

HEALTHCARE FINANCE NEWS

Toyota helps healthcare go 'lean'

By [Diana Manos, Senior Editor](#) | 05/01/08 | MANOS 0508

WHAT DO TOYOTA, hospitals and the [Department of Health and Human Services](#) have in common? Evidently a lot, for those looking at quality improvement and cost containment.

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[HHS Secretary Mike Leavitt's](#) new value-driven healthcare plan intends to make healthcare costs and quality transparent to the public, encouraging a natural, market-driven improvement. You could definitely say he wants the system lean.

Along the same lines, a handful of hospitals have taken a cue from [Toyota Motor Corporation](#) for improving quality of care, streamlining efforts and reducing costs. Toyota's vehicle production system, nicknamed a "lean" system by some industry experts, strives to eliminate all waste.

Seattle Children's Hospital has been using Toyota's principles with great success over the past two years, hospital leaders say. The hospital's Continuous Process Improvement (CPI) has lowered costs, improved quality of care and increased nurse job satisfaction.

According to [Susan Heath](#), chief nursing officer and senior vice president at Children's, nurse job satisfaction is significant to the bottom line. The cost to replace an intensive care unit charge nurse, for example, is \$80,000.

[Heath](#) said the hospital sees its CPI training as a worthwhile investment for long-term outcomes. The hospital holds workshops to develop leaders in the CPI program, culminating in a trip to Japan for some to see Toyota's principles in action.

[Bill Berko](#), a charge nurse in the pediatric intensive care unit at the hospital, said nurse involvement in streamlining efforts makes them "agents of change" and keeps them invested.

The hospital's CPI team focuses on one key clinical area at a time, from start to finish as a patient receives care. Bottlenecks in workflow are identified and solutions developed.

Some of the changes Children's has made include how the hospital handles perioperative care, how nurses receive information and how blood infections are prevented.

[Heath](#) said the hospital, on a Gallup nurse satisfaction survey in 2005, scored 3.88 in a scale of 1 to 5. That number rose to 4.22 in 2007.

[RWD Technologies, Inc.](#), in Troy, Mich. , helps companies go lean. [Jim Parish](#), executive vice president at [RWD](#), said healthcare is at a critical crossroads, where quality is not meeting expectations.

The [Toyota](#) Production System, taught by [RWD](#), inspires a cultural change in organizations and is the only way to "maximize quality care and realize long-term continuous improvement," Parish said.

With the Centers for Medicare & Medicaid Services moving toward cutting off Medicare payments for preventable medical errors, hospitals will need to start thinking about culture change and lean techniques, Parish said. A quick fix or mandate will not cut it.