St. James Health System Proposal Report
Team 3: Asha Awil, Aimee Ramos, Shreyash

Introduction

St. James Health System is facing a critical decline in patient safety across its five hospitals and twenty-one ambulatory clinics. In the past two years, the organization has seen a major increase in serious, preventable health incidents, including HAIs, CLABSIs, C Diff infections, patient falls, bodily harm, and death. These incidents have caused irreparable reputation damage and a projected 20% loss in market shares as insurers consider withdrawing. Due to the gravity of the situation, the Board and CEO have aligned to reverse system deterioration and restore clinical reliability. This proposal outlines the operational, cultural, and structural changes necessary to turn St. James Health into a High Reliability Organization (HRO) capable of achieving zero-defect treatment. Through the implementation of standardized practices, a just culture environment, leadership-driven change, and a robust monitoring system, St. James will progress through a four-phase growth model to achieve zero-defect performance within a span of 5 years.

Identification of Issues Causing Major Incidents

A comprehensive approach to risk monitoring requires both retrospective analysis of events that occurred and prospective analysis of potential failures. First, St. James will immediately conduct Root Cause Analysis to identify the system defects that allowed past active failures to occur. We will utilize the Ishikawa (Fishbone) Diagram to examine people, processes, culture, training, technology, and regulatory actions that contributed to the failure. We will also use 5 Whys to further drill down to the fundamental root cause. Finally, we will use a Pareto Chart to visualize the frequency of contributing factors and determine which 20% of issues account for approximately 80% of failures. Prospective monitoring complements this work by identifying vulnerabilities before they lead to patient harm. We will utilize Failure Mode and Effects Analysis (FMEA) to identify potential failures, understand their causes and effects, and then work to mitigate those risks before they become active failures. By using these strategies, St. James will build a comprehensive approach to risk assessment.

Transformation into a High Reliability Organization (HRO)

St. James Health System can't get safer without acting like an organization you can actually count on - shifting its structure, behaviors, or mindset. Rather than patching problems once they pop up, staff should anticipate dangers by keeping curiosity alive. Managers have to drive this move, being present daily through steady moves that back genuine progress.

1. Leadership Commitment and Governance

The Board together with the CEO supports moving forward - this opens the door to actual shifts in our approach to risk. Coming next: launch a network-wide group focused on patient safety, uniform practices, yet monitoring critical results. Senior leaders will take part in daily briefings each morning, make rounds across departments often, but also act transparent and own their choices.

2. Adoption of the Five HRO Principles

St. James will soon start trying out the five main HRO concepts - one by one, not all together - so things stay clear and manageable along the way

Focusing on errors - each blunder or near miss becomes an opening to learn.
Hesitant about simplifying - keeps doubting assumptions while exploring how things actually function.
Sensitivity to how stuff works: managers staying close to everyday actions by being hands-on with real work.
Pushing forward when things get hard - using methods that catch issues early, stop them from spreading, or deal with them on the spot.
Pay attention to folks with real experience - get workers to flag issues while swapping thoughts. Rely on what they see, not orders from above.

3. Standardized Safety Behaviors and Training

Every person on the team learns HRO techniques, uses safety checklists, then picks up clear ways to communicate - say, SBAR or TeamSTEPPS. Once a year, they go through quick updates so skills stay sharp. If someone's fresh to the job, they've got to complete an intro to HRO before handling patients.

4. Building Learning Systems

A Just Culture approach reduces fear around sharing concerns, ensures fairness, yet still holds folks accountable. Rather than brushing near-misses or issues aside, teams report them through an improved digital tool. Specialists from separate areas review problem trends, which means solutions roll out quicker.

5. Technology-Enabled Reliability

Standardized order sets, automated alerts for clinical deterioration, electronic dashboards, and closed-loop medication systems will help decrease the potential for human error and provide "hard stops" against unsafe actions. Funding for the HRO transformation will be embedded in the system-wide quality improvement budget by utilizing Board-approved funds earmarked for safety turnaround and partially reinvesting savings from reduced adverse events.
Funding for HRO updates comes from the broader improvement pot - tied to cash approved by the board for safety work, plus a slice of savings earned when avoidable accidents drop.

How the System Will Improve and Sustain a Strong Patient Safety Culture

A solid safety mindset drives consistent results. At St. James, people need to know safety isn't just policy - it's on them; they've got backup when raising concerns, while working within smart systems that catch common mistakes before they happen.

1. Establishing a Culture of Transparency and Psychological Safety

Workers should feel safe speaking up about risks or close calls. A fair culture helps move attention away from punishing people toward fixing processes instead. Bosses need to talk honestly about mistakes, pass lessons between teams, also cheer small wins along the way.

2. Consistent Communication and Daily Safety Practices

Each hospital or clinic runs daily team check-ins to spot dangers, fix workloads or gear problems, while tracking past events. Bosses share weekly summaries - pointing out patterns, steps made, plus spots where workers' thoughts matter.

3. Safety Education and Workforce Development

All clinicians plus team members must finish Safety Culture sessions that include:

- Human factors principles
- High-reliability teamwork behaviors
- Standardized handoff processes
- Situational awareness
- Voicing concerns or reporting issues through proper channels
- Managers get training so they can guide workers in safe habits, while also backing them up now and then.

4. Building Accountability Into the System

Performance checks will look at how safely people act, whether they speak up about issues, or follow rules closely. Teams that keep scoring low on safety might get extra help from experts instead. On the flip side, top-scoring teams could guide those needing improvement somehow.

5. Continuous Measurement and Feedback Loops

Safety checks happen every half year or so. Findings go straight to teams - alongside steps they'll take and when things are due. That way, everyone sees how far they've come while comparing St. James to countrywide norms.

Funding for safety culture efforts covers training tools, new hire setup, also updates to online reporting systems. This spending shows up in the Quality Department's budget while savings from fewer avoidable incidents help balance it out.

<u>Achieving Zero Defects</u>

To achieve zero-defect performance, St. James Health System must transition into a High Reliability Organization (HRO). This requires the immediate adoption of HRO principles, along with the redesign of current processes to ensure reliability, predictability, and resistance to error.

1. Implementation of High Reliability Principles

The five foundational HRO principles must be fully embedded into daily operations:

- Preoccupation with failure
- Sensitivity to operations
- Reluctance to simplify
- Commitment to resilience
- Deference to expertise

Operationalizing these principles will require:

Daily safety rounding that includes both executive leaders and departmental leadership

- Improvement of situational awareness through systemwide training and cross-disciplinary communication
- Consistent reporting of near misses is encouraged and upheld across all staffing levels
- Leadership behaviors that promote and reward upward communication, psychological safety, and transparency

Integrating these practices will reinforce a strong safety culture, elevate organizational awareness, and improve the effectiveness of operational rounding.

2. Designing Reliable and Error-Resistant Systems
   Achieving high reliability will require redesigning and strengthening key operational processes. Priority actions include:
   - Standardizing critical workflows
     - Standardization minimizes variability, prevents confusion, and supports consistent, repeatable outcomes.
   - Reducing reliance on human memory
     - Utilizing checklists, standardized protocols, clinical pathways, electronic documentation, and decision-support tools ensures continuity, accuracy, and reliable reference points for frontline staff.
   - Implementing forced functions and hard stops
     - System-embedded prompts, such as barcode-scanning matches, ensure critical steps cannot be bypassed and that safety checks occur at the appropriate time.
   - Simplifying complex processes
     - Streamlined protocols that prioritize clarity, relevance, and ease of execution reduce opportunities for misinterpretation and prevent workarounds or shortcutting.
   - Conducting Failure Mode and Effects Analysis (FMEA) for high-frequency incident types
     - Identifying vulnerabilities enables targeted interventions that eliminate or mitigate failure modes before harm occurs.

Safety Culture Framework

   To successfully improve the St. James Health System, we must fundamentally address and restructure the organizational culture. Safety culture serves as the behavioral infrastructure that ensures frontline staff, managers, and executives respond to risk in a predictable and accountable manner. A sustainable culture is built through sustained leadership commitment, transparent communication, and an environment where safety is treated as a core component of the health system.

1. Just Culture Framework
   Currently, St. James Health System has experienced safety violations and significant incidents, such as substantial bodily harm, death, and psychological harm, and as a result, suffered reputational damage. This suggests the presence of a punitive environment where employees fear retribution for reporting errors. To start correcting this issue, the health system must adopt a just culture framework. Just culture is not a blame-free environment where accountability does not exist. Rather, it is an environment where employees can report near-misses, deviations, and active failures without fear of reprisal. Additionally, this culture is open and transparent with information and prioritizes open communication with staff. Just culture distinguishes between human error, at-risk behavior, and reckless behavior, ensuring that responses are appropriate and proportionate. Staff must feel confident that reporting errors or near misses will not result in punitive action for honest mistakes. When people trust the response system, reporting increases, visibility of hazards improves, and the organization gains insight into weaknesses that would otherwise remain hidden.

2. Leadership Practices and Communication Tools

Leadership plays an important role in shaping and sustaining a strong safety culture. At St. James Health System, leaders must demonstrate consistent, visible commitment to safety and model those behaviors across the organization. A way to integrate leadership visibility is to incorporate tiered safety huddles, which consist of unit-level, hospital-level, and system-level. Unit-level huddles surface immediate safety concerns, patient acuity issues, equipment malfunctions, environmental hazards, and recent near misses. These concerns are then escalated to hospital-level huddles, where leaders synthesize cross-unit risks and deploy resources as needed. At the highest tier, system-level huddles allow executive leaders to identify organization-wide trends and safety performances in facilities, ensuring the health system is proactively engaging all risks. Additional communication tools for frontline staff are also important. This includes Situation, Background, Assessment, Recommendation (SBAR) for clinical discussions, read-back/repeat-back for verbal orders and handoffs, structured handoffs for every transition of care, and pre-procedure/post-procedure briefings. These practices reduce reliance on memory, minimize ambiguity, and create a shared mental model among the employees on what to expect.

3. High Reliability Practices

As St. James progresses to high reliability, certain clinical and operational processes must be clearly defined, and non-negotiable behaviors known as Red Rules. These rules are reserved for a small number of high-risk steps where deviation, even once, carries the potential for serious harm or death. Red Rules are designed to ensure absolute consistency in practice and ensure that certain actions must be executed exactly as established. In high-reliability settings, successful Red Rules typically include time-outs before any surgical or invasive procedure, verifying patient identity using two approved identifiers, bedside specimen labeling, and surgical instrument and sponge counts. An important feature of Red Rules is that every employee, regardless of role or hierarchy, has both the authority and the responsibility to stop the process. This "stop-the-line" culture reinforces shared ownership of safety and ensures that catching an error is viewed as a success, not a disruption.

4. Implementation

Finally, establishing and sustaining a just culture is essential. Staff must feel supported and secure in reporting errors, near misses, and concerns without the fear of facing significant consequences. A strong just culture promotes transparency, accelerates learning, and strengthens system reliability by ensuring that potential risks are identified and addressed quickly.
The establishment of a just culture will be done through the following:
- Implementation of a blame-free reporting policy
- Training leaders on system-based event investigation
  - Leaders approach problem solving with curiosity rather than blame when conducting post-incident interviews
- Implementation of incident logs
  - Will be used to log incidents and hold leadership accountable for responding to the reporter. In addition documentation of resolve within 24-48 hours
    - responses to reports help staff feel their concerns are being heard and problem-solved
- Integration of safety reporting behavior in performance reviews.
  - All staff should be actively looking for causes to never events to help with accurate reporting and prevention of reoccurrence

- For the amount of incidents occurring, all staff should be able to identify at least two to three issues contributing to the likelihood of a never event occurring

Robust Reporting, Monitoring, & Measuring System for "Never Events"

To stop avoidable issues, St. James should use a full-cycle tracking setup that logs each major incident, close call, or workflow slip - yet it's got to work consistently, feel easy to operate, while dishing out instant insights.

1. Unified Digital Reporting Platform

St. James is setting up a new system - or switching to one - that'll work the same way at all five hospitals and 21 clinics. The software lets workers on the ground share issues right away - using just one place for everything
- Never events
- Serious Safety Events (SSEs)
- Hospital Acquired Infections (HAI)
- Equipment failures
- Unsafe conditions
- Near misses
- Updates go straight to safety leads so they can check things fast.

2. Real-Time Dashboards and Alerts

A system-wide dashboard keeps an eye on patient safety numbers, serious incident rates, how well teams follow rules, plus patterns in specific units. Alerts pop up to warn managers if things get close to danger zones or when similar issues start grouping together.

3. Standardized Event Classification and Workflow

Each time something's reported, it goes through the same set-up process - step by step, no shortcuts
- Get alerts right away - so patients stay safe.
- Preliminary check done in under a day.
- Figuring out why something went wrong when it shouldn't have, by using methods like:
  5 Whys
  Ishikawa (Fishbone) Diagram
  Pareto Chart
- Notes on what went wrong, also how systems failed.
- Fixes with clear leads plus set dates.
- Checking if fixes were actually done, while making sure they worked.

4. Integration With Quality and Risk Teams

Risk Management, along with Infection Prevention and Quality Improvement, will look at trends together, pass key findings up to leaders, then set regular check-ins across teams each month. When issues keep happening the same way, they'll get pushed over to the Reliability Council.

5. Monitoring of PSIs and SSERs Scorecard
The system will track:
- PSI numbers for every thousand times patients stay
- SSER (Serious Safety Event Rate) per 10,000 patient days
- Preventable HAIs
- CLABSI, C-Diff, Falls, Medication Errors
- Near-miss reports (sign a team cares about safety)
- Every three months, these numbers go straight to the Board's Quality Team.

6. Funding and Implementation
Funding pays for software licenses, team learning, or help with data tracking. Expenses are covered through a special budget set aside for safety and quality - backed by leadership - with future savings likely thanks to fewer incident fines, reduced treatment expenses tied to infections, while keeping insurer ties strong.

Measurement and Analysis
1. Patient Safety Scorecards
The patient safety scorecard is the formal instrument through which St. James measures progress toward zero harm. An effective scorecard provides a balanced view of organizational performance by incorporating both lag (outcome) measures, which reflect harm that has already occurred, and lead (process) measures, which track adherence to practices known to reduce risk. A central component of the scorecard will be the AHRQ Patient Safety Indicators (PSIs), which identify potentially preventable complications. PSI will be measured in the number of incidents per number of patient days or procedures. We will also include the Serious Safety Event Rate (SSER), calculated as the number of patients with an event over 10,000 patient days. The scorecard will also track additional outcome measures such as CLABSI, CAUTI, C. difficile infections, falls with injury, and serious medication errors. This will be paired with key lead measures examining compliance and staff practices to provide a detailed view of performance.

2. Reporting System
A robust reporting system forms the foundation of an effective safety program. St. James must implement a centralized, user-friendly reporting platform that captures all essential safety information, such as unsafe conditions, equipment malfunctions, and potential never events. For the reporting program to be effective, there must be clarity about what should be reported and how each report is handled. For critical reporting that requires immediate attention, the system will elevate it to high priority so leadership can actively begin an investigation. With a reliable and transparent reporting system, St. James Health System will be able to quickly identify latent failures and respond to them more quickly

Change Management Plan
St James is facing system-wide failures due to catastrophic organizational issues. Kotters' 8-step change model would be a beneficial change management plan as it is designed specifically for large-scale transformation, cultural change across hospitals, and high-stakes environments where urgency is of utmost importance.

Step 1: Create Urgency

St. James currently lacks urgency, and many safety problems have become normalized. By using real safety metrics as non-negotiable patient-safety markers, leadership can overcome complacency and compel immediate action. Solely hearing that a situation is bad is often overlooked. However, presenting factual trends in CLABSIs, C-Diff, falls, etc. provides a clearer picture for staff and emphasizes the problem. Highlighting external pressure and risk can also light a fire under staff, knowing their jobs could be at risk if changes aren't made immediately

Step 2: Establish a guiding coalition

To address inconsistent leadership accountability and unify the system, St. James must build a high-credibility, cross-functional coalition with the authority and influence to drive systemwide change, which can be done through the following:
- Selecting high-credibility leaders across all care sites
- Ensuring representation from each hospital and major clinic group
- Defining shared systemwide goals and expectations
- Defining explicit roles, authority, and accountability
- Creating a structured meeting schedule

Step 3: Create a clear vision

"Zero harm, zero defects, and high reliability across all facilities." A concise and clear direction motivates people to act and helps define what success looks like.

Step 4: Communicate the vision

St. James struggles with a lack of communication and transparency. Persistent, structured communication helps eliminate mistrust, rumor-driven narratives, and resistance to cultural, organizational, and social change. Communication should occur through daily meetings, leadership rounds, and shift reports. Repetition and clarity ensure the vision becomes part of operational routines.

Step 5: Staff Empowerment

To reverse patterns of shortcutting, underreporting, and missed safety checks, St. James must create systems that support frontline voice, remove fear, and ensure rapid follow-up on concerns. This can be achieved by:
- Implementing a simple, real-time issue-tracking system
- Placing issue logs in every unit and requiring a resolution within 72 hours
- Introduction of a just culture to help employees feel safe
- Involving frontline staff in safety redesign

Step 6: Generate Short-Term Wins

To sustain momentum, St. James must demonstrate visible, meaningful improvements within the first 2-3 months. Short-term wins should be deliberate, measurable, and directly tied to safety and reliability. This can be achieved by targeting high-impact fixable problems first, such as improving CLABSI bundle adherence in one ICU within 1 month. This can be monitored by reviewing the percentage of completions on the CLABSI bundle checklist. In addition, performing a monthly review on how many daily reports are being submitted. An increase of 30% per month would show significant improvement

Step 7: Don't Let Up
  Healthcare organizations typically regress after initial improvements, so it is crucial to continue monitoring progress and ensure long-term sustainability. This can be done by
- Maintaining a relentless focus on key metrics such as CLABSIs, falls, and near-miss reporting rates
- Reinforcing expectations through leadership behavior
  - Daily leader safety rounds must remain mandatory, leaders must model accountability by closing the loop on issues within 72 hours, and celebrate compliance over time
- Expand successful pilots system-wide
  - Once one ICU improves CLABSI bundle adherence, spread proven protocol to other ICUs using standardized toolkits
- Strengthen accountability systems
  - Quarterly reviews with the CEO and the quality committee ensure continuous improvements.

Step 8: Anchor Change
  St. James' current culture has normalized unsafe behavior, inconsistent practices, and varying levels of accountability. To achieve long-lasting HRO status, safety expectations must be embedded into the structures, behaviors, and incentives that shape daily work. Anchoring change into culture ensures long-term sustainability past the initial phase. This can be done by
- Making safety expectations clear during hiring, onboarding, and orientations
- Reinforcing safety compliance through performance evaluations
- Prioritizing and addressing safety metrics in all committee and leadership meetings
- Integrating rewards for departments that show compliance and consequences for departments that repeatedly fail to make improvements

<u>Implementation Timeline and Funding</u>
  Achieving zero-defect performance in a complex health system such as St. James Health System requires sustainable cultural, operational, and leadership transformation. Reliability is built through stepwise improvement, consistent measurement, reinforcement, and continuous learning. High-reliability behaviors such as rounding, standardization, just culture, and error reporting must be repeated daily until they become ingrained in daily operations. Over 4 phases in the next 5 years, St. James Health System is projected to achieve zero-defect performance.

Phase 1: Building the Foundation (Months 0-6)
Goal: Establish urgency, leadership alignment, and essential safety behaviors
During this phase, St. James will build the foundational and cultural groundwork for a high-reliability transformation. This phase would include
- Presenting systemwide safety data to employees to emphasize the urgency of change
- Providing HRO training for all staff
- Implementing daily safety meetings and leadership rounding across units
- Introducing and implementing just culture
- Beginning process modeling, protocol simplification, and removal of known hazards/failure points
- Implementing a guiding coalition

PHASE 1 (Months 0–6) — Building the Foundation		
Budget Category	**Description**	**Estimated Cost**
Systemwide HRO training for all staff	Curriculum, workshops, onboarding modules	**$1,200,000**
Leadership alignment and coaching	Executive coaching, consultant support	**$450,000**
Just Culture introduction	Policy redesign, HR integration, safety communication rollout	**$300,000**
Safety meetings and rounding launch	Standardized rounding tools, scheduling infrastructure	**$250,000**
Process mapping and protocol simplification	Workflow redesign, hazard removal, lean facilitation team	**$400,000**
Guiding Coalition establishment	Protected time for clinical leads + quarterly retreats	**$250,000**
Phase 1 Total		**$2,850,000**

Phase 2: Strengthening Safety and Integrity (Months 6-18)
Goal: Minimize variation and introduce reliability principles. Once the desired foundational elements have been laid, the system can begin to shift towards structured reliability improvement. This phase would include
- Implementing standardized protocols
- The addition of forced functions/hard stops on equipment
- Conducting FMEAs and risk analyses
- Implementing daily safety reporting
- Reduction of variance in processes across hospitals and clinics
- Introduction of safety tracking systems and a near-miss reporting system

PHASE 2 (Months 6–18) — Strengthening Safety and Integrity		
Budget Category	**Description**	**Cost**
Standardized clinical protocols systemwide	Policy development and implementation	**$1,000,000**
Hard-stop equipment workflows	Barcode verification, pump lockouts, med scanning	**$800,000**

FMEA and risk analysis program	Analyst team and risk modeling software	**$600,000**
Daily safety reporting system	Digital platform rollout and training	**$950,000**
Safety tracking and near-miss database	Data dashboards, reporting automation	**$700,000**
Phase 2 Total		**$4,050,000**

Phase 3: Standardization and Measurable Results (Months 18-36)
Goal: Standardize safety practices into daily operations and achieve consistent, measurable improvements. This phase should see:
- Consistency in leadership expectations and frontline staff behaviors
- Reductions in CLABSIs, falls, HAIs, etc.
- Consistent use of standardized protocols across all facilities
- Staff consistently demonstrating situational awareness and risk mitigation
- Increased reporting of near misses and a decrease in safety incidents/violations

PHASE 3 (Months 18–36) — Standardization and Measurable Results		
Budget Category	**Description**	**Cost**
Systemwide safety standardization	Unit checklists, universal protocols	**$900,000**
Leadership performance alignment	KPI incentives tied to reliability	**$600,000**
Data analytics for CLABSI, HAI, falls, med error reduction	Predictive analytics, dashboards	**$1,200,000**
Situational awareness and escalation training	Cognitive unloading, stop-the-line training	**$650,000**
Culture reinforcement programs	Safety recognition, reporting incentives	**$450,000**
Phase 3 Total		**$3,800,000**

Phase 4: High Reliability and Zero-Defect Performance (Months 36-60)
Goal: Become a successful high-reliability organization and maintain zero-defect performance. This phase should see:
- Stable and standardized safety culture across all facilities

- Standardization of daily safety meetings and rounding
- Rapid issue resolution
- Consistently near-zero Serious Safety Event Rate
- Zero-defects performance

PHASE 4 (Months 36–60) — High Reliability and Zero-Defect Performance		
Budget Category	**Description**	**Cost**
Maintenance of HRO competency	Recertification, capability building	**$900,000**
Permanent rounding and event prevention team	Patient safety officers, HRO reliability leads	**$1,200,000**
Rapid issue resolution infrastructure	Escalation workcells, 72-hour closure requirement	**$800,000**
Annual external validation and benchmarking	AHRQ and HRO verification audit	**$600,000**
Phase 4 Total		**$3,500,000**

Complete Budget

Zero-Defect Transformation (5-Year Plan)		
Phase	**Focus Area**	**Cost Estimate**
Phase 1 (0–6 months)	Foundation, leadership alignment, HRO training, Just Culture rollout	**$2.85M**
Phase 2 (6–18 months)	Reliability infrastructure, protocol standardization, FMEA, safety reporting systems	**$4.05M**
Phase 3 (18–36 months)	Systemwide standardization, measurable safety improvements, analytics + outcome tracking	**$3.80M**
Phase 4 (36–60 months)	Zero-defect sustainment, rapid-response capability, certification + benchmarking	**$3.50M**
Project Total		**$14.2M**

Conclusion

St. James Health System is at a crossroads and needs immediate change. The strategies outlined in this proposal provide a clear, practical plan to transform the organization into a High Reliability Organization which thrives on standardized processes, strong leadership practices, and a just culture. Through standardization on workflows, strengthened communication, technology-enabled safeguards, and an earl identification reporting system, St. James will be able to reduce preventable harm and rebuild trust among staff, patients, investors, and the greater community. The transformation will occur through daily, repeated behaviors crucial to how the system operates. With sustained leadership engagement, clear expectations, and continuous measurement, St. James will be able to shift from reactive problem solving to proactive risk management. By following the outlined four-phase plan with consistent reinforcement and system alignment St. James should be capable of achieving high reliability and zero defects performance.