Quality Journey: Making Change in the Health Care System

William P. Thompson
Senior Vice President – Strategic Development
Presentation Outline

- About SSMHC
- Implementing a quality culture
- Learning from the MBNQA process
Up Here, We Go by Results!

A story about a priest and a taxi driver who went to heaven …
SSM Health Care Facilities

SSM Health Care of Wisconsin
St. Clare Hospital, Baraboo WI
St. Marys Care Center
St. Marys Hospital Medical Center

Maryville, MO
St. Francis Hospital & Health Services

SSM Health Care of Oklahoma
St. Anthony Hospital
Bone & Joint Hospital

Jefferson City, MO
St. Marys Health Center

Blue Island, IL
St. Francis Hospital Health Center

SSM Health Care St. Louis
Cardinal Glennon Children’s Hospital
St. Joseph Health Center
St. Joseph Health Center West
DePaul Health Center
St. Joseph Hospital
St. Mary's Health Center
SSM Rehab
Managed Care Organization
Physician Organization
SSM Home Care

Centralia, IL
St. Mary's Hospital

Mt. Vernon, IL
Good Samaritan Regional Health Center

Villa Marie Skilled Nursing Facility

Thompson
SSM Health Care

- 21 hospitals, three nursing homes, physician practices, home care, award-winning information center
- $2.4 billion in assets
- 23,000+ employees, 5,000 physicians, 5,000 volunteers
- 82% female, 18% minority
Our Mission

Through our exceptional health care services, we reveal the healing presence of God.
Our Values

- Compassion
- Respect
- Excellence
- Stewardship
- Community
Characteristics of Exceptional Health Care

Through our exceptional health care services, we reveal the healing presence of God.

Exceptional clinical outcomes
- Unplanned Readmission Rate

Exceptional Patient, Employee & Physician Satisfaction
- Inpatient Loyalty
- Employee Satisfaction
- Physician Satisfaction

Exceptional financial performance
- Operating Margin
Other SSMHC Initiatives

- Diversity
- Healthy Communities
- Non-violence
- Preservation of the Earth
Implementing A Quality Culture
“We are, or become, those things which we repeatedly do. Therefore, excellence can become not just an event, but a habit.”

Albert Einstein
1988 “Intrapreneurship”
1989 “Servant Leadership”
What flavor this month?
Inspiring themes are not enough to ensure the genuine pursuit of excellence.
First Five Years – Key Accomplishments

- Articulated CQI principles
- A CQI Improvement Model
  - Process Improvement
  - Process (Re)Design
- Strategic and Financial Planning Model
- Training, Training, Training
- Lots of teams
CQI Principles

- Patients and other customers are our first priority
- Quality is achieved through people
- All work is part of a process
- Decision-making by facts
- Quality requires continuous improvement
CQI Model – Process Design Approach

**Plan**
- Identify Opportunity
- Conceptual Design
- Analysis

**Do**
- Implement New Process
- Results

**Check**
- Standardization

**Act**
- Future Plans

**Plan**

- Team members?
- Process to design?
- Why process chosen?
- How links to SFP?
- Identify benchmarking opportunities
- Customers' expected outcomes?
- "Best way" to meet customer needs?
- Research from other organizations?
- How design to avoid problems?
- How can the impact of problems on customers be reduced?
- Indicators designed into process to measure performance?
- Implement new process?
- How to change process if not meeting customer needs?
- Initial results meet or exceed customer needs?
- Methods to be used to make new process permanent?
- How can team's work be shared with others across the system?
- What other changes could improve process?
- How can team improve to work more effectively in the future?

Initial results meet or exceed customer needs?
Results demonstrate new process' ability to meet or exceed customer needs?
Early Learnings

- Trained more people than needed
- Didn’t tie team work to strategic and financial plan
- No urgency about achieving results
Refined CQI Implementation Plan

- 1989: Working Together in Teams
- 1995 and Beyond:

Investigation
Research
Decision
The best way to get better faster.
Accomplishments Using Baldrige Criteria

State Awards

- 1996 – Bone & Joint Hospital, OK
  St. Francis Hospital & Health Services, MO
- 1998 – St. Anthony Hospital, OK
- 1999 – SSM Health Care
  St. Marys Hospital Medical Center, WI
- 2000 – St. Clare Hospital & Health Services
- 2002 – SSM Information Center
SSM Health Care 2002 MBNQA Recipient

Great things come from great people.

First Health Care Winner
Malcolm Baldrige National Quality Award
Learning from the MBNQA Process

- Framework
- Focus
- Discipline
Leadership

- Set, communicate and deploy organizational values, directions.
- Balance the needs of patients and other customers.
- Create an environment for empowerment, innovation and learning.
- Ensure public responsibility above minimum standards.
Leadership – Learnings

- Clear, concise mission statement and values
- Leadership philosophy and expectations
- Everything is intentional
SSMHC’s Leadership Philosophy and Expectations

- Superior results in clinical, operational and financial performance
- Fact-based decision-making
- Involvement and shared accountability
- Customer focus
- Information sharing
- Developing people
Strategic Planning

- Strategy development
  - Develop entity goals and action plans that align with system’s goals.

- Strategy deployment
  - Deploy goals and action plans throughout facility to all employees.
Strategic Planning – Learnings

- Minimum data set
- Integrate plan with HR and suppliers
- Formalized deployment
- Alignment
Strategic Planning

- Strategic, Financial & HR Planning Process
  - Develop entity goals and action plans that align with system’s goals.
  - Deploy goals and action plans throughout facility to all employees.
  - Use comparative and benchmark data to set goals.
Strategic, Financial and Human Resources Planning Process
Internal and External Assessments: Minimum Data Set

- **Internal Data**
  - Medical staff analysis
  - Product line analysis
  - Physical plant/technology analysis
  - Human Resources analysis
  - Financial analysis
  - Clinical quality

- **Clinical quality**
Internal and External Assessments: Minimum Data Set

- **External Data**
  - Consumer information analysis
  - Demographic/socioeconomic analysis
  - Competitor analysis
  - Emerging technologies
  - Payor analysis
  - Public policy/legislative/accreditation analysis
Strategy Deployment & Alignment

- Mission
- Exceptional Health Care Services
  - Network Plan
  - Entity Plan
  - Department Plan
  - Employee Goals
Passport

[Image of various passport cards and pamphlets with text related to health care quality and mission]

[Logo and text: National Quality Award 2002 Award Recipient]
Passport

- Deployment Tool
  - SSMHC's mission and vision
  - Entity's goals and objectives
  - Department's goals
  - Employee's goals
- Links to evaluation
Patients, Other Customers and Markets

- Understand requirements, expectations and preferences of all customers.
- Monitor and analyze satisfaction data.
- Systematically build relationships with customers.
Patients, Other Customers and Markets – Learnings

- Clarity around definition of customer
- Customer segmentation
- Better use of listening and learning posts
- Standardized complaint management process
Key Customer Requirements

Nurse Responds to Patients in Reasonable Time

Source: Physician Satisfaction Survey
Key Customer Requirements

ED Total Wait Time
Reasonable

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>40.0%</td>
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<tr>
<td>2000</td>
<td>60.0%</td>
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<tr>
<td>2001</td>
<td>80.0%</td>
</tr>
<tr>
<td>2002</td>
<td>100.0%</td>
</tr>
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</table>

SSMHC
Best in SSMHC

Good
Inpatient Satisfaction

Patient Loyalty Index

Loyal
NRC benchmark

Good

Thompson

SSM HEALTH CARE

National Quality Award
2002 Award Recipient
Information and Analysis

- Data availability
  - Closely monitor performance results.
  - Establish effectiveness measures.
  - Look for correlations.
  - Use benchmarks/comparative data.

- Hardware and software quality
Information and Analysis – Learnings

- Balanced set of measures
- Alignment of indicators
- Use of in-process measures
- Comparative data
- Correlation between key indicators
Cascading Indicators

System

Network

Entity

Department

Performance Indicators

Exceptional Results

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47
Performance Management Process

Alignment of Indicators

Through our exceptional health care services, we reveal the healing presence of God.

Exceptional Clinical Outcomes
- Unplanned Re-Admission Rate Within 31 Days of Discharge
- Service & Quality Indicators

Exceptional Patient, Employee & Physician Satisfaction
- Inpatient Loyalty
- Employee Satisfaction Indicators
- Physician Satisfaction Indicators

Exceptional Financial Performance
- Operating Margin %
- Growth Indicators
- Reimbursement Indicators
- Productivity/Expense Indicators
- Liquidity Indicators
- Profitability Indicators

Exceptional Financial Performance

Exceptional Patient, Employee & Physician Satisfaction

Exceptional Clinical Outcomes

Through our exceptional health care services, we reveal the healing presence of God.
## Performance Analysis – System-Level Indicators

### Consolidated Operations

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Actual</th>
<th>Plan</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability Operating Margin %</td>
<td>1.5%</td>
<td>2.4%</td>
<td></td>
</tr>
<tr>
<td>Liquidity Unrestricted Days Cash on Hand</td>
<td>182</td>
<td>209</td>
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</table>

### Hospital Operations

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Actual</th>
<th>Plan</th>
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</thead>
<tbody>
<tr>
<td>Growth Acute Admissions</td>
<td>137,656</td>
<td>136,884</td>
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<tr>
<td>Reimbursement Patient Revenue Per APD</td>
<td>$1,410</td>
<td>$1,336</td>
<td></td>
</tr>
<tr>
<td>Productivity/Cost Operating Expense Per APD</td>
<td>$1,402</td>
<td>$1,321</td>
<td></td>
</tr>
<tr>
<td>Profitability Operating Margin %</td>
<td>3.7%</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>Clinical 31 Day Acute Readmission Rate</td>
<td>4.5%</td>
<td>4.2%</td>
<td></td>
</tr>
<tr>
<td>Service &amp; Quality Inpatient Loyalty Index</td>
<td>49.5%</td>
<td>52.9%</td>
<td></td>
</tr>
<tr>
<td>Satisfaction Employee Satisfaction Indicator</td>
<td>74.1%</td>
<td>71.8%</td>
<td></td>
</tr>
<tr>
<td>Satisfaction Physician Satisfaction Indicator</td>
<td>77.6%</td>
<td>73.6%</td>
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</table>

### Skilled Nursing Home

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<thead>
<tr>
<th>Indicator</th>
<th>Actual</th>
<th>Plan</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability Operating Margin %</td>
<td>1.4%</td>
<td>-1.9%</td>
<td></td>
</tr>
<tr>
<td>Service &amp; Quality Daily Physical Restraints Prevalence</td>
<td>3.9%</td>
<td>5.1%</td>
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</table>

### Home Health

<table>
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<tr>
<th>Indicator</th>
<th>Actual</th>
<th>Plan</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability Operating Margin %</td>
<td>12.0%</td>
<td>8.4%</td>
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<tr>
<td>Service &amp; Quality Homecare Patient Loyalty Index</td>
<td>56.9%</td>
<td>64.0%</td>
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</table>

### Physician

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<tbody>
<tr>
<td>Profitability Net Revenue Per Physician</td>
<td>$35,074</td>
<td>$33,739</td>
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<tr>
<td>Productivity Practice Direct Operating Cost %</td>
<td>66.6%</td>
<td>68.4%</td>
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# Performance Indicator Report

## Growth Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Smithville</th>
<th>Madison</th>
<th>St. Louis</th>
</tr>
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<tbody>
<tr>
<td>Acute Admissions</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Acute LOS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acute OMI</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Skilled Nursing Days</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Skilled Nursing OMI</td>
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<td></td>
</tr>
<tr>
<td>Major Surgeries</td>
<td></td>
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</tr>
<tr>
<td>Outpatient Services</td>
<td></td>
<td></td>
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<tr>
<td>Outpatient OMI</td>
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## Reimbursement Indicators

<table>
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<tbody>
<tr>
<td>Medicare ACO</td>
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<tr>
<td>Medicare Traditional</td>
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<tr>
<td>Medicare Managed - MedSup</td>
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<tr>
<td>Medicare Managed - MedSup</td>
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</table>

## Productivity/Resource Indicators

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<th>St. Louis</th>
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<tbody>
<tr>
<td>FTEs</td>
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<tr>
<td>Total FTEs (hospital + contract + allocated)</td>
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<tr>
<td>Total FTEs (hospital + contract + allocated)</td>
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</tbody>
</table>
Correlations

Willingness to Recommend

Operating Margin

Strong Positive Correlation

Good

Correlation .613
# Impact Analysis

## Inpatient Satisfaction Impact Analysis - Incorporating Data Gathered January-June 2002

<table>
<thead>
<tr>
<th>QNQ</th>
<th>SURVEY SECTION</th>
<th>N Size</th>
<th>Correlation Coefficient</th>
<th>Score (% Yes)</th>
<th>Correlation Rank</th>
<th>Score Rank</th>
<th>Impact (max=110)</th>
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<tbody>
<tr>
<td>26</td>
<td>Slp-2</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>27</td>
<td>Slp-1</td>
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<tr>
<td>28</td>
<td>M-1</td>
<td></td>
<td></td>
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<tr>
<td>29</td>
<td>M-2</td>
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<tr>
<td>30</td>
<td>M-3</td>
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<tr>
<td>31</td>
<td>M-4</td>
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<tr>
<td>32</td>
<td>M-5</td>
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<td>33</td>
<td>M-6</td>
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<tr>
<td>34</td>
<td>M-7</td>
<td></td>
<td></td>
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<tr>
<td>35</td>
<td>M-8</td>
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<tr>
<td>36</td>
<td>M-9</td>
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<tr>
<td>37</td>
<td>M-10</td>
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</tbody>
</table>

*Red Bars (Correlation with overall ranking)*

The larger the red bar, the more important the item is to a patient.
Staff Focus

- Develop HR plan.
- Motivate staff to contribute to full potential, to develop and learn, to be innovative and creative.
- Provide education and training that supports goals and action plans.
Staff Focus – Learnings

- Integration with Strategic Planning
  - Preparing the organization to address human resource issues
- Evaluation of effectiveness
  - Recruitment
  - Hiring
  - Training
Challenge: Nursing Shortage

By 2010, it’s estimated there will be a shortage of 1 million nurses.
Response: Shared Accountability

- Places authority with nurses
Shared Accountability
Nursing Turnover – August 2002

- St. Marys Madison, WI: 7.4%
- Health Care Benchmark: 14.6%

St. Marys Madison, WI: Good
Women in Professional Management Positions

Percentage of Women in Professional Positions over the years from 1990 to 2001.

- 1990: 35%
- 1991: 40%
- 1992: 45%
- 1993: 50%
- 1994: 55%
- 1995: 60%
- 1996: 65%
- 1997: 70%
- 1998: 75%
- 1999: 80%
- 2000: 85%
- 2001: 90%
Minorities in Professional and Managerial Positions

<table>
<thead>
<tr>
<th>Year</th>
<th>SSMHC</th>
<th>Nat'l Benchmark</th>
<th>Health Care Benchmark</th>
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<tbody>
<tr>
<td>1997</td>
<td>7.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>8.2%</td>
<td></td>
<td></td>
</tr>
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<td>1999</td>
<td>8.4%</td>
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<tr>
<td>2000</td>
<td>8.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>9.2%</td>
<td></td>
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</tr>
<tr>
<td>'02/03</td>
<td>9.4%</td>
<td></td>
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</tr>
</tbody>
</table>
Minority Growth

- 1999: 3.7%
- 2000: 5.3%
- 2001: 5.9%
- 2002: 5.9%
- Benchmark: 5.0%

Good

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Diversity

Professional & Managerial Positions


7.9% 8.2% 8.4% 8.7% 9.2% 9.4% 10.0% 13.0% Good

2002 Award Recipient

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Systemwide Employee Turnover

Part-time / Full-time Only

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>16%</td>
<td>19%</td>
<td>20%</td>
<td>21%</td>
<td>22%</td>
<td>20%</td>
<td>19%</td>
<td>23%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Data indicates a steady increase in turnover rates from 1996 to 2002, with the Top 25 category showing the highest percentages.
Systemwide Nursing Turnover

Part-time / Full-time Only

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>Benchmark</th>
<th>Average</th>
<th>IDS</th>
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<tbody>
<tr>
<td>%</td>
<td>13%</td>
<td>14%</td>
<td>13%</td>
<td>15%</td>
<td>12%</td>
<td>12%</td>
<td>20%</td>
<td>21%</td>
<td>15%</td>
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</tbody>
</table>

Benchmark Average

IDS
Process Management

- Three kinds of processes
  - Health care service
  - Business (key to growth, support strategic initiatives)
  - Support (support your business)
Process Management – Learnings

- Importance of clearly identifying your key health care business and support processes
- Better involvement of suppliers in improving key processes
- Clearly link key processes to customer expectations
Health Care Process
Care Delivery Model

Continuum of Care

Admit/Registration → Assess → Care Delivery/Treat → Discharge

Educate patients and family & ensure patient rights
Health Care Process Examples

■ Care Delivery/Treatment
  – Lab: Accuracy, Timeliness
    ■ Repeat Rates, TAT, Satisfaction Survey
  – Pharmacy: Accuracy
    ■ Dangerous Abbreviations, ADE
  – Surgical Service: Competence, Communication
    ■ SS Infection Rate, Periop Mortality, Family member communication
ED Loyalty at St. Joseph Health Center, St. Charles

- % Loyal
- Avg Wait for Treatment (mins)
Clinical Collaborative Participation

Number of Teams

1999 2000 2001 2002

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SSM Health Care
2002 Award Recipient

National Quality Award
Achieving Exceptional Safety – % of Orders With Dangerous Abbreviations

0%  5%  10%  15%  20%  25%

01/02 03/02 06/02 09/02 12/02

- SSMHC
- Best in SSMHC
- Goal

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Physician Connectivity
Access Anytime, Anywhere…

SSM Connect
- E-mail Access
- SSM Physician Portal
- Lotus Notes Access
- Fax Machine
- Pager
- Hand-Held PDA

Hospital 1
Hospital 2
Hospital 3
Connected Physicians

- 1999: 3200
- 2000: 3763
- 2001: 5847
- 2002: 7702

Connective Physicians
Net Accounts Receivable

SSMHC Net AR  Comp AA  CHS
Organizational Performance
Results

- Measure what is important.
- Measure for effectiveness.
- Set and monitor in-process (leading) & outcomes (lagging) indicators.
- Continuously improve results.
Summary

- Unwaivering Leadership
- Commitment
- Commitment to Employees
- Process Orientation

Results
Contact Information

Baldrige@ssmhc.com
Phone – (314) 994-7999

Bill Thompson, Senior VP Strategic Development
(314) 994-7823 – Bill_Thompson@ssmhc.com

Paula Friedman, Corporate VP, Systems Improvement
(314) 994-7840 – Paula_Friedman@ssmhc.com