



# WSAHQ

Washington State Association for Healthcare Quality

MONTHLY NEWSLETTER - DECEMBER 2004

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Total WSAHQ Members  
118  
As of November 2004

Encourage your  
Colleagues to Join at  
[www.wsahq.org](http://www.wsahq.org)

## President's Message

By: Julie Hamilton  
[president@wsahq.org](mailto:president@wsahq.org)

I would like to thank everyone who attended the October 29 Annual Conference and made it a success. The evaluation results were very positive and will be published in this newsletter. We had many terrific speakers discussing various initiatives that are ongoing as well as a panel of our own members who described how they got into the unique positions they are in today. I personally found the conference to be very interesting and motivating. The things I typically look for in a conference are a variety of topics and speakers, good location, opportunity to network, and good food of course. I think we succeeded in all of these areas and would like to send out a thank you to those on the WSAHQ Board and Education Committee who helped pull it all together. Special thanks to Pat Ford Healthcare Consulting for helping to sponsor the event.

The Education Committee's purpose is to plan and implement these educational opportunities for the organization. But we also need the help of the membership. If you have connections or know of individuals who would be a good speaker for this organization, please let us know. The Board members email addresses are all listed on the "About Us" page of the website. We need your help in continuing to bring new ideas and experiences to the group.

We will be posting the 2005 educational program dates very soon. Stay tuned and please contact us if you have any suggestions or ideas. Thanks a lot and Happy Holidays.

## Six Sigma For Healthcare Quality

By: Jay Arthur

Most healthcare facilities have had some form of TQM or process improvement initiative underway for the last decade. Six Sigma is just the next iteration on that theme. Many healthcare quality professionals worry that it's a whole new thing. Many healthcare executives think it is a totally new thing, which it's not. But people keep asking: What is Six Sigma? How can it be used in healthcare? Can we use what we already know or do we have to learn a whole new set of tools? What's different about Six Sigma?

What is Six Sigma And How Is It Different From TQM or PI? Six Sigma is just the next iteration of quality methodologies that began with Deming and Juran. Chances are you already know most of the processes and tools. Six Sigma invoked two levels of change: cosmetic and strategic.

There are cosmetic differences. Leaders of the Six Sigma movement changed the names to confuse the unwary (PDCA became DMAIC). They changed the number of steps from four to five. They grouped the methods and tools for designing quality products and services under the acronym DFSS—Design for Six Sigma. They created a ladder of quality mastery from one-to-six sigma. They stole the martial arts rankings to create a series of "belts" that you can achieve through training and experience.



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TQM/PI	Six Sigma
PDCA	DMAIC
Plan	Define and Measure
Do	Analyze
Check	Improve
Act	Control
QFD, DOE, FMEA	DFSS
Zero defects	1-2-3-4-5-6 Sigma
Team leaders/facilitators	White, yellow, green, black, and master black belts

There are strategic differences. Where TQM and PI focused on training and teams that met weekly, Six Sigma focuses on achieving bottom line financial results quickly. Root cause teams are more like SWAT teams. Where PI measured error rates in percentages, Six Sigma uses defects per million opportunities to amplify the pain of mistakes. Where TQM and PI were about incremental improvement, Six Sigma is about achieving breakthrough improvements quickly.

TQM/PI	Six Sigma
Training and teams	Bottom line financial results
Percentages	Defects per million opportunities (DPMO)
Incremental change	Breakthrough change

### How Does Six Sigma Apply to Healthcare?

While most people still think of Six Sigma as a solution for manufacturing, it works equally well in service businesses like healthcare. It's just that Six Sigma will force you to aim higher and move faster than you have in the past. In healthcare, Six Sigma can be used to improve clinical or administrative/financial outcomes.

**Clinical Outcomes.** The 1999 study, *To Err is Human*, found that about one percent of patients admitted to a hospital would die due to a medical mistake (this is between three and four sigma). Another six percent would be permanently disabled due to a medical mistake. One of the comments I read in the press at the time was: "One percent isn't too bad," until you convert it to DPMO. One percent is 10,000 people per million admissions. With over 36 million admissions each year, this means that the healthcare system is the eighth leading cause of death in the U.S.

**Administrative/Financial Outcomes.** Admissions, billing, filing claims, issuing purchase orders, making payments and all manner of administrative and financial processes can be dramatically improved using "Transactional Six Sigma." Just focus on breakthrough improvement in things like rejected claims, incorrect ID bands, etc.

### HOW TO EMBRACE SIX SIGMA

Like it or not, the big companies are getting on the Six Sigma bandwagon. Since they spend a lot on healthcare insurance, they are going to ask you what you're doing to help reduce their costs and improve the level of care. Since you want their business, you're probably going to have to learn to speak their language anyway. Why not start now? Your next CEO may come from an industry that uses Six Sigma. You don't want to be perceived as part of the old guard of quality; why not be ready for them?

Switch to DPMO, because it amplifies the pain. When you start converting current counts of rejected claims, patient falls, medication errors, VBAC rates, and mortality rates to parts per million, the numbers become more



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scary *and* easier to target for improvement. Five falls per thousand patient days becomes five thousand falls per million patient days. Same ratio; more pain.

**Dollarize Your Mistakes.** When you take each of these “defects” and assign a dollar cost to each of them, it makes it easier to build a business case that management will endorse to fund the improvement. It also makes it easier to target the high cost defects, mistakes and errors for breakthrough improvement.

**Set BHAGs.** Set big hairy audacious goals like “reduce medication errors by 50% in six months.” This will encourage laser focus on key leverage points where breakthrough improvements are possible. Guided by these kinds of goals, you can’t major in minor things. You will abandon the easy, but ineffective improvements and stretch to find the keys to unlock dramatic improvements.

**Use SWAT Teams.** Using existing data and pareto charts, narrow your focus to three-to-five defects, mistakes or errors that cause over 80% of the total problem in a specific area (e.g., medication errors). Bring together experts in each area to analyze and identify root causes in a day or less. Then disband the team and implement the solutions. Measure your results and display them in dollars as well as defects.

I hope you can see that Six Sigma is just a new and improved version of what you already know. It just has a slightly different focus and lingo about quality. Learn the new jargon. Switch your methods of counting to amplify the pain. Reach for seemingly unattainable heights of performance and you’ll often find that you can exceed your expectations. Embrace Six Sigma to enhance clinical outcomes and drive costs out of healthcare.

Jay Arthur, The KnowWare® Man, works with companies that want to plug the leaks in their cash flow. He is the author of the QI Macros SPC software for Excel that will do all of the charts for JCAHO and process improvement. You can download a 30 day evaluation copy at [www.qimacros.com/freestuff.html](http://www.qimacros.com/freestuff.html). Jay can be reached at:

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## WSAHQ Annual Meeting Summary

Compiled by: Julie Hamilton  
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WSAHQ Annual Conference  
The Future of Healthcare: A Quality Approach  
Program Evaluation Summary

Number of Evals = 27

### Summary

Overall Conference Rating = 3.58 out of 4.00

Most Requested Sites for programming: Seattle, Everett, Redmond



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**% of attendees who are WSAHQ members: 85%**

### **Written comments**

#### **Facility & related**

- Great facility
- This is a nice facility
- Great location!
- Directions had an error - please double check.
- Food was excellent. Suggest more coffee & no cake. The vegetables were great.

#### **Content**

- Thanks for participant list. Would also like speaker contact list.
- Very valuable day for me. Thanks.
- Content was great for a new member
- Would be nice to hear specifics (i.e. case studies) on using data to improve quality
- Great speakers today!
- Good job!

#### **Timing**

- Have dinner/evening mtgs. Difficult for many to get away from work during the day.
- How about evening or late afternoon meetings? In order for me to come today, I have to work ~ 4 hrs.
- Sat - no backup to help me.

#### **Miscellaneous**

- Thanks so much for all the effort to present this program.
- One of the speakers made minor political comments w/ negative overtones - did not think appropriate.
- Thanks!
- Excellent session! Great speakers, covered a wide variety of relevant topics.
- Very well done! Thank you

### **Suggestions for future meeting topics**

- Speaker Shelly Smith
- Consumer-Directed Health Plans - what are they, role of quality (data, health risk msmt)
- New URAC standards
- More on transparency
- Steve Bowman - DOH Trauma QI Research Analyst Olympia
- Heidi Holtz, Trauma Program Manager Cedars-Sinai, LA
- Sandra Murray (OR) on presenting data

### **WSAHQ Member?**

- Yes = 23
- No = 1
- No response = 3



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## 2005 WSAHQ Election Results

### Newly Elected Board Members for 2005

President Elect: Heather Zuzel – from Community Health Plan of Washington  
Education Chair Elect: Jerilyn Anderson  
Secretary: Bekki Sanchez – Harborview Medical Center  
Treasurer Elect: Robin Cook – VA Medical Center

### Continuing or Appointed Board members for 2005:

President: Tricia Terry  
Past President: Julie Hamilton - Seattle Cancer Care Alliance  
Treasurer: Sharon Brooks - CUP Health  
Education Chair: Rosa Johnson - Qualis Health  
Communications  
Liaison: Martin Benning - Seattle Surgery Center  
Eastern Washington  
Liaison: Marsha Prescott - NE Washington Health Programs.

## WSAHQ Upcoming Events

Compiled by: Martin Benning  
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Mark you calendars for these upcoming healthcare quality events.

- January Educational Event: NAHQ Conference Report
  - January 11, 2005
  - Visit [www.wsahq.org](http://www.wsahq.org) for more information

## Career Opportunities

Check out our website for current career opportunities [www.wsahq.org](http://www.wsahq.org). Click on the [Directory](#) link to navigate to the appropriate page.

If you have events, news or other content that members may find useful, please email them to:  
[newsletter@wsahq.org](mailto:newsletter@wsahq.org)