

Thibodaux Regional Medical Center



Using Minitab has dramatically improved Thibodaux's fiscal health. Six Sigma projects increased the hospital's operating margin to 12 percent and created a cash reserve of \$24 million in just two years.

Thibodaux Regional Medical Center, an acute care facility in southeastern Louisiana, offers a vast array of outpatient and inpatient services, and has a free-standing cancer center, a free-standing outpatient rehabilitation center, and several clinics located in outlying parts of the region.

To keep pace with rising healthcare costs and limited resources, Thibodaux's operations team relies heavily on Six Sigma quality improvement processes using Minitab® Statistical Software.

KEY FACTS

ORGANIZATION

Thibodaux Regional Medical Center

OVERVIEW

- 149-bed acute care facility in Louisiana
- Offers array of inpatient and outpatient services

QUALITY CHALLENGE

- Millions of dollars in revenue tied up in processing and billing
- Slow Accounts Receivable process

PRODUCTS USED

Minitab® Statistical Software

RESULTS

- Nearly \$2 million dollars in cost savings
- Medication errors reduced by 42%

Challenge

Led by Operations Manager Mary Ellen Pratt, Thibodaux's finance department and quality improvement team calculated that \$3.3 million of hospital revenue was sitting in limbo because the related claims lacked the coding or processing necessary to collect the funds.

As with all Six Sigma projects at the facility, Minitab was relied upon to analyze the data and reveal ways to improve the process.

How Minitab Helped

Using Minitab's regression feature to analyze their billing process, the team identified factors that most significantly slowed the accounts receivable process, changed their coding procedures so that bills were ready much sooner and reduced their average number of AR days by ten. With each AR day costing the hospital roughly \$178,000, the project has saved Thibodaux nearly \$2 million.

Results

Thibodaux's AR project is just one component of its successful quality improvement program. With the help of Minitab, Thibodaux's Six Sigma team has reduced medication errors by 42 percent, UTI's (urinary tract infections) by 38 percent and radiology turn-around time for inpatient results by 29 percent—improvements

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that have propelled Thibodaux into the top 1 percent of hospitals in the country for patient satisfaction.

Pratt is obviously pleased with the results of her program and credits much of its success to Minitab. "I don't know how we'd do it without Minitab," she said. "It's critical to get good information from your data and Minitab makes it very easy to do that. It takes the hard part out of statistics and lets you concentrate on what the analyses mean and how you want to respond to the information."

As one of the executives responsible for developing the staff's quality improvement skills, Pratt also appreciates how easy Minitab is to learn and use. "It's fantastic," she said. "Most of the Six Sigma Green Belts I train are amazed with how easy it is to use. They get very excited when they realize what they can do with it."

And as someone who often has to communicate project results to others in the hospital, she also values the ReportPad, a tool within Minitab that helps create coherent, professional reports. "I use it a lot," she said. "It makes it very easy to save key analyses and graphs and copy them into PowerPoint later, and I like that I can add my own comments to help interpret the results and explain their significance."

Pratt, whose leadership goal is to stay focused on the big picture and remove the obstacles her staff faces, believes deeply in the power of Six Sigma. "Hospitals that embrace it will be those that succeed," she said. with a vision as broad as Pratt's and a statistics package that makes it easy for her team to fulfill it, Thibodaux is destined to be one of them.