



### Business challenge

Sheridan Memorial Hospital (SMH) sought to build a pervasive culture of problem-solving and launch a daily management system to help enable teams reach strategic goals, such as more timely patient access.

### Transformation

To deliver greater patient value, SMH sought to drive continuous improvement by motivating cultural and structural change. The Wyoming, US, hospital engaged Simpler® Consulting, an IBM Company, to help guide an enterprise-wide lean transformation. Among other outcomes, the Sheridan Memorial Internal Medicine Group increased daily patient visits by 76%.



Mike McCafferty  
Chief Executive  
Officer  
Sheridan Memorial  
Hospital

## Results

**76% increase in daily patient visits**

and boost in provider rating from 15th to 72nd percentile

**> 220% improvement in point-of-service collections**

and 62% reduction in revenue cycle deficiencies

**18% increase in sepsis guideline compliance**

and 14.5% increase in congestive heart failure mortality score

# Sheridan Memorial Hospital

## A cultural-driven transformation with Simpler increases patient access by 76%

Based in Sheridan, Wyoming, near the Bighorn National Forest, SMH serves the immediate community and surrounding areas in north central Wyoming, southeast Montana and western South Dakota. It offers advanced medical services, including an 88-bed hospital and cutting-edge technologies, to 30,000 county residents. Founded more than 100 years ago, SMH has approximately 700 employees, including more than 60 physicians who provide primary medical and specialty care in more than 20 areas.

**“We want to change behaviors and get people heading in the same direction. We’re well on our way.”**

—Mike McCafferty, Chief Executive Officer, Sheridan Memorial Hospital

Share this



## An all-in approach to lean management

SMH aspires to always be the first choice for Sheridan County residents who need medical attention. “When people think of exceptional healthcare, we want them to think of SMH over other regional healthcare providers,” says Mike McCafferty, the organization’s Chief Executive Officer.

The rural community hospital is well prepared to carry out its mission of providing excellent, patient-centered care. In addition to inpatient and outpatient services, SMH encompasses a wide range of primary and specialty practices, including oncology and radiation therapy at the Welch Cancer Center.

As part of its vision to deliver even greater patient value, the executive team sought to improve clinical and functional support services. For instance, it needed to tackle patient wait times. In some cases, patients waited up to 45 days to see their preferred clinician within the Internal Medicine Group at the SMH Outpatient Center.

“The group had grown from one provider to 15 over just a few years. Providers were dealing with space and process challenges, and their workdays were hectic. They were really frustrated,” explains Dr. John Addlesperger, Chief Medical Officer and Chief Transformation Officer (CTO) at SMH.

Furthermore, rapid growth across the organization led to inconsistent billing practices and delayed documentation of clinical services rendered. These inefficiencies reduced productivity and contributed to revenue write-offs.

Executives sought to develop a problem-solving culture that permeated the entire workforce and drove continuous improvement everywhere. Overseeing quality across SMH, Dr. Addlesperger championed adoption of lean management practices and recommended engaging professionals who used a comprehensive approach.

“Ultimately, we recognized that if we weren’t all in culturally and if our partner wasn’t providing a total package, we weren’t going to get sustainable results across the organization,” explains McCafferty.

## Accelerating daily process improvements

SMH set off on a three-year lean journey with Simpler, selected by executives over several other consultancy companies and strategies for its extensive industry expertise.

In workshops led by Simpler, the leadership team defined its targets based on the hospital’s strategic pillars of excellence. They also launched a leadership coaching program to help executives build the

necessary skills to propel a lean transformation forward. The Simpler team also led lean thinking workshops and created collaborative environments to inspire engagement among mid-level managers, frontline staff and other employees.

During this initial period, the team experienced firsthand the lean concept of respect for people. “The Simpler team role modeled that idea. We learned the importance of patience in allowing people to speak up and express themselves in meetings. Building that trust helped us move forward,” says Dr. Addlesperger.

The leadership team chose the Internal Medicine outpatient clinic as the first focus area, working to accelerate change using Simpler tools for value stream analyses (VSAs), rapid improvement events (RIEs) and high-priority projects that complemented the lean intervention plan. Once a VSA was mapped, small multifunctional groups of stakeholders from all levels engaged in multiple RIEs to identify process waste and then develop and implement improvement solutions.

The RIEs revealed that physicians were burdened by excessive administrative tasks associated with medical referrals, reducing their availability for patient visits. Rework—which occurred whenever one staff member incorrectly performed a task and then passed it on to another—was also a problem.

---

***“We recognized that if we weren’t all in culturally and if our partner wasn’t providing a total package, we weren’t going to get sustainable results across the organization.”***

—Mike McCafferty, Chief Executive Officer, Sheridan Memorial Hospital

---

“Now that we’ve made improvements in these areas, we’re looking at seriously redesigning the clinic’s workflows. It lends the opportunity to really bring forward efficiency, cost savings and improvements in quality and safety,” explains Dr. Addlesperger.

As its second focus area, SMH took advantage of Simpler revenue cycle management consulting services to reduce waste in the hospital’s revenue cycle. Most recently, teams have begun analyzing value streams in the SMH’s medical-surgical unit and supply chain.

In addition to this work, SMH rolled out the Simpler Managing for Daily Improvement (MDI) system, a framework that facilitates strategy deployment and engagement down to frontline workers. Using the system, SMH standardized job tasks and processes to guide individuals in performing the appropriate work needed to attain strategic objectives.

It also adopted tiered daily huddles and metrics to help ensure problem-solving and accountability at all levels. MDI proved particularly useful in driving incident management and operational agility during the initial stages of the COVID-19 outbreak in the region. MDI has improved communication and been the key driver in moving strategy into operations.

“Before our MDI with the tiered daily huddles, leaders would evaluate processes and look for improvement strategies to meet metrics. There was a disconnect between senior leadership and front-line staff regarding continuous improvement; we are working to close this gap with our MDI system,” says Barbara Hespen, Chief Nursing Officer at SMH.

## Improved patient access and revenue cycle

SMH has achieved several positive results as a result of its Simper engagement: daily patient visits to internal medicine providers have risen 76%, from 67 to 118 patients daily. In addition, patient satisfaction surveys

indicate significantly improved outpatient experiences, increasing SMH’s provider rating from the 15th to 72nd percentile.

“Patient complaints about not being able to get in to see a provider have gone away,” says Dr. Addlesperger.

For the organization’s revenue cycle, monthly point-of-service collections increased more than 220%. SMH also reduced its cost-to-collect to 1.95% and its revenue cycle deficiencies by 62%. Additionally, SMH anticipates ongoing value stream improvements to further optimize operating margins.

Process improvements at SMH have led to other notable clinical outcomes:

- Improved congestive heart failure mortality score by 14.5%
- Increased sepsis guideline compliance by 18%
- Maintained extremely low rate of patient falls with injury

Also, SMH has increased engagement and morale among staff members. “Employees see MDI as very valuable and a real positive. It is

helping drive some of our employee engagement,” says McCafferty. Lean leadership, as demonstrated by Dr. Addlesperger as the CTO and other executives who remain actively involved in lean initiatives, also propels engagement.

“This transformation has inundated our lives every single day since we kicked it off three years ago,” comments McCafferty. “Through the process, we’ve learned a lot and recognized that we want to change behaviors and get people heading in the same direction. We’re well on our way.”

### About Simpler Consulting, an IBM Company

Simpler is part of Watson Health. For nearly 30 years, the Simpler team has worked with clients to collaborate, coach and enable them to achieve rapid improvement across financial and nonfinancial performance indicators. Simpler’s value lies in its ability to work with clients to develop a business system and implement systematic improvements that facilitate long-term performance and sustainable growth.

## Solution component

- Simpler® Consulting

### Take the next step

To learn more about the IBM solution featured in this story, please contact your IBM representative or IBM Business Partner.

### About Watson Health

IBM Watson Health is a data, analytics and technology partner for the health industry. Supported by the innovation of IBM and intelligence of Watson, we are committed to helping build smarter health ecosystems. Through the combination of our deep industry expertise in health, data and analytics, actionable insights, and reputation for security and trust, Watson Health is working together with its clients and partners to help them achieve simpler processes, better care insights, faster breakthroughs and improved experiences for people around the world. Learn more at [ibm.com/watson/health](http://ibm.com/watson/health).

© Copyright IBM Corporation 2020. IBM Corporation, Watson Health, New Orchard Road, Armonk, NY 10504. Produced in the United States of America, December 2020. IBM, the IBM logo, [ibm.com](http://ibm.com), Simpler, and Simpler Business System are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at “Copyright and trademark information” at [www.ibm.com/legal/copytrade.shtml](http://www.ibm.com/legal/copytrade.shtml). This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates. The performance data and client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions. THE INFORMATION IN THIS DOCUMENT IS PROVIDED “AS IS” WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided. The client is responsible for ensuring compliance with laws and regulations applicable to it. IBM does not provide legal advice or represent or warrant that its services or products will ensure that the client is in compliance with any law or regulation.

