Chapter 38
Health Quality Council—Co-ordinating the Use of Lean

1.0 MAIN POINTS

In our *2014 Report – Volume 2*, Chapter 34, we reported the results of our audit of the Health Quality Council's (HQC)[1] processes to co-ordinate the use of Lean[2] as a continuous improvement methodology across the health sector.

This chapter sets out the status of five recommendations we made to improve HQC's processes to co-ordinate the use of Lean. By September 2016, HQC had implemented three of the five recommendations. It now shares information across health sector agencies[3] that demonstrates how Lean activities contribute to strategic priorities. It collects information from health sector agencies on ongoing results achieved through Lean events and the sustainability of those results. It reports those results to the Ministry of Health (Ministry) and health sector agencies.

HQC, in collaboration with the Ministry and various health sector agencies, was developing but had not yet finalized a risk management framework for co-ordinating the use of Lean across the health sector.

Also, the public still needs information on the benefits realized from the use of Lean to enable them to determine whether, in their view, the investment was worthwhile and the health sector has achieved the objectives it expected.

2.0 INTRODUCTION

In 2009, the Ministry started to require all health sector agencies to use Lean as a continuous improvement methodology. From 2013 to March 2016, HQC was the key co-ordinating agency for the use of Lean in the health sector. In April 2016, its role changed. While HCQ continues to collaborate with the Ministry and other health sector agencies to support the use of Lean in the health sector, it no longer serves a co-ordinating role.

In 2014, we assessed HQC's processes to co-ordinate the use of Lean as a continuous improvement methodology across the health sector. Our *2014 Report – Volume 2*, Chapter 34 concluded that because HQC did not have full authority to carry out its responsibilities, it did not have effective processes to co-ordinate the use of Lean as a continuous improvement methodology across the health sector. We made five recommendations.

This chapter describes the results of our first follow-up to assess HQC's progress in addressing those recommendations.

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[1] HQC was established in 2002 under *The Health Quality Council Act*. Its responsibilities include promoting improvement in the quality of health care through training and education. Its *Annual Report 2015-16* (p. 2) states HQC's mission is to *accelerate improvement in the quality of healthcare throughout Saskatchewan*.

[2] Lean is a continuous improvement methodology that involves analyzing processes to identify areas for improvement, carrying out activities intended to achieve those improvements, and monitoring the impact of changes.

[3] Health sector agencies include the Ministry of Health, all regional health authorities (RHAs), the Saskatchewan Cancer Agency, 3sHealth, eHealth, and the Health Quality Council.

Subsequent to our audit in 2014, the Ministry decided not to renew its contract with its Lean consultant. This decision helped align the authority of HQC with its then responsibility for the Provincial Lean Office.[4]

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate HQC's progress towards meeting our recommendations, we used the relevant criteria from the original audit. HQC's management agreed with the criteria in the original audit. We discussed actions taken with management, reviewed and assessed the information provided, and examined relevant databases and reports.

3.0   STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at October 3, 2016, and HQC's actions up to that date. We found that HQC has implemented three recommendations and is continuing to make progress on two recommendations.

3.1   Risk-Management Framework Progressing

We recommended that the Health Quality Council implement a risk management framework for coordinating the use of Lean across the health sector. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Partially Implemented

By September 2016, HQC did not have a risk-management framework in place for co-ordinating the use of Lean across the health sector.

Since our 2014 audit, HQC, along with senior leadership from health sector agencies developed an action plan for the use of Lean in the health sector. This action plan included priorities based on informally identified risks. For example, one priority relates to increasing awareness of improvement activities through telling stories that incorporate patient and provider voices. HQC monitored progress of these priorities; it reported on progress to Lean offices within health sector agencies and to the guiding coalition.[5]

In February 2016, the Provincial Quality, Safety & Lean Management Committee (Committee) was established. This Committee consists of senior managers from HQC and the Ministry, and senior managers responsible for quality, safety, and Lean management at health sector agencies. Part of this Committee's role is to provide strategic input and support for risk-management, including developing and implementing a risk management framework for co-ordinating the use of Lean.

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[4] The Provincial Lean Office is called the Kaizen Promotion Office. It was responsible for co-ordinating the use of Lean across the health sector. HQC was responsible for the Provincial Lean Office.
[5] The guiding coalition consists of the Deputy Minister of Health, the CEO of HQC, and the CEOs of two RHAs. This guiding coalition provides oversight and advice on implementing Lean in the health sector.

The Committee expects that it will have a risk-management framework in place by December 31, 2016. It expects this framework to include:

〉 Risk identification, assignment of responsibility for risks, and mitigation strategies

〉 A process to continuously update and track risks

Implementing a risk-management framework would better equip HQC and health sector agencies to manage and address issues that affect the use of Lean.

3.2 Sharing of Lean Information Improved

We recommended that the Health Quality Council promote alignment of Lean activities across health sector agencies by sharing information that demonstrates how activities contribute to strategic priorities. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

Since our 2014 audit, HQC continues to maintain an online information-sharing platform for collection, analysis, and presentation of information about Lean events and activities. Since our audit, HQC has expanded the functionality and reporting capabilities of this online platform to better link information collected about Lean events and activities to health sector strategic priority areas. Health agency staff can now generate reports from this online platform that show which Lean events completed in health sector agencies contribute to specific strategic priorities.

Access to information on completed Lean events and activities helps health sector agencies align their own Lean events with strategic priority areas. For example, health sector agencies can easily find the results of completed Lean events of other health sector agencies (e.g., preventing falls, improving long-term care facility admission processes, etc.) and utilize the lessons learned from these events when determining their own Lean activities.

3.3 Information Collected on Lean Event Results

We recommended that the Health Quality Council collect information from health sector agencies on ongoing results achieved through Lean events in the agencies. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

Since our 2014 audit, HQC has worked with health sector agencies to improve processes and requirements for collecting information on Lean events. In February 2015, HQC implemented standards for data collection on Lean events. These standards provide guidance and instructions for capturing the impact of results achieved through

Lean events and promote consistency in data collection. For example, the standards include detailed instructions and calculations for reporting the financial impact of a Lean event.

We also found that information on the status of health sector agencies' Lean events in HQC's online information-sharing platform was significantly more complete. For example, by September 2016, health sector agencies completed required event audits[6] and, as shown in **Figure 1**, submitted results (event audit data) to HQC faster than in 2014. Event audit data indicated whether the Lean event results were sustained after specified intervals (e.g., 30 days after event).

Figure 1—Percentage of Lean Event Audit Data Not Updated

	30 days after event	60 days after event	90 days after event	180 days after event
As reported in our *2014 Report – Volume 2*, Chapter 34	48%	47%	57%	73%
As of September 2016	8%	11%	13%	23%

Source: HQC records.

We recommended that the Health Quality Council give written reports to the Ministry of Health and health sector agencies on the results Lean events have achieved, and the sustainability of those results. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

HQC has also improved the reporting available on its online information-sharing platform. HQC and users at health sector agencies can easily determine the status of Lean events, whether event audit data is missing and whether Lean event results are being sustained.

Online information includes status of past Lean events (i.e., whether event audits indicated health sector agencies were sustaining results 180 days after an event, or if event audit data was missing). The online information also outlines whether individual Lean events directly related to a health sector strategic priority. For example, in February 2016, 6 out of 17 Lean events completed by health sector agencies directly related to a strategic priority (e.g., seniors, emergency department waits).

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[6] These audits are updates of past Lean events. The purpose of the audits is to assess whether the health sector agency is maintaining changes achieved by the Lean events. Health sector agencies must complete audits 30, 60, 90, and 180 days after the initial Lean event.

3.4 Public Report Required on the Benefits Realized From the Use of Lean

We recommended that the Health Quality Council report to the public on outcomes achieved through the use of Lean across the health sector. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Partially implemented

HQC's website (BetterHealthCare.ca) provides public reporting on the outcomes of improved health care quality related to specific improvements (e.g., through individual stories on Lean events and activities). HQC views these specific improvements as an indication that the health sector's investment in Lean is providing a foundation for a culture of continuous improvement.

As set out in **Figure 2**, the Government had broad objectives for the use of Lean, and specific ones for the health sector. To date, the health sector has not specifically reported on whether the use of Lean is achieving those objectives—for example, creating a culture of continuous improvement in the health sector, reducing costs, and increasing safety.

Figure 2—Government's Objectives for Use of Lean As Stated in 2014

The Government stated it was using Lean as a systematic way to improve systems and processes, streamline its work, and improve service delivery to the public.[A] It was also using Lean as one way to create a culture within the Government that will continuously seek to improve service delivery.[B]

HQC stated that Lean makes health care better in several ways:
❭ It increases safety by eliminating defects and errors
❭ Patients are more satisfied with their care
❭ The staff doing the work are the ones who look for waste and find better ways to deliver care
❭ It reduces cost, by getting rid of waste
❭ Patients have better health outcomes[C]

Source: *2014 Report – Volume 2*, Chapter 34.
[A] http://thinklean.gov.sk.ca/toplinks/faqs/index.html (12 October 2016).
[B] http://blog.hqc.sk.ca/2014/08/28/lean-reform-saskatchewan-healthcare-adopts-lean-management-for-big-benefits/ (12 October 2016).
[C] www.hqc.sk.ca/improve-health-care-quality/lean/ (12 October 2016).

As noted in our 2014 audit, the health sector has made a significant initial investment in Lean. The public needs information on the benefits realized from the use of Lean to enable them to determine whether, in their view, the Government's investment in Lean was worthwhile.

As described in **Section 2.0**, HQC's role in co-ordinating the use of Lean has changed since our 2014 audit. Therefore, we recognize such a report would require collaboration between HQC, the Ministry of Health, and other health sector agencies.