

Texas State University



November 16, 2012

About Studer Group

- ▼ Execution company focused on achieving and sustaining exceptional clinical, operational & financial outcomes
- ▼ Work with over 850 healthcare organizations in the US and beyond
- ▼ > 60 Coaches and Speakers
- ▼ Educational Resources – Books, Training Videos, Webinars and Institutes
- ▼ Web-based software solutions for operational alignment and process efficiency/improvement
- ▼ Recipient of the 2010 Malcolm Baldrige Quality Award
- ▼ Ranked #5 Great Small Workplace in America
- ▼ Evidenced-Based tactics that produce:
 - Accelerated rate of improvement and efficiency in clinical quality (core measures, hospital acquired conditions, and readmissions)
 - Favorable HCAHPS results
 - Maximized reimbursement
 - Increased physician loyalty
 - Improved ED flow, operational metrics and patient experience

Studer Group Mission and Vision

Mission:

To make healthcare a better place for employees to work, physicians to practice medicine and patients to receive care.



Vision:

To be the intellectual resource for healthcare professionals, combining passion with prescriptive actions and tools, to drive outcomes and maximize the human potential within each organization and healthcare as a whole.



Observations

- ▼ No victim thinking
- ▼ Control our own destiny
- ▼ People need you
- ▼ You not only save lives but you save healthcare



Communication Tip

WHY

WHAT

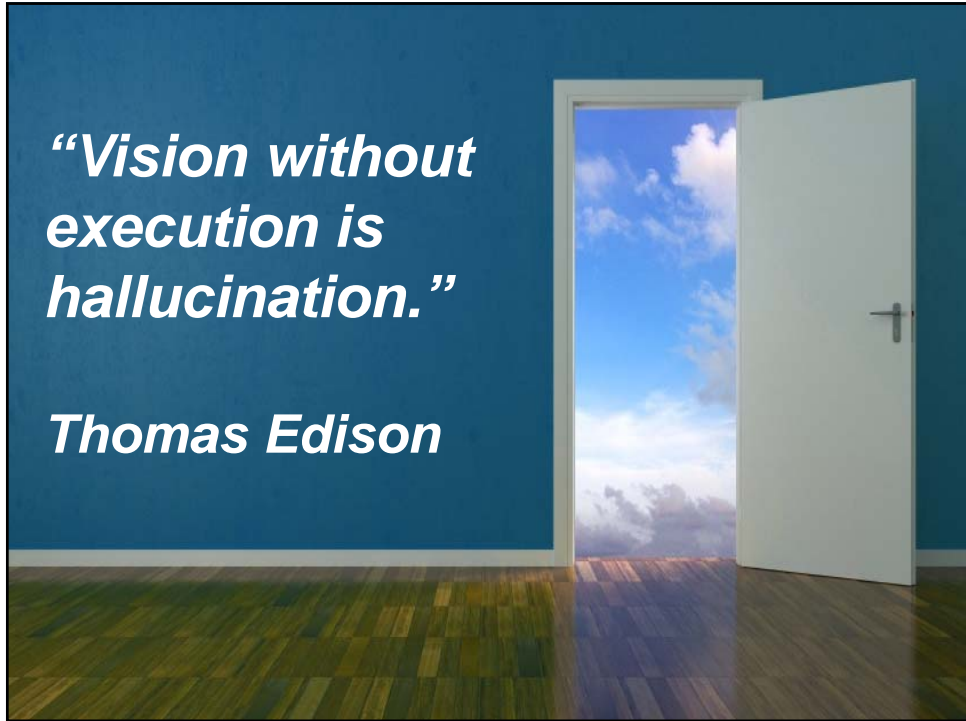
HOW

Tips

- ▼ Validating the Message - Feedback/Communication
- ▼ Power of Role Modeling

“Vision without execution is hallucination.”

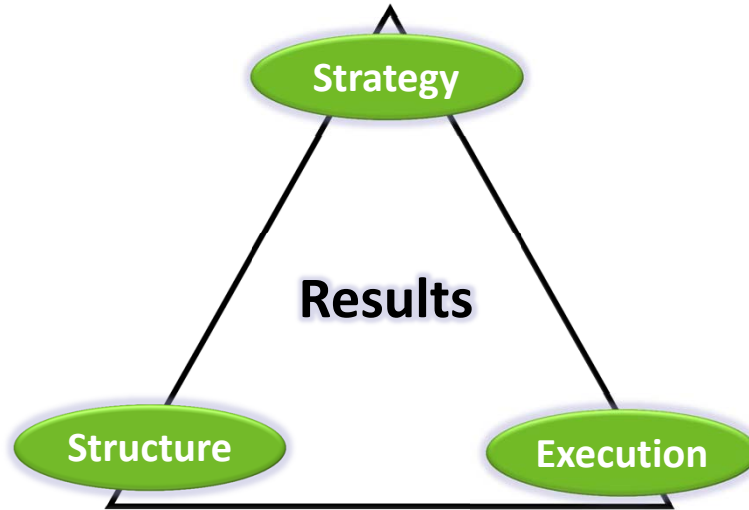
Thomas Edison



Top Ten Challenges in Execution

1. Leaders / Others underperforming and still receiving a good evaluation
 (Accountability)
2. Change not connected to why
 (Alignment)
3. Lack of necessary urgency
 (Alignment)
4. Leaders do not have the skills to assure a solid implementation.
 (Action)
5. Too many changes -- too soon
 (Action)
6. Push Back by leaders, staff and physicians
 (Accountability)
7. Not familiar with what “right” looks like
 (Action)
8. Lack of frequency
 (Action)
9. Inability to transfer best practices
 (Action)
10. Poor processes
 (Action)

Result Triangle



Execution Triangle



Myths

- ▼ **Patients:** They have unrealistic expectations
- ▼ **Staff:** Leaders job is to get everyone on board
- ▼ **Physicians:** It is impossible to get physicians aligned
- ▼ **Leadership:** Engagement of people and patient experience are soft skills
- ▼ **Data:** Low “n” – means the data isn’t useful
- ▼ **Scoring:** The best way to improve a score is to focus on it
- ▼ **Easy:** Seems common sense so it is simple

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Reimbursement changes, technology changes, procedures change, medications change, events and people change, the most important skill is to create a culture that has the agility and ability and to adapt to the changes.

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Human Responsibility



When you know you have a solution to a problem that is causing pain for someone – you have a human responsibility to act, and to do so with all urgency.

~ Quint Studer

Studer Group Partners Outperform the Nation across HCAHPS Composites

Studer Group Difference over Non-Partners in National Percentile Ranking

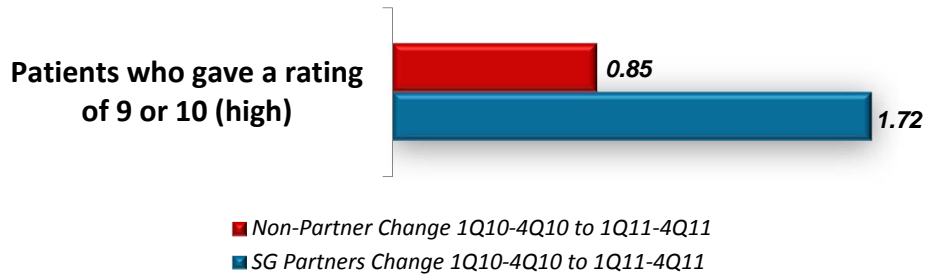


Source: The graph above shows a comparison of the average percentile rank for Studer Group Partners that have received EBL coaching since Jan 2009 and non-partners for each composite; updated 10.29.12 using 1Q11-4Q11 CMS data.

Studer Group Partners Outperform the Nation across HCAHPS Composites

Average Change in Top Box Results in One Year

Studer Group Partners vs. Non Partner

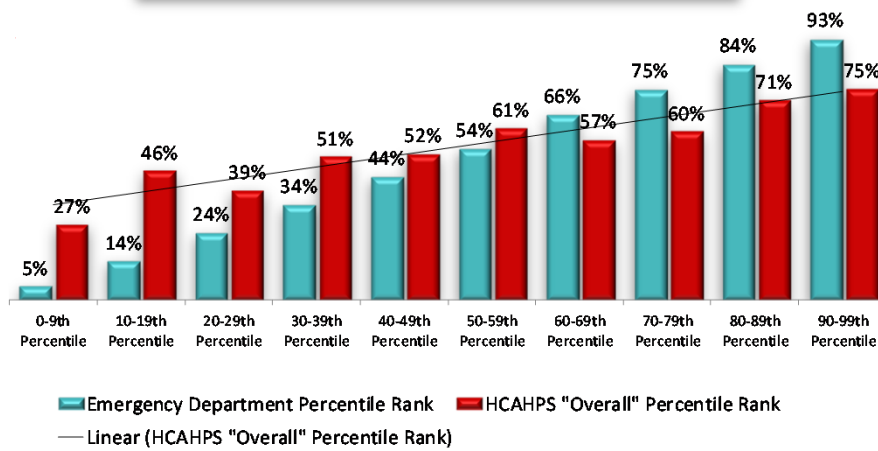


Source: The graph compares the change in one year in "top box" results achieved by Studer Group partners vs. non-partners. Change is from 1Q10-4Q10 to 1Q11-4Q11. The "top-box" is the most positive response to HCAHPS survey questions.



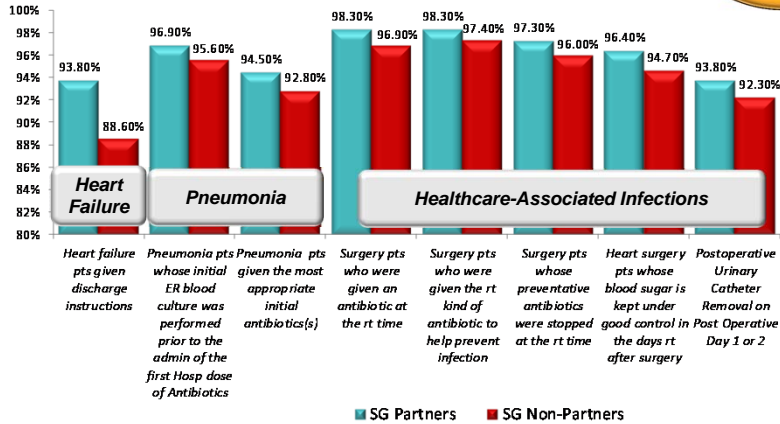
As Hospital's ED Percentile Ranking Increases, So Does Its HCAHPS "Overall" Percentile Ranking

Relationship: ED and HCAHPS "Overall" Percentile Rankings



Studer Group Partners Perform Better Than the Nation in Core Measures

New Update!
1Q11-4Q11

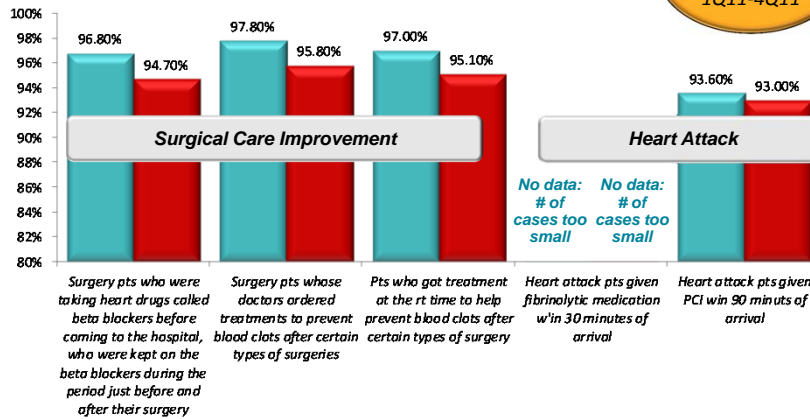


Data that CMS footnoted, "number of cases is too small to be sure how well a hospital is performing" has been removed from this analysis



Studer Group Partners Perform Better Than the Nation in Core Measures

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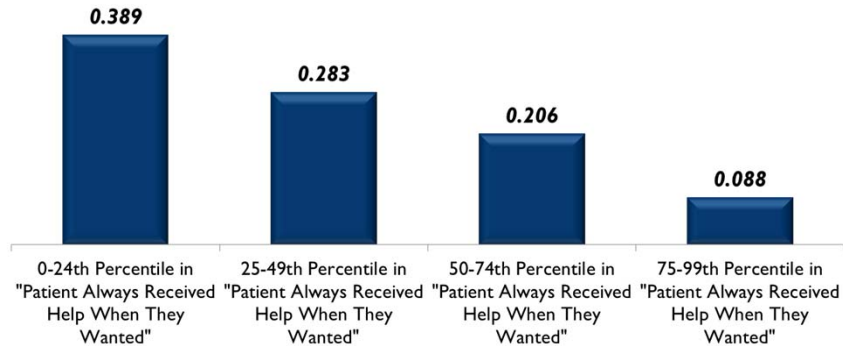


Data that CMS footnoted, "number of cases is too small to be sure how well a hospital is performing" has been removed from this analysis



Patients' Perception of Care = Quality *Vascular Catheter-Association Infection*

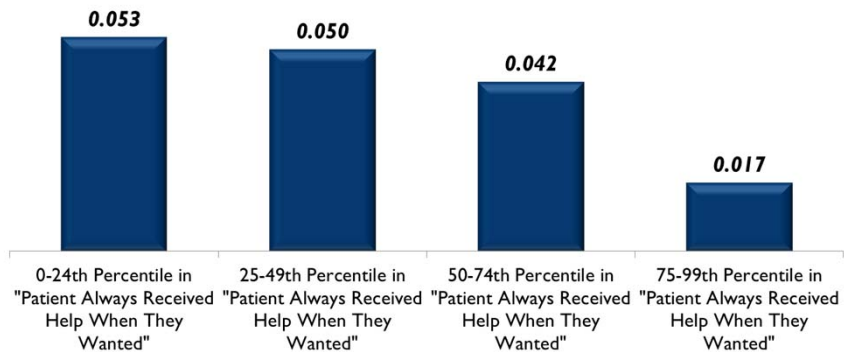
Hospitals Rate per 1000 of **VASCULAR CATHETER-ASSOCIATED INFECTION** by their Percentile Ranking for Responsiveness



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Patients' Perception of Care = Quality *Manifestations of Poor Glycemic Control*

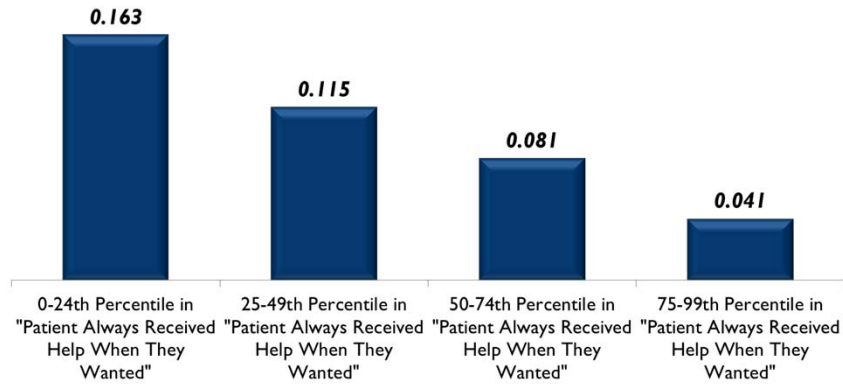
Hospitals Rate per 1000 of **MANIFESTATIONS OF POOR GLYCEMIC CONTROL** by their Percentile Ranking for Responsiveness



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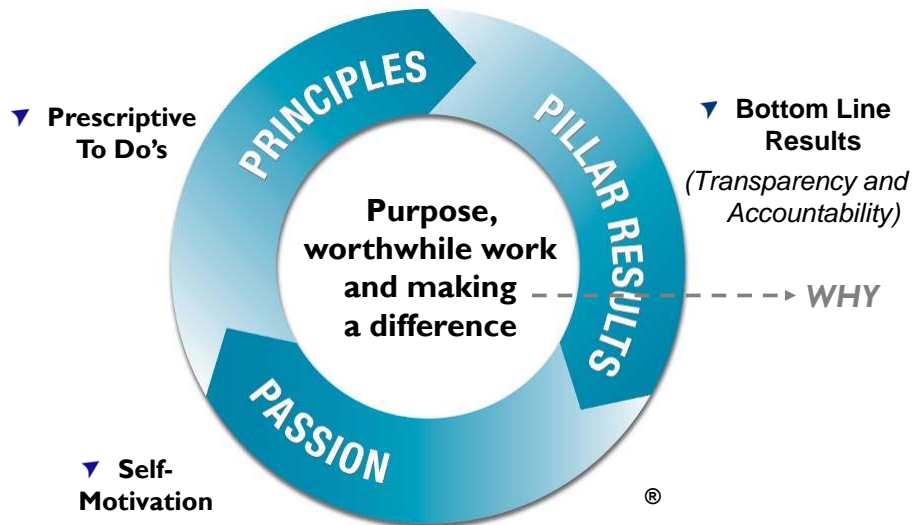
Patients' Perception of Care = Quality Pressure Ulcer Stages III and IV

Hospitals Rate per 1000 of PRESSURE ULCER STAGES III AND IV by their Percentile Ranking on Responsiveness

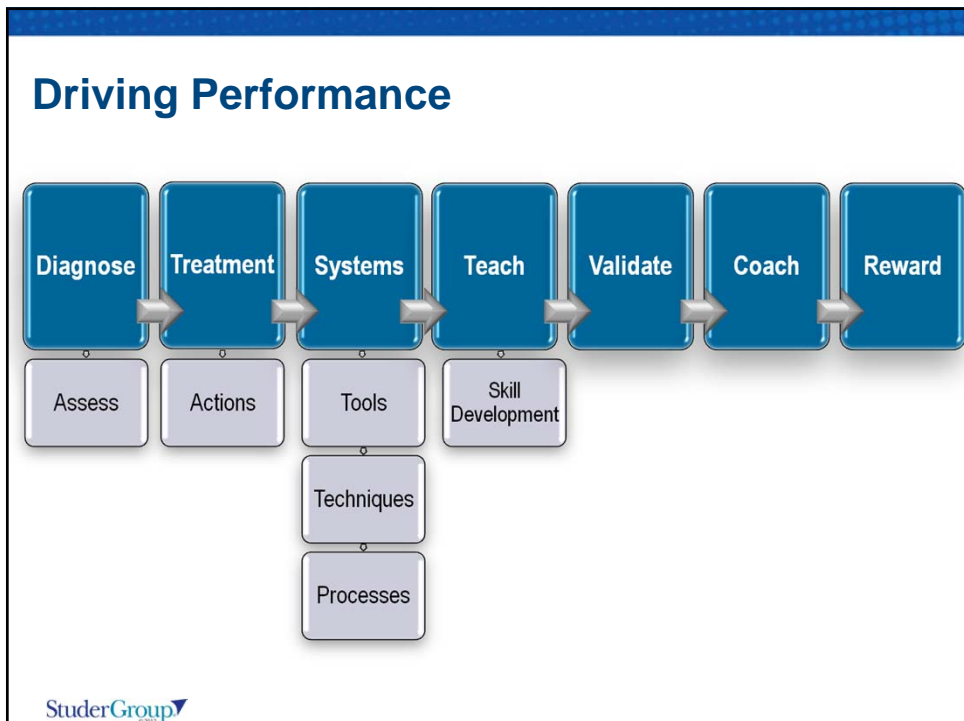
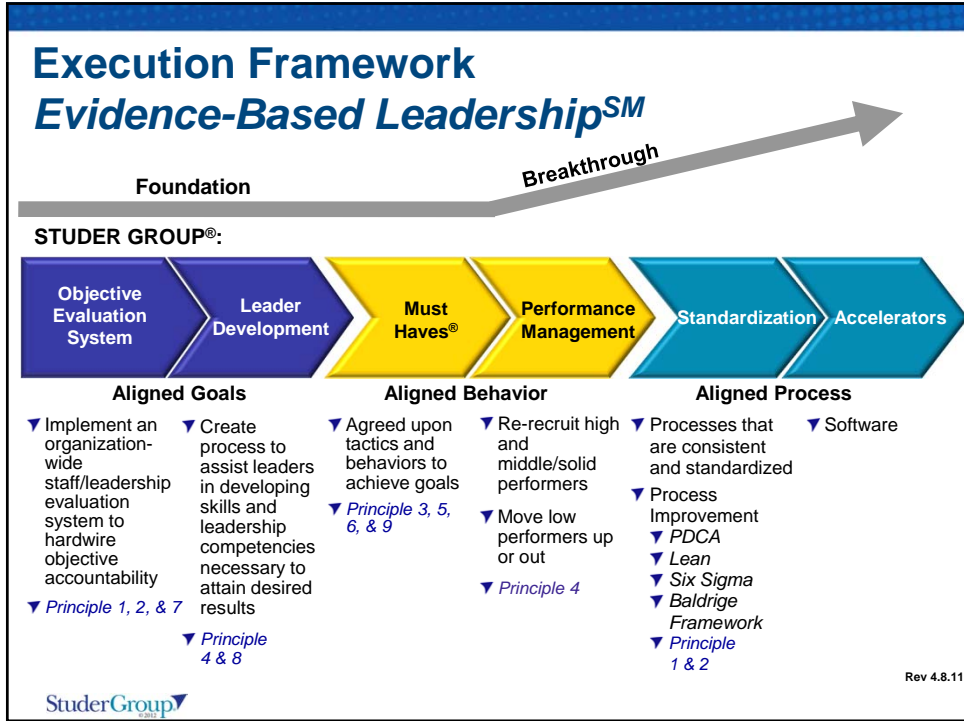


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Healthcare Flywheel[®]



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High Performing Organizations

What were the most influential factors in their success?

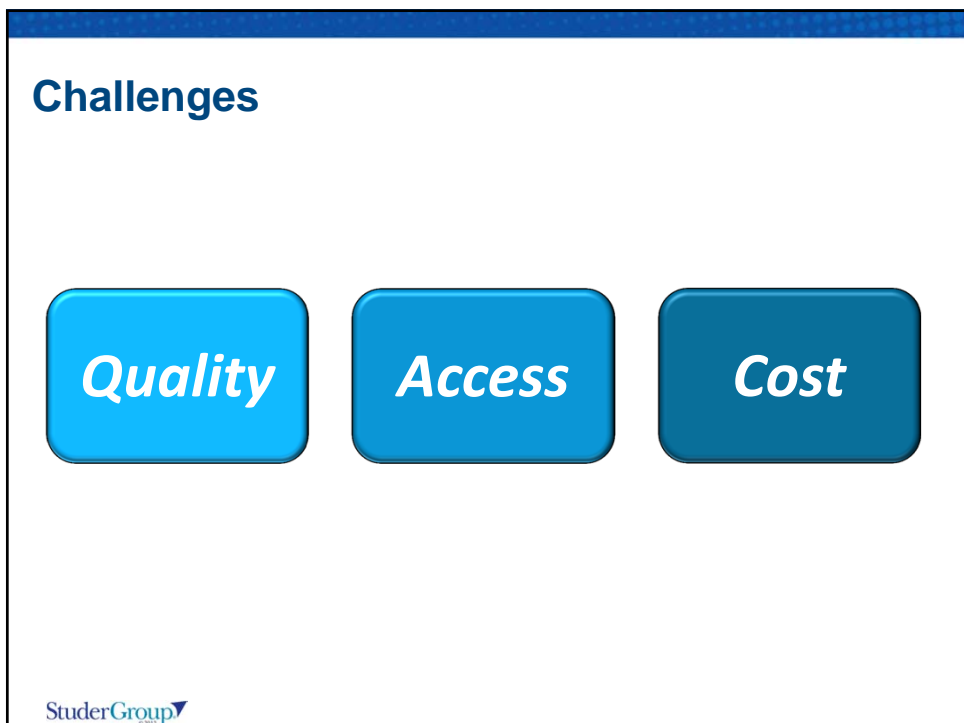
- ▶ Executive and Senior Leadership Commitment
- ▶ Leadership Evaluation / Accountability
- ▶ Leadership Development
- ▶ Communication / Employee Sessions
- ▶ Knowing this was the “Right” Thing To Do (Why)

Alliance for Health Care Research
High Performing Organization Study 2004 Measures

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Only through standardized implementation of leadership best practices will healthcare systems maximize the human potential within their organization and most importantly achieve their desired mission.

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U.S. Health Related Money Woes

Social Security and Medicare Unfunded Liabilities (trillions of dollars)		
	2008	2009
Social Security	\$ 15.8	\$ 17.5
Medicare Part A	34.7	36.7
Medicare Part B	34.0	37.0
Medicare Part D	<u>17.2</u>	<u>15.6</u>
Total	<u>\$ 101.7</u>	<u>\$ 106.8</u>

Source: 2009 Social Security and Medicare Trustees Reports.

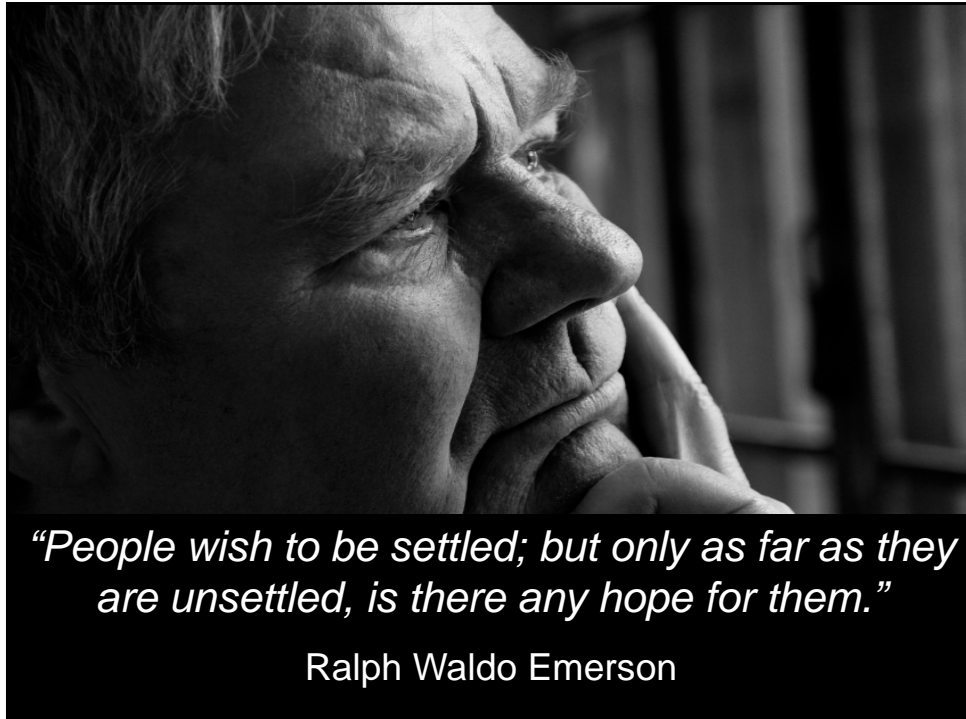
Source: Pamela Villarreal, National Center for Policy Analysis, "Social Security and Medicare Projections: 2009," October 11, 2009, No. 662, page 2.

United States Health Care Expense

The healthcare expense increase is taking up more of the gross domestic product

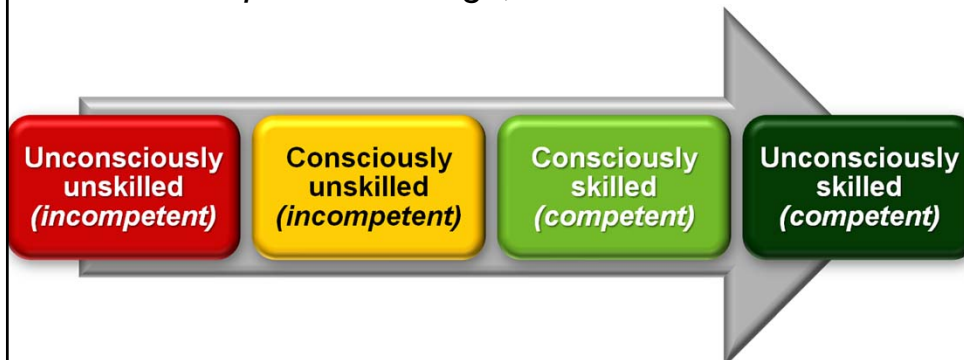
	Total expenditure on health, % of gross domestic product		Total health expenditure per capita, US\$ PPP		Gross domestic product (GDP), current PPPs, billion US dollars	
	% Change, 2000-2008	CAGR, 2000-2008	Healthcare Costs 2000-2008 % change	CAGR, 2000-2008	GDP 2000-2008 % change	CAGR, 2000-2008
UNITED STATES	19.40%	2.24%	60.28%	6.07%	44.43%	4.70%
SWITZERLAND	4.90%	0.60%	43.65%	4.63%	52.28%	5.40%
UNITED KINGDOM	24.29%	2.75%	70.33%	6.88%	48.96%	5.11%
UNITED STATES	19.40%	2.24%	60.28%	6.07%	44.43%	4.70%

Source: OECD, Source OECD database, accessed November 12, 2010



Phases of Competency and Change

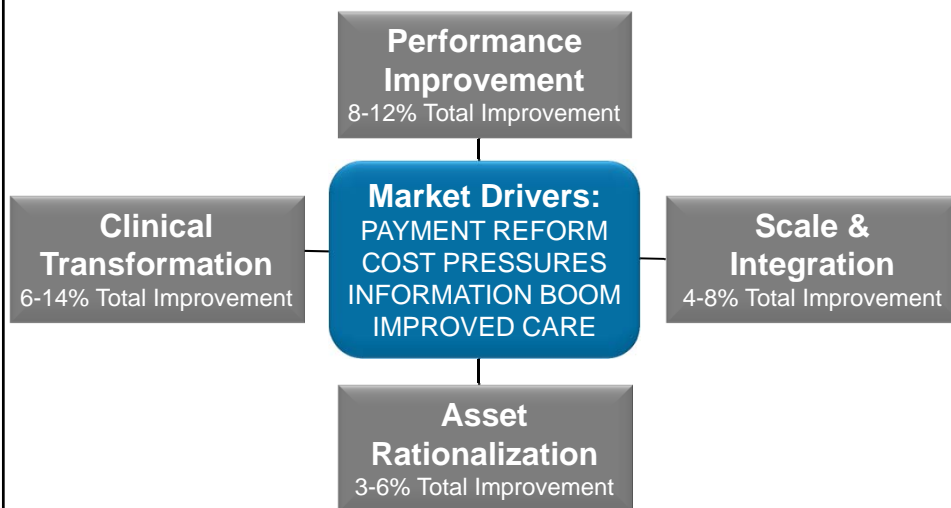
Even with positive change, there is resistance . . .



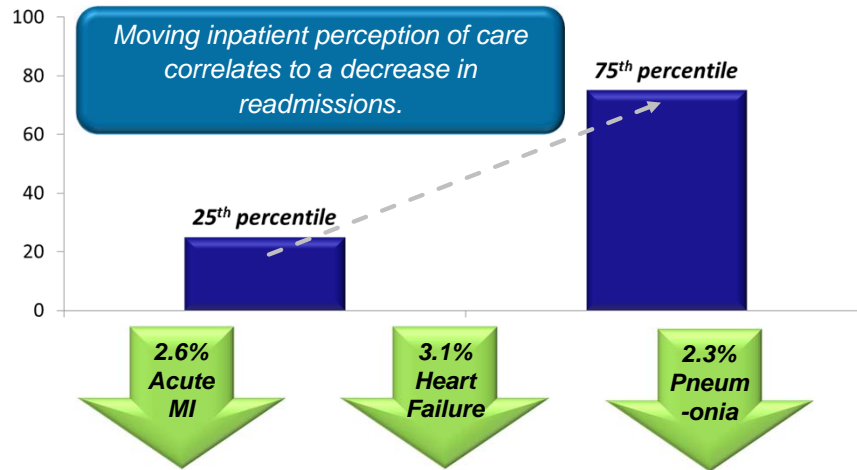
So....What is Coming?

- ▼ Reduced Payment – All Sources
- ▼ Declining Ability to Cost Shift
- ▼ Credit Downgrades as Hospitals Seek Capital (Physician integration is expensive)
- ▼ Need for Size and Scale (and Courage) Drives Merger Frenzy
- ▼ Payment Increasingly Tied to Quality/Safety – All Sources

Market Will Demand 20 – 40% Improvement Compelling Need to Develop a Multi-Pronged Approach



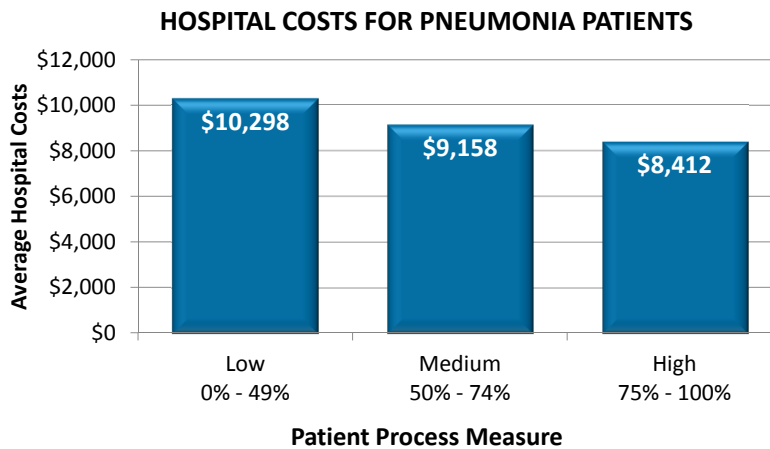
Post Visit/Stay Clinical Phone Calls High Patient Perception of Care equals Lower Preventable Readmissions



Source: The American Journal of Managed Care; Relationship Between Patient Satisfaction With Inpatient Care and Hospital Readmission Within 30 Days; 2011; Vol. 17(1)

Reliable Care Costs Less (Premier)

Medical Example: Data reveal lower hospital costs associated with patients receiving better patient care.



Source: Orlikoff & Associates, Inc.

Relationship of Cost and Quality for Physicians

Lower Quality Physicians have higher costs

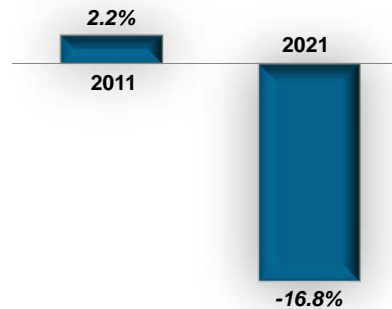


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Operating Margin Outlook

The average hospital has a 2.2% operating margin.

Looking at reimbursement cuts, 2.2% will be a 16.8% deficit.



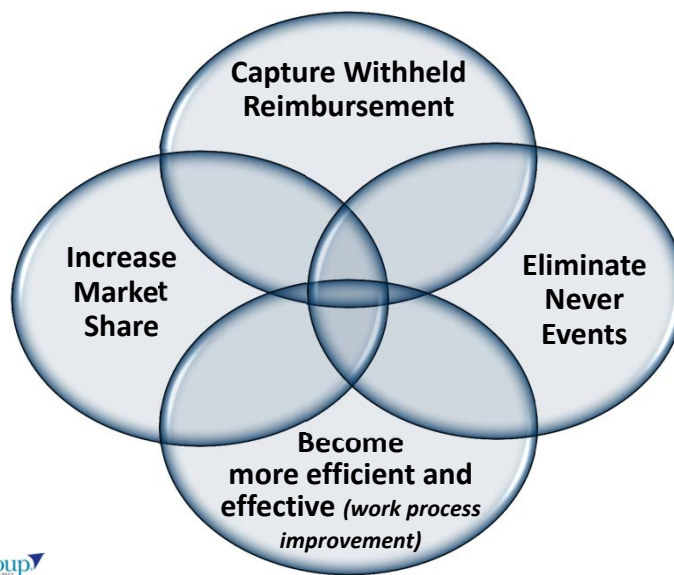
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The Normal Toolkit

- ▼ Squeeze vendors
- ▼ Stop Travel
- ▼ Eliminate Overtime
- ▼ Slow Down Capital Expenditures
- ▼ Reduction in Force
- ▼ Not filling opened positions
- ▼ Supply Chain Management
- ▼ Revenue Cycle
- ▼ Managed Care Negotiations

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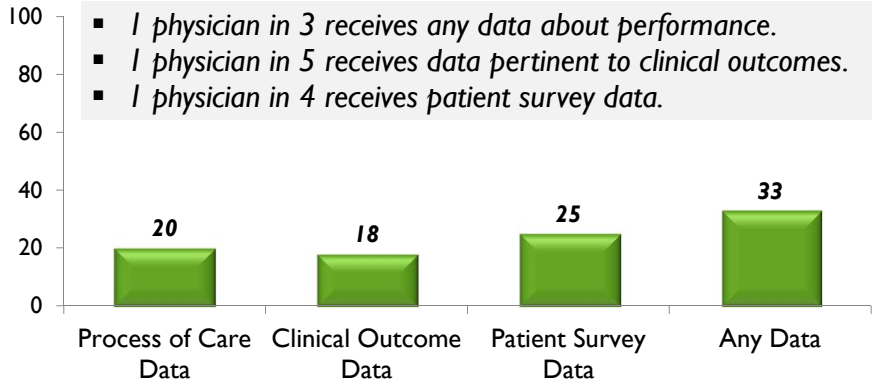
An Additional Approach: Accomplish more with less pain



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Physician Access to Quality of Care or Performance Data

% RECEIVING DATA ON THE FOLLOWING ASPECTS OF PATIENT CARE

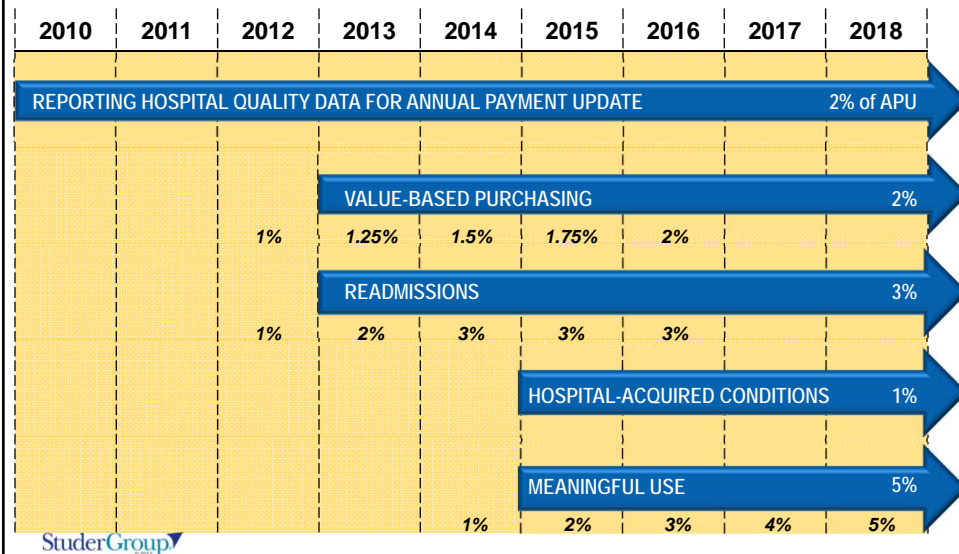


Source: Physicians' Views on Quality of Care: Findings from the Commonwealth Fund National Survey of Physicians and Quality of Care; Anne-Marie J. Audet, Michelle M. Doty, Jamil Shamasdin, & Stephen C. Schoenbaum; May 2005



Value-Based Purchasing Roadmap

CMS quality-based payment initiatives will put more than 11% of payment at risk



VBP Dollars at Risk

	Bed Size of Examples Used	Avg. Total VBP dollars at risk	HCAHPS Patient Experience (30%) at risk
Large Hospitals	622-683	\$ 1,200,000	\$360,000
Medium Hospitals	288-361	\$748,000	\$224,400
Small Hospitals	186-200	\$312,000	\$93,600

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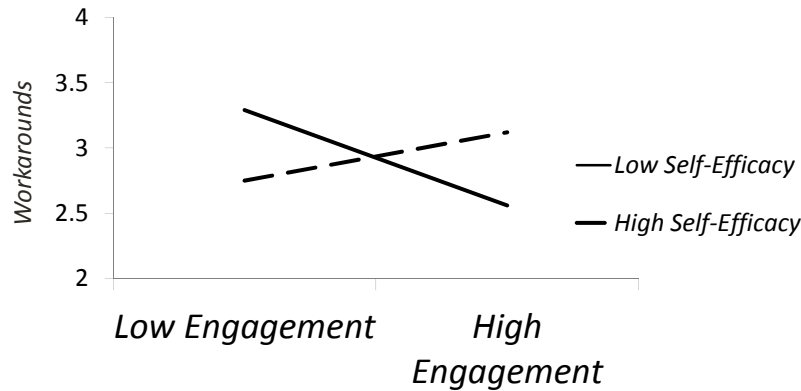
Never Events Financial Impact

Condition	\$ / Stay
Stage III & IV Pressure Ulcers	\$43,180
Falls & Trauma	\$33,894
Deep Vein Thrombosis/Pulmonary Embolism	\$50,937
Vascular Catheter-Associated Infection	\$103,027
Certain Manifestations of Poor Control of Blood Sugar Levels	Range: \$35k-45,989
Catheter-Associated Urinary Tract Infections	\$44,043
Foreign Object Retained After Surgery	\$63,631
Surgical Site Infections Following Certain Elective Procedures	Range: \$63k-180,142
Infection after Coronary Artery Bypass Graft	\$299,237
Air Embolism	\$71,636
Blood Incompatibility	\$50,455

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Source: CMS Fact Sheet, "CMS PROPOSES ADDITIONS TO LIST OF HOSPITAL-ACQUIRED CONDITIONS FOR FISCAL YEAR 2009"

Employee Engagement and Safety Link



Source: Leadership, Rework, and Workarounds; Grant T. Savage, Ph.D.; University of Alabama at Birmingham, February 2011 

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Research Straight A Leadership Assessment

*Survey data collected 2009-2012,
Database of 17,104 leader
responses, >300 hospital systems,
located in 44 different states,
ranging in bed size from 11 beds
to 1,100 beds.*

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Executive Summary: Straight A Leadership

- ▼ **What organization does well:** Leader perception of organizational strengths are not always supported by the data.
- ▼ **Alignment:** The more aligned the senior team is, the more positive HCAHPS and process of care outcomes.
- ▼ **Objective Evaluation System:** High ratings on leadership evaluation systems positively affect HCAHPS and process of care outcomes.
- ▼ **Leadership Development:** High ratings on leader training positively affect HCAHPS outcomes.

Executive Summary: Straight A Leadership

- ▼ **Patient/Physician Perception:** High ratings on patient/family point of view and ease of practicing medicine for physicians both positively affect HCAHPS outcomes.
- ▼ **Consistency of Leadership:** High ratings on consistency of leadership positively affect HCAHPS outcomes.
- ▼ **Standardization of Best Practices:** High ratings on standardization of best practices positively affect HCAHPS outcomes.
- ▼ **Performance Management:** Fewer low performers positively affect HCAHPS and process care outcomes.

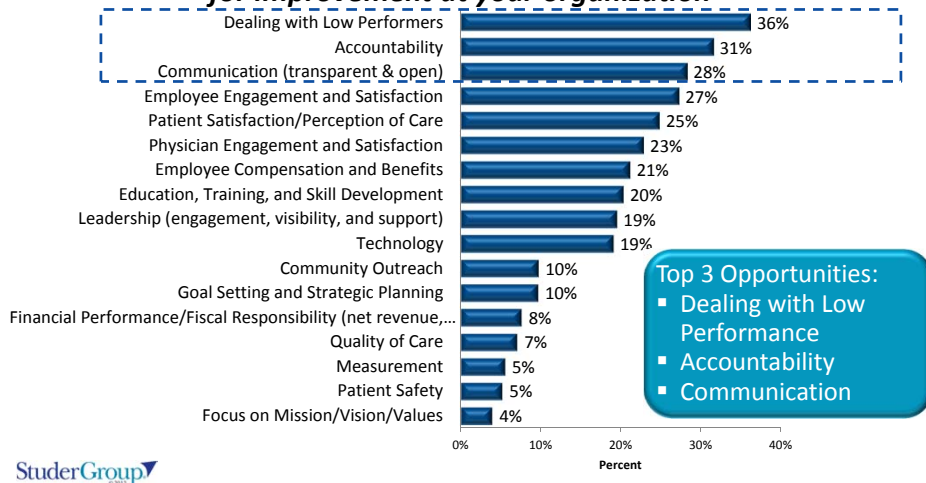
What the Organization Does Well

Please list the top three (3) things your organization does well and should continue to do?



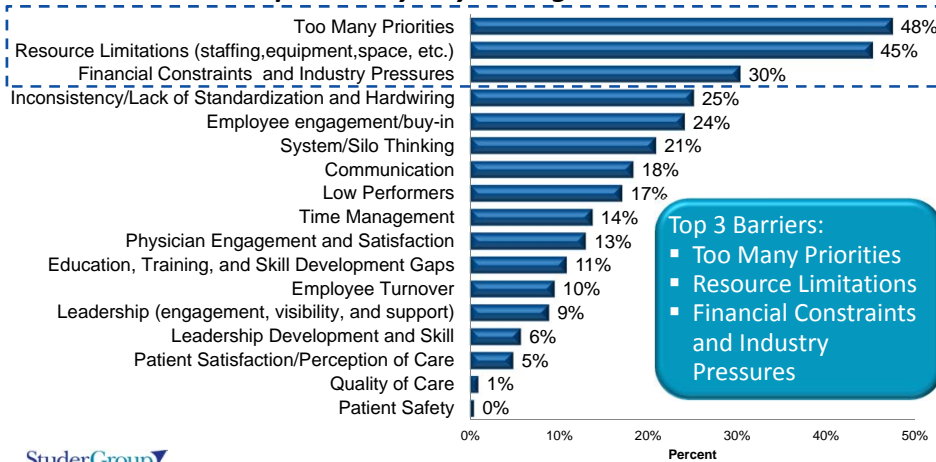
Opportunities for Improvement

Please list the top three (3) opportunities for improvement at your organization



Barriers and Challenges

Please list the top three (3) barriers/challenges you face that keep you from achieving your results in your area of responsibility at your organization



External Environment

If your organization continues to act/perform exactly as it does today (with the same processes, same cost structure, same efficiencies, same patient care volume, same productivity, same techniques) your results over the next five years will be: (1=Much Worse, 2=Worse, 3=Same, 4=Better, 5=Much Better)

37% of the leaders who took the survey feel if the organization stays the same, the results will be the same, better or much better.

It is crucial for all healthcare organizations to correctly frame the external environment and communicate it in a manner whereby stakeholders have the same sense of urgency and understand the needed actions to take for the organization to achieve desired results.

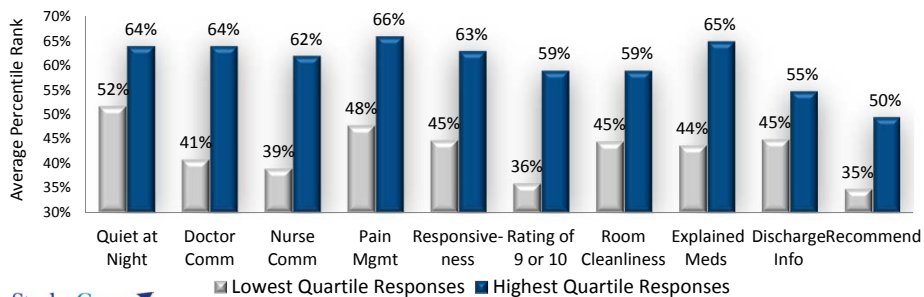
Objective Evaluation: HCAHPS Lowest vs. Highest Responses

Organizations who gave high ratings on their leadership evaluation systems had better HCAHPS outcomes.

How well does your leadership evaluation system help build leadership accountability today?

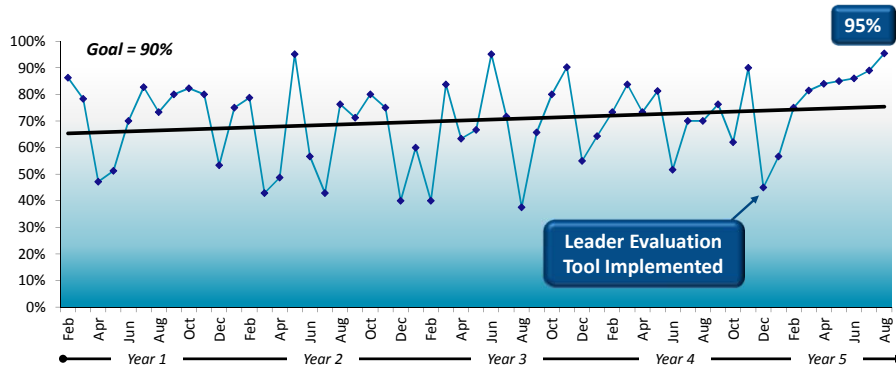
(1=Very Poor, 2=Poor, 3=Fair, 4=Good, 5=Excellent)

HCAHPS Average Percentile Rank by Response to Question.
Lowest Quartile Responses vs. Highest Quartile Responses



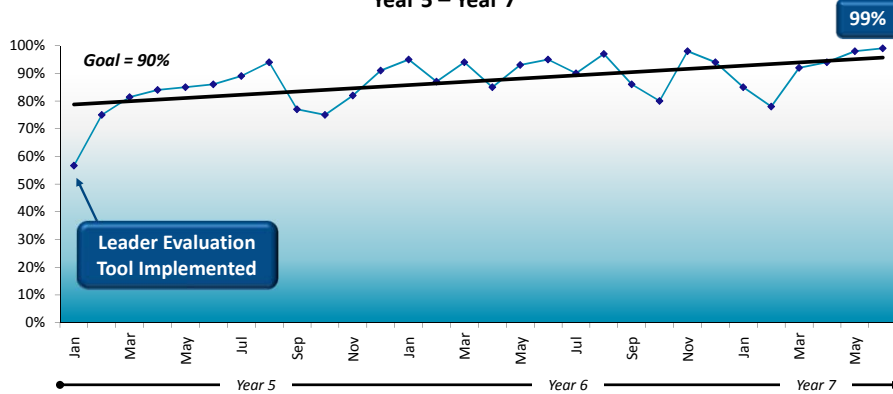
Example Hospital

Inpatient Monthly Percentile Score
Year 1 – Year 5



Example Hospital

Inpatient Monthly Percentile Score
Year 5 – Year 7

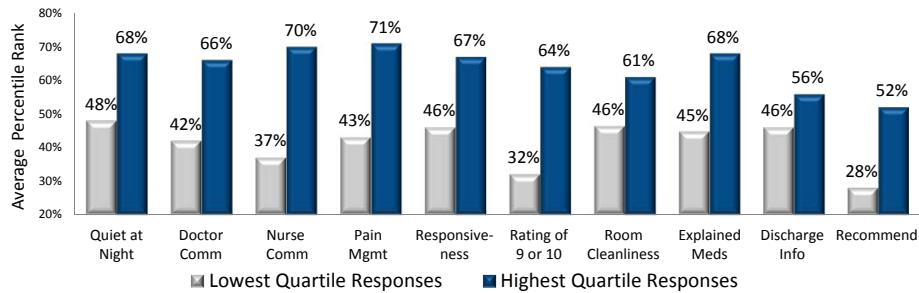


Leader Development: HCAHPS Lowest vs. Highest Responses

Organizations where leaders felt their leader training well prepared them for success had higher average HCAHPS outcomes.

How well does your current leader training prepare you to lead for success in the organization today?
(1=Very Poor, 2=Poor, 3=Fair, 4=Good, 5=Excellent)

HCAHPS Average Percentile Rank by Response to Question.
Lowest Quartile Responses vs. Highest Quartile Responses



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Leadership Foundational Skills - Mentoring

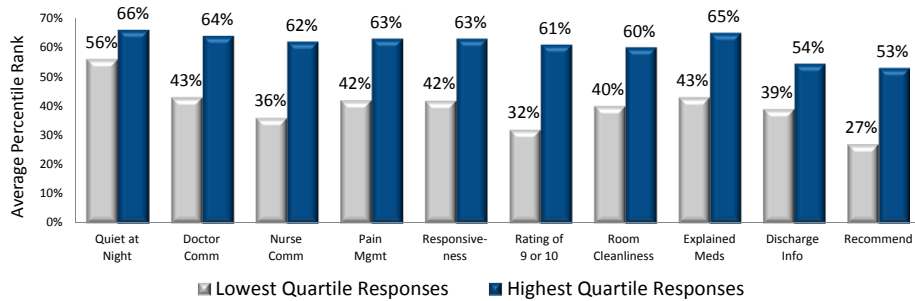
SKILL SET DESCRIPTION	Senior Mgmt	Dept Director	Manager / Supervisor
Running effective meetings	75	73	65
Managing financial resources	79.55	76.92	65
Answering tough questions so as to not create a "we/they" culture (compensation w' salaries)	84.5	76.28	65
Selection of talent	81.82	77.56	60
Development of talent	93.18	82.05	75
Critical thinking	59.5	59.62	55
De-selection	82.27	75.23	70
Understanding the external environment	72.73	76.28	65
Manage up the positive, the solution and the decision	77.27	75.28	68
Improving processes	72.73	78.21	64
Communication	75	73	65
Total	85.58	82.22	70.70

Standardization of Best Practices: HCAHPS Lowest vs. Highest Response

Organizations whose leaders gave high ratings to the ability to implement and standardize best practices had higher average HCAHPS outcomes.

Rate the skill set at your organization in implementing and standardizing best practices throughout the organization today. (1=Worst to 10=Best in Class)

HCAHPS Average Percentile Rank by Response to Question. Lowest Quartile Responses vs. Highest Quartile Responses



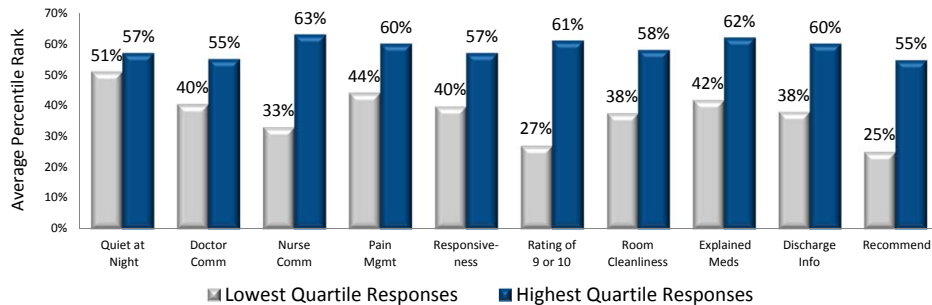
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Leadership Consistency: HCAHPS Lowest vs. Highest Response

Organizations whose leaders rated consistency of leadership highly had higher average HCAHPS outcomes.

Rate your perception of the consistency in the leadership throughout the organization today. (1=Worst to 10=Best in Class)

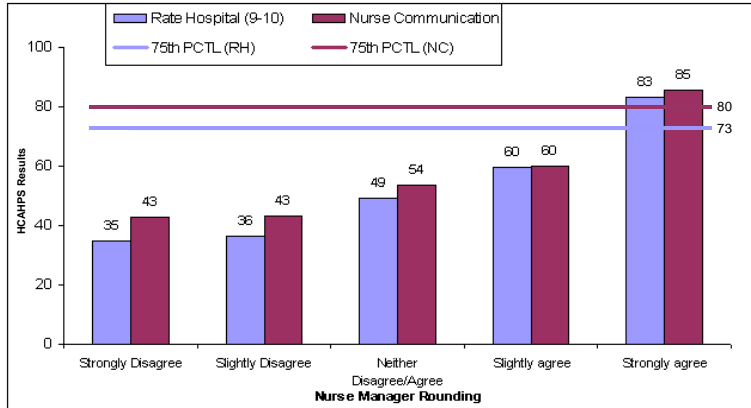
HCAHPS Average Percentile Rank by Response to Question. Lowest Quartile Responses vs. Highest Quartile Responses



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Nurse Manager Patient Rounding Impact

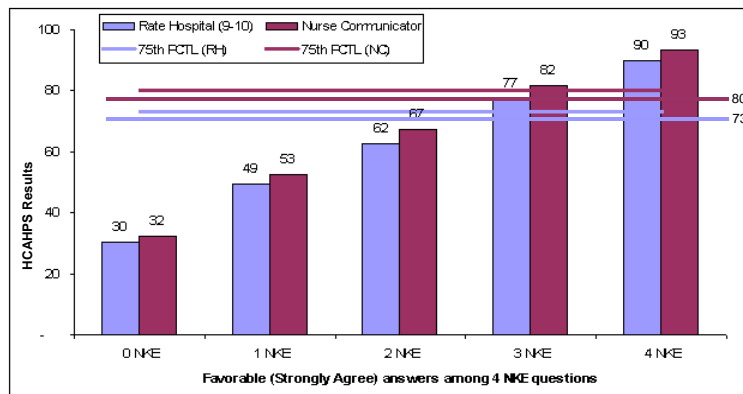
Patients who 'strongly agree' that a nurse manager visited them daily have higher Rate Hospital and Nurse Communication scores.



Survey Question: "A nurse manager or leader visited me about my care daily."
Data Source: Kaiser Permanente Program wide All IP combined average results (Jan 2010 – Aug 2011)
National 75th percentile for Rate Hospital is 73% and for Nurse Communication is 80% (CMS 2010Q1-Q4)

Nurse Knowledge Exchange (NKE) Full Bundle Impact

The Full Bundle of NKE Behaviors has the greatest impact.



Data Source: Kaiser Permanente Program wide All IP combined average results (Jan 2010 – Aug 2011)
National 75th percentile for Rate Hospital is 73% and for Nurse Communication is 80% (CMS 2010Q1-Q4)

Survey Questions:

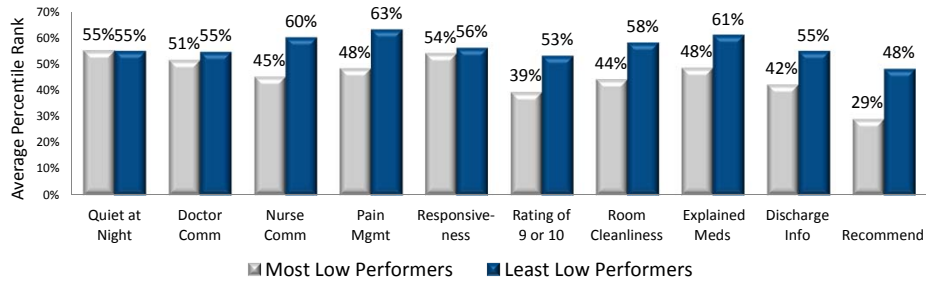
- 1 The nursing staff asked me for input about my daily care.
- 2 When nurses changed shift, the nurse caring for me introduced me to the new nurse.
- 3 The nurse reviewed my daily care with me in a way that I could understand.
- 4 The care board in my room was always updated with my new caregivers' names and my plan.

Performance Management: HCAHPS - Highest vs. Lowest % of Low Performers

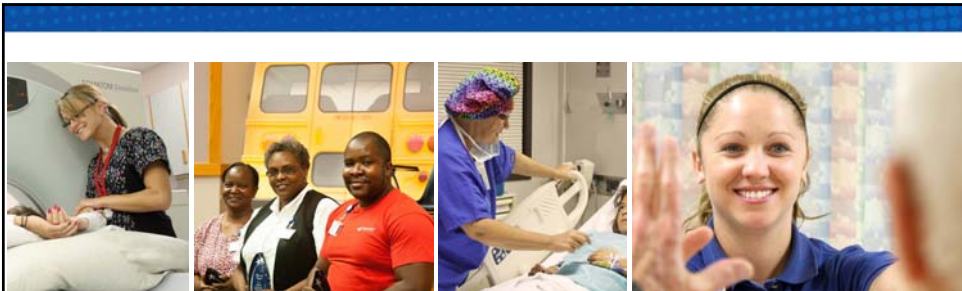
Organizations reporting the fewest low performers have higher average HCAHPS outcomes across all composites.

How many of the employees that you directly supervise are not meeting performance expectations?

HCAHPS Average Percentile Rank by Response to Question.
High % of Low Performers vs. Low % of Low Performers



* According to the results, when the % of low performers is below 5% you should see improved results. When the % of low performers increases to 9.5%, you can expect to see poor HCAHPS results.



A Calling

Thank You for Answering



StuderGroup®