MEMORANDUM

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FROM: Kimberly K. Hagara, CPA, CIA, CISA, CRMA
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DATE: November 4, 2015

SUBJECT: Facility Activation Governance Framework Audit – Final Report
Engagement Number 2015-010

The Office of Audit Services completed an audit of the Facility Activation Governance Framework. The primary objective of this audit is to review the governance framework in place for the logistical and operational activation of the Jennie Sealy Replacement and League City Hospitals and the Clinical Services Wing.

Our methodology for conducting this assessment consisted of interviews with key personnel; a limited review of documentation; and, benchmarking with industry guidelines. We conducted our work in accordance with the guidelines set forth in The Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing.

Background
In April 2012, UTMB Health broke ground on the construction of the new Jennie Sealy Hospital. Also referred to as the “Jennie Sealy Replacement Hospital”, this new facility complements the existing John Sealy Hospital which is undergoing extensive modernization to offer more family-centered patient care. A new Clinical Services Wing connecting the two hospitals houses several core medical services including: Campus Maintenance, Environmental Services, Blood Bank, Materials Management, Patient Transportation, Healthcare Epidemiology, Respiratory Services, Histology, Pharmacy, and Clinical Equipment Services.

Bolstered by its success in north Galveston County, the institution also began a building expansion project at its League City campus that includes an emergency department and beds to accommodate patients requiring overnight stays. In a related project, UTMB Health will build a central-plant facility to provide utilities to the campus. Construction began February 2013.

Departments began moving into the Clinical Services Wing (CSW) in May 2015 and will continue through fiscal year (FY) 2016. The institution anticipates opening Jennie Sealy Hospital during the third quarter of FY 2016. The League City Hospital is also slated to open in FY 2016.
Unless otherwise exempted by the University of Texas System Board of Regents, institutional capital improvement projects are required to be managed by the System’s Office of Facilities Planning and Construction (OFPC). OFPC provides overarching leadership, coordination, and conflict resolution to ensure project goals are met. The OFPC Galveston project team is currently involved in the UTMB Health construction projects included in the scope of our review. Additionally, within the institution, key involved areas include Business Operations & Facilities (BOF), Information Services, and the Health System.

Overview
Audit Services research of industry literature and best practices related to healthcare facility activation identified several resources, including an article appearing in the *Journal of Healthcare Management* entitled "Activation and Operational Planning: Ensuring a Successful Transition". This article notes that while activation planning and implementation can be organized through a variety of approaches, successful activation programs have common elements that the authors consider emerging best practices. Audit Services used the following ten guidelines as a framework to benchmark its observations and assessment:

- Assign a project champion to coordinate, facilitate, and drive all aspects of activation planning and implementation, and ensure this individual has adequate time allocated to fulfill his role.
- Use multidisciplinary teams to drive the planning process and ensure those cross-functional processes, as well as enabling elements (e.g., information technology, human resources) are clearly integrated within process and activation plans.
- Equip planning teams with the necessary knowledge and tools to effectively complete their work. This may include training in meeting facilitation as well as specific orientation in project objectives, macro schedules, and guiding principles.
- Provide consistent, real-time communication of project schedules and plans to all relevant constituencies, including planning teams, medical staff, employees, and the community.
- Develop a database of activation issues, questions, and answers that is accessible to interested parties.
- Make decisions in a timely manner, and communicate decisions across the planning organization.
- Do not underestimate the time and dollar investments that activation planning and implementation will require.
- Initiate activation planning activities at least one year in advance of the expected facility occupancy date.
- Provide for adequate staff training and orientation time in the new facility.
- Simulate operational procedures changes before introducing them to the public.

Overall Results
Audit Services assessment of UTMB Health’s conformity with the aforementioned industry emerging best practices identified the following areas of project strengths and considerations for future projects:
Areas of Success or Project Strengths:

- Appointment of Health System liaison solely dedicated to monitoring and participating in construction and activation planning to ensure the clinical and operational needs of the Health System are addressed by the project teams.
- Site visits to other hospitals with recent new facility activations to obtain lessons learned as well as resources and tools used to facilitate relocation and activation.
- Departmental users for CSW brought into activation/move planning process early with well-documented, timely communications.
- Separate equipment meetings held for JSRH. External consultant utilized to help coordinate equipment vendors. Equipment considerations wrapped into the CSW departmental user planning meetings.
- Excellent level of documentation shared timely by external consultant Corporate Move Consulting, Inc. (CMCI) for CSW and JSRH. Employees, medical staff, and community/patients appropriately represented in planning process.
- Staff training and orientation for departments completing their move to the CSW appeared, overall, sufficient. Lessons learned documented and being applied to upcoming CSW and JSRH moves.
- John Sealy Hospital nurse managers plan to work in assigned JSRH spaces prior to the actual move and simulate operational procedure/workflow changes. Pathology divisions working through procedure changes anticipated with upcoming moves to CSW.

Areas of Opportunity of Improvement:

- Identify an overall project champion to serve as the primary point of contact and responsibility for project ownership.
- Similar to the current Health System liaison role, appoint dedicated liaisons to represent Information Services and the facility owner/user, respectively.
- Establish clear, documented expectations of activities UTMB Health can manage versus those requiring outside assistance.
- Establish and adhere to common goals and objectives between BOF and the facility owner/user.
- Ensure timely and forthright communications up, down, and across organizational entities involved in the project.
- Ensure non-clinical areas moving to JSRH identify and document anticipated workflow changes, simulating them before public opening. Employ same workflow analyses and simulations for all LCH areas.

Audit Services shared additional observations with key stakeholders during debriefing sessions held during the course of the audit.

Conclusion
Audit Services completed a review of UTMB Health’s facility activation governance framework in relation to three major projects currently in progress. Project strengths and opportunities for improvement were identified and shared with key stakeholders.
We appreciate the cooperation and assistance provided by Health System and Institutional Support personnel during the course of this engagement. If you have any questions or comments, please feel free to contact me at (409) 747-3277.

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