

KAIZEN RESULTS

With contracts to be processed up to 42% faster, Medicaid will see quicker delivery of essential products and services

IN BRIEF: Contracting has a big impact on operations at the Ohio Department of Medicaid, because the time it takes to bring in needed services and products affects service to customers. So when a team of employees was chartered to streamline the contract workflow process, they dug deep and achieved significant results.

SIMPLICITY AT WORK: The redesigned process has 62 fewer steps compared to the previous approach. Nearly two-thirds of the steps were streamlined out of the process.

EFFICIENCY IN ACTION: The new process anticipates just 1 needed delay and 1 needed loopback – marking a major improvement over the 8 delays and 6 loopbacks that typically occurred before.

TIME SAVINGS: The contract management process will take as few as 26 days from start to finish once the improvements are implemented. That's a 42% reduction compared to the minimum of 45 days it was taking with the previous process.

Kaizen Event RESULTS SCORECARD	BASELINE	PROJECTIONS	
	Key process measures, gathered at the start of the Kaizen event	Projected measures once all improvements are in place	PROJECTED CHANGE
PROCESS STEPS	97	35	64% reduction
DECISION POINTS	26	7	73% reduction
HANDOFFS	29	10	66% reduction

REDUCTION IN PROCESS TIME:



DETAILS

Contracting is crucial to operations at the Ohio Department of Medicaid. When everything is running smoothly, there's little lag time between procurement and when needed products and services are available on-site. Staff have what they need to get the job done, and customers experience efficient service.

Agency leaders saw room for improvement in this area. So they chartered a Kaizen team to evaluate every aspect of the process – from the point where a product or service need has been identified, to delivery of an executed contract and ongoing maintenance and compliance. The overarching goal: To create and ensure an efficient, streamlined, and compliant contract workflow process for the Ohio Department of Medicaid.

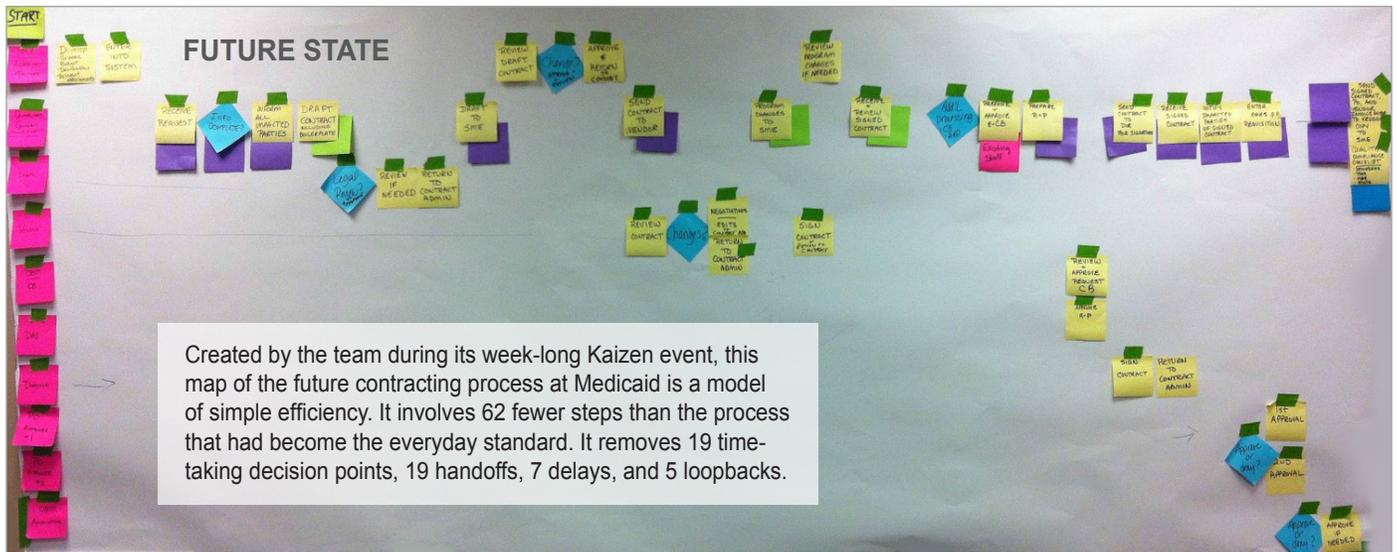
The team began by analyzing the current process in detail: contract development, drafting, approvals, monitoring, compliance, and so on. The process map revealed 97 steps, 29 handoffs, and 26 decision points. The process was taking from 45 days to 154 days from start to finish – too long by anyone's measure.

From its analysis, the team redesigned the work flow to re-



Team members: Liz Ramey, ODM (Team Leader); Carolyn Nunez, ODM; Mary Jane Frank, ODM; Hank Sellan, ODM; Mina Chang, ODM; Heather Sullivan, ODJFS; Doug Chaney, ODM; John Mack, ODM; Rachel Jones, ODM; Tom Prunte, ODM; Candi Layman, ODM; Tom Parrott, ODM; Robyn Colby, ODM; Chris Carson, ODM; Patti Clements, ODJFS; Rich Thompson, AG.

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duce the number of required approvals and rework. Loopbacks went from 6 to 1 (an 83% improvement), and delays were cut from 8 to 1 (88% improvement).

The new process makes sure that “everything that’s needed is front-end loaded,” a team member explained. The contracting office gets all the required information from procurement at the very start, to prevent the backtracking that typically causes delays.

Plans call for a central group to facilitate and standardize the contracting function across bureaus. This will be centered around three key roles: support/administrative, paralegal/drafter, and compliance/monitoring. As a part of the Kaizen team’s next steps, an HR team will convene to study the associated tasks and decide how to classify and staff these new roles. Eventually, role-based training will be used so that staff fully understand the new system and their role in it.

The new approach is thoughtful about improving IT functionality. The long-term plan is to build or buy a new system to accommodate the new contract work flow. For the near term, the team and IT are weighing whether to continue using CATS (Contract and Acquisition Tracking System) with the incorporation of certain routing changes, or to build an alternative system that can serve as a bridge until the new process and the new supporting IT system are fully in place.

Toward the back end of the new process, compliance and monitoring serve an important role. The team developed a draft dashboard that will track 11 key measures going forward. These will include the number of contracts in the process, the number of requests by type, the number of days that contracts are with drafters, the number of loopbacks along with their cause(s), the number of budgeted vs. nonbudgeted contract requests, and other meaningful measures.

According to team projections, the new contract management process will take as few as 26 days. That’s a 42% reduction over the quickest processing time with the previous approach. ●

TRAINING		
Who	What	When
Heather/Carrie UT Hank Doug	Short Term IT Solution + Role Based - SME/Coordinator - Centralized Contract Section - Bureau Chiefs - OAKS	Nov/ Dec.
Tom Parvott TBD	Long Term IT Solution + Role Based - SME/Coordinator - Centralized Contract Section - Bureau Chiefs - OAKS	TBD
Tom Heather Brenda	Centralized Contracts Section - Office Processes - P.D. Processes	Before 1/1/14 continuing
Tom Heather Chris Carson John Barley (or designer)	Compliance Officer - Outcomes - Fiscal, SME Interactions	Before 1/1/14
TBD	Procurement (once established)	TBD

Training is a key ingredient in the team’s plan for implementing the new approach. Everyone who is involved in the process will get detailed instruction and guidance.