Performance Improvement Program

Integration of Finance and Quality

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Beginning with the End in Mind

The goal of a Strategy-Focused Performance Improvement model is to **integrate numerous reporting and compliance functions across finance and quality into a single program** that optimizes time commitments, promotes strategic alignment and assigns accountabilities at the right levels of the organization.

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Background and Context

Strategic Risk & Operational Improvement

- Define "gaps" in performance
- Develop budget consistent with "sustain" threshold
- Quantify cash "run rate"
- Examine five-year trends at least annually

Financial
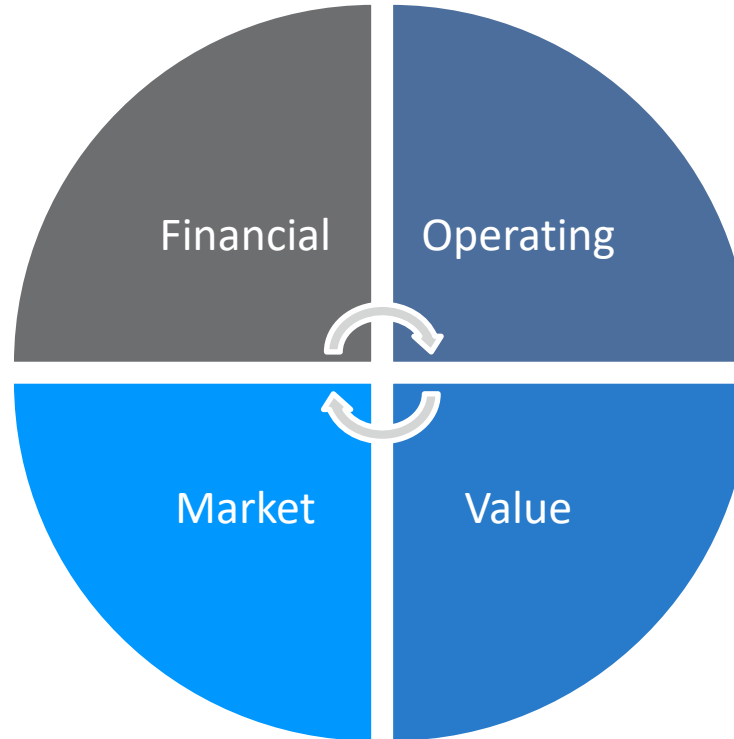
Operating

- Demand-Based Staffing tools
- Provider practice operations improvement
- Revenue cycle and coding
- Cost report reviews (CAHs)
- Practice / clinic designations
- Process redesign
- Supply chain & purchasing

- Identify growth opportunities
- Invest in aligned provider base
- Develop ambulatory network
- Address industry disruptors
- Implement retail pricing, access strategy
- Direct contracting
- De-escalate conflict between Boards

Market

Value

- Annual payor contract reviews
- Contracting strategy re: payor products and value-based models
- Value-based payment strategy
- Self-Insured population tools
- Medicare Advantage products
- Define need for payor and provider partners
- Manage total cost of care
- Address industry disruptors

Each of the four strategic and operating risk vectors have potential mitigating management responses.

Developing and Implementing a Plan

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Five Characteristics of an Improvement Plan

- A systematic process that includes leadership, accountability, and dedicated resources.

- Use of data and measurable outcomes in the progress towards evidence-based benchmarks.

- Focuses on linkages, efficiencies, and provider and client expectations when improving outcomes.

- Continuous process that adapts to change within the organization's quality improvement arena.

- Data collected is utilized to assure that the goals of the program are accomplished and they are concurrent with the improved outcomes.
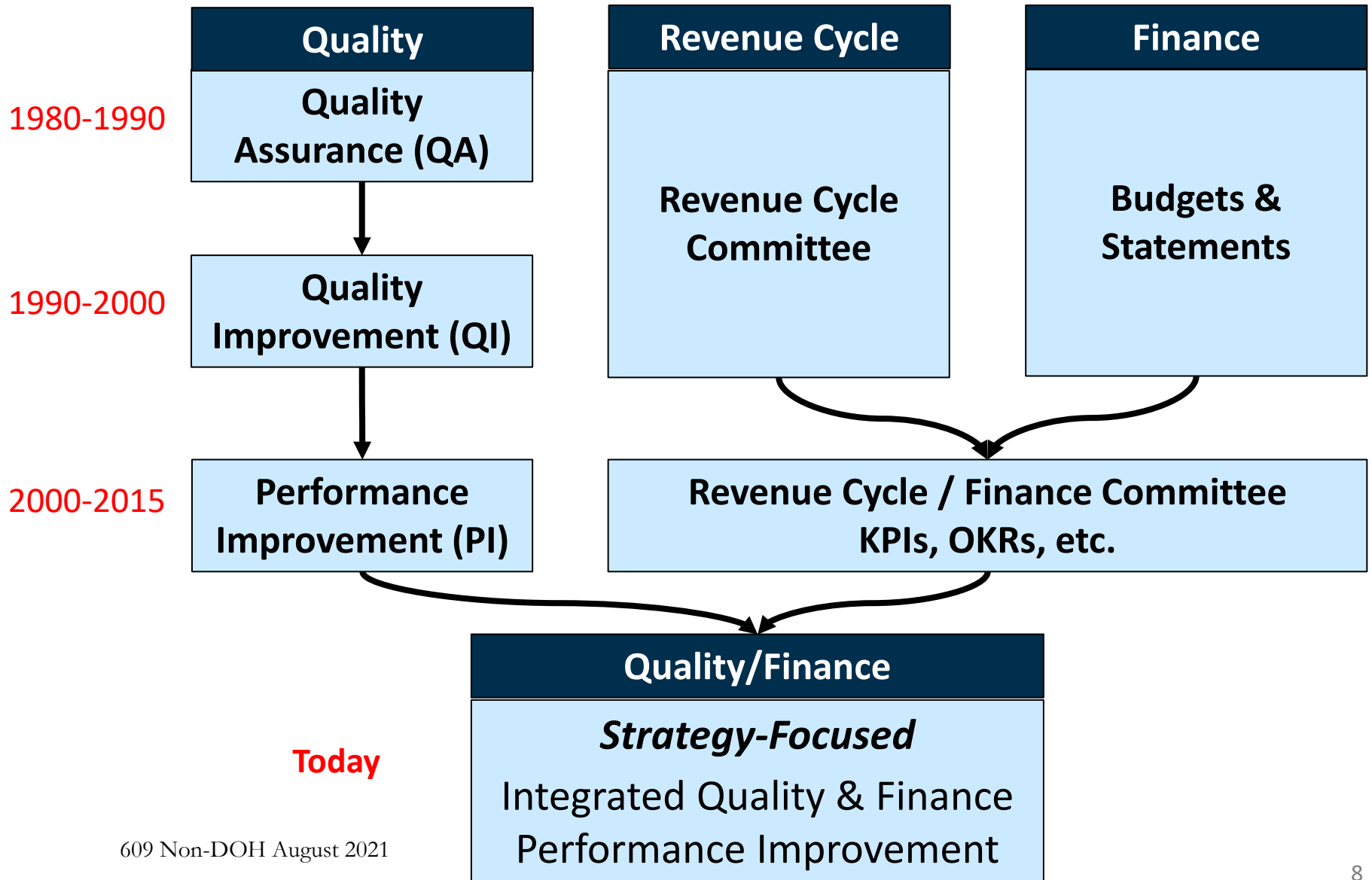
An Effective Improvement Program Structure

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Definition of the term quality for the organization

Clarify leadership roles

Create an accountability structure

Determine what the name of your program will be (i.e., quality or performance improvement)

Identify the important functions of the organization

Identify approaches to process improvement framework

Develop an information flow chart

Establish reporting routines

Integrate quality principles into organization's policies and procedures

Identify educational needs

Brown, J., & Mellott, S. (n.d.). The Janet A. Brown healthcare quality handbook: A professional resource and study guide (29th ed.)

Influences on Program Effectiveness

❑ Organizational culture, ethics, priorities, and degree of leadership commitment to mission, vision, and values

❑ Governing body support and involvement

❑ Administrative and management leadership support and involvement

❑ Medical/professional staff or medical group/IPA support and involvement, as applicable

❑ Organizational, team, and committee structures

❑ Scope of services and programs

❑ Important organization wide functions

❑ Strategic quality initiatives

❑ Care and service delivery functions, systems, and processes

❑ Information system resources

❑ Financial budget and resources

❑ Political environment

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Evolution of Improvement Models

	Quality	**Revenue Cycle**	**Finance**
1980-1990	**Quality Assurance (QA)**		
1990-2000	**Quality Improvement (QI)**	**Revenue Cycle Committee**	**Budgets & Statements**
2000-2015	**Performance Improvement (PI)**	**Revenue Cycle / Finance Committee KPIs, OKRs, etc.**	

Today

Quality/Finance

Strategy-Focused

Integrated Quality & Finance Performance Improvement

Current Structure Advantages

- Easier for staff to learn

- Does not require staff to focus on things outside their core functions

- Core group can get more granular in improvement efforts

- Leads to a several metrics within certain areas due to the limited focus of the group

Pros and Cons of Current Structures

Current Structure Disadvantages

- Too many meetings
- Quality, Revenue Cycle, and Finance in Silos
- Different meetings involve the same people
- Strategy disconnected from actions
- Variation in expectations
- Compliance supersedes Improvement
- Lack of transparency
- Too much reporting, not enough Improvement
- Limited involvement across organization

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Building Blocks

Roles and Responsibilities

Board of Directors	Accountability
Executive Management Team	Coordination
Medical Executive Committee	Guidance
PIEC	Effectiveness Monitoring
Reporting Entities	Improvement
Committees	Organization & Compliance

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Governance and Management Committees

| Board of Directors | Acceptance and oversight of Balanced Scorecard framework and Performance Improvement progress |

| Executive Management Team | Review and interpretation of Strategy-level dashboard reports and Performance Improvement progress |

| Medical Executive Committee | Review and evaluate clinical processes, outcomes and clinical Performance Improvement opportunities |

Performance Improvement Executive Council

PIEC members typically include the COO/CNO and CFO as co-directors, the CEO, CMO, ED Director, Revenue Cycle Director, QI/PI Director, Board Member, Security/Privacy Officer, and representatives from 2-3 key Departments. The Executive Council meets monthly to receive reports from hospital Departments ("Reporting Entities") and Committees. The PIEC assumes final responsibility for all Performance Improvement activities, including data collection, reporting, and Action Planning development.

Reporting Entities (Departments)

Reporting Entity

| Indicator Selection | Target Setting | Benchmarking | Action Planning |
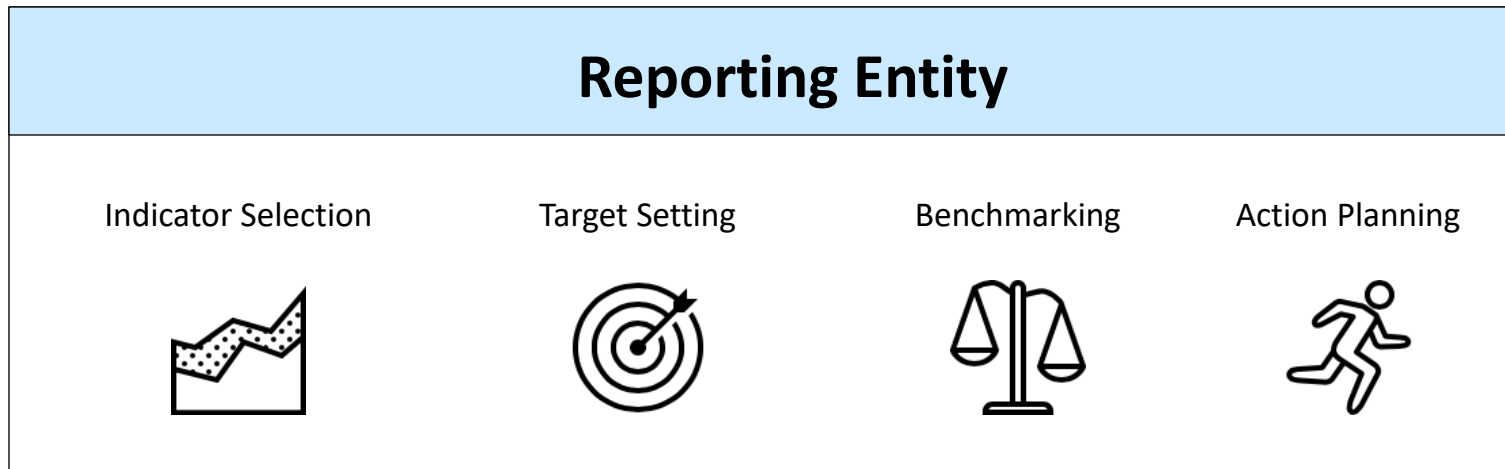
- Clinical and Non-Clinical Departments serve as Reporting Entities
- Reporting Entities are responsible for reporting **to** the PIEC
- Reporting Entities are divided into two categories:
  - **Major** Physician Focus such as Nursing and Emergency Department
  - **Non-Major** Physician Focus such as Imaging and Rehabilitation

Recognition of Opportunities for Improvement

Fundamental to performance improvement is recognition of current performance and identification of opportunities for improvement, which have greatest impact on patient outcome. Factors that influence selection of processes to be measured include:

High volume

High risk

Risk of sentinel event

Problem prone processes

Potential for improvement per case

Market competition

Employee opinions

Patient Satisfaction

Negative trends/patterns

Strategic Priorities

Initial Step

Clearly identify the practice problem, issue or clinical area of concern for which the evidence is sought. The development of a PICOT question guides the search for the research evidence.

P
- Population, Problem, Situation

I
- Intervention, Issue

C
- Comparison

O
- Outcome

T
- Time
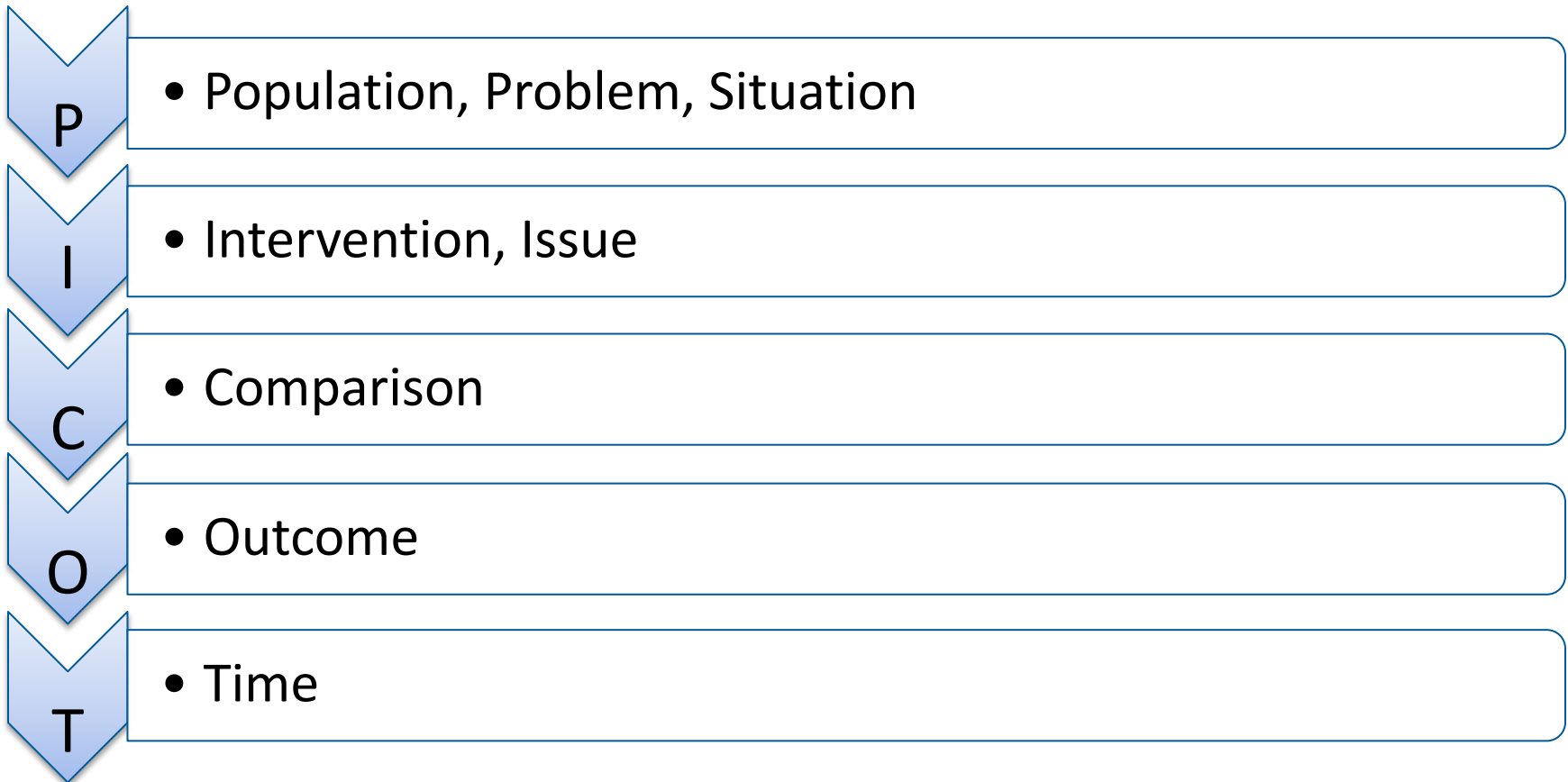
Bringing It All Together

Performance Improvement

Reporting Entity Responsibilities

Indicator Selection: The process through which reporting entities identify specific clinical, financial and operational indicators to support performance improvement activities.

Target Setting: The process through which reporting entities set performance targets for all relevant indicators (target setting encompasses lower and upper bounds as well as actual targets).

Benchmarking: The process through which reporting entities use external and internal data to establish "best practices" and opportunities for process improvement.

Action Planning: The process through which reporting entities assemble department-specific task forces that are responsible for developing and executing a set of concrete action steps.

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Information and Data Flow

- Data flows into and out of the PIEC
- Reporting Entities report **to** the PIEC
- The PIEC reports **to** the Governance Committees
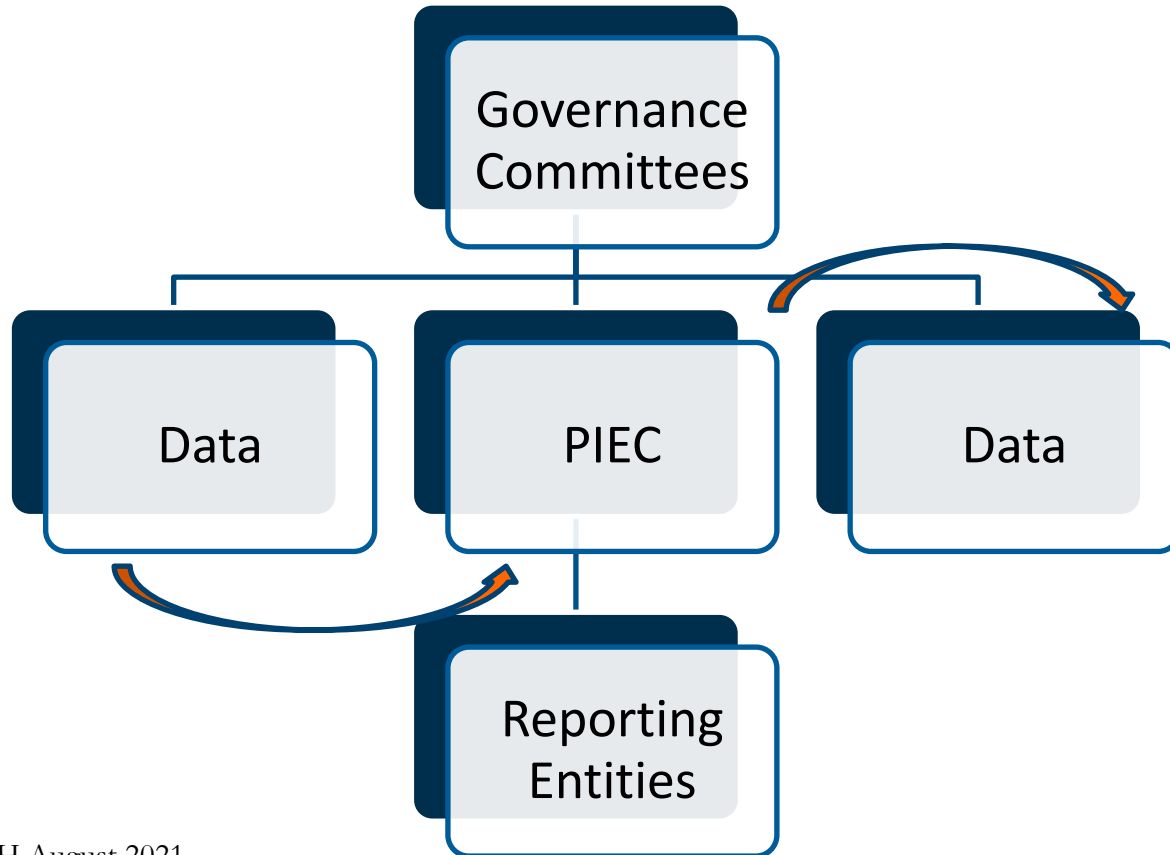
SAMPLE Quarterly Reporting Calendar

Month 1: Imaging; Laboratory; Emergency Department; EMS; Pharmacy; Patient Safety Committee; HIPAA Compliance

Month 2: Rehabilitation; Respiratory Therapy; Dietary; Maintenance; Housekeeping; EOC Committee; Administration; Business Office; Medical Review Committee

Month 3: Nursing; Physician Practices; Medical Review Committee; Surgery/Anesthesia; Medical Records; Utilization Management Committee

Quarterly: Review of Strategic Plan priorities, Enterprise-wide Action Plans and dashboards

Action Oriented Teams and Initiatives

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TASK FORCE DEVELOPMENT

A Task Force is a group of people assigned to complete a specific task or set of tasks. Often, task forces are assembled to respond to a critical need and meet the following criteria:

- Dedicated set of hospital staff
- Finite time period
- Budget commensurate with the project
- Clear accountabilities and expectations
- Task is directly linked to hospital strategy

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Group Activity: Prioritization Matrix

	Low Cost	Strategic Priority	Meets Standard	MD Concern	Staff Concern	Totals
Medication Errors						
High Readmissions						
ER Backlogs						
Net Days in A/R						
Patient Survey Results						

How to construct
1. Create an L-shaped matrix
2. Prioritize and assign weights to the list of criteria that will be used in the prioritization.
3. Prioritize the list of options based on each criterion.
4. Prioritize and select the items across all the criteria.

When to use
When problems are identified and options must be narrowed down, when options have strong interrelationships, and when options all need to be done but prioritization or sequencing is needed.

White, S. V. (2012). *Quality and performance improvement* (3rd ed.). Glenview, IL: National Association for Healthcare Quality.

Questions

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