

Sustaining Improvement in Your Healthcare System: Using the Baldrige Framework to Manage Tactics



**A Governance Institute Webinar
May 3, 2017**

11:00 A.M. PT/2:00 P.M. ET

Presented By:

Rulon F. Stacey, Ph.D.

Managing Director

Kathleen J. Goonan, M.D.

Managing Director

NAVIGANT

Today's Presenters



Kate Goonan, M.D.
Managing Director

- Member of Navigant's performance excellence practice
- National expert in performance excellence, academic health centers, and systems
- 25 years of physician executive experience across systems, medical groups, and health plans
- Former judge for the AHA Quest for Quality and Baldrige National Quality Awards
- Former executive director of the MGH Center for Performance Excellence



Rulon Stacey, Ph.D.
Managing Director

- Member of Navigant's performance excellence practice
- Leads Navigant's leadership institute that supports cultural and organizational changes toward a value-based environment
- Approximately 30 years of healthcare experience
- Named twice as one of Modern Healthcare's top 100 most influential people in American Healthcare
- Former chair of the board of directors of the American College of Healthcare Executives

Learning Objectives

After viewing this Webinar, participants will be able to:

- Describe the difference between process improvement and performance excellence, including the benefits of thinking and acting like a system.
- Discuss how high reliability, LEAN, Six Sigma, Magnet, and other tactics are important, but insufficient in maximizing organization-wide performance when used alone.
- Explain the critical role of governance in this process and how boards can guide improvement in the long term.

Continuing Education Credits Available:

Jointly Accredited Provider: The Governance Institute, a service of NRC Health, is accredited by the Accreditation Council for Continuing Medical Education (ACCME), the Accreditation Council for Pharmacy Education (ACPE), and the American Nurses Credentialing Center (ANCC) to provide continuing education for the healthcare team.

The Governance Institute, a service of NRC Health, designates this live activity for a maximum of **1 AMA PRA Category 1 Credit(s)**[™]. Physicians should claim only the credit commensurate with the extent of their participation in the activity.

The Governance Institute is authorized to award **1 hour of pre-approved ACHE Qualified Education credit** for this program toward initial advancement, or recertification, of FACHE. Participants in this program who wish to have the continuing education hours applied toward ACHE Qualified Education Credit must self-report their participation. To self-report, participants should log into their MyACHE account and select ACHE Qualified Education Credit.

Criteria for successful completion: Webinar attendees must complete evaluation survey and include their name and degree (M.D., D.O., other) at the end of the survey in order to receive education credits. Evaluation survey link will be sent to all registrants in a follow-up email after airing of the Webinar.



JOINTLY ACCREDITED PROVIDER[™]
INTERPROFESSIONAL CONTINUING EDUCATION




Disclosure Policy

As a Jointly Accredited Provider, The Governance Institute's policy is to ensure balance, independence, objectivity, and scientific rigor in all of its educational activities. Presentations must give a balanced view of options. General names should be used to contribute to partiality. If trade name are used, several companies should be used rather than only that of a single company. All faculty, moderators, panelists, and staff participating in The Governance Institute conferences and Webinars are asked and expected to disclose to the audience any real or apparent conflict(s) of interest that may have a direct bearing on the subject matter of the continuing education activity. This pertains to relationships with pharmaceutical companies, biomedical device manufacturers, or other corporations whose products or services are related to the subject matter of the presentation topic. Significant financial interest or other relationships can include such thing as grants or research support, employee, consultant, major stockholder, member of the speaker's bureau, etc. The intent of this policy is not to prevent a speaker from making a presentation instead, it is The Governance Institute's intention to openly identify any potential conflict so that members of the audience may form his or her own judgements about the presentation with the full disclosure of the facts. It remains for the audience to determine whether the presenters outside interests may reflect a possible bias in either the exposition or the conclusion presented. In addition, speakers must make a meaningful disclosure to the audience of their discussions of off-label or investigational uses of drugs or devices.

All faculty, moderators, panelists, staff, and all others with control over the educational content of this Webinar have signed disclosure forms. The planning committee members have no conflicts of interests or relevant financial relationships to declare relevant to this activity. None of the presenters have any conflicts of interest or relevant financial relationships to disclose.

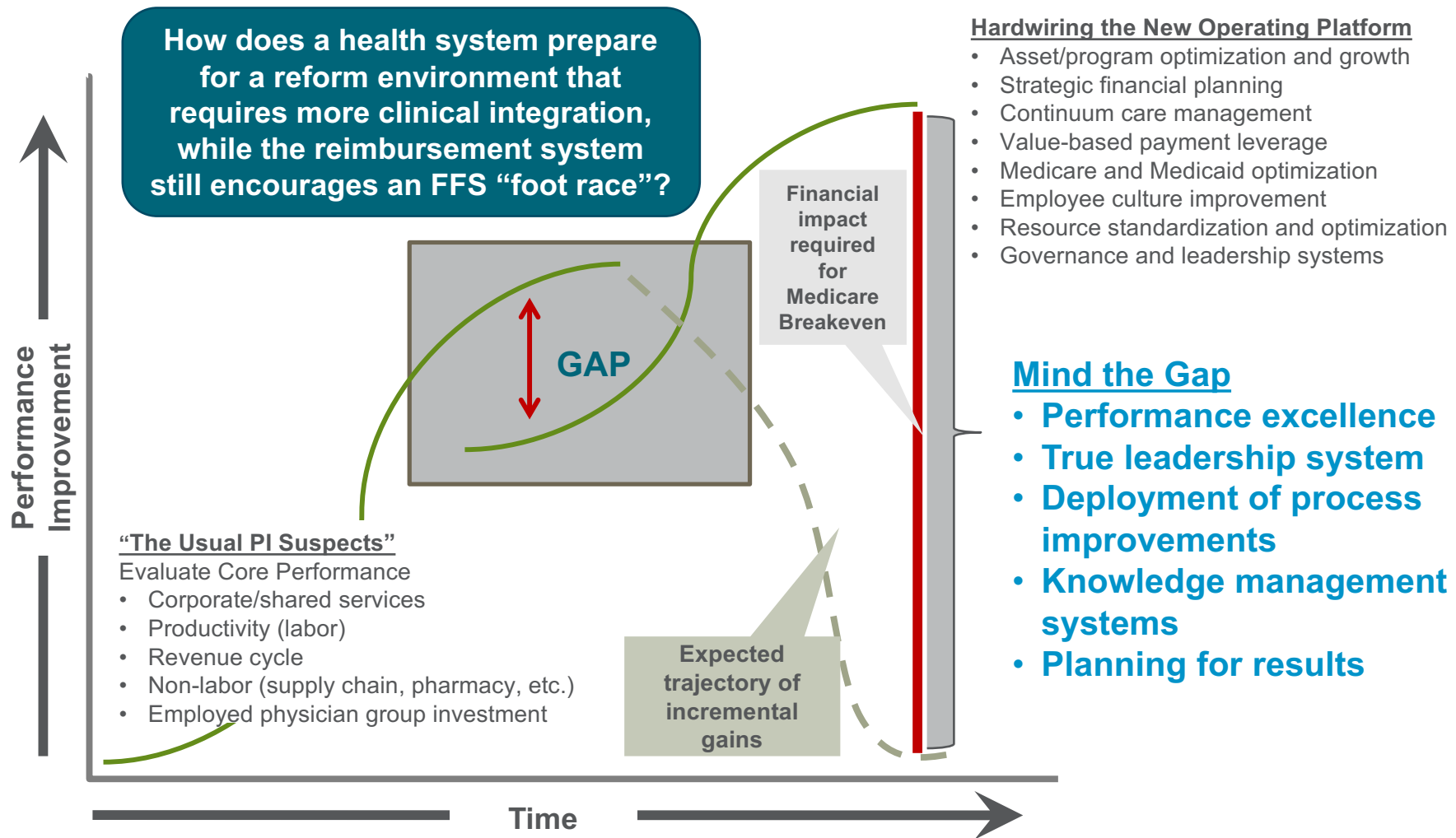
This educational activity does not include any content that relates to the products and/or services of a commercial interest that would create a conflict of interest. There is no commercial support or sponsorship of this conference.

None of the presenters intend to discuss off-label uses of drugs, mechanical devices, biologics, or diagnostics not approved by the FDA for use in the United States.



CURVE 2
TRANSFORMATION,
BALDRIGE, AND
HIGH RELIABILITY

Effectively Moving toward Medicare Breakeven Requires a Combination of Traditional and Reform-Based Levers

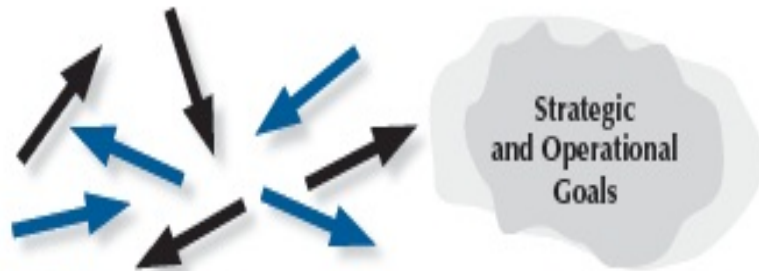


Concept Source: Futurist Ian Morrison; Institute for Health Improvement

Ever Feel Like This?



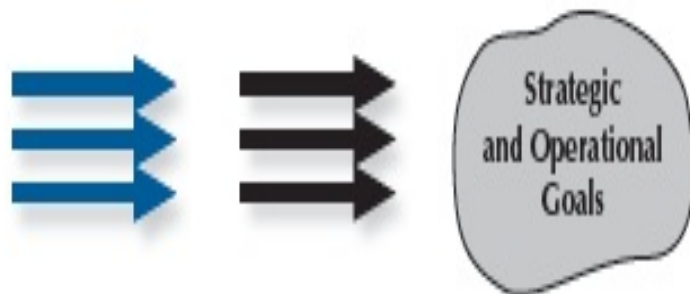
Steps toward Mature Processes



Reacting to Problems (0–25%)



Early Systematic Approaches (30–45%)



Aligned Approaches (50–65%)



Integrated Approaches (70–100%)

Business Case for Baldrige

Improved Quality, Lower Healthcare Costs

- Baldrige users with national award site visits:
 - Faster five-year performance improvement than peers
 - 83% more likely to be among Thomson Reuters' 100 Top Hospitals®
 - Outperformed non-Baldrige hospitals on 6 of 7 100 Top Hospitals measures

Source: D. A. Foster and J. Chenoweth,
*Comparison of Baldrige Award Applicants and
Recipients with Peer Hospitals on a National
Balanced Scorecard*, Thomson Reuters, Oct. 2011.

Comments From Baldrige Users

“[We adopted the Baldrige framework] to really know whether we were getting better and...benchmark ourselves against organizations, not just in our industry but across industries.... [Baldrige provided us] a disciplined and organized process to get better as an organization, external expertise, and someone who can give us feedback on where we’re going as an organization.”

David Huffstutler, President & CEO
St. David’s HealthCare, Austin, TX
2014 Baldrige Award Recipient

St+David’s HEALTHCARE

Adoption of Baldrige Practices

Adoption of the Baldrige Framework Results:

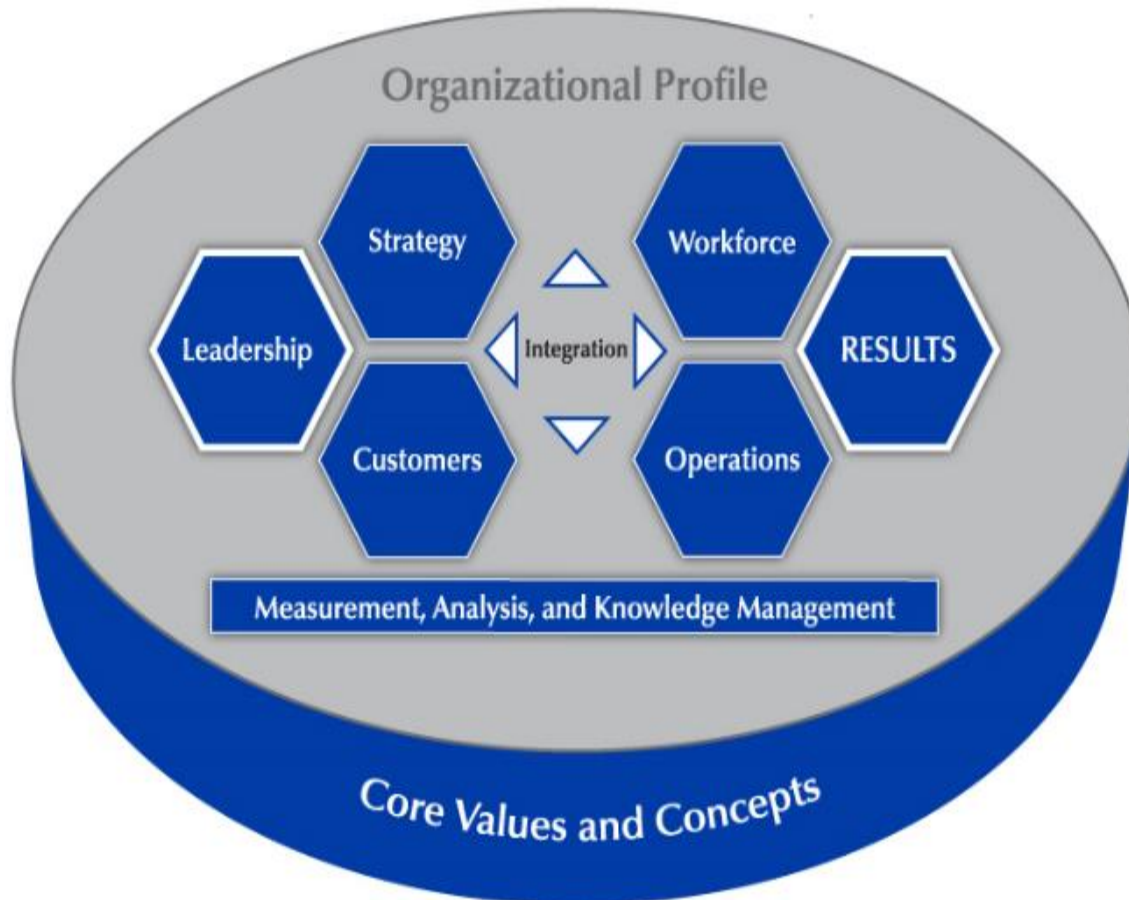
- “Top 100” hospitals winners extensively use Baldrige practices (80%)
- Highest formal use: teaching hospitals (nearly 70%)

Source: J. Shook and J. Chenoweth, *100 Top Hospitals CEO Insights: Adoption Rates of Select Baldrige Award Practices and Processes*. Truven Health Analytics, Oct. 2012.

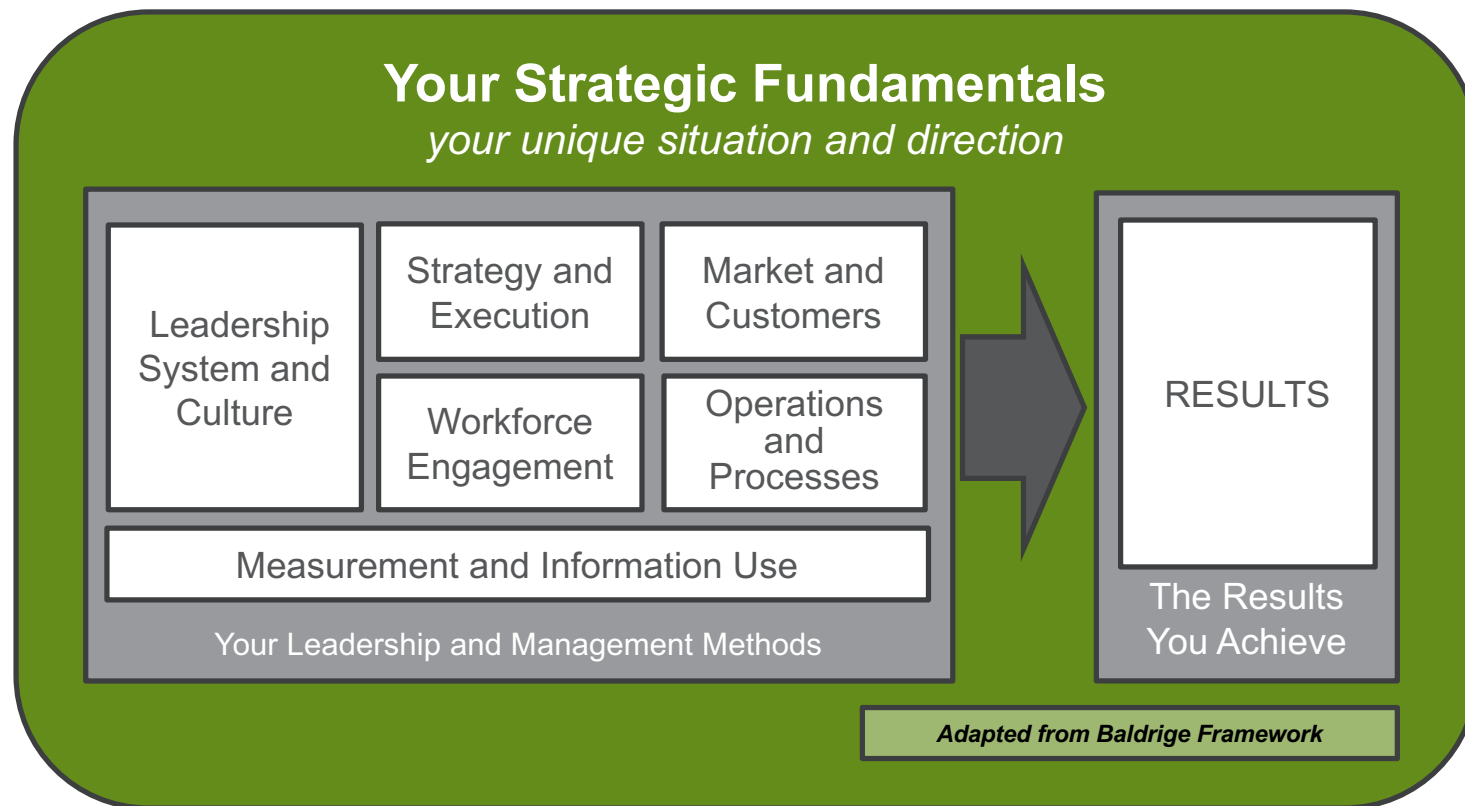
Business Case for Baldrige

- Test the gold standard transformation framework in one division
 - *Build a high-performance, integrated system*
- Align and standardize across business units
 - *Build a goal cascade process – “line of sight”*
- Focus and integrate organizational activity
 - *Take non-aligned activity off the plate*
- Drive comprehensive enterprise results
 - *CMS star ratings, financial, growth*

Baldrige Performance Excellence Framework



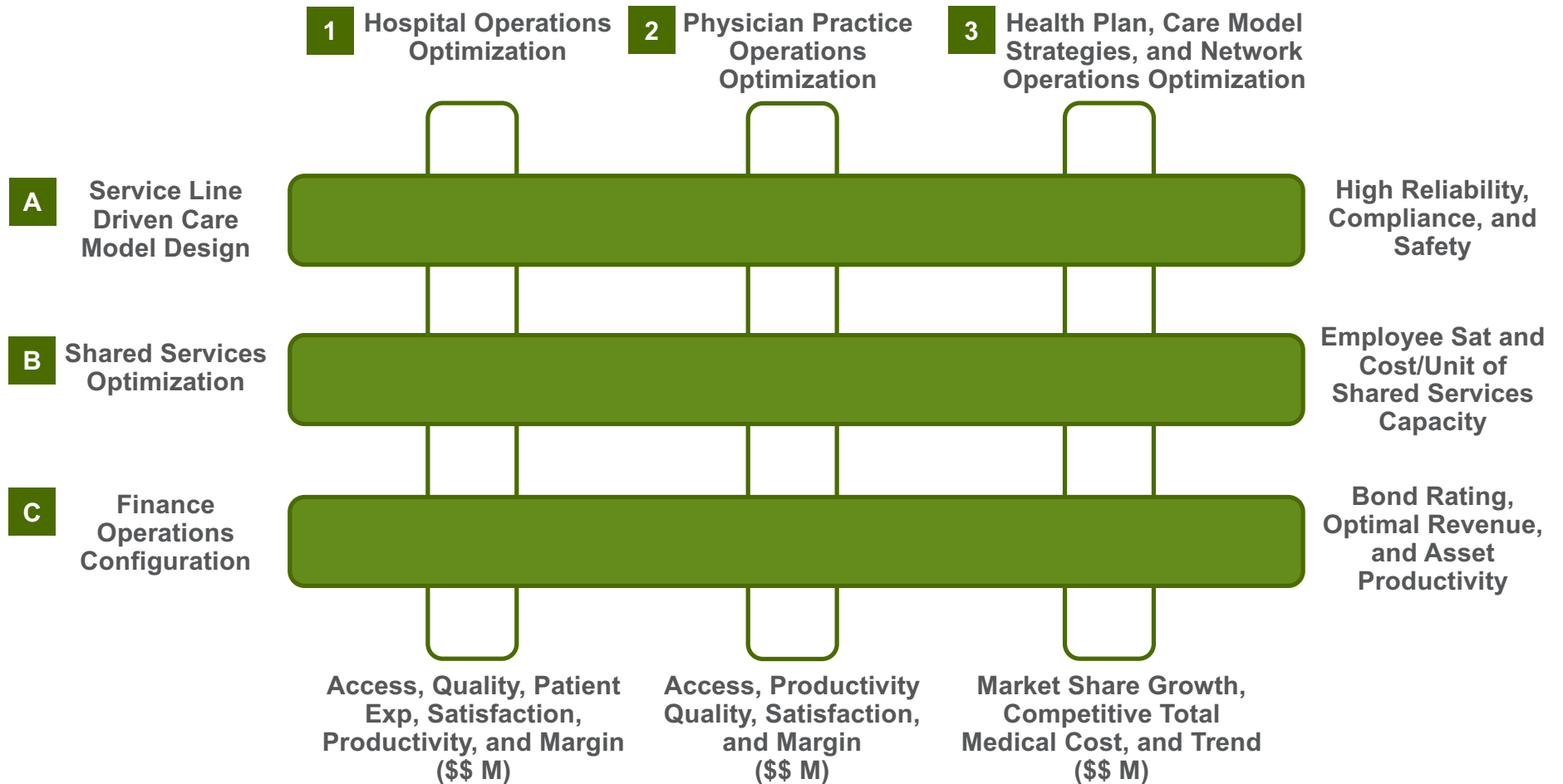
Navigant's Blueprint for Organizational CAPABILITIES



**Purposefully aligned with key elements of high reliability including:
leadership, safety, cultural blueprinting, reliable care blueprinting**

A Potential Blueprint for Performance Improvement and Sustainability

Here's a framework for consideration, based on our research/experience

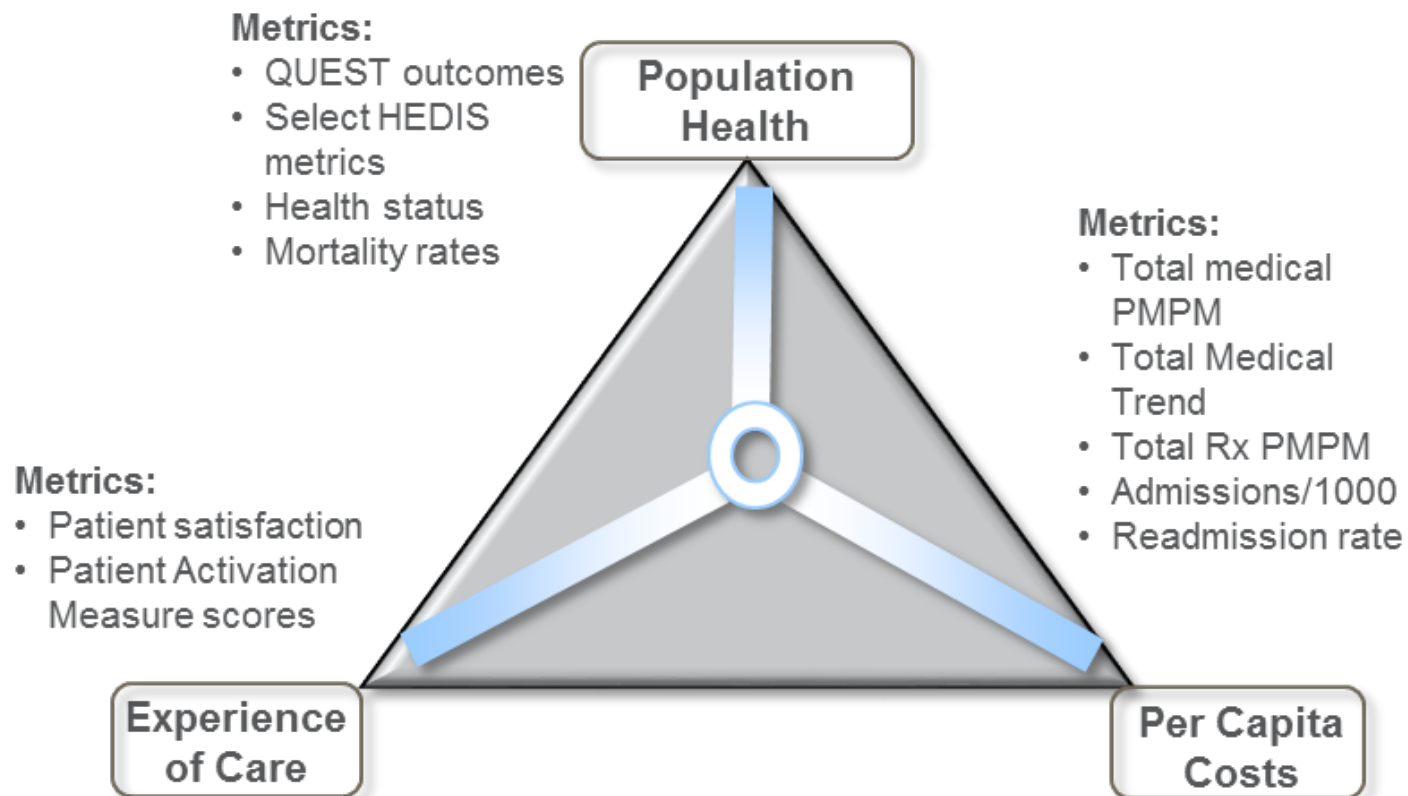




THE TRIPLE AIM

Understanding the Position and Strategy around the Triple Aim

“Improving the health of the population, enhancing the experience and outcomes of the patient, and reducing per capita cost”

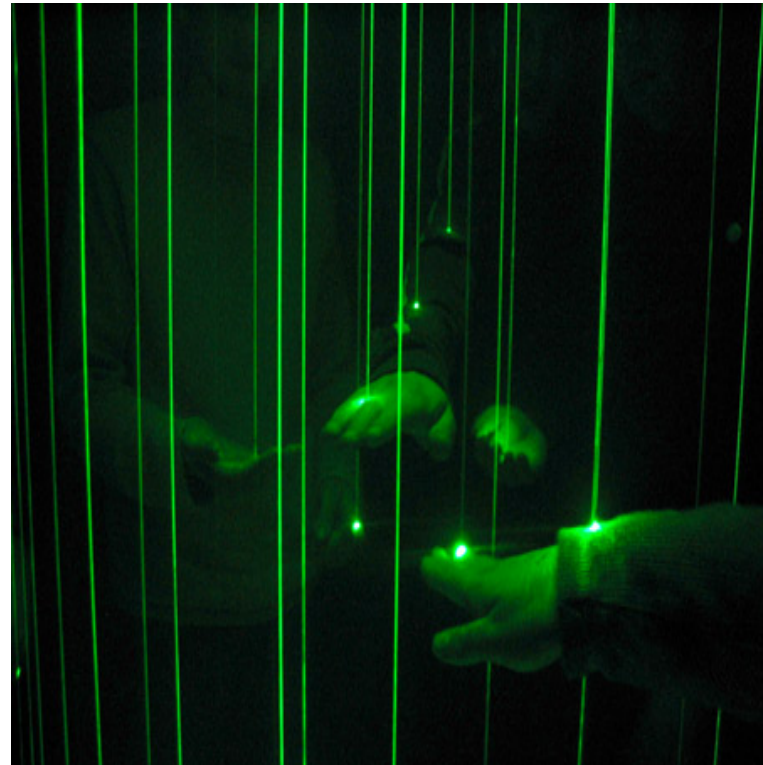




APPROACH TO
PERFORMANCE
EXCELLENCE

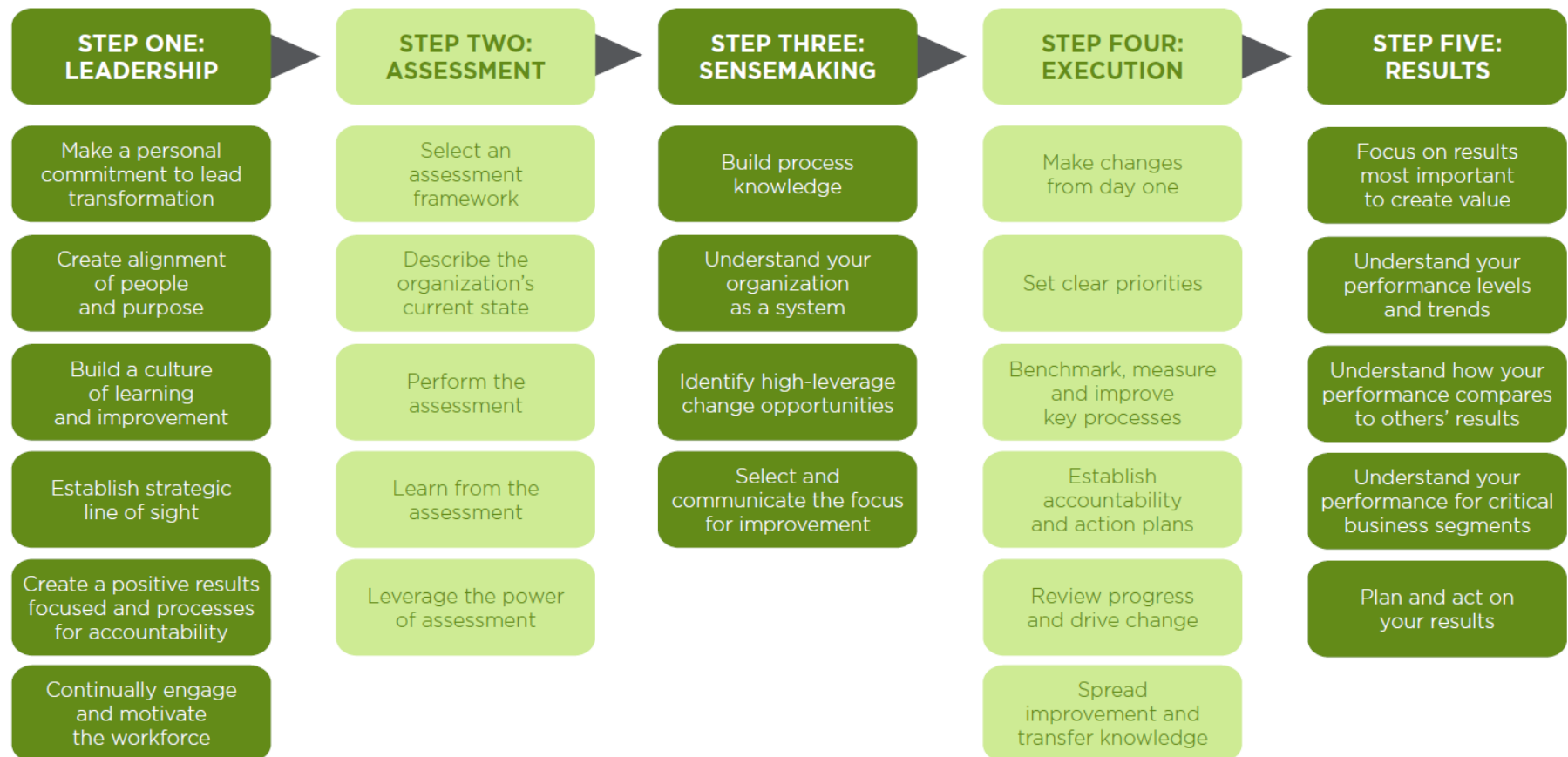
LASER: Roadmap for Transformation

- **L**eadership
- **A**ssessment
- **S**ensemaking
- **E**xecution
- **R**esults



LASER: Roadmap for Transformation

NAVIGANT PERFORMANCE STRATEGIES LASER PROCESS



Blueprint for Performance Excellence

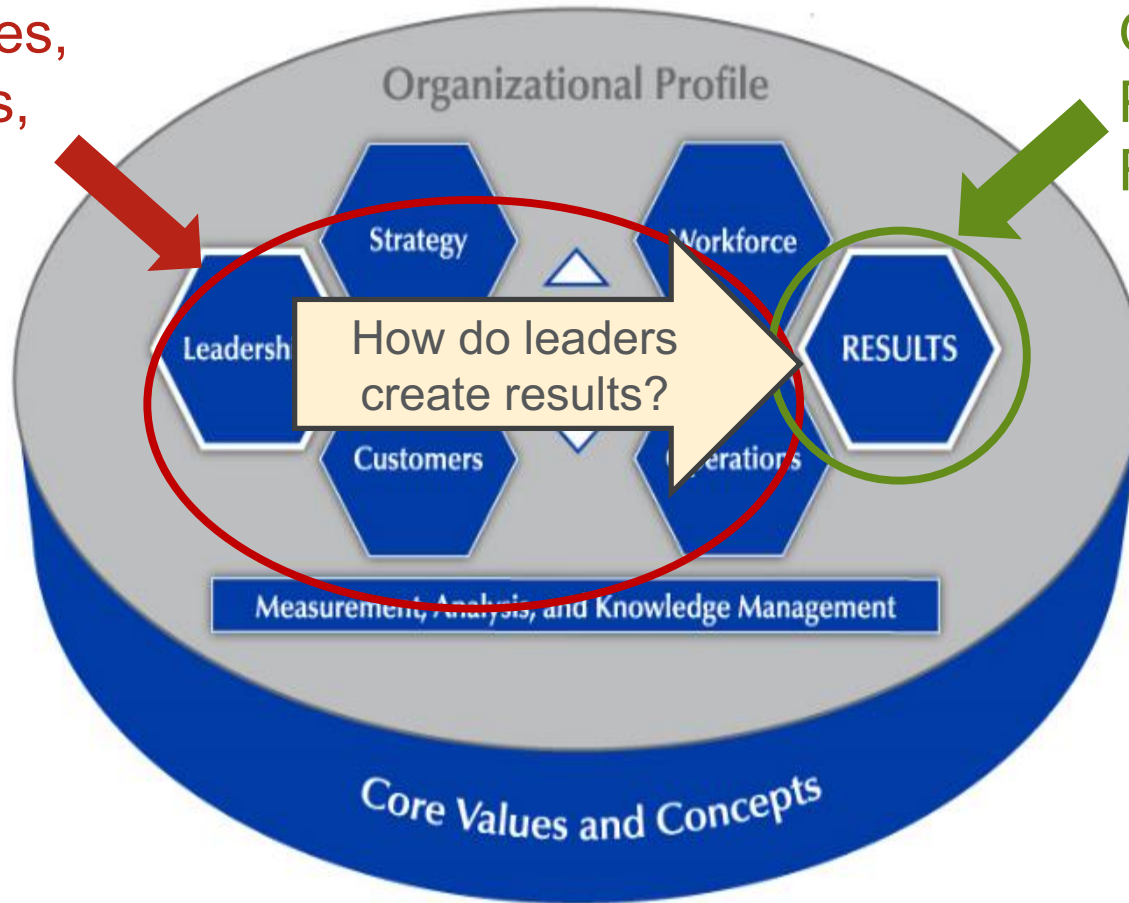
Your Unique
Strategic
Context



- Vision, strategy
- Customers, market
- Partners, stakeholders
- Competition
- Performance improvement system

Blueprint for Performance Excellence

Approaches,
Processes,
Tactics



Organizational
Performance
Results

Diagnostic Test: Linking the Pieces

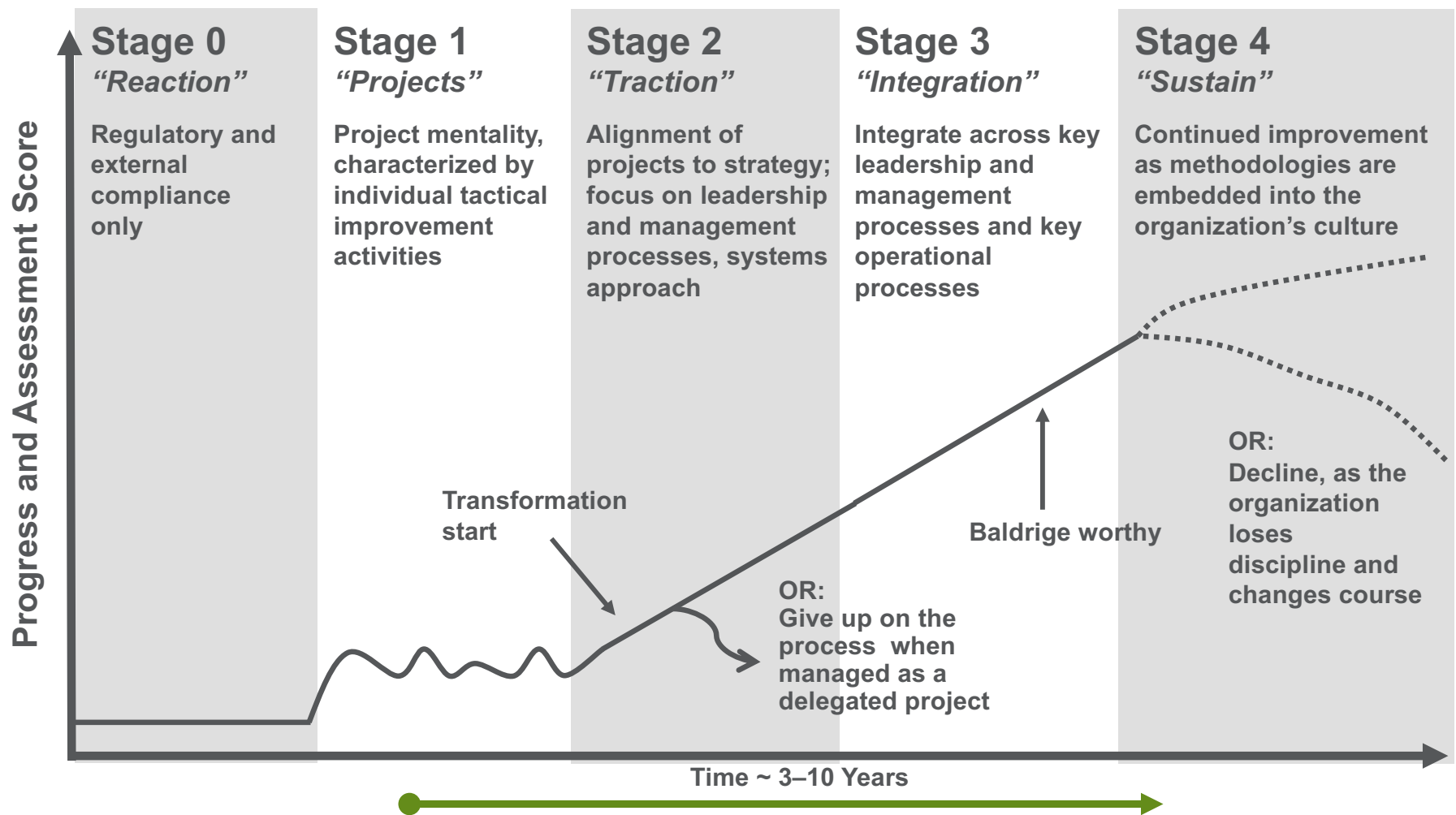
Great organizations link it all together: what's important, what they do, and what they measure



Baldrige = Blueprint for Tactics



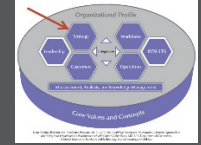
Transformational Journey





SAMPLE
ASSESSMENT
DELIVERABLES

2.2 Strategy Implementation Champion:



Strengths

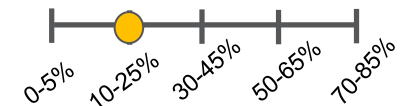
1. Strategic deployment process redesigned to adjust to changes in leadership expectations
2. Alignment of financial and other resources; cascade to campuses
3. Cascading of SP goals and tactics to caregivers and setting individual goals

OFIs

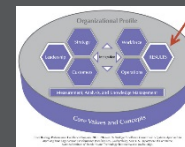
1. Measures to monitor and track achievement of action plans
2. Mixed understanding of deployment and effectiveness to engage and align efforts of cascading goals to caregivers
3. Vetting and ensuring alignment of resources and direction
4. Performance projections for pillars; projections of competitors performance

Action Steps

1. Develop approach to identify/monitor AP implementation
2. Evaluate the effectiveness of cascading goals and expectations to caregivers; alignment/integration of resources and engagement
3. Develop a systematic approach for performance projections



7.5 Financial and Market Results Champion:



Strengths

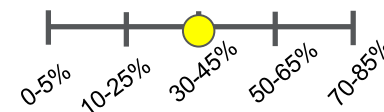
1. Beneficial financial outcomes
2. Some growth results demonstrate at or above threshold results
3. Most 2014 results for pillar: develop and thrive under new care delivery and economic models are at or above threshold
4. Comprehensive and strong market share and volume trended with overall good performance against competitors in some key services areas

OFIs

1. Trends of some growth and financial data performance
2. System level trends and comparative data

Action Steps

1. Coordinate efforts with Category 4 team to develop a system approach to presenting financial and market performance as trended data with appropriate comparatives to top performers and key competitors



QUESTIONS?

Contact Us



RULON F. STACEY, PH.D.

Managing Director

(312) 583-5870

rulon.stacey@navigant.com

KATHLEEN J. GOONAN, M.D.

Managing Director

(215) 832-4403

kate.goonan@navigant.com

JUSTIN ROEPE

Associate Director

(678) 845-7645

justin.roepe@navigant.com



The Governance Institute
9685 Via Excelencia, Suite 100
San Diego, CA 92126
Toll Free (877) 712-8778
Info@GovernanceInstitute.com