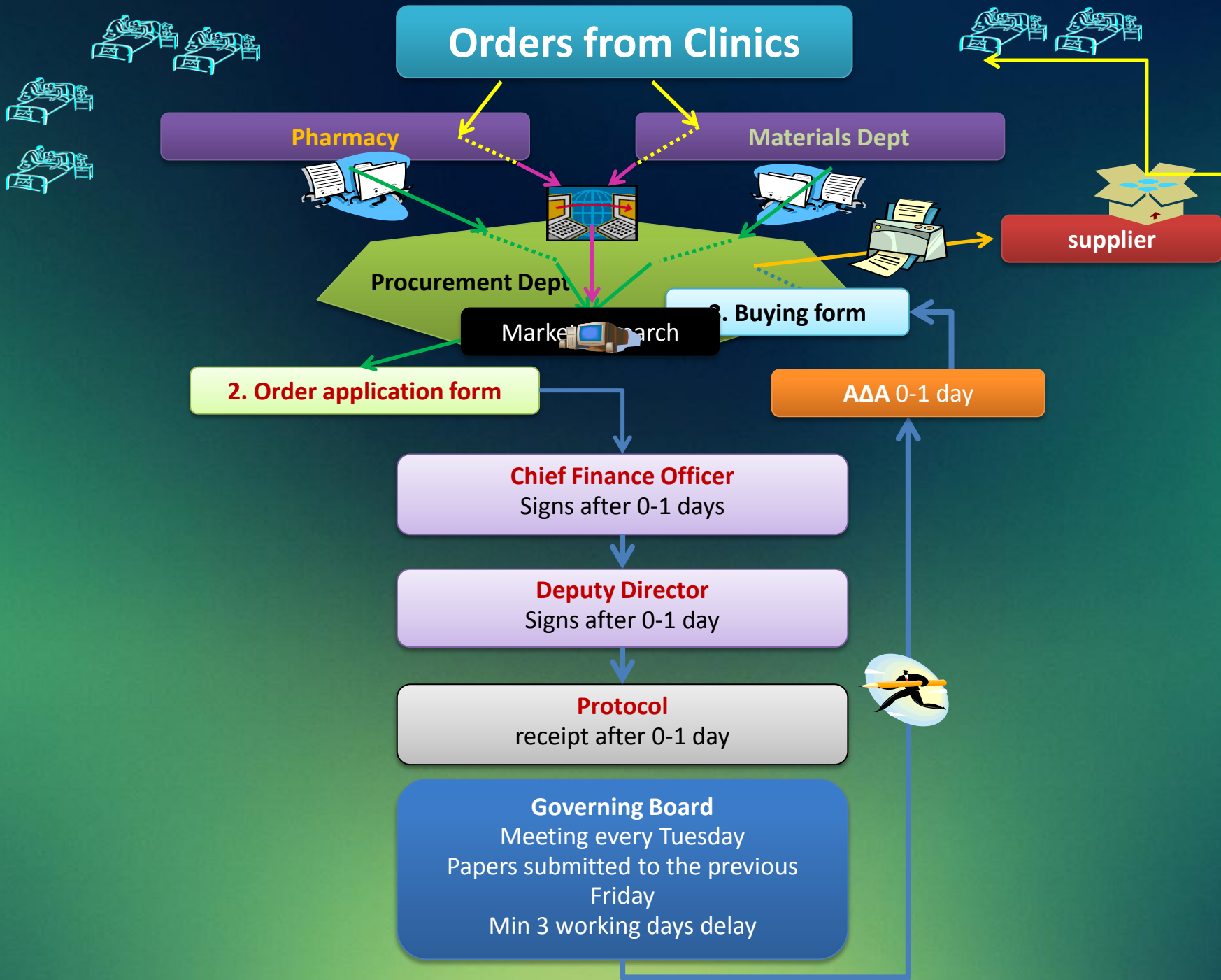


For the two clinical areas, there are 200 trips across the Rio bridge per year i.e. 560km

Just imagine how much wasted time is spent across the hospital's 35 clinical departments?

It is obvious this non contractual procurement process was complex, leading to long delays, leading to the need of high stock levels

A new three signature process implemented which reduced the delays, complexity and lead time, and inventory levels



## The methodological tools used for the implementation of this project included (inter alia):

Recording staff work to identify those (works) that have real added value to the patient

The implementation of an interactive communication system among the staff related with everyday tasks, goals and the improvement of their work

The application of 5S and Lean methods to reorganize the basic units of the hospital.

# What is 5S



## What is Lean?

- A corporate culture characterized by the continuous pursuit of eliminating “waste”
- An effective method for improving the quality of patient care while reducing costs, avoiding lengthy unproductive processes , bridging "silo" and thus improving employee satisfaction.

# Performance through Engagement - Key messages

This pilot project has redesigned, tested and implemented new ways of working to improve the Hospital's costly and inefficient supply chain in order to drive cost savings and enhance quality of patient care

Clinical engagement and transformational activities to help reduce costs and improve patient care has been easier to achieve than procurement efficiency

Impressive results have shown that this approach can address the chronic break-down of cash-flow whilst also releasing more time for nurses to improve patient care

Together, we have shown that dramatic cost savings are possible, whilst at the same time improving quality and releasing time to care for nurses

# Performance through Engagement - Key messages

Inventory levels have been reduced by 73% with the implementation of a Lean supply chain. By improving purchasing effectiveness in the next three years, € 24 m of savings could be achieved

If the PGNP results could be replicated nationwide a € 1 bn of savings could be achieved for the NHS in Greece \*

By eradicating or redistributing tasks carried out by nurses that are unnecessary or non value added to patient care to other non clinical staff we can increase the productivity of (800) nurses by 33% i.e. an equivalent of 264 nurses

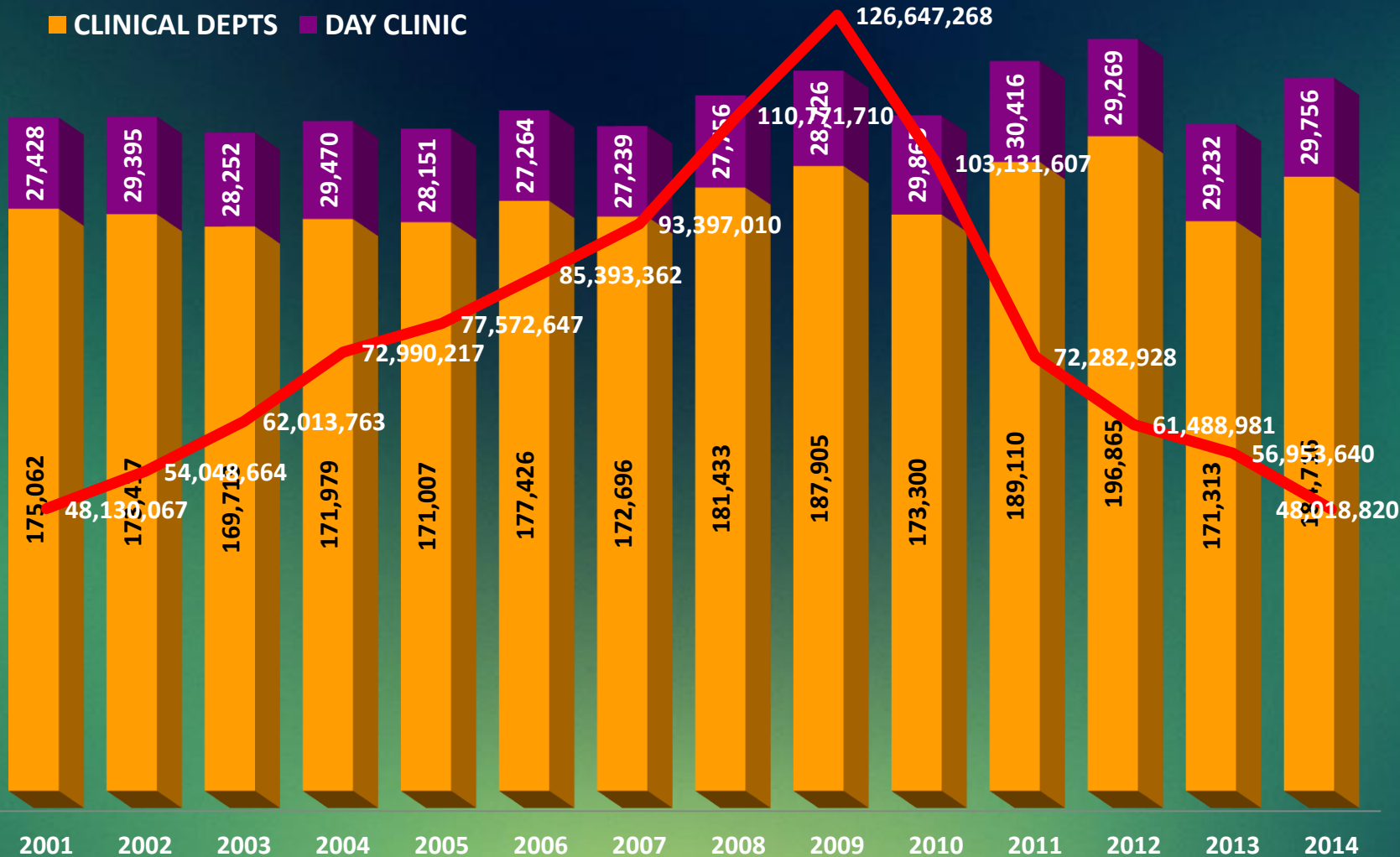
Scarce supply of nurses resulting from this overburden could be improved by the equivalent of between 7.400 and 12.200 nurses \*\* in National level without increasing the spend on nurses

\*, \*\* under certain assumptions.

# TOTAL EXPENDITURE

## Patients

■ CLINICAL DEPTS ■ DAY CLINIC



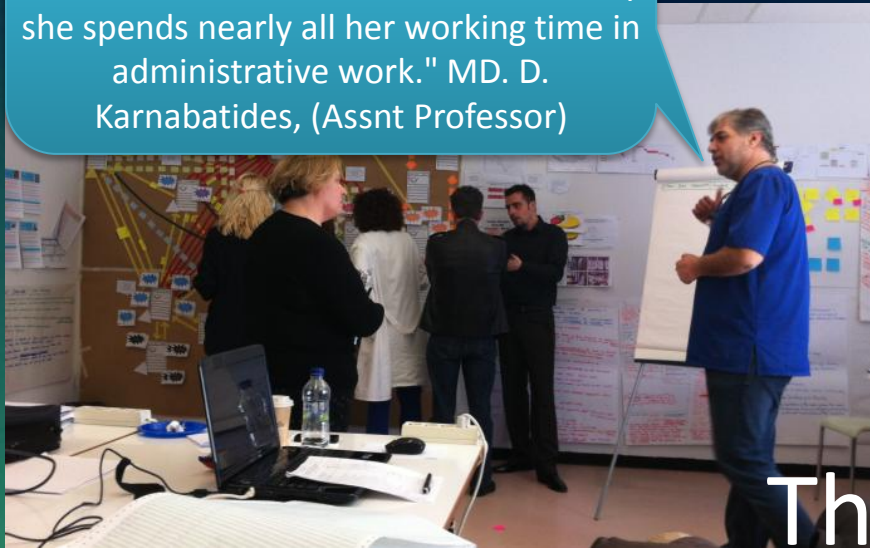
## Finally ...

The experience from the previous application of the methodology creates a realistic belief that ...

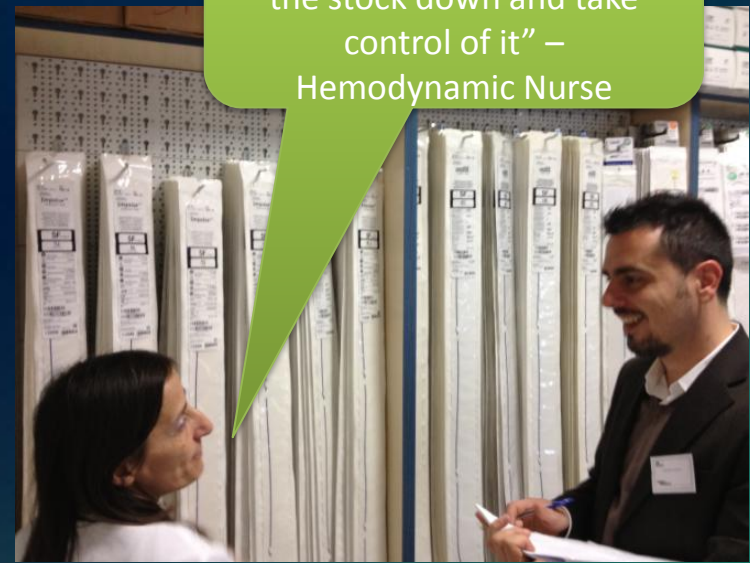
significant improvements are possible by applying new organizational and operational methods ...

whose effectiveness however depends on the will, support, enthusiasm and active participation of the Management, Medical personnel at all levels, nurses and all other employees

"I need the Chief nurse by my side when I operate. She is the most experienced one and her assistance is valuable. Today she spends nearly all her working time in administrative work." MD. D. Karnabatides, (Asst Professor)

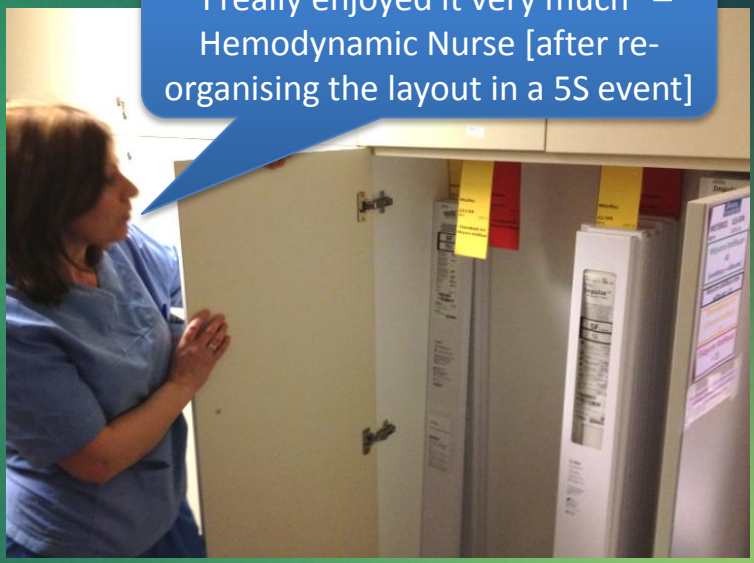


"We want to be the first department in Greece to take the stock down and take control of it" – Hemodynamic Nurse



Thank

"I really enjoyed it very much" – Hemodynamic Nurse [after re-organising the layout in a 5S event]



You



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