

GOOD GOVERNANCE CASE STUDY

AN ONLINE SERIES BY THE GOVERNANCE INSTITUTE

St. Luke's Health System: Setting the Foundation for Continuous Quality Improvement

A Case Study Series Featuring Honorees from
The Governance Institute's Health System Quality Honor Roll 2022

DECEMBER 2023



A SERVICE OF

nrc
HEALTH



The Governance Institute®

The essential resource for governance knowledge and solutions®

1245 Q Street, Lincoln, NE 68508

(877) 712-8778

 [GovernanceInstitute.com](https://www.GovernanceInstitute.com)

 [/The Governance Institute](https://www.linkedin.com/company/The-Governance-Institute)

 [/thegovinstitute](https://twitter.com/thegovinstitute)

Stephen W. Kett Chief Executive Officer

Cynthia Ballow Vice President, Operations

Kathryn C. Peisert Editor in Chief & Senior Director

Glenn Kramer Creative Director

Kayla Wagner Senior Editor

Aliya Flores Editor

Laura Simmons Assistant Editor

The Governance Institute is a service of NRC Health. Leading in the field of healthcare governance since 1986, The Governance Institute provides education and information services to hospital and health system boards of directors across the country. For more information about our services, please call toll free at (877) 712-8778, or visit our Web site at [GovernanceInstitute.com](https://www.GovernanceInstitute.com).

The Governance Institute endeavors to ensure the accuracy of the information it provides to its members. This publication contains data obtained from multiple sources, and The Governance Institute cannot guarantee the accuracy of the information or its analysis in all cases. The Governance Institute is not involved in representation of clinical, legal, accounting, or other professional services. Its publications should not be construed as professional advice based on any specific set of facts or circumstances. Ideas or opinions expressed remain the responsibility of the named author(s). In regards to matters that involve clinical practice and direct patient treatment, members are advised to consult with their medical staffs and senior management, or other appropriate professionals, prior to implementing any changes based on this publication. The Governance Institute is not responsible for any claims or losses that may arise from any errors or omissions in our publications whether caused by The Governance Institute or its sources.

© 2023 The Governance Institute. All rights reserved. Reproduction of this publication in whole or part is expressly forbidden without prior written consent.

St. Luke's Health System: Setting the Foundation for Continuous Quality Improvement

In 2022, The Governance Institute conducted our second iteration of research looking into the quality performance of multi-hospital systems. Our goal is to identify systems that have consistently high quality of care across all hospitals and learn from those systems. We are focusing our research on systems in particular due to the expansion of hospital consolidation over the past decade touting the benefits to include reducing clinical variation, increasing standardization, and therefore improving quality while lowering the total cost of care. We have been interested in learning from systems that have made progress on these goals, exploring what they believe are the specific actions of the senior leadership team and board that have enabled consistent high performance across the hospital members of their systems.

Our updated research methodology employed the most recently available set of CMS Star Ratings to generate a CMS Quality Rating. We used NRC Health's Market Insights data to create a parallel Consumer Quality Rating, in each case rolling up hospital-level data into system-level indices. We then identified the multi-hospital systems (i.e., at least two hospitals and with greater than 25 beds) that performed at least 1 standard deviation above the mean on both indices to create our 2022 Honor Roll list.

Next, we spoke with system leaders, executives responsible for quality, and board members at several of the Honor Roll organizations to learn more about what they believe is driving their success, with a specific focus on the actions taken by senior leaders and governing boards.

This case study features the lessons learned from St. Luke's Health System, an Idaho-based, not-for-profit health system with eight medical centers including Idaho's only children's hospital and over 370 clinics. It summarizes a presentation facilitated by Michael D. Pugh, M.P.H., President, MdP Associates, LLC and Governance Institute Faculty, where Jodi Vanderpool, M.B.A., LNHA, CPPS, HACP, Vice President of Quality Operations, and Dan Krahn, Board Member, shared their quality improvement efforts at The Governance institute's September 2023 Leadership Conference in Colorado Springs, Colorado.

Key Board Takeaways

Several factors have led St. Luke's Health System to have consistently high quality of care across all its hospitals, including:

- Quality and safety are tied to the mission and integrated into the strategic plan, ensuring it is always top of mind for leadership and the board.
- Management and governance have clear roles related to quality oversight, allowing them to effectively work together to achieve results.
- Quality data is utilized system-wide to understand performance, how the system and its hospitals compare to peers, and to set goals and make improvements.
- There is a strong commitment—from the frontline staff up to the board—to achieving their goal of zero preventable harm.
- A culture of safety encourages reporting, learning, and a just culture.
- The system is working toward being a high-reliability organization to optimize their efforts to provide high-quality care.

Leadership's Collaborative Approach to Achieving Excellence

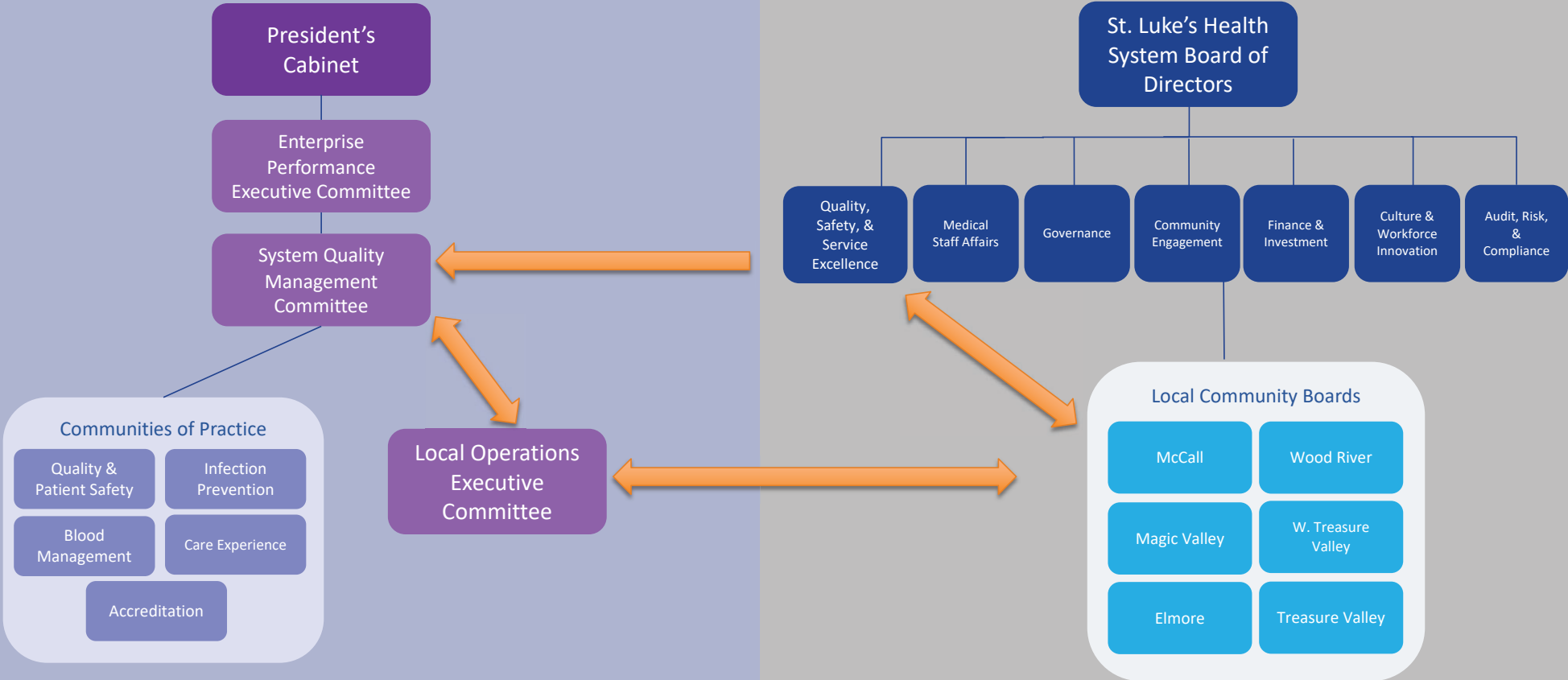
St. Luke's has a deep commitment to continuous quality and safety improvement. Leadership is focused on excellence and strongly believe that this is critical to achieving the organization's mission and vision. Quality and safety are embedded in St. Luke's strategy framework. Advancing the safety of the care provided, the safety of clinicians and staff, and the health outcomes for patients is their top strategic objective, along with improving access and affordability. Senior leaders and the board have positioned quality to be at the forefront of all that they do so that it is always top of mind.

Board commitment and executive leadership focus is key to achieving quality goals and setting a culture of safety. To ensure effective governance and collaboration across the system, St. Luke's developed a quality interaction model that helps clarify who is involved in leading quality efforts and what their roles are (see **Exhibit 1**).

Exhibit 1: System Governance: Quality Interaction Model

Management

Governance



Management oversees the operations side of quality and the system and local community boards respect and understand that, ensuring they remain focused on governance. Management is supported by the quality and patient safety communities of practice, which is a group that helps enable best-practice adoption across the organization. “We want to make sure that we are getting collaborative input, so the communities of practice have representation across our different locations in our smaller hospitals, larger hospitals, and the children’s hospital as well,” said Vanderpool. “These groups help us identify efforts and initiatives that we are going to be putting into place across the health system.”

“We recognize that our smaller, maybe more rural communities are going to have different challenges than our larger hospitals. Hearing from our local community boards really helps to ensure that their information, their voice, and the impact they have on our health system is very clear.”

—Jodi Vanderpool, M.B.A., LNHA, CPPS, HACCP

The communities of practice then share input with the system quality management committee (chaired by Vanderpool), which collaborates directly with both the health system operations executive committee and the quality safety service and excellence committee of the board.

The system’s 17-member quality and safety excellence committee’s responsibilities are to:

- Guide, govern, and focus the quality strategies, goals and processes for the hospitals, units, and clinics of the system.
- Oversee the delivery of quality patient care, safety, and service excellence at each site and across the system.
- Have primary oversight for quality, safety, service excellence, accreditation and risks related to patient care, including employee and provider safety and appropriate utilization of services.
- Review employee and provider experience, engagement, and development.
- Assist the board in fulfilling its responsibility to maintain accreditation compliance, mitigate clinical risk, and monitor improvements in patient care and safety.

St. Luke’s six local community boards each have a representative that sits on the system’s quality and safety excellence committee. “Having community boards has made a big difference for us,” said Vanderpool. “We recognize that our smaller, maybe more rural, communities are going to have different challenges than our larger hospitals. Hearing from our local community boards really helps to ensure that their information, their voice, and the impact that they have on our health system is very clear.”

The quality interaction model St. Luke's created has allowed the system to be intentional in ensuring that governance is focused in the right areas, community boards are providing local insight, and the board is receiving the information it needs to lead.

St. Luke's Mission, Vision, and Values

Mission: To improve the health of people in the communities we serve.

Vision: To be the community's trusted partner in providing exceptional, patient-centered care.

Values: ICARE: **I**ntegrity **C**ompassion **A**ccountability **R**espect **E**xcellence

Quality Measurement

St. Luke's utilizes quality data to understand how the system and its hospitals are performing, how that compares to peers, and to make decisions around what they can do differently to improve. They have set the standard to not just be at the same level as their peers but to be top-decile performers. "For every measure that we are looking at, we want to be in the top decile every time. That's our expectation," said Krahn. "The board's responsibility is to hold management and all the others accountable for this and how they are going to achieve it."

St Luke's has six guiding principles for measuring quality:

1. Performance expectations need to promote year-over-year sustainable improvement.
2. Targets are informed by national top-quartile or decile benchmarks.
3. Historical performance trends and operational priorities are considered.
4. Metrics are moved to monitoring if performance has achieved a maintenance level.
5. New measures are added as report-only if baseline does not exist.
6. Local, system, Cross Functional Governance, and Subject Matter Experts thresholds measure selection.

The quality and safety excellence committee receives a dashboard at every meeting that includes a summary of system measures that tie into the organization's three strategic objectives (quality, access, and affordability), overall strategic and operational aspirational goals, specific measures and CMS Star Rating by hospital, and Leapfrog Value-Based Purchasing Program scores (see **Exhibits 2a–2d**). The committee is then responsible for digging into this data, having detailed discussions about these metrics, and reporting to the board.

"We emphasized to the quality and safety excellence committee years ago when we developed this dashboard that boards that regularly review quality performance data lead organizations that perform better in quality," explained Chief Physician Executive Jim Souza, M.D. The recent removal of the culture metrics was an intentional effort to focus the committee even more on quality, safety, and experience, while simultaneously escalating the concept of culture as a critical new board committee.

Exhibit 2a: Key Measures and Transparency

| St Luke's | | System Executive Summary Scorecard | | | | <i>Legend</i> Meeting/Exceeding Target No Target Not Meeting Target | | ▲▲ - Change from prior period ■ - Favorable Change ■ - Unfavorable Change | |
|--|--|------------------------------------|---|--|--|--|--|---|--|
| | | Quality, Safety, & Outcomes | Care Experience | Stewardship | Culture | | | | |
| Quality | Safety of Care | | Patient Perception of Care | | Clinical Consistency | | Workforce Engagement | | |
| | 0.88 0.69 SSER - Acute | ↓ | 78.0% 78.8% Likelihood - Inpat. Adult | ↑ | 27.1% 60.0% Medicare Annual Wellness Visits | ↑ | 77% 78% Great Place to Work | ↓ | |
| | 0.00 0.11 SSER - Ambulatory | ↓ | 69.0% 71.3% Likelihood - ED | ↓ | 63.5% 77.0% CMS HCC Recapture Rate Medicare | ↑ | | | |
| Access | 2.20 1.85 DART Rate | ↓ | 87.3% 86.9% Likelihood - Ambulatory | ↑ | | | | | |
| | Effectiveness of Care | | Member Growth and Retention | | Site of Care - Utilization per 1,000 | | Workforce Health and Safety | | |
| | 1.02 1.00 Mortality Index | ↑ | 47.1k 46k Total Accountable Medicare Advantage Lives | ↓ | 149.0 181.0 Inpatient Adult Utilization per 1,000 | ↑ | 82% 85% Feel Safe Speaking Up | ↓ | |
| Affordability | 9.6% 12.0% Food Desert Vulnerability, A1C>9 | ↓ | | | 386.2 300.0 ED Visits per 1,000 | ↑ | | | |
| | | | | | 484.4 564.0 SNF Days per 1,000 Member Months | ↓ | | | |
| | Appropriateness of Care | | Experienced Cost of Care | | Financial Health | | Workforce Stabilization & Development | | |
| 79.3% 80.0% Diabetes Care: Statin Therapy | ↓ | 99.6% 99.8% Medical Cost Ratio | → | 4.8% 4.7% Combined Operating EBIDA Margin | ↓ | 75% 76% Intend to Work Here 2-3 Years | ↓ | | |
| 68.4% 68.0% Diabetes Care: Kidney Health | ↑ | | | 137.2 128.3 Cash Days on Hand | ↑ | | | | |
| 58.4% 65.0% Diabetes Care: Retinopathy | ↓ | | | | | | | | |

Exhibit 2b: Key Measures and Transparency

| | Overall Aspirational Goal | Aspirational Goal | Description | Site | FY23 BL | FY23 TH | FY23 Rank |
|-------------|-----------------------------|-------------------|---|-------------------|-------------------|----------------------|----------------------|
| Strategic | Top 10% Nationally | 0.73 | Overall Ranking Among All CDB Database (lower is better) | SLHS | 1.22 ¹ | 1.0 ³ | |
| | | | Mortality Index (Observed/Expected Ratio) | Boise | 1.34 ² | 1.0 | 516 of 589 Hospitals |
| | | | | Meridian | 1.18 ² | 1.0 | 448 of 589 Hospitals |
| | | | | Nampa | 1.19 ² | 1.0 | 456 of 589 Hospitals |
| | | | | Magic Valley | 1.13 ² | 1.0 | 430 of 589 Hospitals |
| | | | | Elmore | 0.74 ² | 1.0 | 191 of 589 Hospitals |
| | | | | McCall | 0.75 ² | 1.0 | 196 of 589 Hospitals |
| | | | | Jerome | 0.85 ² | 1.0 | 269 of 589 Hospitals |
| | | | Wood River | 1.26 ² | 1.0 | 485 of 589 Hospitals | |
| Operational | Vizient Top 10% Performance | 3.07% | Sepsis All-Cause Readmissions (Planned & Unplanned) | SLHS | 7.29% | 5.76% | |
| | Vizient Top 10% Performance | 3.23% | Congestive Heart Failure All-Cause Readmissions (Planned & Unplanned) | SLHS | 9.37% | 6.36% | |
| | Vizient Group | 0.73 | Covid Risk-Adjusted Mortality (New Development) | SLHS | 1.16 | 1.00 | |
| | Medisolv Top Quartile | 100% | Sepsis Antibiotic Selection & Administration Timing (New Development) | SLHS | 89.49% | 100% | |

Exhibit 2c: Key Measures and Transparency

LEAPFROG VBP PROGRAM

| Domain | Measure | 2022 VBP Measure Score | | | | |
|-------------------|---|------------------------|-----------------------------|-------------------------|----------------------|--------------------|
| | | Boise Medical Center | Magic Valley Medical Center | Meridian Medical Center | Nampa Medical Center | National Benchmark |
| Medication Safety | Computerized Physician Order Entry (CPOE) | 100 | 100 | 100 | 100 | 92 |
| | Bar Code Medication Administration (BCMA) | 100 | 100 | 100 | 100 | 91 |
| | Medication Reconciliation | 61 | 45 | 45 | 45 | 64 |
| Infections | CLABSI | 70 | 97 | 54 | 81 | 55 |
| | CAUTI | 43 | 68 | 50 | 0 | 53 |
| | SSI: Colon | 74 | 72 | 34 | N/A | 52 |
| | MRSA | 78 | 92 | 57 | N/A | 55 |
| | C.Diff. | 18 | 68 | 47 | 42 | 54 |

www.leapfroggroup.org | © 2022 The Leapfrog Group

VBP MEASURE SCORE COMPARED TO NATIONAL AVERAGE

| | |
|--|---------------------------------------|
| | > 10 Points Better or Top Performance |
| | ± 10 Points |
| | > 10 Points Worse |
| | Not Available |

PENDING VERIFICATION

Pending Leapfrog Verification

State: Idaho
Cohort: Adult

Exhibit 2d: Key Measures and Transparency

| Measure | Rating | | | | Critical Access Hospitals | | | | SLHS Baseline (FY22) | SLHS Rolling 12 Months |
|------------------------|----------------------|-----------------------------|-------------------------|----------------------|---------------------------|-----------------------|-----------------------|---------------------------|----------------------|------------------------|
| | Boise Medical Center | Magic Valley Medical Center | Meridian Medical Center | Nampa Medical Center | Elmore Medical Center | Jerome Medical Center | McCall Medical Center | Wood River Medical Center | | |
| Mortality Index | 1.08 | 0.87 | 0.94 | 0.92 | 0.43 | 0.63 | 0.82 | 1.05 | 1.22 | 0.97 |
| Readmissions | 5.18 | 8.62 | 3.44 | 4.57 | 3.05 | 2.46 | 5.84 | 3.69 | 5.75 | 5.46 |
| Length of Stay Index | 1.03 | 0.88 | 0.96 | 0.89 | 0.82 | 0.63 | 0.68 | 0.81 | 0.97 | 0.95 |
| PSI-90 | 0.71 | 0.85 | 1.03 | 0.83 | 0.97 | 0.99 | 0.96 | 0.91 | | |
| PSI-03 Pressure Injury | 0.85 | 0.49 | 1.35 | 0 | 0 | 0 | 0 | 0 | 1.44 | 0.78 |

| | | | | |
|---------------------|-------------------------|------------------------|------------------------|------------------------|
| Top 25th Percentile | 25th to 50th Percentile | 50th - 75th Percentile | 75th - 90th Percentile | Bottom 90th Percentile |
|---------------------|-------------------------|------------------------|------------------------|------------------------|

The board can then focus on the data at a higher level, asking questions such as:

- **Barriers:** What internal factors are getting in the way of our success?
- **Bright spots:** Where are we performing well? Can we duplicate it?
- **Gaps:** How far is our performance from comparable health systems or from our target?
- **Priorities:** What projects have we prioritized and resourced to address this metric?
- **Threats:** What external factors could get in the way of our success?

“The board dashboard gives a higher-level view so they can focus at a more strategic level,” said Vanderpool. “We really want the board to focus on those top areas so they can lead and hold us accountable as well. Our community boards are then able to dig into the metrics a little deeper based on their local community sites.”

A Culture of Safety

St. Luke’s has committed to achieving their goal of zero preventable harm. They have created a physically and psychologically safe care experience where they encourage both patients and staff to speak up for their safety and ask questions, which helps lower the risk of accidents and improve safety for everyone. “Management stands behind our goal of zero harm and is fully supported by the board,” said Krahn. “This leadership dedication is critical to maintaining a culture of safety throughout an organization and sets an expectation for how the system needs to perform every day.”

To effectively carry out a culture of safety, St. Luke’s focuses on three key safety concepts:

- **Reporting:** Encourages reporting, suggestions, and has a forum for staff to voice concerns and receive feedback in a psychologically safe environment.
- **Learning:** Fully engages and models self-reflection that leads to transparency, applies safety and improvement science, and prioritizes key learnings.
- **Just culture:** Consistently evaluates actions in collaboration with staff/providers (in a non-judgmental manner) and fosters mutual accountability (individual and leader/organizational).

“We recognize that it’s important for us from an operational standpoint not just to have the reporting and learning culture, but to ensure that we have all three of these pieces, including the just culture, to have and maintain that safety culture and have it positively impact the work we do,” Vanderpool said. The board and committees have also worked to embrace these concepts at the governance level and set this culture at the top.

This culture of safety is practiced throughout the system and helps ensure that everyone from staff to leadership to the board are aligned. For example, their commitment to learning and transparency means that they share learnings from the system and its individual hospitals and use that to identify opportunities for system-wide solutions and standardization. They work to instill defensive barriers across the system (e.g., technology, processes, and people) that are designed to prevent errors that may cause harm. “We are giving feedback to our staff members on what

is occurring, what are our interventions, and what is a system pathway that’s going to support them in minimizing that potential risk,” Vanderpool said.

High-Reliability Journey

St. Luke’s high-reliability journey started about three years ago, the day before the first COVID-positive patient presented in Idaho. While they could have put this on pause, leadership decided that patient safety was too important to wait (see sidebar “The Importance of High Reliability Now” for why they felt this needed to remain a priority).

They put a plan in place called “Safety Together,” which to them meant:

- St. Luke’s journey to perform safely and reliably in everything they do to achieve their desired outcomes for patients, staff, customers, the community, and each other.
- St. Luke’s journey to reduce variation in leader and staff skills and behaviors that will guarantee the desired safety, quality, and experience in the outcomes they deliver.
- Reliable practices and processes that will lead to and support a safe environment.
- A just culture that supports improvement while recognizing we are human and make mistakes.

The Importance of High Reliability Now

Why is it important?

- We can reduce preventable harm to our patients and staff.
- We need common skills and behaviors, built on safety science and trust.
- It strengthens our patients’ trust—delivers on our promise and commitment to keep them safe.

Why now?

- It is foundational for our health system. We know we are not where we want to be.
- We will reduce and then eliminate preventable harm.
- The time is now—safety is non-negotiable.
- We want this to be a safe place to work and a safe place to receive care.

They made it clear that this was not “just another program” and that it was everyone’s responsibility. In 2022, their high-reliability journey focused on setting the foundation through leadership engagements and training to develop the skills and knowledge to become a high-reliability organization. **Exhibit 3** shows St. Luke’s Safety Together roadmap for 2023 where they have continued to build the foundation of high reliability.

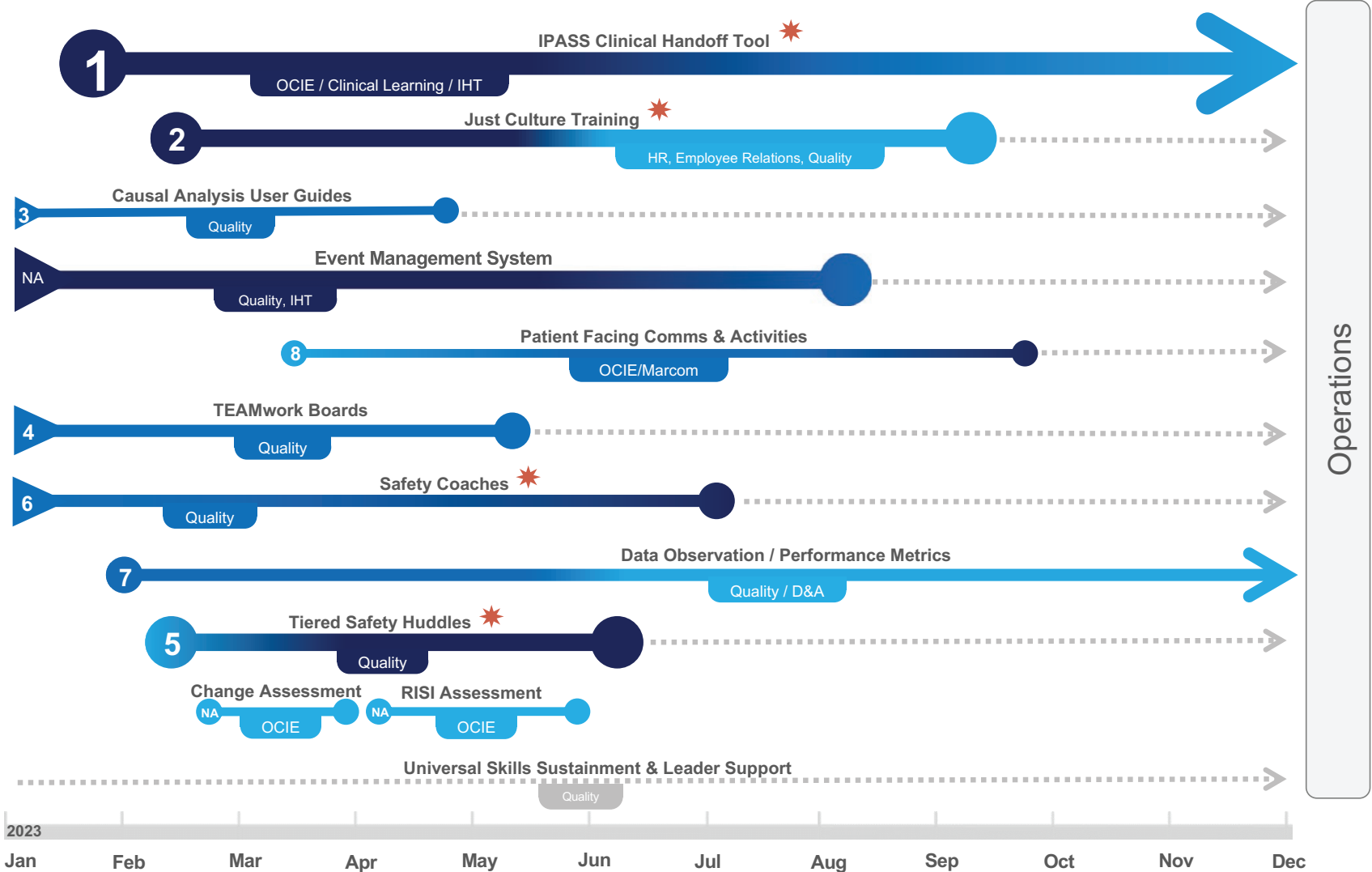
Exhibit 3: Safety Together 2023 Program Roadmap

Key

- Solid Line**
Project managed by OCIE
- Dotted line**
Operationalized in Quality/Patient Safety (except Just Culture in HR)
- Line Width**
Indicates scope size
- Line Shading**
Indicates resource load (darker = more resource intense, lighter = less resource intense)
- Sub Boxes**
Indicate primary teams tasked with work
- Cap Number**
Indicate work priority (NA = related project or administrative work)
- Staff Impact**
* High impact on front line staff

Takeaways:

- Heavy task load on Quality over next 5 months
- Many workstreams move to operations in 2023



This has been an intentional path to high reliability where each step plays an important part in long-term sustainability. “We are still on this journey and moving forward as a health system to ensure that we fully implement the steps needed to become a high-reliability organization,” Vanderpool said. “We are not as worried about pace as we are about doing it correctly and ensuring that ongoing sustainability.”

Lessons Learned and Discussion Questions

The most valuable lessons St. Luke’s has learned as they continue to make forward progress on their quality improvement journey include:

- Focus on the goal: zero preventable harm.
- Transparency is vital.
- Don’t let perfection be a roadblock to progress.
- Be open to thinking and doing things differently.
- Accept the challenge.

The following are some discussion questions for boards and senior leaders to help apply lessons from St Luke’s quality story:

- Does our strategic plan incorporate quality and safety in a way that enables us to achieve higher performance across all our hospitals?
- How do management and governance throughout the system work together to set and achieve quality goals?
- Are we effectively utilizing data to monitor our organization’s performance and make meaningful improvements?
- How do we ensure that quality goals and metrics are standardized across the system, yet still account for the unique challenges of each hospital within the system?
- Do board members ask tough questions of management to ensure that they are being held accountable to targets and that the metrics continue to be meaningful?
- How is the board and leadership cultivating a culture of safety throughout the organization? Do staff feel comfortable voicing their concerns? Are hospitals in the system sharing best practices and learning from each other? Do we have a just culture that fosters mutual accountability?
- Does our health system have the processes and practices in place to become a high-reliability organization? If not, how could this help us accelerate our quality improvement goals?