

# LEE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS

## POLICY MANUAL

no. 10.42A

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Category: General Operations

Title: Calculating, Tracking and Reporting “Cost of Waste”

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Original Adoption: 07/28/00

Revision Date: 07/28/00

07/26/02

supersedes no. 10.42

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**PURPOSE:** To provide guidelines for the system to ensure that the calculation, tracking, and reporting of “Cost of Waste” is an exercise that follows a scientific methodology (consistent with that of the system’s quality improvement philosophy) that facilitates the provision of information that will support the system’s efforts in eliminating waste and rework from daily operations.

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## POLICY:

### 1. Calculation of “Cost of Waste”

- The form provided by Decision Support for calculating “Cost of Waste” should be used to determine estimates as well as actuals.
- Project leaders and/or project members are responsible for calculating the “Cost of Waste.”
- All figures are subject to review by Decision Support and Finance for accuracy and clarity.
- Internal databases, such as “Trendstar,” will be used as the standard to determine accuracy of numbers.

### 2. Tracking of “Cost of Waste”

- All “Cost of Waste” efforts (whether associated with a Performance Improvement Project or not) must be registered with Decision Support using the “Cost of Waste” form and submitted via e-mail or internal mail.
- All “Cost of Waste” data will be kept in the Performance Improvement Project Database housed on the Performance Improvement director within Decision Support.

### 3. Reporting of “Cost of Waste”

- All registered data will be continually updated and presented to the Board of Directors quarterly in the form of two separate indicators: Direct “Cost of Waste” and Indirect “Cost of Waste.”
- The Board of Directors will also be presented with a quarterly addendum of individual “Cost of Waste” efforts categorized in an Excel spreadsheet format.
- The Quality Management Council will receive and review all “Cost of Waste” data prior to the Board of Directors for approval and appropriateness of data.
- Board of Director approved data will be posted in the Public Folders in Outlook for employee use.
- Management may request individual reports as needed.

