Volume 17, No. 1 • January 2020

E-Briefings

New research and expert opinions in the area of hospital and health system governance.

Governance and Quality: Ideas for 2020

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Over the past 15 years, most hospital boards have adopted a variety of good governance practices to improve the oversight of quality and safety in their organizations. Some of these practices include board quality committees, standard inclusion of a quality report on board meeting agendas, and increased transparency around safety events and root cause investigations. Over the same time period, there has been an explosion of quality measures and metrics that hospitals and providers are required to collect and submit to various agencies like CMS, payers, and other third parties.

One unintended consequence of the collection and reporting of so many measures is how it has impacted the role and function of many board quality committees. In some hospitals, the board quality committee meetings now largely consist of reviewing many process measures without a clear understanding of which measures are strategically important, which are fundamental to current improvement efforts, and which are being reported simply because they are collected and reported externally. That is a mistake but follows a familiar pattern.

As a parallel, some board finance committees still spend too much time receiving detailed reports on last month's accounting and budget details instead of focusing on the bigger picture of overall financial performance and strategy. At least when the financial staff dive into the minutia, most board finance committee members bring enough external experience to the table to understand how the detail relates to overall financial performance. Not so much for most board quality committee members.

Boards and their quality committees need to broaden their thinking and oversight with respect to quality and safety. Sixty years ago, Avis Donabedian, a researcher at the University of Michigan, wrote a series of papers and articles about how we should think about and evaluate healthcare quality. He hypothesized that to understand quality, you had to look at the structure, the process of care, and the outcomes of care. Structure includes quality of facilities, professional training, accreditation, licensure, management, technology, and policy. Structure supports the diagnostic and treatment processes delivered in the organization, which then produces outcomes for patients. Historically, when board members were asked about quality in their hospitals, they would often

Key Board Takeaways

Asking good questions is key to effective governance. But when it comes to quality, many board members are unsure of the kinds of questions that they should be asking. Asking good governance questions does not require deep content or subject matter knowledge. Instead, good governance questions are about aims, direction, and efforts. Here are five governance questions that any board member should be comfortable asking about quality and safety efforts in their hospital or healthcare delivery organization:

1. What are the important quality and safety results we should be monitoring?
2. Where is our performance now?
3. How good do we want or need to be and how does that compare to the "best"?
4. What is our strategy for improvement or "getting there"?
5. What resources are we committing to these efforts and are we doing enough?

Note that these questions do not require technical or subject matter knowledge but are directional and oversight questions. Setting direction, ensuring that a strategy is in place, and making sure that adequate resources are in place to achieve the desired results are all fundamental to good governance and board performance.

give a structure-based response by describing the new facilities, quality of the medical staff, having good employees, having the latest technology, or being well run. That view was not wrong, but just incomplete. It is also an incomplete view to focus the majority of governance attention on process of care measures as a proxy for quality.

A broader view is for board quality committees to focus on high-level outcome measures as well as the strategies being deployed to improve outcomes in patient experience, clinical care, access, efficiency, equity, and safety. This does not mean quality committees should ignore process measures and structure issues. Instead, those items should be reported and reviewed in such a way that they provide support and are connected to outcomes.

Improving Quality Oversight

There are a number of ways that boards and their quality committees can sharpen the focus on outcomes and the strategies to achieve desired levels of quality and safety performance. Here are four ideas to think about trying in 2020.

Set aggressive, board-level multi-year aims for quality and safety performance. If you are the patient, what is the right target for patient harm events like falls, medication errors, wrong-site surgeries? From a personal perspective, the answer is always zero. Yet most organizations tend to set less-than-aggressive goals for key quality and safety measures largely because of the fear of not achieving the goal. It is the board's duty to set clear expectations about "how good we want to be" from the perspective of the community served, not just the internal organizational perspective.

> While all of the public and government rating and ranking systems are imperfect, boards should be aware of how their organization is being viewed externally.

Ensure that management have clear strategies to achieve your stated organizational aims for quality and safety. More than simply reviewing the numbers, boards and quality committees should be asking management about the strategies being pursued to actually improve the desired outcomes. Most hospital strategic plans have a placeholder for strategic quality and safety goals. What is really important is how the organization is planning to achieve those aims. Boards need to ensure that plans are in place and tactics and initiatives are appropriately resourced.

Simplify data and dashboard displays—what story are you trying to tell? Quality and safety measures should be organized in a way to tell stories. Any board member looking at the dashboard or display should be able to understand why the measures being displayed are important and how they relate to the overall organizational quality goals. One simple way is to organize dashboards by context. You might have a patient safety dashboard that displays an overall safety measure with sub-measures for things like falls, infections, and harm events. A second dashboard or scorecard could display the high-level board quality aims and the key measures that are being worked on to drive improvement. And, if there are measures that are simply being reported for quality control purposes, they should be organized separately from active improvement efforts. Run charts are helpful for telling the story of improvement over time. Every dashboard should tell a story.

Understand how your organization compares on publicly available quality and safety rating and ranking systems. While all of the public and government rating and ranking systems are imperfect, boards should be aware of how their organization is being viewed externally. Good ratings and rankings find their way to the hospital Web site. But if your organization is consistently being rated low or average across multiple rating systems, it is a signal that should be visible to the board and not be ignored. Payers, regulators, competitors, and even some patients look at and draw conclusions about your hospital from these online systems. While many of us would like raters and rankers to go away and find fault with their methodologies, the pressure for increased transparency about performance is only growing stronger.

Conclusion

In 2020, boards and board quality committees should strive to begin seeing and thinking about the forest, not just the trees. The triad of structure, process, and outcomes is a useful construct for broadening thinking and organizing governance.

The Governance Institute thanks Michael Pugh, President, MdP Associates, LLC, for contributing this article. He can be reached at michael@mdpassociates.com.