



## **Building A Better Healthcare System**



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### **Your Pace of Improvement is Critical to Reducing Risk**

How fast is your organization improving your Healthcare System and results? I recommend healthcare organizations include the pace of improvement in their risk management assessments if they are not already doing so. If your organization is not improving faster than the national average, your financial resources are at risk. When healthcare organizations are not financially sound, it is difficult to have an engaged workforce, and it is harder to have consistent, safe, and effective patient care practices or a safe working environment.

### **Improvement Models Help Leaders Integrate Whole System Improvement Faster and More Consistently**

In the United States, a small number of healthcare organizations are experiencing improvement rates that are much faster than the average. How are they doing this? Our research shows that these organizations' senior leaders are investing in improvement and are using one or more models to drive and integrate improvement across the entire healthcare system.

For example, ThedaCare, Seattle Children's, Park Nicollet, Avera McKennan, Royal Bolton, HNS, and Virginia Mason have chosen Lean and the Toyota Production System as their model. Others use the Baldrige Criteria for Performance Excellence. To date, 11 healthcare organizations have received the Baldrige Award. Their results, summarized in a recent column<sup>1</sup>, show a much faster pace of improvement and higher performance in clinical outcomes; patient satisfaction; and financial, market, process, and leadership results. Some are an order of magnitude better than lower performing healthcare organizations. And, the Lean and Baldrige models are synergistic.

Senior leaders have the organizational and positional power to make performance excellence a success. They must set directions, create a patient focus, establish and communicate clear and visible values and set high expectations. Only leadership can focus the organizational culture on excellence and establish a pace of improvement that overcomes risk. <sup>2</sup>

### **Improvement Models Apply to Healthcare Organizations of all Types and Sizes**

To date, all of the Baldrige healthcare recipients have been large organizations. However, the framework and principles are universally applicable. HomeLife in Kalamazoo, Michigan is using the Baldrige framework to significantly improve mental health services. Caris Healthcare is using it to significantly improve hospice care in Tennessee. Madonna Living Community of Rochester, Minnesota has used the ACHA Quality Award Criteria (based on the Baldrige Criteria) to significantly improve nursing home and assisted living care. VA hospitals can use the Baldrige-based Carey Award Criteria. Qualis Health, a healthcare quality improvement organization, headquartered in Seattle, is using it to improve the quality of healthcare delivery and healthcare outcomes for individuals and populations across the nation.

Lean is also being used in a wide range of healthcare settings from large health care settings to doctors' offices. By

focusing on patient-centered processes, called value streams, organizations are removing waste, which simultaneously improves patient satisfaction and reduces costs.

### **Tahoe Forest Health System Applies Performance Improvement and Innovation to Achieve Unique Results**

I've had the opportunity to work with senior leaders at the Tahoe Forest Health System (TFHS), comprised of two rural critical access hospitals, to review their progress on their excellence journey. Some lessons learned may benefit your organization.

TFHS began its excellence journey in 2005 after leaders attended a California Award for Performance Excellence (CAPE) conference. They began incorporating the Baldrige framework as the basis for improvement. TFHS senior leaders also invested in mapping and defining the health system's core service delivery processes. This helped identify areas of improvement related to patient flow and handoffs between processes where most waste and problems occur. Performance excellence initiatives also helped change the culture to one that focuses on the horizontal processes rather than the vertical organizational structure. As a result, when there is a problem leaders focus first on the process involved. They find themselves asking, "What is our process? Was it followed? Do we need to change it? Or do we need to retrain someone on the process?"

When people ask, "Why Baldrige?" Bob Schapper, CEO, replies, "My answer is simple. Key financial indicators equivalent to A- bond ratings from Wall Street; infection rates far below the national average, maintaining a patient satisfaction rating, reported by Press Ganey, in the top 10 percentile for in-patient, ambulatory surgery and emergency care against a variety of peer groups, and incredible community engagement. That's why we are involved with Baldrige."

To help accomplish these results in an efficient manner, senior leaders have aligned the organization around five foundations: quality, service, people, finance, and growth. These are the same pillars popularized by the StuderGroup and used by almost every Baldrige healthcare recipient. What is innovative at TFHS is that the five-member, publically elected Board of Directors has aligned its governance committees around the same five foundations.

TFHS has deployed Performance Excellence Boards, which align every department's key measures and improvement action plans with the five foundations. The Boards are used as a mechanism to communicate what is most important to improve with key stakeholders and staff. When action plans are completed, the results are summarized in an Accomplishments Log. This helps senior leaders round and recognizes teams for accomplishments. These Boards also make a strong impression on local business leaders and representatives from other healthcare organizations when they tour the hospital.

TFHS excels in community engagement. Senior leaders have established community-based Advisory Boards and Foundations to provide counsel on community needs and to help research and investigate innovative approaches. These Advisory Boards also accelerate the pace at which innovative services are introduced. One example is the creation of a locally-based Cancer Center. Through discussions with community leaders and surveys, TFHS leaders learned that there was a desire for a local cancer center so patients would not have to drive to Reno or Sacramento for chemotherapy treatments. A Cancer Advisory Board comprised of local community members was formed to engage the community in the development process. The members of the Advisory Board, along with TFHS leaders, benchmarked 12 other cancer centers nationally to guide the design of the new cancer center. The Center was intentionally designed to provide patients with both physical and emotional comfort, and patients were involved in decisions. In one decision, various models of chemo chairs were brought in, and a focus group selected the best chair. To increase convenience and reduce waiting times for laboratory results, a small laboratory was located on site. With this attention to detail and patient service, the demand continues to grow. The Cancer Advisory Board is used as a model for other innovations that provide services to the community. Community engagement leads to community ownership of programs and services at TFHS. With community ownership, philanthropic support naturally follows.

To illustrate how improvement has expanded to all areas of the health system with unexpected positive impact, we only need to look at food services. Margaret Holmes, Manager of Food Services, opened our session saying, "Food is like religion and politics. Everyone has an opinion." When I started working with TFHS in 2005 they had a traditional cafeteria, and the food was typical of a hospital.

"We knew we were doing fine – until we measured satisfaction with Press Ganey. Truth is, we did not survey before because

we didn't want to know. Our wakeup call was we rated only at the 43rd percentile." A new wing was being built so the food service team had a real opportunity to change from a cafeteria to a café. Planning took almost a year. They identified each of the major customer segments and held focus groups to determine what was most important to each segment. The participants became owners in the improved service and were delighted they had been listened to.

Holmes and the food service team learned that even though the average stay is 1.8 days the restaurant style menu was perceived as lacking variety. So, an executive chef was hired. He implemented a three-week rotating menu with choices. He also created flavor profiles for each food item and implements a sample table where the food is rated each day, and the rating are documented on a standard form. When improvement is needed, the recipe is changed or the item is removed until it meets the rigid standards established by the food service team.

Some unexpected things started to happen because the food and service were so good. Patient satisfaction rose significantly. Over 90% of respondents rate the food and service as top box or excellent, and it continues to improve. In fact, TFHS food service is now used by Press Ganey as a national benchmark. The Hospice Advisory Board and other local service clubs began having meetings at the hospital in order to use TFHS food service for catering. This allows the hospital to showcase its facility and services which helps grow market share and volumes. Plus, the food service department has received an award from the national food service association Good to Best for the most sustainable improvement in quality and excellence in North America.

TFHS has recently been recognized by U C Davis as the only "Rural Center of Healthcare Excellence" for its innovative approaches and excellent results. TFHS was also one of the first recipients of the Pathways to Excellence recognition from the American Nurses Credentialing Center (ANCC).

### **Reduce Your Risk Through Building a Better Healthcare System**

Will Rogers wrote, "You may be on the right track, but if you are not moving fast enough you will get run over." In the competitive world of healthcare, especially with the potential impact of health care reform, most organizations do not have the luxury of waiting to implement performance excellence. Start today in selecting the most appropriate model for building a better healthcare system, and begin implementing it effectively and efficiently. Otherwise, you are putting your organization at risk – financially, competitively and from the standpoint of patient outcomes.

<sup>1</sup> Bodinson, G. (2009). Healthcare organizations get "healthier" using the Baldrige system for performance excellence. *Patient Safety & Quality Healthcare*, 6(6), 62.

<sup>2</sup> Bodinson, G. (2005, November). Change healthcare organizations from good to great. *Quality Progress*, 22-29.

**Glenn Bodinson** is the CEO and founder of BaldrigeCoach. For a free special report, "Saving you time in money in the application process" contact him at [Glenn@BaldrigeCoach.com](mailto:Glenn@BaldrigeCoach.com) or (972) 489-5430. He and Kay Kendall are writing a book, *Understanding and Implementing Baldrige in Healthcare*, for the ASQ Management Division's Executive Guide Series.