



Connecting members.
Delivering results.

MEMBER PROFILE

NAME

Baylor Health Care System

LOCATION

Dallas

MEMBER FACTS

- ▶ Founded as a Christian ministry of healing, Baylor Health Care System exists to serve all people through exemplary health care, education, research and community service.
- ▶ With 2,750 licensed beds and 15,000 employees, Baylor Health Care System includes 20 owned, leased, affiliated and short-stay hospitals; 88 primary care centers, specialty care centers and senior health centers; 12 rehabilitation clinics; 18 ambulatory surgery centers; and the Baylor Research Institute.
- ▶ Flagship hospital Baylor University Medical Center is ranked among the nation's top hospitals in several medical specialties by *U.S. News & World Report's* "America's Best Hospitals" for the 13th consecutive year.
- ▶ Baylor University Medical Center earned the Magnet Award for excellence in nursing from the American Nurses Credentialing Center in 2004.

Baylor Health Care System Saves \$2.7 Million in One Year With Solucient's ACTION O-I®

VHA Southwest ACTION O-I Coordinators' Council focuses cost-savings efforts on emergency department, operating room and pharmacy.

At A Glance

Baylor Health Care System has used Solucient's ACTION O-I comparative database to assist in benchmarking and cost reduction efforts for years, and was one of the original hospitals to assist in the tool's development. ACTION O-I is the largest financial and operational comparative database in health care, and includes data from more than 850 health care organizations nationwide.

As a result, when VHA Southwest presented its ACTION O-I Coordinators' Council with an opportunity to reduce organizationwide costs in January 2005, Jennifer Walker, Baylor's decision support coordinator and a council member, wasted no time taking advantage of the opportunity.

Solucient reports showed pharmacy, the ED and the O.R. to be the top potential areas of opportunity for participating members, so nine ACTION O-I coordinators, including Walker, developed a methodology by which to pursue savings opportunities. The VHA Southwest initiative, launched in March 2005, saved Baylor \$2.7 million in just one year.

Making the Most of ACTION O-I

Baylor's efforts included eight departments at eight health system hospitals. The most complex step was developing custom compare groups for participating EDs, O.R.s and pharmacies.

"One of the mistakes managers frequently make when they're developing a custom compare group is looking for hospitals or departments that are exactly like them," Walker says. "It's our opinion that what we're looking for instead are hospitals or departments that are providing care to the same basic patient population as we are, but that are doing things differently. That's how we learn."

In pharmacy, for example, Walker says service lines are important because that's going to impact the type of drugs that you have in your organization. "For instance, two of our facilities perform solid organ transplants, while our other acute care facilities do not, so those two facilities will have a higher supply of certain drugs than our other facilities, and that affects their cost base."

While external benchmarking proved to be of great value to Baylor, Walker says the biggest successes and organizational improvements came when Baylor's departmental managers contacted peer organizations identified through ACTION O-I as being better performers to see how they were operating differently.

“No tool exists that can give an answer to every question someone is going to ask,” Walker says, “but Solucient and ACTION O-I provide the necessary data and character elements to help managers identify enough information to assemble an action plan. But managers are going to reap tremendous benefits if they contact their peers.”

Baylor’s departmental managers agree. “During evaluations, every manager said they learned something through the process of contacting their peers,” says Walker.

Stellar Results

Just one year into the initiative, Baylor has saved more than \$2.7 million across eight hospitals — a savings that continues to grow as cost reduction initiatives continue. Examples include:

- One O.R. established the goal of decreasing supply expenses by reducing holding inventory, using medical supply expense per 100 O.R. minutes as its measurement indicator. The O.R. established a baseline and put ACTION O-I comparison data to work, successfully reducing its medical supply expense by more than \$2.1 million in one year.
- A Baylor pharmacy sought to reduce supply expense, using medical supply expense and drug expenditures as its baseline indicators. By relying on ACTION O-I data and sharing ideas and innovations with peer organizations, the pharmacy has saved \$385,000 to date.
- One ED wanted to reduce its labor expense by eliminating agency usage and reducing overtime. Relying on ACTION O-I data, the ED reduced its agency usage from 8.5 percent to 0.25 percent, reduced overtime use by 47 percent (while maintaining hours worked per patient visit, as well as appropriate staffing levels and ED length of stay) and reduced salary expenses by \$132,000.

What Sets Solucient Apart

Solucient’s ACTION O-I contributed to Baylor’s success, according to Walker, who noted Solucient’s commitment to providing quality information. “We can be looking at a small report card showing our top five indicators and where opportunity exists, but it’s those optional data elements we can report with ACTION O-I that tell us a story.”

In addition to the bottom-line savings, the VHA Southwest initiative helped Walker gain a higher level of departmental manager support for data-driven results. “The biggest challenge we faced was getting managers to actually use the information as opposed to just seeing it as a report,” she says. “The savings we’ve achieved through this initiative helped us change their viewpoint of ACTION O-I from merely a report to the invaluable decision-support tool that it is.”