

REAL-TIME PERFORMANCE DATA THAT GUIDES LEADERSHIP DECISIONS

As healthcare organizations transform the way they deliver care, access to critical performance information has never been more important.

Successful healthcare leaders use automated systems to continuously monitor their organizations' performance on top priorities—such as clinical quality, patient satisfaction, and financial well-being—and they use that information to make decisions that keep the organization moving in the right direction.

GOING FOR THE BULL'S-EYE

Kettering Health Network (KHN) president and CEO Frank Perez attributes his six-hospital system's current success to the strategic use of information. Ask him about the ROI for the dashboard that monitors KHN's adherence to its strategic plan, and he makes a convincing case that it should not be measured in dollars and cents.

"We have world-class employee satisfaction. Based on Press-Ganey data, we have the best customer satisfaction in our market. We have more than doubled our market share in the last 15 years," says Perez of his Dayton, Ohio area system. "We are an A-rated company and have sustained that over time. And, in quality, we continue

to garner accolades whether we apply for them or not because we perform well in every database."

KHN's dashboard is driven by the system's 10-year strategic plan, which is the basis of the annual operational plan. The dashboard monitors performance on five key areas: quality, patient satisfaction, employee satisfaction, financial results, and growth. For each area, system-level measures cascade down to specific measures appropriate for hospital-level and unit-level performance monitoring.

To monitor KHN's quality, for example, the system uses a scorecard developed by one of its private payers. That allows KHN to see how its scores compare with hospitals across the nation.

KHN's goal is to be a top-decile performer. A financial byproduct of its high quality standings is \$190,000 in extra Medicare payments awarded through the Hospital Quality Incentive Demonstration run by Premier Inc.

The dashboard numbers are used for two purposes: to keep the organization constantly focused on its strategic and operational plan and to determine pay for

executive-level, director-level, and manager-level employees. Additionally, a “results sharing” bonus, available to all staff members, is tied to the health system’s overall performance on quality, financial, and other measures.

“We have a strategy that aligns the board goals all the way down to the rank-and-file,” says Perez. “That gives us a common language and a common direction and a common purpose that is measured consistently.”

Working directly from the organization’s 10-year vision, the planning committee of KHN’s board sets annual goals in the five key results areas. In November of each year, the board’s executive compensation committee sets the threshold, target, and stretch levels for each of the five areas. Performance relative to those goals is tied to individual compensation for managers and above.

If the dashboard reports sustained underperformance, it can trigger a change in management. “We have terminated directors and vice presidents when there was an inability to get back to the plan levels that we are aspiring to achieve,” says Perez. “If a division is consistently under performing, you may go down three layers. This is not just in the financial area. We have done that because of employee opinion survey scores and customer satisfaction scores.”

Eight times each year, the executive team of all the hospitals and the top clinical officers meet with the executive committee of all six hospital boards to assess progress on the operations plan. “We review the dashboard in detail so that we have a feel for which areas need improvement and what actions may be required,” says Perez.

Systemwide and hospital-level performance is communicated to all staff using a “bull’s eye” graphic that shows three levels of performance (see the exhibit on page 29). Threshold performance is typically the previous year’s score, the target is the expected or budgeted performance, and the stretch goal is a score better than the target.

The graphic depiction—and the results it communicates—are presented at quarterly staff meetings, posted on department bulletin boards, and included in internal publications and a video for staff members, says CFO Russ Wetherell.

“By showing darts on that three-circle bull’s eye, it is easy to see exactly where we are on our goals,” he says.

IDENTIFYING WHAT NEEDS TO CHANGE

Traditional performance data—such as monthly profit and loss statements, balance sheets, and investment status—will always be essential for health system leaders. But Trinity Health’s top leaders recognized that these traditional metrics would not help the organization make the changes it needs to make.

“Given the violent turmoil taking place in the industry, you have to manage differently, and it requires a different set of information,” says Kedrick D. Adkins,

Trinity Health’s president of integrated services. “We believe one of the reasons we have been successful is our ability to identify what needs to be different, and to create, report, and disseminate that information.”

To help guide the nation’s fourth-largest Catholic health system through a major change transformation (see page 7), Trinity Health leaders introduced three concepts—information

intensity, transparency, and data integrity—to the health system’s use of data for management decision making.

With regard to information intensity, Trinity Health focuses on a few data points that force a laser-like concentration on a particular target. For example, the CEOs at all 45 system hospitals connect by telephone for one hour each week to look at a dashboard that reports patient volume and labor statistics for each entity.

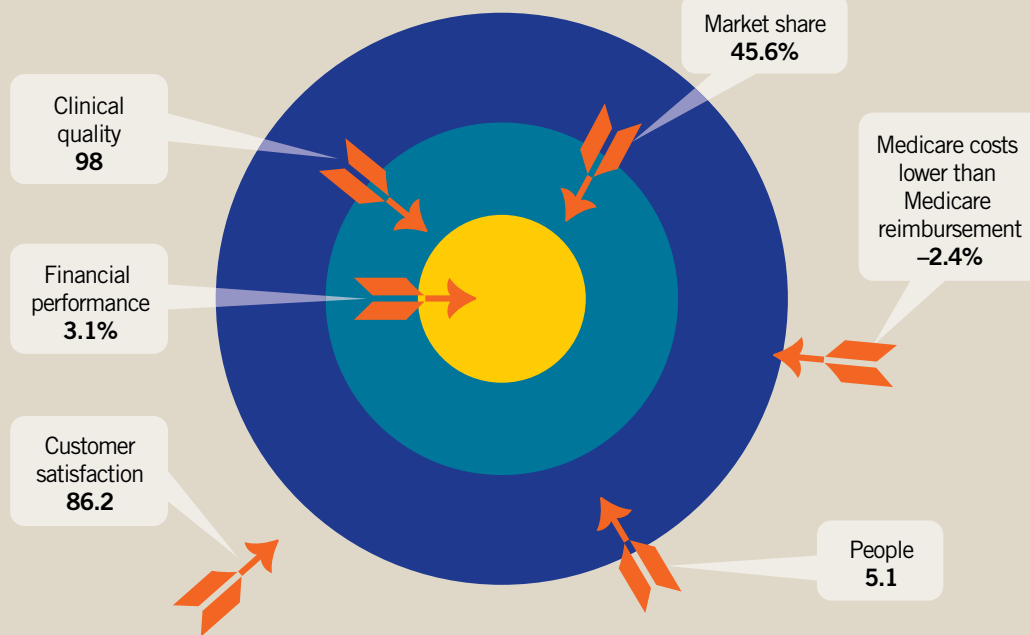
Labor accounts for 50 percent of the health system’s costs, says Adkins. As the economy soured and patients opted out of elective procedures, the need to understand—and quickly respond to—changes in volume at each hospital became crucial.

“To sustain our ministry, we really needed to make sure we controlled labor expense at a much more granular level, and on a much more timely basis, than we had historically,” he says.

The weekly meetings reinforce Trinity Health’s trigger point for staffing adjustments. Hospital executives are

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Kettering Health Network's Bulls-Eye, 2007 Performance



Source: Kettering Health Network. Reprinted with permission.

Staff at Kettering Health Network can easily see how close they are to achieving annual goals based on where the darts fall on the bulls-eye graphic.

expected to adjust staffing, on a real-time basis, so that productivity levels hit the 75th percentile or higher relative to the system's benchmarking sources.

At another level, the concept of information intensity helps top executives at the system level make decisions quickly. A process was established that allows the top management team to monitor specific performance points—such as the amount being spent on supplies—on a month-to-month basis.

Trinity Health leaders also monitor sentinel indicators that could identify an emerging problem. In recent years, every Trinity Health hospital has reported more than 25 nationally recognized clinical quality indicators at least quarterly, and the information is shared throughout the organization. As part of its transformation process, leaders wanted to strengthen clinical quality by reviewing each hospital's serious reportable events, or so-called "never events."

This is all part of Trinity Health's goal of data transparency. "To make the quality story more complete, we want to identify where we have serious aberrations in quality," says Adkins. "We want to call those out and use them as learning opportunities for the entire organization."

Sharing the serious reportable event information among leaders at all Trinity Health hospitals keeps quality from falling into a second-tier priority.

"In conjunction with having the right financial and operating information available to the right people at the right time, we are making sure that we are not letting quality slip when we were very focused on financial matters," says Browne.

To ensure data integrity, Trinity Health uses standardized processes and technology to collect and report information. This allows data users to be sure that data points are comparable and may identify opportunities for sharing best practices.

"We are now able to make changes to processes and software one time, as opposed to multiple times when we had a variety of different technology platforms," says Browne. "So we have become far more responsive and less brittle as an organization."

USING DATA TO SAVE LIVES

Using data for retrospective performance review is great. But using data to improve a patient's health status *today* is even better, according to the head of Tallahassee Memorial HealthCare's board of directors

and Cynthia Blair, the hospital's vice president and chief of organization improvement and planning.

"Our chairman, who is a cardiac surgeon, has said that the real-time dissemination of patient data so we can take action now is more compelling for physicians than just saying, 'Here is the percentage of patients that had glycemic control last month,'" says Blair.

At Tallahassee Memorial HealthCare (TMC), a community health system that includes a 700-bed hospital, Blair's staff produces a dashboard report for the hospital management team, the quality committee of the board and, ultimately, the full board.

But elements of that dashboard are used on a daily basis to allow hospital administrators and the quality improvement staff to monitor clinical outcomes for individual patients. By improving day-to-day care, the quality improvement staff enhances the quality scores on the dashboard.

Lives are saved when data is analyzed on a real-time basis to recognize that a particular patient is declining

or at risk, prompting interventions to address emerging problems. In fact, TMH has reduced overall mortality rates by 23 percent—in part from continually monitoring clinical data.

"A lot of people watch data retrospectively and then conduct these big team meetings and go through a change process," says Blair. "But care changes more quickly when you go to a surgeon and say, 'Based on what we know about best practices, could we make this slight adjustment on the glycemic control of this particular patient today?'"

While Blair's quality improvement staff does work on big improvement initiatives, it also continually monitors the clinical data for patients associated with core measures from the Centers for Medicare & Medicare Services (CMS) and the Joint Commission. This helps ensure that patients are receiving proper care within the required timeframes.

Some quality improvement staff members are registered nurses (RNs) who approach physicians directly if

UNIT-LEVEL PERFORMANCE SCORECARDS

Leaders at St. Joseph Health System of Lexington, Ky., wanted their nurses to be more business-minded. Specifically, nurse managers needed a better way to analyze their unit functions and make sure that their daily operations fit their goals. Since 2003, the system has used a six-item dashboard or scorecard—appropriately called a "six-pack"—that helps motivate nurses to be more efficient and accountable on key measures like labor costs, volume, and productivity.

Putting a unit-level dashboard together at St. Joseph Health System required a productive partnership between nursing and finance with the goal of making clinical leaders more business-savvy. "It is important to share the same focus regardless of which discipline we represent," says Gary Ermers, CFO.

Working together, nursing and finance developed a simple scorecard that nursing managers at St. Joseph use to track these key areas in their departments:

- Department volume, trended monthly
- Total department costs—full-time equivalents (FTEs) and supplies—depicted in a bar graph

- Patient satisfaction
- Turnover, including the number and percentage of nurses
- Percentage of premium labor used, such as overtime, agency, and pool usage (the target for overtime is less than 2 percent of labor costs)
- Productivity measured in hours per patient day (HPPD), tracked every two weeks based on data from payroll, patient accounting, time and attendance, and budgets

Each month, a nursing secretary pulls data from different hospital reports into a spreadsheet to create the dashboards. The result is a one-page visual that compares the actual results in these six areas for the current and previous fiscal years.

With timely data on these measures, clinical managers can make real-time changes in how they run their departments. For example, they can look at variances in supply costs and ensure that supplies are properly assigned to their departments. Or they might look for dips in patient satisfaction and make necessary changes accordingly.

➔ Learn how nurse leaders at St. Joseph's have used these dashboard reports to improve HPPD, improve patient satisfaction, and reduce RN turnover at WWW.HFMA.ORG/LEADERSHIP.

they see a problem with a patient's care. Those who are not RNs typically work with unit case managers to get appropriate interventions.

"For example, if there is a stroke measure that is not noted in the daily rounds, the improvement advisor will go to the case manager and say, 'You need to call the physician and get an order for this. This patient is going to move off protocol if we do not have an order,'" says Blair.

In another example, quality improvement staff use data to operate the methicillin-resistant *Staphylococcus aureus* (MRSA) screening program. Every day, staff members review electronic medical records to identify high-risk patients, verify whether those patients were screened, and check the results of the screening. The system allows Blair's staff to backstop clinicians who failed to screen a high-risk patient, and it verifies whether MRSA carriers are properly isolated from other patients, stemming the spread of infection.

"This has led to an approximately 75 percent decrease in hospital-acquired MRSA infections," she says.

Blair attributes the hospital's quality improvement success with extensive use of many comparative databases that allow TMH to benchmark its clinical processes and outcomes, staffing levels, and market share information.

"You don't have to reinvent the wheel if you belong to a comparative database," she says. "You can find out what others are doing and then call them up and find out how they did it."

Based on an analysis conducted earlier this year, Blair found that the ROI in creating and maintaining the business intelligence software and dashboard saves \$4 for every \$1 it costs. The database TMH uses calculates the cost-avoidance associated with preventing infections, for example. That amount gets added to the revenue that would have been lost for a hospital-acquired condition that triggers CMS's "no pay" policy.

"If we are able to prevent never events, which a lot of those nosocomial infections are, then we can easily make an ROI," she says. "There is nothing fluffy about this." ■

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