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Paul O'Neill: The Man with the Plan

See how Paul O'Neill is leading the drive to improve healthcare in Southwestern PA.

By: Tim Hayes

With the delicate and precise touch of a skilled surgeon, you slowly, carefully lower the tweezers into the cavity to extract the infection hiding within. Maneuvering with determined concentration, trying to keep your fingers from quivering, you see the object of your search lying just within reach.

Another millimeter further and success will be yours. Almost there, c'mon, keep it together, doc. The patient is relying on you. There, you've got it! Now, to pull it back out, yes, this is going to work... BUZZZZ!

Gosh, you came so close that time! Damn this "Operation" game! Has anyone – ever – gotten that stupid "Writer's Cramp" pencil out of the strangely asexual guy with the bad haircut and the red lightbulb nose, without setting off the buzzer?

Just think if there were a secret flick of the wrist or a mysterious method of holding the tweezers. Then you'd never hear that annoying BUZZZZ! again. Wouldn't that be great? Wouldn't every player try to pick out that little plastic pencil that way? You bet they would.

While "Operation" hardly resembles the real-life practice of medicine, on a crudely rudimentary level, the idea of avoiding mistakes holds true. No red lights and buzzers go off when a medical error occurs in a hospital, but instead the ramifications can be serious, even fatal.

And the saddest part of all is that most medical errors can be easily avoided, saving not only monetary costs but more important, human costs.

That was the impetus for the formation of the Pittsburgh Regional Healthcare Initiative (PRHI), a concerted effort involving every major medical system and hospital, along with across-the-board support from the local corporate community and regional governments.

In December 1997, civic leaders began formulating a regional renewal plan. Ironically, the plan originally did not address healthcare, although in southwestern Pennsylvania, healthcare is the largest economic sector, employing one in eight workers and conducting more than \$7.2 billion in business. The industry here mirrored the industry nationwide, with pressure from bankruptcies, operating losses, consolidations and other difficulties.

An Initiative is Born

The PRHI was formed to address the challenges facing healthcare in the Pittsburgh region. PRHI operates under the leadership of former U.S. Treasury Secretary and Alcoa Chairman, Paul O'Neill, and Karen Wolk Feinstein, Ph.D., President of the Jewish Healthcare Foundation, who assembled a wide-ranging coalition of

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healthcare interests to begin to address the region's problems together. PRHI's partners include hundreds of clinicians, 42 hospitals, four major insurers, dozens of major and small-business healthcare purchasers, corporate and civic leaders and elected officials.

"The idea of forming this was discussed with Karen Feinstein," O'Neill recalls. "She approached me about becoming involved, and I was interested for a lot of different reasons. I agreed to co-chair this initiative, because I've been involved in this issue for 40 years. My first involvement was as part of the federal government, and I have kept my hand in national healthcare issues over the years.

"Healthcare remains a very important subject," says O'Neill. "It represented six percent of this nation's GDP in 1960 and 15 percent of GDP today. It's a huge part of national affairs, and an important part of the Pittsburgh region's affairs."

In southwestern Pennsylvania, healthcare is the largest economic sector, employing one in eight workers and conducting more than \$7.2 billion in business. Yet by the time the regional renewal plan was being formulated, the healthcare industry was under pressure from bankruptcies, operating losses, consolidations, and difficulty retaining qualified workers. Costs were high, but quality indicators were not the nation's best.

The PRHI – a consortium of institutions and people who provide, purchase, insure and support healthcare services in the region – works to achieve the world's best patient outcomes by creating a superior health system, based on identifying and solving problems at the point of care.

Through such efforts, the PRHI addresses many of the challenges facing healthcare across the country, including rising costs, frustration and shortage of healthcare workers, financial distress, the malpractice crisis, overcapacity, and a lack of access to care. When attention focuses solely on the needs of each individual patient, many of these problems get addressed as a matter of course.

"I think we can do a much better job as a people," O'Neill says. "We're asking for much better actions for patients. We're not talking about inventing new ideas or procedures, for the most part. If we could just use what we have already, we could see a 50 percent reduction in costs and substantially improved patient outcomes.

"I care about concentrating our attention for the local situation to improve and excel," he continues. "This includes biomedical research, equipment development, and technology deployment. These efforts are good for economic development in the region. Excellence is a magnet for economic growth."

Setting the Highest Standard

As O'Neill and Feinstein worked to define the scope of the PRHI, they made a point of not establishing arbitrary benchmarks to define success. The reasoning said that benchmarking accepts a certain level of error as "normal." Rather than having people relax once they reach an artificially deemed "acceptable" level of error, keeping the goal at "zero errors" and "perfect care" keeps people striving toward that goal. As a result, PRHI aims to create a system in which perfect care is possible, a system that honors caregivers and patients by making sure they have what they need, when and where they need it.

PRHI aims at the "theoretical limit" of perfection, a healthcare system with zero hospital-acquired infections, zero medication errors, and the world's best patient outcomes in clinical areas like cardiac surgery, diabetes, depression and obstetrics. A series of special PRHI Working Groups, in fact, undertake ongoing efforts to address those clinical areas. Here's a brief overview:

Cardiac – Comprising PRHI partner physicians and other cardiac care experts, this working group created the PRHI Cardiac Care Improvement Registry to measure key processes of care and how they link to patient outcome. Currently 12 of the region's 13 cardiac centers participate in the Registry and quarterly Cardiac Forums

to discuss results.

Diabetes – This unique collaboration of patients, employers, insurers, primary care physicians, specialists, educators and consumer advocates meets monthly to design and implement methods of improving the delivery of effective care to diabetic patients. PRHI commissioned a report that showed diabetes at epidemic levels in our region, and care that is not as comprehensive as it could be.

Depression – Similar to the Diabetes group, this team of patients, employers, insurers, primary care physicians, specialists, educators and consumer advocates meets monthly to pursue models to improve upon the inadequate and variable follow-up rate for patients with depression, with the goal of perfecting the delivery of effective care.

Obstetrics – This group of obstetricians and other clinicians examines unwarranted variations in maternal and child outcomes across the state as a way for an entire community to improve processes of care.

One of PRHI's more innovative efforts involves adapting principles of the Toyota Production System to healthcare. This adaptation is the anchor for the Perfecting Patient Care (PPC) System, a trademarked program of the PRHI. The PPC system is based on the presumption that faulty systems, not faulty people, underlie most errors. Relying on close observation where the work takes place, people are encouraged to find ways to improve the conditions surrounding worker and patient. PPC encourages organizations to design work in a way that allows everyone to learn from errors and problems, and experiment with ways to improve healthcare delivery processes quickly, frequently and at low cost.

O'Neill recounts another industrial continuous improvement model – one he had first-hand familiarity with – that also has influenced thinking and actions at the PRHI.

“When I was CEO at Alcoa, we created an institute inside the company based on continuous learning and continuous improvement to achieve things most people would say is impossible. In time, we had the best record of safety incidences in the world – and that's still true at Alcoa.

“I believe these ideas are transferable, and not just concerning healthcare,” he says. “This initiative is meant to create a long record of major achievement, to be the best in the world, setting a rare standard of excellence.

“The PRHI is working on trying to establish a system to provide continuous learning and continuous improvement, focusing on medical errors and hospital-induced infections. These are entry points to the whole process of improvement. We're also trying to eliminate waste, not just errors.”

Eliminating Errors

Waste and errors are, in many ways, interchangeable and interdependent. Eliminating one can have the same effect on the other. Take prescriptions, for example.

“Twenty-five percent of pre-prescriptions from doctors are illegible,” says O'Neill. “This forces the pharmacist to call to determine the doctor's intent. In my lexicon, that's waste. “There's no excuse for illegibility,” he argues. “It's a basic principle of how we ought to relate to each other. Illegible handwriting is not an error, but it is an enormous waste that could lead to errors. The pharmacist, if he guesses as to what the doctor has ordered, could be potentially causing a fatal error.

“So there's waste, and the danger that can reside in the waste. In a truly perfect process, there are no communications errors. In the perfect process, the elapsed time from the doctor's thought of writing a prescription to the patient taking the prescription would approach zero. We're a long way from that ideal. Today, it could be 12 hours, because of time delays and communication problems.

"We've found that if we could eliminate the logistical problems surrounding prescriptions, you could reduce the number of people needed for that work by 2.5 people, freeing those people to work on things that add value," O'Neill explains. "Pfizer's done work with computer order entry that has resulted in a 55 percent error reduction. There's still a lot of fertile ground for improvement, though."

The PRHI has taken on not only an industry, but an entrenched mindset and collection of assumptions and implicit agreements that tacitly condone unnecessarily costly practices – behaviors and processes the cost of which ends up on the healthcare bill.

"It's amazing what we accept in healthcare," says O'Neill. "Take this statistic for example. Three percent of hospitalized patients get surgically induced infections. Now, three percent doesn't sound so bad. That means 97 percent don't get infections, right?"

But while three percent doesn't sound like a big number, when you put it in terms of people, it's actually 750,000 individuals.

"One in 14 who go into the hospital get infections while there," he adds. "Again, that's only seven percent, but when you put it in terms of individuals, it's an enormous number."

Telling the Truth

It doesn't need to be this way. That's what the PRHI believes. But it's not only about fixing what needs to be fixed. It's about excelling here, making this region the beacon for healthcare providers across the nation and around the world.

"We have the potential to be more excellent than any place in the country," O'Neill asserts. "We've got all the great hospitals and medical facilities, the educational system to support them. We have big and small employers, labor unions and insurance companies, all of which want this problem to be addressed."

"I've met with the Attorney General of Pennsylvania's office, also," he says. "I drew them in because of the issue of telling the truth. Unfortunately, these days, when you tell the truth, you could get sued and I wanted that threat taken off the table."

O'Neill cites a recent example at Allegheny General Hospital. Doctors there used a bronchoscope procedure with patients, which generated a latent infection that came out sometime later. AGH held a news conference to make everyone who had the procedure aware of the issue, so that they knew to get treated and head off the infection.

"That's a great example of truth-telling," says O'Neill. "But now there's a class action suit against the hospital for telling the truth. It's a travesty. We should be creating huge incentives for telling the truth, not erecting barriers."

"What we would like to see is that, to the medical community, if something goes wrong it should be announced within 24 hours, and, we as a society, should cover the costs," he says. "But if a problem is discovered and not reported, damages should be doubled, even tripled, and paid by the provider. We don't have an opportunity to learn from things going wrong when people are afraid financially of telling the truth."

The stated PRHI goal in this area calls for medical staff to alert the system for every mediation error and every break in practice that might result in an infection. Each deviation from standard practice will be investigated to its root cause within 24 hours, as close as possible to where the work is done. Results of these rapid root cause analyses will be shared with everyone in the organization, the region and ultimately, the nation.

Real-time problem-solving stands in stark contrast with the ways in which error

reporting and investigation are usually done in healthcare. Raising problems as they occur places enormous demands on leaders, and forces institutions to become adept at solving problems rapidly. The real-time system is inspired by the one in use at Alcoa, where the lost workday rate is now 16 times better than the average American hospital.

PRHI personnel can help hospitals put their systems to full use, tracking problems and their root causes. Reporting, learning and improvement take place when employees feel professionally safe, and when top hospital management creates a blame-free, non-punitive environment along with the expectation that every problem will be revealed. Introducing such a system into a professionally safe environment can rapidly accelerate progress toward zero medication errors and zero infections through rapid, decentralized problem-solving.

Excellence is Contagious

Word of what's been happening here – even at the level of incremental, crawling-before-we-can-walk progress currently in effect – has begun to spread. The PRHI's dream of creating a standard of accurate and efficient healthcare in the Pittsburgh region is starting to take shape.

"We could spend all of our time talking to audiences about what's happening here," O'Neill admits. "There's no end to the interest. We're being asked to speak to the Mayo Clinic, Massachusetts General, the federal General Accounting Office in Washington, and a number of international medical conferences. Lots of people are concerned about addressing the financial costs, but the more informed people remain concerned about hearing how we're addressing the human costs.

"Locally, I think we're picking up speed," he says. "There's still a little resistance here and there. Some resistance is from ego, some of it's institutional, some is just organizational lethargy. Lots of good things are happening, too. With so much activity, people are becoming very interested in what's going on in Pittsburgh.

"When we're successful in deeply embedding these ideas, southwestern Pennsylvania will become known as a place where every aspect of healthcare is provided better than any other place," says O'Neill. "We must measure by actions, however, not just good deeds or good intentions.

"Human beings want and need to believe that their physician is perfect. None of them is. But with the right kinds of systems in place, they can come close to perfection."

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