

# **Facilities Planning Summit**

**How Maury Regional Health  
Leaned their Capital Approval  
Process for the Future**

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**Administrative Director Supply Chain**

**Maury Regional Health**



# Maury Regional Health



**MEDICAL EXCELLENCE**

#1 Hospital in State

**OVERALL HOSPITAL CARE**

2017 CARECHEX.COM

## 3 Hospitals

Maury Regional Medical Center – Columbia, TN – 360 Beds

Marshall Medical Center – Lewisburg, TN – 25 Beds

Wayne Medical Center – Waynesboro, TN – 80 Beds

## Two Ambulatory Surgery Centers

Maury Regional Health Group – 22 Physician Practice Offices



# The Capital Equipment Game!



**Same time  
every year!**

In preparation of every new Physical Year, Finance always asks for each department's Capital Requests for the next Physical Year starting July 1st.

The month of February was always a buzz with everyone pulling together their capital packets including contacting Supply Chain to obtain budgetary quotes for their Wish List of Items they submitted. There was always a 'rush' to beat the deadline or wait another year.

Each packet included 12 to 30 pages including a Capital Requisition Form, Capital Justification Form, Multiple Vendor Form, Capital Spreadsheet, Construction and Renovation Form, Clinical Alarm Form, Asset Disposition Form, Budgetary Quote and any other information necessary for their Capital Request.



Finance would receive 200 Capital Requests for approximately \$40M.

Finance would gather the requests and the Senior Leadership Team would meet to review and prioritize the requests cutting the \$40M in requests down to the \$17M budgeted.

During the first Month of the New Physical Year SLT would distribute the list of approved capital for the next year.

About 50% of the time, each quarter as a department had an approved item come up for processing and final approval, they would have to update all paperwork including quotes of their Capital Packet and Submit them again to the hospital Capital Asset Review Process for final approval.



The other 50% of the time the departments would substitute items on the approved list for items they needed now.

The reality was that departments did not know what they were going to need over the next Physical Year or 18 months. They added Capital Requests that they really did not need hoping something would get on the approved list so they could substitute those Capital Dollars for Capital they did need in the future.

If you did not play the 'Game' well and did not get something on the Capital List, you were subject to going to the secondary market and asking, or begging, for dollars for someone who played the 'Game' better than you and had Capital Dollars whether or not your request was the right thing to do or not.



# Insert LEAN!

Maury Regional Health began it's LEAN journey in 2012. With this process improvement strategy we look at how to improve processes to remove waste out of the processes and improve healthcare throughout MRH.





# What is Lean Healthcare?

- Goal: Provide Highest Quality Patient Care
- Definition:
  - The Elimination of Waste
  - Removing everything that doesn't add value between you and the patient
  - Making the right work easier to do
- Strategy:
  - Continuous Improvement Forever





## Focus Of Lean: Elimination of Waste

- Defects
- Over-Production
- Waiting
- Not clear (Confusion)
- Transporting
- Inventory
- Motion
- Excess Processing

**Non-Value Added**  
**= "Waste"**

**The 8 Types of  
Waste**



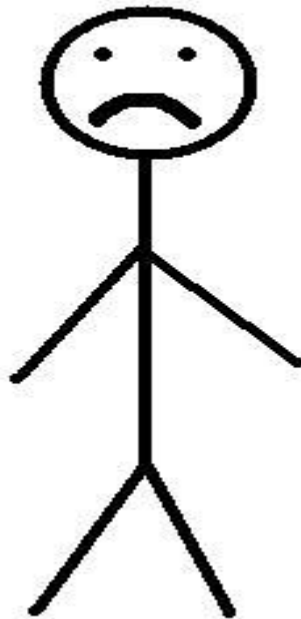
# Frustrations!

**Duplicate  
Work**

**Confusion**

**Extra  
Processing**

**FPS**



Our CFO, Nick Swift, encouraged me to find another way to handle Capital Requests!

After networking with peers asking if anyone knew of another way to handle Capital Requests, Rhonda Barthel at Attainia introduced me to David Atkins, CMRP, Executive Director Supply Chain Management at Tallahassee Memorial HealthCare who had a very unique capital process that he calls the MudBowl. After picking David's brain for every detail that we could pull, we

decided to get a MRH group together to review David's MudBowl and see if it could work for MRH.



# The Maury Regional Team

## Project Review Team

CIO

Director BioMed

Director Plant Operations

Comptroller

Director Revenue Cycle

Legal Representative

Director Supply Chain



## Two Super-Users

Director Surgical Services

Director Imaging

AND

CFO

Executive Assistant



# Our Solution...

## CapExpo

- Move to a quarterly review and approval process.
- Form a CapExpo Meeting with Senior Leadership the last week of the month before the new quarter.
- Have each requester of Capital present their request to the Senior Leadership Team at a CapExpo Meeting.



# Our 1<sup>st</sup> CapExpo

- FY17 1<sup>st</sup> Quarter – CapExpo Friday, June 24<sup>th</sup>.
- 34 Capital Requests.
- Excellent Presentations and Justifications.
- Senior Leadership was better informed on decisions.
- Scheduled three days for 4 hours and completed all presentations in less than one 4 hour meeting.
- Received less Capital Requests than we had \$\$.
- Filled out paperwork ONCE!



# CapExpo Schedule

## **FY17, Quarter 2:** Packets Due September 15<sup>th</sup>

CapExpo	September 28 <sup>th</sup> , 1-4 p.m.	Administrative Conference Room
CapExpo	September 29 <sup>th</sup> , 8-11 AM	Administrative Conference Room

## **FY17, Quarter 3:** Packets Due December 15<sup>th</sup>

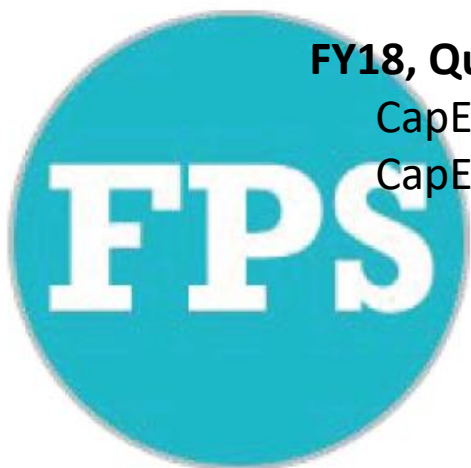
CapExpo	January 4 <sup>th</sup> , 8-11 AM	Private Dining Room #1
CapExpo	January 6 <sup>th</sup> , 8-11 AM	Private Dining Room #1

## **FY17, Quarter 4:** Packets Due March 15<sup>th</sup>

CapExpo	March 28 <sup>th</sup> , 1-4 p.m.	Auxiliary Conference Room
CapExpo	March 29 <sup>th</sup> , 8-11 AM	Auxiliary Conference Room

## **FY18, Quarter 1:** Packets Due June 15<sup>th</sup>

CapExpo	June 28 <sup>th</sup> , 1-4 p.m.	Auxiliary Conference Room
CapExpo	June 29 <sup>th</sup> , 8-11 AM	Auxiliary Conference Room





# CapExpo Agenda

Wednesday, January 4, 2017 Administrative Conference Room

**SLT:** Nick Swift, Alan Watson, Paul Betz, Deborah Lumpkins, Kaye Brewer, Mike Fecher, Jim Parcel, Dr. Edwards

**Others:** Roger Larkin, Jeff Strawn, Sherian Fox

<b>Time</b>	<b>Manager</b>	<b>Ext.#</b>	<b>Cap.Req.#</b>	<b>Capitals</b>	<b>Dept.</b>
8:15-8:20 AM	Dana Salters	4166	I.	26	Mammography
8:20-8:25 AM	David Thomas	1333	II.	4	Rad Therapy
8:25-9:00 AM	Paul Corvin	1253	III.	10,11,12,13,17,18,20	Plant Ops
9:00-9:05 AM	Ginger Cothran	1957	IV.	9	Endoscopy
9:05-9:25 AM	Scott Hayes	1366	V.	5,6,7,8	Surgery
9:25-9:30 AM	Roger Larkin	7012	VI.	23	Supply Chain
Break					
9:45-9:50 AM	Cindy Kington	1312	VII.	14	PT/Rehab Svcs
9:50-10:00 AM	Mike Ward	2601	VIII.	24, 27	EMS
10:00-10:05 AM	Alicia Tears	1419	IX.	3	Lab
10:05-10:10 AM	Brandy Miller	7430	X.	25	Wound Center
10:10-10:15 AM	Mike Risen	8732	XI.	22	FHG CORE
10:15-10:25 AM	Mike Dossett	615.881.0442	XII.	15, 16	Anchor Health
10:25-10:35 AM	Kella Herrick	6201	XIII.	19, 21	LHC,PrimeCare



## Results after 3 Quarters

- 2 of the 3 Quarters, MRH had less requests than the \$\$ Budgeted. Unused budgeted \$\$ then roll over to the next quarter.
- The other Quarter, everything was approved, but spread some of the costs over 3 Quarters.
- Senior Leadership knows more about the Capital Requests and each Department due to the CapExpo.
- No waiting 6 to 18 months for Capital.
- Capital is now reviewed and approved closer to the purchase dates.
- Departments are more accountable with their requests due to the presentations and not having to play the GAME!



# Learning Points

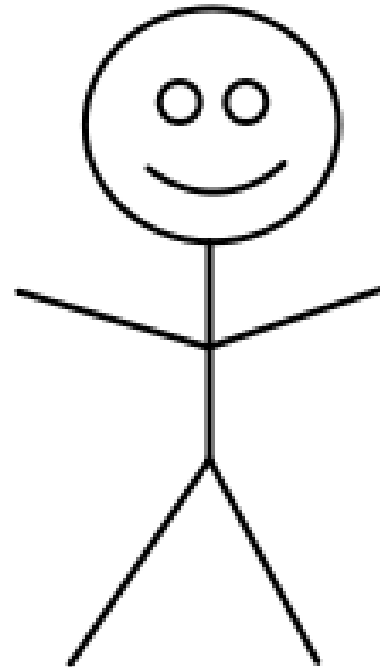
- Emergent Capital – Process as Needed and take the \$\$ of the top of the next Quarter. We also defined what Emergent Capital was.
- Non Capital items such as Laboratory Equipment on a lease or CPR were are included.
- We made complete revisions to our Capital Forms Packet to remove all redundancies from each form. Our goal was to ask & answer the question once and only once through all of the forms.
- We are on track to have 90 Capital Requests this Fiscal Year and come in under our \$17M Capital Budget as compared to our old capital process of 200 capital requests and \$40M of Wish List Items to process.



Fill out  
Capital  
Request once  
with no  
redundant  
questions!

Capital  
Purchased  
closer to  
time  
needed.

No  
Confusion  
Process  
well  
defined!



**FPS**



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