

Horizon Enterprise Visibility by McKesson Highlights Patient Flow Bottlenecks, Addressing Capacity Problems Without Physical Expansion

I admit that I wasn't familiar with Awarix until industry expert Jon Phillips told me that McKesson's acquisition of the company was potentially the most impactful of all the high-profile transactions of 2007. I see why: every hospital has throughput, handoff, and caregiver communications problems that the company's technology can help solve. The ROI is apparently fast, even without considering what hospitals might otherwise spend to expand physical facilities to address patient backlog problems. We spoke to Paul Gartman of McKesson, who has product responsibilities for what is now called Horizon Enterprise Visibility.TM

Awarix was not widely known when McKesson acquired the company in July. Tell me about its products.

The Awarix solution, which has been renamed Horizon Enterprise Visibility by McKesson, is a visual control system. It's an at-a-glance tool that provides a status of what's going on with the patient without having to log in to a system.

Other industries, such as manufacturing, rely on visual controls for any serious effort to sustain performance improvements. We were the first to apply it to healthcare and a hospital environment. We focus on enterprise problems like patient flow, patient safety, and care quality, things that require process synchronization and compliance.

How do visual controls help improve patient care?

There are two primary ways. First, they help to improve clinical decision times by providing clues to things that are

going to happen, are constantly happening, and that have already happened, all on a geospatial status board on every unit. We hang large electronic whiteboards throughout the hospital. You see all the units at one time and have a single, at-a-glance view of stats. You know patient or room status without having to log in to multiple systems. The system helps to improve decision time by pushing the information to all constituents. Physicians are avid users because they don't have to log in to anything. They just have to look at the screen.

Second, the system helps to reduce patient care delays. Delays often occur if information is hidden in databases, but the at-a-glance display enables faster response. For example, everyone knows when a patient's critical result is back from the lab because an icon and timer on the board indicates how long the result has been available without

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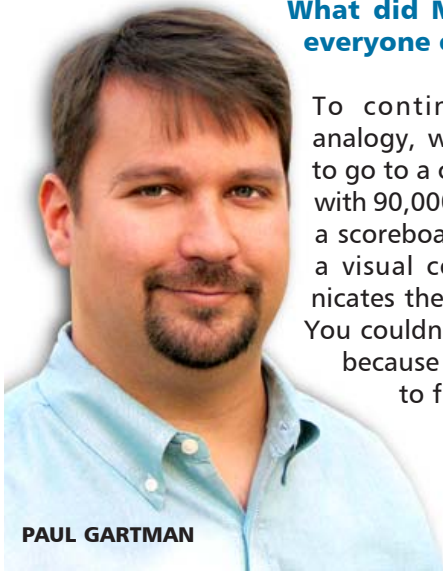
St. Vincent's Hospital, Catholic Healthcare Partners,
Oakwood Health Systems

being read. Real-time updates enable staff to respond more quickly. Patient care delays are also reduced because there is greater accountability with an exposed process. The Advisory Board conducted a report on our solution noting that "visibility drives accountability."

A good analogy for this is what we call the "little league scoreboard effect." If a volunteer scoreboard operator makes a mistake, how does the crowd respond? The same concept applies with process compliance. Delays are reduced because the care team can catch mistakes sooner and multiple people watch in real time. Doing this across 75 different processes or a key enterprise process like patient flow benefits both the patient and clinician. It's a transformational solution.

HISstalk recently interviewed merger and acquisition expert Jon Phillips, who said that the best acquisition of the year, from the buyer's perspective, was Awarix. He said it would be an impactful offering for McKesson.

What did McKesson see that everyone else missed?



PAUL GARTMAN

To continue with a sports analogy, what would it be like to go to a college football game with 90,000 people and not have a scoreboard, which is basically a visual control that communicates the status of the game? You couldn't focus on the game because you would be trying to figure out the status.

For the hospital environment, we provide patient status with a score-

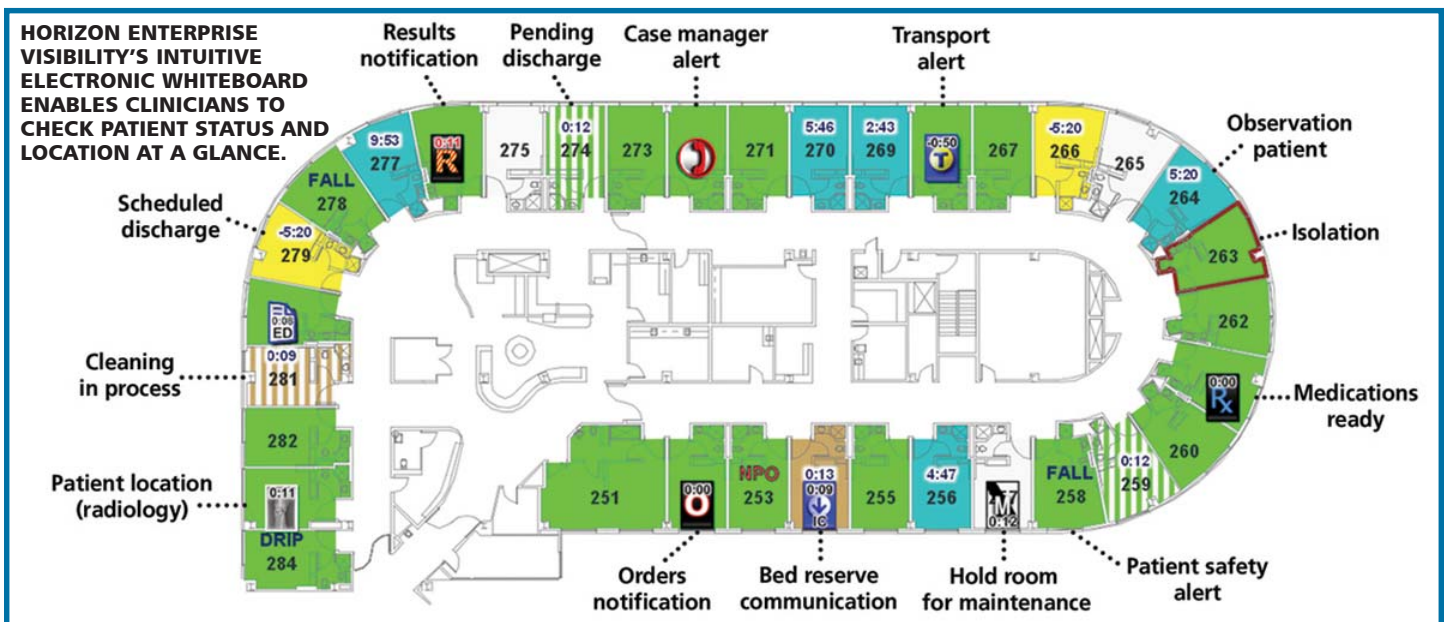
board, or visual control. You need that when you have three or four thousand people who need to be on the same page at the same time.

McKesson saw that vision. We positioned ourselves to focus on patient flow problems because we saw it as the low-hanging fruit around communication problems. McKesson saw Awarix not just as a patient flow or a capacity management solution, but as a visual control infrastructure and communications network that enhances the value of existing applications and makes a difference to clinicians and patient flow. I think other companies saw it as just a patient flow product or some souped-up bed management system, which it's not. It's a broadcast communications network.

A major strain in healthcare is information overload. Clinicians don't need more data because they're overwhelmed with data. But they do need the right information at the right time so they can make better decisions. Point-to-point communication devices like handheld computers or pagers are great when you want to communicate to one person about an event, but they don't provide a broadcast communications network.

When you talk to hospitals about patient flow, you ask, "How do you tell people when you're on ambulance diversion or have extensive multi-hour delays in your ED?" No one has a good answer because there's no good way to do it, yet it's important for everyone in the organization to know what's going on.

Also, I think McKesson saw a way to simplify this world of disparate hospital systems. Very rarely do you have a hospital with every single one of McKesson's or another vendor's solutions. Instead, you have different types of solutions and no good way to communicate across those systems. The Awarix solution provides a communications tool for McKesson and other products.



You mentioned capacity challenges. Many times hospitals will complain about capacity challenges, and while they make moderate tweaks to manage them, the problems never go away. Where have hospitals gone wrong and how can Horizon Enterprise Visibility help or make a difference?

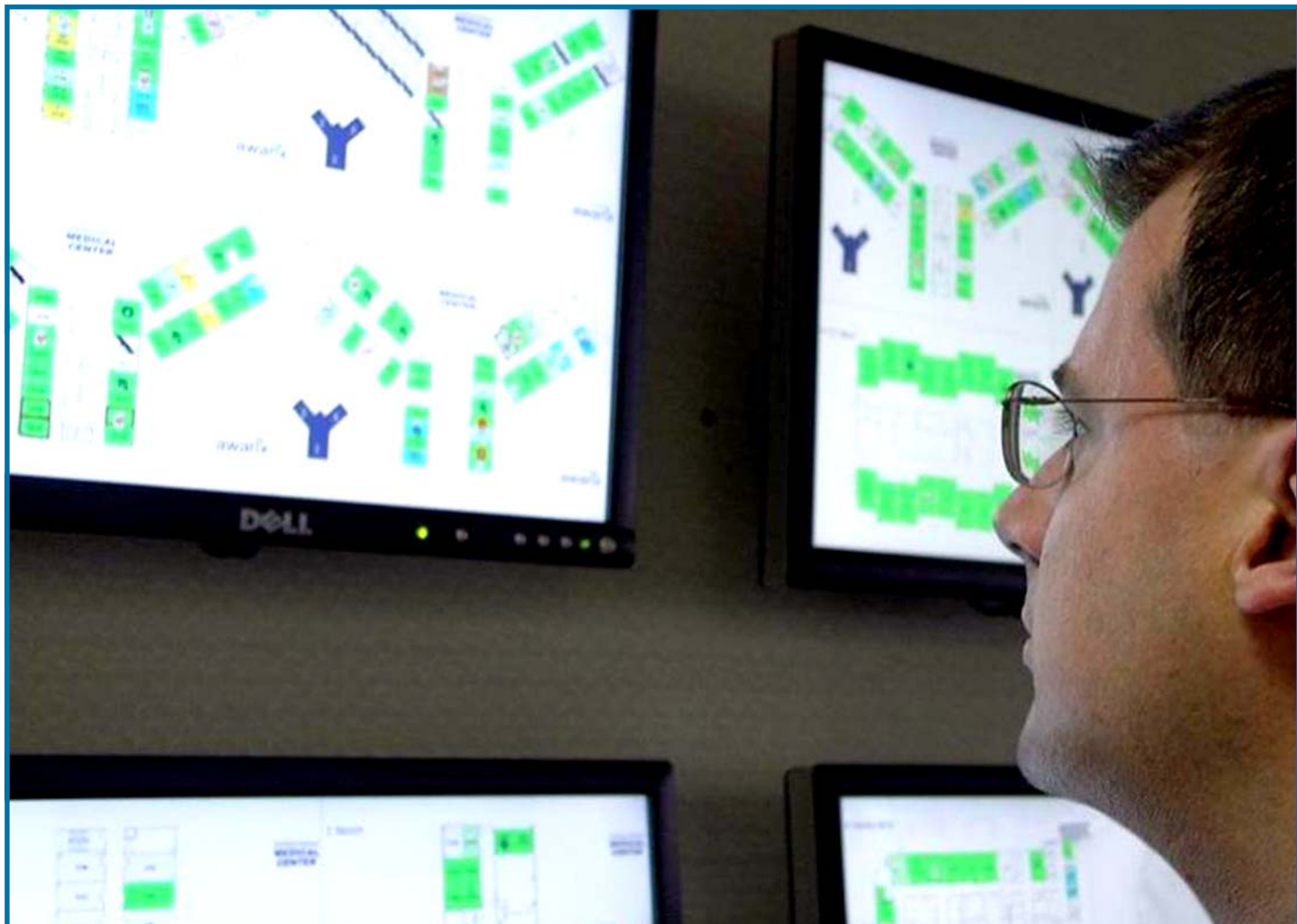
First, hospitals often focus on symptoms instead of the problem. A lot of hospitals are building larger EDs, assuming that's where the patient flow problem occurs. If you double the size of the ED without working on the processes at discharge, hand-off, and everything in the middle, it can make the situation worse.

The symptom philosophy flows through to scheduling and surgical services. But the real bottleneck is

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getting people out of the ED. If you board people in the ED, you can't get them through the rest of the process. There are many other patient flow techniques, such as bed management systems to get an accurate census, or housekeeping and transport to supplement a data stream. These, too, are partial solutions, at best.

Another common mistake is lack of physician involvement. It's impossible to make a dent in your patient flow problems without involving physicians. If a physician walks up to the unit and wants to know where the patient, chart, or lab results are, then you have each of these status points available in one single, synchronized view without anyone having to log into a system. That's how you can make huge strides in physician efficiency. Also, not identifying nurse vacancies leads to capacity constraints.



AT SOUTHEAST ALABAMA MEDICAL CENTER IN DOTHAN, ALA., DOCTORS CAN FIND THEIR PATIENTS' LOCATIONS AND NURSE ASSIGNMENTS AT A GLANCE BEFORE ROUNDING.

People never piece all these issues altogether. One reason our solution is effective so quickly and consistently across different management styles and hospital types and sizes is because of the broadcast communications network. In order to move the flow of patients, you must focus on the whole process, both upstream and downstream. Improved communication of clinical information also gives time back to the nurse — as much as an hour per shift per day. This is huge when you have nursing shortages.

Touching on patient satisfaction, are your customers seeing improvements by managing the service in real time?

Yes. With hospital bed turn rates improving anywhere from 10% to 20%, you get people in and out of the hospital faster. Community perception matters and many of our customers use visual controls as a marketing tool. We've seen great local press when a hospital implements the system and touts how it's focusing on controlling operations, improving patient flow and eliminating wait times.

The other thing is heightened patient communication. Some of our customers use a couple of indicators to educate patients and families. One is a scheduled discharge time that's updated real-time. Another is rounding times. Doctors can determine who they'll see and when and communicate that via the board. They don't want to be paged constantly and asked when they're coming to see patients. The rounding schedule is broadcast so the nursing team and consumer know when to expect the doctor. It also helps communicate to the family if the patient has been sent to radiology and for how long. These kinds of things are driving amazing statistics and stories around patient satisfaction.

The system was developed with St. Vincent's Hospital in Birmingham, Alabama. How did you work with them and what results have they achieved?

Our founders were strong technology folks with very rich backgrounds in healthcare technology. We wanted to apply visual controls to this complex industry. We did the analysis at St. Vincent's and I sat on a patient flow team for a year and a half. We discovered all kinds of specific communication problems and began to move the hospital in this direction.

We selected one case at a time, focusing on the core needs of patient flow, and began to see some dramatic statistics. The Advisory Board study mentioned earlier noted a 19% increase in the bed turn rate after implementation. St.

Vincent's also saw a 12% increase in admissions over the highest point in the previous 24 months. Eliminating delays led to a very real boost in volume without any major resource and capacity changes. Patient stays were reduced by two to four hours. St. Vincent's saw a \$5.5M increase in revenue and was able to reduce staff in some support departments while experiencing volume increases. Our product continues to be the backbone of their communication strategy around safety and patient flow.

Tell me what the actual implementation looks like. Who are the users?

Contract to go-live averages 100 days. We integrate several points, usually about five to seven systems. We create the map, based on actual CAD drawings of the hospital, and put a complete test system in place. Next we do an extensive awareness and adoption program to communicate to all the constituents what the icons mean and how to read the map. It takes about 15 minutes per user. We also set up a team of key individuals who decide which processes merit visual controls and audit trails. Once the system is in place, it's a communication network that's used for continuous process improvement.

When you're marketing to a prospective hospital, who are you typically working with and how do you position the solution compared to other McKesson products and services?

If we find a patient flow team, that's generally how we start the process. We like to communicate to the CNO first to establish the critical value. This is not just some "big brother" bed management or patient flow system. We establish something that helps, is sustainable, and will be a popular solution, not something employees think is there to make everyone work harder.

We also show operations how we can make a difference in housekeeping and transport and some of the support departments by enhancing communications. We want everyone on the same page so the nurse is not solely responsible for kicking off the communication streams to support departments.

We also do a pretty sophisticated return on investment analysis to demonstrate that we have a solid solution that is easy to support and maintain. There is simplicity in our integration approach, how we create the maps and our remote support. We want to transform the hospital and can do it extremely fast.

For example, three weeks post go-live, the Medical Center of Central Georgia decreased their time of occupancy by

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18% and increased their morning discharges by 17%. They reduced their discharge cycle times by more than 35 minutes. Those are big-time results almost instantaneously. Hospitals embrace our solution because it makes for a more pleasant place to work. There is less focus on who is and isn't doing their work and more focus on the patient. That's really exciting.

Tell me more about ROI. How is it projected?

We start by gaining agreement from the customer on the important metrics. Occupancy times are common. Sometimes it's morning discharges, sometimes bed-turn rate, sometimes admissions, sometimes length of stay. Our base tool looks at reducing the number of patient stay hours.

We take all the affected processes and gain agreement on how much time can be saved per transaction because visibility is in place. We show ROI in the most conservative way possible. Usually the system will pay for itself by enabling the hospital to treat four more patients per week and in new admissions. St. Vincent's saw 60 more patients per week.

When a hospital has existing McKesson products and services, how much are you able to leverage those in your sales process?

Let me first say that the solution will remain platform agnostic, but now that we're part of McKesson, there are obvious development opportunities. We're just starting to scratch the surface. St. Vincent's was our development partner and is a premier McKesson site. All of their clinical products are McKesson and they're a flagship digital hospital for Ascension. As a result, most of what we've done was first tried with a McKesson product.

Because other customers in the McKesson base are similar, we've already tested and put many things into production. We don't have to build a bunch of new interfaces. The possibilities for integration with McKesson products are exciting for a lot of prospects. You're also going to see more future innovations that take advantage of our direct database access to different McKesson applications.

Why would I purchase a product sold by McKesson instead of a start-up company that might be developing visual tools?

Because of my history, I'm very good at both sides of this big vs. small company argument. [laughs]

You have a new story now?

Let me show you both sides of the coin. As a small company, there are advantages around being flexible, pliable, and responsive. You have people who are motivated and very nimble.

The reality about this particular product and solution is that, since day one, it made sense to be a part of a family of

products instead of just a start-up company. Joining McKesson gives us the opportunity to become part of an IT strategy that is centralized and mission-critical, that is a key part of the strategies for CPOE, for nurse documentation, for timing core measures in real-time, for what's happening in the ED, for enterprise processes such as patient safety and care quality.

A lot of people use the word visibility, but might only offer business activity monitoring or dashboards. Truly establishing a communications network is a different discipline and that's where we don't really have competition yet.

Any closing thoughts?

The real key for us has been transforming Awarix from the small patient flow company into its true potential of enterprise visibility and to be a mission-critical app that can fundamentally transform patient care. That's why, when you talk about competition, we don't have any, because it's not just about patient flow any more. It's about using visual controls to establish a broadcast communications network that can sustain multiple enterprise process improvements at once.

THE BOTTOM LINE

Provides nurses, physicians, and management with around-the-clock, real-time information about patient location, results, and expected discharge.

The whiteboard is a powerful, familiar hospital paradigm with a long track record for monitoring and changing quality and communications performance.

Horizon Enterprise Visibility extends the value of existing investments in tracking boards, bed management systems, and RFID location applications to fix patient flow problems

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