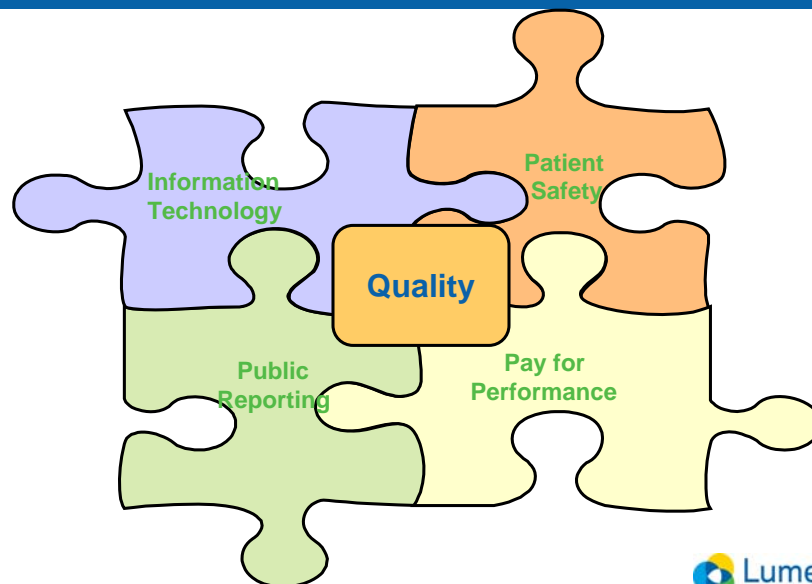




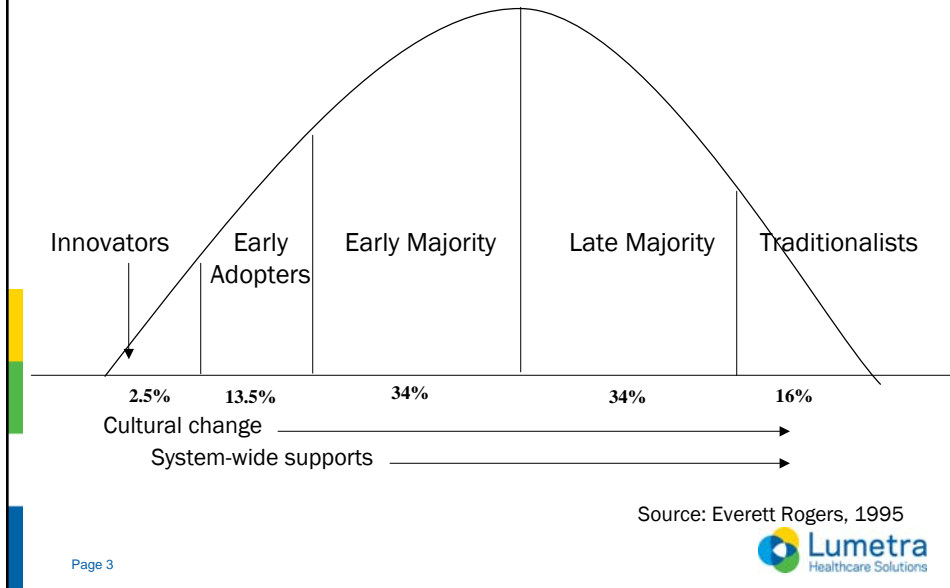
Transformational Change and the Leadership Imperative

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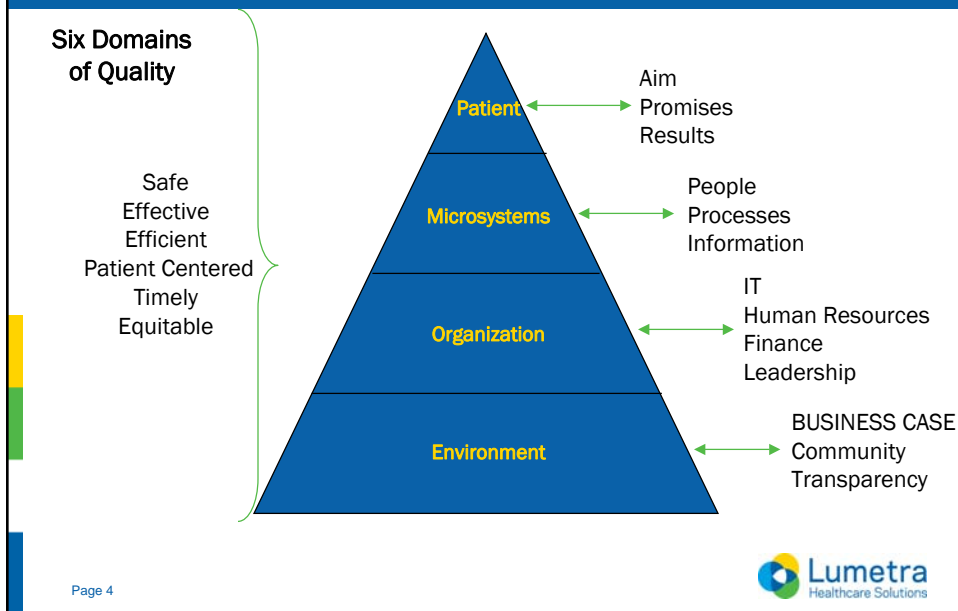
Current Quality Initiatives For California Hospitals



Innovation to Transformation



Levels of Transformational Change



A Business Case for Quality

The Environment that supports the structure of transformational change contains elements of the Business Case- or the *Reason* for superior quality

- Commitment to the Community
- Understanding the need for transparency
- Competition for market share
- Your special elements

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Why is a Business Case so Important?

Because most organizations (like people) need to be pushed or pulled in order to change

- ▶ Pushed to change (e.g.: leapfrog, JCAHO, Medicaid, CMS, Commercial payers)
- ▶ Pulled (rewarded) to change (e.g., prestigious quality awards, financial incentives, increased market share)

(SOURCE: Blair Sadler, President and CEO, Children's Hospital San Diego)

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Why is a Business Case so Important?

- ▶ Public outrage at runaway costs and no perceived value improvement
- ▶ Public and private payor demands
- ▶ Employer demand, Consumer demand
- ▶ Media Reporting
 - Conclusion: *We can run, but we can't hide!*

(SOURCE: Blair Sadler, President and CEO, Children's Hospital San Diego)

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Why is a Business Case so Important?

- ▶ It helps accelerate movement along the innovation curve
- ▶ It helps sustain innovative programs
- ▶ It helps overcome the threshold question: "what's in it for me"

(SOURCE: Blair Sadler, President and CEO, Children's Hospital San Diego)

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The Organization is built upon the Environment

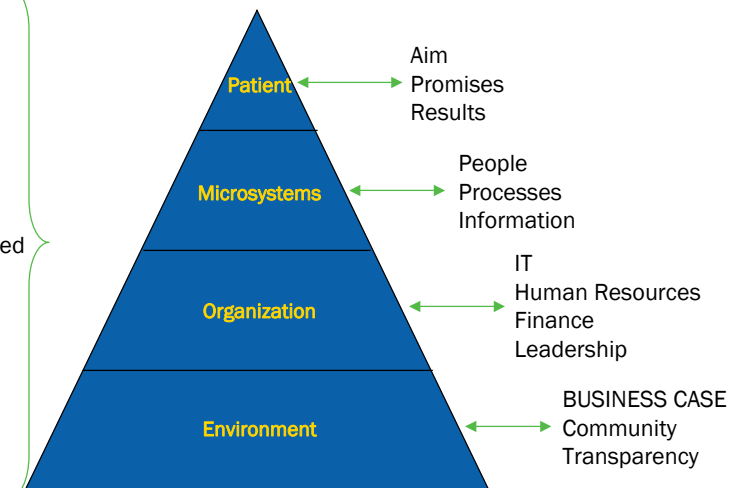
- ▶ Leadership/Design/Direction
- ▶ Financial Resources
- ▶ Human Resources
- ▶ Information Technology

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Levels of Transformational Change

Six Domains of Quality

Safe
Effective
Efficient
Patient Centered
Timely
Equitable



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The CEO is the “Master Teacher”

- Seed the environment with the vision, the reason, the business case. Quality is the Strategy.
- Design and redesign the organization to promote systematic approaches to achieving quality
- Influence physicians to practice medicine as a team.
- Maintain the energy of the organization’s focus.

Governance and Quality

February 27, 2007

Thomas Vaughn, Ph.D.

University of Iowa and VA Center for Research on the Implementation of Innovative Strategies in Practice

Iowa City, IA

The views expressed are those of the author and do not necessarily represent the views of the Department of Veterans Affairs

Leadership Study 2005

- Identify how hospital leadership (board and senior executives) is involved in quality improvement.
- Link survey results to hospital quality outcomes [CareScience's Quality Index (Qx)].
- Share findings to promote a strategic approach to quality improvement in hospitals based on empirical findings.

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Leadership Study-Dashboard Project Goals

- Assess the content of hospital board dashboards.
- Identify the development and implementation practices associated with these dashboards.
- Assess the relationship between dashboards and hospital performance.

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Leadership Study- Collaborating Organizations

- Centers for Medicare and Medicaid Services
- University of Iowa College of Public Health
- Leonard Davis Institute of Health Economics at the University of Pennsylvania
- CareScience
- ActiveStrategy
- National Committee for Quality Health Care
- Solucient
- Hospital Associations from 9 States

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Leadership Survey

- Eighteen-question survey
 - Examines:
 - hospital QI drivers and impediments,
 - reporting methods,
 - board and physician participation in QI, and
 - senior executive incentives.
- Distributed via internet in early 2005 to 1,380 hospitals in 9 states: AZ, CO, IL, IA, MD, NJ, NY, PA, and WI.

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Leadership Study Dashboard Collection and Analysis

- Hospitals from Leadership Survey shared templates of board performance reports (“Dashboards” or “Scorecards”).
- Included six-question survey with request.
 - Examines:
 - Who is given dashboard
 - How often it is reviewed
 - What actions board takes
 - Who determines what is in dashboard
 - How long dashboard has been in place

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Leadership Survey

- 438 usable hospital responses (rate = 32%)
- Local or state government (19%),
Non-profit (76%)
- Rural (45%), Urban < 250K (10%),
Urban 250K-1M (14%), Urban > 1M (32%)
- System (55%)
- Teaching (7%)
- Less than 100 beds (40%), 100-499 beds (54%)
- CEOs (55%), QI execs (25%), CMO/CNO (13%)

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Leadership Survey Findings

Better outcomes are associated with hospitals where...

- The board spends >25% of time on quality issues
- The board receives a formal quality performance measurement report (dashboard)
- There is a high level of interaction between the board and the medical staff on quality strategy

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Leadership Survey Findings (Continued)

Better outcomes are associated with hospitals where...

- The CEO is identified as the person with the greatest impact on QI, especially when so identified by the QI executive;
- The senior executives' compensation is based in part on QI performance.

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Dashboard Content and Quality Findings

Fewer measures on board dashboards are associated with higher performance.

- ▶ The average number of measures in board dashboards for top performing hospitals is 26 measures compared to 30 measures for low performers.
- ▶ The difference is statistically significant.

Dashboard Content Fewer measures are associated with higher quality

MEASURES	Average # of measures per hospital			
	Total (n=139)	Top third (n=46)	Bottom third (n=46)	Sig.
CLINICAL QUALITY, EFFICIENCY & PATIENT SAFETY	17.3	15.6	18.5	
<i>Clinical Quality</i>	11.6	10.0	13.0	yes
<i>Clinical Efficiency</i>	2.7	2.5	2.9	
<i>Patient Safety</i>	3.1	3.1	2.6	
CUSTOMER PERSPECTIVE	2.6	2.3	3.1	yes
FINANCIAL PERSPECTIVE	4.8	4.2	4.6	
EMPLOYEE PERSPECTIVE	2.5	2.0	2.8	yes
OTHERS	1.3	1.5	1.3	
OVERALL AVERAGE	28.6	25.6	30.3	yes

Dashboard Content and Quality Findings

High performers associated with the following:

- Use of dashboards for more than just informational purposes.
 - Linking dashboards to quality improvement projects, daily operations management, and public performance.
- Have dashboards in place more than 2 years.

Conclusions

Better quality seems to be associated with the following:

- More Board time spent on quality
- Board/medical staff collaboration on quality strategies

Conclusions

Better quality seems to be associated with:

- Board oversight through regular reports
 - ▶ Focused (fewer items, Board QI committee involved in design)
 - ▶ More frequent
 - ▶ Used for operational purpose
- CEO seen as a visible leader of quality improvement efforts
- Executive compensation linked to quality targets

Key Questions and Sustainability

- What quality measures need attention?
- What interventions are effective?
- What information do providers need?
- What incentives will change behavior?

Leadership for Transformation

- What does a transformed organization look like?
- How do we get there?

Leadership for Transformation

To change medicine, you need to change your mind:

1. From provider first...to patient first
2. From errors are to be expected...to defect free medicine
3. From diffuse accountability...to rigorous accountability
4. From retrospective QI...to real-time QI
5. From management oversight...to management on-site
6. From we have time...to “we have no time”

Adapted from Kaplan and Rona, Virginia Mason Medical Center, at the 16th Annual National Forum on Quality Improvement in Health Care 12/14/04

Take Heart

There is a right thing to do with regard to quality of care: improve it.
If that takes courage, so be it.

-- Donald Berwick