

Striving for Top Box: Hospitals Increasing Quality and Efficiency

Executive Summary

- *Striving for Top Box: Hospitals Increasing Quality and Efficiency* is part of the HPOE Signature Leadership Series, created to share best practices and key lessons from innovative organizations on a variety of topics including Care Coordination, Health and Wellness, Equity of Care, and New Payment and Care Delivery Models.
- Striving for Top Box showcases three organizations working toward improving both quality and efficiency: **Novant Health** in North Carolina, **Piedmont Health** in Georgia, and **Banner Health** in Arizona.
- During site visits to these organizations, we conducted interviews with key leaders who provided us with a variety of strategies they are implementing to meet their Top Box goals.
- This guide summarizes our discussions with each organization and provides a series of cultural characteristics, key strategies and successful practices common across each of these health systems that any organization can consider implementing.

Cultural Characteristics
Precise Execution
Accountability
Engaged Physicians
Focused
Consistent Communication
Team-oriented
Transparent
Data Dependent
Standardized



Executive Summary (cont'd)

Key Strategies

Start by addressing the low-hanging fruit of cost reduction – supplies and staffing

Focus on achieving incremental improvements, which accumulate to dramatic gains

Focus on areas with substantial cost and quality impact (e.g., reducing left-without-being-treated rates in the ER)

Focus on developing action plans with crisp aim statements for improvement opportunities

Be transparent in sharing data across the organization

Manage according to payer neutral revenue strategy

Reduce unnecessary clinical variation as a next step in improving quality

Invest in data infrastructure for frequent and detailed data reporting

Successful Practices

Use dashboards and/or scorecards at all levels of the organization. Ensure they are linked to the overall strategic goals and are displayed publicly

Use a standardized framework and decision-making approach for all leadership meetings

Set and track well-defined short- and long-term measurable goals

Conduct weekly accountability meetings of all leaders to review weekly productivity and staffing targets

Use data frequently and at a detailed level (e.g., department and service line)

Rerun claims as if Medicare was the payer and simulate financial statements based on Medicare-only rates

Balance use of cost measures and quality/satisfaction measures

Standardize supply selections



Defining Top Box Organizations

Top Box Organizations are implementing strategies to improve both efficiency and quality of care by:

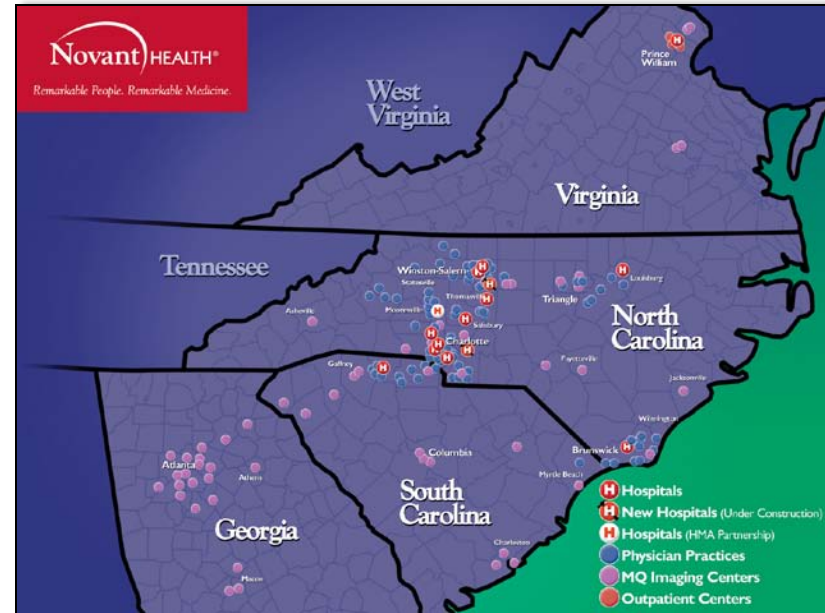
1. Standardizing Processes
2. Increasing IT Infrastructure and Data Reporting
3. Reducing Variation in Cost
4. Creating Accountability for Performance Improvement
5. Identifying and Implementing Best Practices Across Organization
6. Engaging Clinicians and Physicians

This report focuses on three Top Box organizations:
Novant Health System, Piedmont Health, and
Banner Health System



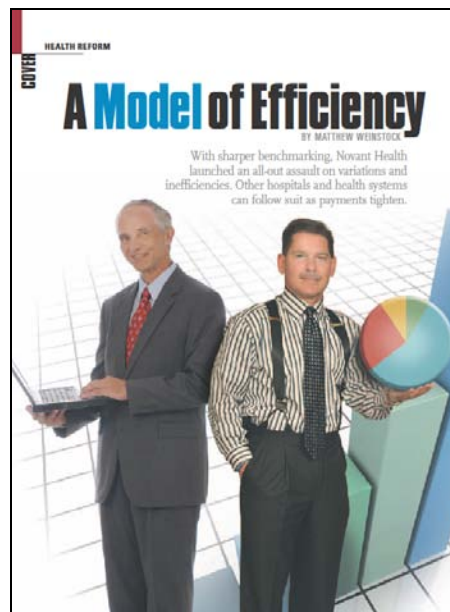
Novant Health System

- 12-hospital integrated health care system
 - Service area covers North Carolina, South Carolina, Virginia, and Georgia
 - Centered in Charlotte and Winston-Salem metro areas
 - Two more hospitals by 2012
 - 1100 physician partners, 5000 medical staff



Novant's Top Box Strategy

- Novant embraced the reality that increasing quality and decreasing costs goes hand in hand
- This led them to pursue two parallel strategies:
 1. Creating a Remarkable Patient Experience
 2. Moving toward a Payer Neutral Revenue System



Click on image to read article.



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Payer Neutral Revenue Strategy

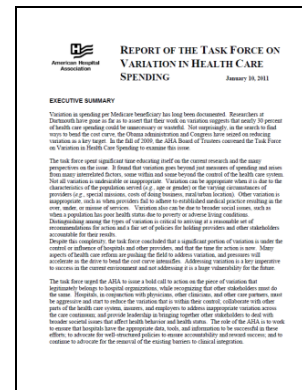
- Moved from cost-shifting to a Payer Neutral Revenue (PNR) System where:
 - Novant considers all payers as if they were Medicare to prepare for a day when lower payments could be a reality
- Strategies used to achieve PNR
 - Rigorous use of data to study variation
 - Moving to matrix leadership structure
 - Focusing on transparency, communication, and creating goal-oriented partnerships with board members and physicians

Click [here](#) to listen to Greg Beier, president of operations at Novant Health, discuss the PNR system and creating the Remarkable Patient Experience.

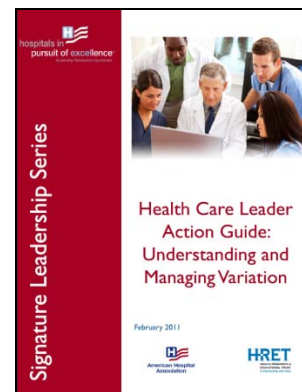


Studying Variation to Reduce Costs

- Novant examined clinical product lines across their 12 hospitals
 - Variation was used as an opportunity to find best practices
 - Best practices from hospitals within the system are presented to hospital leaders
 - These best practices are put in place systemwide to standardize and reduce variation



Click on the images to read the latest AHA resources on managing variation.



Next Step: Implement a Novant Science that creates standard practices across all clinical product lines

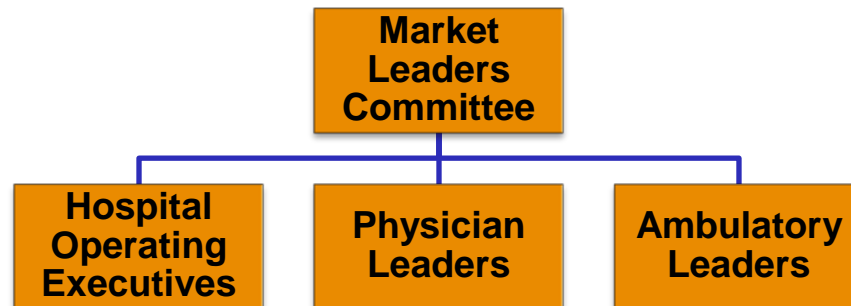


Matrix Leadership Structure

- Novant matrix leadership structure creates a higher level of interdependence between markets and their centers of expertise:
 - Operational executives are responsible not only vertically in their hospitals, but also horizontally across the system
 - Executives need to lead through influence not through power
 - Continuous meetings for executives in different responsibilities leads to cross-pollination of ideas and easy diffusion of success



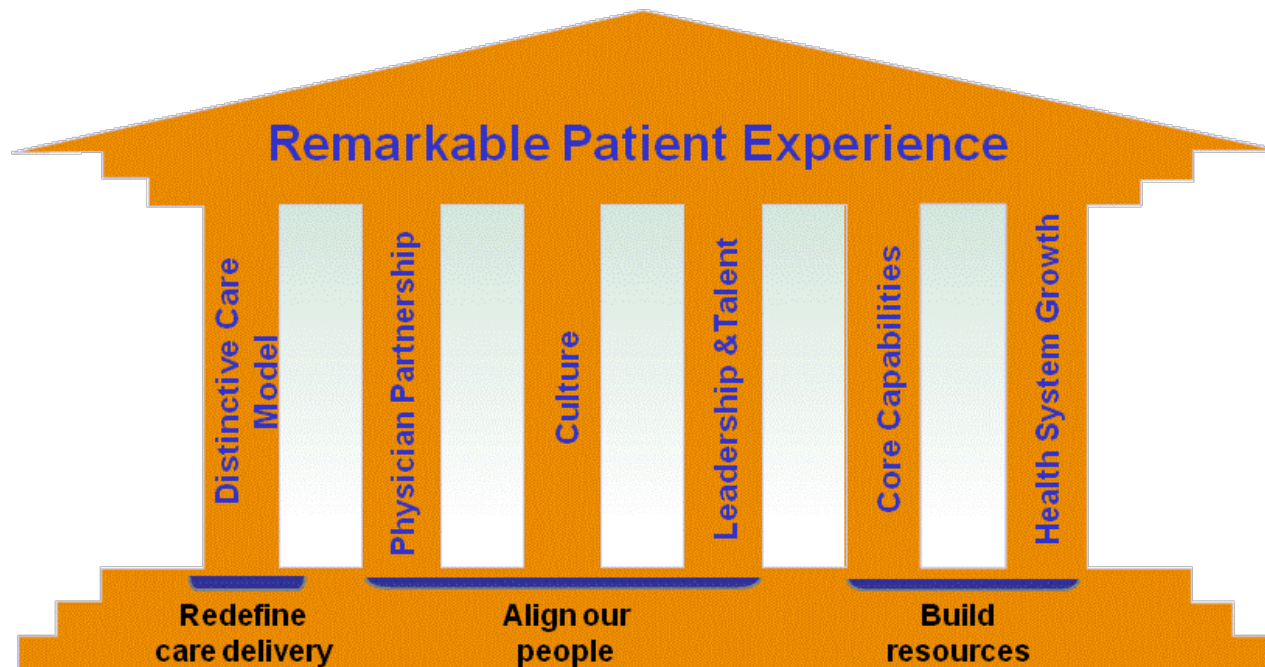
In this Hospitals & Health Networks video, Novant Health CEO Paul Wiles discusses how a complex and multi-faceted health care organization can overcome the three main drivers of cost variation, make affordability a strategic issue, and build a payer neutral revenue strategy.



Novant's Remarkable Patient Experience

- Creating the Remarkable Patient Experience is founded on three key elements:
 1. Redefining Care Delivery
 2. Aligning People
 3. Building Resources

Click [here](#) to hear Greg Beier, president of operations at Novant Health, discuss how creating the Remarkable Patient Experience will prepare Novant for the future.



PNR and Remarkable Patient Experience Results in Improved Services

- Novant's goal is to develop services that are:
 1. Safer and higher quality
 2. More patient-focused
 3. More integrated
 4. More affordable
- Critical success factors:
 1. Engaging the board and physicians in the long-term goal of creating a Remarkable Patient Experience under the PNR system
 2. Creating partnerships through teams
 3. Providing leadership incentives based on Novant's success, not just individual responsibilities



Novant's Culture Supports Top Box

Novant's culture embraces:

1. Transparency (both interior and exterior)
 - *The State of Novant*: Provides financial data, satisfaction numbers, CMS measures, future goals, dashboards, etc.
 - Online, Novant even highlights where it struggles
2. Physician engagement
 - All physicians are partners not employees
 - Physicians participate in all major decisions
 - Specialists and PCPs are engaged
3. Standardization (language and processes)
 - All members of the system use the same words, same acronyms, same way of communicating
 - All processes use the same templates and follow the same deliberate steps
 - The same framework is used in every presentation regarding a decision: **ARCIE** (Approve, Recommend, Consult, Inform, Execute)



Novant's Culture Supports Top Box (cont'd)

Novant's culture embraces:

4. Crisp aim statements
 - Set clear, measurable short- and long-term goals
 - Focus on actionable goals; stay away from fluffy, lofty sounding goals
5. Multiple incremental changes, which lead to transformative change
 - Plan and work on hundreds of little things instead of one large initiative
 - Processes and systems are rethought, revised, and tweaked to continue achieving a precise execution



Top Box Results: Novant

- Novant's results demonstrate their success in improving quality and efficiency
 - A 42% reduction in the rate of Serious Safety Events (defined as SSE/10,000 adjusted patient days) from 2009 to 2010
 - A focus on reducing variation resulted in cost savings of \$32 million in 2009
 - 90% of individual CMS reported metrics in 2010 were in top 10th percentile vs. national benchmarks, and improvement over 2009 performance

Click [here](#) to listen to Greg Beier, president of operations at Novant Health, discuss how reducing variation has led to increased efficiency and clinical performance.

Source: *Novant Health*



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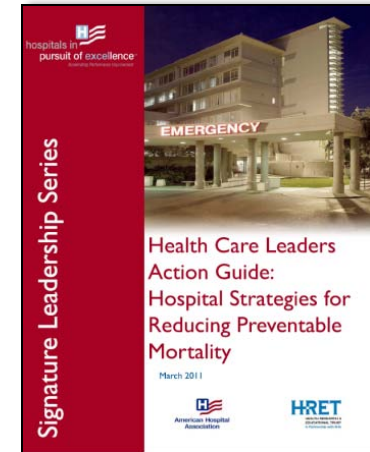
Piedmont Healthcare

- Piedmont Clinic (PHO)
- Four hospitals in Georgia
- 640 physicians; one-third employed by health system
- Piedmont Heart Institute
 - Leadership is integrated matrix-style with the hospitals

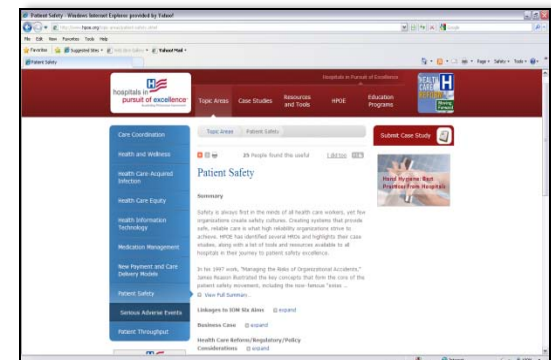


Piedmont's Top Box Strategy

- Strong physician alignment and ultimate goal of clinical integration strategy
- Robust use of clinical data and information systems for performance measurement
 - Focus on cost management and increasing efficiency
 - Overall goal is to improve quality by reducing infection rates and preventable mortality.



Click on the images to read the latest AHA resources on reducing mortality and improving patient safety.



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Physician Alignment

- Shared governance of clinical programs
 - Dyads: One physician and one administrator for every program; creates fiscal accountability for the clinicians
- Quality targets included in their compensation
 - Look at cost-effective measures like congestive-heart failure readmissions and imaging use in the ED
- Open communication channels
 - 1 FTE dedicated to physician communications
 - CEO conducts physician cabinets
 - Dinner meetings to discuss concerns
 - Meet with physicians who are not the “usual suspects”

Click [here](#) to listen to Piedmont Healthcare EVP & CAO Ed Lovern discuss the importance of physician alignment and clinical integration.

Click [here](#) to listen to Piedmont Healthcare EVP & CAO Ed Lovern discuss physician communication and decision making.



Standardize Information and Cost Management Processes

- Invest in an IT system that integrates HR, finance, and supply chain information
 - Helps to manage care and costs
 - Across episodes of care
 - Within different settings
- Standardize supply costs
 - Involve physicians in reducing supply costs to help build physician alignment
 - Ensure that physician choice is retained
 - Show cost savings from standardization to increase physician buy-in
 - Can result in major cost savings



Click on the image to read the latest AHA resources on Health Information Technology.

IT as a Foundation for Clinical Integration

Piedmont Clinical Integration Trust (CIT)

- Data warehouse that gives Piedmont Clinic physicians access to metrics:
 - Patient satisfaction (Press Ganey)
 - CMS core measures (inpatient quality)
 - PQRI performance (CMS Physician Quality Reporting Initiative metrics)
 - Population health (physician compliance with data submission of population health information)
 - Efficiency and cost

Click [here](#) to listen to, Piedmont Healthcare Ed Lovern discuss CIT and the importance of standardizing data.

Source: *Integrated Quality Measures Improve Patient Safety & Care*; Patient Safety & Quality Healthcare, November/December 2010, pgs. 28-31.

Piedmont Clinic's CIT Facilitates Performance Improvement

- Improves Performance Reporting
 - Organizational performance summarized in system risk scorecard
 - PQRI measures on dashboard can be filtered by practice, specialty, or individual physicians
- Promotes Efficiency by Automating Manual Processes
 - CIT automatically identifies patients eligible for patient satisfaction survey including name and address information
 - Negotiated fee schedules from commercial insurers are built into CIT
- Facilitates Population Health Management
 - Patients assigned to physicians can be monitored to ensure that they receive appropriate preventive care
 - Physicians can view quality measures for patients assigned to specific disease populations (diabetes and cardiovascular care)
 - Multiple measures built in to assess entire episode of care (e.g., AHRQ's prevention quality metrics, lab results, medications, vital statistics, procedures, visits)



Top Box Results: Piedmont

- Within nine months of the CIT program, overall performance has improved by 11%
 - The proportion of clinic patients receiving care according to PQR1 standards moved from 32% to 43% affecting the care of 55,000 patients
- After nine months the number of practices submitting bills has doubled. The volume of bills received has nearly quadrupled in the same time frame
- Administrative monitoring functions alert the Piedmont team to inactive software and lapses in file submission, enabling prompt intervention and resolution
- Physician adoption of the web-based dashboard has nearly doubled in nine months (from approximately 150 physicians to almost 300)

Source: *Integrated Quality Data to Improve Care*; The Piedmont Clinic and Recombinant Data 2010 IHI Poster; Piedmont Healthcare.

Banner Health System

- Centered in Phoenix, Arizona
- 23 hospitals including children's, heart, and cancer hospitals
- Locations in Alaska, Arizona, California, Colorado, Nebraska, Nevada, and Wyoming
- Banner Desert Medical Center
 - 549-bed facility in Mesa, Arizona
 - 40,000 inpatients; 65,000 outpatients; 90,000 ED visits
- Cardon Children's Medical Center
 - 248-bed adjoining facility in Mesa, Arizona
 - Recently completed in 2009



Banner's Top Box Strategy

- Banner's strategy for performance improvement is based upon
 1. Creating a culture of accountability that starts with leadership and involves every level of the organization
 2. Consistently communicating and measuring performance measures and initiatives
 3. Identifying and sharing best practices across the health system
 4. Recognizing employees for achieving performance improvement



Performance Starts with Leadership

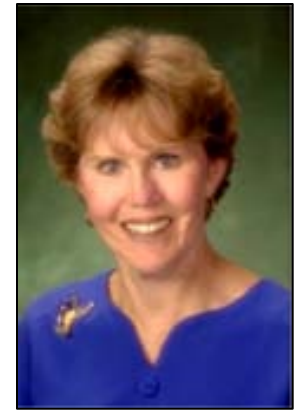
- Banner's board sets performance targets each year
- Senior leadership then identifies initiatives to achieve targets
- Four categories of performance are measured:
 - Operations (patient safety, clinical performance)
 - Leadership (retention)
 - Finance
 - Patient Satisfaction



Communicate & Measure Performance

Banner ensures that performance targets and initiatives are communicated and measured consistently across the system:

- “Gallery Walks”
 - Front-line managers to C-suite leadership participate in 30-minute sessions on each initiative: how it relates to each performance target, and suggested best practices to achieve improved performance
- Weekly Leadership Meetings
 - Focus is on efficiency as well as patient satisfaction
 - Efficiency is measured using a matrix analyzing hours worked
 - Patient satisfaction is measured using a matrix analyzing care rating and “percentage of patients who would recommend”
 - All hospital services are analyzed by cost center



Click [here](#) to listen to Banner Cardon Children's Medical Center CEO Rhonda Anderson discuss their approach to communicating performance initiatives to all employees.



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Accountability at All Levels

- Unit Scorecards
 - Scorecards are posted throughout the hospital in cafeterias, hallways, and other public places for all to see.
 - Cost centers are either at goal (**green**) or not (**red**)
 - Managers within each cost center study their efficiency numbers daily and are expected to make workforce decisions to try to make “**green**” each week
- Part of On-boarding Process
 - During orientation, all new employees meet with direct managers to review the scorecard and identify specific actions that the employee can take to directly impact the performance metrics
- Systemwide Steering Committees
 - One for each performance initiative
 - Share best practices on improving performance from across the system and from external sources
 - Successful best practices are identified and implemented across the system



Recognize Employees for Success

- Performance Improvement Awards
 - Two awards for each of the four performance categories are given to various Banner hospitals that have achieved the best performance at or over target in each of the initiatives
- Employee Financial Incentive
 - If patient experience targets are met or exceeded, as measured by scoring either a 9 or 10 on the Press Ganey survey, then all employees are eligible for a financial incentive payout the past two years



Click [here](#) to listen to Banner Cardon Children's Medical Center CEO Rhonda Anderson discuss creating a culture of performance improvement.



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Top Box Results: Banner Health

- Banner eliminated \$126 million in costs in 2009
- Productivity improved by 4.5% between 2008 and 2009
- Employee turnover percentages decreased from 7.4% to 6.4% between 2009 and 2010
- Banner Health continues to provide high quality of care while remaining financially viable, despite several challenges:
 - Housing crisis has greatly impacted the local economy in Arizona where a majority of Banner hospitals are located
 - Major shifts in payer mix in recent years away from private insurers and toward Medicaid
 - Seasonal differences in volume due to the “snowbird” population



Top Box Results: Banner Children's

- Asthma Home Management Plan (HMP)
 - Despite high satisfaction scores, documentation of Home Management Plan was not occurring consistently for asthma patients at Cardon Children's Medical Center
 - Teams working on performance identified that physicians were not being held accountable for completing the HMP
 - Implemented "2 strikes, and then you go" penalty for physicians. Any physician who failed to document HMP two times, would be sent to discuss the issue with the department chair

	Target	January 2010	December 2010
Composite Score	95.4%	76.7%	92.2%
Use of Relievers	100%	100%	100%
Use of Systemic Corticosteroids	100%	100%	100%
HMP Given to Patient/Family	73%	30%	76.2%



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