

# CHILDREN'S HOSPITAL LOS ANGELES (CHLA) TRANSFORMS CARE DELIVERY RESULTING IN IMPROVED QUALITY AND REDUCED COSTS

When statewide changes to the Medicaid payment model threatened their financial stability, leaders at Children's Hospital Los Angeles (CHLA) engaged Huron to help the organization quickly and effectively improve their care delivery. The result was reduction in care variation, decreased length of stay and increased patient and staff satisfaction, as well as the financial benefits tied to these improvements.

## CHALLENGE

Children's Hospital Los Angeles (CHLA) faced a significant threat to financial stability as the state of California moved away from per diem Medicaid payments. CHLA needed to take immediate steps to transition to a Diagnosis Related Group (DRG)-based payment structure. Leadership also viewed this challenge as an opportunity to take additional steps to realize improvements throughout the care delivery process.

"The Huron engagement was very successful. They brought expertise, focus and useful tools that helped us achieve results faster and better than we could on our own. The processes and tools implemented during the project continue to provide valuable benefits."

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## APPROACH

CHLA engaged Huron to transform the hospital's care delivery processes, while building a results- and accountability-oriented culture that keeps the focus on patients. Huron implemented solutions that reduce costs, length of stay (LOS) and the clinical variability in care, while also improving patient satisfaction scores.

## RESULTS

**22%** reduction in length of stay

Created capacity to serve **6.3%** more patients, while reducing mortality rates

**7%** cost per case reduction

"The results of the Huron project exceeded all expectations," said James Stein, M.D., chief medical quality officer and associate chief of surgery at CHLA. We achieved major improvements in patient throughput, care variation and patient and staff satisfaction, while also delivering significant financial benefits."

**Patient Placement.** Huron implemented a centralized system for patient placement and trained staff and management to drive sustainable benefits. New tools and the optimization of existing tools, including CHLA's bed board system, ensure that admissions, placement and discharge processes are efficient and highly coordinated. Clarified roles and responsibilities and access to actionable metrics contributed to considerable improvements in patient throughput, including a 22 percent reduction in LOS.

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**Interdisciplinary Care Coordination.** CHLA and Huron created an interdisciplinary care coordination structure that engages members of the care team in daily discussions about every patient's status, medical plan of care, milestones and discharge plans. This helps ensure timely treatments and proactive communications with patients and their families.

**Case Management.** By establishing a best practice case management model at CHLA, Huron helped the hospital improve coordination and communication among caregivers, patients families and social workers. This coordinated approach removed barriers to care progression, driving down LOS and creating capacity to serve additional patients, while also improving patient and staff satisfaction.

**Care Variation.** CHLA and Huron worked within targeted DRGs to analyze clinical and operational practices. This included standardizing clinical diagnostic testing, treatments, therapies and medication practices in the medical, nursing and ancillary departments. As a result, CHLA has achieved better alignment of processes, people, tools and evidenced-based guidelines for appendectomy, pneumonia, neutropenia and cystic fibrosis.

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Children's Hospital of Los Angeles (CHLA) is an international leader in pediatrics, providing care for more than 107,000 children each year. Since 1990, CHLA has been a top-ranked health care facility for children by U.S. News & World Report magazine, including the most recent ranking as the No. 1 hospital in California for caring for children.

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