SECOND EDITION

Performance Improvement Basics

A RESOURCE GUIDE FOR HEALTHCARE MANAGERS

Cynthia Barnard, MBA, MSJS, CPHQ

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HCPro

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Contents

Figure List

About the Author

Cynthia Barnard, MBA, MSJS, CPHQ, is the director of quality strategies at Northwestern Memorial Hospital, the primary teaching hospital of Northwestern University's Feinberg School of Medicine in Chicago. Barnard is responsible for patient safety, infection control, accreditation and regulatory compliance, and medical ethics.

Barnard has served as a leader in the development of the Coalition for Quality and Patient Safety of Chicagoland, the first regional, federally certified Patient Safety Organization in the area, and was awarded the Institute of Medicine of Chicago, Chicago Patient Safety Forum, and Otho S.A. Sprague Memorial Institute Recognition in Patient Safety Award in 2008. She has also been a leader in developing the healthcare standards for the Lincoln Foundation for Business Excellence, an Illinois equivalent of the national Malcolm Baldrige National Quality Award, and is chair of the Quality Measurement Advisory Task Force of the Illinois Hospital Association.

Barnard is the author of *Performance Improvement: Winning Strategies for Quality and Joint Commission Compliance*—published by HCPro, Inc., and currently in its fourth edition—which won the National Association for Healthcare Quality David L. Stumph Award for Excellence in Publication in its second edition in 2000.

Barnard's prior roles at Northwestern and elsewhere have included more than a decade of leading quality improvement, directing medical staff affairs and clinical research, and developing and consulting on healthcare information systems for operational support and strategic planning and analysis. She holds a master's

degree in management from Northwestern University's Kellogg Graduate School of Management, a degree in Jewish studies from the Spertus Institute in Chicago, a bachelor's degree in psychology *magna cum laude* from Bryn Mawr College in Pennsylvania, and the Certified Professional in Healthcare Quality designation from the National Association for Healthcare Quality.

Introduction

Letter to Managers

This handbook is designed to help you implement a quality improvement program that is responsive to your patients and customers and integrated with your organization's strategic plan.

This book culls more than a decade of new research and techniques in quality and performance improvement. It's responsive to important developments and influences from:

- ***External agencies,*** such as Medicare, The Joint Commission, and consumer and payer groups such as the Leapfrog Group
- ***Industry research and leaders of improvement,*** such as the Institute for Healthcare Improvement, the National Quality Forum, the Institute of Medicine, and the Agency for Healthcare Research and Quality
- ***Your own*** patients, community, and internal customers, who demand and deserve excellence, and your own professional integrity and commitment to improvement

It is designed with these assumptions:

- You are a manager of a healthcare department, program, or service. Whether you serve patients directly or support those who do, you are committed to continuous improvement and excellence, and you understand your own department's operations.

- You want a more solid understanding of quality improvement techniques, accreditation requirements, or statistics and data analysis.
- You want practical, convenient, and useful tools to focus your quality program on delivering effective results rapidly—but you're busy.

This book will help you meet these goals. A general description of this book was outlined in *Performance Improvement: Winning Strategies for Quality and Joint Commission Compliance,* Fourth Edition (HCPro 2009). Reader demands led me to develop the book you're now reading.

This book is a working tool with frequent exercises that will ask you to link the content to your own program. Every chapter concludes with common pitfalls to avoid and a self-assessment checklist to help you pinpoint areas to develop further. I hope this resource finds a place among the most well-worn of the books on your desk.

Cynthia Barnard, MBA, MSJS, CPHQ

How to Use This Book

Chapter 1

For managers new to quality and performance improvement

Familiarizes you with basic concepts of performance improvement (PI) and why it is one of the most important management tools you have.

Chapter 2

For managers who need to create a quality/PI plan from scratch

Leads you through the process of linking your department's goals and drivers of quality to your own organization's quality process and "rules," including how to make sure you're meeting your organization's requirements for documentation. A section at the end of the chapter is devoted to helping you explore and differentiate concepts that are related to PI: sentinel events, root-cause analysis, and peer review.

Chapter 3

For managers who want to get staff involved in the PI program

Instructs you on how to teach and involve staff in quality, how to hold an effective quality meeting with staff, how to keep track of results for effective progress, and how to build strong teamwork for quality.

Chapter 4

For managers who are ready to decide what to measure and how

Helps you plan what to measure to evaluate quality in your department.

Chapter 5

For managers who want to decide what needs improvement

Walks you through the measures you have in place and helps you decide whether you need a process improvement team. It then shows you how to get that team started for the fastest and most effective results.

Chapter 6

For managers who work with medical staff

Provides tips for coordinating your departmental PI program with physicians.

Appendix A

For managers seeking more sophisticated data analysis tools and methodologies

Provides tools to help you design data collection, perform process analysis, make sense of and present your data effectively through a dashboard or other approach.

Appendix B

For managers who want to go the extra mile

Offers Web sites and other resources for continuing personal study and development in PI.

Appendix C

For PI and QI directors

Guides you in using this handbook as a tool to implement your own PI program effectively and efficiently in your organization. (However, please note that this handbook is designed primarily for frontline managers who don't have the time or desire to master the full scope of responsibilities of a PI program. The companion volume *Performance Improvement: Winning Strategies for Quality and Joint Commission Compliance* (HCPro 2008) is specifically designed to help directors of PI programs.)

CHAPTER 1

Performance Improvement as a Management Tool

Your role as a manager is to deliver a defined level of service and technical quality at an appropriate cost while advancing the goals of the organization through leadership. In other words, your success depends on the performance of your department or unit. Performance improvement (PI) is a science and a discipline that can help you get there.

Your customers evaluate your services every day. As a manager, you need to know what those customers experience and determine whether that experience is the one you want them to have—or, if not how it can be improved.

If you try to improve your department's operations without a deep understanding of its performance, you are likely to make it worse and introduce error and failure. You'll be tinkering with a process you don't fully comprehend.

And if you merely study your department's performance without a focus on continuous improvement, you are likely to find that your customers and even your staff will become frustrated. Performance and productivity may actually decline, and your own professional development and excitement may wane (also known as analysis paralysis).

The answer is to look for new ideas from outside the walls of your department, to bring improvement and stimulation to your team, and to ensure that your customers receive the service they deserve. Your customers may not know whether they are receiving the best possible care and service. This is common in healthcare, because a patient rarely can evaluate the technical aspects of care or know what to expect or demand. So it is our ethical obligation to evaluate the quality of our care and service for all of our customers, hold ourselves to a high standard, and continuously improve on their behalf.

PI is a science that brings disciplined measurement, innovation, and focus to any product or service delivery. It can apply to almost any process or product and can be an effective vehicle to build teamwork, professional satisfaction, and improved patient care and customer service.

History of PI in Healthcare Delivery

The history of PI in healthcare is remarkably brief. The nature of medical care has always been one of constant improvement through learning from each patient's response to care and systematic learning for generalized knowledge through clinical research. But applying these principles to the delivery of healthcare became widely established only in the 1980s and 1990s, spurred by the evolution of the quality assurance standards of The Joint Commission (formerly known as the Joint Commission on Accreditation of Hospitals or JCAHO), the creation of the National Committee for Quality Assurance, and revised Medicare payment systems (i.e., diagnosis-related groups) and *Conditions of Participation*.

The past two decades have seen an explosion of inquiry into how quality actually works in the delivery of care, from back-office functions to bedside care of complex, acutely ill patients. There has been systematic attention to process design, measurement, and strategies to improve processes and outcomes.[1]

In the past decade especially, attention has focused on the perspective of the patient and family. What does it mean to meet the needs of the patient? How does patient satisfaction contribute to better health outcomes, fewer lawsuits, more satisfied staff members, and lower costs? How do we produce patient satisfaction, anyway?[2]

Public Disclosure of Quality Data

Perhaps one of the most pressing developments in quality in recent years has been the public disclosure of quality and outcomes, which customers can use to select a provider. The most significant new developments include:

- The Medicare Web site, which details processes and outcome data from hospitals, home health agencies, and nursing homes[3]
- Attempts by the Leapfrog Group,[4] a consortium of payers and employers, to require providers to disclose their compliance with an array of processes believed to be related to higher quality (for publication on its Web site)
- The measures on The Joint Commission's Web site, which are similar to Medicare's for hospitals, as well as scores of providers' compliance with the Joint Commission's National Patient Safety Goals

Several private companies also publish self-described quality evaluations of hospitals and other providers based on proprietary analysis of publicly available databases. At a minimum, you should be familiar with any data reflecting your organization's performance on major Web sites, such as those of Medicare, Leapfrog, and The Joint Commission.

What is Quality?

Your organization may have a definition of quality. A commonly used definition is the one published by the Institute of Medicine (IOM): "The degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge."

A definition of quality applies beyond direct healthcare service. You may just have a different customer base. For example, if you work in materials management, your customers include the nurse whose customer is the patient. Draw a clear line from your work to those who provide direct care and services, and understand how your work can increase the likelihood of a successful outcome for your customers.

Quality is a Property of a System

The IOM series on the current status of the healthcare delivery system[5] is an important quality resource. At a minimum, healthcare leaders should be familiar with the executive summaries of two major reports published by the IOM in 1999 and 2001, *To Err Is Human* and *Crossing the Quality Chasm*, respectively. The latter report described six characteristics of a quality healthcare system (consider the mnemonic STEEEP):

1. Safe
2. Timely
3. Effective
4. Efficient

5. Equitable

6. Patient-centered

The report also made the fundamental argument—still not fully embraced by healthcare professionals—that quality comes from having appropriate systems in place. As a leader, it is your job to participate in building those systems and making sure they focus on consistent delivery of high-quality care and service.

Members of your staff and colleagues may still perceive quality as the product of individual effort and competence (or lack thereof). Current thinking in quality acknowledges the importance of individual performance and competence, but it also emphasizes that *individual competence is insufficient to produce consistently high quality*. Most medical errors and quality failures occur in the course of work performed by capable people. The breakdowns stem from lack of information, poor communication, inadequate technology, and normal human fallibility in the context of poor work design. Therefore, it is the system that must be evaluated and improved. Better designs can avert quality failures and errors; a vast national effort is under way to discover strategies to develop these designs and disseminate them.[6]

Finally, one of the most exciting developments of the past decade has been the creative application of insights from other industries to the improvement of healthcare. This has included notably aviation and nuclear power—high-reliability organizations that operate in high-risk contexts that are similar to healthcare. Evidence of this approach has been building since the late 1980s with the use of quality theory from the great pioneers in manufacturing and process quality

(e.g., Deming, Juran, and Ishikawa) to apply to healthcare.[7] A science of *high-reliability organizations* is developing to help translate this work to practical application.[8]

Performance (Quality) Improvement and Patient Safety

Your goal is to develop a quality plan that ensures that you deliver the right services and that you deliver them without errors. The IOM definition of safe care is *avoiding injuries to patients from the care that is intended to help them*.

The patient wants health services that, in the IOM's words, "increase the likelihood of desired health outcomes and are consistent with current professional knowledge." From the patient's perspective, anything that is not safe, or is error-prone, does not meet this definition.

Quality and safety are both properties of a system. In the end, the work you do to measure and improve your systems should contribute to both safer care and higher-quality care. In Chapter 4, we look at the kinds of measures you can define and implement to accomplish these objectives.

What Do Leaders Do to Improve Quality and Performance?

Figures 1.1 and 1.2 offer a summary of The Joint Commission's basic expectations of you as a leader. Regardless of whether you are part of an accredited organization, the list is an excellent place to start, and it establishes a credible foundation for the essential role of PI in a leader.

FIGURE 1.1 The Role of Leaders

2009 LEADERSHIP AND PI STANDARDS

Standard	Content
Developing Your Performance Improvement Plan	
LD.01.03.01	The governing body is accountable for the safety and quality of care
LD.01.05.01	The organized medical staff oversees the quality of care, treatment, and services provided by those who have clinical privileges
LD.03.03.01	Using organizationwide planning leaders establish structure and processes that focus on safety and quality
LD.04.04.01	Leaders set priorities for performance improvement
Designing Your Performance Improvement Approach	
LD.04.04.03	Any processes that are new or modified are well designed
LD.04.04.07	The organization considers clinical practice guidelines during design or process improvement
Collecting and Measuring Data	
PI.01.01.01	The organization collects data to monitor its performance
Evaluating Data	
LD.03.02.01	The organization uses data to guide decisions and understand variation in the performance of processes that support safety and quality
PI.02.01.01	The organization analyzes and compiles data
Making Improvements	
LD.03.05.01	To improve the performance of the organization leaders implement changes in existing processes
LD.03.06.01	Those who work in the organization are focused on improving quality and safety
PI.03.01.01	The organization improves its performance
PI.04.01.01	The organization uses data from clinical/service screening indicators and HR screening indicators for assessing and continuously improving staffing effectiveness
Proactive Prevention and Reduction of Adverse Events	
LD.03.01.01	A culture of safety and quality is created and maintained by leaders throughout the organization
LD.03.04.01	The organization communicates information about quality and safety to those who need it, including staff members, licensed independent practitioners, patients, families, and interested external parties
LD.04.04.05	The organization has a facilitywide integrated patient safety program

FIGURE 1.2 Leaders' Responsibilities to Improve Performance

Line operations managers should regularly assess their compliance with these common PI requirements:

❑ Yes ❑ No	The manager can describe the hospital's PI goals for the year and how his or her department can help achieve those goals.
❑ Yes ❑ No	The manager can describe how he or she has allocated resources, such as staff time and information support, to accomplish the hospital's PI goals.
❑ Yes ❑ No	The manager can describe specific improvements that have been made in his or her department.
❑ Yes ❑ No	The manager can describe collaborative improvement projects undertaken with other departments and/or disciplines.
❑ Yes ❑ No	The manager can describe specific measurements that he or she monitors regularly to ensure that processes and outcomes are under control in the department, with specific focus on statistical and benchmarking tools to ensure meaningful assessment.
❑ Yes ❑ No	The manager can describe hospital/organization initiatives to reduce medical errors (as appropriate to department) and his or her role in these initiatives.
❑ Yes ❑ No	The manager can describe PI goals he or she would like to pursue and why they are meaningful to the patient or customer population served by his or her department.

A word about quality and performance

For the purposes of this book, the terms quality improvement (QI) and performance improvement are used interchangeably. The shift from QI to PI was triggered when The Joint Commission revised its terminology in the mid-1990s, but many healthcare organizations still tend to use the term QI more than PI.

Common Pitfalls

Managers have the ability to drive process improvement to a vigorous, successful outcome. Key to this is profound knowledge of the system being improved, and thoughtful application of improvement science to the specific organization and team. Common pitfalls in management of improvement occur when managers lead teams to try to improve a process or processes they do not really understand, or when they try to impose solutions which are outside the competence or culture of the teams.

Improvement science in healthcare depends on comprehensive technical knowledge about performance of human beings in systems. As a leader, you have an obligation to master the improvement methodology, and also to implement improvement through effective teamwork and organizational savvy.

Weick and Sutcliffe remind us that a High Reliability Organization is one characterized by deference to expertise and mindfulness of potential failure (see bibliography). As a leader, you are in a position to influence the improvement team to focus on objective data, process mapping, and the insights of frontline staff members. The chapters which follow will assist you to take a methodical and thorough approach to increase the likelihood of effective and sustained improvement.

Self-Assessment Checklist

- ❑ You have reviewed the executive summaries of the IOM studies, *To Err Is Human* and *Crossing the Quality Chasm*
- ❑ You are familiar with IOM definitions of quality and safety

- ❏ You are familiar with Joint Commission expectations for management of quality and safety
- ❏ You've looked at your organization's quality results as reflected on The Joint Commission and Medicare Web sites (if applicable)
- ❏ You are familiar with The Joint Commission's list of responsibilities of effective leaders
- ❏ You have reviewed the bibliography in this book to become familiar with some of the principal Web sites and resources on quality

Endnotes

1. See, for example, the work of Berwick and the Institute for Healthcare Improvement (see Bibliography).
2. See, for example, the groundbreaking book, *Through the Patient's Eyes,* by Gerteis, et. al (see Bibliography).
3. See *www.cms.gov.*
4. See *www.leapfroggroup.org.*
5. IOM reports in its Health Care Quality Initiative that should be familiar to healthcare leaders include *To Err is Human, Crossing the Quality Chasm,* and *Envisioning the National Health Care Quality Report* (see Bibliography).
6. See, for example, the work of the Institute for Healthcare Improvement and the National Quality Forum. An excellent, brief, and inexpensive videotape that makes this point compelling is *Beyond Blame,* developed by Bridge Medical and now distributed by the Institute for Safe Medication Practice, *www.ismp.org.*
7. See Bibliography for more reading about these developments.
8. See the excellent work of Weick and Sutcliffe: *Managing the Unexpected: Resilient Performance in an Age of Uncertainty* (Jossey-Bass 2007).

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