Selected Case Studies and White Papers

The following domains are included:

Health and Human Services IT Services
Health Care Authorities
State Hospitals
Corrections
Corrections Enterprises
Retirement Systems
Youth Authorities
Commission for the Blind

The Results Management System™ and RESULTS Software | The Power to Improve

Lean Leadership Drives Employee Engagement Improvements: A Data-Driven Case Study

Situation and Opportunity

In 2015, the Washington Department of Social and Health Services (DSHS) was comprised of eight administration offices. ISSD was the core central service entity serving all administration offices, including infrastructure and enterprise-wide services. However, ISSD had committed all their resources to enterprise efforts.

Since the Financial Services Administration and Systems and Enterprise Support Administration lacked their own IT entity, they had a large and growing backlog of projects. In July 2015, Technology Services Division (TSD) was created to support FSA/SESA as their direct IT entity.

Subsequent with this July 2015 organizational restructure, Chris Lamb was hired as the TSD director. Early on, Chris' manager, an Assistant Secretary, asked him to set up this new division. She wanted him to accomplish several goals with his team of about 60 employees, each of which would move the organization forward in achieving its mission and enhance employee engagement. These goals were to:

- Improve the backlog of projects and customer service
- Improve employee morale and engagement
- Involve employees more in the direction, future and operations of the division
- Enable employees to have more of a voice in improving TSD operations
- Connect employees to how their work impacts DSHS and how success is measured
- Provide employees a greater connection to the strategic plan
- Expand decision making through performance measurement and management best practices
- Address problems as close to the frontline as possible
- Strengthen the division's focus on customer outcomes and experience
- Expand collaboration and productive communication and conflict management norms
- Implement stronger servant leadership in support of a performance-driven culture
- Enhance leadership team's role and competencies, especially for change management

Solutions Implemented

Empowered to achieve the above goals, Chris knew how valuable it would be to implement a division Performance Management System and he took the following actions:
- Chris had worked with Mass Ingenuity when he was the Chief Information Officer at the Washington State Department of Retirement Systems. Shortly after joining TSD, he contacted Mass Ingenuity and launched a project to implement the Results Management System™ and Results Software with his leadership team.

- The Results Management System (RMS) is a comprehensive, integrated, and outcome-based Lean performance management solution, which is proven to transform organizational culture and outcomes. Included in the RMS is a state of the art, SaaS cloud-based performance management software application, Results Software.
- As a single source of all performance data, Results Software will be visible 24x7 from any device. In addition, Results Software data is the centerpiece for regular business reviews, team meetings, and one-on-one's.
- Implemented leadership best practices, including the Prosci® Change Management and Three Hats model, and engage employees more in decision making.

Results

Due to implementing these solutions and management best practices, Chris Lamb and his leadership team quickly achieved the following results:
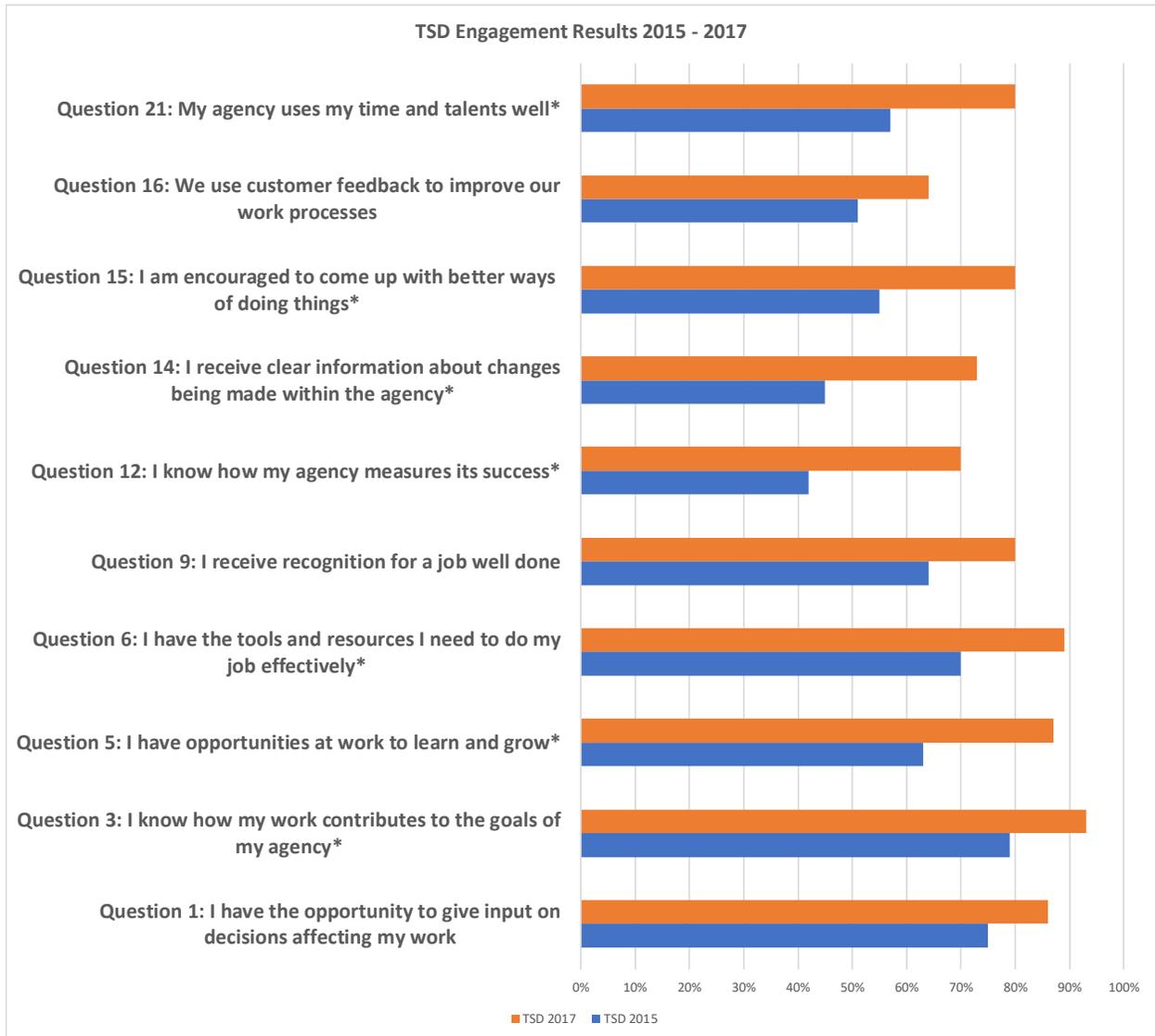- Establish TSD's vision to "Enabling Possibilities" and its mission to "Deliver high-quality, innovative solutions that reliably enable DSHS team members to meet the agency's mission of Transforming Lives" (the development of which were driven by TSD employees)
- Aligned leadership team on strategic direction and operational execution outcomes
- Outcome and process measure improvements
- Demonstrated agility and resource adjustments when transferring programs to the Dept. of Children, Youth, and Families, Health Care Authority, and Dept. of Health
- Influenced divisions to achieve better outcomes with management system concepts and tools
- Significant improvement on employee engagement survey results (see below)
- As a result of the work that Chris Lamb and his team accomplished in just two years, Chris received Washington State Governor Inslee's 2018 Award for "Leadership in Management." This award is given annually to recognize 20 managers in state government who demonstrate extraordinary leadership through performance results in the previous year.

Quote from the TSD Director

"The Results Management System was a perfect fit for what TSD needed. After years of disconnection and disengagement, employees were emphatically asking for a new culture where transparency, openness, and the ability for them to directly impact the direction of their organization were ingrained in the DNA of their division. The Results Management System provided the vehicle to change the culture and the employees stepped up. The transformation was dramatic. As a leader, seeing the impact this has had on the division and its employees is nothing short of magical."
Chris Lamb, Director, Technology Solutions Division
Washington State Dept. of Social and Health Services

TSD Employee Engagement Survey Data Results

TSD Engagement Results 2015 - 2017

Question 21: My agency uses my time and talents well*
- TSD 2017: ~80%
- TSD 2015: ~57%

Question 16: We use customer feedback to improve our work processes
- TSD 2017: ~64%
- TSD 2015: ~51%

Question 15: I am encouraged to come up with better ways of doing things*
- TSD 2017: ~80%
- TSD 2015: ~55%

Question 14: I receive clear information about changes being made within the agency*
- TSD 2017: ~73%
- TSD 2015: ~44%

Question 12: I know how my agency measures its success*
- TSD 2017: ~70%
- TSD 2015: ~42%

Question 9: I receive recognition for a job well done
- TSD 2017: ~80%
- TSD 2015: ~64%

Question 6: I have the tools and resources I need to do my job effectively*
- TSD 2017: ~89%
- TSD 2015: ~70%

Question 5: I have opportunities at work to learn and grow*
- TSD 2017: ~87%
- TSD 2015: ~63%

Question 3: I know how my work contributes to the goals of my agency*
- TSD 2017: ~93%
- TSD 2015: ~79%

Question 1: I have the opportunity to give input on decisions affecting my work
- TSD 2017: ~86%
- TSD 2015: ~75%

Legend: TSD 2017, TSD 2015

Survey Item	TSD 2015	TSD 2017	State-wide 2017 (Compared to TSD 2017)
Question 1: I have the opportunity to give input on decisions affecting my work	75%	86% (15% increase)	62% (39% higher)
Question 3: I know how my work contributes to the goals of my agency*	79%	93% (18% increase)	82% (13% higher)
Question 5: I have opportunities at work to learn and grow*	63%	87% (38% increase)	63% (38% higher)
Question 6: I have the tools and resources I need to do my job effectively*	70%	89% (27% increase)	71% (25% higher)
Question 9: I receive recognition for a job well done	64%	80% (25% increase)	56% (43% higher)
Question 12: I know how my agency measures its success*	42%	70% (67% increase)	57% (23% higher)
Question 14: I receive clear information about changes being made within the agency*	45%	73% (62% increase)	50% (46% higher)
Question 15: I am encouraged to come up with better ways of doing things*	55%	80% (45% increase)	57% (40% higher)
Question 16: We use customer feedback to improve our work processes	51%	64% (25% increase)	48% (33% higher)
Question 21: My agency uses my time and talents well*	57%	80% (40% increase)	N/A

- Comparison to previous employee survey
- Percent responding "usually" or "always/almost always"
- Survey items below followed by an "*" indicate a change between 2015 and 2017 is statistically significant at the .05 level

Leveraging the Results Management System™ for State Government Health Care System Transformation

March 29, 2018

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Contributors: Christine Barker, Kelly Ferguson, Scott Harra, Aaron Howard, Thomas Moore, and Dorothy Teeter.

Leveraging the Results Management System™
to State Government Health Care Transformation

"Without a standard, there is no logical basis for decision making or taking action."
Joseph Juran, engineer and management consultant

"The most dangerous kind of waste is the waste we don't recognize."
Shigeo Shingo, international expert on manufacturing practices
and the Toyota Production System

"Measurement is the first step that leads to control and eventually to improvement. If you can't measure something, you can't understand it. If you can't understand it, you can't control it. If you can't control it, you can't improve it."
H. James Harrington, author and management mentor

Overview of U.S. Public Sector Health Care

The role of U.S. public sector health care has evolved significantly over the past several years. Since the U.S. private sector cannot sufficiently meet the health care needs of all citizens, government must fill certain gaps and ensure efficient delivery and fair access.

In 2004, the National Institutes of Health (NIH) published a framework describing the 10 roles that U.S. public sector health care organizations must play in order to improve health care quality, reduce medical errors, and enhance patient safety for its citizens[1]:

1. Purchase health care
2. Provide health care
3. Ensure access to quality care for vulnerable populations
4. Regulate health care markets
5. Support acquisition of new knowledge
6. Develop and evaluate health technologies and practices
7. Monitor health care quality
8. Inform health care decision makers
9. Develop the health care workforce, and
10. Convene stakeholders from across the health care system

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[1] "The roles of government in improving health care quality and safety," U.S. National Library of Medicine, National Institutes of Health, January 2004.

The report points out that the ultimate goal of achieving high quality care will require strong partnerships among federal, state, and local governments and the private sector. In addition, the combined efforts of public and private sectors will need to translate general principles regarding the appropriate role of government into specific actions within a rapidly evolving health care delivery system landscape.

More than 17% of the U.S. Gross Domestic Product is spent on health care—in many cases for conditions that could be prevented or better managed with public health interventions. Yet, only 3% of the government's public health budget is spent on public health measures[2].

So, how can government health care agencies most effectively influence and adapt to the rapidly evolving and complex health system? Considering the roles outlined by NIH above, it becomes clear that a data-driven means of designing, executing, and monitoring transformative strategies is vital to the success of government health agencies, as well as publicly funded health care systems. This white paper outlines how this data driven approach has supported both the strategic and operational planning and the effective execution of system transformation through the adoption and use of Mass Ingenuity's **Results Management System** in state health agencies.

Introduction

While funding for public health care programs such as Medicaid comes from both the federal government and state government, responsibility for Medicaid program administration and related purchasing of and quality assurance for health care services delivered to the Medicaid population falls predominately to the states. This role has expanded significantly due to the recent implementation of the Affordable Care Act (ACA). Implementing the ACA required states who expanded Medicaid, for example, to enroll potentially hundreds of thousands of new clients, and to develop an expanded network of providers of health care services willing to participate in the new program. In the current health care environment, a high degree of importance is placed on ensuring that improved care, better cost performance, and improved health outcomes yield measurable results.

In order to achieve the results noted above, and in consideration of the roles set forth by the National Institutes of Health, public sector health agencies' challenge is to

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[2] "Public health and the U.S. economy: How the next U.S. president can stack the deck in favor of people's health and wealth in 2013," Harvard School of Public Health, Fall 2012.

design, implement, and/or retool organization development approaches, process improvement methods, and data and information systems. This requires implementing world-class best practices in the following domains:
1. Leadership and management
2. Performance management
3. Data-driven and outcome-based decision making
4. Prioritization and risk management
5. Process improvement and strategic initiatives
6. Cultural realignment
7. Conflict management
8. Transparency and accountability
9. Change management

As described below, successful investments in the core competencies listed above have been achieved, in part, through the implementation of Mass Ingenuity's Results Management System in state government health care transformation. As a result of this work, we are able to relate to government health care organizations' goals and needs, including Medicaid expansion, transitioning from "fee for service" to "managed care and value-based purchasing," and health care cost improvement.

About Mass Ingenuity's Methodologies

A significant portion of Mass Ingenuity's client work is dedicated to supporting state agencies with their adoption of a results-driven government framework and world-class leadership principles. Founded on Lean and management best practices, the **Results Management System** is a comprehensive and highly integrated performance management system proven to accelerate results-driven government.

The Results Management System™ and RESULTS Software | The Power to Improve

SEE. BELIEVE. ACHIEVE.

In addition, **Results Software** easily connects every leader and employee to their Results Management System outcome and process measures (lagging and leading indicators of success) with real-time performance data status, trends, problem solving and breakthrough initiatives, tool templates and samples, as well as project management capabilities. As a SaaS cloud-based application, Results Software is built on Microsoft® Azure® with state of the art security and accessibility. This

proprietary software is highly scalable, transferrable, and accommodates a virtually unlimited number of unique measures and permission levels.

Based on our work with government health care organizations (and other government domains such as human services, corrections, retirement systems, natural resources, regulatory, etc.), Mass Ingenuity has developed an efficient and effective process for creating customized performance goals and related measures of progress for results-oriented state agencies. *Note: See Appendices for more information on the Results Management System.*

Government Health Care Clients

Over the past six years, Mass Ingenuity has worked with three innovative state health care agencies leading health system transformation, and a fourth one which provides health insurance regulatory oversight for their state health insurance marketplace (HIM). They have all been tasked with developing and implementing major changes in the delivery of their respective services:

1. Washington Health Care Authority
2. Oregon Health Authority
3. Oregon State Hospital
4. Oregon Department of Consumer and Business Services (HIM)

The specific quantitative and qualitative improvements of two of these agencies, Washington State Health Care Authority and the Oregon State Hospital, are highlighted below.

Washington State Health Care Authority's Transformation

Opportunity/Situation

Mass Ingenuity began working with the executive leadership team at the Washington State Health Care Authority (HCA) in spring 2014 and continues to do so at least through late 2018. Our work coincided with the first phase of the Affordable Care Act (ACA) and the expansion of Medicaid.

The Washington State HCA purchases health care for more than 2 million Washington residents through two programs, Washington Apple Health (Medicaid) and the Public Employee Benefits Board (PEBB) Program. Their focus is on ensuring that Washingtonians have access to better health and better care at a lower cost.

In order to carry out its agency mission, HCA developed and works towards successful achievement of three health system transformation goals:
1. Build healthier communities through a collaborative regional approach
2. Integrate how they meet physical and behavioral health needs so that health care focuses on the whole person
3. Improve how they pay for services by rewarding quality over quantity

Mass Ingenuity partnered with HCA to build on their existing assets and to evaluate their internal processes and measurement systems in order to create the performance management culture necessary to effectively implement health care transformation goals noted above. In addition, the firm worked with HCA to integrate existing strategic plans, performance measurement systems, and Lean efforts into a cohesive system of outcomes-based management and the implementation of measurable improvements for HCA.

As a result of implementing Mass Ingenuity's Results Management System, Washington HCA's leadership team aligned on its key priorities, core processes, scorecard measures, and leadership routines. The agency implemented the discipline of regular business reviews throughout all 13 divisions further expanding its transparency and accountability for results in achieving their transformation goals. Some specifics of this work follow below.

Transition From "Fee for Service" To "Managed Care and Value-Based Purchasing"
As Washington state's largest health care purchaser serving more than 2 million citizens, HCA has been engaged in transforming the agency from "fee for service" to a "value-based purchasing" model, focused on rewarding providers for delivering improved value, with better cost and quality performance and better health outcomes. Mass Ingenuity is currently partnering with HCA to build sustainable leadership capacity and to better manage its workload capacity.

To support this vital transition to fulfill their policy mandates and program initiatives, Mass Ingenuity worked with HCA leadership to develop their strategic plan, priorities, decision making processes, and organization wide employee communications and events. In addition, Mass Ingenuity consulted on a new organizational design and realigned operational structure e to support the new health care purchasing processes and roles. This work supported significant position movement and charter changes in the Public Employee Benefits, Clinical Quality, Medicaid, and Program Integrity divisions. Extensive executive coaching and customized leadership development sessions for the executive team and all staff meetings were conducted

to ensure this large-scale organizational transformation and cultural change were highly effective and sustainable.

Integrating Physical and Behavioral Health
Washington state and the Health Care Authority have been awarded several phases of federal funds to help transform the health care system. Additionally, the Washington State Legislature directed the statewide integration of physical health and behavioral health programs and purchasing. Mass Ingenuity has been providing leadership consultation and support, organizational design, and program/project management services since 2015.

In 2017, Mass Ingenuity was selected to provide change management consulting for the integration and transfer of authority for the DSHS Behavioral Health Administration / Division of Behavioral Health and Recovery program into Washington's Health Care Authority (HCA) and the Department of Health (DOH). Due to an executive order in 2017 and signed legislation in spring of 2018, this work authorizes the HCA to integrate the functions, processes and positions of two organizational entities into one.

To support this large effort, Mass Ingenuity provided change management, leadership development, and group facilitation services to engage diverse participants from the Governor's Office, HCA, DSHS, and the DOH. Additionally, the consulting team applies its proven methods and systems of measurement to ensure data clarity and transparency needed for the participants to make well-informed and valid decisions. These decisions impact the change management, employee engagement, and risk management aspects of such a complex integration project. Without such services and measurement tools, the effort would not fully achieve its very important intended goals.

Solutions
Mass Ingenuity has guided HCA in the design and implementation of the following proven management routines that support ongoing results for agency goals and outcomes:
1. Improving the Fundamentals: aggressively drive waste out of routine processes
2. Achieving Breakthroughs: effectively deliver on policy initiatives
3. Monitoring performance (business reviews): intensely focus resources on what is holding the organization back
4. Solving Problems: engage employees in process improvement

The following services and deliverables were implemented from mid-2014 to late 2017:

1. Designing and facilitating large-scale transformation initiatives, including "Realignment" of HCA for health care value-based purchasing, best practices research, business process redesign and change management
2. Facilitating the development and implementation of an agency-wide Fundamentals Map and divisional Scorecards and HCA's key goals, core processes, and sub-processes and their associated performance measures
3. Facilitating and consulting on HCA's extensive change management needs, including conducting supervisor/staff training for change management concepts and the manager's role
4. Conducting extensive individual and team leadership development sessions, including skills for executive sponsorship, team decision making, conflict management, and prioritization
5. Providing project management capabilities, work breakdown structures, and execution support

Results and Observable Improvements

These implementation of these services and deliverables resulted in these outcomes:

1. Increased transparency and accountability to HCA staff, to the Governor's Office, and to the Legislature
2. Sustained commitment to data-driven performance management and root cause analysis problem solving
3. Improved executive leadership competencies and greater employee engagement
4. Improved customer service, reduced waste, and reduced backlogs
5. Capacity to serve an additional 600,000 people in an expanded Medicaid program
6. Increased capacity for SEBB (School Employees Benefits Board) to over 350,000 served (agency leadership credits their Results HCA Management System with enabling them to build internal capacity and capability to take on this program)
7. % of calls answered increased from 40% in 2015 to 80% in 2017 (for the Medicaid eligibility and community support services)
8. Employee engagement composite score (responding with either "4 for usually" or "5 for almost always/always" on a scale of 1-5) increased from 69% in 2013 to 77% in 2017

In the Director's Words

"Working with Mass Ingenuity has been one of the most productive consulting partnerships of my career. The outcomes HCA has achieved as a result of its work

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with Mass Ingenuity's Results Management System have been sustainable, and this is due in large part to the exceptionally high quality of the Mass Ingenuity consultants our team worked with to build a performance-based culture. I wasn't sure we could transform the bureaucratic culture to one that needed to be more adaptive, but we did. The Fundamentals Map enabled us to set out agency wide goals, to measure progress and to demonstrate that the operational retooling of the agency to carry out its mission worked. This work also assisted us in being awarded and carrying out a $65 million Healthier Washington Innovation grant from CMMI and supported the successful negotiation of a $1 billion 1115 Medicaid waiver. Working with Mass Ingenuity is contagious."
Dorothy Teeter, Washington HCA Director (retired June 2017) and Senior Policy Advisor for the Center for Medicare and Medicaid Innovation (2011-2013)

Oregon State Hospital's Transformation

Opportunity/Situation

The hospital serves more than 1,400 people per year. The Salem campus has room for 620 people at a time, while the Junction City campus has room for 174. About 2,000 staff members work at the two campuses.

In 2008, a report by the U.S. Department of Justice found that the care and conditions at OSH violated patients' safety and their constitutional right to good care. In 2009, an unannounced audit by The Joint Commission, a national accrediting organization, found that Oregon State Hospital (OSH) was noncompliant with 55 performance standards. In 2010, an independent health care auditor issued a report that identified a number of serious problematic issues. Most of the issues centered on a lack of strong leadership, unclear roles and responsibilities, and a fundamental confusion between compliance and quality management.

Later that year, the state hired a new superintendent and brought in a large consulting firm to implement a Lean quality management program at OSH. As a result, the hospital established a formal continuous improvement system, which had enabled OSH to resolve many problems by 2012. However, the executive leadership team lacked an overall performance system to provide a cohesive continuous improvement strategy throughout OSH. While Lean provided the foundational technical components, the hospital lacked the ability to review and assess the effectiveness of all the simultaneous efforts as a whole.

Solutions

In 2013, Mass Ingenuity helped OSH build upon its Lean foundation by consulting directly with the executive team to create alignment across the entire Lean body of work and link it to the strategy and sustainability mechanisms required for success. By helping create the OSH Performance System, Mass Ingenuity gave hospital executives and managers the framework needed to routinely and strategically review and asses the hospital's organizational health. The consulting team translated and helped assimilate the multiple disciplines of Lean, performance management, change management, executive sponsorship, communication, and employee engagement into the work of the leadership team.

Results and Observable Improvements

Using tools like the Fundamentals Map, OSH has been able to communicate and align continuous improvement efforts with the hospital's key goals. By holding regular Quarterly Performance Reviews, staff throughout the hospital routinely measure, monitor and continuously improve organizational performance in order that quarterly reports are fully informed by daily work. In addition, the hospital has actively cascaded measures down into the organization and has 92 visual management boards being reviewed monthly.

At each QPR, the hospital reviews a number of measures that are aligned with the processes and desired outcomes identified in the OSH Fundamentals Map. This lets leaders know what is working, what is not, and when to intervene. For example, by using this method, the hospital has been able to strategically target and implement efforts to reduce the use of patient restraints. As a result, the hospital has reduced its incidents of restraint by 46 percent since the first QPR was held in early 2014. Another example of the hospital's success is its most recent Joint Commission survey. The surveyors returned for their triennial unannounced visit in March 2015. They measured OSH against thousands of standards and relevant federal requirements, and they spent most of their time on the units speaking to patients and staff.

Despite the surprise visit, OSH passed with flying colors at both their Salem and new Junction City campuses. The surveyors found only 17 areas that needed improvement, and several of them were resolved before the survey was complete. This is a significant improvement over the 29 findings in 2012 and 55 in 2009. The feedback was overwhelmingly positive, and the surveyors were glowing in their praise for what they saw and experienced. Two of the surveyors had been to OSH in 2009, and they could not believe this was the same hospital. They used words like "uniformly very good," "you're far beyond the curve," "exceptional," "brilliant," "amazingly good shape," and "phenomenal." The team was impressed that so many

positive accomplishments had been achieved during a prolonged period of significant change. They encouraged OSH to post their efforts and success on The Joint Commission's best practices website and to apply for the prestigious Baldrige Award.

In the Superintendent's Words

In sharing The Joint Commission survey news with his OSH staff, Superintendent Roberts said, *"For perspective, it is important to remember that The Joint Commission surveys both public and private hospitals all across the country, even in other countries. So, when we hear such praise from them, we should realize how well our performance compares to thousands of other facilities. Praise from The Joint Commission is high praise indeed! To me, the best part of this is that the surveyors were so impressed after seeing the hospital as it really is. Because the survey team arrives unannounced, we can only do things the way we normally do; there's no 'putting on a show.' Being 'survey ready every day' has become a reality here…"*
Greg Roberts, Oregon State Hospital Superintendent (retired December 2016)

Update

Based on its January 2018 survey, the Joint Commission gave OSH a glowing report and stated that it is now among the top 5 percent of hospitals in the nation for environment of care and life-safety issues. The surveyors applauded the hospital's culture and its use of data and process improvement as keys to their success.

OSH Lean Implementation Results (2011-Oct. 2017)
1. **Projects**
    a. 185 Lean projects completed
    b. Visitor Application Rapid Improvement Initiative
        i. From 67 to 38 process steps
        ii. From 17 to 7 decision points
        iii. From 20 to 9 handoffs
        iv. From 43 to 3 maximum process days
    c. Medical Doctor Recruitment Rapid Improvement Initiative
        i. From 53 to 28 process steps
        ii. From 381 maximum to 25 maximum process days
    d. 49 additional Lean projects in progress
2. **Training**
    a. 1,525 participants in Hospital Staff Lean Overview training
    b. 1,023 participants in Module and Lean Optimization training
3. **Lean Daily Management System (LDMS)**
    a. Out of 92 LDMS areas 92% meet all standards
    b. 5,680 Continuous Improvement Sheets submitted

4. **Communications and Change Management**
   a. 73 "Spotlight" and 12 "Recovery Times" articles
   b. 9 Lean open house events
   c. Monthly Process Improvement team meetings with OSH Cabinet
   d. Bi-weekly meetings with unions
   e. 15,324 visitors to OSH Process Improvement Lean Intranet site

Summary of Findings

The following charts provide a summary view of the health of the management system. We review and report on the overall trends of OSH, as well as selected measures.

The following table summarizes measure trending across the agency.
(Data collected between December 2013 and December 2017)

RESULTS by Area of OSH – Count of Measures that Declined/Improved/No Change					
	Total	Declined	Improved	No Change	No Threshold Set (Grey)
	37	13	15	0	9

Summary of Overall Agency Trends

1. 37 measures in total were analyzed and 15 measures (40%) improved
2. 13 measures (35%) improved by 33% or more
3. 5 measures (14%) improved by 210% or more
4. 45% of outcome measures demonstrate improvement
5. Outcome measures (lagging indicators) demonstrated a 470.3% average improvement
6. In early 2018, the Joint Commission proclaimed OSH among the "top 5% of hospitals in the nation for environment of care and life-safety issues" (Note: In 2008, the Joint Commission gave OSH only a "conditional" accreditation)
7. OSH has cascaded measures from enterprise to all organizational level with currently 92 Visual Management Boards set up throughout OSH
8. Each of these Visual Management Board areas have required element that are assessed once a month
9. Most groups have daily huddles at their boards
10. Currently they have 92% implementation rate of all required elements

Top 18 OSH Improvements

Results by OSH Area: Measurement Improvements Since Rollout (Data Collected between December 2013 and December 2017)			
Measure Description	**Measure Definition**	**Measure Rollout**	**Improvement Since Rollout**
Staff Training	% of staff who complete required trainings on time	Dec. 2013	4,364%
Patient Discharges	% of patients discharged within 120 days (GEI) / 25 days of being placed on CRR/RTT lists (civil)	Sep. 2016	333%
Fire Drill	% of fire drills conducted	Jun. 2016	222%
Monthly Safety Checklist	% of checklists submitted	Jun. 2017	222%
Monthly Safety Checklist	% of checklists submitted on time	Jun. 2015	219%
Monthly Safety Checklist	% of areas in compliance with safety requirements	Jun. 2014	212%
Time Lost Due to Work-Related Injury	Average time (days) lost due to patient-related injury	Sep. 2016	93%
Injury Fall Rate	Rate of fall events per 1,000 inpatient days	Dec. 2013	62%
Time Lost Due to Work-Related Injury	Average time (days) lost due to other injury type	Sep. 2016	55%
Patient Resources	% of revenue that does not come from General Fund (biennium to date)	Dec. 2013	50%
LDMS Assessment	Visualization – Using the LDMS effectively	Dec. 2013	48%
Patient Resources	% of revenue that does not come from General Fund or DSH (each quarter)	Dec. 2013	44%
Patient to Staff Aggression	Behavioral incident claims accepted by SAIF	Mar. 2014	38%
Restraint by Duration	Average duration (hours) per restraint	Dec. 2013	35%

Seclusion by Duration	Average durations (hours) per seclusion	Dec. 2013	34%
Patient Engagement	% of patients receiving less than 5 hours of services	Jun. 2016	32%
Restraint by Events	Restraint events per 1,000 inpatient days	Dec. 2013	28%
Non-trial Service (voluntary)	All staff quarterly turnover rates	Mar. 2014	13%

Appendices
About Mass Ingenuity

Mass Ingenuity is a national leader in results-driven government. Our SaaS-based Results Management System is a comprehensive, outcome-based, and integrated performance management solution, which is proven to transform organizational culture and outcomes.

The Results Management System is rooted in these world-class disciplines:

- Lean philosophy and tools
- Leadership and management best practices
- Organization development
- Employee engagement
- Change management
- Performance management measures
- Fully integrated SaaS solution operating on Microsoft® Azure® cloud computing platform

The deployment of our Results Management System creates a systematic focus on customers, engages employees in continuous process improvement, and leverages outcome and process measures, the "currency of an effective management system."

Origin of the Results Management System

Results Management System was built when Mass Ingenuity recognized that standalone lean events were not sufficient or sustainable *without an over-arching management system.* Like the foundation of a house, an enterprise-wide or divisional management system is the basis for continuously measuring results, allocating finite resources, driving full transparency, creating healthy accountability, and ensuring that gains are sustained in order to meet citizen needs.

Mass Ingenuity's Experience

Through our experience with over 60 organizations and 125,000 employees in multiple states, we know this journey to be challenging and rewarding. Our competitive advantage is that we have successfully transformed state government and have travelled these journeys

with our customers. We have navigated both the successes and the setbacks. We have first-hand experience in creating successful outcomes, solid results, and sustainable changes. The road to "government that works" is not a straight line and we know how to navigate the bumps, detours, and switchbacks that represent the practical reality of operating state government.

Additionally, Mass Ingenuity has implemented a system of management and a software technology solution based on the principles outlined in the books, *"Business at the Speed of NOW"* and *"Government That Works."* Mass Ingenuity funded the development and publishing of both books as part of its overall research to understand and document best practices of enterprise-wide management systems. These principles have been put into practice through the products development by Mass Ingenuity and verified to be best practices through our extensive state agency customer base.

Customer Results and Testimonials

"Our Management System and change management work with Mass Ingenuity has made this one of the most successful consulting engagements in my career."
Dorothy Teeter, Director, Washington Health Care Authority (retired June 2017)

"If I could go back, I'd have implemented the management system framework before investing in lean. This is the most engaging and valuable work I have done in my government career. Now we have the credibility to better influence the Legislature's decisions and they are listening to us. This applies to the governor's office as well. The time we spent building our Management System has been well worth it and I would do it again in a heartbeat."
Fariborz Pakseresht, Director, Oregon Youth Authority (became director of Oregon Dept. of Human Services in 2017 and immediately engaged Mass Ingenuity again)

The following are comments shared by various agency users who participated in the Results Software onboarding and training:

- "Mass Ingenuity during all three phases of AMS [Arizona Management System] deployment has been instrumental in administering and standing up our management system. They are very responsible, professional, and knowledgeable regarding lean principles and culture change. They are continuing to demonstrate this skill set in our current contract as we are deploying the AMS to frontline employees.

- "In addition, our purchasing of Results Software has provided the agency with very high visibility into performance results and has made the ease of inputting the data directly much more effective and efficient than our previous methodologies."

- "We have a lot of enterprise software applications running in our agency. Most have been difficult to learn and use. Results Software was easy to learn and intuitive to use. The training sessions were well organized and used our time efficiently. Results Software is an excellent technology match for our agency management system and our performance management initiatives."

- "Onboarding enterprise software applications has been tedious for us in the past. Results Software was easily interfaced to our Active Directory. We were up and running in less than five days."

**Dwight Cloud, CIO,
Arizona Dept. of Corrections**

- "Mass Ingenuity has been very responsive to our questions and requests for help. Their representatives know Results Software in detail, are patient and attentive to all questions, and focused on ensuring our success with performance management in our agency."

- "Results Software has been designed from the ground up to support performance management. Managing, assessing, visualizing, and reporting on measures has

never been easier for us."

- "Mass Ingenuity listens to their customers. We asked for a technology solution that could replace the cumbersome Excel scorecard system we were using. Results Software met all of our requirements plus it has provided additional tools such as project management, document management, and is a flexible approach to creating and sharing great looking visual dashboards."
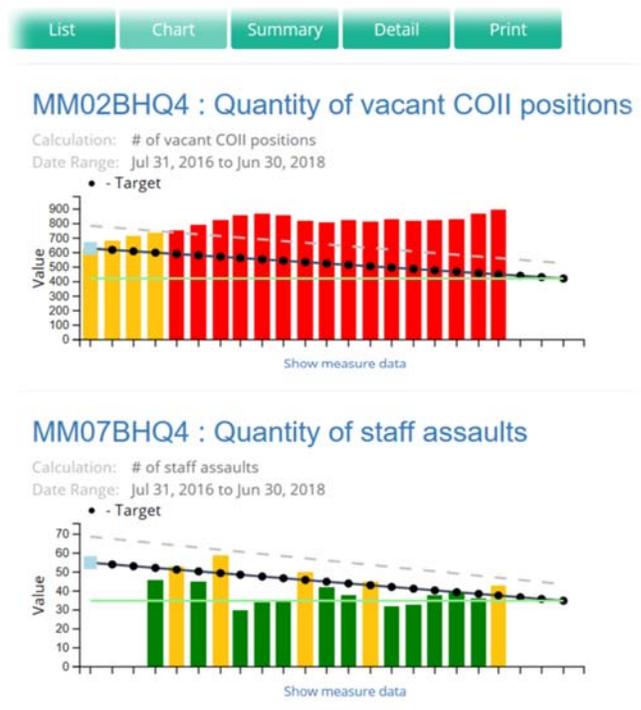
About Results Software

Mass Ingenuity's software easily manages and connects all employees to your management system and its performance management measures.

Facts and data are the foundation for a results-driven operation. Our methodology includes developing a review process of the Fundamental Outcome and Process Measures in order to monitor and make adjustments. Using the performance measurement thresholds of "red/yellow/green," Outcome and Process Measures will be highly visible and transparent, which will drive accountability for results and accelerate improvement cycles.

Results Software is a SaaS enterprise application specifically designed for performance management systems. It runs on the Microsoft® Azure® Cloud Computing Platform and takes full advantage of the cloud computing services, security, and performance.

As a cloud-based SaaS application, there is no need to create a new IT project. Plus, Results Software is easily set up in two to five business days.

As a single source of all performance data, Results Software will be visible 24x7 from any device. In addition, Results Software data is the centerpiece for regular business reviews, team meetings, and one-on-one's.

Results Software also contains a project management engine with the functionality to managed performance management projects such as problem solving, lean projects, strategic breakthrough initiatives. These are set up with owners and due dates enabling complete transparency between senior leadership, appropriate staff, and citizens.

Operationalizing your strategic business plan requires constant performance monitoring and adjustment. Having your performance data in Results Software will provide the organization with extensive business intelligence (BI) tools, as well as visual analytics to be able to analyze, assess, and share what the data is saying about your business.

Results Software Quick Facts

- **Cloud-Based Software –** No need for an IT project. Results Software is cloud- based and is operational enterprise-wide in a few days.
- **UI/UX Philosophy** – For the ultimate in ease-of-use and optimized performance, Results Software focuses on a "2-clicks" to anywhere UI/UX philosophy.
- **Easy Onboarding –** Employees quickly become users through fast ADFS onboarding via your active directory.
- **Security –** Results Software is NIST 800-53 rev 4 and HIPAA compliant.
- **Data Warehouse –** Leverage the emerging power of portals, analytics, artificial intelligence, machine learning, and process optimization without risking source information.
- **Fully Mobile –** Enter data or check in on a process improvement project from any device anywhere in the world at any time.
- **Microsoft® Azure® Platform –** Built on Microsoft's premier world class cloud platform. Additional Azure web services are very easy to add to Results Software.
- **Power BI Analytics –** Deliver knowledge and insights through state-of-the-art analytics that help analyze and visualize any data in your performance management system.
- **Training** – Results Software training is designed and organized for both onsite and webinar delivery. Training is targeted for the three primary user types: administrators, power users, and users.
- **Job Aids** – Mass Ingenuity provides a library of job aids for all user types.

- **Print Engine** – Results Software contains a powerful print engine that ensures that measure charts are easy to print independent of printer type. In addition, the print engine generates PDF files that can be saved and archived if desired.
- **Project Management** – Results Software contains a project management engine with the functionality to manage performance management projects such as problem solving, lean projects, strategic initiatives, breakthrough projects.
- **Tools and Document Management** – Results Software has the capability to store and manage tools, templates, samples, and documents. This ensures that all artifacts associated with performance management can be maintained within Results Software.
- **ADA Accessibility Compliance** – Results Software meets the accessibility requirements for web-based SaaS applications.
- **VPAT**: Voluntary Product Accessibility Template completed and documents Section 508 accessibility.

Oregon State Hospital (OSH)
Case Study: Transforming a State Mental Health Hospital

Problem

In 2008, a report by the U.S. Department of Justice found that the care and conditions at OSH violated patients' safety and their constitutional right to good care. In 2009, an unannounced audit by The Joint Commission, a national accrediting organization, found that Oregon State Hospital (OSH) was noncompliant with 55 performance standards. In 2010, an independent health care auditor issued a report that identified a number of serious problematic issues. Most of the issues centered on a lack of strong leadership, unclear roles and responsibilities, and a fundamental confusion between compliance and quality management.

Later that year, the state hired a new superintendent and brought in a large consulting firm to implement a Lean quality management program at OSH. As a result, the hospital established a robust, formalized continuous improvement system, which had enabled OSH to resolve many of the problems by 2012. However, the executive leadership team lacked an overall performance system to provide a cohesive continuous improvement strategy throughout OSH. While Lean provided the foundational technical components, the hospital lacked the ability to review and assess the effectiveness of all the simultaneous efforts as a whole.

Solution

In 2013, Mass Ingenuity helped OSH build upon its Lean foundation by consulting directly with the executive team to create alignment across the entire Lean body of work and link it to the strategy and sustainability mechanisms required for success. By helping create the OSH Performance System, Mass Ingenuity gave hospital executives and managers the framework needed to routinely and strategically review and asses the hospital's organizational health. The consulting team translated and helped assimilate the multiple disciplines of Lean, performance management, change management, executive sponsorship, communication, and employee engagement into the work of the leadership team.

Results and Impact

Using tools like the Fundamentals Map, OSH has been able to communicate and align continuous improvement efforts with the hospital's key goals. By holding regular Quarterly Performance Reviews, staff throughout the hospital routinely measure, monitor and continuously improve organizational performance in order that quarterly reports are fully informed by daily work. At each QPR, the hospital

reviews a number of measures that are aligned with the processes and desired outcomes identified in the OSH Fundamentals Map. This lets leaders know what is working, what is not, and when to intervene. For example, by using this method, the hospital has been able to strategically target and implement efforts to reduce the use of patient restraints. As a result, the hospital has reduced its incidents of restraint by 46 percent since the first QPR was held in early 2014.

Another example of the hospital's success is its most recent Joint Commission survey. The surveyors returned for their triennial unannounced visit in March 2015. They measured OSH against thousands of standards and relevant federal requirements, and they spent most of their time on the units speaking to patients and staff.

Despite the surprise visit, OSH passed with flying colors at both their Salem and new Junction City campuses. The surveyors found only 17 areas that needed improvement, and several of them were resolved before the survey was complete. This is a significant improvement over the 29 findings in 2012 and 55 in 2009. The feedback was overwhelmingly positive, and the surveyors were glowing in their praise for what they saw and experienced. Two of the surveyors had been to OSH in 2009, and they could not believe this was the same hospital. They used words like "uniformly very good," "you're far beyond the curve," "exceptional," "brilliant," "amazingly good shape," and "phenomenal." The team was impressed that so many positive accomplishments had been achieved during a prolonged period of significant change. They encouraged OSH to post their efforts and success on The Joint Commission's best practices website and to apply for the prestigious Baldrige Award.

Quote from OSH Superintendent Greg Roberts

In sharing The Joint Commission survey news with his OSH staff, Superintendent Roberts said, "For perspective, it is important to remember that The Joint Commission surveys both public and private hospitals all across the country, even in other countries. So when we hear such praise from them, we should realize how well our performance compares to thousands of other facilities. Praise from The Joint Commission is high praise indeed! To me, the best part of this is that the surveyors were so impressed after seeing the hospital as it really is. Because the survey team arrives unannounced, we can only do things the way we normally do; there's no 'putting on a show.' Being 'survey ready every day' has become a reality here…"

State Corrections Domain Expertise and Results
October 3, 2017

Summary

Mass Ingenuity has worked with three state adult correction agencies, one youth authority, and a corrections enterprises quasi-governmental agency spanning Arizona, Oregon, and Washington. As a result, we have developed deep domain expertise both in terms of the cultural, operational, leadership, staff, inmate, legislative, and social issues. We are able to relate to inmate needs (both while in prison and post-prison recidivism challenges).

Mass Ingenuity has developed a large repository of performance outcome and process measures and, through our partnerships, we know how to effectively move the needle on many of them as demonstrated by the summary below. This summary reflects both quantitative performance improvements and qualitative outcomes as reported by corrections staff. These issues include recidivism, inmate costs, inmate intake case plans, inmate employment and skill development, restitution pay, staff/inmate safety needs, staff morale, staff turnover, wellness, and diversity, etc.

About Mass Ingenuity's and Grant Thornton's Methodologies

Mass Ingenuity focuses exclusively on supporting state agency leaders in their expansion of results-driven government. Founded on Lean and management best practices, the **Results Management System** is a comprehensive and highly integrated performance management system proven to accelerate results-driven government.

In addition, **RESULTS Software** easily connects every leader and employee to their Management System outcome and process measures (lagging and leading indicators of success), real-time performance data, projects, and tools. As a SaaS cloud-based application, RESULTS is built on Microsoft® Azure® with state of the art security and accessibility. This proprietary software is highly scalable, transferrable, and accommodates a virtually unlimited number of unique measures and permission levels. Coupled with **Grant Thornton's Predictive Analytics** capabilities, provides correctional facilities with an early warning system.

State Corrections References and Client Results

- Fariborz Pakseresht, Former Director, Oregon Youth Authority (is engaging Mass Ingenuity as Director, Oregon Department of Human Services early fall 2017)
- Colette S. Peters, Director, Oregon Department of Corrections (formerly Director OYA) and Executive Committee Member, Association of State Correctional Administrators
- Charles Ryan, Director, Arizona Department of Corrections and Member, Association of State Correctional Administrators

"This is the most engaging and valuable work I have done in my government career. Now we have the credibility to better influence the Legislature's decisions and they are listening to us. The time we spent building our Management System has been well worth it and I would do it again in a heartbeat." **Fariborz Pakseresht**

Client Outcomes and Results
(Partial List)

Outcomes and Results (High-Level Summary)

Below are some highlights of client results achieved within the adult and youth corrections agencies we have worked with:

- Arizona Department of Corrections achieved a 20% decrease in the average number of days spent in detention shortly after implementation of their management system
- Oregon Department of Corrections saved $3 million per year just six months after implementation of their management system
- Oregon Youth Authority reduced overtime by 10% resulting in a savings of $300,000 per year
- Oregon Corrections Enterprises increase their total number of offender employees by more than 100%

Additional detail is provided for these agencies in the tables below.

Agency	Outcomes and Results (Detailed Summary)

Arizona Department of Corrections (ADC)
 	
• *Director Charles Ryan*
 	
• *40,000 Inmates*
• *10,000 FTE*
• *1,200 RESULTS Software Users*
	• Strong sponsorship from executive and complex leaders
	• Arizona Management System (AMS) framework is first in place at initial all ten ADC complexes
	• Business routines reflecting standard work are being established
	• Building a common comprehension and language around continuous improvement
	• Cultivating desired leader behaviors critical to the success of AMS
	• Actively engaging staff in performance management and measurable results already being achieved:
	  o 50% reduction in time to process "use of force" packets
	  o 20% reduction in the average number of days spent in detention
	  o Percent of high-risk/high need program completions has improved from 86% to 95%
	  o 180-day initial inmate release program has improved 54% YTD
	• Providing input to refine the RESULTS Software platform as an extremely comprehensive corrections-based data solution, visibly connecting and tracking measures from the executive to the line staff
	• *The biggest change in the Eyman Complex due to the management system is that I have staff tell me how they have had a role in fixing a procedure that was broken. It has helped us develop more engaged employees, discussing agency priorities, while encouraging growth and improvement over time.* (Paraphrased from Arizona State Prison Complex Warden)

Oregon Department of Corrections (ODOC) • *Director Colette S. Peters* • *14,750 Inmates* • *4,600 FTE* • *RESULTS Software (installation targeted for*	Since beginning our work with ODOC in January 2013 and after only two enterprise Quarterly Target Reviews, ODOC has seen the following results: • $3 million of gains reported due to increased use of data and measures • State Accident Industrial Fund claims (accidents with injuries) down from 84 to 76 • Post-Prison Supervision up from 62% to 67.6% • Gender diversity improved from 76% to 95.3% (governor goal) • Completed Case Plans at Intake improved from 94.5% to 96% • Inmate Death by Homicide down from 2 to 0 • High alert inmates who move to Moderate from 12.5% to 10.6% • Number of inmates involved in skill building classes or programming up from 333 to 349

Agency	Outcomes and Results (Detailed Summary)
2018 pending client approval)	• Number of active volunteers increased from 2,580 to 2,615 • Average percent of restitution paid on time 13.1% to 19.6% • Internal audit findings completed within 180 days increased from 61.5% to 85.7% Six other problem-solving teams are currently in process working on: • Improving the percent of inmates who have a birth certificate and a social security card (essential to re-enter society) on release date from 6% to 90% • Increasing inmate prescriptions filled within two days from 88% to 97% • Improving the percent of restitution paid at supervision closure from 13% to 50% for two counties • Reducing inmate daily food costs from $2.80 to less than $2.30 Staff comments: • *"I have never seen Agency leadership this visible and engaged with staff - it's clearly not business as usual."* • *"We are having conversations about our business and interrelationships between divisions that I never thought possible." (*Leadership team member) • *"I have always wanted to be in a position to make a real impact...a positive difference at DOC…and for the first time, I feel that I am that position."* (Member of problem solving team) • *"We now seek data before drafting solutions to address the greatest constraint."* (Frontline employee)
Oregon Corrections Enterprises (OCE) • *Administrator, Ken Jeske* • *1,400 Inmates Employed* • *400 FTE*	• Within three months, the implemented solution resulted in the following OCE call center: • Total number of offender employees increased by more than 100% • Significant increase in revenue • Base improvement in inmate morale and employment program success • For OCE, increasing the hours worked per week per inmate from 30.1 hours to 36 hours • For OCE, increasing the number of call center seats filled from 75 inmates to 93 inmates (the current available demand from OCE's customer)

Agency	Outcomes and Results (Detailed Summary)
Oregon Youth Authority (OYA) • *Interim Director Joe O'Leary* • *600 Youth Offenders in Close Custody* • *900 Youth Offenders in Communities* • *1,000 FTE*	• 58% of its measures improved with an estimated ROI of 60% • Youth released from close custody who received transition services increased from 59.6% to 83.3% • Close custody youth with active case plans within 30 days of post-intake assessment increased from 50.6% to 100% • Case plan audits increased from 70.5% to 100% (in one quarter) • Overtime was reduced 10% saving the state approximately $300,000 per year • Program effectiveness improved from 44% to 90% • Timeliness of case audits improved from 70% to 95% • Note: The former director and deputy director of OYA have both become repeat customers of Mass Ingenuity when they moved to other large Oregon state agencies)

Transparent Results to Advance Interactions and New Solutions (TRAIN)
Written by: Oregon Corrections Enterprises
Date: April 10, 2015

Continuous organizational and performance improvement is critical for success in any organization. As corrections industries, we share a unique challenge to accomplish our missions and better serve the citizens in our respective states. We are established to promote public safety by providing work and training opportunities for offenders, many of whom have not held regular employment before incarceration. We are tasked with operating industries that are self-sustainable, don't compete for private sector work and will train for future job market trends. These are important and at times difficult requirements to work with, but are not un-attainable if we have the right tools and continually work toward achieving desired outcomes.

In 2013, already recognizing it was a progressive, well-run agency filled with dedicated employees, the Oregon Department of Corrections (ODOC) contracted with Mass Ingenuity to perform a full operational review. Mass Ingenuity's Results Management System® is an integrated system for the management of a complex enterprise utilizing Lean and associated management methodologies and philosophies of Toyota's Shigeo Shingo and Dr. W. Edwards Deming. The System provides a flow from strategy to process, connects traditional planning into a "Big Lean Framework", and improves daily routine processes that organize an agency's goals, by identifying waste, combining the voice of the customer to better understand stakeholder requirements, and using value-stream mapping to understand the agency's work. The System then provides the agency client a data-driven decision model that 1) identifies waste reduction priorities, 2) creates an accountability system using an agency-wide scorecard, and 3) uses quarterly target reviews (QTRs), to tie together strategic plans, measurements, data-driven decision-making, root-cause process improvement, leadership capacity, and employee engagement.

At the onset of this process, ODOC clearly defined what it does every day. This is referred to as the Fundamentals Map and covers the major components of ODOC's work. The Fundamentals Map strategically aligns the agency's mission, shared vision, values, and key goals. The agency Scorecard sets measurements on daily core processes and agency outcomes identified on the Fundamentals Map. This ensures the organization continually aligns its strategic initiatives with those directly impacting the agency and outcomes that promote public safety. Outcomes of this process included: a common language to operate the organization, increased ownership and accountability, more fact-based/data-driven decisions and actions, improved transparency, and enhanced teamwork and collaboration. ODOC refers to its performance management system as Correctional Outcomes through Research & Engagement (CORE).
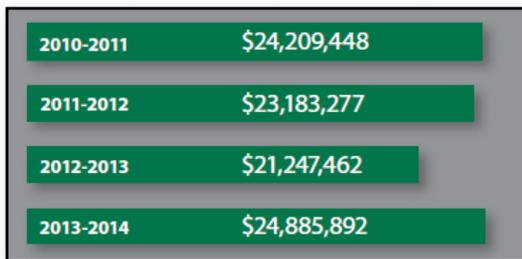
Oregon Corrections Enterprises (OCE), as a semi-independent state agency, sharing in the direction and working in concert with the Oregon Department of Corrections, contracted with Mass Ingenuity to perform a similar review and to create its own Fundamentals Map and agency Scorecard. Although OCE's map is separate it is designed to support the CORE outcome measure of providing inmate work opportunities. Through the process of building its Fundamental Map and creating the agency Scorecard, OCE has systematically changed the

agency culture to one of data-driven decision making, transparent interactions with all, enhanced teamwork, and increased accountability. OCE refers to its newly developed performance management system as Transparent Results to Advance Interactions & New Solutions (TRAIN).

While building its Fundamentals Map and Scorecard, OCE created 87 individual core process and agency outcome measurements, each of which drive performance improvement efforts. These core processes and outcomes are measured monthly at the local business level and quarterly at the agency level. These measurements provide needed accountability to evaluate where the agency is performing well, where it is just short of expectations and where the agency is falling behind in meeting outcomes. Measures not performing well are identified and evaluated for corrective actions to help reach the agencies goals and outcomes.

Outcome based management drives change. OCE has already enjoyed some early "wins" after adopting the concept of outcome based management. Fiscal year 2013-2014 was a year of growth, setting records in both gross revenue and net income earned. In addition, OCE showed improvement in the average number of offenders in OCE's work programs, the total number of hours worked and awards paid to offenders.
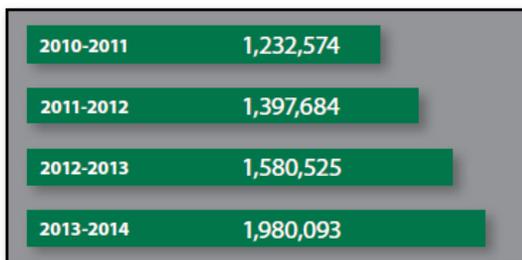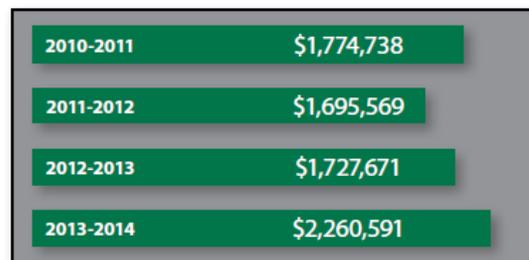
Total Revenue

2010-2011	$24,209,448
2011-2012	$23,183,277
2012-2013	$21,247,462
2013-2014	$24,885,892

Offenders in OCE Programs

2010-2011	1,086
2011-2012	1,176
2012-2013	1,191
2013-2014	1,334

Offender Hours Worked

2010-2011	1,232,574
2011-2012	1,397,684
2012-2013	1,580,525
2013-2014	1,980,093

Offender Awards

2010-2011	$1,774,738
2011-2012	$1,695,569
2012-2013	$1,727,671
2013-2014	$2,260,591

The System encourages all OCE staff to engage in the improvement process and provides tools for them to take action and improve our outcomes. Transparency is a key factor with the Results Management System. Barriers are broken down and measures are reviewed, discussed, and problem solved in an inclusive environment that fosters participation from all employees. This System prioritizes initiatives and ensures top levels of management will provide resources to employees to accomplish their goals. All levels of the organization have aligned and work toward a shared vision to improve outcomes for Oregon. OCE looks forward to another successful year in 2014-2015.

Client Case Study: Oregon Public Employees Retirement System (PERS)
Consultant: Jim Clark

Need:
Leadership for Oregon's Public Employee Retirement System (PERS) recognized the need to improve the agency's effectiveness in managing the multi-billion dollar pension plan for state employees. Leadership was facing multiple challenges. One was the "silver tsunami," retirement of large numbers of baby boomers from the workforce which would generate a large increase in benefit payments. PERS was also integrating a new IT system and was under pressure to show a benefit for the millions invested in the system.

PERS leadership wished to examine and improve its operational processes, management system and framework in order to understand how all Agency processes were organized and where they would find the greatest opportunities for improvement. Improvements needed to be made to the routine business to free up the resources needed to pursue their strategic initiatives.

Project Goals
- Establish a management system for the entire agency with the appropriate tools, methods, and cultural influences
- Provide leadership the ability to use the tools and new methods
- Create a robust visual PERS fundamental map of core processes, inter-dependencies and process owners
- Provide managers with accurate and timely data to facilitate improved decision making
- Make metrics transparent and enable improvement plans where needed on the most pressing issues
- Increase employee accountability and engagement
- Be in a position to resource and execute strategic initiatives

Solution: Mass Ingenuity Results Management System
The PERS Director and Deputy Director have engaged Mass Ingenuity to provide the following services and deliverables:
- Build a visual PERS Performance Management System including:
  - "Line of sight" connections through the agency's mission, goals, outcome measures, detail core process, and process measures
  - Scorecards and Quarterly Target Reviews to measure and evaluate progress
  - Problem solving and decision making prioritization applied to areas in need of improvement

- Seamless integration with the Agency's Process Improvement Team and its practices
- Alignment and implementation of the management systems throughout the agency
- Cascade measures, build problem-solving teams and address needed leadership skills improvement
- Centralize data-management capabilities
- Develop capabilities to fix the IAP internal retirement program through Breakthrough Project
- Analyze and draft recommendations to address the expense and quality of service issues resulting from employees being situated at multiple PERS locations

Client Results

Building the Fundamentals Map has connected each employee to the process and outcome measures of the agency. Quarterly Target Reviews have created a culture of openness and transparency between staff and management that has allowed them to coordinate and address longstanding issues in core processes.

- The Agency's Process Improvement Team uses the Management System to identify constraints and to meet state legislated KPMs
- The Agency has conducted five Quarterly Target Reviews and is now reporting on 54 process measures and 19 outcome measures
- Senior managers and mangers at all levels are using common language and focusing on measures deemed the most important to the agency
- The Director and Deputy Director use the management system Fundamentals Map and Scorecard as a communication mechanism both with the legislature and for the budgeting process
- In Q1 2012, the first QTR for PERS, data showed members reporting 80% employer satisfaction. By Q2, satisfaction had increased to 86%
- In Q2 2012, the second QTR, 54% of process measures showed improvement toward goal
- In Q4 PERS members were reporting 99% satisfaction with the agency's customer service.
- Disciplined problem solving is driving accountability and focusing attention that offers the most benefit to the agency
- In August of 2012, Problem Solving Teams were formed with the goal to improve measures from the first official scorecard. Measures of critical importance to the agency were selected.
  - **Process Measure - Disability applications completed within 15 days**. In Q3 2012 this measure reported 62%. A team of people close to the work redesigned the process to eliminate non-value add work from the flow. By Q1 2013 the measure had increased by 31% to 81%.

- **Process Measure – Service Purchases posted within 15 days.** This measure initially reported 59% to target and by Q3 of the same year (2012) the measure had improved by 85% to 84%.   In addition, the improvement is being sustained.

PERS today has a deeper understanding of their process and outcome measures, has launched 7 problem Solving groups, the culture is embracing Lean thinking, and Leadership has launched 3 strategic initiatives using the Results Management Breakthrough Methodology.

Case Study #22: Youth Authority Agency

A new director joined Oregon Youth Authority transformed its culture into one that is focused on results through the installation of the Results Management System. The agency started the process by creating their Fundamentals Map which identified core and supporting processes as well as owners, and most importantly outcome and process measures. The map created a sense of connectedness and comprehension, as expressed by a 20-year employee, "For the first time I understand how my work contributes to our essential processes and mission."

OYA results include:

- Outcome measures increased 27% (since January 2013)
- Support process measures increased 7% (since January 2013)
- Youth released from close custody who receive transition services increased from 59.6% to 83.3%
- Close custody youth with active case plans within 30 days of post-intake assessment increased from 50.6% to 100%
- Case plan audits increased from 70.5% to 100% (in one quarter)
- Change in agency culture to emphasize transparency and openness between management and staff
  - 20% increase in employees responding that they "Strongly Agree" or "Agree" that OYA's leaders generate high levels of motivation and commitment to workforce in annual survey
  - Employee engagement increased by 17%
  - One OYA employee said, "Cascading information to people on the front lines helps them make changes. They've moved past the fear of being beat up by the numbers."

- Employee teams use new decision making skills learned in problem solving training to brainstorm and innovate solutions to processes that need improvement
  - By Q3 2013, 69% of agency measures met or exceeded targets
  - Overtime has been reduced by 10% saving the state approximately $300,000 per year
  - Program effectiveness improved from 44% to 90%
  - Timeliness of case audits improved from 70% to 95%
  - In a recent legislative session, the agency was referred to as the "poster child" of great government by legislative leaders and is recognized as a true Lean organization

- Quarterly Target Reviews have evolved from a senior management exercise to a series of reviews that connect every level of the organization in a coordinated performance review and improvement efforts
  - In Q1 2013, 60% of agency measures showed improvement
  - In Q2 2013, 35% of agency measures showed improvement
  - 90% staff involvement in latest QTR
  - Agency has conducted 10 QTRs and senior managers are embracing the management system and have required all field offices to hold their own Quarterly Target Reviews
  - There are now 36 field Quarterly Target Reviews rolling up into and informing the enterprise Quarterly Target Review

Today the culture is fact based, enjoys transparent accountability, and has process/Lean initiatives happening across the agency. As a result, OYA is pioneering fact-driven youth corrections and is being widely seen by national experts as a leader in juvenile corrections. Today the agency has dozens of improvement initiatives underway focusing on everything from prescription drug distribution accuracy to optimizing youth placement to reduce recidivism. The senior and middle managers of OYA have achieved significant professional growth as a result of redefining their standard work and placing an importance on transparency and a common language. Their ability to sponsor change and their holistic view of Lean management is reflected in the widespread adoption of the Management System and its outcome and process measures through all levels of the agency.

Oregon Commission for the Blind (OCB)
Case Study: Improving New Application Approvals

Problem

The federal government requires that all agencies serving the blind to formally determine eligibility within 60 days of receiving a new application. At a recent agency Quarterly Target Review, the Oregon Commission for the Blind's scorecard indicated that over 41% of applications were taking longer than 60 days and the average was 51 days. These long delays meant that numerous newly unsighted Oregonians were having to wait more than two months to be deemed eligible for rehabilitation and job training services needed to begin the process of securing employment. The leadership team prioritized this measure for immediate corrective action and launched a 7-Step Problem Solving team.

Solution

The problem solving team conducted a root cause analysis and recommended five specific solutions to address each of the root causes. Each solution was aimed directly at specific improvements that would eliminate the most time out of the eligibility process. The solution with the greatest impact was very simple and cost effective. OCB was dependent upon a medical consultant to review the printed copies of new applications and medical paperwork once a week onsite at OCB's offices. The 7-Step Problem Solving team decided to change this process so that the medical consultant received scanned electronic copies from OCB on a daily basis, thus speeding up the review process significantly.

Results and Impact

Within the first 90 days, the number of applications taking longer than 60 days was reduced to zero, thereby meeting federal requirements for the first time. In fact, the number of days from application to eligibility was reduced to an average of 36 days. The problem solving team is now looking for ways to reduce the wait time to less than 21 days.   In addition, staff productivity and morale has improved as they see how their improvement efforts lead to meaningful citizen outcomes. At the same time, the commission's leadership team has become more engaged and energized. The ROI for this project is estimated to be 30%.

Quote from the Executive Director, Dacia Johnson

"We have now proven without a doubt that we are capable of identifying our most critical constraints and initiating data-based action to remove those constraints in a short period of time. Our staff is gaining confidence in using the management system tools and has identified other important improvements they want to tackle. I am thrilled with our progress and measurable results."

Oregon Commission for the Blind (OCB)
Case Study: Increased General Funding to Serve More Citizens With Vision Loss

Problem

For the past five years, the number of applications for older blind clients had been flat. This issue came into greater focus during a recent OCB Quarterly Target Review when it was reported that this measure was in "red." The number of applications for new clients is an important driver of funding and impacts the agency's "number of clients served" measure. This measure was prioritized for 7-Step Problem Solving and a cross-functional team was launched to investigate root causes.

Solution

The team identified four primary root causes and developed a recommended solution. Their recommendation was articulated in a business case, which sought funding for additional staff based on a detailed analysis of how field teachers spent their time serving clients across the state. This business case was presented to the Governor's office and the State Legislative Fiscal Office (LFO).

Results and Impact

The Governor's office and LFO approved an 81% increase in general funding dollars for the commission. This increased OCB's budget from $1.6 million to $2.9 million. These additional funds enabled OCB to add three more FTE to generate more outreach and referrals, which will increase their total number of clients served up from 1,210 to 1,630 in a biennium in their Older Blind Independent Living Program. OCB had been seeking this increase for several budget cycles and two factors caused LFO to grant this significant budget increase for the 2015-2017 biennium. The first factor was the recognition that the blind population in Oregon has been increasing for years and was expected to continue to grow. The second factor was that OCB Executive Director, Dacia Johnson, presented OCB's Results Management System® to the Ways and Means Committee demonstrating all of their core processes, outcome and process measures, and the tangible improvements they were already achieving. The Results Management System resulted in an increase to the OCB operating budget more than six times the cost of the system, representing over 600% in ROI in less than two years.

Quote from the Executive Director, Dacia Johnson

"Our Results Management System, our agency scorecard, and the work by our problem solving team provided us with the necessary framework to create a strong business case for additional resources to expand our services to Oregonians who experience vision loss. This is a total 'game changer' for our agency."