Assembling a Blue Print for Quality

A Rural Hospital Guide to Performance Improvement and Frameworks for Success

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CAH Challenges

- Managing complexity and change
- Demonstrating value
- Generating patient volume/loyalty
- Becoming efficient
- Identifying and strategically pursuing a role in the new reform models
Quality Lives in Health Care When We:

• Maximize the chance we get patient care right the first time

• Minimize the risks that a medical error will harm the patient

• Ensure that care and operations are consistent with the highest standards
Why Quality Strategies Fail

Barriers to Strategy Execution

Vision Barrier
Only 5% of the employees understand the strategy

People Barrier
Only 25% of managers have incentives linked to strategy

Resource Barrier
60% of organizations do not link budgets to strategy

Management Barrier
85% of executive teams spend less than 1 hour per month discussing strategy

Only 10% of Strategies are Successfully Executed

70% of CEO failures are a result of not being able to execute strategy

The Need for a Strategic Framework

The case for change and the reality of change calls for an organized process for leading and driving change and creating a culture that supports change. That requires frameworks.

Borrowed with permission: Jim Hobbs, FACHE, Client Principal, GE Healthcare Performance Solutions
Definition of Framework

“A framework for getting people, processes and resources aligned and moving in the same direction. The ultimate goal is to achieve strategies that benefit the customer and the bottom line and that result in organizational excellence.”

National Rural Health Resource Center
Top Reasons for Strategic Frameworks

1. Creates an organized process for leading and driving change
2. Creates a culture that supports change
3. Enables a broad-based systems approach
4. Supports quality reporting that drives improvement
Top Reasons for Strategic Frameworks and Evaluation

5. Opportunity to document where you have been and where you want to be
6. Opportunity to know where you are right now and make mid-course corrections
7. Aligns people, processes and resources
8. Links individual department operations to organizational strategy
Quality Leadership Summit 2010

Rural health quality leaders convened in Minnesota to:

• Generate a comprehensive list of lessons learned
• Explore business frameworks to manage culture change and performance improvement
• Examine the relationships between leadership and quality excellence
• Share the gathered knowledge with others
Quality Leadership Summit 2010
Assembling a Blue Print for Quality

- Quality improvement initiatives require a systems-based framework
- Baldrige Performance Excellence Framework was proposed by Summit leaders as a good way to manage quality initiatives
Baldrige Performance Excellence Framework

1. Leadership
2. Strategic Planning
3. Focus on Patient, Other Customers, and Markets
4. Measurement, Analysis, and Knowledge Management
5. Workforce Focus
6. Process Management
7. Results
Baldridge Criteria for Performance Excellence Framework

1. Leadership
   - Focus on Patient, Other Customers, and Markets
   - Measurement, Analysis, and Knowledge Management
   - Strategic Planning
   - Workforce Focus
   - Process Management

2. Strategic Planning

3. Focus on Patient, Other Customers, and Markets

4. Measurement, Analysis, and Knowledge Management

5. Workforce Focus

6. Process Management

7. Results

Balanced Scorecard
Lean
Studer
Key Hospital Leaders

- Board
- C-team
- Physicians
- Department managers
- Informal leaders
CAH Leadership Challenges
Leadership

• Senior leaders need to be change agents
• Leaders must create and promote the culture
• Leaders must understand their complex systems and take a systems approach
• Boards must be educated on quality systems and the need for change
Strategic Planning

- Should be dynamic, specific, quantifiable
- Should be understood by all hospital staff
- Should represent a convergence between mission, operations, and budget
- Requires funding support, leadership attention, and feedback information loops
Strategic Planning

“If you don’t know where you are going, any road will get you there.”

Lewis Carroll, Author
Mission: The National Rural Health Resource Center provides technical assistance, information, tools and resources for the improvement of rural healthcare. It serves as a national rural health knowledge center and strives to build state and local capacity.

Vision: The National Rural Health Resource Center will be the premier national resource for rural health information, education and technical assistance and serve as a catalyst for improved healthcare delivery in rural communities.

Strategy Statement: Tailored to customer needs, The Center provides rural health knowledge, education, and resources through collaboration and innovation while ensuring excellence. The Center works with organizations to improve and sustain the health and well being of rural communities.
Patients, Customers, Communities

• Continuously monitor patient satisfaction
• Treat physicians as primary customers
• Communicate with service area residents and assess community needs and wants
• Look for networking and partnering opportunities with others
“Learning, networking, and best practices all need to become hardwired within an organization.”

Jennifer Lundblad, Executive Director, Stratis Health
A Collaborative Effort
CAH Formula for Success

- **Dollars**
- **Cost**
- **Revenue**
- **Profit Zone**
- **Loss Zone**

**Graph:**
- X-axis: Service Volumes
- Y-axis: Dollars

The graph illustrates the relationship between service volumes and dollars, showing the profit zone, where revenue exceeds cost, and the loss zone, where cost exceeds revenue.
Why Migration Happens

• Physician referrals out of areas
• Negative perception of local hospital
• Lack of knowledge/understanding of local services
• Inconsistent customer service and quality
• Lack of innovative ways to engage the community
Measurement, Feedback, Knowledge Management

• Find an appropriate strategic framework to ensure a holistic focus
• Build in feedback loops to enable timely process improvements
• Make the framework and scorecard understandable and relevant to all staff
"Story telling is crucial in getting the buy-in for the implementation of frameworks, such as the Balanced Scorecard. The Balanced Scorecard creates an obsession with people, not an obsession with numbers."

John Roberts, Executive Director, Nebraska Rural Health Association
<table>
<thead>
<tr>
<th>Column</th>
<th>Measurement</th>
<th>Percentage Increase/Decrease</th>
<th>Quarterly</th>
<th>Internal Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>Website visits</td>
<td>10% increase from same quarter, previous year</td>
<td>Quarterly: 47.8% (8841) to 48.4% (8370) to 29.6% (9697) to -1.68% (9082)</td>
<td>SEPT11: 21% (3 of 14)</td>
</tr>
</tbody>
</table>
|        |             |                              |           | DEC11: 36% (5 of 14) |!
|        |             |                              |           | MAR12: 36% (5 of 14) |!
|        |             |                              |           | JUNE12: 53% (9 of 16) |!
| E      | Bounce rate | 40% (or less) | Quarterly: 44.2% to 44.4% to 43.5% to 44.1% | 25%/qtr cumulative: Kim Angie Kami to 0% (0 of 16) |!
|        |             |                              |           | Process improvement implemented |!
|        |             |                              |           | Cumulative standing, not quarter result |!
| G      | Staff satisfaction Survey Questions 10, 11, 15 | 4.3 | Annual: 4.23 |!
Staff and Culture

• Performance improvement requires alignment of hospital’s cultural subgroups
• Frequent feedback and reinforcement from leaders to staff is essential for buy-in and follow through
• Meaningful culture change always takes time
• Measure organizational culture through staff satisfaction surveys
Staff and Culture

“Culture trumps strategy on virtually every occasion.”

Brock Slabach, Senior VP of Member Services, National Rural Health Association
Process Management

- Quality excellence requires continuous performance improvement
- Process mapping and process redesign will be necessary for electronic health records
- Quality information should be specific, relevant, actionable, and reportable
- Best practices and lessons learned should be captured and shared with others
“At best, Electronic Health Records can hardwire quality.”

Darlene Bainbridge, President, D.D. Bainbridge & Associates, Inc.
Impact

• Quality measurement and outcome transparency are increasingly important.
• Quality outcomes should be translated into information that is relevant and easily accessible to rural health leaders/providers.
• More time should be spent on data analysis.
CAH Data Collection: Strategic Purpose

- Significant investments in collecting data (regulatory or accreditation purposes) $\rightarrow$ limits value
- Goal: push the Effort Curve to the right
Impact

“Customization of hospital performance indicators and reports to meet hospital-specific needs is crucial.”

Larry Baronner
Flex Coordinator, Pennsylvania Office of Rural Health
Knowledge Capture and Dissemination

Bell-Shaped Curve

- Laggards (~16%)
- Late Majority (~34%)
- Early Majority (~34%)
- Early Adopters (~16%)
Conclusion

“I think healthcare is more about love than about most other things. At the core of this, two human beings have agreed to be in a relationship where one is trying to relieve the suffering of another.”

Don Berwick, Administrator, Center for Medicare & Medicaid Services
“Even if you’re on the right track, you’ll get run over if you just sit there.”
-Will Rogers
Terry Hill

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