



- ETHEL LAMBERT -

PARAMED - SUSTAINING QUALITY OF CARE THROUGH TECHNOLOGY

Ethel Lambert is the British Columbia Regional
Manager of ParaMed Home Health Care, a division
of Extencare (Canada) Inc.

Key Lessons

- ◆ Executive commitment and involvement is critical throughout any project and especially in technology implementation.
- ◆ The value of true partnership with a contracted technology company.
- ◆ Invest in understanding the here and now with a focus on quality of care, key cost drivers and key areas of potential profit maximization.
- ◆ Invest in pre-implementation planning and time to communicate with all staff to support change process.
- ◆ Look for innovative ways to leverage the investment in technology (e.g. reduce real estate, consolidate nights/weekend coverage).
- ◆ Quantify each benchmark to measure success in financial terms.

Background

ParaMed Home Health Care is the home care division of Extencare (Canada) Inc. and in the budgeting process for 2001, Ethel Lambert, British Columbia Regional Manager determined there was a need to find new ways to sustain the operation of ParaMed's home support business in British Columbia, in order to overcome the challenges of escalating costs. These were due to rapidly increasing labour costs combined with general overall inflation in an environment of government fiscal restraint on health care budgets. New regional Health Authorities with global health care budgets had been designated in B.C. and were the major contractors of home support service in the province. Moreover, ParaMed saw a need to improve administration and service efficiencies if they were going to position the operation to respond quickly to growth opportunities, without reducing quality of care.

The first order of business was to perform a strategic review of the B.C. organization and operation. The objective of the review was to identify the cost drivers in the system and to identify ways of eliminating or reducing their influence on costs, without decreasing revenue. In addition, it was important to identify the benchmarks of current services in order to monitor improvements.

The Regional Quality Council served as a review team to determine the current reality and current challenges.

The Review Team determined:

1. A need to shift from a task responsibility to a systems approach with processes accountabilities and the outcomes of these processes clearly identified.
2. ParaMed B.C.'s labour costs were higher than the national average as ParaMed was part of the public sector provincially negotiated labour contracts in the province. (Due to the size of the government contracts they were captured under the Public Sector bargaining.).
3. Administration costs were growing in large part due to the number of distinct locations (9 in various communities throughout British Columbia), but also due to the heavily manual dependant system, administrative efforts were decentralized and tasks often duplicated to ensure accuracy and compliance.

4. Real estate costs were a significant portion of the expense budget, plus all offices required a full compliment of operational and back-office staff to run the manual system.
5. The existing information systems focused on transmitting financial data to ParaMed head office in Markham, Ontario. These systems required significant manual labour and were dependent on individuals.
6. Communications and courier costs were growing.
7. Getting information and financial transactions through the existing (“legacy”) systems was becoming increasingly expensive and the systems were demonstrating signs of decay. Most telling was the lack of access to data that would help in budgeting and planning to anticipate events or costs. All data was “somewhat dated” historical information, recorded at times of stress (payroll entry, billing entry). Accuracy at these “choke points” was recognized as an issue.
8. Although, ParaMed enjoyed an excellent reputation for quality of care and administrative accuracy, it was largely as a result of loyal dedicated staff.

In summary, Ms. Lambert could clearly see that the systems were very “people-dependent” and the operation was demanding increasing amounts of management intervention in order to maintain the business volume, leaving no time for a focus on growth. Moreover, the demands for more timely and informative data were placing stresses on the legacy systems, which had been developed in an era with less demanding requirements. These stresses made ParaMed vulnerable to staff turnover in multiple sites and limited the B.C. region’s ability to react to opportunity. Finally, management determined that the systems did not provide them with data that would allow the management of complex labour contracts and issues arising.

The key lesson here is that the team quantified these issues, documented them and created benchmarks against which they could measure the successes in dollars and cents.

Recommendations

The 2001 budget recommendations to the ParaMed Executive was to select and install a new software information system that would:

- Support a restructuring to a Systems approach to service delivery;
- Facilitate process documentation and outcome measurement;
- Contribute to quality of care by documenting and communicating client information;
- Capture client and employee information early in the business cycle;
- Reduce choke points in the organization by efficiently managing information;
- Reduce repetitive clerical tasks;
- Be easily accessed “anywhere” in order to leverage on-call and back-office staffing requirements;
- Provide improved operational support and management of the labour contracts;
- Facilitate the reduction of real estate costs;

- Provide information reports “on demand” in order to support management decision making;
- Maintain market industry leadership objectives
- Ensure flexibility to change with future business requirements in order to protect the investment;

Selection and Implementation

Pre-Implementation Analysis

When ParaMed selected *Procura*, Ms. Lambert brought company representatives together with the senior management from Procura, and identified key project staff members including the project champion. At this point, she introduced what may be considered the best process Procura had ever encountered. As part of the pre-implementation planning phase, which took approximately 4 months, the implementation team:

- Reviewed the Corporate data requirements and recommended the development and modifications to the software that would decrease the effort of production, and increase the accuracy, of the data being transmitted.
- Reviewed the staffing and real estate costs associated with 9 offices and recommended deployment over an ASP environment to reduce real estate costs and facilitate a virtual link to all sites, plus it allowed the opportunity for project expansion to include the two ParaMed offices in Alberta.
- Identified and established the resources for a fulltime Project Champion and Trainer.
- Established a training schedule, and built the trust of the staff by investing in comprehensive, tailored training for each role and process in the service delivery system.
- Reengineered the business processes to take advantage of centralized after hours scheduling for two geographic areas and improved administration and financial control.
- Identified the non-value added time on tasks in each process, identifying the benchmarks for cycle time improvement.
- Rationalized the financial setup of the system to streamline operations and reduce manual intervention.
- Developed improved human resource processes to monitor the adherence to union contracts.

In conjunction with the Procura implementation process, the Systems approach was introduced changing Branch management to a Systems management role. This resulted in reduction of management positions and re-assigning of resources and re-naming of some positions to more clearly identify the focus of the positions. For example, a Client Service System Manager and Client Service Coordinator increased service focus. The identification of the need for Human Resource Systems Manager and Human Resource team was a significant improvement in the support of a highly human resource dependant home support service. Consolidation of sites resulted in further savings in real estate costs. The ASP facilitated plans for reductions in after hours staffing and support, which resulted in further savings and with the Citrex server located in Markham, Ontario the Corporate office had greater access to field operation information.

Implementation

The key success factor of the deployment process of the Procura software was the senior management's active involvement in all aspects of the project. Ms. Lambert and the management team from Corporate office demonstrated their commitment by not only co-ordinating and scheduling the implementation of the system, but consistently attending project review meetings, supporting "go-live" deadlines and making hard decisions in a timely fashion. These included ensuring financial commitments were met for vendors, and ensuring appropriate and adequate training programs were made available for all staff and partners on the project.

As a result of the teamwork and commitment of all staff and all players, a true partnership developed and this project was widely acclaimed to have achieved all project objectives. These included completion on time, on budget and with the intended results. At a time when it was critical to refine overhead and administration costs, this project proved invaluable. It was a true example, where attitudes, commitments and approach played the key in a project's success and set the foundation for a long-term partnership.

Evaluation

The ROI for the project and immediate gains were calculated as follows:

- An annual financial savings of **\$501,484**, which included position reductions and real estate reductions.
- Increased productivity of **63%** on the scheduling process;
- An overall system-wide productivity improvement of **29.5%**
- Increased timeliness of financial data transmissions and improved cash flow.
- Increased accuracy of information
- Less dependence on manual labour and independent staff decision making.
- Reduction in non-value added tasks and rework.
- Reduction in overtime and labour contract grievances.

The additional returns related to the improved cash flow, reduced interest cost and savings through the reduction of human error were not calculated. Savings could exceed those shown, as experience grows with the use of the software, and new benchmarks are set or processes refined.

Beyond the immediate, ParaMed realized that innovative elements of the project set the stage for further growth and innovation. ParaMed understood:

- Deployment via an ASP positioned them to open or/close virtual offices in one business day by enabling the rapid setup in shared local space.
- There was an ability to deliver more complex care by specifically matching competencies to need
- The set up of Procura using a department model, increased the flexibility of the system, enabling ParaMed to add/drop programs quickly.
- The system decreased the costs of manual support and increased the staff focus on client service and managing the business.
- That the appropriate systems approach and the structure supported by technology resulted in invaluable service enhancements and benefits, including better management practices.
- The ASP environment and inter-provincial link set the platform for further cost saving consolidations of administration and accounting tasks.

Conclusion

Despite the success of the project and the strong approval for the results of the investment, plus the extensive restructuring to an innovative systems approach to service delivery, the decision was made in the preparation of the Extendicare (Canada) Inc., 2003 budget, to close the British Columbia ParaMed operation by March 31, 2003. The reasons were clearly stated to be due to the ongoing inadequate government funding of home support programs in British Columbia, and in particular the funding of public sector provincially negotiated labour agreements. The future liabilities and risks of doing business outweighed the benefits for Extendicare (Canada) Inc., in owning and operating a home support business in British Columbia. This decision in no way related to the implementation of Procura, which in fact allowed continued operation for two additional years. Future funding risks simply outweighed future benefits.



Since 1988, COACH, Canada's Health Informatics Association has provided leadership and guidance in the areas of security, privacy and confidentiality. The 2001 publication gives health informatics professionals the framework needed to develop and implement security and privacy programs. *Guidelines for the Protection of Health Information* reflects the new realities of health informatics as we enter the third millennium and the dawn of the information age.

COACH is proud to offer for purchase the new *Guidelines for the Protection of Health Information*, a valuable reference that no health informatics professional should be without.

Download the order form for the *Guidelines* from the COACH Web site at www.coachorg.com.

COACH, Canada's Health Informatics Association
1304 - 2 Carlton Street
Toronto, Ontario M5B 1J3
Tel: (416) 979-5551
Fax: (416) 979-1144
Toll Free: 1-888-253-8554

