



RATIONAL INVESTING IN HEALTHCARE QUALITY IMPROVEMENT

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HYGEIA
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Outline

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1. Hygeia Group

HYGEIA	<ul style="list-style-type: none"> ▪ Vision: To be the first choice for healthcare solutions of international standards in Nigeria
LAGOON HOSPITALS	<ul style="list-style-type: none"> ▪ The Lagoon Hospital Group is a pioneer private provider of advanced medical care in Nigeria, committed to delivering the highest standards of professionalism and service. Also the 1st hospital in SSA to be JCI certified
HMO	<ul style="list-style-type: none"> ▪ Health Maintenance Organization with an enrollee base over 250,000 from over 250 corporate clients & NHIS. Has a network of over 1200 public and private providers nationwide
FOUNDATION	<ul style="list-style-type: none"> ▪ The foundation is a non-profit, non-governmental organization which was started to empower health professionals by helping to improve their skills and thus their ability to deliver good healthcare in Nigeria . Grantee of the Global Fund for HIV/AIDS, TB & Malaria and local partner of the Medical Credit Fund in Nigeria.
COMMUNITY HEALTH CARE	<ul style="list-style-type: none"> ▪ The Hygeia Community Health Care (HCHC) offers access to affordable, quality healthcare services, through community-based health insurance to selected low-income communities. Has an enrollee base of 100,000

2. Hygeia: Provider QI Initiatives

	HCHC	HF (MCF PROJECT)
Commencement	2007	2012
Intervention	Demand and Supply side	Supply side only
Mechanisms	CHIS + CQI (M&E)	Access to Finance + CQI
Provider system - Network	Closed	Open
Financing	Capitation, FFS payments	Debt finance
QI Framework	SafeCare	SafeCare
Focus	Asset, Process & Skills	Asset, Process & Skills

Insight from experience working with providers under both programmes

3. Drivers of QI investments

- **Management Outlook:** progressive vs. conservative
- **Competitor's Strategy**
- **Opportunities created by technological change:** Technophilic (Neophilic), Technophobic
- **Status/image:** (quality image) or illogical (fancy cars).
- **Regulatory requirement**
- **Market demand or customer requirement**

4. Investing in QI: Typical provider

- Passionate about patients and patient care (only!)
- Hospital is a work place (and not a business)
- No strategic plan
- No structured framework for QI
- Technology (asset) focused
- Minimal emphasis on People and Processes
- Emphasis is on buy/build and clients will come
- Investing in QI is largely speculative

5. Rationale for Rational Investing in QI

- Competing needs versus Scarce resources – time, effort
- QI costs money
- Money is scarce
- Investing in QI should generate appropriate ROI

6. Requirements for Rational Investing

- **Triple Aim test of QI:** Will the investment contribute to the attainment of the **TRIPLE AIM:** Patient Safety; Efficiency (Cost Reduction); Client experience)
- **Strategy alignment:** investment should be in line with vision, strategic plan and positioning of facility
- **Market Demand:** Consider best case and worst case scenario. Will demand be high enough to 'sweat out' the assets? (e.g. Ambulance, CT scan)
- **Return on investment- direct and indirect:** Ambulance
- **Need/priority:** Is it a nice to have or a must have?
- **Other (pre)conditions:** skilled staff, documented processes, integration with existing processes, maintenance costs etc.

From an investment perspective

The major requirement is...

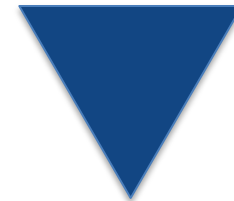
POSITIVE CASH FLOW:

**Will the project(s) bring IN more money
than required – acquisition and operating costs?**

7. Positioning and Rational investing in QI

Market segment	Segment priority	Patient Safety	Efficiency	Customer Experience
Low income	Very Price sensitive	√√√	√√√	√
Middle income	Price sensitive + Quality	√√√	√√	√√
High income	Quality (Prestige)	√√√	√	√√√

Summary



8. Pacing of QI initiatives

1. Leadership/executive buy in
2. Culture change – QI is a paradigm! Quality is a way of life!!
3. Basic House keeping (OMO upgrade, paint job, arrangement)
4. Think People, Processes and Assets
5. Match to positioning
6. Prioritize – quick wins/critical elements 1st

9. Summary

- Rational investing in QI requires a wholistic view
- Make a calculation before you invest: **think** before you act.
- Be aware of the **risk** factor(s) of proposed QI investment (not just the opportunities).
- Do not just invest in medical equipment (**assets**), but also consider investments in **processes** and **skills (people)**.
- Do not only include purchase costs but also **related costs** (installation, integration, training, maintenance)
- **Ensure you can sweat out the assets** (otherwise you can hire them on a need-to basis): assets are viable if you use them constantly.
- **Prioritize:** (SafeCare Quality Improvement Plan!)



Thank you!

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