

EXECUTIVE SUMMARY

Today many organizations struggle to survive with the competition and private healthcare is not an exception considering the active number of players in the market. LH being one of the leading private healthcare providers in Sri Lanka currently experiencing a high medical contract administration cycle time, that hinders the award of medical equipment procurement contracts to its suppliers in a timely manner. Although this concern has been identified as one of the weaknesses in the SWOT analysis, it was also identified that the organization has many strengths and opportunities to mitigate this weakness in achieving a competitive advantage. Having identified the significance of this operational issue, the study proposed a methodology for addressing and mitigating high cycle time however highlighting the limitations that may apply to this project.

According to the analysis of the qualitative and quantitative data, the high medical contract administration cycle time has created a significant gap in clinical service delivery of LH over the last 05 years resulting in a considerable revenue loss for the company. It has also contributed to a considerable increase in the overhead costs of the legal department causing additional costs for the company which is geared to shift to a costs-reduction culture. Not only that but also, this key problem has affected the staff of the legal department by way of their achievement in the key performance indicators resulting in quality concerns and employee demotivation and dissatisfaction. Therefore, it is revealed that this operational issue required immediate attention of the management of LH. Further, this study has identified three associated problems along with the root causes for the key problem by using Root Cause Analysis.

Based on the in-depth literature review, it was found that process, staff, and quality management are vital components in reducing cycle time. Process improvement through process mapping and the use of value stream mapping to identify delays in cycle time are techniques used by many healthcare providers locally as well as internationally to improve process efficiency. Introducing SOPs, standard formats and self-assessed checklists to maintain consistency and reduce errors are a few techniques suggested by scholars in terms of improvement of quality standards. However, scholars are of the view that an increase in overtime pay is associated with non-skill workers, repetitive work, unclear job roles, and the lack of instructions and documented processes, thus should not be encouraged as it could impact the quality and performance of the workers. Thus, the literature supports

assessing training needs and provision of required training for the development of the employees who are engaged in the process as means of reducing cycle time. Based on these insights, this project has applied the aforementioned management techniques to develop the solutions for the root causes of the key problem in this study.

The key objective of this project is to reduce the high medical contract administration cycle time of LH from 42.25% to 30.2%. The sub-objectives were developed to improve the defined project components. Further, the current situation of each project component was studied to understand the actual situation. The current medical contract administration process and the non-value-added steps in the said process, the current training hours allocated for negotiation and communication skills improvement, the role clarity index, the proficiency matrix, the self-awareness matrix and error analysis were presented under each project component to explain the current situation. Accordingly, the solutions such as the revising process, conducting training need analysis, planning training programmes and evaluating them, revising JDs, and communicating and implementing a standard contract and a self-assessed checklist were proposed to resolve the defined problem. To implement the project solutions, a project team was identified along with their roles and responsibilities under the leadership of GCOO covering procurement, legal, HR and quality department representation and the cost of the project is estimated at Rs. 759,400/-.

The outputs and outcomes of each project component were identified and it included both qualitative and quantitative aspects. The perceived savings by implementing the proposed solutions were estimated under tangible and intangible benefits. The increased productivity and worker performance, employee engagement and satisfaction and improved work-life balance were identified as some of the intangible benefits that are expected to achieve hereunder and the tangible benefits are estimated at Rs. 7.8 million. The overall benefit-cost ratio is estimated at 9.39, indicating the feasibility of implementing this project.

The authenticity of findings and developed solutions are validated by using the literature and it is recommended to implement the proposed solutions within 06 to 12 months. Therefore, it is advised to have proper planning and effective change management to overcome possible challenges such as resistance to change. Considering the related risk and the negative impact on the operations of the organization, it is recommended to reduce high medical contract administration cycle time.