

# Improving Results by Changing Systems through Healthcare Consulting

## Challenge

In 1999, a small team in the skilled nursing industry set out to create a company unburdened by the persistent problems that plague many healthcare organizations. The result was Plum Healthcare. Plum's growth strategy centered on the acquisition and transformation of deeply dysfunctional long-term care and rehabilitation facilities. Because these facilities are often saddled with significant clinical and financial challenges, Plum grew slowly at first. With each new acquisition, company management refined ways of solving the complex challenges they faced. But they knew that accelerated growth would require a replicable approach—a reliable means of building the people-centric culture upon which every successful turnaround hinges.

## Solution

Because Arbinger's healthcare consulting had helped other organizations in the industry, Plum turned to Arbinger for support. They needed to develop a leadership model, an organizational cultural framework, and front-line staff tools that would enable each newly acquired facility to transition successfully. In this case, success meant integrating within Plum's organizational culture and empowering the previously dysfunctional leadership team of each facility to redeem a poorly performing enterprise.

# **Strategic Healthcare Consulting & Executive Coaching**

Initially Arbinger consultants provided strategic in-person consulting and over the-phone coaching to the executive team. They guided the development and implementation of a strategic roadmap that would enable cultural transformation during and after each facility acquisition. As a result of this initial work, the executive team was able to develop policies and implement collaborative work practices that would serve as the footings of an outward mindset culture. Through ongoing coaching sessions, Arbinger worked to equip executive leaders with the skills to grow and develop every facility administrator throughout the company.

## **Customized Programs**

Arbinger also worked with Plum leaders to develop customized training programs and reinforcement aids that could be deployed at each level of the organization. These programs integrated Arbinger's tools with Plum's mission and core values. Leader specific programs and front-line tools were developed to help employees implement outward mindset practices in their day-to-day work.

## **Facilitator Training**

To internalize and perpetuate the benefits of healthcare consulting, Arbinger facilitators worked alongside the executive team members to train facility administrators in Arbinger's tools and methodologies. Each operational leader was equipped to transform the culture, performance, and results within their respective facilities. Arbinger certified over 70 executive leaders and administrators as facilitators of Arbinger's programs.

# Facility Deployment

Through the facility administrators, Plum systematically deployed Arbinger's programs across the organization. The clinical director and department managers of each facility—who together supervise staff of 100 to 250 employees—are introduced to Arbinger's tools and invited to lead and develop others in a way that accelerates patient outcomes. This outward leadership approach was reinforced through regular leadership training meetings for administrators, peer-to-peer mentoring, and ongoing discussions to sustain outward mindset ways of working for frontline employees.

## Results

By implementing Arbinger's tools across the organization, Plum grew at a remarkable rate. Plum increased its number of facilities and employees by almost 500%, growing to operate 63 skilled nursing facilities and 5 home health and hospice agencies strategically located throughout California, Utah, and Arizona. Much of this expansion happened when Plum acquired 27 of their total 63 facilities. This meant incorporating over 3,900 nurses into Plum's healthcare system. By continuing to utilize Arbinger for healthcare consulting, Plum successfully navigated explosive growth and the complex challenges of assimilating an acquired company, all while ensuring that each acquired facility became fully integrated within Plum's results-focused and patient-centric culture.

The quality of care provided by Plum has also increased through utilizing Arbinger methodologies. One key quality metric is derived from mandatory inspections conducted across the industry by regulatory agencies. A particularly problematic performance metric is the incidence rate of patient experiences that result in actual harm while the patient is in the treatment facility. This is labeled in inspection parlance as a G-L Deficiency. From 2008-2010, the

average number of G-L deficiencies recorded at similar-sized competitor organizations was 29.25; Plum had 6. This important indicator of quality care also indicates Plum’s internal efficiency. Facilities that had previously been cited for significant G-L deficiencies dramatically improved their clinical results within two years of being acquired by Plum (Figure 1).

2 YEARS BEFORE			2 YEARS AFTER	
Facility A	vg # of F-Tags#	of G-L Deficiencies	Avg # of F-Tags#	of G-L Deficiencies
Facility 1	28.5	18	12.5	0
Facility 2	26.5	11	13.5	0
Facility 3	11.5	4	6	0
Facility 4	25	11	24	1
Facility 5	29.5	2	17	0

*Figure 1: Regulatory deficiencies in 5 Plum facilities measured 2 years before and after Plum’s acquisition and the implementation of Arbinger’s program.*

Both internal and external metrics indicate the success of Plum’s implementation of Arbinger training and reinforcement tools. From 2011-2016, Plum’s Clinical Quality Measures improved 37%. Federal citations at Plum facilities, a key indicator of quality of care, were 34% less than the average number of citations received by competitor companies. A final indicator that Plum’s outward culture enabled excellent clinical care is demonstrated by the figure below (Figure 2). It compares results from California Department of Health inspections at nine facilities, many of which previously failed to demonstrate adequate compliance. Following Plum’s acquisition of these facilities, they all successfully passed inspection with substantial compliance.

Facility	Pre-Acquisition	Post-Acquisition & Arbinger Implementation
<b>Facility 1</b>	Passed with substantial compliance	Passed with substantial compliance
<b>Facility 2</b>	2 severe patient care deficiencies; resurvey required	Passed with substantial compliance
<b>Facility 3</b>	1 severe patient care deficiency; resurvey required	Passed with substantial compliance
<b>Facility 4</b>	1 severe patient care deficiency; resurvey required	Passed with substantial compliance
<b>Facility 5</b>	Passed with substantial compliance	Passed with substantial compliance
<b>Facility 6</b>	Passed with substantial compliance	Passed with substantial compliance
<b>Facility 7</b>	5 severe patient care deficiency; resurvey required	Passed with substantial compliance
<b>Facility 8</b>	1 severe patient care deficiency; resurvey required	Passed with substantial compliance
<b>Facility 9</b>	1 severe patient care deficiency; resurvey required	Passed with substantial compliance

*Figure 2: Regulatory compliance in 9 Plum facilities measured Pre-acquisition and Post-acquisition /implementation of Arbinger’s programs.*

In both quantitative measures like inspection results, and qualitative measures like client care satisfaction surveys, Plum continues to demonstrate the positive impact an outward mindset culture can create.

*As a result of staff at all levels doing their work in an Arbinger way, we have accomplished a 10-fold increase in the number of 5-Star rated facilities– the highest government rating for nursing homes–among facilities we acquired. This result is particularly remarkable considering that before acquisition the average Star rating was below 3.*

*Mark Ballif – Co-CEO and Co-Founder*

*Using Arbinger has dramatically improved clinical quality, resident and employee satisfaction, and regulatory outcomes. Arbinger’s tools enable us to deliver better and better quality care for residents through deep and sustainable collaboration.*

*Paul Hubbard – Co-CEO and Co-Founder*