Project Charter for Lean-Kaizen Event

1. **Project Name: MERC Grant**

2. **Background/Business Case:**
    - Improve application speed, ease, and accuracy.
    - Improve distinct grantee application data (one grant app to many teaching programs/sponsoring institutions). Facility applications are inconsistent from one program to another.
    - Shorten processing time from application to payment and shorten time lag between training activity and payment. Currently, application collected in October 2014 with payout in April 2016.

3. **Customers/Stakeholders/Team:**

    Sponsor: Mark Schoenbaum
    Team Leader: Diane Reger
    Action Plan Coordination: As assigned

    Team:

    <u>All Aspects</u>
    Diane Reger, Darwin Flores Trujillo, Mark Schoenbaum, & Will Wilson

    <u>Applicant process</u>
    Grant applicants (Deb Mayland-Poyzer & Jeff Richter)
    MERC sponsoring institutions (Gina Danyluk)
    MERC teaching programs (Margo Marko)
    MMGME (Troy Taubenheim)
    MERC committee & rural/small site training coordination (Dawn Ludwig)

    <u>Processing</u>
    DHS revenue/claims (Virginia Zawistowski)
    DHS provider enrollments (Jodi Lempia/Kyle Stenstrom)
    MDH Finance & Contracts (Mary Edwards)
    UPL (DHS – Joe Heidkamp – cannot attend)
    MNIT (Jason Tillman – as needed)

4. **Scope**:
    - Starting point: Decide what application year will be collected on application (MDH)
    - Ending point: Potential funding being returned from sponsor after grant payment (GVRs returned).
    - Out of scope: Legislative formula or other legislative changes that would require federal approval on use of Medicaid funds. (Administrative and process improvement legislative changes can be considered.) Application must be through sponsor. Funds must be sent through sponsor. Additional reports to DHS to respond to federal requests.

5. **Goals**:

    1. Develop recommendations and timeframe to transition from old web app to new grant system by December 1, 2014. Implement/rollout by mid-August 2015.
    2. Reduce the number of contacts and training site applications within a single facility/organization to one per facility.
    3. Place a higher level of responsibility on clinical training sites applying for grant funds. Reduce burden placed on teaching programs/sponsors. (Implement by August 2015)
    4. Reduce the lag between the program's data years for revenues, expenditures, etc., and its funding/appropriation year by one year. (Implement by August 2015)

5. Shorten the length of time between application and expenditure reporting by a minimum of two months. Ideally, application and expenditure reporting would be single, simultaneous process. (Implement by August 2015)

6. Close the gap between application and grant payment by 3 months in the first year and 5 months in the second year.
7. Reduce the number of incorrect training site applications to less than 5% of the total applications received in the first year and 3% of the total the second year.
8. Reduce time in handoffs between MDH and DHS (for revenue/IGT data) to 2 weeks in order to meet goal of February 28 distribution of funds.
9. Reduce paper (electronic applications, amendments, records, contracts, etc.).

6. Current Condition:

- Disbursement based on 3-year old data (e.g. 2015 funds based on 2012 revenue & expenditure data), making connection between supported activity and "reward" ($) extremely weak.
- Great uncertainty and unpredictability of funding likelihood and amount by all but largest training sites.
- Revenue data aggregated from multiple sources, with proxies, protocols and approximations required
- Paper application sent from teaching institution to site. Site completes and program enters online.
- Too many non-distinct contacts at same site.
- Collection of hospital IDs problematic (not consistent or distinct)
- Amendment process cumbersome and tracking not allowed in current web application system.
- Expenditure reports are completed after initial eligibility review and confirmation of FTE counts.
- Excel file of facility IDs provided to DHS for revenue pulls. Return Excel file to MDH of final revenue. Excel file to certain providers by DHS.
- MDH FM sets up MERC accounts for transfers.
- Request made via memo to DHS to transfer electronic funds to MDH.
- Grant calculation done in Excel and Access.
- Paper contacts and encumbrance sheets provided to finance.
- PDF contract between MDH and sponsors.
- Paper contacts and request for payment between MERC staff and MDH finance.
- Rush nature of current process to beat federal deadline makes every cycle a special request/exception/special favor with MDH FM.
- MDH pays grants to sponsors; sponsors pay grantees within 60-days (statute).
- Sponsor returns paper GVR to MDH with accounting report verifying payment.
- 50 grantees (site) confirm payment via paper and return accounting report verifying payment.

7. Action Plan/Milestones:

Event	Date	Start Time	End Time	Location	Primary Activities
Pre-Event Meeting	10/20	9 a.m.	11 a.m.	LL45	▪ Introductions ▪ Finalize Project Plan/Team Charter ▪ Lean Overview ▪ Establish Ground Rules
Kaizen Event Day 1	10/30	8:30 a.m.	3:30 p.m.	LL45	▪ Complete current state swim lane map ▪ Identify wastes
Kaizen Event Day 2	10/31	8:30 a.m.	3:30 p.m.	LL45	▪ Brainstorm ideas and solutions ▪ Begin future state swim lane map
Kaizen Event Day 3	11/3	8:30 a.m.	3:30 p.m.	LL45	▪ Finalize future state swim lane map ▪ Begin Action Plan ▪ Define process metrics
Kaizen Event Day 4	11/5	8:30 a.m.	3:30 p.m.	LL45	▪ Finalize Action Plan ▪ Prepare Report Out presentation ▪ Rehearse and present
<u>Post Event:</u> Action Plan Implementation and Status Meetings					▪ Team Leader and members meet, as needed, to implement and monitor Action Plan
<u>Post Event:</u> Follow- Up Monitoring		(1 - 2 hours)			▪ Sponsor, Team Leader and members (optional) 30/60/90+ day check-ins with facilitator(s)

8. Communication Requirements:

Communication Tool	Frequency	Responsibility (who?)	Audience
	Initial findings 11/12/14		MERC Advisory Committee

9. Signatures

Signatures below show commitment to this project plan and willingness to take the actions needed to ensure this project's success:

Name (Print)	Name (Signature)	Date