2016 Malcolm Baldrige National Quality Award Application

Thank you for downloading the 2016 Memorial Hermann Sugar Land Malcolm Baldrige National Quality Award Application.

This application is the accumulation of five years of maturity, growth and an understanding that Baldrige will continue to challenge us every day to think innovatively.

For those who are starting the Baldrige Journey

Please note that applications are never written by one person, but a team of passionate leaders who spend many hours articulating processes in a way that makes sense to all readers. It will be a long process, it will challenge and frustrate you at times, but at the end of the day, it will bring you together in ways you could not have imagined.

For those who are on the Baldrige Journey

It is the tendency of applicants who are on the Journey to read award-winning applications and compare what the winner did vs. what the reader is doing. While there are best practices here, note that the style and formatting of this document are not a formula for success. It starts with your story and how you decide to tell it, while being fully responsive to the Baldrige criteria.

For those who have been recipients

Winning the Baldrige Award is a remarkable accomplishment and a real milestone in excellence for any organization. We are able to share this document with you (the reader) in part, because of the recipients of years past who have been willing to share their best practices with anyone who's willing to learn. There is no shortage of performance excellence in the US, and we thank those who spoke with us to give us guidancance along the way

Note

This edition of the 2016 application has been redacted to remove competitor information and proprietary content.

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Glossary of Terms and Abbreviations

A

A3 ....1 Page (4 box) Communication Tool that summarizes an initiative by (Metrics, Progress, Planning, Challenges & Barriers)

ABC: ....Advisory Board Council

ACO.....................Accountable Care Organization: Population Health Focus around Quality of Care for Member

ADLI......................Approach, Deployment, Learning, Integration: Foundation of our Process Design Methodology (See PDM)

ADVANCE ....Strategies: **A**lign with Physicians, **D**eliver Quality Care, **V**alue Employees, **A**chieve Operational Targets, **N**urture Growth & *Innovation*, **C**onsumer Centric, **E**nhance Population Health

AHA..American Hospital Association

AHRQ................Agency for Healthcare Research and Quality

ARMI ....Approver, Resource, Member & Interested Party

ANA..American Nurses Association

AOS ....Available on Site

AR...Accounts Receivable

B

BDA .... Before, During & After: Cycle of Customer Engagement

BDS...Big Dot Strategies

BIPS.................................... Breakthroughs in *Patient Safety*

BLS .... Bureau of Labor Statistics

BOD .... Board of Directors

BU ....Business Unit: Can refer to Hospital or other MHHS Facility that offers care

C

CAP .... College of American Pathologists

Care4 .... Inpatient Electronic Medical Record System

CBT ....Computer Based Training

CC...Core Competency

CCA..Common-Cause Analysis

CCC... Convenient Care Centers

CCO...............................Corporate Compliance Office/Officer

CEC..Clinical Ethics Committee

CEM ....Customer Experience Management

CEO ....Chief Executive Officer

CEU .... Continuing Education Units

CHNA...........................Community Health Needs Assessment

CI ....Clinical Indicators

CLABSI............Central Line Associated Blood Stream Infection

CMHH......................... Children's Memorial Hermann Hospital

CME ....Continuing Medical Education

CMO...Chief Medical Officer

CMS.....................Centers for Medicaid and Medicare Services

CNA..Community Needs Assessment

CNO.. Chief Nursing Officer

COC..................Chain of Command: Concern Escalation Process

COO ....Chief Operations Officer

CP ....Contract Partners: Crothall, Sodexo & UHS

CPC ....Clinical Program Committee: MHHS PP leaders by service lines

CPOE ....Computerized Physician Order Entry

CUSS .... Concerned, Uncomfortable, Speaking up for, *Safety*

CV...........................Core Values: *Accountability, Compassion, Collaboration, Empowerment, Innovation, Results Oriented* and *One Memorial Hermann*

D

DBD ....Director of Business Development

DCE .... Director Customer Experience

DQC.. Division Quality Committees

DOR...................... Department Operation Review: Meeting with ET and the LT that reviews strategic initiatives that are cascaded to each department

DS ....Day Surgery

DVS...Director of Volunteer Services

E

EA .... Experience Ambassadors

EBIDA .... Earnings Before Interest, Depreciation & Amortization

EBP...Evidenced Based Practice

EC..Emergency Center

EES...Employee Engagement Survey

EKG...Electrocardiogram

EMR .... Electronic Medical Record

EOC ....Environment of Care Committee

EP ....Employee Partners

EPA...Environmental Protection Agency

EPP ....Emergency Preparedness Plan

ET ....Executive Team

EVS...Environmental Service

F

F ....Figure

FANS ....Food and Nutrition Service

FB .... Fort Bend County

FBJSL................................. Fort Bend Junior Service League

FC ....Filter Committee: composed of the CNO, CMO, Risk and Education Director, Quality Director, and *Patient Safety* Specialist, analyzes all *Safety*-related variances for opportunities and learning.

FCF .... *Family Caring for Family:* Cultural Mantra, the way we treat each other and our patients, families & Community

FDA .... Food and Drug Administration

FEMA............... Federal Emergency Management Administration

FF...............Family Forum: Quarterly Town Hall Meeting with CEO

FMEA .... Failure Mode and Effect Analysis

FTE ....Full Time Equivalent

FY ....Fiscal Year

FYTD...Fiscal Year to Date

G

GC.......................Growth Council: One of 5 Strategy Councils

GNO .... Girls Night Out

Good Catch ....Part of *Safety* Coach Program to recognize "Good Catches" that could have been *Safety* Issues. Each person recognized is nominated for *Safety* Champion of the Month.

H

HAC.. Hospital Acquired Condition

HAI...Hospital Acquired Infection

HAPU ....Hospital Acquired Pressure Ulcer

HC... Health Care

HCAHPS............... Hospital Consumer Assessment of Healthcare Providers and Systems

HIE ....Health Information Exchange

HIMSS........................Healthcare Information & Management Systems Society: Global, cause-based, not-for-profit organization focused on better health through information technology (IT) that leads efforts to optimize health engagements and care outcomes using information technology

HIPAA...........Health Insurance Portability and *Accountability* Act

HPPD.. Hours Per Patient Day

HR...Human Resources

HR/OD ....Human Resource/Organizational Development

HUGS ....Infant Security System

HVI...Heart and Vascular Institute

HVP .... Hartman Value Profile: Cultural Fit survey to see if potential candidates values align with MHSL

I

i3 ....*Innovation* Team (*Innovation*, Inspiration & Ideas) that seeks to connect ideas and create environments where ideas can connect.

ICU .... Intensive Care Unit
IHI .... Institute for Healthcare Improvement
ILP.................... Individual Learning Plan: For Employees to Improve
IP...Inpatient
Integrated Feeder Approach......Drives how smaller Business Units move patients through the system based on severity and need.
IQR.. Intelligent Risk Process
ISD.......................................Information Systems Department
ISMI .... Ironman Sports Medicine Institute
IT .... Information Technology

J

JC.........................Joint Center: Innovative Education Session for Patients who are having Joint Surgery to prepare them for what to expect.
Jump Start .... JumpStart is a program for leaders new to their roles at Memorial Hermann (newly promoted or newly hired).

L

L&D..Labor & Delivery
LDI ....Leadership Development Institute
LDRP......................... Labor, Delivery, Recovery, Post-Partum
LOC.............................Language of Caring: Heart Head Heart Model of communication.
LOS..Length-of-Stay
LT...Leadership Team
LVSF...................................Left Ventricular Systolic Function

M

MDRO....................................Multi-Drug Resistant Organism
MEC .... Medical Executive Committee
Med Surg...................................Medical Surgical Departments
MFM..Maternal Fetal Medicine
MHFB..Memorial Hermann Fort Bend
MHHS .... Memorial Hermann Health System
MHMD...................... Memorial Hermann Physician Network
MHMG.................... Memorial Hermann Medical Group
MHSL...................Memorial Hermann Sugar Land Hospital
MHSW .... Memorial Hermann Southwest Hospital
MNI .... Mischer Neuroscience Institute
MOB... Medical Office Building
Moody's................The bond credit rating business of Moody's Corporation, representing the Company's traditional line of business and historical name.
MOR........................ Monthly Operating Report: Meeting with the regional president and ET that reviews strategic initiatives with our ADVANCE strategies
MTFL...Men's Tune-up for Life
MVV ....Mission, Vision and Values

N

NA..Not Applicable
NAV .... Not Available
NDNQI ....National Database of Nursing Quality Indicators
NEO.. New Employee Orientation
NHSN .... National Healthcare *Safety* Network
NIMS ....National Incident Management System
NLT...Nursing Leadership Team
NPC...Nursing Practice Council
NSQIP ....National Surgical Quality Improvement Program
NQF..National Quality Forum

O

OB/GYN... Obstetrics & Gynecology
OEC..Operations Excellence Council
OFI ....Opportunity for Improvement
OHD .... Occupational Health Department
OP.. Outpatient
OR..Operating Room
OSHA .... Occupational *Safety* & Health Administration

P

PaRC .... Memorial Hermann Prevention & Recovery Center

Pt Direct Connect.......Database Software that captures patient call backs
PB .... Personal Behaviors
PC ....Position Control
PCP..Primary Care Physicians
PDCA ....Plan, Do, Check, Act
PDM .... Process Design Methodology
PEC.. People Excellence Council
PFAC ....Patient and Family Advisory Council: PFAC consists of former patients and volunteers who provide ongoing feedback on MHSL initiatives and ad hoc needs.
PG... Press Ganey
PHR ....Purposeful Hourly Rounding
PI...................................... Performance Improvement
PI/TJC .... Performance Improvement/The Joint Commission Committee
PIC.. Partners in Caring
PICC...................... Percutaneous Implanted Central Catheter
PIL....................................Partners in Learning
PIQR.................... Performance Improvement Quality Review
PP........................... Physician Partners: privileged physicians who chose to provide services at MHSL
PPM............................ Priority Payoff Matrix: An internal tool designed to prioritize effort with quantifiable measures. Used four filters (Time, Effort, Outcome & Effect of inaction)
PRA ....Performance Review Analysis
Prophecy .... Nursing Cultural Fit Tool, Similar to Hartman Value Profile
PSA ....Primary Service Area: 75% of contiguous Zip codes, remaining captured through innovative MHHS feeder model.
PSI ....*Patient Safety* Indicators

Q

QC...Quality Council
QCOMM..............Quarterly MHHS Communication meeting with all Directors & Executives
Q&S..Quality and *Safety*

R

RadNet ....Radiology Electronic Medical Record
RC... Recruitment Consultant
RCA...Root Cause Analysis
RELATE .... Communication Tool (Reassure, Explain, Listen, Answer, Take Action, Express Appreciation)
Retention Engine..........................A set of leadership practices that help MHSL retain talent.
RIF...Reduction in Force
RN...Registered Nurse
RP .... Regional President
RPI... Robust Process Improvement

S

S ....Step (In MHSL Strategic Planning Process)
SC .... Strategy Council
SSSC.......................Service and Satisfaction Strategy Council
SCIP ....Surgical Care Improvement Project
SGC ....Shared Governance Councils
SG2 .... Health Care Intelligence/Solutions
SL..Sugar Land
SMART .... Specific, Measurable, Attainable, Relevant, Time-bound/Timely
SP .... Strategic Plan
SPEAK UP .... WF *Empowerment* Tool allowing anyone to "Speak Up" when they are concerned uncomfortable, speaking up for *Safety* (See also CUSS)
SPP ....Strategic Planning Process
SQC ....System Quality Committee
SSA ....Secondary Service Area
SSCL.................................... Surgical *Safety* Checklist
SSE ....Serious *Safety* Event: I/II are considered major events and are a point of focus at MHHS/SL
SSEL.............................. System Senior Executive Leadership
S&P...Standard & Poor's
Stage Gate Review....................Manufacturing process to stop and pause in design steps before moving to the next phase.

SurgiNet ....Surgical Information System
SW ....Social Worker
SWAT RN............. Surge and Work Activity Team: Float nurse
with primary responsibility for admission and discharge of
patients, and can float to other units as needed
SWOT............ Strengths, Weaknesses, Opportunities & Threats

T

TAP.. Talent Action Plan
TAPE ....Texas Award for Performance Excellence
TAT ....Turn Around Time
TDSHS .... Texas Department of State Health Services
THA .... Texas Hospital Association
TICR... Total Incident Case Rate
TIRR................. Texas Institute for Rehabilitation & Research
TJC ....The Joint Commission
TLC ....Tender Loving Care
TMC ....Texas Medical Center
TMS... Talent Management System
Truven ....Truven Health Analytics

U

UH..University of Houston
UHS ....Universal Hospital Services
UT .... University of Texas

V

VAP.. Ventilator Acquired Pneumonia
VB ....Visibility Board
VBP ....………Value Based Purchasing
VDLS................................... Values-Driven Leadership System
VHA.. Voluntary Hospitals of America
VP .... Volunteer Partners
VRS... Variance Reporting System
VOC..Voice of Customer
VTE .... Venous Thromboembolism

W

WC...Wharton County
WF ....Workforce
WHS .... Women's Health Symposium
Why Not Us..Leadership Philosophy

Preface: Organizational Profile

P.1 Organizational Description

Why Not Us is a question we ask every day that represents a culture of unyielding passion and desire to be preeminent in everything we do, to achieve something greater than what you would expect from a small community hospital, to be a role model for healthcare and all industries. It's not about chasing accolades - it's about chasing the impossible and making it a reality. Because that's what every person deserves, Why Not Us?

Memorial Hermann Sugar Land Hospital (MHSL) is a nimble, 149-bed, not-for-profit community hospital nestled in Fort Bend County (FB), one of the fastest-growing and most diverse counties in the nation. Although we are not the largest hospital in our community, MHSL is a uniquely focused organization that also serves as a pilot location for many new processes and *Innovation*s for the larger Memorial Hermann Health System (MHHS). Setting us apart are our core competencies (CC) of "*Family Caring for Family* (*FCF*)," and *Patient Safety*, which together feeds a culture where zero harm and quality is a passion, the workforce is engaged, and an amazing patient experience is expected every time, as evidenced by the awards and recognition we have received (FP.2-4). Most recently we were a 2015 Baldrige Category Best Practice, the 2015 recipient of the Texas Award for Performance Excellence (TAPE), and our-industry-leading quality results that have led to unmatched growth rates compared to, larger, more comprehensive competitors in our area (F7.5-12).

Established in 1982 as a for-profit community hospital to serve the growing suburban population southwest of Houston, Texas, Fort Bend Hospital developed a reputation for delivering high-quality care in a family-like environment. There were many challenges for the initial single-story facility that was so inconspicuous, it was common for patients to get lost trying to find it. The hospital was bought and sold three times in fifteen years, and on two occasions elaborate architectural plans for expansion were presented with great fanfare and many promises, but nothing happened, and spirits sagged.

In 1999, MHHS took an intelligent risk and acquired Fort Bend Hospital. The acquisition focused on future growth, and the risk paid off. Fresh promises were made, as were investments in human capital, improved processes and new equipment. Talks began of a new facility in a more strategic location and in 2004 a rejuvenated medical staff resolved to partner with administration and nursing to become a nationally recognized community hospital for *Patient Safety*, quality care, and patient experience. Thus began our journey of continuous improvement. A new five-story facility became a reality in December 2006 as the renamed MHSL Hospital opened its doors in what would become an epicenter of future population growth and economic development.

Understanding MHHS's health delivery strategy in the Houston area is key to appreciating the role we play in executing this strategy and how our systems, processes, and results all support a network of intentionally designed and strategically located Business Units (BU). Each of MHHS's 14 hospitals provides specific services to support the community and integrate with the other MHHS hospitals and services depending on patient acuity and need. Whereas other systems around the country provide a wide-array of services in each location that often compete with one another and are duplicative, MHHS recognizes the inefficiencies of that model and has developed a highly integrated feeder approach that delivers comprehensive care services to the community. Care is cascaded throughout MHHS with BUs referring to one another as the patient's needs evolve, such as an MHSL patient being transferred to a sister hospital in the Texas Medical Center (TMC) if care is needed beyond what MHSL offers. This is an innovative approach to health delivery as it enables MHHS BUs to focus, execute, improve, and innovate on a selected set of services rather than trying to do everything for everyone. It is part of the "*One Memorial Hermann*" experience, where patients quickly and seamlessly access the highest level of services throughout MHHS's care network. MHSL is one of those access points, but it is not marketed separately from MHHS, helping to sustain MHHS as the market leader.

MHHS is an integrated health system known for world-class clinical expertise, patient-centered care, leading-edge technology, and *Innovation*. As the largest not-for-profit health system in Southeast Texas, the 5,700 affiliated physicians and 25,000 employees practice evidence-based medicine with a relentless focus on quality and *Patient Safety*, resulting in national awards and recognition. Memorial Hermann's 14 hospitals include 10 Acute Care Hospitals, 1 Children's Hospital, 1 Orthopedic Hospital and 2 Rehabilitation Hospitals. The system also operates 3 Heart and Vascular Institutes (HVI), the Mischer Neuroscience Institute (MNI), 4 Ironman Sports Medicine Institutes (ISMI), cancer centers, 5 Convenient Care Centers (CCC), 3 urgent care centers currently, and 4 more planned to open in 2016-2017, imaging and surgery centers, sports medicine and rehabilitation centers, outpatient laboratories, a chemical dependency treatment center, a home health agency, a retirement community and a nursing home. The Memorial Hermann Physician Network (MHMD) comprises physicians from Memorial Hermann Medical Group (MHMG), The University of Texas Health Science Center at Houston, and private physicians and specialists. As an industry leader in the Accountable Care Organization (ACO), MHHS offers employers health solutions and health benefit plans through its wholly owned Memorial Hermann Health Solutions and Memorial Hermann Insurance Company. The communities that MHSL serves have access to a health system that partners with them to manage and improve their health from birth to end of life.

MHSL is an organization that is focused on developing and fully deploying systems and processes that drive sustained high performance. At MHSL, achievement provides a moment to redefine what is possible through improvement, *Innovation*, and Transformation. It is in the culture of Employee Partners (EP), Volunteer Partners (VP) and active Physician Partners (PP) to continuously "Advance Health" and improve performance by leveraging the talent, knowledge, and culture of the entire Workforce (WF). Why Not Us?

P.1a Organizational Environment

P.1a(1) Health Care Service Offerings: We occupy a strategic niche, intentionally designed by MHHS, and one that carefully meets the community's most prominent health needs through a set of carefully selected services (FP.1-1). As a MHHS BU, we serve a key role in the *One Memorial Hermann* feeder strategy that coordinates with other BUs to provide comprehensive care for our community. This model provides a competitive advantage in our areas of focus allowing us to execute reliability and

FP.1-1 Key Service Offerings	
Inpatient, (IP) Emergency (EC) Outpatient (OP)	Gen Medicine|Cardio (1) Surgical (2) Orthopedics (3) Women's & Children's (4) ICU (5) Diagnostics (6) Sports Med & Rehab (7)
Community Health	Wellness and Injury (8) Prevention (9) Health Education (10)
#s 1-10 Will Show in Yellow Text Boxes in Results Section as Metrics related to Key Service Offerings	

improve and innovate within our offerings to achieve nationally recognized excellence to remain a successful organization.

We directly provide Inpatient (IP), Outpatient (OP), and Emergency Care (EC) services through a combination of contracted, employed and private practice physicians. All key Contract Partners (CaP) are subject to stringent performance standards regarding *Safety*, quality, and patient satisfaction which are monitored quarterly by MHHS to ensure the best care possible (FP.1-5). Continued surgical growth led to an operating room (OR) expansion that doubled capacity and the build-out of reserved shell space (FY 2015) increasing both customer and PP satisfaction.

P.1a(2) Mission, Vision, and Values: The Mission, Vision, and Values (MVV) (FP.1-2) are set by MHHS with input from all entities through the planning process. The MVV represent a guiding force in everything that is MHSL, specifically in how we operate, relate, design and deliver preeminent health solutions (FP.1-2,3). As part of MHHS, we are a bearer of the brand promise, "We Advance Health," which is about leading meaningful change. Building on the system-wide MVV, MHSL's "*FCF*" simply means treating others as you would treat your family, with relentless pride, devotion, and *Compassion*. It serves as the cultural core for the WF to provide an exceptional experience for all while providing highly reliable Safe care. *Safety* has long been a Value - it comes first in all that we do - and has resulted in our *Patient Safety* CC, where culture and performance are second to none.

MHHS & MHSL are dedicated to living the Mission and achieving the Vision to be preeminent by advancing the health of those we serve through trusted partnerships with physicians, employees, and others to deliver the best possible health solutions while relentlessly pursuing quality and value. "*One Memorial Hermann*" emphasizes *Collaboration* and valuing the whole MHHS system over its individual parts. MHHS's seven key strategies: Align with Physicians, Deliver Quality Care, Value Employees, Achieve Operational Targets, Nurture Growth & *Innovation*, Consumer Centric and Enhance Population Health (ADVANCE) provide the framework for the daily work that takes place at each

MHHS location. Within each ADVANCE strategic priority is key strategic initiatives (F2.1-2). This framework assures a unified focus on the execution of objectives while supporting *Innovation*, transformation, and high reliability across the system. Lastly, and of great importance within our culture, is MHSL's adoption and integration of the Baldrige Framework as a way of organizing our work, planning and pursuing sustained excellence through a continuous journey of learning, refinement, and always focusing on improvement.

P.1a(3) Workforce Profile: As a non-union organization, MHSL's WF delivers and nurtures *FCF* every day in every interaction (FP.1-4a,b). To reflect our community, MHSL mirrors the cultural and ethnic diversity of the FB community, helping our *FCF* culture promote an improved understanding of patient needs. MHSL has created a warm, family-like environment that fosters fulfillment and enjoyment of one's work. PP's, while not employed, are considered members of the WF to optimize patient care and play a vital role in the Strategic Planning Process (SPP), improvement efforts, *Patient Safety* and *FCF*. MHSL promotes WF engagement and encourages active participation in our Shared Governance Council (SGC) structure, which includes: Partners in Caring (PIC), *Safety* Coaches, Experience Ambassadors (EA), Nursing Practice Council (NPC), and Medical Executive Committee (MEC). We adhere to a patient and family centered model of care and value our leaders' visibility, accessibility, and connectedness. An open-door culture promotes easy access to leadership at all levels and is highlighted at New Employee Orientation (NEO), Breakfast with the CEO and quarterly Family Forums (FF). Recent changes in WF composition include a new patient tower (Completion Sept 2016), a growing number of new RN graduates, a CCC (Opened Fall 2015), and enhanced WF alignment to increasing high-performance expectations.

As health delivery becomes more complex, the likelihood of workplace injuries increases, leading to a system-wide focus on employee *Safety* and injury prevention. The MHHS wellness plan promotes the importance of maintaining a healthy lifestyle. Employee health and *Safety* are a priority supported through Memorial Hermann Health Solutions and our comprehensive health coverage plan that includes annual free biometric and diagnostic screening (i.e., colonoscopy, mammograms). Sodexo, MHSL's CP that provides staffing of 22 Full-Time Employees (FTE) for Food and Nutrition Services (FANS), implemented the Mindful Eating Program, which provides nutritional

FP1.2 MHSL Mission, Vision, Values & Core Competencies	
Mission (Same as MHHS)	A not-for-profit, community-owned, health system with spiritual values, dedicated to providing high-quality health services in order to improve the health of the people of Southeast Texas.
Vision	To be the **preeminent community** hospital in the nation.
Values	Core Value (*Safety*) & 7 Cultural Attributes/Values: *Accountability, Compassion, Collaboration, Empowerment, Innovation, Results Oriented* and *One Memorial Hermann*
CC	*Family Caring for Family CC1 & Patient Safety CC2*

FP.1-4a WF Segments, Engagement & Sample Education Requirements			
Segment	**#**	**Engagement Driver**	**Education (AOS)**
EP	564	Accomplishment, Treated with Respect, High-Quality Care & Services, Error Free Care for Patients, *Results Oriented*	Role-based & Varies by Department
PP (Active)	259	Safe Care, Consistency, Responsiveness, Team Work, ET ability to manage the hospital, Effectiveness of Peer Review	Board Certified, Other requirements specific to scope
VP (Adult/ Student)	85/ 140	Satisfaction with Assignment, Appreciation, *Patient Safety*	On-site Training

FP.1-4b WF Profile (PP-Active)			
Gender	**EP**	**VP**	**PP**
Female	481	70	66
Male	83	15	131
Status			
Full Time	409		
Part Time	36		
Supplemental	119		
Tenure			
< 1 Year	130	16	21
1-3 Years	138	27	44
4-10 Years	187	39	83
11-20 Years	95	2	36
> 20	14	1	13
Ethnicity			
Caucasian	138	67	61
Asian	150	3	95
Hispanic	58	4	17
Afr.American	121	5	21
Other	97	6	3

information on all products prepared in the kitchen. In addition, a link on the hospitals' employee intranet, known as OneSource, offers extensive information on healthy eating, menu planning, tasty recipes, managing diabetes, and other healthy lifestyle information.

Our VP are a vital part of the WF family, providing many of the special amenities that contribute to a unique experience at MHSL. Patients and families frequently comment that freshly baked muffins and coffee delivered with a newspaper and a smile, surprises and delights them. A warm greeting, personal escorts, and lay chaplain services for patients who might be lonely and anxious are but a few of the essential services that our VP provide. As a cycle of learning in FY13, we started including VP to participate in the SPP SWOT. From an operational perspective, VP play a key role in identifying process issues that impact patient care and provide valuable feedback during the SPP. In addition, they plan and execute a variety of activities for EP, promoting a special relationship between these two integrated segments of our WF. Special health and *Safety* requirements are noted in our policies and procedures that are available on site (AOS). *NOTE: CP, while employed by an outside firm are considered EP and follow many similar policies, approaches, expectations, etc. (AOS).*

P.1a(4) Assets: Modern facilities are becoming an increasing industry trend, which MHSL supports with state-of-the-art facilities and technologies. Recent major updates to our five-level building include: a $5.4 million interventional radiology/cath lab, $4.6 million perioperative expansion project with the addition of four surgical suites, two additional Labor, Delivery, Recovery and Postpartum (LDRP) rooms to accommodate growth and a $2.3 million DaVinci Robot to provide minimally invasive options for our patients and surgeons. Telemetry capability is integrated throughout the hospital. Intensive Care Unit (ICU) beds can be flexed to meet the variable needs of the medical/surgical unit, and MHSL Wound Care has two hyperbaric chambers for the provision of comprehensive complex wound care. In 2014, as our market continued to grow, the intelligent risk that gave rise to MHSL has reached fruition, and we have invested in key expansions and upgrades including a $93 million new Medical Plaza and Bed Tower, 128 slice CT imaging, MRI, a dedicated observation unit and an EC expansion.

As a key pilot site for MHHS, MHSL launched a fully integrated Electronic Medical Record (EMR) in 2007, and 2010 introduced Computerized Physician Order Entry (CPOE). Pyxis, an electronic materials management system, is utilized in the OR, throughout the hospital for supplies and medication management. This barcode scanning system ensures that charges are entered correctly, and supplies are restocked promptly. This commitment to efficiency was recognized when MHSL was among the first hospitals in Houston to achieve Healthcare Information and Management Systems Society (HIMSS) Stage Six out of seven stages of implementation. The Memorial Hermann Health Information Exchange (HIE) is being implemented in stages, with the ultimate goal of establishing health information connectivity and access across all MHHS areas.

P.1a(5) Regulatory requirements: MHSL has consistently exceeded regulatory standards set forth by The Joint Commission (TJC). MHSL is accredited by The College of American Pathologists (CAP), Centers for Medicaid and Medicare Services (CMS), and Texas Department of State Health Services. Other Regulations include the Occupational *Safety* and Health Administration (OSHA), Environmental Protection Agency (EPA), Food and Drug Administration (FDA), the Agency for Healthcare Research and Quality (AHRQ), the National Healthcare *Safety* Network (NHSN), and the National Database Nursing Quality Indicators (NDNQI). Optional regulatory certifications include the American Diabetes Association, Society of Chest Pain Centers, TJC Centers of Excellence (Hip & Knee) and Pathways to Excellence.

P.1b Organizational Relationships
P.1b(1) Organizational Structure: MHHS applies a regional structure to manage organizational effectiveness (MHSL occupies the south region with three other sister BU) within the feeder-approach to service delivery. Several services, systems, and processes are designed and managed at the System level for BU execution ("*One Memorial Hermann*" experience) for the patient and the WF and are not within MHSL's scope of control to refine or improve. Some, not all, include: Quality, Finance, Performance Improvement (PI), Human Resources (HR), Information Technology (IT), materials purchasing and management, strategic planning, security regulatory/legal compliance and the gathering of various operational data and results.

Governance resides at the MHHS level, and MHHS hospitals do not have separate boards. System governance consists of the MHHS Board, which includes both lay members and physicians. Division Quality Committees (DQC) report to the System Quality Committee (SQC), which is a committee of the MHHS Board. The MEC of MHSL is responsible for assuring quality and *Patient Safety* and is composed of medical staff department chairs, special medical staff appointees, a hospital Executive Team (ET) representative, and a community lay voting member. The lay voting member on the MEC is a barrier-breaking *Innovation* that is virtually unheard of in US medical staff governance policies.

P.1b(2) Patients, Other Customers and Stakeholders: Our culture of *FCF* focuses on creating experiences with each patient and family based on their needs and expectations (FP.1-5).

P.1b(3) Suppliers and Partners: Materials management is an MHHS-managed support service, MHSL's key suppliers (FP.1-6) are vetted by MHHS using stringent criteria, including quality, timeliness, cost-effectiveness, and other vendor certification requirements. Performance metrics, patient satisfaction, and *Patient Safety* are established within supplier contracts and reviewed quarterly. Annually contracts are assessed for services provided, continued need and competitiveness. Vendors are subject to an annual credentialing process, including a competency assessment to ensure compliance with regulatory and MHHS standards of practice.

FP.1-5 Sample Voice of the Customer (VOC)	Key Customers			
Market Segment		VOC Requirements/ Drivers of Engagement	Measures	Results
Patients	IP OP EC	Patient Safety	Do No Harm/Safety Events/Patient Safety Climate	7.1-1-3
		Pain Control	HCAHPS, Press Ganey	7.2-1-10
		Engaged Staff	EES and Teamwork Climate Survey	7.3-9-12
		Efficient and Responsive	HCAHPS, Press Ganey	7.2-1-10
		Responsiveness to Concerns	Timely Resolution	7.2-11d
		Easy Access/Timeliness	LWBS, Wait time	7.1-16-17
		Family Friendly Environment	HCAHPS, "Likelihood to Recommend"	7.2-4-7
Community	PSA SSA	Facility Appearance	Cleanliness	7.2-12
		Information on Quality	Hospital Compare, IHI, TJC, ASHRM, Truven	7.1-1-15
		Customer Service	Press Ganey, HCAHPS	7.2
		Ease of Access	Emergency Center (EC) Throughput	7.1-16-17

Collaborators assist with targeted initiatives, community outreach, and other *FCF* efforts. These collaborators include; The Community Advisory Board, Texas Hospital Association, Fort Bend Junior Service League, City of Sugar Land, Fort Bend Chamber of Commerce and a local minor league baseball organization Sugar Land Skeeters. Our culture of *FCF* focuses on creating experiences with each patient and family based on their needs and expectations (FP.1-5).

P.2 Organizational Situation

P.2a Competitive Environment: MHSL is located in a highly competitive healthcare market (FP.2-1). This intense level of competition has arisen primarily because Sugar Land (SL) is part of FB, one of the most affluent, largest, and fastest growing counties in the US. FB grew 65.1% over a 10-year period per 2010 census reports and had an additional 19.2% increase by 2015. As of 2015, FB population is estimated at 633,069 and median income 2015-2020 is $88,694 with 8.8% persons below poverty level.

In the past six years, the number of licensed hospital beds in our PSA has increased from 300 to nearly 800. Each of Houston's prominent hospital systems has a presence in SL all boasting more capacity, significantly more service offerings, and are more strategically located in the most densely populated area of SL. MHSL also contends with joint-ventured surgical hospitals, numerous ambulatory surgery centers, free standing ECs and multiple urgent care centers.

Since 2010, SL demonstrated 19.2% growth with a population estimated at 101,929 and median household income is $102,940 with persons below poverty level for the same period at 4.4%. Wharton County (WC), a neighboring county within our PSA west of MHSL, is primarily rural with a census of 70,288 and has had a 62.2% increase in population since 2010. The median income for this group 2008-2012 is $42,523.

P.2a(1) Competitive Position: This section has been removed.

P.2a(2) Competitiveness Changes: Given the area demographics, SL will continue to attract new homes, businesses and additional healthcare services for the foreseeable future. With the opening of additional beds in the community and an intentional alignment of services available at MHSL's sister hospital, Memorial Hermann Southwest Hospital, we have developed new programs to maximize our offerings and role in the community, Most recently in April 2016 we opened our IRONMAN Sports Medicine Institute in our new medical plaza. This is a state of the art 15,000 sq foot facility. This new facility will allow us to further *collaborate* with multiple schools, clubs and teams. Our Sports Medicine Outreach provides complimentary health screenings, physicals, and navigation services for injury and emergency care (F7.4-7,8). Comprehensive women and children's programs have added services such as High Risk Maternity care with genetic counseling. EC pediatric services have been expanded to 24/7 to provide extended specialized pediatric physician coverage after normal business hours. These PP also serve as pediatric hospitalists for admitted pediatric patients. Youths needing a higher level of care are transferred via ambulance or Life Flight® to the sister facility, CMHH in the TMC. MHSL seeks to respond sensitively and innovatively to community demand for services conveniently located near patients homes. As we continue to strive to meet these needs of our community, MHMG recently opened its first Urgent Care Clinic in our community. The MHSL CCC Sienna Plantation has strategically expanded healthcare services after careful utilization assessment and Strategic Planning.

P.2a(3) Comparative Data: National reporting databases are available for comparison (FP.2-2). **Notes:** 1) While other databases may exist in health care, we are subject to those that MHHS chooses to use. 2) Due to our particular set of services and size (capacity), many comparisons to local competitors are not available or relevant. For instance, some competitors do not report out their performance by service line, making competitor comparisons unavailable. As a result, we use a sliding scale of comparisons (F4.1-2) to determine our performance in alignment with preeminent community hospitals in the nation. It should also be noted that while percentiles help us to understand our relative performance where possible, in alignment with Preeminence, we first use the data that is the most actionable. As such, we use raw score and percentiles interchangeably depending on our levels, the industry's levels, and what is helpful to driving meaningful change.

P.2b Strategic Context: Strategic advantages and challenges are updated through our Strategic Planning Process (SPP) and throughout the year (FP.2-3).

FP.1-6 Key Suppliers			
Key Categories	Medical Supplies|Non-Medical Supplies|Pharmaceuticals	Service Delivery	Patient Care Initiatives
Vendor			
Role in Delivering Key Healthcare Services	Timely Delivery|Product Quality		Sharing Best Practices
Role in *Innovation*	Subject Matter Expertise Performance Improvement	Subject Matter Expertise Sharing Best Practices	Sharing Best Practices
Key Communication Mechanisms	One on One Meetings|Telephone/Email/Fax		
Key Supply Chain Requirements	Competitive Pricing, Meets Standards of MHHS Vetting process	Sharing of Best Practices Service Quality	Sharing of Best Practices Benchmarking

P.2c Performance Improvement: The PI process is part of our excellence culture. The Executive Team (ET), in conjunction with MHHS, identifies stretch goals that align with our Strategies to create an environment that challenges and motivates the WF. Surrounding our PI methodology is the Baldrige Framework, which we use to guide our approach to overall organizational excellence. The Criteria provides the framework for rapid, efficient, meaningful change through the deployment of systematic processes that reduce variation, eliminate waste, promote *Safety* and achieve superior outcomes. Concepts such as ADLI add additional discipline and perspective to our work. Specifically, our PI system includes: **1)** the Process Design Methodology (PDM) (F6.1-1); **2)** "Plan, Do, Check, Act' (PDCA) (for the WF), Lean and Six Sigma tools as appropriate, **3)** continuous departmental PI initiatives (such as cause mapping, and robust process improvement (RPI) (as applicable); **4)** ongoing audits

and monitoring ensure that improvements are consistent and sustained; **5)** the i3 (Ideas, Inspiration, and *Innovation*) group encourages the WF to identify opportunities for improvement and *Innovation*. These ideas are submitted, reviewed by the i3 group, then follow-up is initiated with the submitter to close the loop.

This profile represents a snapshot of an organization committed to improving health by leading transformational change and rapidly adjusting to the changing demands of those we serve today and in the future.

FP.2-1 Competitive Environment
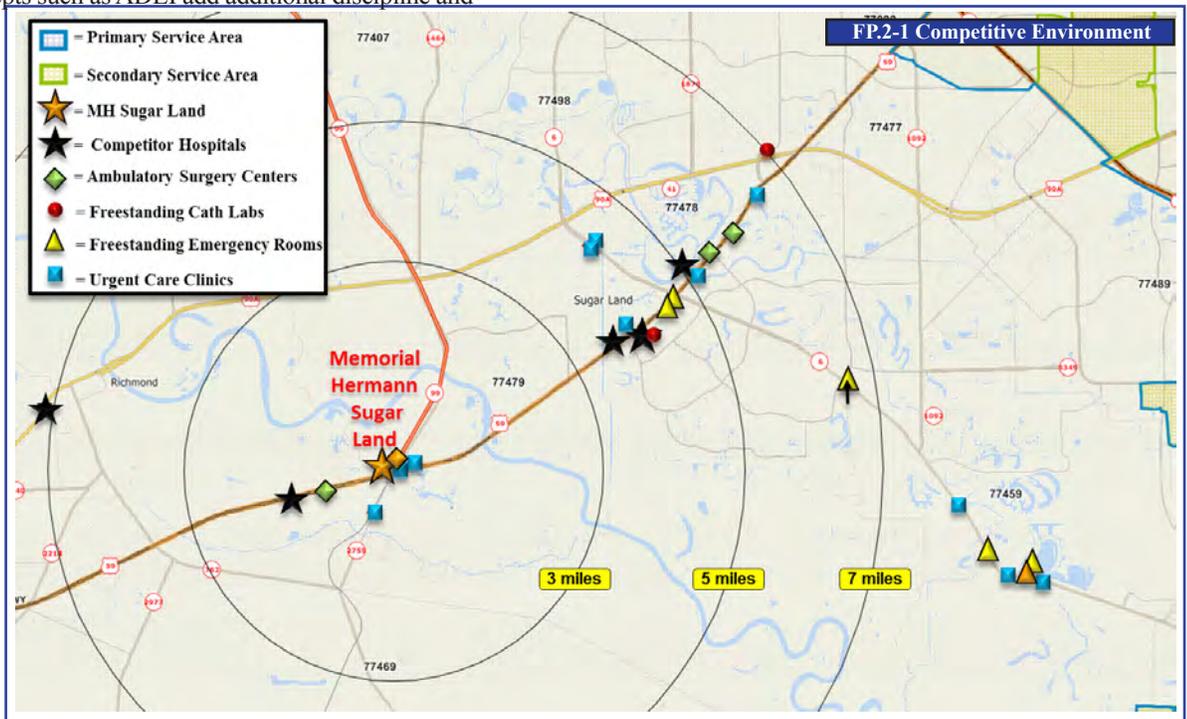
FP.2-2 Sample Comparative Data (In/Outside Healthcare)			
Strategies	**Data Source**	**HC**	**Non-HC**
Align with PP	Healthstream	N	N/A
Deliver Quality Care	Hospital Compare	N, C	
Deliver Quality Care	NDNQI	N, C	
Deliver Quality Care	Leapfrog	N, C	U.S. Bureau of Labor Statistics
Deliver Quality Care	TJC Measures	N, C	
Deliver Quality Care	AHRQ	N	
Value Employees	EP Climate Survey	N, L,	N/A
Achieve Ops Excellence	S & P, Moody's	N	
Achieve Ops Excellence	Truven	N	Standard Textile EPA
Achieve Ops Excellence	Surginet	I	
Consumer Centric	Press Ganey	N	N/A
N - National, L - Local, C - Competitor, I - Internal, HC - Healthcare			

FP.2-4 Sample MHSL Quality Awards and Recognition	
Baldrige Strategy Best Practice & Award 2016	2015
2012 John M. Eisenberg *Patient Safety* and Quality Award	2012
AHA Get With the Guidelines Stroke Silver Award	2012
CPOE Award-Stage 6 EMR Adoption Model	2011
Leapfrog *Safety* Score	2011-12,15
Level IV Trauma Designation (2014 Pending)	2005,08,11,14
MHHS Impact Award 14,15 & President's Cup 14	2014 & 15
National Chest Pain Accreditation	2008 & 11
Pathway to Excellence for Nursing (3 year cycle)	2009, 12 & 15
Quality Texas Progress, Achievement & Award Level	2011, 14-15
TX Medical Quality Improvement Award of Excellence	2006-09 & 12
TJC Top Performer on Key Quality Measures	2011
Truven Health Analytics 100 Top US Hospitals	2011-12 & 14

FP.2-3 Challenges & Advantages (Services, Operations, Societal & WF)			
C	**Challenge**	**A**	**Advantage**
1	Societal: Healthcare Reform-changes in reimbursement & delivery	1	WF- Always Safe & Reliable
2	Services: Highly competitive market	2	WF- Fully deployed *Family Caring for Family* Culture
3	Operations: Physical capacity – growth/demand for services	3	WF: Agility to meet needs of WF & community through rapid cycles of refinement
4	Societal: Uninsured/Under-insured patients increasing	4	Operations: Payor source-strong managed care pay
5	WF Recruitment-Area Talent Shortage (Specific Positions-AOS)	5	WF: PP Leadership engagement- strong working relationship with MHSL WF
6	Operations: Increase in case complexity	6	Operations: System integration- resources, alignment, best practices, etc...
7	Operations (Temporary): Parking and Construction Noise	7	Societal: Affordable high quality care via population health mgmt strategies
		8	Operations: Sustained beneficial financial performance

1 Leadership

1.1 Senior Leadership

1.1a Vision, Values and Mission

1.1a(1) Vision and Values: "Why Not Us" is a leadership and organizational philosophy acknowledging that despite our size and specific offerings, we – as a *FCF* – can accomplish something extraordinary. Something that transcends physical buildings and touches the lives of every family going beyond just providing value, but setting a new vision of what is possible. It is a future envisioned by the MHSL ET, believed and executed by the WF, and continuously pursued through our thirst for exploration and *Innovation*, our dedication to high performance and reliability, and our desire to always Advance Health. Catalyzing and perpetuating this environment is an ET/Leadership Team (LT) guided by the MVV through action, behavior, communication, and intentional integration throughout the leadership system, key systems and processes, the management of the WF, and the execution of our key services. The MVV is the universal thread of purpose that drives *FCF*.

The MVV is set/refined by MHHS during its planning process (F2.1-1) with each BU validating/refining the MVV during MHHS structured strategic feedback sessions. While the System intentionally manages this process, at MHSL we have gone a step further by localizing the MHHS Vision to be the "preeminent community hospital in the nation." This was systematically developed and deployed in 2013 through hospital events, staff meetings, orientations and email communications from the CEO.

F1.1-1 Values Driven Leadership System

The ET deploys the MVV through a Values-Driven Leadership System (VDLS) (F1.1-1), collectively as a team and as individuals to simplify expectations from all leaders by clearly articulating the how, the what, and the why of being a leader. The MVV is deployed through the VDLS via three integrated methods/actions: **1)** Strategy, **2)** Operations/Deployment and **3)** Personal Behaviors (PB) that surround the Values (blue) and together support a commitment to those values and high performance through aligning work and WF actions to the MVV. Strategy development and deployment are MVV-based from the way leaders engage internal and external stakeholders (P1 SPP) to the targets that are set and cascaded throughout MHSL. The ET initiates plan deployment as a means to create WF ownership of the strategic objectives, which are designed to drive MVV achievement by aligning department and individual Accountabilities to the overall plan. Further, the MVV -

based SP is further disseminated/reinforced to the WF via FF & Visibility Boards (VB) in each department (2.2a2), where performance dialogue occurs (F4.1-1). This approach connects with the Operations method of MVV deployment, which ET uses to embed the MVV through key policies, procedures, work system and process design, and other processes such as the WF performance management system (5.2a4). For instance, every Family Forum begins by refocusing the workforce on our MVV and the CC. Aligning and integrating operational aspects with the MVV reinforces a commitment to ensuring our core beliefs live within the services and processes we deliver to our customers, our partners and collaborators. The ET uses a portfolio of PB, segmented by actions and decisions that further support efficient deployment to internal and external stakeholders, including rounding, values-based decision-making and reward and recognition (F1.1-2). This last PB method is most meaningful as it sets a standard of individual and collective behavior role-modeled by all leaders who shape the culture, reinforce expectations and engage the WF and other stakeholders in aligning to these principles through practices that drive MVV execution. The ET is not a removed group hidden in an office, they actively lead or populate many of our groups, councils, and committees, further role-modeling the values, such as *Accountability* and *Collaboration*. The orientation of our VP and PP includes an overview of our MVV and behavioral and performance expectations.

At least annually, ET reviews the effectiveness of our methods via many tools such as the Press Ganey (PG) WF engagement survey, the WF performance management system, overall performance, rounding, and 1:1 communication. For example, in 2014, as a means to further deploy our MVV and foster *Empowerment*, the VB were collaboratively developed using input from PIC.

1.1a(2) Promoting Legal and Ethical Behavior: The importance of ethical and legal behavior is clearly outlined in the MVV, collaboratively set by MHHS, a component of *FCF & Patient Safety*, and systematically deployed by the ET to ensure
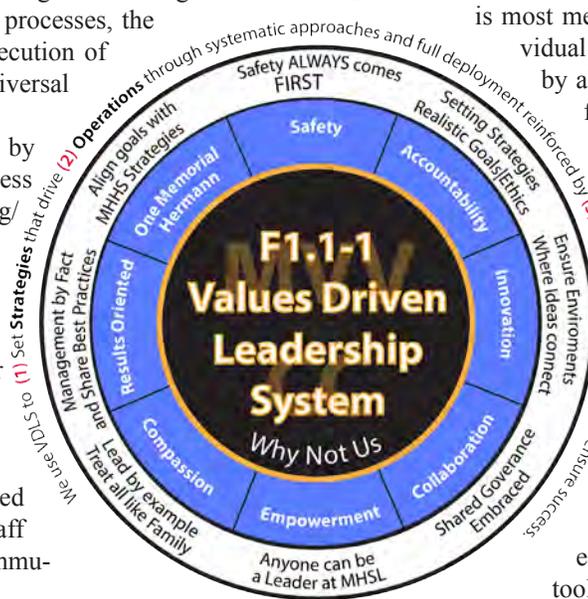
F1.1-2 Sample Additional MVV Deployment Approaches			
Methods	**Description**	**Stakeholders**	**Approach**
Culture Day	Introduction to MHHS, discuss MVV, Strategies & Brand Promise.	EP	S, O
NEO	CEO & LT presentations on MVV & MHSL Culture.	EP, CP	S, O, PB
Family Forums	Informative Quarterly WF meetings begin with MVV everytime.	WF	S, O, PB
Performance Review Analysis	Sets the behavioral expectations and strategy expectations that are cascaded accordingly (*Results Oriented*).	WF	S, O, PB
Standardized Agendas	All meeting agendas include MVV & updates from Strategic Initiatives.	EP, CP	S, O, PB
Daily Leadership Huddles/Emails	Daily *Safety* Huddle ensures Core Value of *Safety* is Visible and Top of Mind. Incorporated through daily discussions.	WF	O, PB
PFAC	Patients who are active Voice of Customer help deploy MVV.	P	S, O, PB
Breakfast with CEO	All NEO are invited to meet with the CEO within 90 days for breakfast to give feedback about their experience with orientation and MHSL.	EP	S, PB
Stakeholder Legend: Workforce (WF), Patient (P), Employee Partner (EP), Volunteer Partner (VP), Physician Partner (PP), Contract Partner (CP). **Approach Legend:** Strategy (S), Operations (O), Personal Behaviors (PB)			

an environment of integrity, honesty, quality, and trust. As in any family, the recognized leaders set the tone and culture of what is expected and guide behavior. Specifically, the ET use two coordinated approaches: **1)** Policies and Procedures and **2)** Personal Behaviors through which the ET demonstrate a commitment to promoting an environment for ethical and legal behavior.

The ET, in conjunction with MHHS ethical standards and the Corporate Compliance Office (CCO), creates, organizes, and reinforces a suite of policies and approaches that outline clear guidelines to ensure services and interactions maintain a standard and consistent level of ethics. To ensure WF compliance (F7.4-3,4) these policies/procedures include: the Standards of Behavior, a conflict-of-interest disclosure form; the design and execution of services, systems, and processes, a Variance Reporting System (VRS), an anonymous hotline for reporting infractions, and a Clinical Ethics Committee (CEC) that monitors patient care issues, organizational audits, and annual mandatory education as well as training modules on topics such as Health Insurance Portability and *Accountability* Act (HIPAA). The ET and LT promote the utilization of VRS, a computerized reporting system that provides an easy way for EP/PP to report variances in the provision of care or *Patient Safety* and good catches for review of processes. VRS reports are examined by the leadership of the department or service involved, and Action Plans are developed accordingly. A Filter Committee (FC), composed of ET, nursing, quality, risk, education and PP, reviews the VRS reports and quality-of-care issues for trends and areas requiring improvement monthly.

The consistent deployment of ET PB is core to *FCF* and VDLS, and serves as the cultural stimulus to ensure the ethical environment extends beyond the classroom and becomes a part of work life through role modeling & decision-making, rounding, huddles, MEC, forums where legal/ethical considerations are reinforced or discussed and leading/participating in audit investigations. During rounding, issues or concerns that have ethical implications are forwarded to the appropriate leader or council for review.

Ethical issues are reviewed annually or as they arise using various metrics to determine overall approach effectiveness (1.2b2). Reports are investigated by The Ethics Committee, Risk Management, PP & Nursing peer review, ET & MEC meetings, and others as appropriate. These meetings happen at least quarterly and as needed. Above all, our value of *Accountability* compels us to behave in a manner that supports an environment characterized by legal and ethical behavior in all we do.

1.1a(3) Creating a Successful Organization: Building a successful organization that endures is the aspirational legacy of leaders. The ET leads a process that intentionally leverages the strength of MHHS with local MHSL practices that are both customized and innovated to ensure the long-term success and viability of our organization. As a part of MHHS, we take advantage of the resources offered and integrate with the System for support in areas such as strategy, operations, WF development, process improvement, IT, visionary leadership, financial stewardship, and knowledge management. While we are unable to change any MHHS processes dramatically, the direct support and access to these and other areas within our System is a strategic advantage, and remain vital components to our success & sustainability ("*One Memorial Hermann*").

Mission Accomplishment/Strategic Objectives/Agility/Organizational Learning/Performance Improvement: ET creates a focus on *Accountability* for these items through Six *Results Oriented* methods that leverage the VDLS: **1)** the cascading ADVANCE Strategies which foster alignment and individual *Accountability* across the WF while pursuing a set of mission-driven strategies; **2)** the Performance Review & Analysis (PRA) system of aligned and cascaded scorecards, which are used to drive organization-wide learning and agility through improvement efforts and is detailed via VB; **3)** use of our Communication and MVV Deployment Methods (F1.1-2,5) to reinforce the importance of Mission, SP achievement, and high performance; **4)** the alignment of goals accomplishment with reward mechanisms to recognize the WF for high performance; **5)** deploying our PI approaches and the Baldrige Framework to support an environment for continuous learning, improvement, and excellence; and **6)** enabling the WF to identify and share best practices (4.1c1) through i3 and their departments to improve organizational learning and overall performance. Furthermore, the ET promotes the importance of learning through the knowledge management process (4.2a1), and through WF-identified learning and development opportunities that are supported by MHHS's comprehensive education and training offerings (5.2b1). Lastly, to advance performance leadership, the performance reporting process, using the council structure, the weekly ET meetings, and the monthly LT meetings provides an avenue for strategic thought, open discussion and a place to foster leadership skills and rapid action to improve collectively.

WF Culture: *FCF* is the universal thread that binds the WF culture to the needs of our customers. Creating and nurturing a consistently positive patient experience to achieve customer engagement begins with creating a positive WF experience. It is the belief that *FCF* is not something that happens once or for someone else – it is every time, for every person, be it a patient or a WF member. While there are numerous contributors to a healthy culture, ET helps the organization focus on its people and customers by **1)** listening to and acting upon their drivers of engagement; **2)** creating focus around patient-centric Strategic Initiative and developing/aligning systems and processes to support the accomplishment of work and exceed WF expectations; **3)** motivating the staff to achieve high performance through compelling targets and *Empowerment* methods (5.2a1); **4)** providing education and training to align with our Consumer Centric Strategy (Cat 3); **5)** using *Accountability* to recognize performance, such as incentives for patient satisfaction results, VB, and PRA; **6)** providing a culture where the WF can share and act on ideas (i3), communicate in open forums and, in a sense, function like a family. With ET focused on ensuring the WF feels like a high-performing family, concentrate on the patient experience becomes much more aligned and symmetrical through designing systems and processes around customer requirements (F6.1-2). For example, the MHSL Experience Ambassador (EA) program educates the WF on customer experience best practices. As a cycle of refinement in 2015 MHSL launched "The Language of Caring," which contributes to a positive patient experience using a Heart-Head-Heart model. These approaches, combined with the review and improvement of customer-related metrics and processes, enable us to evaluate the effectiveness of our methods and reinforce the importance of exceeding the customer's needs.

Innovation, Intelligent Risk, Strategic Opportunities & Agility: With a value of *Innovation* and a Why Not Us spirit, there is an expectation to be agile and try new things that will benefit the customer and the organization. In 2016, the ET decided to build on the foundation of our innovative beginnings to enhance our culture to ultimately drive change in something we are calling "*Innovation* Zones of Impact." At the forefront is our *Innovation* Plan (iPlan) (AOS) that balances internally focused *Innovation* cultural levers that will, over time, lead to results within three Zones of Impact: **1)** Organizational, **2)** Community, and **3)** Social. Each level is plotted out according to the disruption and scale potential, with specific Initiatives, Action Plans, and measures. For example, within the iPlan, we have an initiative to Reduce Inconvenience (Organizational Zone) for customers and the WF and an Initiative to Enhance Health in FB (Community Zone). Each of these (and the others) have actions and metrics monitored through an *Innovation* Scorecard (iCard) to move us closer to Initiative accomplishment. The iPlan is integrated into the SPP P1 as an input and is deployed, as appropriate, throughout the WF via VB and individual performance reviews (5.2a4). We recently formalized our *Innovation* efforts into a systematic process (F6.1-4), which we are deploying to the ET and LT during the fall of 2016 via the *Innovation* Academy (6.1c).

While this plan provides a pathway and a vision of the future, our role as ET is also to foster an environment where *Innovation*, *Empowerment*, and creativity consistently flourishes in daily work through intentional approaches that link culture to structure and process. Specifically, and as part of the iPlan, the ET is further advancing an *Innovation* and intelligent risk environment through: **1)** targeted idea generation during rounding and meetings, **2)** the i3 process formally addressing WF ideas aligned to ADVANCE, **3)** Welcoming the Wow sessions during the SPP (2.1a1), **4)** the *Innovation* Academy (iAcademy) planned for fall 2016, **5)** PDM and PI efforts through brainstorming techniques, **6)** a focus on eliminating/reducing inconvenience throughout MHSL, and **7)** the quarterly *Innovation* Award of Excellence (three since 2015). *Innovation* efforts are measured as part of the PRA (F4.1-1). As part of the iPlan, we are launching our first "Sugar Tank" modeled after the show Shark Tank to create greater involvement, engagement, and fun in *Innovation*-related thinking. We will also be conducting our second *Innovation* climate survey (Summer 2016) which will identify OFIs.

While intelligent risk at the WF-level is intentionally focused on providing the outlets and confidence to try new approaches to achieving patient-focused excellence, the ET has fully integrated the IQR process (used only by ET) for determining strategic opportunities and ideas conceived by the WF to pursue. The IQR (F1.1-3) uses four filters as a guide (not an absolute) for making smart decisions but acknowledging that fear of failure

must not outweigh the potential for success. These approaches led to important investments such as implementing tele-sitters in Inpatient (IP) rooms to reduce falls while improving efficiency, and Visalert to ensure hourly rounding on patients.

The ET creates an environment for SI achievement and agility through: **1)** clearly cascading and aligning the ADVANCE plan to the WF (2.2a2); **2)** consistent scorecard reviews (PRA, F.4-1); **3)** transparency of results (F1.1-5) and VB; **4)** *Accountability* via individual performance reviews; and **5)** aligning rewards and recognition (1.1b1).

Succession Planning & Development: The overall approach to succession planning and WF development is mostly MHHS-managed and includes a variety of industry best-practices mechanisms that rely on ET to identify and assist future leaders to develop and grow through development programs, offerings, and mentoring. The approach includes the comprehensive Talent Management System (TMS) (5.2b3), a tool similar to the LinkedIn profile, where we invite current leaders to join and highlight their skill sets and professional growth aspirations. These profiles, in conjunction with ongoing performance assessments and mid-year and annual performance appraisals, are reviewed by their respective leaders to identify high performers for growth and development. Those selected to participate in leadership training receive mentoring based on a Talent Action Plan (TAP) with individualized development goals and training such as conferences, additional education, exposure to new projects, etc. A Leadership Development Institute (LDI) provides leadership skill development and team building for current leaders. Since 2013, the ET has required all leaders to be exposed to, and involved in, Baldrige through LT refreshers, related improvements, and Criteria reviews. In 2016, we enhanced our approach to Baldrige by formally training the ET/LT as examiners to build on the existing knowledge and to increase use and integration capability across MHSL. Our Career Ladder program offers nurses & respiratory therapists the opportunity to develop leadership skills while participating in SGC. MHHS requires new leaders to attend courses like Jump Start, which promote collegial relationships among seasoned and new leaders, as well as courses in financial management, communication, coaching and counseling skills, and a local new leader boot camp. MHHS also manages an individual and collective mentoring process for emerging leaders such as the CEO, COO and the Women Leaders of Memorial Hermann. Additionally, leaders are exposed to system-wide projects and *Empowered* to be autonomous in decision-making at the campus level, which prepares leaders for future roles. Within that scope, MHSL's previous CEO and current CMO were both promoted via expanded roles within MHHS. High performing physicians are exposed to Physician Leadership Institutes, identified to rotate medical staff chair positions, MHHS/SL projects & committees, Robust Process Improvement Expo, and provided funding for continued education, such as attendance at conferences.

***Patient Safety*:** The ET fosters and nurtures a culture and CC of *Patient Safety* through methods that contribute to a WF dedicated to this non-negotiable core value and patient right. MHHS promotes a culture of *Safety* with a focus on high reliability, zero harm, and an expectation that *Safety* is not a "nice-to-have" but a "must" in all things. The System supports *Safety* efforts through numerous initiatives, such as *Collaboration* with internal and external *Safety* and reliability experts working on MHHS-wide projects, setting clear expectations for harm and

errors, and the adoption of best practices including daily *Safety* huddles, *Safety* coaches, and a Patient and Family Advisory Council (PFAC). Locally, the ET further emphasize/deploy *Safety* (F1.1-4) through rounding, the PRA which emphasizes quality and *Safety*, rapid response teams, constant communication, education and ongoing dialogue with patients/WF to "Speak Up" if they have concerns about *Safety* or quality of care. Going further, the ET recognizes that a commitment to *Patient Safety* begins with a commitment to WF *Safety* and has implemented policies and procedures to ensure our WF is always safe (6.2c1).

Both MHHS and MHSL approaches to *Safety* are continuously monitored through System BU performance reviews, Division Quality Council (DQC), and locally via our *Safety* Committee & Coaches, leader rounding and WF observations, MEC, the PRA, and best practice sharing opportunities. Gaps are addressed via the PI approach (6.1b4). MHSL continues to nurture our CC2 resulting in performance that exceeds national benchmarks in several key measures of quality and *Safety* (7.1).

1.1b Communication and Organizational Performance

1.1b (1) Communication: *FCF* is best emulated by how we treat one another, speak with one another, and include one another in the major decisions/organizational changes to engage WF and key customers, regardless of segment, to ensure our Family feels like Family. ET uses a suite of two-way communication methods (F1.1-5) to share information with, and gather input from, the WF and other customers on the main issues, decisions and changes to policies or strategies, as appropriate. These conduits are designed to be mostly two-way, creating a sense of ownership in the major organizational decisions, and to reinforce high performance and a health care focus. For example, quarterly FF & Breakfast with the CEO are used to provide updates on performance and strategic achievement. As noted, engagement goes beyond communication to how the ET establishes and nurtures an environment that exceeds the segmented WF and customer requirements. Engagement occurs through creating avenues for their individual professional pursuits and strengths to be leveraged while providing a patient experience that exceeds expectations reliably. The ET ensures transparency in decision-making and aligning reward & recognition with high performance and uses rounding for more timely patient communication and improvement (3.1a1). Customer communication is critical to our *FCF* culture, whether they are receiving care and information about their treatment for collaborative decision-making, or in the community/social media, changes to our offerings, operations, and health and wellness information is shared, and their input is gathered.

Our WF family members deserve to not only be rewarded and recognized but ap-

F1.1-4 Sample Approach for Promoting a Culture of *Patient Safety*

Methods	Description
Annual *Safety* Climate Survey	*Safety* Attitude Questionnaire
Filter & Event Analysis Committee	Monthly review by leadership of all variances, events and good catches
System-wide Leadership Review	Monthly review of events within the system. (Risk & Facility Quality Metrics)
Safety Coach Program/Committee	Monthly department meeting to discuss observations, concerns, *Safety* successes, select *Safety* Champions
Quality and *Safety* Council	Monthly review of all quality and *Safety* metrics by department directors/ process owners
Breakthroughs in *Patient Safety*-BIPS	Education sessions using evidence-based *Safety* behaviors/tools
Safety Champion of the Month	Individual elected by the department *Safety* Coaches for exceptional performance on *Safety* behaviors
Daily Safety Huddles	Hospital-wide morning huddle discussing *Safety* concerns & good catches from the prior 24 hrs
Safety Education (**Annually & NEO**)	*Safety* behaviors & expectations are reviewed with all WF, at re-credentialing for PP & Annual *Safety* Fair
VRS: *Safety* Event Reporting	Online database for variance reporting and reporting of good catches or *Safety* successes

F1.1-5 Sample Communication Methods (Internal/External)

Why Not Us (22 two-way methods) Grey = WF, Blue = Customer, Yellow = Both WF & PF BDA = Before, During After	Direction	Frequency	Comm Type	EP	VP	PP	CP	PF	MVV/CC	SPP/HP	Action Plan	KT	PI	Evaluated
Annual VP General Meeting	→	A	1		●				●	●	●	●		A
Breakfast with CEO*	↔	Q	1	●					●	●			●	Q
CEO Email Updates	→	M	4	●	●	●	●		●					M
Communication Boards	↔	M	1,3	●	●	●	●		●	●	●	●	●	D
CPC Subcommittee	↔	Q	1,3,4			●			●	●	●	●	●	Q
Daily *Safety* & Dept Huddle	↔	D	1,4	●	●	●	●		●		●	●		D
Department Meetings & A3s	↔	M	1,3,4	●			●		●	●	●	●	●	M
Experience Ambassadors (EA)	↔	M	1,4	●					●		●	●	●	A
Family Forums	↔	Q	1,4	●	●	●	●		●	●	●	●		A
General Medical Staff Meetings	↔	Q	1			●			●	●	●	●	●	M
Intranet|(OneSource)	→	O	4	●	●	●	●		●					A
Rounding	↔	D	1,4	●	●	●	●		●	●	●	●	●	O
LDIs**	↔	Q	1,4	●					●		●	●	●	A
Leadership Rounding	↔	D	1,4	●	●	●	●		●	●	●	●	●	Q
NEO/ New PP Orientation	↔	O	1	●	●	●	●		●					Q
Partners in Caring (PIC)	↔	M	1,4	●	●	●	●		●		●	●	●	M
Physician Leadership Retreat	↔	A	1			●			●	●	●	●		A
Physician Newsletter	→	M	3,4			●			●			●	●	M
Shared Governance Meetings	↔	M	1	●						●	●			Q
Volunteer Board Meetings	↔	M	1		●					●	●		●	Q
Community Events (B)	↔	O	1					●	●	●	●	●		A
Patient Callbacks (Discharge) (A)	↔	O	2					●			●		●	A
Patient Handbook (D)	→	O	3					●			●		●	A
Patient Rounding (Hourly) (D)	↔	O	1,4					●	●		●		●	D
PFAC Council (B & A)	↔	O	1,4					●	●	●	●	●	●	A
Social Media (BDA) WF & PF	↔	D	4	●	●	●	●	●	●	●		●		O
Surveys (BDA) WF & PF	↔	O	4	●	●	●	●	●	●	●	●			O

Evaluated: D = Daily, M = Monthly, BM = Bi-Monthly, BA = Bi-Annually, Q = Quarterly & A = Annually O=On-going **Comm Type:** 1= Face to Face, 2= Phone/Oral, 3= Written & 4= Electronic (Online/Email) **Headers**: EP= Employee Partners, VP = Volunteer Partners, CP = Contract Partners, PF = Patient & Families, KT = Knowledge Transfer, HP=High Performance & PI = Process Improvements. *For New EP **LDI & QCOMM for ET & LT

preciated as well (Cycle of Engagement F5.2-1) for high performance. As such, the ET and LT engage, motivate, and participate in these activities with the WF through numerous methods (F5.2-2): **1)** PIC participation and appreciation days, **2)** drop-in visits to recognize high performing departments or individuals, **3)** rounding to reinforce the MVV and plan goals, **4)** gifts presented at daily *Safety* huddles in recognition of exceptional achievements, **5)** designation of EP of the Quarter and VP of the Year, **6)** annual Doctor's Day Awards, MEC, and *Safety* recognition, **7)** handwritten thank you notes and e-mails, tickets to movies or sports events, and **8)** Gold Coins to use in café or gift shop. Formal recognition occurs during annual performance evaluations and performance-based merit increases. Communication and engagement approaches are evaluated at least quarterly through the PRA, rounding, other WF-related metrics (5.2b2), and annually through the WF engagement survey. Gaps are addressed via Action Plans and are input into future planning cycles, such as the *Innovation* Award of Excellence.

1.1b (2) Focus on Action: Using the VDLS and Results Orientated thinking, leaders identify and create a focus on actions through: **1)** consistently focusing on MVV and SP achievement; **2)** setting and fully deploying clear direction and expectations (*Accountability*) that drive high performance across a balanced portfolio of objectives; **3)** engaging the WF in designing, managing, and improving key systems and processes; **4)** sharing of performance and engaging the WF in process management (PRA) to identify needed actions; **5)** aligning performance with incentives; **6)** nurturing a WF culture of exploration to improve the patient experience through *Innovation* using i3, the *Empowerment* culture; and **7)** MHHS-leadership support and focus on ADVANCE. These methods provide a robust process to ensure the organization is aligned to the SP, that culture is fostered where ideas are sought and new approaches are tested, and WF members become "owners" through intentional involvement in process design, management, and improvement efforts. For example, systematic PRA at both the organizational and departmental levels (4.1b) ensures learning and focus that goal accomplishment is paramount in pursuing our Vision. Key decisions that impact the WF or our external stakeholders are shared through multiple channels (F1.1-5) including social media, which is used to share MHHS and MHSL events, knowledge, and performance with our key customers.

We believe that value is determined by the end-user during the various stages of relationships, (F3.1-1). As such, expectations and balance are set based on data from our Voice of the Customer (VOC) tools (3.1a1), inputs into the SP (Phases A-B/P1) manifested in the SI, and integrated into the design and improvement of key processes (F6.1-2,3) and various WF education and training programs (5.2b). For example, the decision to expand infrastructure balances value across the needs of our growing community, the needs of our System, and the needs of a WF that require larger facilities to accommodate the increasing demands on our services. The ET reinforces the balance of value via the PRA.

1.2 Governance and Societal Responsibilities
1.2a Organizational Governance
1.2a (1) Governance System: Responsible governance and ET *Accountability* for actions and the SP occurs at the MHHS level and is managed (vs. governed) locally by the ET, as appropriate. At the System level, the MHHS Board meets quarterly to review System/BU governance and performance to validate direction.

MHHS is fully compliant with governance criteria using systematic & fully deployed processes (*One Memorial Hermann*) for fiscal responsibility, transparency, selection of BOD members, use of external audits, protection of stakeholder interests, and leader succession planning (detail AOS). In 2015 the board elected a "Chair-Elect" to help with succession planning. This refinement is new to MHHS and includes the first female board member in MHHS history. Progress with overall performance is reported at System Council meetings, with Corrective Action Plans developed for any identified variances. Key organizational outcomes are presented to the Regional President (RP) in a monthly operating report (MOR), quarterly to System Senior Executive Leadership (SSEL), and reinforced through ET *Accountability* via the annual performance appraisal process. During the MOR, each BU ET meets independently with the RP for vigorous analysis of performance across ADVANCE and other key initiatives. Also, the MHSL ET oversees *Accountability* of local leader actions and fiscal practices through monitoring of the primary data/metrics at least monthly via the councils, ET and LT meetings, and the Department Operating Review (DOR), to name a few. Local opportunities are addressed via our PI process (PDM).

MHSL's MEC is delegated specific medical staff governance functions for the medical staff, such as peer review. The medical staff elects members in good standing to the MEC bi-annually through a process of checks/certifications. In addition, the DQC reports to the SQC, which is a committee of the MHHS Board. MHHS Board and Board Committee selection are confidential and managed at the System level (AOS).

Audits, handled by MHHS, are conducted throughout the year utilizing both internal and external sources to monitor operational practices according to corporate standards, as well as identifying areas that might impact our key stakeholders. One mechanism is the CCO hotline, which is used to report potential legal and ethical issues.

As noted in (1.1a3) and (5.2b3), succession planning for senior leaders at MHSL is a robust process that occurs through MHHS-managed approaches using TMS.

1.2a (2) Performance Evaluation: Aligning with *One Memorial Hermann*, all MHHS leaders use the cascading TMS process for performance evaluation and improvement, beginning with the RP annually evaluating the MHSL CEO, who in turn evaluates the ET, who evaluates the LT, via 1:1 meetings with ET and their direct reports. Each level of TMS review includes a self-evaluation and a review of organizational and personal goals and expected behaviors and competencies. Based on the TMS performance factors, both ET compensation levels and personal evaluations shall be examined by the RP. It is during this meeting that MHSL ET succession planning is discussed using the talent grid contained within TMS (AOS). BOD evaluation and improvement occurs at the System using specific processes and criteria (AOS).

Performance evaluations are used to improve both individual and collective leadership system performance through education, training, mentoring, outside experts, and reward and recognition. Specifically, the TMS process results in the setting of goals and addressing opportunities for development and growth, both professionally and personally within and across BU leadership teams. In addition, MHSL uses overall hospital performance, research of leadership best practices, and the Baldrige

program to improve leader and leadership system effectiveness. For example, in 2016 members of the ET/LT attended the Baldrige Quest for Excellence Conference and will visit the 2015 recipient's sharing days (May 2016).

1.2b Legal and Ethical Behavior

1.2b (1) Legal Behavior, Regulatory Behavior and Accreditation: Risk, legal, accreditation and regulatory requirements (F7.4-3) are addressed and managed systematically by MHHS through various board/committees which support local PI/TJC teams to ensure comprehensive compliance. Opportunities are shared across the System for learning, and the System CCO is responsible for promoting adherence to policies, reviewing potential breaches in conduct, and addressing as necessary.

MHSL addresses and anticipates concerns of health care service to mitigate any impact via nine methods: **1)** integrating stakeholder input and requirements (VOC) during Step 1 of the PDM; **2)** pilot testing to filter out potential issues; **3)** use of industry, market data, and regulatory changes that provide insight into current and future concerns; **4)** the use of standards and protocols, such as cost-containment strategies, and councils that oversee operational standards, such as the DOR,; and **5)** the PFAC. Other mechanisms include: **6)** sustaining a strong commitment to ethical, legal, and safe care; **7)** encouraging patients and families to become actively involved in their care and to speak up; **8)** educating the public about our activities through newsletters, healthcare fairs, and other promotional activities; and **9)** helping consumers understand the role of local, state, and national healthcare issues in our daily operations.

Supply-chain and conservation practices are managed by MHHS (and executed by MHSL) via specific guidelines, including the use and management of inventory and the removal of hazardous waste that meets and exceed industry requirements. The WF is trained on appropriate measures that are in place to ensure compliance with local, state, and federal guidelines for this and other resource-conserving techniques, including water, electricity, and the overall "footprint" of Memorial Hermann in the community.

Building on these methods, MHSL uses a portfolio of processes and metrics such as infection control audits and Filter Committee adverse outcome reviews, to monitor services and determine if an adverse impact exists. Other methods of monitoring include Environment of Care (EOC) rounds, infection control guidelines, and a transparent and safe culture for reporting issues. Issues and the overall approach to legal/ethical implications are addressed with Action Plans, deployment or redeployment of processes, and monitoring and feedback from stakeholders. Key metrics are reviewed, and Action Plans are developed as needed (F7.4-5). The overall approach is also considered as part of MHHS annual reviews.

1.2b(2) Ethical Behavior: In addition to the methods described in 1.1a(2), ethical behavior is promoted and ensured through education, standards, expectations, role modeling, and monitoring of metrics (F7.4-4). It is an inherent part of *FCF* and the *One Memorial Hermann* philosophy. In deploying a culture of *Accountability* for ethical behaviors, we monitor our processes and reinforce ethics through daily/weekly leadership rounds, satisfaction surveys, variance reporting of issues (VRS), WF quality control metrics, and billing, vendor, and community practices and metrics. For example, ongoing audits of billing practices and our CP compliance efforts screen for potential ethical issues. The indicators or metrics identified for our Code of Ethical Behavior are all part of our systematic governance structure that aligns with our MVV. The scope of the measures/indicators (F7.4-5) represents our ongoing alignment, deployment, learning and integration for our System.

Additionally, MHSL fosters a culture of ethical behavior through quality control metrics that align behaviors with ethical expectations, such as our core value of *Safety* and via role modeling by ET/LT. Breaches in ethical behavior are immediately evaluated and have distinct pathways for readdressing depending on scope, the risk to the organization, and involved stakeholders. Actions can include Individual Learning Plans (ILP), corrective actions, and possible terminations. Supplier/vendor breaches are addressed by MHHS whereas WF breaches might be handled locally, while still following MHHS protocol. This one standard approach ensures consistency and fairness across the System. If an opportunity is found at MHSL, it is shared with MHHS and addressed appropriately.

Refinements are made by MHHS and MHSL using data, such as updates to our ethical committee including case reviews, the early stage addition of a Family Response Team, and mandatory compliance training for all System executives.

1.2c Societal Responsibilities & Support of Key Communities

1.2c (1) Societal Well-Being: Societal well-being is at the root of our purpose (Mission) and a mutually beneficial *Collaboration* with our community that is a fundamental component of the SPP, the SP, and how we operationalize our community involvement, and expectations and support (processes) set by MHHS. It links to our role in the MHHS industry-leading ACO work, our daily commitment to *Patient Safety*, and our leadership approach of "Why Not Us" to do something transformational. Our ADVANCE strategies represent a systematic and intentional effort to provide services that are based on the needs of our community, increasing value across the domains of societal, economic, and social well-being. The input of stakeholder data, including an understanding of health trends locally and nationally, and annual review of key community impact areas provides a platform for developing plans that are based on community need and how we, MHHS and MHSL, can exceed current expectations and plan for future needs.

Environmental: MHSL is proactive in implementing systems to conserve resources through traditional measures and operational efficiencies that reduce the consumption of resources, including bar coding, EMR, CPOE, and use of standardized equipment and protocols that limit waste and unnecessary cost. Our Environmental Service Department (EVS) engages in waste recycling programs that have increased performance and decreased facility costs (F7.4-9). MHSL has exceeded environmental standards with Greenguard certification (high indoor air quality) and Energy Star award for seven consecutive years, recognizing our conservation of energy and natural resources. Participation in a system-wide supply chain also promotes the cost-effective and efficient acquisition of needed materials.

Social: We partner with our community to build a connection between our purpose and role within the community. These partnerships are intended to expand the influence MHSL, and MHHS have in Houston and Fort Bend County concerning the importance of health, wellness, education and their impact on life. As such, we partner with LCISD to provide health care

to students at nine feeder schools with two school-based health care clinics strategically positioned in the community. Each clinic is staffed with an on-site social worker, dietitian, and navigator to ensure that students' needs are met holistically, and their families receive the social services they need to provide a safe, secure and healthy home environment. Also, these clinics provide mobile dental care to these students. We continue to partner with other local schools and educational institutions by providing sponsorships, training, and fundraising events that focus on increasing knowledge and awareness about the importance of a healthy lifestyle. In 2015, MHHS launched our Nurse Health Line; it is accessible to anyone in the Greater Houston area which is sick or injured and needs immediate guidance from a nurse. In addition to schools and youth sports, each year MHSL is the title sponsor of community-wide events such as the FB Junior Service League (FBJSL) which directs the funds to agencies supporting the underserved in our community.

Economic: We support the economy through: **1)** efficient use of resources, **2)** fundraising, **3)** charitable giving, and **4)** being a successful organization. Our responsibility to the community is to provide the highest quality of care at the lowest cost, which we pursue daily & vigorously through process management & improvements, stewardship of our resources, leveraging the innovative spirit of our WF, and MHHS economies of scale. For example, we have driven down our costs of linen utilization and other costly supplies (support processes), resulting in real savings to our community (F7.1-30). Through annual fundraising, our WF supports various charitable organizations to address needs in our community (F7.4-6a,b). In FY15, MHHS system provided $491M and MHSL provided $10.9M in charity care (F7.4-6a,b). Our value proposition to the community is one of the primary reasons for our increase in market share and leading rate of growth. The area growth and our ability to operate a high-performing organization will allow us to be a successful and sustainable organization and employ more people after our planned expansion is completed (Fall 2016). Additionally, we continue to grow; we are increasing the percentage of uninsured and under-insured that we are caring for as a proportion of the total number of patients.

1.2c (2) Community Support: Strengthening our communities is an MHHS and MHSL endeavor that together, form a systematic and meaningful approach to ensuring the Houston Metro area remains vibrant. Specifically, MHSL identifies its key communities through the analysis of patient distribution by: **1)** PSA and Secondary Service Area (SSA) during the SPP, **2)** guidance from the System regarding emerging markets, and **3)** in support of the MHHS feeder strategy. The service areas represent a considerable socioeconomic range from the wealthy to lower-income and rural portions of FB and WC. We also extend our *FCF* CC to the community by becoming involved with local needs through community programs.

MHSL makes it a priority to meet the needs of the community based on input from a Community Advisory Board and our triennial Community Health Assessment (CHA). MHSL adds value to local nonprofits for the elderly, mentally ill, and its special needs citizens through programs such as; Seniors Meals on Wheels, Texana and ongoing educational outreach events and free health screenings segmented for seniors. The Memorial Hermann Prevention and Recovery Center (PaRC), a drug rehab and alcohol treatment center, provides awareness and support to those dealing with mental illness and addiction. MHSL works in close *Collaboration* with organizations such as Texana Care Support Center and Hope for Three to aid in providing resources for families affected by domestic violence, autism, and other mental health challenges. ET and LT participate on numerous community boards and organizations including: FB Cares, FB Women's Center, FB Chamber, Central FB Chamber, INDO American Forum of FB, United Way, March of Dimes, American Heart Association, FB Literacy Council, FB Seniors, FBJSL, Texana Board, Access Health and Texas Hospital Association (THA).

Sustaining and focusing on fostering improving health and wellness is a central part the Memorial Hermann Population Health strategy for the future. As mentioned above with the PaRC, MHSL coordinates its outreach efforts with other MHHS facilities in the PSA and SSA (F7.4-7), including three OP surgery centers, three imaging centers, and six sports medicine centers. Sample additional outreach activities in conjunction with our WF conducted by MHSL include:

- "Tip Your Glass to Good Health," a popular bi-monthly series for active adults 55 and older blends medical experts as guest speakers and community wellness providers in a fun atmosphere where health and happiness come first (Over 800 have attended since started in FY13).
- Sports medicine outreach services cover every corner of the community in both city and rural areas by providing athletic trainers, concussion specialists, and a VIP Sports Medicine Hotline that expedites doctor visits and emergency services. School physicals offered by MHSL exceeded totals from FY14 and included an additional partnering school, with donations benefiting athletic departments.
- "Care 2 Chat" is a tri-annual event in partnership with FB-Independent School District and The FB Family YMCA. This event provides educational awareness to parents and caretakers that include a broad range of topics affecting today's children (i.e. Childhood Obesity & Mental Health).

Also, MHSL has leveraged its strong relationship with the SL Skeeters Minor League baseball team to sponsor the following community events: Strike Out for Autism, Diwali Festival, Pink in the Park honoring breast cancer survivors and Skeeters Family Fitness Night. Collaborating with MHHS during the SPP, we refine our approaches annually supported by a monthly review of relevant community-related metrics, including correlation analysis to better understand the impact. Recent refinements include quarterly Joint and Bariatric Seminars, and expanding the nurse navigator role to focus on Joint patients to better serve our community as a Joint Center of Excellence based on feedback from our physicians and patients.

2 Strategic Planning
2.1 Strategy Development
2.1a Strategy Development Process
2.1a(1) Strategic Planning Process: As part of our continuous learning, we have adopted a two-prong approach to strategic planning **1)** the first follows a more traditional planning process of Phases (P), MHHS (Phases A-D) and MHSL (P1-4) (F2.1-1), that is based on the MHHS planning cycle and cascaded to all BUs to align and further develop short and longer-term strategies, set targets, and address possible blind spots; **2)** the second

**FYX to X+1 System Strategies & Priorities
BU Strategic Meetings & Service Line Plan
Review with Executive Team Management** Ⓑ Ⓒ **Enterprise Strategic Plan Read Outs
& Hospital Strategy and Volumes
Review**

MHHS has an annual & ongoing cycle of learning to assess SPP effectivness

Rate Modeling, Volume Forcasting & Innovative Healthcare 2020

Why Not Us?

Ⓐ

Memorial Hermann Sugar Land evaluates the SPP Annually and on an Ongoing Basis

Preparing: Exploring Current/Future State
Who: ET/LT engage the WF & Community in the in this stage

Preparing for Deployment
Who: We engage the ET, LT and SC in this stage

Plan Development & Request
Who: We engage the ET and SC in the in this stage

Deploy, Execute and Monitor
Who: We engage the WF in deployment of plans and communicate

1
Phase 1: (P1)
SWOTs, Enviromental assessments, Industry/market data, Review of CC's, Welcome the wow, iCard, Work system review SPP process evaluation, Prioritize.

2
Phase 2: (P2)
Plan development (initiatives/opportunities/action plans), BU Readout to regional and service line leaders. 2-way plan review process with MHHS & ET. Collaborative action plans and targets. Develop WF plan & iPlan identify capital needs IQR, Future CC

Develop

Plan Request Denied
Plan Request Approved

Deploy

3
Phase 3: (P3)
BU capital approval Finalize action plans & targets Update WF plan, Update scorecards Visibility boards composition.

4
Phase 4: (P4)
Deploy SP Ongoing Review PRA/DOR and Rounding

Memorial Hermann Sugar Land evaluates the SPP Annually and on an Ongoing Basis

System Services Budget Review & Strategic Capital Prioritization

Ongoing Routine & Strategic Capital Actions Decided at Scheduled Sessions

Hospital Final Budget Presentations

Ⓓ

A	D	V	A	N	C	E
Align with Physicians	Deliver Quality Care	Value Employees	Achieve Operational Goals	Nurture Growth & Innovation	Consumer Centric	Enhance Pop Health

MHHS Jul-Jun & MHSL Oct-Nov				
	FYQ1	FYQ2	FYQ3	FYQ4
Phases (MHHS)	A	B	C	D
Phases (MHSL)	4	1	2	3

*Key Participants Listed in Visual Above (Steps 1-4) ET involved in MHHS Phases A-D

Sample SPP Qualitative & Quantitative Inputs (Internal|External)	
Internal: ET/LT Meetings, SWOTs (VP, EP, PP, Community), MEC, Financial Indicators, WF Input, Historical Performance, Value Based Purchasing (VBS), *Safety* Climate Results, Employee Engagement Results, iPlan, Knowledge Management & Data 4.2a1	**External**: Customer Data, Community Input, Environmental Scans, Sg2, Healthcare intelligence Trends and reform, Changes in regulatory environment, National Best Practices & Baldrige Recipients

acknowledges that planning is never done – it is not a static activity; rather it happens continuously to drive organizational agility and operational flexibility. Through the ongoing PRA (F4.1-1) and continuous flow/scanning of stakeholder input, market data, industry trends, we ensure agility by identifying potential strategic, operational, and/or transformational opportunities, anticipate changes in the marketplace, and/or recognize a need to modify plans and/or develop new plans in real time.

With continued market share leadership as a primary indicator of success, MHHS's approach to planning is comprehensive, forward thinking with a focus on transformation, and organized to leverage the individual and collective strengths of each BU to provide Preeminent health. Through cross-System input, the MHHS SP sets System-wide focus via ADVANCE and provides Strategic Intitiatives, metrics, and targets for each BU to reliably execute, which are presented to BU leaders at a strategic planning kickoff meeting in January. The MHHS plan contains Strategic Initiatives (SI) with one-year (short-term) and three-year (longer-term) time frames, organized around ADVANCE to ensure MHHS remains a leader in the country.

In anticipation of MHHS's Strategy roll-out in January (Phase B), we begin by integrating the System inputs (internal/external) and plans with our environmental assessment to identify and address additional MHSL-specific opportunities (SWOTs) and overall MHHS plan alignment (P1 Exploring Current/Future State). Next, we agree on the Current State, including validating our CC's and the need for future CC (F2.1-4), and enter Future State planning integrating the inputs with "Why Not Us" thinking, the current iPlan, and an innovative what-if scenario planning process (Welcoming the Wow) to contemplate transformational change opportunities. Formalized in 2015, Welcoming the Wow is a scenario-based approach to thinking about redefining preeminence for our community using collaborative sessions with ET & LT, integrating i3 data, futurist information, and developing difficult situations (or scenarios) to stimulate creative thought. These twice-a-year formal sessions (FYQ2, Q4) present scenarios or questions for the participants to ponder, such as "what if we could eliminate inconvenience for our patients and WF" or "how do we make our community the healthiest place in the world?" We use these challenging questions or situations to spark radical ideas that could lead to disruptive outcomes. Why Not Us? As this component of the SPP (P1) aligns with our *Innovation* Value and iPlan, we will be deploying a similar model of scenario planning concepts to the WF to crowd-source Welcoming the Wow in Fall 2016.

Using the information from P1, we prioritize (PPM

(AOS), IQR (F1.1-3)) Strategic Initiatives, Strategic Opportunities and change initiatives during Plan Development and Request (P2), including updates to the iPlan. ET and the Strategy Councils (SC) then begin to finalize all SI, Action Plans, and targets/metrics (7-step data selection criteria F4.1-2) to address operational and transformational change opportunities and identify strategic capital requests. The MHSL SP is then presented to MHHS for approval (Phase C) to ensure System-wide alignment to the ADVANCE strategies and other initiatives unique to MHSL and its role in the System. MHHS approves strategic capital requests in early Phase D and P3. For example, we received approval to build-out our Pediatric Intermediate Care Unit (IMU) for FY17. After the readout, we refine needed areas (P3) and finalize action & WF plans, targets, and identify any additional resource requests for final MHHS approval. Once approved, MHSL's ET and SC Prepare for Deployment (P4) across the organization and to the individual through scorecard (F2.2-1) and VB updates, communications, education, and job realignment, as appropriate, etc. (2.2a2).

We Deploy, Execute, and Monitor the SP to address operational flexibility and agility via the PRA (F4.1-1), where we determine progress to projections, Action Plan modifications, share results, and identify opportunities to reward high performance and share best practices through a fully deployed performance dialogue (4.1b). Evaluation and improvement of the SP occur in (P1) and on an ongoing basis and opportunistically at ET and SC meetings, where we review planning best practices and other needed changes. For instance, we recently decided to combine our PP and Community SWOT sessions to provide better integration and *Collaboration* with each key stakeholder.

2.1a (2) *Innovation***:** MHSL was born out of an intelligent risk. It is in our DNA, resident in our culture, and a key component of the SPP to overtly nurture innovative thought, stimulate creativity, and lead to the identification of Strategic Opportunities, grand transformational change potential, and operational shifts (internal disruptive *Innovation*) that dramatically alters the way we function. As noted earlier, within (P1) of the SPP, we have formalized engaging and empowering processes to stimulate and incorporate innovative thought through Welcoming the Wow sessions, as well as incorporating i3 data (6.1c), VOC, SWOTS, PP *Collaboration*, external experts, and industry scanning. In addition, in 2014 we began challenging our LT to annually identify the top processes that cause inconvenience for customers and/or the WF, recognizing that *Innovation* is often the reduction and/or elimination of real or perceived inconveniences. This is another input into strategic opportunity consideration. The output of these sessions, and the *Innovation* Value led to the formalization of the iPlan in late FY16 which is a drill down for "N" Strategy. The iPlan integrates two levels of effort: **1)** Culture and Structure and **2)** 3 Zones of Impact (2.1a1) to effect disruptive change. We use our iPlan (3 Zones 2.1a1) as a construct and tool for identifying, capturing, integrating, Strategic Opportunities. Certain opportunities will go through our *Innovation* Process (F6.1-4), as appropriate.

All strategic opportunities are analyzed using the IQR process (F1.1-3), which uses four filters to help determine which opportunities to pursue. For example, the IQR led to the development of a Bariatric program.

Strategic opportunities include: Expanding neurology and pediatric program, a phased STEMI program, consideration of a Level 3 Trauma designation, Piloting of a hip fracture program and *Collaboration* with the community to help us address health challenges (iPlan).

2.1a(3) Strategy Considerations: Both the MHHS and MHSL SPP are supported by rich data and information (F2.1-1) analysis (Phases A & P1) to help plan for the future and ensure organizational success. Based on this data, System-specific information, and the output of SWOTs (P1), strategic challenges and advantages are identified and validated, and then mapped to guide SI development (P2). Also, the MHHS and MHSL (ET/SC) collaboratively assess both risks to the organization's future success and potential changes to the regulatory environment using the comprehensive data assets. MHSL also enhances scanning for these risks, challenges, blind spots, and possible deficits throughout the year via our monthly SC meetings, MHHS President's Council Meetings, and Growth Council (GC). As a refinement, we added quarterly work groups to collaborate with MHMD & MHMG operational and deployment teams to further understand our environment and key planning considerations with precision. Findings are embedded into the SP design and execution to increase the likelihood of success and reduce potential waste and errors.

Blind spot identification is a moving target, yet one that we monitor throughout the year, not just as part of the SPP. While the formal SWOT happens annually, ongoing analysis occurs at weekly ET meetings, quarterly council meetings, FF, MEC, and service line meetings to facilitate proactive planning and execution. This continuous assessment of healthcare trends, service areas, and service line data anticipates potential blind spots, risks to success, and emerging opportunities.

Plan execution is a must and is also recognized as fluid given changes within the market, the WF, and alignment with MHHS plans. MHHS evaluates System execution capability across each BU during plan readouts, budget requests, plan finalization stages, and throughout the year. As part of the SPP, MHSL reviews execution capability (P3) through review of existing priorities, WF capability/capacity, resource availability (2.2a3), work system effectiveness (results), and ensures our processes provide focus, clarity, and *Accountability* for SP expectations. To that end, the ET/LT ensure SP deployment creates uniform understanding by aligning individual expectations with the SP and systematically reviewing WF performance at the various levels as means of *Accountability* for reward/recognition or improvement. The ET/LT continuously monitor execution capability throughout the year via the PRA, through review of resource metrics, SP requirements, and Action Plan feasibility. For example, the ET/LT analyzes finances, WF capability and capacity, and overall organizational bandwidth (number of projects, commitments, patient load, etc.).

Lastly, but importantly, we consider the ever-shifting defining of customer value and what is needed to sustain a successful organization of excellence. Value can be very subjective and, as a culture of *FCF*, we actively emphasize the importance of understanding the current needs of those we serve (VOC) and projecting those they will want in the future (Welcome the Wow, PFAC, iPlan). To achieve Preeminence, we focus on being proactive in the value proposition vs. reactionary. The resources, knowledge, and talent within MHSL (and MHHS), combined with our approach-

Strategies	Strategic Initiatives [Short Term (ST) /Long Term (LT)/ Both (B)]	SA/SC	SAMPLE Action Plans (Short Term & Long Term)	Key Performance Measures	Short Term Goals	Long Term Goals	*Why Not Us* Projections
Align with Physicians	• Optimize PP Relationships (B) MHMD/MG, UT, Independent	SA1-7 SC1,2	**Short Term** • Create PP ACO scorecard • Increased Data Transparency from BU • Launch New PP networking night **Long Term** • Recruit PCP & Specialist • Develop Tumor Board	PP Engagement (Percentile)	95th	96th	98th
	• Sustained Participation in ACO Service Line Projects (ST)	SA7 SC1		CPC & Committee Participation	75%	95%	100%
	• Maintain/Improve PP Engagement (B)	SA5					
	• PP Recruitment Specified by CNA (B)	SA5,6 SC6		ACO Meeting Participation	75%	100%	100%
Deliver Quality Care	• Zero Harm & Perfect Care (B) No SSE's 1 & 2, Reduction in SSI's Reduction in Cath Lab AKI's	SA1	**Short Term** • Deploy SSI initiatives • Start RPI Projects (based on risk prioritization) • Ensure Compliance on Hydration Protocol **Long Term** • Conduct CBA for Intensivist Construct • Complete all High Reliability RPI Projects	SSE's 1 & 2 Rate	0.5	0.25	0
				Do No Harm	60%	90%	95%
	• Evaluate Construct of 24/7 Intensivist (or PA/NP) (LT)	SA1 SC6		Hospital Specific Number of PCI/AKI %	6.37%	4.28%	3.03%
Value Employees	• WF Planning for Expansion (ST)	SA3 SC5	**Short Term** • Assess & Calculate Staffing Ratios, Mix & Educational Needs. • Hardwire Retention Engine Strategies • Reduce Injuries and Exposures **Long Term** • Attain Specific Service Line Certifications • Increase BSN to 80%	EP & VP Engagement Percentile	94th	95th	96th
	• Maintain/Improve EP Engagement (B)	SA1,2					
	• Maintain/Improve EP Retention (B)	SC5		Retention Rate	86%	90%	95%
	• Build Robust WF *Safety* Program (B)	SA1,2					
	• Magnet Journey (LT)	SC2		TICR	<4.25	<3.75	<3.00
Achieve Operational Excellence	• Capacity Focus Areas (B) Appropriate Level of Care Reduce LOS	SA4 SC3,6	**Short Term** • UR System Initiatives, CMMD Expectation and 7 Day Coverage, • EC CM Placement, Performance Tracking via • Hardwiring Daily/Concurrent Review • Explore New Staffing Model (Nursing) • Targeted Marketing Campaigns **Long Term** • CBA for East Tower shell space • Partnerships with Local HOAs and Businesses	Operating Cash Flow	Budget	120% of Budget	120% of Budget
	• Payment Denial Focus Areas (ST) Reduce Provider Liable	SA8 SC3,4					
	• Productivity Improvement (B)	SA3,8		Operating Income	Budget	120% of Budget	120% of Budget
	• Sienna CCC Development (ST)	SA3,7 SC2					
Nurture Growth and *Innovation*	• Successful Launch of Key Service Line Initiatives (B) • Complete New Bed Tower Expansion by Scheduled Opening (ST)	SA3,7 SC2	**Short Term** • Monitor Construction Progress, Move Plan finalized • Identify key employers, Begin discussions with employers for Occ Health Services • Opening of Telfair Urgent Care & growth of visits at location **Long Term** • See Growth Strategic Objectives*	Grow Key Service Lines Market Share	Completion	Success	Best Practice
		SA3 SC3,7					
	• Focus on Expanding Employer Solutions (B)	SA6		Bed Tower Opening	Budgeted Opening	Earlier Opening	Earlier Opening
	• Telfair Urgent Care Opening (ST)	SA3,7					
	• Enhance *Innovation* Culture (LT)	SA2,3	**Short Term** • See iPlan* • *Innovation* Climate Survey • Explore Robotic Technology • Partner with local schools • Partner with Sodexo for healthier options **Long Term** • See iPlan* • *Innovation* Academy for all LT • Digital way finding	Ideas Submitted to i3 Committee	150 Ideas	200 Ideas	250 Ideas
	• Redefine Organization & Community Health (LT)	SA7 SC1		Deployment of iAcademy	80%	90%	100%
	• Transform Overall Experience (LT)	SA1,2 SC2		Inconvenience (changes year after year)	30%	60%	90%
Consumer Centric	• Enhance Overall Patient Experience (B)	SA2 SC1,2	**Short Term** • Full Deployment of Language of Caring • Enhance Patient Rounding/Audit Tools • Build Patient Liaison Program **Long Term** • Way finding Solutions	HCAHPS (Percentile)	67th	70th	90th
	• Explore Women's Advisory Council (B)	SA2,3 SC1					
	• Concierge Scheduling for Patients - Specialist Appointments. (ST)	SA2,7 SC1,6		Press Ganey (Percentile)	67th	70th	90th
	• Explore Urgent Care/Expanded Hours (ST)	SA3,6,7 SC3					
Enhance Population Health	• Performance of ACO Service Line (B) • Focus on Population Health (B) *Explore SGL Wellness Program for EP & Community (B) *Increase Awareness of School-Based Clinics (ST) *Explore Executive Health Program (B) • Expanding Employer Solutions (B) • Enhance Nurse Navigator Program (B)	SA7 SC1	**Short Term** • Enhance Community Awareness Nurse • Continuous Feedback Loop, Increased Facetime with PP, More Opportunities for Committees **Long Term** • Identify key employers to begin discussions with for Occ Health Services	ACO Dashboard Performance (Percentile)	67th	70th	90th
		SA7 SC1,4					
		SA6,7		Number of Employers with Contract	1	2	5
		SA2,3,7 SC1,4,6					

es to *Innovation*, ensure we use the filter of value and excellence in planning and plan deployment. For example, we leveraged our PFAC and WF to provide key elements for the design of our new tower to improve patient convenience. Why Not Us?

2.1a(4) Work Systems and Core Competencies: Health delivery today, and more so in the future, is one of the highly integrated processes that together produce a system of work that drives a comprehensive and effective patient experience. Today care is viewed as a continuum vs. isolated interventions. One where relationship over one's life is paramount in achieving population health. As such, we have organized our work system to align with the MHHS systems of work and to represent the continuum of health care using a Maslovian model to illustrate the progression of care delivery in health care today and in the future (F2.1-3). First, Our Inspiration grounds us through our MVV, CC, the VDLS, etc. to ensure we never lose sight of who we are, our beliefs, and how we lead MHSL. Building upon this platform, are Our Drivers, which provide the guidance and requirements for how we design, execute, collaborate, improve, and innovate Our Work through three key, highly integrated domains of health care service delivery: **1)** Access to Care, **2)** Care Treatment, and **3)** Transitions of Care. Together, these enable our customers to experience a system of health delivery across our settings, that, in combination with our focus on excellence, improvement, and *Innovation* drive Our Results of high reliability and overall organizational success. The Work System is designed and improved to execute our SP, align with our role in the MHHS feeder approach, and provide value in delivering our key services. Within each of the three domains, there are several sub-key and support processes (F6.1-3) that are needed to deliver our services and succeed in the marketplace. The overall Work System and its ability to facilitate the accomplishment of our SI is systematically done during the SPP as we evaluate our ability to execute the plan via review of key process performance (metrics) and throughout the year through PRA, PI efforts, and coordination with MHHS.

To maximize economies of scale, quality, and in alignment with *One Memorial Hermann*, MHHS determines (with input from MHSL and BUs) which processes will be accomplished by external suppliers and partners using key criteria (AOS) that provide an optimal ROI, including support of SI goals, *Patient Safety*, and the important cultural expectations of each BU (e.g., *FCF* via Standards of Behavior). Should a process be outsourced, MHHS follows a robust supplier/vendor vetting and requirement process (6.2b). Although the determination of services to be outsourced is an MHHS decision, our CC establishes the standard all suppliers and partners must follow to support MHSL's distinctive culture which we monitor for deviations. For example, Crothall is our System-wide partner of choice for environmental services based on MHHS's assessment of its quality, service, operational effectiveness, support of culture, and cost.

Future CCs are determined in P2 using the input from P1 and
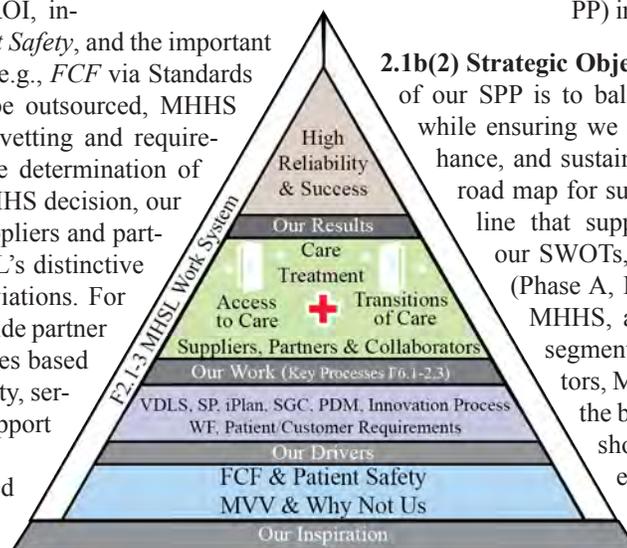
mapped to our Future State exercises using a best practice process (F2.1-4) that examines and validates strengths over time that will differentiate us and drive our future vision. Using this process, we elevated *Patient Safety* as a new CC in 2015.

2.1b Strategy Objectives
2.1b(1) Key Strategic Objectives: The MHHS/MHSL SPP produces highly aligned and cascaded SI that connects each BU to the seven ADVANCE Strategies (F2.1-2). MHHS establishes three levels of performance or achievement that serve as goals: **1)** Threshold (average), **2)** Target (above average or equal to the prior year's performance) and **3)** Distinguished (top decile performance). MHSL's goals are set at the distinguished level in alignment with our "Preeminent" Vision for each ADVANCE Strategy. Going further, we integrate Why Not Us projections (2.2a6) to push our performance beyond preeminence. For example, many of our short-term key performance measures are set higher than what MHHS sets. Through the SPP, MHSL develops actions (2.2a2) for the SI, inclusive of metrics (7-step selection criteria F4.1-2), WF plans, and individual accountabilities.

While all SI and goals are important, the main areas of focus include increasing facility and network access through facility expansion and increasing access to MHSL and the MHHS network via CCC and Urgent Care. Given the large number of ambulatory/niche competitors in our PSA, MHSL has added a CCC in the fastest growing segment of the market, where there is currently limited access to care due to the lack of significant major roadways in and out of this area. This CCC provides these communities access for ambulatory care needs, including primary care, emergency care, and diagnostic imaging. Most recently we opened our new Urgent Care Clinic in Telfair. Other key changes for our healthcare services include increasing the MHHS population health footprint through initiatives such as: **1)** Greater MHMD (PP) integration in the MHHS ACO, where patients in the ACO are regularly contacted to ensure they follow their care plan, **2)** Greater *Collaboration* with Memorial Hermann Health Solutions to offer quality benefits to contain health care costs for individuals; **3)** Addition of PP to MHMG, MHHS' PP employment entity, which employs the highest concentration of PP (approximately 65 PP) in MHSL PSA/SSA.

2.1b(2) Strategic Objective Considerations: One purpose of our SPP is to balance the needs of our stakeholders while ensuring we address our challenges, protect, enhance, and sustain our advantages and CC, provide a road map for sustainable success, all during a timeline that supports effective execution. Through our SWOTs, analysis, and use of diverse inputs (Phase A, B & P1), integrated planning across MHHS, and the *Collaboration* between key segments of the WF and suppliers/collaborators, MHSL provides a platform to arrive at the best balance of the things we must do, should do, and want to do while considering potentially competing organizational needs. Using these and other inputs, SI are carefully balanced

for Mission alignment, content, focus, resource allocation, and overall community need. For example, SI timelines are based on the direction of MHHS, capacity, stakeholder need, ability to execute, needed resources, market dynamics, strategic opportunities, and overall ROI. As noted before, planning is not only a static activity; rather an organic process that continuously scans the environment monitors performance and responds to evolving internal and external expectations and opportunities with agility to ensure balance further.

Patient Safety and *FCF* are directly resident in our plan through specific SI and targets, a filter for decision-making, and ever-present in how we implement the plan both culturally and across key systems and processes, such as WF education & training, the PRA, and service design (PDM). Specifically, to execute a plan that is both necessary and bold, we rely on our SC and a culture of fully engaged WF members who are committed to our purpose, passionate about our goals, and know, without exception, *Patient Safety* is non-negotiable in how we function and pursue our Initiatives.

2.2 Strategy Implementation
2.2a Action Plan Development and Deployment
2.2a(1) Action Plan Development: Action Plans (F2.1-2) are developed during (P2), where each SC (in partnership with ET, LT, and other stakeholders, as appropriate) identify the needed steps (or actions) to effectively address each SI, inclusive of key metrics, WF plans, milestones, needed resources, and individual accountabilities. Each SI and related Action Plan has an ET sponsor and SC involvement fostering ownership, *Accountability*, and focus. Once the Action Plans are validated and finalized (P2), we move to the Prepare for Deployment (P3) and ultimately to Deploy, Execute, and Monitor (P4). Approaches to Action Plan development are systematically reviewed both at the end of the formal cycle and throughout the year via PRA and SC ownership.

2.2a(2) Action Plan Implementation: Prepare for Deployment and Deploy, Execute, & Monitor are the specific process within the SPP (P3-P4) that engage the WF and key stakeholders in the execution of the Action Plans. Peculiar to the SPP, following plan approval, the ET/LT prepare for organizational deployment by aligning ET and LT goals (F2.2-1) to the plan, assign SC ownership for specific SI, and cascading the actions and goals of the departments to develop aligned plans. For example, within the Consumer Centric Strategy, the ET is Accountable for achieving the HCAHPS overall benchmark (Percentile), and the Strategy Champion and LT are responsible for deploying the actions under their respective strategy (i.e. OP units are responsible for staff responsiveness and clean environment). Once the departments

F2.2-1 Cascading Performance Measures/Scorecard
1) MHHS ↓
2) MHSL overall (ET) ↓
3) SC - ADVANCE ↕
4) DOR/MEC (LT/PP) ↕
5) Departments (Staff)↕
6) Individuals (Personal)↕
7) Other Stakeholders ↑

have developed their aligned plans, the scorecards and VB are updated, and individual WF accountabilities are assigned. Additionally, the SP is deployed to the medical staff via the MEC and physician-related communications. Plans that impact collaborators or suppliers are implemented by MHHS, and locally as needed, through contract review and on a just-in-time basis depending on the action. Deployment is a not a single action.

Although it occurs in specific steps within the SPP, the ET and LT continuously deploy the plan throughout the year via the communication methods (F1.1-5), PRA, and VBs.

Outcomes are sustained through eight channels of specific *Accountability* that align with PRA: **1)** Overall progress is announced at quarterly FF; **2)** Strategy Champions report monthly on key metrics and variances; **3)** DOR focuses on specific Action Plans and targets relevant to LT responsibilities at their monthly meetings. **4)** Informal *Empowerment* comes daily through *Safety* huddles, messages on public bulletin boards, and personal communications from directors as they review their daily updates; **5)** Use of Baldrige thinking and performance improvements tools to sustain outcomes; **6)** Department VB; **7)** During the weekly ET meetings and monthly LT meetings, and **8)** Monthly MEC meetings. These channels enable ongoing review of plan deployment effectiveness. Supporting the eight channels is WF pride. Pride in *Accountability*, consistency, and being *Results Oriented*. Should an opportunity to improve the process be identified, it is either addressed immediately by the ET, SC, and LT, via PI and integrated into future planning cycles.

2.2a(3) Resource Allocation: Determining plan resources is a carefully honed strategic and detailed collaborative process with MHHS that occurs during (Phase D) once plans have been reported. As part of (P2), MHSL identifies resources such as capital needs, workforce capability or capacity requirements, and supplier/vendor integration, in the preparation of plan readout and approval by MHHS (P3). WF capability and capacity is assessed (2.2a4, 5.1a1) as Action Plans are developed utilizing leader knowledge of the skill and support necessary to achieve the plans. Capital items are prioritized at both the MHHS and MHSL level depending on hospital needs and growth potential of service lines. MHHS's "A+" credit rating reflects the rigor behind our resource management processes and enables access to capital to penetrate emerging markets and take intelligent risks, as well as invest in new structures and technologies that support the Mission and Vision. MHHS capital is allocated in three principle ways: **1)** Through routine capital allotments directly to the BU each year; **2)** Strategic capital through prioritization, and **3)** Emergency capital. Routine capital is budgeted annually and released quarterly based on performance. MHSL has always received its full quarterly and annual capital allotments.

While major capital expenditures are determined at the System level, MHSL has the latitude to allocate its routine capital allocation to advance strategies or execute on operational needs. Capital investment needs are discussed at ET meetings monthly. For example, data review showed the increase of sitter hours by our patient care assistants adversely affected labor costs and employee satisfaction. As a result, we integrated a tele-sitters approach in March 2016.

The SPP includes a thorough assessment of the financial and staff resources (P2-3) needed to achieve the SP, along with the projected growth/profitability of each service line or program and potential risks. With new or expanded programs, profitability analysis considers available PP resources and involves a risk assessment by the ET. Historical performance and benchmarks determine operating budget targets in areas such as labor and supply costs to help ensure that sufficient resources are available and accurately allocated to meet the SP. Volume and financial performance measures are continuously monitored for viability

and risk during the DOR, the PRA (4.1b), and prior year comparisons. Salary and supply expenses are benchmarked across MHHS. Productivity is benchmarked using Truven Health Analytics.

2.2a(4) WF Plans: WF capability, capacity, and changes that support the strategies are addressed at the System and campus level throughout the process, and specifically in (S2). The System HR department collects local market workforce analytics of supply and demand for specific skills, knowledge, and abilities and uses them to form the MHHS-wide WF plan. During Action Plan development, a WF plan (F2.1-2 "V" partial plan) is developed with current WF resources reviewed to ensure we have the capability and capacity to execute the plan without sacrificing existing obligations. Based on the findings and SP priorities, the WF plan can include new hires, education, and training, and shifting of WF personnel to support the plan. Also, MHSL HR and finance staff developed a FY recruitment demand document to project recruitment and capacity needs for each department based on anticipated turnover and planned operational changes or expansions that align with the SP. To support these approaches and remain agile, the ongoing assessment of capability and capacity is reviewed at least monthly by ET & LT. These methods enable us to manage the WF concerning changes to capability and capacity pro-actively, with just-in-time training, transparent communications about changes, and reallocation of WF-related resources.

F3.1-1 Cycle of Customer Engagement

2.2a(5) Performance Measures: Key performance measures (F2.1-2 & F2.2-1) are used to track Action Plans that align to ADVANCE. Cascading SI are transferred from the ET to the SC to the LT to the department to the EP through scorecards, VB, monthly performance review meetings, DOR, SC meetings, annual evaluations, and reward/recognition events to reinforce SP alignment, focus, and *Accountability* for high performance.

2.2a(6) Performance Projections: Projections are systematically set using SP input (P1), specifically MHHS expectations, historical performance, market and industry data (local and national), benchmarks, and competitor information, to the extent possible. Going further, MHSL uses a scenario model to project performance to which we assign an assumed rate of improvement for a competitor (since most data does not exist) within a specified service during the SWOT, depending on their previous performance. For example, we assume that our competitor's performance in orthopedics will continue to improve as a preferred service. Lastly, we continue to innovate our planning process with Why Not Us projections (F2.1-2) to push our thinking, performance, and innovative spirit.

2.2b Action Plan Modification: Agile leadership is a key expectation of MHHS leaders and is one of the attributes covered in each leader's performance assessment. Since strategic information gathering is a year-round process at the System and MHSL, we deploy rapid realignment through current information and direct WF *Empowerment*. Modified Action Plans are identified through performance reviews (PRA) and information provided from MHHS throughout the year on trends, strategic shifts, etc. Should a shift be needed, ET and key stakeholders assess the change. Depending on the degree of change, it can be an agile realignment at ET/LT level, or it can be evaluated in partnership with MHHS ET. Changes to plans can go through PI, PDM, or another method of Action Plan refinement, with deployment and implementation occurring via the methods, described earlier and beyond.

In addition to weekly ET strategy reviews, LT members are *Empowered* to make decisions independently when circumstances demand. If the decision impacts other persons or departments, they are instructed to involve those individuals in the decision, but they do not need to wait for the next committee meeting before taking action. Daily *Safety* huddles provide another means to present issues to leadership for immediate action. For example, a Time Out Towel that was developed by a staff level scrub tech who saw a need to enhance our Time Out process with a visual aid (AOS).

3 Customer Focus
3.1 Voice of the Customer
3.1a Listening to Patients and Other Customers
3.1a(1) Listening to Current Patients and Other Customers: *FCF* is about treating people with *Compassion* and empathy, just as we would want our family to be treated (VDLS). It begins with listening to the needs of those we serve and addressing those needs in everything we do: planning, managing the work system and processes that impact patient experience, and designing new services and innovative approaches to building meaningful customer relationships. It is a cycle designed to enhance relationships over time, evolving with our customers as their needs change, and proactively design and offer services that exceed their expectations to increase engagement (F3.1-1). With *FCF* as the unifying thread of purpose, truly understanding our patients/customers means going the extra mile. It means building processes and training programs, such as LOC, that enable us to consistently deliver an experience that exceeds expectations throughout all stages of the relationship. It means creating a *Compassion*ate environment where our customers feel at home and cared for as if they were with their family. As such, our approaches to listening and learning (F3.1-2,1.1-**5**) within the Cycle of Engagement align with three stages of relationship building – Before, During and
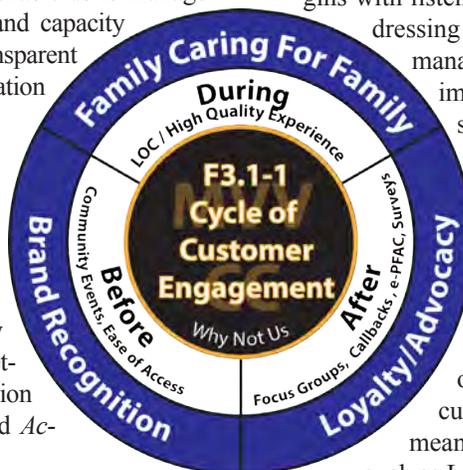
F3.1-2 Key Sample VOC Listening Methods (See F1.1-5)										
Why Not Us	Segment				Stage: BDA			Other Groups		
Methods	EC	IP	OP	C	B	D	A	F	P	C
Comm Events				●	●		●	●	●	●
Discharge Calls	●	●	●				●			
Pt. Rounding	●	●	●			●				
PFAC/e-PFAC				●	●	●	●	●	●	●
Social Media	●	●	●	●	●	●	●	●	●	●
Surveys	●	●	●	●	●	●	●	●	●	●
Pre-Admit Calls		●	●		●				●	
Comm Boards	●	●	●			●		●	●	●
CAB				●	●	●	●	●	●	●
Grievance Process	●	●	●			●	●			
Comm = Community, F= Former, Potential =P, [Other Groups Competitors=C]										

After (BDA) – and are customized to ensure that we capture actionable information and feedback across our services, as well as the distinct needs of our current and future customers. We have intentionally designed our relationship stages to reflect our Work System and key processes (F2.1-3) and the belief that relationships do not begin when a customer enters our doors nor end when they leave.

In the "**Before**" stage, we listen to our community to understand how we can offer relevant services today and in the future. Tools/methods such as the Community Health Assessment, ET & LT serving on local boards, participation in community events, ongoing review of local and national health care and market trends, all provide insight into concerns and/or requirements, which are integrated into strategic planning (P1-P3) and process design and improvement (PDM). For instance, in FY14 we created the PFAC as a way to listen to and work with individuals who had either received service from or have a vested interest in MHSL. We have since innovated this process by adding an electronic version of PFAC (ePFAC) to engage all customer segments more proactively and to reduce the potential inconvenience of onsite meetings. Customers are invited to participate in these health care topic and improvement sessions during patient rounding and community events. Simple questionnaires are developed and emailed to the members. This new process has been instrumental in helping us gather VOC information that is timely and beneficial to our PDM and overall planning.

Consistent with other key processes and in alignment with *One Memorial Hermann*, MHSL leverages system-wide listening tools, including social media, which is managed by MHHS. Social media is positioned as a key conduit for a modern consumer-centric health delivery model, and as a means of engaging the existing and potential customer It also cuts across the three stages of relationship-building, and is a growing channel for actionable feedback, input into *Innovation*, and insight into community sentiment. As an early adopter of social media, MHHS is active on Facebook, Twitter, YouTube, etc., and has been recognized as an industry leader, with awards including the Gold Aster Award for Excellence in Medical Marketing (Social Media category) and an eHealthcare Leadership Award for Best Social Networking. The MHHS web team monitors all social media, providing quarterly (or sooner) reports of trends, comments, and other information relevant to MHSL for action and follow-up.

In the **During** phase, the WF actively listens, interacts with, and observes patients/customers during IP, OP, and EC care delivery, gathering real-time information to make decisions and improve services. The approaches in this stage focus on understanding expectations and acting on opportunities. As patient rounding is a standard practice in health care, MHSL leaders round on hospital patients and families at least daily to ask about the care and services they are receiving. Information from rounding is documented and posted to the MHSL shared drive to identify trends and share knowledge. Any concerns are communicated immediately to the affected parties to ensure prompt resolution. The DCE reviews this information daily to identify any issues that require additional follow-up or changes to our processes. Patients/customers also have access to staff throughout the day and during bedside shift reports, when they can hear and participate in their plan of care, ask questions,

and give feedback. Further, MHSL participated in the development of an innovative customer management program called Experience Ambassadors (EA). Our EAs work throughout the hospital and take personal responsibility for creating a positive, memorable experience for internal and external customers. If pro-active listening fails to detect and resolve a potential issue, the complaint and grievance process (3.2b2) provides another source of actionable information. As our improvement, we enhanced our During interactions through the deployment of nurse navigators and patient relations coordinator.

"**After**" a patient/customer leaves our doors, the relationship does not end. We actively listen and follow-up using a system-wide discharge callback process called Patient Direct Connect. This process solicits information about the patient's experience, ensures continuity of care, and can reduce readmissions. Any required follow-up appointments, prescriptions, and pain management needs are discussed, and additional support is provided as needed. Systematic post-service satisfaction surveys are administered to 100% of our patients across each segment and are used to manage and improve processes and support the SPP. These surveys provide guidance on the quality of our services, enhancing our focus on customer value through improvement and *Innovation*. Lastly, our PPs listen to their patients in their practices, and while delivering care at the hospital. This information is shared at the monthly MEC meetings and during medical staff meetings/retreats. Additionally, all PP contracts contain specific customer experience goals to drive a Results Orientation (F7.2-1-3,9-10).

ET/LT, process owners, and others manage each listening tool, as appropriate, depending on the tool itself and the stage. The SSSC (with MHHS as appropriate) reviews overall MHSL performance across ADVANCE and overall VOC input to identify opportunities to improve our VOC methods. For example, MHHS and MHSL deployed (Fall 2015) the Language of Caring program (LOC) to enhance WF-to-patient communication. This mandatory training aligns our staff to a standard language for caring communication using standardized best-practice communication skills without forcing staff to work from a predetermined script. LOC mobilizes all WF as engaged contributors who together create a culture and community of caring that advances our mission (*FCF*). It also works in harmony with our RELATE communication tool by improving our ability to discern customer requirements through listening, observing, and questioning.

3.1a(2) Potential Patients and Other Customers: Given the intense competition in our market, we use multiple VOC methods (F1.1-5) to gather information from former, potential, and competitors' patients/customers, which is used in strategic planning, PI, and health care service, work system, and process design (PDM). This methodology includes: **1)** Third-party focus groups of former or potential patients in select segments, advisory councils, as well as e/PFAC. For example, in early 2016 community members in and around our Sienna CCC participated in a focus group to help identify their key healthcare requirements and the process they used to select a provider in this highly competitive market; **2)** During MHSL-sponsored community programs/events we use an electronic survey to capture information from potential customers; **3)** Since our PP are actively engaged in the community, and many have privi-

leges at multiple hospitals, our Director of Business Development (DBD)/PP Liaison learns through daily interaction with the PP about their patients' needs and concerns. PP provide valuable information on the services provided or planned at other facilities and what MHSL can do to improve its offerings; **4)** Many MHSL committees and councils receive input from knowledgeable community stakeholders. For example, MHSL's Chest Pain Center (CPC) includes among its members the chief of FB Emergency Medical Team and the emergency medical services dispatcher. This committee reviews patient feedback as well as performance data **5)** Numerous community outreach programs (1.2c2) bring the hospital's leaders and staff in contact with thousands of potential patients each year. Staff responsible for these programs gather input through surveys and share results at post-event wrap-ups. Surveys also identify participants by gender and age, helping us to segment potential customers and address their needs accordingly (F7.4-7). Survey information is used in planning and PI, such as our new innovative Nurse Navigator effort in Medicine, Stroke/Cardiovascular, and Women's services.

3.1b Determination of Patient and Other Customer Satisfaction and Engagement

3.1b(1) Satisfaction, Dissatisfaction, and Engagement: MHSL systematically determines customer satisfaction, dissatisfaction, and engagement through the use of segmented VOC methods across the stages of relationship. Before we develop or select any measurement tool, we validate that it will help improve customer engagement by integrating the segmented drivers of customer engagement (FP.1-5) into our multiple methods to enable aligned assessment and action. The VOC tools allow MHSL to capture actionable feedback (BDA) through community needs assessments, rounding, surveys, focus groups, and post-discharge phone calls, to name a few.

Our primary method is the patient satisfaction survey (PG) and our complaint management process (dissatisfaction). Every patient treated in the IP, EC, and OP receives a survey. This survey is managed by MHHS with BU input and allows MHSL to compare performance against other BUs, national averages, and deciles. The PG survey contains industry-validated questions of satisfaction and engagement, but also allows some customization for questions that directly link to our customer requirements, such as questions regarding Family Friendly Environment (Courtesy). The complaint management process (3.2b2) is another systematic way to determine customer engagement and dissatisfaction. For our community segment, we review similar indicators (FP.1-4), but also community event surveys and participation rates in MHSL community health education sessions. Lastly, as a differentiator, our PP provide a unique perspective on how to set and manage patient expectations resulting in improved outcomes. For example, PP observations led to the co-development of a wellness center for post-op joint patients that improves recovery time with an innovative music therapy program and collaborative patient care models.

While the formal tools enable reflection and comparison, in a *FCF* culture we actively rely on VOC methods such as 1:1 conversations with patients and families during hourly rounding, bedside shift report, as well as daily leader and patient relations rounding to proactively identify patient expectations and increase satisfaction for securing long-term engagement.

To make the data and information actionable, the DCE compiles and reports trended results weekly to ET/LT by department and service line. Results are shared with the WF at least monthly via emails and department VBs. Scores below the 75th percentile are identified as requiring immediate improvement. Actions can include changes to the work system, education/training, or the sharing of best practices within MHSL/ MHHS (4.1c1). All assessment methods are reviewed at least annually by MHHS and BUs through consideration of organizational performance, best practice research, and market trends. MHSL is piloting a homegrown *Innovation* to further determine engagement by asking IP to answer on a card at discharge if they would return to MHSL if they need care in the future, with room for comments (June 2016).

3.1b(2) Satisfaction Relative to Competitors: While we are not designed to directly compete with all service offerings and bed capacity with our local competitors, understanding customer satisfaction relative to the competition remains an important component of our approach to relationship-building, planning, process design, *Innovation* potential, and as a feeder into MHHS. Our approach includes the HCAHPS and Press Ganey tool, market data, the MHHS Preference/Awareness Survey (F7.2-14,15), through ET/LT involvement in community organizations, and through our relationship with PPs. While HCAHPS has a one-year lag in providing comparison data, it provides insight into the performance of our local and national competitors across satisfaction measures. We use the HCAHPS data and set our targets at the Distinguished level (top decile nationally for HCAHPS), in keeping with our Vision to be the preeminent community hospital in the nation.

In addition to relying on this survey, WF involvement with the community, other VOC tools such as the PFAC/e-PFAC, and market data provide some insight into customer satisfaction with our competitors relative to MHSL. For example, we compare utilization data against competitors to identify market strengths and trends.

This data, taken together, is part of our PRA (4.1b), used as input into MHHS and MHSL SPP, and is integrated into our PDM and PI efforts. The approaches to assess customer competitor satisfaction are reviewed quarterly by the DCE and at least annually by MHHS, with changes deployed throughout MHHS and MHSL as appropriate.and/or MHSL as necessary.

3.2 Customer Engagement

3.2a Service Offerings & Patient & Other Customer Support

3.2a(1) Service Offerings: As a community hospital, MHSL provides convenient access to health services that meet the needs of our rapidly growing market. To attract new patients and expand our relationship with current patients/customers, we use VOC tools to determine requirements, market needs, and identify and/or adapt service offerings that will meet current and future requirements or market opportunities through: **1)** P1 of the SPP, where stakeholder input is captured via the SWOT analysis; **2)** through PRA, where gaps can lead to the identification of a new or changing requirement resulting in a modified action plan, new service offering, a PI effort, or changes to our Work System (F2.1-3); **3)** through daily WF interaction with patients/ customers who provide feedback about their needs. If a department identifies a change in needs, its leader (in conjunction with

the ET, if necessary) will seek input from staff and other affected stakeholders about how to adapt their services accordingly; **4)** via our PFAC/e-PFAC members, who make recommendations on actions we can take to better serve our community; **5)** through our Councils, VDLS, PDM and PI efforts where requirements are identified, analyzed, and integrated to better adapt our service offerings to a WF idea (i3, e.g.), best practice identification, and/or MHHS guidance; **6)** through deployment to key suppliers, collaborators, and partners (via MHHS primarily), who use the information to refine their interactions with MHSL; and **7)** the bi-monthly Growth Council (GC) meeting where hospital leaders and key stakeholders review trended data about key services and processes to determine if our current offerings are meeting/exceeding customer requirements. For example, in FY15-16 the GC recommended starting an IP Pediatric service line to distinguish MHSL in the market. We have successfully recruited the appropriate specialists and are developing plans for an 8-bed Pediatric unit in FY17.

To keep up with healthcare trends and best practices that align with our culture of *Innovation*, we must consider what our customers may want tomorrow and in the future. This might be something they have yet to experience, but if we offer it first, it changes the way our customers perceive us. This kind of forward thinking aligns with our Values and integrates with our SPP (2.1a2), and IQR. It is part of a leadership and organizational philosophy of 'Why Not Us' and fosters visionary thought that seeks new ways to deliver value throughout the Cycle of Customer Engagement (BDA) and by identifying opportunities to expand relationships and enter new markets. For instance, these approaches led to the design and creation of a MHSL Bariatric program that launched in the summer of 2015.

System DCEs meet monthly to share best practices and identify opportunities to improve our approach to listening and learning so we can effectively determine requirements and remain opportunistic in identifying and adapting service offerings to attract new customers, enter new markets, and expand relationships. Leveraging the scope and resources of MHHS and reviewing data from our VOC tools ensures that we capture relevant and actionable information that drives better planning, Work System execution, process design, and service delivery, within our competitive market.

3.2a(2) Patient and Other Customer Support: Easy access to our services is a key customer requirement and critical to the Cycle of Engagement. Accessing MHSL offerings, information, and other support (F3.2-1), including communication (F3.1-2, 1.1-5) should be seamless and build confidence in our operations. It helps us develop relationships and impacts each stage (BDA). Obtaining services is primarily through our physical building or by leveraging a full range of comprehensive services through the MHHS feeder system, ensuring a *One Memorial Hermann* experience. MHHS's focus on population health and ehealth delivery has made it an innovative leader in the consumer-driven healthcare model. MHSL has aligned with this effort and through our iPlan

F3.2-1 Key Support Methods	
Mechanism	**Segment**
Communication Boards	I,O,E
Community Events	C
Patient Rounding	I,O
PFAC/e-PFAC	I,O,E,C
Social Media	I,O,E,C
Website	I,O,E,C
I=Inpatient, O=Outpatient, E=Emergency, C=Community	

to transform the way health care is delivered to our community. With an increasing number of health and wellness services that are intentionally "pushed" to our community, we help drive down health care costs (see MHHS ACO results AOS), increase customer value, and improve overall well-being for those in our region. For example, our nurse navigators and our patient liaison help connect patients to a primary care or specialty provider post discharge, reducing the inconvenience of having to find an appropriate physician for follow-up.

Key support requirements are identified using the VOC methods described in 3.2a1 and depend on the stage of the relationship and particular needs of the customer. Requirements are segmented by customer group and integrated into the Work System, communications, the SPP (S1-S2), the PRA (4.1b), WF education offerings, job descriptions, PDM, *Innovation* (F6.1-4) and day-to-day management (6.1b1) of our work processes. For example, diabetes was identified as a key health concern on the CHA and affects many of our patients. As a result, MHSL recruited an Endocrinologist to the market to provide consults to patients in the hospital and support after discharge. Deployment to key suppliers/partners includes contract initiation and management processes.

By listening, learning, and then providing offerings and services commensurate with customer needs and requirements, we increase customer engagement. Together, our approaches to determine support and access requirements are monitored and refined using key patient performance metrics. These include our PG survey, effectiveness and efficiency metrics such as "left without being seen," (F7.1-17) room turnaround time (F7.1-22), social media metrics, attendance at health programs, complaints, and organizational capacity by the ET, LT, and Councils, as appropriate. We also look at best practices, both in and out-of-industry, as well as ways to improve how our customers seek information, access services, and communicate with MHSL and MHHS. For example, we have introduced a patient portal where patients can access their medical information, make appointments, pay bills, and find other health information.

3.2a(3) Patient and Other Customer Segmentation: Understanding our customer today and in the future is key to MHSL's sustainability and success. It is critical, particularly in our competitive market, to identify/anticipate future needs and segments for MHSL and MHHS to lead the way in developing innovative services that exceed new groups/segments requirements or expectations. It aligns with our Cycle of Engagement philosophy to ensure we are providing offerings that meet/exceed expectations, attract new customers and identifying intelligent risks that can lead to the development of new services and growth.

Our approach to identifying current and future customer market groups/segments and considering competitors' customers includes: **1)** The VOC methods and data, **2)** overall market share and growth data, **3)** market and industry trends, **4)** competitor actions and decisions, **5)** SP scenario planning, and **6)** alignment with MHHS Strategies. To determine potential groups/segments to pursue the ET, LT, and GC review data at least monthly to make a decision integrating a business case approach, alignment with MVV, the SP and IQR (F1-1-3) process, customer requirements, growth opportunities, community needs, and support of the MHHS feeder approach. This agile process can occur as part of the SPP (Phases A-B/P1-2) or outside of the cycle during

PRA, ET/LT, and Council meetings. This method is used with all customers (BDA) and helps us identify ways to improve how we serve our existing customers by expanding services or refining existing customer segments. Data-driven decisions are made locally and in *Collaboration* with MHHS to transform our plans into new service offerings or new segments to serve.

3.2b Patients and Other Customer Relationships

3.2b(1) Relationship Management: We are privileged to serve in a capacity that affords us the opportunity to make a difference in someone's life. To prevent illness and foster health, and to be there in their time of need. This privilege obligates us to *FCF* grounded in trust, *Compassion*, concern, transparency, *Safety*, and an unyielding commitment to always do the right thing. Our *FCF* culture is the thread that connects our WF and our services, to our other Family, the patient/customer. This culture remains omnipresent through aligning WF behaviors to cultural and performance expectations, to customer requirements, and by integrating these expectations in our Work System, PDM, PRA, the Cycle of Engagement, and the VDLS, to name a few.

The Cycle is based on a non-health care model that emphasizes actions to move a customer along various stages of interaction to become advocates for MHSL. The model incorporates the BDA stages and sets forth a structure for how we acquire patients, build market share, exceed customer expectations to enhance our brand management and increase overall customer engagement. The model starts by using segmented VOC methods (and other sources F2.1-1) to truly identify what our customers want, which we have enhanced through integration of our "Welcoming the Wow" sessions that stretch our thinking about how we might provide services and interact with customers, to better anticipate needs, increase engagement, and build brand image by being the first to market with a service. The process aligns with Why Not Us thinking (the belief of something more) to enable us to not just anticipate a need, but identify the possible future needs of the community. It represents new customer value such as providing soothing music in our ORs or Music Therapy while receiving care. Upon listening, what we learn is systematically integrated into our SPP (P1-2), PDM, and the *Innovation* Process (F6.1-4) to improve existing offerings or design/innovate new services, our Work System, and/or processes. We supplement this by including customer requirements in our PRA scorecards, WF job descriptions, and WF evaluation tools, ensuring that our plans and processes exceed customer expectations.

As a result of this deployment and integration, we can effectively deliver highly reliable services of preeminent quality, provide a customer experience that exceeds expectations, and maximize operational efficiencies that lead to increased patient satisfaction and ultimately engagement. We know that if we deliver services that customers want, at the level they want, when they want them, with an intentional effort to make their experience special (our focus on *FCF*, quality, *Safety*, and *Innovation*), it leads to a stronger brand and image, to increased patient, customer, and PP (for referral) engagement for our services, and drives our demonstrated market growth rate. People are actively choosing MHSL and MHHS (F7.2-14,15, 7.5-12).

The Cycle of Engagement model and BDA Stages enable clear actions during each stage to move the customer towards advocacy.

1) Before: To create awareness, MHHS/MHSL uses marketing collateral, including newsletters, *Collaboration* with local businesses to promote health and wellness, participation with local philanthropic and education institutions, community event sponsorship, easy access to our services, and pioneering the medical home model; **2) During**: To ensure a preeminent experience, we provide open, honest communication about care and what to expect (6.1b2), deploy LOC and the RELATE tool for communication and establishing relationships, deliver high reliability quality care, healthy menus for visitors, playrooms for children, on-demand room service, flexible scheduling, easy admission processes with EMR, and a *FCF* environment that gives each patient a customized experience to make them feel like they are truly at home; and **3) After**: Care at MHSL is not transactional, nor does it end when patients leave our facility. We stay involved in patient's lives via follow-up communication/instructions, focus groups, connection with the EMR, providing information on staying healthy, and our *Collaboration* via e/PFAC. Customers are not numbers, they are family.

MHHS's strong online presence enhances brand image and customer engagement through two-way dialogue performed via emails and on social media sites like Facebook, Twitter, and YouTube. We use these tools to align with current customer interaction preferences, improve our services, Work System, and processes while keeping them informed about MHHS and MHSL.

The ET/LT, Councils, and the WF monitor and adjust our approaches to relationship-building on an ongoing basis as we discover opportunities from our patients, identify them via PRA, LOC, rounding, and review industry best practices, e.g. For instance, the need for community investment and access deepened our relationships in our PSA with the development of the CCC (P.2a2).

3.2b(2) Complaint Management: Our complaint management process uses both proactive and reactive approaches for informal complaints and formal complaints and grievances. First, our *FCF* culture strives to anticipate patient needs and seek out potential complaints rather than wait for them. The WF is *Empowered* to anticipate the needs of the patient and resolve any concerns before they become formal complaints or grievances by soliciting and acting on feedback throughout the BDA relationship. Informal complaints are simple issues that the WF or PP can resolve on the spot or before the patient leaves (i.e. the patient is cold, give them a blanket). Using RELATE with our LOC skills, we create an environment of trust and comfort that encourages our patients to openly discuss their concerns with their caregivers during routine patient interactions and shift report hand-offs. In addition, we have a robust patient rounding process that includes daily rounding by nurse leaders, charge nurses, hospital leadership, and patient relations. To identify PI opportunities, all rounding is documented for trending. Patients receive additional information via a Patient Handbook and special signage that explains their rights and the process for submitting formal complaints. Complaints from other customers are very rare and are addressed by the appropriate leader, depending on the scope and complexity of the issue.

A reactive situation occurs when we fail to identify and deliver care commensurate to the needs of a patient or family member and a complaint is made. While many organizations rely on service recovery gifts to restore customer confidence, MHSL

uses the LOC/RELATE model of behaviors: **1)** Practice of Presence, **2)** listening, and **3)** blameless apology, when interfacing with a dissatisfied patient and family member. In these cases, the complaint is escalated to the appropriate leader for resolution and follow-up. If we are unable to resolve the complaint before the patient is discharged or the complaint is received after the patient is discharged, the complaint becomes a grievance and is processed in accordance to TDH (Texas Department of Health) and CMS Hospital Conditions of Participation. The Patient Complaint and Grievance Committee coordinates this process and is tasked with initiating an investigation, recording the formal complaint/grievance in the MIDAS tracking system, and responding to the patient within the prescribed time frames. This committee meets as needed to review all outstanding grievances and to identify trends or patterns that need to be escalated to leadership for further review and avoiding similar future issues. Complaints that impact *Safety* and quality of care are referred to Nursing or Physician Peer Review as needed.

We work to recover customer confidence and restore their engagement by **1)** resolving the issue quickly, effectively, and in a way that can potentially wow the customer, and **2)** through ongoing review of VOC to ensure an issue does not repeat. This is also part of relationship building and improving brand image and engagement. MHHS reviews hospital trends and modifies the approach to complaint/grievance management with input from the BUs when needed to satisfy customers better.

4 Measurement, Analysis & Knowledge Management
4.1 Measurement, Analysis and Improvement of Organizational Performance
4.1a Performance Measurement
4.1a(1) Performance Measures: Data and information are the currency of our *Results Oriented* work and the key to VDLS. Without data, accurate, timely, valid and effective decisions cannot be made, and *Accountability* cannot be executed. The data must provide regular feedback on the performance about our SP, our work system and key processes, and improvement and *Innovation* efforts. The selection of measures is systematically driven by: **1)** MHHS-required ADVANCE-based metrics, **2)** Action Plans outlined in our SP (P2), **3)** PI initiatives, and **4)** stakeholder requirements that are built into our services/processes via PDM (F6.1-1). In addition to the MHHS-required metrics, MHSL has designed and refined a (7-step criteria (F4.1-2)) for selecting actionable and meaningful metrics for tracking daily operations and organizational performance measures. The steps are a guide, not an absolute, but represent a disciplined approach to identifying metrics that are clear, simple to gather and share, and can be compared at some level. We have

intentionally deployed the 7-step data selection process to ET/LT, with the WF being exposed to the approach as they populate teams. Data selection culminates with the integration and updating of relevant information systems, such as scorecards, that ET, LT, SC, and process owners use to track performance and make fact-based decisions.

The measures (F2.1-2, F6.1-2,3) and their frequency for tracking are deployed to all key stakeholders (F2.2-1), as appropriate, and to reinforce organizational alignment and track achievement through: **1)** involvement in the SP development (P1-P2), **2)** the SP deployment and scorecard alignment process (P3-SP), **3)** individual WF *Accountability* (5.2a4), the PRA, and aligned reward/recognition (F5.2-2), and **4)** updating of VB, and the various communication methods (F1.1-5). For example, tools such as Daily Flash, Census Report and OA reports, show performance across key strategies and operations and are used by ET/LT to communicate results through the organization. This tool is also used to support decision-making and to identify trends for improvement opportunities. The ET determines the frequency of tracking based on the metric, source of the data, and the timeliness required by leadership and process owners to use the information to make fact-based decisions.

Given the wealth of data/information we receive from MHHS's extensive IT capability, the ET has established defined processes for leadership and the WF to use data for tracking organizational performance, daily operations, decision-making, PI, and transformational change through *Innovation*. ET/LT and the SC review the data at least monthly with the departments using scorecards and the VB to deploy performance reviews to the WF. This information is also used to identify high performing units that may have a best practice that we can fully deploy within MHSL and/or share with MHHS (4.1c1). Data supports the need for *Innovation* by providing insight into gaps in performance that have either persisted and are considerably lower than expected, prompting the need for something beyond incremental PI, i.e. IQR and Disruptive *Innovation* (1.1a2, F6.1-4). For example, based on a review of our metrics by the Quality and *Safety* Council we transformed our *Patient Safety* approach, resulting in zero permanent harm/death Serious *Safety* Events (SSE) I & II since February 2013. Due to our success, this approach is being replicated throughout MHHS, and MHSL was recognized in 2015 by MHHS for having zero SSE I and II for this length of time (35 months).

Our approach to selecting and using metrics is systematically refined and improved via methods described in (4.1a4). For example, in 2014 the SC structure and process was improved to simplify and create clearer lines of *Accountability* for planning, performance management, improvement and poten-

F4.1-1 Sample Performance Review & Analysis Process (PRA)				
Strategy	**What (Review)**	**How (Analysis)**	**Who**	**When**
A	PP Satisfaction Survey Results	Using PDCA Improvement & 4.1b performance dialogue that includes: **1)** Is this a Best Practice **2)** Barriers to Performance **3)** Success Recognition **4)** Sustained Performance **5)** What would it take to get us to the next level **6)** CC reinforcement	People Excellence, ET	Annually
D	Core/Process Measures, Do No Harm Measures/Outcomes (HAIs, PSIs, & HACs) & Serious *Safety* Events (SSE)		ET, QC, Facility & System Leaders at MOR (Monthly Operations Review) DQC & PP MEC	At Least Monthly
V	EP Engagement and Retention		ET, DOR, People Excellence	At Least Monthly
A	Operating Cash Flow & Income		ET, DOR	At Least Monthly
N	Service Lines & iCard		ET, SC, i3, Growth Councils	At Least Monthly
C	HCAHPS, Press Ganey		DOR, ET & LT Meeting, SSSC	At Least Weekly
E	ACO Scorecards		ET, PP Leaders	Monthly

tial *Innovation*. Additionally, PDM Checklists were deployed to LT along with other available tools such as the A3 diagram used for performance tracking and communication.

4.1a(2) Comparative Data: Comparative data helps us understand our performance and journey towards Preeminence. During the data selection process, comparative data sources are identified using a 7-step process, criteria, and sliding scale (F4.1-2). Assuming the Comparison Criteria is met, in alignment with our Vision, we progress through: **1)** national benchmark/comparison (top decile or above); **2)** regional, state, or local quartiles or means, **3)** within MHHS; and if none exists, **4)** historical, which also applies to *Innovation* metrics. However, as indicated in P.2a3, this data is often hard to find or does not exist (including competitors), requiring the use of quartiles, averages, other MHHS BUs (as appropriate), or historical performance. Additionally, if a comparison is not relevant or actionable, despite availability, we might use raw score. For example, certain measures, such as patient satisfaction, have more local implications and therefore have more meaning in a raw score format vs. national percentiles to drive actual change and decision-making. This is true in our market, where our competitors are larger and provide more services (service line satisfaction does not exist) impacting the relevance of local percentile comparisons. For some of our *Innovation* efforts, the industry and MHHS do not provide comparative information. In these cases, we use our baseline or historical data to determine the success of our efforts. Lastly, beginning Fall 2016 we are exploring the systematic use of out-of-industry comparisons if: **1)** our performance exceeds best-in-class or **2)** no health care comparison exists (for relevant metrics only). Regardless of available comparisons, we are driven by our goal of "distinguished," which sets performance at the top decile or higher to drive improvement, *Innovation*, and strategic decision-making to reach and exceed current best practices. To align with our Vision, if MHSL has sustained performance at or above top decile, we increase the target by an appropriate percentage, such as those in the Why Not Us projections.

Much like the description in (4.1a1), comparative data drives strategic decisions and operations by identifying best-in-class performance and best practices necessary for us to achieve distinguished level targets. As a result of these observations (PRA), decisions are made by ET, LT, SC, and others, as appropriate, that inform the SPP and daily operations, to either modify an Action Plan, launch a PI initiative (PDM), and/or an *Innovation* effort to transform MHSL performance and outperform current best performer (4.1b,c3). For example, true *Innovation* metrics are in their infancy in healthcare. We've taken a group *Innovation* metrics from other industries to make our *Innovation* Scorecard.

4.1a(3) Patient and Other Customer Data: VOC and market

F4.1-2 Data Selection and Comparison Sliding Scale Criteria			
7 Step Selection Criteria			
1) Align with Strategies/ADVANCE, **2)** Meaningful & Actionable, **3)** Sound Comparison/Benchmarks (F4.1-2), **4)** Collectible & Accessible, **5)** Reportable & Segmentable, **6)** Clear & Easy to Understand, & **7)** Have Owners with *Accountability*			
Comparison Criteria			
Available + Accessible + Relevant + Affordable = Adopted			
Sliding Scale (Can include other industries)			
National →	Regional/Local →	MHHS →	Historical

data is selected from two sources: **1)** MHHS and **2)** MHSL. As noted throughout Category 3, MHHS provides each BU with substantial customer and market data, including social media analysis, that is deployed throughout the System and supplemented by local VOC tools for use in the SPP, daily decision-making, PI, service design and implementation, Work System modification, and determining new markets.

The DCE manages the effectiveness of the methods we select and reviews the data, with leadership throughout the year to determine opportunities to improve the patient experience and refine strategy and operations. The ET/LT incorporate what is being learned from the VOC to strengthen our CC and overall culture through multiple intentionally reinforcing processes including: communication, role-modeling behaviors, creating and/or refining policies, WF education and training, along with updating our scorecards and realigning WF performance reviews, and modifying reward/recognition methods to reflect achievement toward a more patient-focused culture. For example, as a result of understanding the market and VOC data, EA and PFAC were created to serve the customer better, enhancing their experience and our culture. Also, aggregated patient complaint data is reviewed during our Filter & Grievance Event analysis meeting as another means of supporting decision-making (F7.2-11a).

4.1a(4) Measurement Agility: We recognize there is inherent unpredictability in health care that can arise from national policy changes, competitive positioning, and modifications in the practice of medicine. Accordingly, the MHHS and MHSL performance measurement systems are designed to not only rapidly respond to unexpected changes but to anticipate them, through continuous scanning and dissemination of information. Specifically, the approach to agility includes: **1)** frequency of PRA, **2)** use of electronic data systems, **3)** *Collaboration* with thought-leading health care groups, **4)** regular external environment scans (i.e. CDC, WHO), and **5)** rapid deployment of key processes to WF. In addition, changes to measures are made if plans are modified, a gap in performance is observed, or if a metric is no longer providing valuable information. For example, the SC review their key measures monthly, looking at performance, key action plans and PI initiatives, new system or regulatory mandates, or the need to utilize a more meaningful metric. In addition, whether it through MHHS or our external scanning of industry regulatory bodies such as TJC, CMS, and through partnerships with groups like the Institute of Healthcare Improvement (IHI) and ABC, the measurement system is monitored and refined to reflect current and future industry expectations. Lastly, changes are systematically deployed via MHHS and our communication methods (F1.1-5), updates to scorecards, and realignment of reward and recognition.

4.1b Performance Analysis and Review: Performance review is an inclusive *Results Oriented* Management by fact (VDLS) cascading two-way process (F2.2-1, F4.1-1) with monthly reviews using data-driven tools to: **1)** assess progress to the ADVANCE Strategies, **2)** drive *Accountability*, and **3)** understand overall organizational success, progress to goals, the need for rapid changes to operations and the Work System, and to identify high performing units and OFIs, and/or *Innovation* that could lead to transformational change.

To remain agile, reviews can occur more frequently depending on the metric, variations in the market, or direction from MHHS. First, the ET reviews performance (including financial health) using the MHSL-level scorecard to identify overarching trends that impact short and long-term strategy and daily operations. Then, each SC reviews performance by AD-VANCE, followed by the champions of each council formally updating the ET once a month on the main findings such as variation or sustained high performance, as well as updates on improvement efforts. In addition, ET/LT collaboratively reviews key measures during DOR with identified process owners reporting progress on each metric and presenting action plans for improvement in cases of any variance. Next, each department monitors and shares performance on a monthly basis using scorecards, VB, huddles, and emails. Lastly, the WF is formally evaluated at least annually on their performance aligned to the ADVANCE (as appropriate), and ongoing via the VB. Specific reviews happen more frequently, such as WF capability and capacity metrics to ensure we can meet performance expectations from a WF perspective. Leveraging our collaborative PP relations, key performance metrics are reviewed and shared via the monthly MEC, PP quality committees, and physician communications.

Levels of review are driven by a six-area performance-based dialogue (F4.1-1) to engage the WF in a *Results Oriented* conversation about expectations, sustainability, and success. Reviews can include the use of PI tools for analysis, such as: cause mapping, control and run charts, Root-Cause Analysis (RCA), process flow maps, comparison analysis, and prior period trends, to name a few. High frequency of reviews and established processes of communication and follow-up actions allow for rapid response to changing needs and organizational challenges. Decisions made at weekly ET meetings are cascaded to the LT who work with their direct reports to develop a plan, implement the change, monitor performance, and report on results.

Further, the EMR provides automatic tracking, daily reports, and alerts associated with clinical measures in real-time to enable rapid intervention to improve care. All EP/PP are trained to enter variances as well as Good Catches, enabling a culture of *Safety*. The Daily Flash and financial health indicators such as productivity reports facilitate rapid realignment in daily operations or staffing.

At the System governance level, performance review is very rigorous and systematic with each BU ET reviewing ADVANCE progress at the monthly MOR and the quarterly regional DQC. A summary of the information is reported by SSEL to MHHS Board of Directors quarterly.

Lastly, the PRA and associated processes are improved on an as-needed basis during ET/LT and SC meetings. Changes can include updates to the scorecard, the level of analysis, the frequency of reviews, and modifications to how opportunities are prioritized. For example, in 2014 we deployed the Priority Payoff Matrix (PPM) to ET & SC to help prioritize goals and projects based on effort, yield, and alignment to strategic goals.

4.1c Performance Improvement
4.1c(1) Best Practices: Through the VDLS and the different levels of performance reviews, high performing units and best practices are identified using robust analysis tools (4.1b), and

the management-by-fact| *Results Oriented* performance dialogue (F4.1-1) that focuses on high performance, sustained trends, and best practices. Specifically, if a department is high performing for 12 months (or less depending on the metric), the appropriate leader or SC works with that area to determine if a best practice contributed to the results or has emerged, and its applicability to be spread internally and/or within MHHS. High performing areas are then asked to develop a sustainability plan, that is reviewed monthly by PI and then challenged to go to the next level of performance (Why Not Us) with that particular process and/or focus on a new initiative. To further identify best practices, PI projects are reviewed at monthly PI and department meetings and include sharing of successes and other components that others might adopt to improve their performance. Regional and national recognition is another means of identifying high-performing departments. RESULT: For example, we were recognized by the Texas Hospital Association as a best practice for reducing Hospital Acquired Infections to Zero for more than 12 consecutive months (F7.1-9,10 & 11).

We systematically share best practices System-wide through departmental councils, RPI Symposium, DQC "Breakthroughs," and the Impact Award is given to one BU in MHHS, which identifies and celebrates the best practices throughout MHHS. Internally, best practices are shared via a cascading methodology of communication (F1.1-5) depending on the practice and where it was identified, such as Inspirations Sessions at Family Forums. In the spring of 2016 MHSL had five best practice posters in the RPI expo, and in the Fall of 2016, we will be launching an MHSL *Innovation* Fair to share learning, ideas, and best practices.

Shared best practices are systematically implemented through: **1)** education and training, **2)** updates to policies, procedures, Work System modifications, process flows, scorecards, and other *Accountability* mechanisms, and **3)** realignment of expectations and rewards/recognition, as appropriate.

4.1c(2) Future Performance: As noted in Category 2, future performance is set during the SPP (P1-2) and throughout the year based on a variety of inputs and analysis, including the output of PRA. At the beginning of the year, the SPP proposes targets based on projections, historical performance, comparisons, and competitor data (to the extent available) and in alignment with our process in (4.1a2). Throughout the year, the scorecards and other data management and analysis tools allow for leadership to reconcile any disparities between what was initially expected and the impact of current performance on future performance. This may be linked to changes in the marketplace, a change in System direction, or some other factor that causes leadership to adjust projections and any related processes. For example, in FY15 we exceeded our projected operating income by mid-year and reset our target commensurate with the rate of growth.

4.1c(3) Continuous Improvement and *Innovation*: Organizational performance review data translates into priorities for continuous improvement and *Innovation* when results fall short of established goals. Prioritization is on a sliding scale, not an absolute. It must be agile and account for various factors, both current and in the future. The ET, LT, and SC identify improvement priorities at performance review meetings using risk assessments or PPM and: **1)** alignment with ADVANCE,

2) connection to MVV, **3)** MHHS-initiative, **4)** a key stakeholder requirement, **5)** a regulatory requirement, **6)** linkage to our CC, and/or **7)** a WF or *Patient Safety* concern. These are not necessarily a rank-order system but do provide a general guideline for how we prioritize opportunities. The opportunity selection might also be based on what is appropriate for our WF, for our sustainability, or for a Strategic Opportunity we want to pursue. Part of the deployment process is for the owner and team to analyze the resources needed to address the opportunity, which may impact other priorities. For example, if it is resource-intensive and will ultimately influence our ability to address several other priorities, leadership might decide to delay implementation. Another consideration that impacts selection is the type of opportunity–incremental improvement and potential for *Innovation*. Each might require different resources (IQR if needed) and have different implications that are important to understand when balancing all of the operational work and customer requirements with the various improvement/*Innovation* opportunities.

Priorities are deployed throughout the organization and to key stakeholders using multiple communication methods (F1.1-5), council structures, huddles, rounding, department meetings, VB, via the PRA (F4.1-1), and PDM (F6.1-1). For example, priorities that involve the PP are shared via MEC, meetings with the CMO, PI/QR, QC, and electronically. External deployment occurs through meetings, phone calls, and/or adjustments to contracts to ensure the priority is addressed.

4.2 Knowledge Management, Information and Information Technology
4.2a Organizational Knowledge
4.2a(1) Knowledge Management

As a Family, we believe that everyone – each member of the WF, patient, and stakeholder has knowledge that individually and collectively can contribute to the potential of MHSL. As such, we have developed segmented sources (F4.2-1) to collect, share, implement, blend, correlate and integrate this knowledge, such as the delineation of verbal and documented knowledge from our WF. Internally, methods such as daily huddles, LT, SC, Department and MEC meetings, Clinical Programs Committee, rounding, VB, feedback from VP, PRA and PI efforts, the onboarding process, and the MHHS intranet site allow MHSL to gather knowledge from our talented WF. Externally, we gather knowledge through patient rounding, the e/PFAC, social media, frequent discussions with our suppliers and partners, community events, and conferences.

Knowledge is blended and correlated to build new knowledge through aggregation in our IT systems (e.g. Share Drives) and by leaders and staff who access the information to make decisions and improve key processes to produce a more patient-focused experience. For example, we are partnering with our sister hospital in Katy to learn from their tower construction process to increase the efficiency of our tower build. Additionally, the correlated data is used in the SPP (P1), the design of services, Work System changes, customer Cycle of Engagement, WF education, PI, and by ET, LT, and others to create an engaged WF and improve organizational effectiveness. ET/LT manage knowledge depending on the type of data, where and how it is collected and deployed. For example,

F4.2-1 Knowledge Management Process (Sample Methods)												
WHY NOT US	**Collection Source**	**Transfer Method**		**Blend and Correlate**					**Knowledge Use**			
Knowledge Source	Internal/ (I) External (E)	Verbal	Documented	EP	VP	PP	CP	PF	Growth	SPP	Innovation	Evaluated
Knowledge Mgmt Committee	I,E	●	●	●	●	●	●	●	●	●	●	O
Face to Face	I,E	●		●	●	●	●	●	●	●	●	A
Formal Trainings (PIL)	I,E	●	●	●	●	●	●	●	●	●	●	A
Policies	I		●	●	●	●	●			●	●	A
Manuals	I		●	●	●	●	●			●	●	A

*Knowledge Management Committee formalized 2016, is how MHSL selects knowledge via many sources. The entirety of knowledge management process is formally managed by this committee and engages in cycles of learning using 4.2a to guide it.

through the MEC and PP leadership groups, we engage PP in two-way communication and sharing opportunities to improve hospital operations.

Transfer and Implement: The organizational knowledge gathered from all sources is transferred to and from these key stakeholders through specific communication methods (F1.1-5) such as OneSource, Family Forums, SC meetings, social media, rounding, PFAC, newsletters, vendor fairs, supplier contracts and review meetings, EP boot camps, and to MHHS-managed process owners (suppliers, e.g.), etc. New knowledge and best practices that support our CC, enhance the patient experience, and drive performance, are implemented via changes to policies, guidelines, and process flows and managed for follow-through with scorecard updates, and realignment of WF evaluations and reward and recognition processes. For example, for Central Line-Associated Blood Stream Infections (CLABSI) we implemented best practice bundles, resulting in zero infections in the Intensive Care Units (ICUs) for the last three years. To be more fact based and systematic with organizational learning, the Knowledge Management Committee was formed in 2016 to ensure a systematic approach to collecting and blending knowledge from internal and external sources (i.e. conferences, journals) to disseminate to the WF.

SPP and *Innovation*: Our knowledge management process integrates with P1 (SPP) and through our weekly and monthly leadership meetings where strategy and operations are discussed and managed. Knowledge is systematically used to drive *Innovation* formally through i3, Welcoming the Wow, the iPlan, the *Innovation* Process (F6.1-4), PDM, and leader rounding as inputs into idea generation, pilot testing, and new service designs that align with intelligent risks for the organization. Ideas that bubble up through i3 or other conduits are systematically evaluated for added-value by the i3 Committee to ensure MHSL continues to leverage the knowledge of the WF that enables high performance through strategy, operations, and process design, improvement, and implementation. As a cycle of learning, we provide avenues for all (internal & external) to submit ideas in person or electronically via idea signature lines on ET/LT emails.

Evaluation: Our knowledge management processes are evaluated through review of several metrics such as WF surveys, i3 data, overall performance, and guidance from MHHS. As a result, we are enhancing the system with the development of a comprehensive knowledge repository that will serve as the driving resource for gathering and deploying organizational knowledge.

4.2a(2) Organizational Learning: Use of knowledge and resources to enable MHSL to function as a "learning organization" is accomplished through: **1)** The PRA where gaps and strengths are identified and shared to stimulate change thinking and to learn through FMEAs and RCAs, e.g., **2)** The VDLS as an emphasis on learning and improvement via rounding, and focus on purpose and action, and engaging the WF for opportunities to improve, **3)** Communication (F1.1-5) and sharing successes and best practices (4.1c1), **4)** Use of our PI and PDM, and **5)** Updating policies, expectations, scorecards, and *Accountability* mechanisms. For example, our commitment to *Safety* includes a MHHS-wide review and sharing with monthly *Safety* calls to discuss lessons learned, *Safety* observations, and best practices. We also hold bi-annual Quality and *Patient Safety* Fairs, which showcase exceptional work going on throughout the organization.

4.2b Data, Information, and Information Technology

4.2b(1) Data and Information Quality: We use the information to make life and death decisions. Errors in data can lead to an adverse outcome, harm, or even a tragedy. Fortunately, through MHHS and our diligence, data and information integrity, reliability, accuracy, and timeliness are rigorously maintained using some methods (F4.2-2) by System Information Services (IS), and by training the WF on protocols for data management. These include the use of our electronic data systems, mandatory HIPAA training for patient confidentiality, security of patient information and review of established procedures and guidelines for protecting information and ensuring its integrity. Learning and improvement are primarily managed at the System level by IS using appropriate metrics/evaluations.

4.2b(2) Data and Information Security: Security and confidentiality (F4.2-2) of patient information is a key requirement for employment and is addressed through multiple forums, including established policies, procedures, and educational programs and technology and data security protocols. MHHS ISD security team's mission is to provide data access, assess security risks, operationalize security, maintain compliance and set security policy.

F4.2-2 Sample Quality Assurance Issues: Data, Information Security & Knowledge Management		
Properties of Data, Info & Knowledge	**Quality Assurance Mechanisms**	**Measurement**
Accuracy	Integration between electronic systems. Data capture, Database design, entry and reporting. Clinical documentation templates with edit capability, check boxes, standardization.	Dashboard/ Scorecards
Integrity	System Integration, automation & error detection/avoidance, Discern Alerts-drugs	Advisor Reports
Reliability	Mainframe database back-up systems at multiple sites, redundancies built into system, downtime recovery plans & processes, workstation replacement < 5 years.	Downtime tracking/ Reports Unscheduled
Timeliness	Real time data transfer, monthly data review & reporting	Unscheduled Downtime & Recovery
Security	Log on by position with password, encryption of all electronic data, network fire walls, identity theft protection, auto-sign off, remote data removal on lost devices, 8-digit password protection & mobile requirements.	Security Reports (AOS)
Confidentiality	Patient and employee record access reports, access rights provided during NEO, HIPAA privacy compliance, auto computer access & removal for non-compliance to mandatory annual computer privacy training.	Privacy Officer Reports (AOS)

As a cycle of learning, MHHS recently enhanced our cybersecurity focus with education on "phishing awareness." This has been sent to all EP, and a "Report Phishing" icon is available on all Outlook accounts. Privacy breaches are thoroughly investigated, and security reports permit tracking of unauthorized access to electronic records, followed by immediate corrective action. A privacy hotline is available for anonymous reporting of breaches. MHHS manages cyber security through the ISD Security Team. In addition, MHHS conducts ongoing security risk assessments and reviews issues of data accuracy, integrity, and reliability before acquiring any new information system.

MHHS manages IS refinements through a set of key processes and metrics maintained at the System (AOS). All BU provide input as needed, and work collaboratively to ensure systems are functioning efficiently, testing new systems, and providing assistance with training on new modules.

4.2b(3) Data and Information Availability: Before deploying data and information, the input is gathered from the various stakeholders to determine: **1)** the type of information they want and need, **2)** how they want it, and **3)** when they want it. Depending on the source or owner of the information (MHHS or key personnel at MHSL), this knowledge is analyzed to identify the conduits for accessibility. Part of the approach includes pilot testing of systems before full implementation to ensure the end-user is comfortable with the design and the content is provided in a user-friendly format. For example, MHHS adopted our new intranet OneSource in 2016, due to an aging platform and inadequacies in the old system. Local super users gave recommendations for user friendliness, and these ideas were considered on how to improve communication regarding information and data they needed to do their work in a more efficient way. Both MHHS and MHSL, collaboratively, make data and information available to each stakeholder through a combination of electronic, written, or face-to-face vehicles depending on the type of information and its intended use. This includes interacting with the end-user to understand how they need the information so they can effectively use it to make decisions and perform work. Since MHHS has been a national leader in the EMR, the majority of data is available electronically so our healthcare providers can access it in a timely fashion from anywhere in the System. Tools like the EMR and the MHHS intranet site offer robust information and knowledge that is readily available to help clinicians, the WF, and key process owners make fact-based patient-focused and operations decisions. Other forms of WF-focused methods of information sharing include iBoards, emails, meetings, VB, MEC meetings, and various reports.

Information for patients during each stage (BDA) (F3.1-1, F1.1-5) is available through the MHHS website, communication with their providers, and customer segment-based marketing that includes information at various forums, community events, health fairs, and through partners in the community. Information for suppliers, collaborators, and partners is available through the OneSource, the website, and by personnel within the System who manage those relationships.

Depending on the end-user, the approaches are evaluated for effectiveness through the appropriate councils, System IS, and key process owners are looking at relevant metrics. For example, while OneSource was vetting with a local PP & the LT for user –friendliness a software glitch was found and resolved that would have led to inconvenience in deployment.

4.2b(4) Hardware and Software Properties: Hardware and software reliability, security, and user-friendliness are managed by MHHS integrating systematic processes (F4.2-3), grounded in the highest practices for IS (AOS). Procurements are based on standards developed with input from key stakeholders and key Work System and key process requirements. The WF participates in system selection, design, and pilot testing to ensure the effectiveness and user-friendliness. The System IS team monitors equipment and key metrics continuously to ensure proper functionality and is available 24/7 for technical and hardware problems. To remain technologically up to date, IS maintains a five-year rotation for hardware and budgets for replacement of any equipment reaching its five-year limit.

4.2b(5) Emergency Availability: The MHHS IS team has developed, deployed, and tested (continuously) a systematic disaster recovery plan to prevent loss of information and to recover data should damage to the information system occur. Redundant systems are provided for all critical functions such as the EMR, imaging, and patient registration. A system backup is automatically executed every night, and backup data is sent electronically to the MHHS disaster recovery data center, which is protected from flooding. Some critical databases and systems are replicated on an hourly basis. A third data center is located in Central Texas. Critical systems are protected with configurations that permit recovery of data within 15 minutes, and in the event of a total loss of the primary data center, critical applications can be restored from the disaster recovery center within four hours. Two fire suppression systems protect data and equipment. The data centers have two separate Internet connections, maintained by different providers, to assure the availability of essential information at all times. An emergency communication policy provides guidelines for emergency situations or should the telephone or paging system become inoperable. The wide area network and phone lines have backup systems, and all critical locations have backup generators (F4.2-3).

F4.2-3 Sample Hardware and Software Properties		
	Hardware	**Software**
Reliable	Updated every 5 years; redundancy servers (for back up)	Routine auto updates; monthly; scheduled downtime
Secure	Internet-based laptop, locating device (remote erase), computer location asset tags	Password protection; encryption; identity theft; network fire walls; log on by position/password
User Friendly	Multiple access wireless devices; PP proximity badges (with auto recognition)	Physician office staff interface; single sign on; Support Center help desk (available 24/7)

5 Workforce

5.1 Workforce Environment

FCF is about people - about our WF and empowering them to deliver an exceptional experience for each patient, every time. Not because they "have to," but rather because they want to as a source of pride and community. Through the VDLS, we focus on people in all that we do creating an environment where they can connect, giving them access to information, clear two-way communication, direct involvement in process design, workflows, improvement efforts, and by providing clear focus and *Accountability* for performing at the highest level. Our WF is the timeless key to our success and future sustainability.

F5.1-1 Sample WF Capability & Capacity Metrics		
Capability	**Capacity**	
Licensure & certifications	Productivity	Segmented Tenure
Competency assessments	Retention Rates	Overtime Needs
Job Performance	Vacancies/Hires	Agency Utilization

5.1a Workforce Capability and Capacity

5.1a(1) Capability and Capacity: MHSL assesses its capability and capacity on an annual basis during the SPP, throughout the year and daily via ET/LT meetings, PRA, WF performance reviews, staffing metrics, and through modified Action Planning. During the SPP (P2), the WF plan is developed utilizing local market analytics, Truven staffing guidelines, our capacity metrics (F5.1-1), and performance reviews (for capability) (5.2a4). These sources help support the SP and job execution by ensuring sufficient staffing and skill levels needed to meet our CC and service delivery expectations. For instance, the annual EP/PP performance reviews include skill expectation analysis to determine opportunities for growth and development and to better address identified gaps in capability, which can result in an Individual Learning Plan (ILP). ET, HR review the EP metrics, and department leaders to address both capability and capacity opportunities through education, talent acquisition, retention efforts, etc. Capability and capacity for PP are similar to the above approach in *Collaboration* with ET, Medical Staff office, key functions, and DBD. Capability and capacity for VP are led by the Director of Volunteer Services in *Collaboration* with LT.

Throughout the year, ET and LT review EP productivity and other measures through the PRA (4.1b) and as part of the daily management of key operational and service delivery processes to understand capacity and capability thresholds in real-time (PP via monthly process and VP as needed). This continuous assessment allows leaders to evaluate performance and job expectations to check for gaps in competencies across each segment of the EP. Staffing agility is critical to success, and we partner with Premier, our MHHS internal staffing agency when staffing demands increase. Additionally, in Feb. 2016 we deployed a new comprehensive HR web-based system (Workday) to improve efficiency and accuracy as well as other needs.

To further strengthen staffing agility and to meet changing capacity needs, MHSL uses an internal float pool, SWAT Nursing and Nurse Navigators with varying capabilities that can support our changing needs across the hospital. The DBD, in *Collaboration* with other MHHS stakeholders, coordinates the capacity assessments for the PP. Additionally, market data along with the CNA is reviewed to understand the number and types of physicians the community will require.

Appointment to the medical staff is a privilege that is extended only to professionally competent individuals who continuously meet the qualifications, standards, and requirements outlined in the Bylaws (AOS), which describe the organizational infrastructure and governance, as well as the responsibilities of the medical staff. The Bylaws are put in place to ensure that we consistently have adequate staffing levels with appropriate skills, competencies and high-quality care, in addition to a work environment that supports our niche services and CC.

5.1a(2) New Workforce Members: Adding to our WF family is not just a matter of selection and hiring. Instead, it is the complete immersion into our *FCF* culture that drives high aspirations

for future success using a fully integrated Cycle of Engagement approach (F5.2-1). Similar to the Customer Engagement process, the WF cycle is designed to achieve advocacy and loyalty, incorporating our Retention Engine model and the expectations of *FCF*. The components that drive the recruitment and hiring process are driven by, the SP and WF plan (P2-3), various business changes throughout the year, Strategic Opportunities, and identified gaps in performance, WF capacity and capabilities.

Recruit: In alignment with *One Memorial Hermann*, recruitment is an MHHS-driven process that is designed to ensure we attract candidates who will enrich our culture, represent our diverse community (a majority of our WF lives in the PSA and SSA) and provide diverse thought, and have the technical competencies to help deliver Preeminent services (Discover/Recruit). MHSL leverages the many MHHS recruitment methods that include: **1)** recruitment events & job fairs, **2)** referral programs, **3)** direct marketing, **4)** brand recognition, **5)** out-of-state recruitment, and **6)** use of social media, i.e. LinkedIn, Twitter to develop and sustain our *FCF* culture and address the area's talent shortage. For potential positions and as a retention strategy, MHHS (and MHSL) first looks internally by seeking out high performing candidates to grow their career within MHHS. MHHS's name and reputation for excellence, *Innovation*, and exciting challenges bring the best and brightest to Discover the MH family. Collaborative methods with MHHS such as job fairs, direct marketing, local affiliations with universities, and specific methods targeted for each BU's community, help ensure that our candidate pool represents the diverse ideas, thinking, and cultures of those we serve. Pivotal positions are recruited by key recruiters to ensure an intentional focus on hard to fill positions (AOS). MHHS's recruitment efforts continue to create a significant presence in Texas showcasing the economy and growth in our area, which is attractive to potential WF members. PP recruitment is managed in *Collaboration* with MHMG, UT, MHSL ET, and the DBD utilizing similar recruitment tools. MHSL has established excellent relationships with various education institutions and is recognized as being a great destination for both new and practicing physicians. Our VP recruitment occurs more locally through partnerships with the community, the website, and word-of-mouth.

Hire/Placing: Screening for cultural fit begins during the recruitment process. To ensure candidates meet all of the key position requirements, proper position placement, and cultural expectations, MHSL participates and executes MHHS's 3-step hiring process: **1)** applicants are assessed by trained MHHS recruiters to determine alignment to Values, the necessary level of skills, education to match placement, background checks, and experience for the specific position; **2)** suitable EP candidates then complete a Hartman Value Profile (HVP) or Prophecy assessment; **3)** qualified candidates proceed through a behavioral-based interview process. In 2016, we trained over 70 select EP on culture (peer) panel interviewing. These efforts were put forth to empower our EP to assist leaders with hiring for fit. Any EP that joins our Family (2016 - future) proceed through the culture panel interview process comprised of MHSL EP who assess the candidate's compatibility with the MHSL culture and fit for the particular role within the department. Additionally, we offer job shadowing as applicable. If a candidate progresses successfully, they complete any additional background checks, physicals, and other pre-employment requirements before joining MHSL.

Recruited PP follow the MHHS credentialing/privileg-ing process for competencies, background checks, and behavior (using HVP) in conjunction with MHSL DBD, who coordinates fit for MHSL. Employed PP is required to go through a rigorous privileging, credentialing and onboarding process. Volunteer service descriptions are used to identify skills and responsibilities when interviewing VP, accepting candidates and filling positions within the various departments. Interested volunteers are required to submit an application, complete a criminal background check, and Tuberculosis screening. Once completed, volunteers are required to attend orientation, which provides information on hospital *Safety* codes, HIPAA regulations, infection control, age appropriateness and cultural diversity. VP are then assigned to an area where additional training is provided as necessary by the department supervisor/representative.

Retain: Retention is not a one-time event or a program – it is culture, it is *FCF*, and it is one outcome of the Cycle of Engagement (F5.2-1). *FCF* is a validated differentiating passion echoed by our WF and a driver for why people choose to stay at MHSL. It is a primary retention strategy that connects the need for pride in work and the need to make a difference with others committed to doing the same. A key to retention is the work environment where each WF member understands their role – the why – and how it connects to their specific job responsibilities (Welcome/Connect). As mentioned above, retention begins during the recruitment and hiring process where all candidates are exposed to our culture and expectations. With our screening processes focused on fit and skill, being welcomed from the very beginning is fundamental to our retention strategy. The new EP is welcomed into the family with a System-wide "Culture Day," which covers MHHS's MVV, ADVANCE Strategies, how the System functions, and other introductory content. After Culture Day, MHSL new hires participate in a multi-day New Employee Orientation (NEO), where leaders share the passion and purpose of MHSL, including the MVV, our focus on *Safety*, ADVANCE, the importance of *FCF* and what it means to them and our patients, and local systems/processes, as appropriate. Completion of NEO leads to a department specific orientation that is specific to each area, with the concentration on helping the EP acclimate to their surroundings, understand expectations, and how to function in their department. Welcoming/Connecting also includes our Retention Engine Leadership Toolkit (AOS), pit stops, 1:1 leader discussions that provide feedback on their competencies, behaviors, and progress toward identified goals. WF is continuously Energized and motivated through the setting of high performance targets, working Collaboratively for a common purpose (5.1a3), *Empowered* to innovate and try new ideas, an open and visible ET/LT, ongoing formal and informal individual performance reviews, and transparency of MHSL progress (PRA), to name a few. Continuous rewards and recognition (5.2a4) for excellence creates a sense of belonging and acknowledgment for a job well done, making the WF feel needed and valued (Recognize/Refuel). Lastly, we acknowledge and actively enable the WF to grow and develop themselves personally and professionally through numerous segmented learning opportunities (5.2b1) (Growth) to prepare for career progression and succession planning.

Additional WF (segment appropriate) retention strategies include, but are not limited to: (Growth) **1)** tuition reimbursement/loan repayment, **2)** flexible scheduling, **3)** and participation in change efforts, PI, Councils, and Committees. Our flexible scheduling allows the EP to control and balance their work and personal life (5.1b2).

The PP onboarding process is designed to provide a warm Family Welcome with introductions to leadership (and organization), transfer of MHSL information and their knowledge for our learning, review of hospital operations, equipment and systems, and focus areas, such as ADVANCE and *Safety*. Orientation includes a tour of the facility and a discussion of resources and opportunities within MHSL, MHHS, and the community. As a retention strategy, we involve PP in key decisions (such as MEC) and plan development via medical staff retreats, and recognition programs. We also provide opportunities for PP to participate in System initiatives and conduct 30-60-90 follow-ups to ensure they are feeling supported. These approaches have proven to help create an environment of inclusiveness with our PP, making them feel a part of the family, as demonstrated by our strong results (F7.3-15).

Retention of our VP begins with an orientation, followed by department specific check-ins with the Director of Volunteer Services (DVS), an Annual Volunteer Luncheon, birthday recognition, and bi-monthly newsletters. VP are also involved with all FF, SPP, and the PFAC.

Through our recruitment efforts, we ensure the WF represents the diverse ideas, cultures, and thinking of patients and our community, in how we identify, attract, and recruit the most qualified individuals. More specifically, during the recruiting and hiring process, we screen for specific expertise and experiences that would enrich our culture and improve how we function. For example, in 2015, we intentionally hired a local and very accomplished Cardiology Nurse Practitioner that brought a long list of advanced nursing practice skills and community knowledge to our facility.

To the extent possible (System managed), we review our recruiting, hiring, and retention strategies throughout the year using various WF metrics, such as WF satisfaction, retention, productivity, etc. Changes are made via ongoing cycles of learning in *Collaboration* with ET/LT/ and HR and then deployed as appropriate. For example, we added non-budgeted FTEs to the Laboratory Department based on workload and productivity which was also supported by a lean study (Fall 2015).

5.1a(3) Work Accomplishment: We organize, manage, and engage our WF around a highly inclusive shared governance model embedded in the Work System (F2.1-3) that aligns with, and is focused on, achieving the cascading ADVANCE Strategies, leveraging our talented WF, and fostering a focus on patient-centered care. Within this shared model are a foundation of teamwork that is exercised through the SC, multidisciplinary teams, committees, and common goals that require *Collaboration* to deliver excellent services. We capitalize on *FCF*, *Patient Safety*, and reinforce a patient focus by leveraging the inherent sense of WF pride and ownership for MHSL and the community, shared responsibilities for outcomes, a commitment to Zero Harm and Perfect Care (S1), a Values-based performance review, and a clear emphasis on culture and high performance via overt sharing of performance (PRA) and *Accountability*. For instance, research shows that many patient errors come from communication issues and cultural factors. As a result, our *FCF* culture (open, honest, and teamwork) coupled with transparency in communication and non-punitive environment to speak-up, have helped sustain our industry-leading *Patient Safety* results.

First, through on-boarding, leadership behaviors, and our focus on culture and *Patient Safety*, the WF understands the significance of *FCF* and how it permeates every department. Secondly, deployment of the SP (P4) creates clarity and alignment with what is important and how the individual contributes to achieving the ADVANCE Strategies. These principles are further reinforced through our PRA (4.1b), the sharing of results (VB), reward and recognition for high performance (5.2a), and PI for gaps (6.1b4). As a Family, we expect the WF to actively contribute toward improved patient care through communication, active participation on teams and projects, LOC, and *Safety* Champion of the Month, to name a few. PP are managed through robust credentialing, privileging and performance reviews, corrective action when necessary tied to key organizational outcomes. To ensure *Collaboration* with PP, we develop systems of care that support best practices, such as the industry-leading Clinical Programs Committee (CPC) structure, which organizes physicians across MHHS to provide oversight for clinical protocols and procedures through evidence-based research/practice (AOS). During Orientation, VP is made aware of their role and responsibility to support the hospital, their team, and how they can impact our success.

Threading our value of *Accountability*, we create a culture that seeks to exceed performance expectations by setting targets at Distinguished achievement levels and using *Accountability* mechanisms, such as financial incentives, WF evaluations (5.2a4), and overt recognition when Distinguished levels of performance are attained. The PRA actively and transparently shares progress and identifies opportunities to exceed expectations further. Results of our performance are shared with PP and VP using the portfolio of communication methods, to engage them in performance expectations and gather their input on how to improve outcomes.

5.1a(4) Workforce Change Management: With the rapid FB population growth, we actively manage the WF for change by understanding their needs (FP.1-4a, 5.2a2) and then intentionally embedding them in how we design and execute work to ensure the WF-member feels supported, *Empowered*, and engaged to provide the best service. Specifically, at the MHHS and MHSL-level we integrate their needs via: **1)** the WF plan, **2)** development efforts and offerings, **3)** their involvement in process design and improvement, and **4)** reward and recognition. Due to the population growth, MHSL has experienced job growth in virtually all categories since inception and expects this trend to continue into the foreseeable future.

Reductions in force (RIFs) are determined and managed by MHHS. The System HR department makes decisions using local market analytics regarding supply and demand for specific skills, knowledge, and abilities, as well as considering the short and longer-term plans of the System and the BU. MHHS has a well-established policy of placing affected employees within the System or assisting otherwise. For example, cross-trained and displaced EP are often deployed to support other departments or are given the opportunity to float to another BU. To address any unforeseen reductions, we rely on training programs, mentoring, and MHHS to ensure EP have a broad range of knowledge and capabilities to maintain talent throughout the System. PP while most are not employed, can directly apply for privileges at locations as the facilities need change & VPs are offered the opportunity to train in areas of need and interest.

With our trended growth and in anticipation of our hospital expansion, plans are in place for WF growth. EP staffing levels are determined in (P2-3) each year and ongoing, based on internal projections, external staffing guidelines such as Truven, and other methods (5.1a1). PP levels are managed by MHHS and locally by ET/DBD based on the SP. Our Position Control system keeps ET apprised of budget variances and the DOR monitors productivity levels throughout MHSL.

F5.1-4 Sample Workplace Health/*Safety*, Security & Accessibility				
Environ-ment	**Methods**	**Segment**	**Performance Measures**	**Goals**
Health/*Safety*	Mandatory Vaccines OSHA Recordables Infection Control Hand Hygiene Mandatory *Safety* Training Decontamination Team Respiratory Fit	WF WF WF WF EP EP/PP	% Compliance Number of events % Compliance secret shoppers Number in attendance Number of trainings % Compliance	100% 0 100% 100% 1 100%
Security	Security Rounds Code Green Training Active Shooter Training	WF WF WF	Rounding reports Number trained NEO trained	100% 100% 100%
Accessibility	Free Parking (Monitored via stickers) & Designated Handicap Parking Designated Entrance for WF	WF WF	WF with parking sticker % Usage	100% 100%

Similar to preparing the WF for changes in growth or a reduction, changes to organizational structure or the Work system is/are addressed through: **1)** training and education, **2)** reallocation of resources to support the WF, **3)** overt communication about the change, and **4)** realignment of job descriptions and expectations. For example, as MHHS transforms (and leads) its focus on population health, changes to WF expectations related to community outreach, emphasis on wellness, and benefits are being realigned. Similar to other WF practices, our approaches are refined and improved using key WF metrics in *Collaboration* with the System HR, and MHSL ET/LT.

5.1b Workforce Climate

5.1b(1) Workplace Environment: *Safety* is our core value and is supported by a large number of reinforcing MHHS and MHSL programs and processes (F5.1-4) that are fully deployed to ensure WF health, *Safety*, and Security. MHSL makes WF health and *Safety* a top priority in numerous ways: **1)** mandatory *Safety* training for all WF members; **2)** participation in quality and *Safety* meetings for all EP & PP; **3)** *Safety*-based courses, such as patient handling, slips, trips, and falls, back *Safety*, and blood borne pathogens. Training also covers emergency incident preparation, such as responding to an active shooter; **4)** WF can access all relevant *Safety* policies; **5)** the MHHS Occupational Health Department (OHD) and specific leaders investigate all reports of *Safety* issues. For our WF benefit, MHSL has stressed the importance of reporting all occupational injuries promptly to ensure appropriate follow-up; **6)** decontamination teams are established and trained to manage hazardous materials and other environmental emergencies; **7)** all OSHA variances are discussed at *Safety* huddles, and **8)** our *Safety* Champion program honors EP/PP who demonstrate key *Safety* behaviors and offer suggestions that enhance *Safety*. MHSL has honored over 82 *Safety* Champions since the inception of the program.

In alignment with *FCF*, *Safety*, security, and health are present in leadership communication, a component of PDM (stakeholder requirement), and measured continuously through some metrics. For example, our focus has led to refinements such as more detailed investigation and review of WF incidents, the Daily *Safety* huddle, and *Safety* emails. Also, management of WF environmental factors is also handled by MHSL's EOC/*Patient Safety* Committee through rounding, seeking WF input, scanning industry literature, and reviewing guidelines from MHHS. Additionally, since nursing is a high-risk area, nursing *Safety* is a standing agenda item within our NPC to proactively address *Safety* concerns. Gaps in *Safety*, security, and health performance are discussed as needed and reviewed monthly at the EOC meeting.

5.1b(2) Workforce Benefits and Policies: As a BU, MHSL benefits from comprehensive and segmented WF benefits, services, and policies offered by MHHS to meet the needs of our diverse WF (F5.1-5). In addition to full health benefits, development offerings, and work-life balance initiatives, MHHS offers support through an Employee Assistance Program and Employee Assistance Fund for EPs who experience a crisis and catastrophe. The funds are raised through the PIC Golf Tournament as well as our Employee Fund Campaign, and has (to-date) helped over 4,200 employees with monies totaling over $4,200,200. The PIC PTO Time Bank was created for EP who are faced with a life-threatening illness or disease and have exhausted all of their PTO time. Hours/dollars are given to an employee to prevent loss of benefits, pay, etc. Additionally, in 2016 MHHS began offering a revolutionary "Life in Balance Program" to empower and motivate employees to take charge of their health.

We believe that members of our EP who devote much of their careers to our organization deserve to be recognized with a generous retirement program. Therefore, the MHHS retirement program matches employee contributions up to 6% of their income. Additionally, as a part of the benefits package, all EP are offered the flexibility to take time away through various methods such as spiritual holidays, personal holidays, and paid time off.

MHHS completes an annual market survey to ensure that employee compensation is competitive at the market or better for all EP/PP. MHSL also analyzes EP/PP salaries to validate that wages consider experience and credentials. Any EP/PP falling below prescribed pay ranges receives an adjustment in addition to the annual merit increase. Employed PP receives benefits offered to all employees as well as an extended benefits package

F5.1-5 Sample WF Services, Benefits & Policies		
Type	**Description**	**Segment**
P	Access to online Policies and Procedures	EP, PP
B,S	Adoption assistance	EP, PP*
P,B	Career Development Programs	EP, PP*
B	Discount or free meals in MHSL café	EP, PP, VP
B,S	Education and Training & Flexible Scheduling	EP, PP, VP
B	Employee Discounts and Assistance Program	EP, PP*
B	Financial Wellness Planning and Retirement	EP, PP*
B	Medical, Dental, Vision, Retirement benefits plans	EP, PP*
B	Pre-Paid Legal	EP, PP*
P,B	Time off programs (PTO/FMLA)	EP, PP*
P,B	Tuition reimbursement/repayment programs	EP, PP*
B	Wellness Programs: health fair, screenings, flu shots	EP, PP,* VP
B-Benefit, S-Service & P-Policies. *Employed PP		

exclusive to physicians. For VP, we provide free flu shots, meal benefits, and annual service recognition. VP are also invited to participate in all hospital sponsored celebration and events.

5.2 Workforce Engagement
5.2a Workforce Engagement and Performance
5.2a(1) Organizational Culture: Culture is everything at MHSL, and our WF is its backbone and future – Why Not Us? To provide a Family-like experience to our patients, our WF must feel like a Family from the first moment they interact with MHSL (Discover/Recruit). That means we live by our Values and acknowledge, with pride, that as leaders, we are in our positions to help each person achieve their full potential and create a culture where people feel special. That we nurture an environment where all WF members feel safe and excited to perform at the highest levels; to speak up and know – with confidence – that leadership and others will listen. To know that input is valued; to feel actively involved in decision-making and helping to shape the future of MHSL; and to know, with certainty that ethics, trust, and transparency are non-negotiable attributes. As leaders, we ask ourselves what makes a person choose MHSL and what makes them stay. We know it is culture. It is *FCF*.

The ET, in *Collaboration* with the WF, actively and intentionally foster a culture of high performance and engagement through the VDLS and in alignment with components of the Cycle of Engagement (F5.2-1): **1)** setting clear objectives and goals (SPP), **2)** connecting the WF to those aims (Connect, Energize), **3)** aligning the Work System to help the WF achieve the goals, **4)** transparent review of performance and open communication, **5)** continuously listening to the WF, **6)** empowering and setting an expectation to perform, improve, and Innovate, **7)** committing to helping each WF member grow and develop (Growth), **8)** frequent performance evaluations, and **9)** recognizing and rewarding excellence (Reward). Each year, EP/PP are evaluated on values to ensure that their performance aligns with our strategies. Active PP use a competency evaluation (5.1a4) that supports SP achievement.

High performance and engagement begin during recruiting and hiring where potential candidates begin to learn about the MHSL expectations. First, upon hiring, a set of onboarding approaches (5.1a2) initiate the enculturation process followed by ensuring each WF member clearly understands ADVANCE, and how they fit into and contribute to, those goals to focus on a Results Orientation. Goal deployment occurs (P4 SPP) through department scorecards, VB, and ongoing communication, with individual alignment occurring at least annually during WF performance evaluations (5.2a3). Next, it is critical to ensure our Work System (F2.1-3) and processes enable the WF to accomplish the goals at the expected levels of excellence by designing them with WF input, pilot testing (PDM), and organizing work accomplishment through a teamwork model (SGC). This fosters a strong sense of *Collaboration* and collective ownership for what we provide now and in the future by leveraging the diverse ideas and thinking of the WF.

One of our cultural Values is *Accountability*, and it is

a source of pride, ownership, and excitement in our *FCF* approach to delivering high-performance services. It drives high performance through consistent, transparent review of performance (PRA) at each level, supplemented by comprehensive communication methods (F1.1-5) that are designed to push to, and pull from, the WF key information ensuring they have all the information they need to do their job confidently. This includes a portfolio of segmented WF-based listening tools that continuously scan for WF needs and evaluate our ability to exceed those needs such as rounding, huddles, meetings, and an open-door approach to listening in a safe environment. *Empowerment* is a Value and one that MHSL systematically embeds to capitalize on the diverse thinking of the WF through setting expectations of improvement and *Innovation*. Using tools such as i3 that have specific follow-up protocols building confidence that their ideas are heard, our ET/LT Welcoming the Wow sessions, their contributions to eliminating inconvenience, ideas suggestions in every email signature, participation in PIC & PI efforts, and recognition through the *Innovation* Award of Excellence. We support and actively encourage the WF in making decisions and to empower them in new ways to deliver Safe, reliable, preeminent services in the spirit of change.

Growth is an important engagement element (F5.2-1) and contributor to sustainable high performance. It is systematically addressed through robust education and learning approaches (5.2b1) that are based on the needs of the WF, the organization, external certifications, and the WF plan. An engaged WF deserves to know how they are performing – not just once a year – but continuously to reinforce high performance and identify opportunities for individual improvement (5.2a4). ET/LT provide feedback in real-time through daily interactions and observations, using the VB and other behavioral expectations to guide personal performance improvement. In addition, the formal engagement survey and annual evaluation process provide insight and guidance on behaviors to continue and those that need to be changed to ensure high performance. Lastly, we celebrate & Recognize individual and collective success (F5.2-2) through peer recognition programs, EP, PP, and VP of the Year, Employee Appreciation Days, and Doctor's Day Awards, etc. VP participate in many of the recognitions and are invited to an annual VP appreciation luncheon, where individuals are recognized for their contribution and receive an "hour bar" that indicates hours of service.

The ET and LT use the PG survey, the informal engagement assessment methods (5.2a2,3), and overall MHSL performance as a direct and indirect measurement of our approaches to WF engagement.

5.2a(2) Drivers of Engagement: MHSL places emphasis on WF engagement (align with SP, Value Employees and Align with PP), as a key ingredient of *FCF*, as a lever to drive high performance, and as a function of improvement and *Innovation*. Factors of engagement are determined through segmented informal and formal methods that provide insight into the specific needs of our WF and help move them along the Cycle of Engagement (F5.2-1). Informally, tools such as rounding, open dialogue in

meetings, participation in teams, and daily interactions enable leaders to identify (and validate) both individual and collective needs in real time. Formally, we use surveys and our WF evaluation system (5.2a4) to guide insight into elements of engagement. Each WF segment uses a specific annual survey that identifies top drivers of high performance and engagement. For example, the EP survey generates the top six engagement factors, and the PP survey provides the top ten. Both are analyzed by ET and HR and then deployed to LT for further review and Action Plan development for areas needing improvement. In addition, we use the annual WF evaluation process (for each segment) as another formal method to determine factors of engagement. The methods are systematically reviewed for effectiveness by the ET/LT, in *Collaboration* with MHHS, who administers the annual EP/PP survey. For example, in 2014 MHHS decided to move from an internal EP survey to an external vendor (Press Ganey) to compare performance on a national scale.

5.2a(3) Assessment of Engagement: WF engagement is assessed using the segmented formal and informal mechanisms described in (5.2a2). These methods include real-time tools such as rounding, meetings, participation in events, and formal MHHS-wide tools such as the annual (PG) Employee Engagement Survey (EES). This survey provides segmented engagement and satisfaction data that are used to identify trends, best practices, performance relative to comparisons, key factors, and opportunities for improvement. The results are analyzed by System and BU leaders for trends and correlations to performance (5.2a2) and feed improvement to actions within the Cycle of Engagement. The data is then shared throughout the BU and the ET/LT partner with HR, People Excellence Council (PEC), and the Department to develop Action Plans for improvement, reported out at monthly DOR. Additionally, the information and into the SPP (P3) as a key input into Action Plan development and deployment, as well as the design and alignment of the WF plans.

PP and VP participate in their annual engagement survey, measuring likelihood to recommend and key factors of engagement. Additionally, the ET/PP Liaison look at other factors such as longevity with MHSL, percent of patients being referred to MHSL (or MHHS), and participation in committees, to name a few. The informal methods, across the segments, are used as real-time assessments and proxies of the formal WF engagement surveys, also enabling leaders to make changes and identify trends consistent with *FCF* culture rapidly. Other WF indicators, such as the EP *Safety* survey, retention metrics, injury rates, grievances, productivity through Truven, and near misses are monitored on an ongoing basis by leadership and also serve as proxies to overall WF engagement and satisfaction.

The formal engagement survey is evaluated at least annually by System HR reviewing best practices, industry trends, and the value of the data. This led to the use of PG as the MHHS survey vendor (2014). Locally, ET/LT and the PEC make changes to the informal methods and the overall process that are within our scope on an as needed basis through review of post results action planning, MHSL scorecard performance, individual achievement, and industry best practices. For instance, in 2014, we established Action Plans for sustainability for those areas achieving distinguished performance.

5.2a(4) Performance Management: Recognizing and Refueling include clear and reliable feedback on job performance.

As such, we integrate local informal mechanisms with the formal MHHS-wide segmented annual evaluation to ensure our EP can achieve their potential. The informal methods support our *FCF* culture and belief that people want to know their performance more than once a year. As such, ET/LT provide continuous feedback to the WF via 1:1 conversations, huddles, rounding, observations, and recognitions (F5.2-2) that reinforce ADVANCE, high performance work, and identify opportunities to improve. While the informal methods are real-time, all EP and PP go through an annual MHHS evaluation, which reviews job-related competencies, values, expected behaviors, cascading ADVANCE alignment, and personal development goals on a 5-point scale. ADVANCE Strategies constitute one-third of the EP performance assessment and help to ensure a balanced focus across key stakeholders, health care, and the achievement of our Action Plans. EP who fall below "meets expectations" are required to be on an ILP to help them either meet expectations or in some cases, exit the organization. High performing EP are eligible for a merit increase through each department's incentive budget. In addition, to reinforce *One Memorial Hermann*, all EP accrue quarterly incentives based on whether the System achieves a certain level of performance on each of the designated ADVANCE Strategies.

MHSL, in conjunction with MHHS, evaluates PP through the medical staff credentialing process to obtain privileges, to maintain/renew/revise or revoke privileges, as well as competency review in six areas (AOS). Deviations from practice standards or outstanding clinical performance are subject to a formal peer review process for improvement (potential loss of privileges) or recognition, respectively (1.2a2). In addition, through the MEC and transparency of results, PP discuss the impact of individual performance on organizational performance at least monthly. For example, PP play a part in our discharge process and other efficiency metrics related to patient satisfaction. If a deviation is identified, individual PP performance will be analyzed and addressed to ensure targets are met.

To reinforce *Innovation* and intelligent risk-taking, the WF is evaluated on the Value of *Innovation* by their contributions to discover, develop, and implement new ideas, partnerships, and technologies using the 5-point rating scale. As a cycle of refinement, MHSL is launching an *Innovation* Academy in mid-2016 that will expand individual and collective *Innovation* potential and performance. As an *Innovation* to further deploy/capitalize on our Why Not Us thinking, each EP com-

F5.2-2 Sample WF ADVANCE Rewards & Recognition	
ADVANCE	**Reward/Recognition**
Align with Physicians	Annual Doctor of the Year, Best Communicator
Deliver Quality Care	Annual EP incentives, recognition at daily huddle & *Safety* Champion of the Month program, Dept Drop in Celebrations
Value Employees	EP/LT incentive bonus program, holiday gift, birthday cards & department recognition
Achieve Ops Targets	Annual EP incentive plan, EP and LT incentive bonus program, recognition at DOR & thank you notes
Nurture Growth & Innovation	EP and LT incentive bonus program, blood drive volume Incentive & recognition at GC, *Innovation* Award of Excellence
Consumer Centric	Annual EP incentive plan, department sponsored celebrations & You Got Caught Caring Cards with gold coins
Enhance Pop Health	MHHS incentive bonus program for ACO PP

pleted a "Why Not Me" statement in 2015/16 to more overtly connect them to this tangible belief. And, in mid-2016 we are integrating this statement into checks by the EP's leader to understand their progress and how MHSL can help. Deployment to PP leadership and VP is being planned.

Improvements to the System-wide evaluation process occur in *Collaboration* with MHHS using performance metrics, insight from industry thought leaders, and best practices. For example, in 2013 MHHS refined the process that requires all EP to complete a self-evaluation independently using the same tool and then have a Collaborative discussion during the actual review. Our local informal methods are evaluated for effectiveness using key WF and operational metrics, as well as discussions with the WF on what is working and what can be improved.

5.2b Workforce and Leader Development
5.2b(1) Learning and Development System: Learning and development are key to the component of the Cycle of Engagement (Growth), and ultimately the future success of MHHS and MHSL. The System invests heavily in development by providing segmented learning opportunities that support the SP and WF plan, individual needs (including ILPs), gaps in capability (5.1a1), the Talent Review system (5.2b3) and WF input on surveys and meetings related to desired education and training, e.g., to form a robust portfolio of methods (F5.2-3). These approaches are designed to enrich the WF experience, provide opportunities to expand knowledge, enhance *FCF* and focus on *Patient Safety*, and high reliability. They also address Strategic Action Plans, challenges, advantages, and advance both individual and organizational performance. The methods merge traditional classroom-style, online learning (PIL) models, tuition access, and conference attendance with a culture and organizational emphasis on learning and development through ongoing operations, systems, and processes.

Annually as part of the System (Phase A, B) and MHSL SPP (P1-2) key HR leaders develop education and training plans and offerings based on gaps in skills needed to achieve future short and long-term Action Plans, WF engagement results, and trended deviations in current organizational performance. For example, Management Essentials for Leaders (2015) focused on practical skills such as time management, delegation, and handling conflict through role-playing and discussion. In addition, key WF metrics (e.g. evaluations), overall BU performance, and best-practices are reviewed to identify and address emerging learning and development opportunities.

Learning is critical, and it begins on the first day (NEO) with introduction to our CC, their importance to culture, and processes MHSL uses to design, deliver, and manage service offerings (PDM/PRA) and execute ADVANCE. The CEO discusses the MVV, the SP, and any challenges we are working to address. In addition, in their first week, new EP join the entire LT at the Daily *Safety* huddle and articulate their expectations of leadership. New leaders attend a series of classes such as New Leader Orientation and the Jump Start program focused on leadership competencies. Additionally, leaders participate in LDIs and multiple development programs such as, Change Leadership, Retention Engine, and Crucial Conversations. We also have a repository known as "Leaders Corner" that offers a place for aspiring leaders to learn and share best practices. PP receive a personalized orientation by the Medical Staff of-

F5.2-3 Sample Learning and Development Approaches						
Focus	Approach|Frequency	Evaluation	CC	SA	SC	Sgmt
Patients	NEO (O)	Post-Evaluation	●	3	5	EP
	HCAHPS/PG (W)	Review of Results	●	3	2	LT
	Conferences (O)	Knowledge Transfer		3	5	WF
	Patient Safety (O)	Climate Survey	●	1	1	WF
Performance Improvement and *Innovation*	*Innovation* Academy (A)	P/P Assessment		6	5	LT
	i3 (M)	Ideas	●	6	5	WF
	PDCA (O)	Use		6	6	WF
	Baldrige/ADLI (O)	P/P Assessment	●	6	6	WF
	Lean Trainings (O)	Skill Evaluation		6	6	LT
	Data (i.e FMEA) (O)	Validity	●	6	6	LT
	Conferences/Webinars (O)	Knowledge Transfer	●	6	6	WF
Ethics	Medical Ethics (A) Business Ethics (A) HIPAA (A) Code of Conduct (A)	Results/Audits	●	1		WF
Leader Development	LDIs (A)	P/P Assessment	●	6	5	LT
	Conferences/Webinars (M)	Knowledge Transfer	●	3	5	WF
	Grad/Post-grad programs (O)	Knowledge Transfer	●	3	5	WF
Frequency: W-Weekly, M-Monthly, Q-Quarterly, A-Annually, O-Ongoing P/P = Pre/Post:SA-Strategic Advantages SC- Strategic Challenges (FP.2-3)						

fice, work through CMEs, and participate in annual leadership development training. As upcoming PP leaders are identified, they are provided opportunities for development. For example, PP who participate in MEC are offered opportunities to participate in leadership courses at Rice University and the UT Health Science Center. VP receive orientation, customer service (LOC, RELATE) and *Safety* training by our DVS and/or hospital staff.

PI, *Innovation*, and Organizational change is addressed through several methods to ensure the WF has the tools to Advance performance and bring to life Why Not Us. These include introduction to PDCA during orientation, exposure to Lean Six Sigma and ADLI as part of PI efforts, the Baldrige Framework during NEO, LT meetings, and participation in Baldrige and TAPE site visits. In addition, because MHSL is used as a beta site for many new MHHS processes, WF can test and launch new and/or upgraded enhancements to our systems before full deployment to other MHHS hospitals providing further experience in improvement and *Innovation* methods that can be translated for daily use (1.1a3). For example, MHSL led the deployment of "Power Chart Maternity" in the Labor and Delivery department. Our *Safety* Value is threaded through learning via *Safety* Coaches and, as noted earlier, we (MHSL) are deploying an *Innovation* Academy in mid-2016 and will focus on enhancing our competency and spreading the science and art of *Innovation* to the WF (See *Innovation* Plan (F6.1-4)).

All WF are trained in the Code of Conduct, supplemented by annual mandatory online re-education and re-signing of the conflict of interest, and HIPAA and medical ethics training. We improve focus on patients and other customers through various customer service trainings (LOC) emphasis during NEO, focus on high performance and patient engagement (PRA), and exposure to customer service best practices

(RELATE). Education from the System on health care reform and ACO development and WF SPP participation supports an increasing business acumen.

When a family member resigns or transfers, we ensure their knowledge and footprint remains through process documentation (before departure) and an exit survey/interview. New knowledge and skills are reinforced for use via direct observation, checklists and process compliance, and realignment of annual performance evaluations, to name a few, all increasing *Accountability*. For instance, VP complete annual (or as needed) post-training knowledge assessments for *Safety*, HIPAA, e.g., to help validate effectiveness and understanding.

5.2b(2) Learning and Development Effectiveness: With all learning and development, we should be able to correlate the impact on organizational and individual performance. To identify OFIs, MHHS assesses learning effectiveness at least annually analyzing pre-and-post competency testing, participant surveys and feedback, course attendance, percent of WF members meeting or exceeding expectations, and overall performance to ADVANCE Strategies. Changes can be made to the learning system during and outside of the SPP to ensure the WF have the skills they need to do their job effectively, such as adding a new offering. For example, in 2015, as part of our learning process we implemented training for caring for highly infectious patients (Ebola).

MHSL-specific learning and development (e.g. Baldrige, stage-gate review methods, CC) are assessed by ET/LT rounding, direct observation, surveys, and SP performance, with changes being made as needed depending on the opportunity. For example, we recently developed a Knowledge Management Committee to focus on correlating information from multiple sources to enhance learning and effectiveness.

5.2b(3) Career Progression: Career progression and succession planning is a component of the Cycle of Engagement (Growth) and is co-managed with MHHS, with the position determining the degree of System involvement. For example, PP can participate in the CPC, which demonstrates clinical leadership. We recognize that segmentation is an important part of career progression, with some EP who want to stay in their role and others who want to progress into new roles, both critical to our CC and performance. For those who want to progress up, MHSL uses the annual performance review to formally identify learning goals for EP and informal touch-points throughout the year to check for changes. These can be obtained by attending learning and development offerings (5.2b1), participation in continuing education and councils, CEUs, and tuition reimbursement that, together, will equip EP to progress in the organization by enhancing their knowledge and skills. In addition, MHSL supports WF progression, as appropriate, via: **1)** sending to state and national conferences, **2)** selection and participation in meetings and councils, **3)** organizational learning retreats (e.g. LT Retreat at SL Museum of Natural Science), **4)** and partnerships with schools, such as the Clinical *Safety* and Effectiveness program in Robust Process Improvement offered by University of Texas. VP board members attend their annual district meeting and conference offered by the Texas Association of Hospital Volunteers, which Advances their ability to help guide the organization.

Effective succession planning for management and leadership positions is accomplished using the Talent Review System, which identifies clear leadership competencies individuals must possess to become a manager or leader. The Talent Review is an annual process designed to review the performance and potential of leaders and to engage and retain leadership talent (addresses SC#5). It provides an analysis of MHHS leadership resources and is an input to leadership development and succession planning. The desired outcome is to identify high performers who can build the leadership pipeline. This process allows leaders to create Talent Action Plans (TAP) to sustain and track results of developmental actions and strategies for leaders. In 2013, TAPs were mandatory for all high potential System executives.

Each year, ET and LT review the talent of their team, identifying leaders who are ready to advance or those in the near future. They also evaluate MHSL bench strength for future leadership opportunities. At least annually, MHHS and MHSL review the career and succession planning processes to identify improvement opportunities using feedback from the EP, job competency assessments, promotions and newly created positions. For example, MHHS revised (in 2016) and implemented a 360 process (for all high potential executives) that provides feedback from peers and leadership to encourage growth and development.

6 Operations Focus
6.1 Work Processes
6.1a Service and Process Design
6.1a(1) Service and Process Requirements: Key health care requirements for services, the Work System (F2.1-3), and work processes are found in (F6.1-2). The requirements are systematically determined at three levels: **1)** External, **2)** Internal, and **3)** Evidence-based through *Collaboration* with MHHS and by the ET and SC. (See 6.1b3 CC integration) The need for a new refinement to existing health care services or work processes can be identified during the SPP ((P1-2) or throughout the year)) as we monitor changes in the market or customer needs, and manage the effectiveness of our services and processes through continuous data review and the PRA. External requirements are determined via the VOC (F3.1-1), scanning for any regulatory requirements, and other key stakeholder expectations such as suppliers, partners, and collaborators through meetings and contract/performance reviews. Internally, we integrate direction from MHHS through the SPP & other policies to create the *One Memorial Hermann* experience, as well as the WF needs for reliable execution of a service or process (5.2a3). For example, process requirements can be discussed during MEC meetings for clinical assessment and treatment requirements, monthly LT meetings for changes and new process expectations, and engaging the WF, as appropriate, in PI efforts. Finally, Evidence-Based information such as literature reviews from peer-reviewed journals, industry thought-leaders, and other high-performing organizations are used to identify and integrate best practices. Together, these levels provide a comprehensive approach (validated via PRA & improved via PDM) to ensure our services and process reflect the needs of all stakeholders, as well as provide insight into how to include best practices and the potential to Innovate beyond evidence-based information.

6.1a(2) Design Concepts: MHHS's Mission to provide high-quality health services guides how MHSL designs our services and accompanying work processes. High quality means

we provide services through processes that are reliable, are *Results Oriented* and perform to or exceed expectations, and create continuous value for all stakeholders. Services/processes are either designed and modified using PDM integrating management-by-fact sources (6.1a1) and from our SPP, the PRA, and our ongoing PI and *Innovation* efforts. Tools such as i3, Welcome the Wow, Stage Gate Review, and our belief in Why Not Us, enhance our thinking and execution of service and process design excellence.

Why Not Us is about something greater than just achieving an arbitrary customer value equation. While important, value must be understood to be very customer-subjective. Our approach to determining processes and support requirements is based on fact-based stakeholder data, and we believe value is achieved by meeting those expectations reliably through our service and process delivery. However, we also recognize that value is personal and we try to build services and processes that reflect healthcare's uniqueness and to better align with our desire not just to provide customer value and *Compassion*, but provide an exceptional experience. *FCF* is one vehicle for this personalization. The PDM (F6.1-1) is the method we use to systematically design services and processes to meet and exceed requirements and support our Results Orientation.

As the first MHHS facility to use the Baldrige Framework as a means of achieving sustained excellence, we adopted an innovative approach to design using an ADLI stage-gate methodology. ADLI is not a replacement for our current suite of design and improvement tools; rather, it is used in conjunction with these tools to ensure our design approaches are well-ordered and repeatable, fully-deployed, subject to measurement, learning and improvement, and in alignment/integrated with key targets and stakeholder requirements. Integrating ADLI into our PDM is an intentional effort to reduce the likelihood of failures in repeatability and deployment, which often lead to waste, errors, and inefficiencies.

The ADLI stage-gate methodology incorporates best practices for project/service design, whereby the process is separated by phases (or gates) and are used to clarify the actions needed within each gate before continuing to the next phase or gate. The gates provide an opportunity to pause and assess progress to goals, make a continue/discontinue decision (go/no-go), including the quality and effectiveness of the design, before moving to the next step, helping to reduce waste and variation from poor design, as well as providing a mechanism for agility. Before starting and throughout a PDM effort, we work with MHHS to learn, understand resources and expertise, and internal best practices and knowledge to increase efficiency and effectiveness (SA6). Major design steps include: **1)** establishing alignment to MVV, ADVANCE, our focus on *Safety*, *FCF*, and MHHS feeder-strategy; **2)** identifying a lead and multidisciplinary team; **3)** review of internal and external stakeholder requirements to capitalize on organizational knowledge and ensure customer value; **4)** design method determination (e.g. PDCA, Lean Six Sigma, A3s, or another System-driven method); **5)** review of best practices, evidence-based medicine, service excellence, and knowledge from internal and external sources (e.g. other MHHS BUs); **6)** ideation techniques such as brainstorming and scenarios to stimulate creativity and identify possible intelligent risks (F1.1-3); **7)** develop process maps to foster repeatability, reduce waste, and understand potential

F6.1-1 Process Design Methodology (PDM)

Approach		Integrate (Happens Throughout PDM)	
	Identify new service, design, or PI need		Align priorities with MHSL MVV & SPP
	Identify process owners & teams		
	Identify, validate stakeholder req./Ensure value		Establish communication mechanisms
	Determine design/improvement methodology (PDCA/Lean Six Sigma/FMEA)		
	Regulatory requirements & best practices/service excellence		Ensure measures are appropriate & cascaded through scorecards
	Develop business plan (cost/benefit analysis)		
	Integrate technology and MHHS-wide knowledge		
	Safety/Ethical considerations		Work system integration, education, training, etc.
	Ideation technique, design/map processes, identify efficiency/effectiveness & *Safety* concerns		
	Determine Work System, support process impact		
	Develop Success/Failure Thresholds		Implement reporting processes to ensure *Accountability* and Sustainability
	Establish benchmarks & Metrics		
	Pilot the process		
	Stage Gate Review (Go/No Go)		
Deploy	Develop education and implementation roll-out plan		**Stage Gate Review** (Go/No Go) **WHY NOT US**
	Create supporting policies/procedures		
	Educate and train		
	Stage Gate Review (Go/No Go)		
Learn	Analyze Measures (see PRA)		
	Share Improvements and *Innovations*		
	Evaluate opportunities for continued improvements and *Innovations & Sustainability*		
	Stage Gate Review (Go/No Go)		

Work System impact; **8)** scanning for technology solutions that might increase efficiency and *Safety*; **9)** identification of outcome/process metrics for monitoring, agility, and reliability; **10)** pilot testing and FMEAs to ensure the process functions as designed when implemented; **11)** a deployment/implementation plan inclusive of education/training, updates to job requirements and policies/protocols, and communication, as appropriate; and **12)** *Accountability* via ongoing reviews (PRA, etc.). After the Approach stage, we finalize the implementation plan, including modifications to policies, procedures, job descriptions, accountabilities, and add needed training to support design execution (Deploy). Once deployed, we Learn through monitoring of key measures via PRA, identify opportunities for improvement and *Innovation*, and share experiences with appropriate departments and BUs to raise MHSL/MHHS performance and execute sustainability plans.

At least annually, the PI Committee reviews the PDM for efficiency and opportunities to improve and innovate the overall approach using process effectiveness metrics, such as the performance of designed services and processes. For example, the addition of failure/success thresholds was added to ensure a clear understanding of when to stop or continue a process (formalized in 2016).

6.1b Process Management
6.1b(1) Process Implementation: Ensuring process requirements (F6.1-2,3) and key process measures are met is the day-to-day responsibility of the entire WF. We consider this a fundamental responsibility of *FCF, Collaboration, & Accountability*. The ET, LT, and key process owners manage and monitor the performance of key processes using both process and outcome

metrics and the VOC tools to identify any changing needs that may impact the efficacy of a service/process. Key methods to ensure processes operate as designed include: **1)** transparency in targets shared via the SP deployment steps (2.2a2, P4) that clearly communicate the focus and how each member aids the overall achievement through individual performance expectations; **2)** use of the Daily Flash and/or OA report that delivers real-time tracking of clinical and operational performance; **3)** the daily *Safety* huddle during which operations and any deviation is identified for quick remediation; **4)** the PRA (F4.1-1); **5)** formally, via a review of key work processes; and **6)** informally, through rounding when the WF can raise performance opportunities to ensure process requirements are met every time. Our comprehensive approach in the PDM with pilot testing, education of the WF, and aligning job descriptions with executing services and processes according to standards and policies are designed purposefully for success. Additionally, audits and redundant hardwiring systems ensure requirements are met, and opportunities to improve are identified. For example, given the importance of data and information, our IT systems have multiple redundancies to ensure continuous operation should an event occur.

The measures outlined in (F6.1-2,3) are based on key internal and external requirements identified during the Approach step of PDM and are explicitly linked to driving high quality and high-performance outcomes for each of our services at Distinguished levels of performance, i.e. Preeminence.

6.1b(2) Patient Expectations and Preferences: Patient preferences, needs, and expectations are addressed in multiple ways to support our CC and the *One Memorial Hermann* experience: **1)** based on learning from the VOC methods, with regard to requirements that apply to all patients; **2)** individually, through the admission process where patients/families are asked to describe their goals or expectations. Goals are documented in their chart and on the communication board in each patient's room stimulating ongoing patient/family involvement in care decisions and encouraging EP/PP to note and align healthcare service delivery with patient/family preferences. Information obtained during patient assessment is used to develop an individualized plan of care and to manage and meet patient expectations; **3)** on an ongoing basis, each patient/family is invited to participate in decision-making regarding their care as a standard of nurse/PP rounding; and **4)** assessment throughout the care delivery process, which is updated upon each patient transfer, a change in caregivers, or any significant change in the patient's condition to ensure an error-free transition. Information on patient expectations is passed along through each subsequent key work process (i.e. through Access, Treatment, Transitions) via the EMR. Additionally, fully deployed shift change meetings systematically ensure consistent consideration of these preferences. At the beginning of a shift, all nurses ask their patients if their goals and expectations have changed. Leader rounding provides another opportunity for validation of care, *Accountability* & patient feedback.

Accessing healthcare can be an anxious time, whether for treatment or for the wonderful experience of giving birth to a new life. It requires *Compassion* and understanding through continuous communication, *Collaboration* across the delivery team, and a focus on the individual's needs. Across IP, OP, and

F6.1-2 Sample Key Work Process Requirements & Measures				
Key Process	**Require-ments**	**Process Measures**	**I/O**	**Results**
Access	Timely/ Safe/ Efficient	EC Care complete to IP bed	I	F7.1-16b
	Timely/ Safe/ Efficient	EC Total Length of Stay	O	F7.1-16a
	Timely	Overall EC patient satisfaction	O	F7.2-6
	Timely	Left Without Being Seen	I	F7.1-17
	Efficient	MD satisfaction - admit process	O	F7.1-25
	Timely	Patient satisfaction with admission process	O	AOS
	Efficient	PP satisfaction with ease of scheduling diagnostic tests	O	F7.1-25
Care Treatment	Safe	eOrdering compliance/rate	I	F7.1-26
	Efficient	PP satisfaction with efficiency of hospital operations	O	F7.1-25
	Safe/ Effective	Hospital Acquired Pressure Ulcers (HAPU)	O	F7.1-11
	Safe/ Effective	Overall hand hygiene Compliance	I	F7.1-8
	Effective	Blood culture contamination rate	I	F7.1-13
	Safe/ Effective	CLABSI Rate - ICU/floor	O	F7.1-10
Transitions of Care	Efficient/ Timely	Patient satisfaction with discharge process (HCAHPS)	O	AOS
	Effective	Lipid lowering agent at discharge for AMI	I	AOS
	Efficient	MD satisfaction with coordination of care at discharge	O	F7.1-25
	Efficient/ Timely	STAT Operating Room (OR) turnaround time	I	F7.1-22
I -In Process Measures O-Outcome Measures AOS- Available on Site				

(Left vertical header spanning full table: Work System (Guided by Family Caring for Family))

EC, MHSL uses clear means to explain to patients what they can expect in advance of health care delivery (BDA). As part of our ongoing cycle of learning, we enhanced patient rounding in the fall of 2015 with the goal of each leader rounding on patients to ensure *Accountability* and that patients' preferences and expectations are being met, while previous rounding efforts were nursing exclusive.

To improve processes for patient expectations and preferences, satisfaction surveys and post-discharge callbacks capture feedback that is collected and disseminated monthly, identifying both strengths and opportunities for improvement in each work area along with our *FCF* approach to collaborating with the patient and family for their care, e.g. LOC.

6.1b(3) Support Processes: Key support processes (F6.1-3) are determined from four sources: **1)** MHHS; **2)** traditional health delivery processes; **3)** those needed to execute our health services, Work System, and work processes during PDM, improvement efforts, or the SPP; and **4)** those that integrate with our CC. First, MHHS manages and continually improves industry-leading support processes that are leveraged throughout the System to assist in creating standardized approaches for the delivery of services and to create a uniform MHHS experience for customers and the WF no matter where you go to seek care or work. In doing so, errors are reduced, and WF can move throughout the System without having to learn new methods. In

addition, it sets a standard of care – *One Memorial Hermann* – that patients can expect regardless of where they access MHHS. Second, support processes are derived from the historical nature of health delivery. For instance, facilities management, dietary, and supplies are comprised of support mechanisms that have evolved with the delivery of health care and are standard components of MHHS. Third, MHSL creates the opportunity within the PDM (Approach), during PI, and the SPP to review if existing support processes will deliver the service or process effectively, and if not, to develop new ones. Fourth, and as part of an annual cycle of improvement, in 2016 we enhanced our method for determining support processes with formal CC integration. For example, the need for a SWAT nurse was identified when considering the needs of organizational support processes and the impact on our WF and the patient in conjunction with both our CC.

Support processes are implemented and managed (PRA) by both MHSL and MHHS, as appropriate, to ensure they meet support requirements. As we implement processes and track direct and indirect metrics of performance, we can have a two-way dialogue with the System on opportunities for improvement, something we are asked to provide as the end-users of these System-driven support processes. The approaches to determine support requirements are evaluated at least annually (MHHS) and ongoing (MHHS/SL) during the review of PDM, execution of processes, and PI, to name a few.

6.1b(4) Service and Process Improvement: Improving processes and services to achieve new levels of excellence and strengthen our CC is a systematic component of our culture, pursuit of Preeminence, and Why Not Us thinking. We thrive on our engaged WF who are *Empowered* to continuously seek out ways to reduce variability, waste, and improve the overall experience for our stakeholders. As such, we integrate **1)** Proactive and **2)** Reactive approaches to improvement and reduce variable performance in our Work System, key processes, and services. Our goal is to eliminate variability through our disciplined and rigorous PDM stage-gate process that integrates best practices, validation of stakeholder requirements, with clear process and outcome metrics, FMEAs, and stringent pilot-testing to ensure the process is designed the right way, the first time. With that as our goal, and with environmental changes occurring frequently, it is critical to track our performance to identify if a process/service is not meeting expectations and use our agility to quickly course-correct.

Processes and health services are improved based on review of in-process and outcome metrics (4.1 & 6.1b1) by process owners who are managing the processes and services on a day-to-day basis using a variety of scorecards and reports. The ET, LT, and SC, as described in (4.1b,c3), monitor performance, identifying opportunities for failure and variability. After appropriate analysis of variation trends, leadership and process owners initiate the PDM that follows ADLI for PI efforts using specific tools, such as Lean, PDCA, or Six Sigma, as appropriate (based on the type of improvement). Specifically, depending on the severity of performance and other factors such as linkage to a customer requirement, a regulatory requirement or alignment to the ADVANCE Strategies, the opportunity may be raised to the organization level, where the appropriate SC (and/or ET) will determine the methods and resources needed
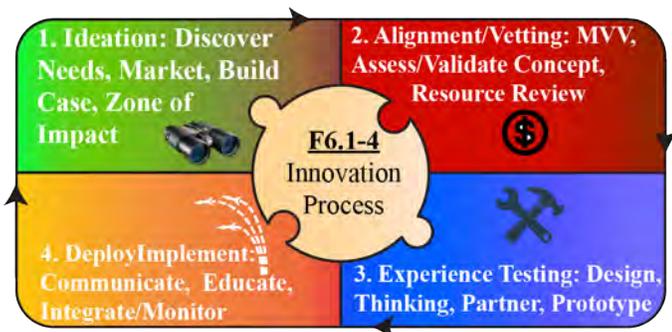
F6.1-3 Sample Key Support Processes, Requirements & Measures				
Key Support Process	Key Requirement	Measure	I/O	Results
1) People (HR)				
Recruitment	Effective	Vacancy rates	O	AOS
Retention	Effective	Retention rate	O	F7.3-2
Satisfaction	Effective	EP engagement survey	O	F7.3-9-12
		Onboarding of new EPs	O	F7.3-13
Workplace	Safe	OSHA recordable injuries	O	F7.3-6
Development	Effective	Education & training hours	I	F7.3-14
2) Operations Excellence-Billing/Financial Management				
Operational Efficiency	Efficiency	FTE/AOB	I	F7.1-25
		Productivity	O	F7.1-25
		CMI-Adj LOS	O	F7.1-7
Financial Performance	Effective	Operating margin	O	F7.5-3
		Net revenue	O	F7.5-4
		EBIDA	O	F7.5-1
3) Services				
Environmental	Effective	Room cleanliness	O	F7.2-12
	Efficiency	Waste recycling-pounds	O	F7.4-9
		Linen utilization	O	F7.1-30
Facilities Management	Timely	Work order completion rate	I	AOS
	Efficient	Energy efficiency	O	F7.4-9
Supplies & Materials (MHHS)	Efficiency/ Timely	Cost savings	O	AOS
		Order fill time	I	AOS
		CT report turnaround	I	F7.1-21
Information Systems	Timely	Response time	O	F7.1-23
	Efficient	Unscheduled downtime	O	AOS
I -In Process Measures, O-Outcome Measures, AOS- Available on Site				

to address the issue effectively. In the fall of 2015, a multidisciplinary team reviewed our NSQIP surgical outcomes that needed focused attention at MHSL for RPI to root out weaknesses and gaps and embed evidence-based learning and potential *Innovation* into every process.

As a part of MHHS, we have access to an extensive portfolio of improvement expertise and knowledge that we can access to improve processes and services at MHSL. For example, the System has several Six Sigma black belts, and we can utilize experience of other BUs who have addressed similar opportunities, which helped to create enormous efficiencies and the ability to build upon the great work of our MHHS colleagues.

At MHSL, we review our approach to improvement continuously, using the Baldrige Framework, System resources, external best-practices, and even hiring individuals who possess particular expertise in PI. For example, in 2014 we strengthened our local improvement capabilities by bringing in more WF talent with background in project management, Six Sigma, and performance excellence, resulting in greater discipline on process excellence.

6.1c Innovation Management: *Innovation* is part of our DNA, and we have nurtured and strengthened our approaches over time (1.1a3, 2.1a2). It lives in our Why Not Us thinking and is manifested through several intentional reinforcing methods that create a culture of *Empowerment* leading to *Innovation* and transformation. As we learn more about *Innovation*, we have re-

1. Ideation: Discover Needs, Market, Build Case, Zone of Impact

2. Alignment/Vetting: MVV, Assess/Validate Concept, Resource Review

F6.1-4 Innovation Process

4. DeployImplement: Communicate, Educate, Integrate/Monitor

3. Experience Testing: Design, Thinking, Partner, Prototype

fined our thinking to formalize some elements, but we do it cautiously, acknowledging the organic nature of creativity and the *FCF* culture where our talented WF are helping MHSL explore ways to change the delivery of health services and care (iPlan AOS). We continuously think about our work (Why Not Us), acknowledging our competitive environment and the changing expectations of a more consumer-driven industry. Our goal is to be, and remain, a leader in differentiation – to transform the model of care delivery, to go beyond value and make change via the Zones of Impact (F6.1-4). But we know and accept that *Innovation*, transformation, and impact at the level we seek, takes time. It is rarely a flip of the switch. We are patiently aggressive and visionary in our thinking and setting the foundation for long-term differentiation.

As the Baldrige Criteria represent a framework for organizational success, we have intentionally used the Categories as a Framework for Managing *Innovation* with specific approaches: **1)** Leadership – an open culture that fosters WF ownership in *Innovation*, expects ideas (e.g. i3.), Empowers all via testing new concepts (never compromising *Safety*), rounding for inconvenience, being a pilot site, and reinforcing Why Not Us thinking; **2)** Strategy – through Welcoming the Wow, our iPlan, and IQR (2.1a2); **3)** Customers – via the segmented VOC methods which are scanned for new and emerging requirements that feed our Innovative thinking and potential new offerings; **4)** Measurement and Knowledge – the use of the iCard with the "N" Strategy, the iPlan, VB, *Innovation* Climate Survey, and i3 system of idea repository. i3 has a 3-part goal of *Innovation*, Inspiration & Ideas to further our innovative WF and culture by electronically capturing and implementing ideas on ways to improve the stakeholder experience. For example, an i3 effort developed a mechanism for leaders to receive anonymous feedback from staff on their individual performance via a standardized signature line in every email, which also includes a link to submit Improvement/*Innovation* ideas; **5)** Workforce – where we embed *Innovation* in performance evaluations, recognition (*Innovation* Award of Excellence), Why Not Me statements, and the forthcoming iAcademy; and **6)** Operations – formalization of our *Innovation* Process (F6.1-4) and the Zones of Impact that are built off of the MHSL culture and *Innovation*-related structures, PDM integration, and participation in the MHHS *Innovation* efforts, and our work on reducing inconvenience. For example in 2014, a suggestion was made to add a part to hold the cartridge in place for lab equipment during point-of-care testing, so staff do not have to hold the cartridge, which was cumbersome and inconvenient manually. As an enhancement, in late 2014 LT identified the top areas of perceived internal or external inconvenience within each of their departments. Then, each department created an inconvenience scorecard with a goal to reduce by a certain percentage depending on the com-

plexity of those identified. This has lead to a growing list of *Innovation* measures (Results) that are early in their use and virtually uncharted in the health care industry.

All suggested Strategic Opportunities are reviewed and prioritized by ET to identify those that offer the greatest likelihood of return on investment (with linkage to IQR). Those that are believed to create a return (financial or otherwise) are integrated into our financial management processes (during the SPP and throughout the year) and might mean delaying or discontinuing something else, depending on the impact of stopping the current opportunity being pursued and the impact (Zones) of the new opportunity. Additionally, if an *Innovation* is not meeting established expectations (during pilot or after implementation), we will discontinue pursuit. For example, in 2014 we invested in an electronic rounding tool that would redefine internal workflows and patient feedback. After the planned pilot phase, the impact and value did not meet expectations end, so we ultimately discontinued the opportunity.

Innovation is elastic. To date, our methods have stretched our culture and leveraged the threaded Value of *Innovation* with balancing formal and informal approaches to *Innovation* management. We know we are not done. We systematically improve our *Innovation* methods through access to *Innovation* experts, researching the field, studying other industries, and specific *Innovation* (iCard). For example, our Welcoming the WOW sessions, and the launching of the iAcademy are all evidence of our legacy of driving Innovative thought and possibility. Why Not Us?

6.2 Operational Effectiveness
6.2a Process Efficiency & Effectiveness
Cost Control: Given the intensity of competition in the region and MHHS's commitment to reducing the adverse impact of rising healthcare costs, efficient management of expenses is a non-negotiable imperative. Our approach to reducing the overall costs (including rework, audits, and inspections) balances patient/customer needs, our fiduciary duty to the organization, and our obligation to the larger community to ensure we are financially responsible and sustainable. To do so, we integrate three methods: **1)** In everything we do, the patient and *Patient Safety* is the driver and never compromised. We provide a unique and Safe experience by integrating their requirements in services, Work System, and process design, while at the same time balancing internal expectations such as thresholds for cycle time, productivity, *Safety* checks and balances, and error-reducing techniques including back-ups, FMEAs, process redundancies, and the use of other performance improvement methods. In addition, the Approach phase of the PDM uses thorough pilot testing before implementation, exposing errors that might lead to harm and/or an increased cost to be identified and resolved. There is no "cookie-cutter" approach to this balance, but each situation is evaluated individually to understand the short and long-term impact on our customer and our operations. **2)** Use of System-wide requirements and best practices have been proven to reduce errors and waste, and/ or increase overall process efficiency. For example, a Central Line and Urinary Catheter Infection Prevention Bundle Checklist was piloted on the Med-Surg Unit and based on improvements, this checklist was transferred to the ICU and is now integrated into our EMR. **3)** The WF is engaged in controlling the day-to-day costs of the processes they execute and/ or oversee to ensure key processes are functioning within budget

and operational thresholds. All BU submit budgets in their areas of responsibility for MHHS review, and each department leader must address any budget variances at monthly DOR meetings. We also engage the front-line WF via i3 and Good Catches to help spot waste and *Safety* concerns and report them to their supervisor and/or address immediately, in the case of a *Patient Safety* issue.

Safety trumps everything and is a Core Value that is immutable. If we cannot promise a safe and highly reliable experience for every patient, every time, then we have failed those we serve and cannot claim *FCF* or *Patient Safety* as our CC. As described in (1.1a3), MHHS and MHSL address *Safety* by creating an open environment for reporting *Safety* concerns. VRS, policies & protocols that set clear expectations on how processes are to be executed each time, *Safety* measures that serve as both alerts to potential *Safety* issues and overall *Safety* performance, and WF training. Other *Safety* issues are prevented through: **1)** Simplification and Standardization of processes, **2)** Technology, **3)** Programs and Education, **4)** Audits and Inspections, and **5)** integral part of the PDM (6.1a1).

Simplification & Standardization: Within the Approach phase of PDM, process maps, the insertion of clear, repeatable steps, and efficiency practices help to reduce process complexity, which is a major contributor to *Safety* issues. The integration of best practices also reduces complexity through proven practices that produce the best outcome, which are monitored closely by process leaders through metrics to ensure there are no deviations. Standardization by PI teams includes process mapping, evidence-based bundles of care that reduce variation, checklists, and operational protocols based on harm avoidance to both the provider and end-user. QC and the PI Committee reviews associated metrics monthly, and as a cycle of learning, we have added a stakeholder buy-in step to assure the end users have a hand in simplification and standardization.

Technology: The use and integration of technology into work processes reduces human error. Safeguards resulting from comprehensive EMR deployment prevent unnecessary rework and errors by alerting clinicians to potential drug interactions. Auto-task lists remind staff of the steps to follow in assessment and treatment to prevent errors. CPOE ensures legibility of prescriptions and instructions and also provides evidence-based guidelines. Our VRS database monitors key process requirements and collects all variances in patient outcomes, such as medication errors, hospital-acquired pressure ulcers, falls, and adverse drug reactions. Automated notifications of variances are immediately sent to process owners as well as quality and risk management staff.

Programs & Education: MHHS has added *Patient Safety* coaches to all departments who are trained in the science of *Patient Safety* (including best practices from aviation and nuclear power industries) and assist the BUs through observations, promoting and role playing *Patient Safety* behaviors, participating in monthly *Safety* coach meetings, and communicating updates to their unit. Every new EP receives *Safety* training called BIPS followed by annual education updates reviewing protocols and protective steps such as timeouts before initiating surgical procedures. EP members are *Empowered* and commended by leadership to speak up and stop anyone, including a PP who proceeds without observing a timeout. Our "Good Catch" program encourages reporting of near misses and potential errors. A *Safety* Champion is honored monthly, reinforcing our culture of *Safety* and *FCF*. PP are also required to participate in *Patient Safety* training to support

the organization's focus and to engage them in Safe work practices and behaviors. VP attends an annual *Safety* program and receives just-in-time training depending on their role. In addition, we have adopted and deployed *Patient Safety* rounds, where leaders visit each unit speaking with staff about potential *Safety* concerns. Our Filter Committee (FC), composed of the CNO, CMO, Risk and Education Director, Quality Director, and *Patient Safety* Specialist, analyzes all *Safety*-related variances for opportunities and learning. Should a Serious *Safety* Event (SSE) occur, the FC assembles a team immediately to conduct an RCA to prevent a re-occurrence and adopt an improvement plan if the occurrence reveals a pattern of possible risk to the patient or the WF.

Audits & Inspections: MHSL's comprehensive reliance on automated reporting, screening, auditing, analysis mechanisms built into the EMR and VRS, reduces costs associated with inspections, tests, and process or performance audits. The FC reviews VRS data at monthly meetings and develops Action Plans to address variances, improve performance, and manage communication of corrective actions. The *Safety* Committee conducts environmental rounding and mock surveys to identify process variations and *Safety* concerns, which are prioritized for action by the PI committee.

6.2b Supply-Chain Management: Supply chain management is an MHHS-managed process. Each BU has input into the selection of vendors and related products/materials and is responsible for coordinating the use and inventory of supplies within the System, as well as conducting performance reviews for the System to evaluate. MHHS screens and evaluates prospective vendors using established and very stringent criteria relevant to each specific contracting process (AOS). Our automated supply scan inventory and charge process monitor inventory levels, costs, and departmental variances, which the DOR reviews monthly, with variances communicated to MHHS Supply Chain Committee. Performance reviews of key suppliers are conducted quarterly and submitted to MHHS materials management staff, which meets with supplier representatives to discuss customer satisfaction and develop corrective Action Plans and timelines in cases of sub-par performance. Should poor performance continue, new suppliers/vendors are identified, considered and vetted through the MHHS supplier contracting process.

6.2c Safety and Emergency Preparedness
6.2c(1) Safety: Providing a Safe operating environment at MHSL is a WF requirement and organizational expectation of *FCF*. To ensure our WF can feel confident they are working in a safe place (5.1b1), our *Safety* system includes: **1)** policies and protocols for a safe environment; **2)** education and training; **3)** back-up checks; and **4)** PDM. First, MHSL (aligning with MHHS) adheres to the highest level of facility *Safety* standards concerning cleanliness and facility design to enhance *Safety*, with regular inspections and review of the environment of care standards where *Safety* issues are immediately addressed. In addition, to keep *Safety* at the forefront of what we do, daily 15-minute leadership *Safety* Huddles are held to share and discuss *Safety* concerns, as well as to celebrate *Safety* successes (e.g. a number of days without a patient fall or an OSHA-recordable injury). Summaries of any substantive discussions occurring at *Safety* huddles are e-mailed to all staff to create facility-wide awareness. Second, all MHSL WF participate in an established schedule of *Safety* drills, as indicated in (F6.2-1), along with mandatory annual training on preventing back injuries,

F6.2-1 *Safety* Emergency Preparedness Plan			
	Prevention/Mitigation	**Continuity of Operations**	**Recovery**
Approach	Comprehensive assessment of potential risks & probability; planning for each potential risk	Emergency Management Plans address processes to ensure continuous, non-stop operations during disaster (i.e. staffing, downtime process); processes to address system failures (Supplies, communication, electricity, medications); Procedures for emergency privileging of PP/EP	Systems in place to restore operations; Loss Recovery Insurance in place
Deployment	Develop Roll Out Plan; Implement Education & Training; Schedule Drills;	Perform Drills with emphasis on assessment of operations	Review of Performance During Recovery
Learning	Analyze Results; Utilize PDCA Performance Improvement Methodology	Share Improvements & Recommendations across departments/facilities	Conduct after action reviews to identify opportunities for improvement
Integration	Ensure Plans, processes, results support the organizational strategies; Utilize PDCA Methodology and Education	Review plans effectiveness and alignment with strategic objectives	Evaluation of results of all drills & annual assessment of competencies

bloodborne pathogen exposures, and general WF *Safety*. Third, redundancy checks limit WF injuries, such as annual WF injury prevention education, use of needle-less equipment, *Safety* checklists, computer alerts and *Safety* behavior training on using a questioning attitude, speaking up for *Safety*, and escalation. Lastly, through PDM and its focus on *Safety*, FMEAs, and pilot testing, we reduce the likelihood of accidents (F7.3-8a).

Operating environment risk assessments are conducted proactively, and if a *Safety* lapse occurs, an RCA is completed with the process owner or department director to identify corrective actions and prevent the problem from reoccurring. MHHS supports maintenance of a safe operating environment by providing an on-site occupational health nurse, as well as technical assistance with RCA and PI. *Safety* coaches review scenarios and the *Safety* "behavior of the Month" at their monthly meetings and share this information with staff on their unit. The *Safety* coaches share success stories, nominate and select *Safety* Champions, and role-play peer mentoring. To reinforce *FCF* as the underpinning of our culture, we have implemented a hospital-wide cultural shift that encourages openness to anyone who says "I am concerned, this is for *Safety*," regardless of position.

6.2c(2) Emergency Preparedness: The Emergency Preparedness (EPP) Sub-Committee uses the PDM for annual review and revision of MHSL's comprehensive and systematic emergency plan, managed by the EOC/*Safety* Committee. Emergency preparedness drills take place at least twice a year, with a particular focus on any areas of deficiency identified during the previous exercise. MHSL also participates in regional, county, and community-level drills. Evaluation of each drill assesses readiness and results in cycles of improvement. Annual risk assessments, FMEAs, and hazard vulnerability enable analysis of various types of potential risk (F7.1-28). The emergency preparedness plan addresses each possible type of disaster or emergency, including natural disasters (especially hurricanes and floods), disease pandemics, chemical exposures, accidents with mass casualties, active shooters, bomb threats, and internal system failures. Downtime processes are in place for computer failures and other outages.

MHSL's Continuity-of-Operations Plan (AOS) includes the availability of backup generators and computer servers, as well as plans for emergency temporary credentialing, orientation, and rapid deployment of PP and other staff. Should our facility become inoperable, other MHHS facilities will take our patients through rapid mobilization of resources and methods to transport patients safely. Members of the EPP Subcommittee have received National Incident Management System (NIMS) training, decontamination training, and cross-training so that they can fulfill multiple patient care roles in an emergency. Backup mechanisms are also in place to provide food, water, supplies, medications, and communication in the event of prolonged loss of power (F7.1-28).

While we hope never to experience a disaster, the EPP sub-committee uses audits, observations, mock drills, and reviewing industry practices to keep the MHHS and MHSL emergency preparedness plan actionable and effective, should an emergency occur. For example, with the new construction project, we have engaged our contracted builder to participate in their own daily *Safety* huddle to help prevent issues that could lead to an emergency.

MHSL is fortunate to be in the position to help improve the quality of life for our community. We have the utmost belief in our power to influence and change healthcare in Houston, and perhaps for the country. Why Not Us is a palpable belief that motivates us to dream, energizes us to execute, and Empowers us to be bold. We focus on *FCF* and *Patient Safety* because it is essential to our success now and in the future. We set high-performance expectations because we believe that is the only way to deliver high quality and reliable healthcare. Success can be measured in a myriad of quantitative and qualitative measures, such as: a set of quality scores, patient satisfaction, workforce engagement, or even a simple letter of thanks from a patient. Perhaps what gives us the most confidence that we are on the right track is whether or not we are growing - are people choosing us over others who are larger, offer more services, and are better situated. We are proud of what our small hospital has accomplished and will accomplish with an amazing WF. The Journey of a thousand miles begins with one step. We will tirelessly pursue our Vision of Preeminence and our Journey to Excellence. Our work will never be done, our passion will never wane, and our drive to exceed everyone's expectations will always propel us forward. Why Not Us.

7 Results

7.1 Health Care Results and Processes

With the Vision to be the preeminent community hospital in the nation, our CC, and *Why Not Us* thinking, we use national, state and/or locally recognized comparisons where available (and applicable), and internal MHHS comparisons if none exist (4.1a2). We strive to find the best available sources in conjunction with the databases MHHS provides for the BUs. Please note, some sources only provide averages and use "all hospitals" in their calculations (and do not segment by size, service line, or patient volume) within their data sets. Lastly, to support High Reliability, MHHS often looks at care as a bundle, which limits comparisons from public data sources.

In terms of our Results, it is important to note and understand the significant impact of (Strategic Challenge 3,6) on our operations and results in the last few years. Given these challenges, and the competition, our performance levels in key areas has remained Good-to-Excellent, and show industry leadership. **The legend below will help with all graphs and tables. Results by Key Service Offerings are detailed with (1-10 or ALL) in Yellow text boxes (FP.1-1). Note, where applicable, we have compared to Former Baldrige Health Care Recipients.**

RED Legend References on Results Appear in Titles			
NRC (1)	NCA (2)	KCR (3)	ADVANCE (4)
No Relevant Comparison	No Comparison Available	Key Customer Requirement	Strategy
CC (5a,b)	VBP (6)	SA (7)	SC (8)
Core Competencies a) *FCF* b) Pt. *Safety*	Value Based Purchasing	Strategic Advantage	Strategic Challenge

7.1a Health Care And Patient-Focused Process Results

F7.1-1 MHSL SSE Rate Total & SSE I/II (4,6,5b,7)

Our (F7.1-1) Our CC of *Patient Safety,* and core value of *Safety*, and focus on Quality lead MHSL to strive for the best outcomes. A key health outcome is our Strategic Initiative to eliminate SSEs (the likelihood of causing temporary or permanent harm (II), disability or death (I)). SSEs I/II are a

F7.1-2 Do No Harm Bundle (HAI, PSI, SSI) (1,4,5b,6,7)
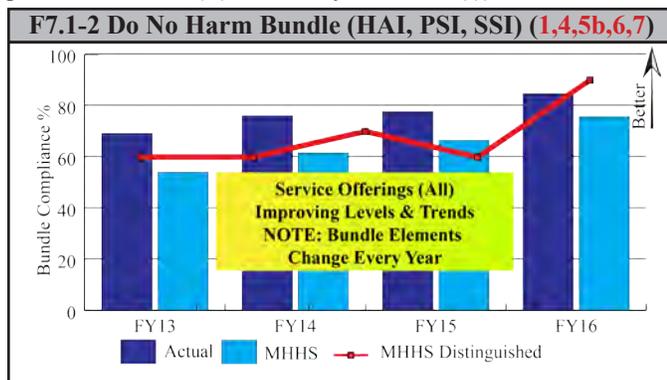
focus, but we look at all SSEs (lesser harm) at MHSL. With our relentless focus on High Reliability, MHSL saw a sharp decline in the overall SSE rate, and significantly outperforms national top decile demonstrating industry leadership since 2011.

(F7.1-2) Do No Harm is a key ADVANCE (D) roll up (bundle) of multiple measures set by MHHS demonstrating a comprehensive approach to quality & *Safety Accountability*. At the bundle level, comparisons do not exist; however MHSL is consistently above or at the Distinguished level. Full bundle detail AOS.

F7.1-3 *Patient Safety* Indicators (PSI)-Never Events (4,5b,6,7)					
Sample PSIs (ALL Service Offerings)	Nat Top Decile	FY 13	FY 14	FY 15	FY 16
Death in Low Mort DRG	0	0	0	0	0
Pressure Ulcer	0	0	0	0	0
Catheter Related BSI	0	0	0	0	0
Transfusion Reaction	0	0	0	0	0

(F7.1-3) Although, there is a risk of adverse outcomes in virtually any condition seen in an acute setting, adherence to standardized processes has led to an overall reduction in key quality & *Safety* measures. **MHSL has had sustained excellence at top decile across key Patient Safety Indicators (PSI) and Never Events demonstrating industry leadership.**

F7.1-4 Core Measure Composite Scores (Process) (3,4,5b,6,7)
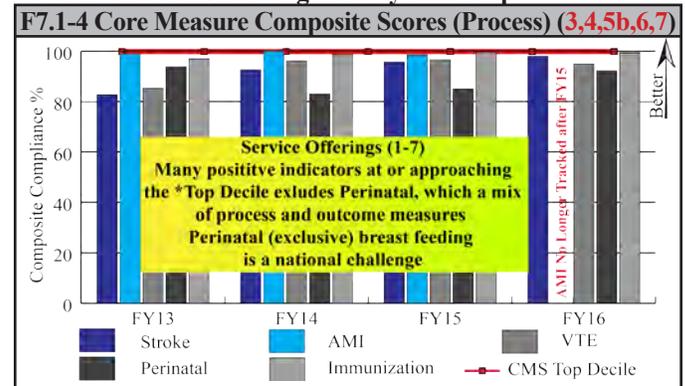
(F7.1-4) Another key ADVANCE (D) measure for delivering quality is the Core Measures Composite (a changing roll-up of process measures), which aligns with our focus on reliability. Full detail with local competitors (AOS). MHSL has consistently performed at the TJC Top Decile in most measures.

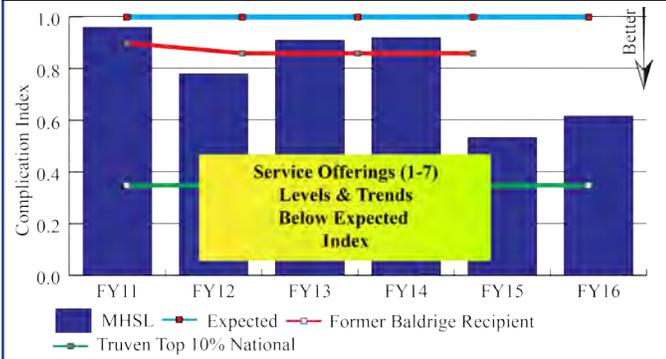**F7.1-5 AMI, PNU, CHF Adjusted Readmit Rates (3,4,5b,6,7)**
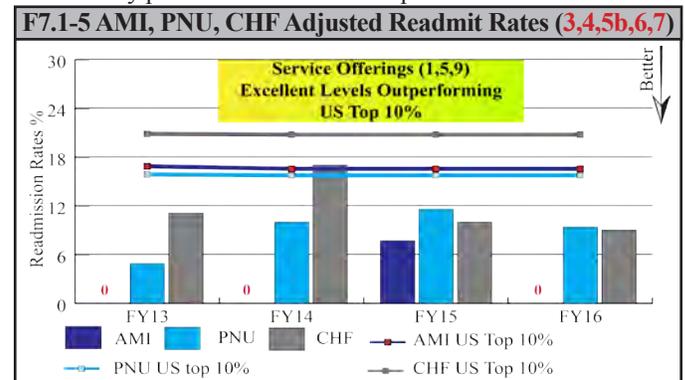
(F7.1-5) Unplanned readmissions to a hospital within 30 days are a metric used to judge the quality of care. An increase in case mix index severity has led to variation in risk-adjusted readmission rates for Congestive Heart Failure (CHF), and Pneumonia (PNU) diagnoses. However, MHSL performs below the US Top 10%.
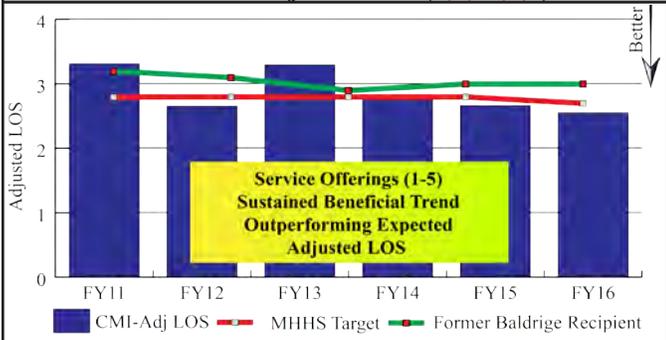
F7.1-6a Risk Adjusted Mortality Index (RAMI) (3,4,5b,6,7)

Service Offerings (1-7) Below Expected Mortality Rate with 13% Increase in CMI Severity

F7.1-6b Risk Adjusted Complication Index (RACI) (3,4,5b,6,7)

Service Offerings (1-7) Levels & Trends Below Expected Index

F7.1-7 CMI adjusted LOS (2,4,5b,6,7)

Service Offerings (1-5) Sustained Beneficial Trend Outperforming Expected Adjusted LOS

(F7.1-6a) Risk-adjusted mortality has outperformed the expected for hospitals since 2011 with an average of 0.62, meaning for every 100 patients seen, 40 more go home who would not have lived in other circumstances.

(F7.1-6b,7) Complication indexes, as well as case-mix adjusted LOS, are a key indicator of highly reliable care. MHSL has sustained a beneficial trend outperforming the expected top decile rate and former Baldrige recipient while seeing a sharp increase in volume and case-mix severity during FY14-15.

F7.1-8 SSI Rates & Hand Hygiene (HH) Compliance (3,4,5b)

HH Service Offerings (1-7) SSI Service Offerings (2-4) Sustained Beneficial Levels Outperforming Top Decile
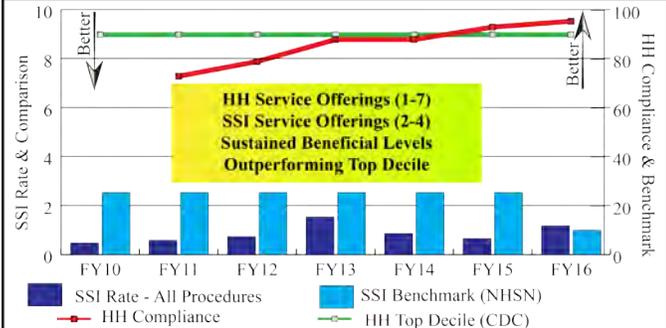
(F7.1-8) Adherence to infection control practices with a strong focus on hand hygiene, along with standardized pro-

cesses, policies, education, and *Accountability* has resulted in a reduction in our SSI rate, which is outperforming both benchmarks.

F7.1-9 Ventilator Acquired Pneumonia (VAP) Rate (3,4,5b)

Zero VAPs in 12 Years
Applies to Service Offerings (5)
Expected Deaths Avg 9% of Infection Rate
Equivalent Lives Saved= 4.25
$1.54 Million in Cost Avoidance
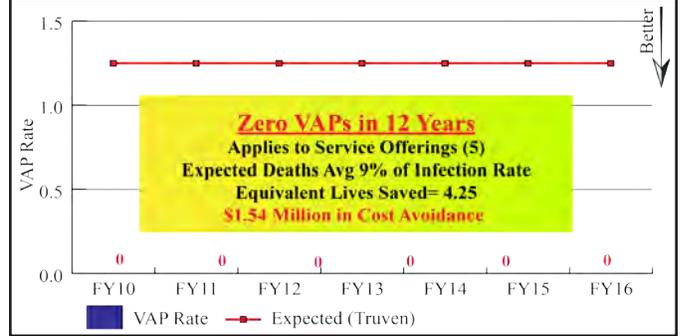
(F7.1-9) Bundle compliance is another mechanism to eliminate adverse outcomes including the decrease in VAP. Not only has MHSL demonstrated trended improvement in bundle compliance, we have had **ZERO VAP cases since 2003** resulting in estimating lives saved and cost avoidance of $1,540,000.

F7.1-10 CLABSI Infection Rate (3,4,5b)

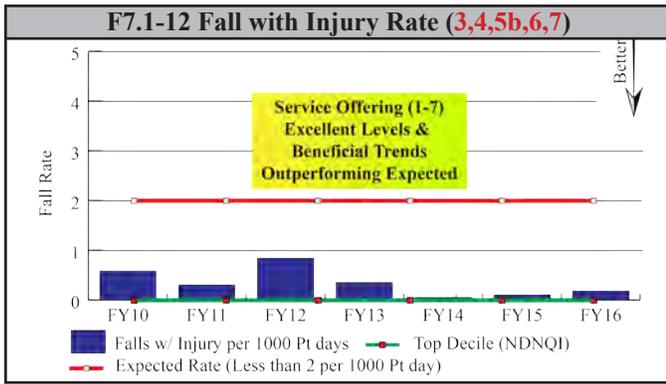*Service Offerings (1-5) Excellent Trends Approaching Hospital Compare Top Decile*
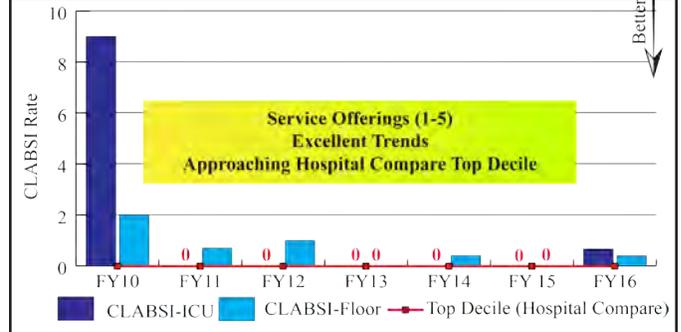
(F7.1-10) The risk of developing a hospital-acquired blood stream infection increases each day if daily care procedures are not followed. Overall CLABSI rate has remained at or below one for four years, and we have had only one ICU CLABSI in over 4 years.

F7.1-11 Stage III & IV HAPU (ICU/Floors) (3,4,5b,6,7)

Service Offerings (1, 2, 5) Zero in 7 Years Excellent Levels and Sustained Trends Compared to AHRQ & NDNQI Top Decile
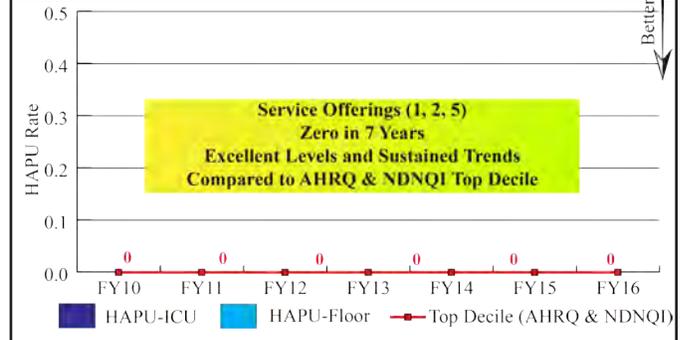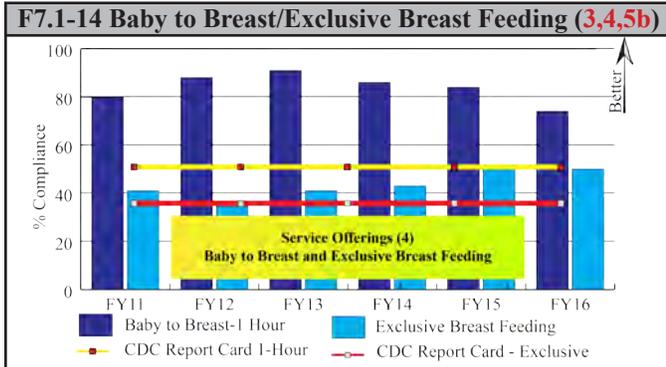
(F7.1-11) HAPUs are significant contributors to patient morbidity and increased cost. **Over the past seven years MHSL has had ZERO** occurrences of HAPU (pressure ulcers) stages III & IV, and has been recognized as an industry leader via invitations to present our processes at 4 national conferences.
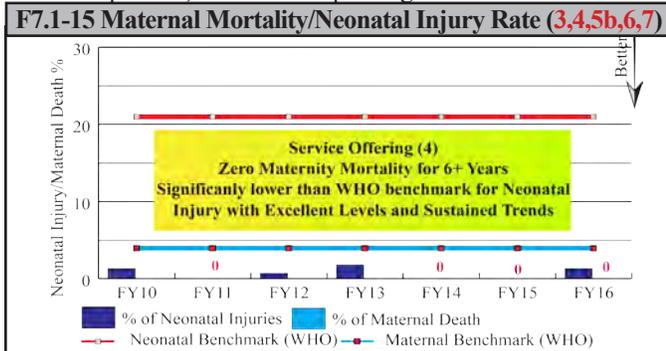
(F7.1-12) As a result of two falls in 2012, our falls prevention program was refined with enhanced rounding, a post fall "huddle" to identify root causes. Information is shared at daily *Safety* huddle and communicated to staff. These actions and our culture has led to one of the lowest injury rates in the nation, and being identified as a best practice by Vizient .

F7.1-12 Fall with Injury Rate (3,4,5b,6,7)

Service Offering (1-7)
Excellent Levels &
Beneficial Trends
Outperforming Expected

Legend: Falls w/ Injury per 1000 Pt days — Top Decile (NDNQI) — Expected Rate (Less than 2 per 1000 Pt day)

F7.1-13 Lab Blood Culture Contamination Rate (3,4,5b,6,7)

Service Offerings (6)
Minimal Increase in Contamination Rate
Commensurate with Increase in Volume

Legend: Cultures Contamination — National Benchmark (CLIA) — Samples Collected

(F7.1-13) Despite a year-over-year increase in lab specimens collected, the contamination rate has remained at less than **one-half of the benchmark rate for 3 years**, demonstrating MHSL's ability to manage rapidly increasing volumes while sustaining substantially better results compared to industry performance.

F7.1-14 Baby to Breast/Exclusive Breast Feeding (3,4,5b)

Service Offerings (4)
Baby to Breast and Exclusive Breast Feeding

Legend: Baby to Breast-1 Hour — Exclusive Breast Feeding — CDC Report Card 1-Hour — CDC Report Card - Exclusive

(F7.1-14) Improving the well-being of women, infants, and children is a national focus through the Healthy 2020 Campaign. Compliance of baby to breast within the 1st hour of birth and exclusivity demonstrate excellent levels compared to the CDC comparison, as well as improving or sustained trends .

F7.1-15 Maternal Mortality/Neonatal Injury Rate (3,4,5b,6,7)

Service Offering (4)
Zero Maternity Mortality for 6+ Years
Significantly lower than WHO benchmark for Neonatal
Injury with Excellent Levels and Sustained Trends

Legend: % of Neonatal Injuries — % of Maternal Death — Neonatal Benchmark (WHO) — Maternal Benchmark (WHO)

(F7.1-15) As the volume of deliveries continues to increase, we have had **ZERO maternal deaths for 6+ years** and consistently outperforms the World Health Organization (WHO) national average for infant injuries for the past three years.

7.1b(1) Process Effectiveness and Efficiency

F7.1-16a Median EC Arrival Time to Admit Bed (3,4,6,7)

Service Offering (1-7)
Excellent Levels at National Average
TAT increase correlated with capacity
11% increase in EC Admissions YTD

Legend: Median Time from EC to Departure/Admit — Hospital Compare National Average

F7.1-16b Median EC Admit to IP Bed (3,4,6,7)

Service Offering (1-7)
Significantly Outperforming Competitors
Despite Volume Growth

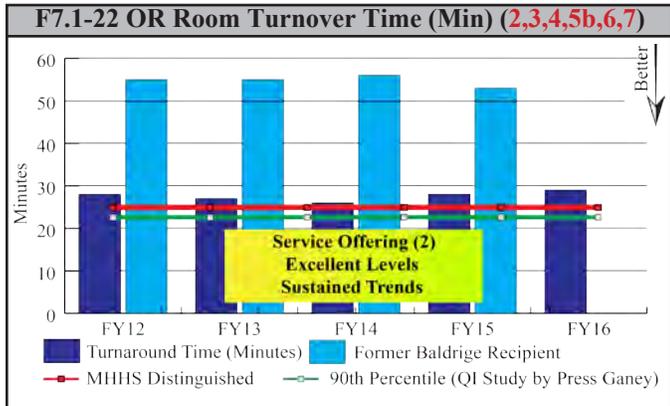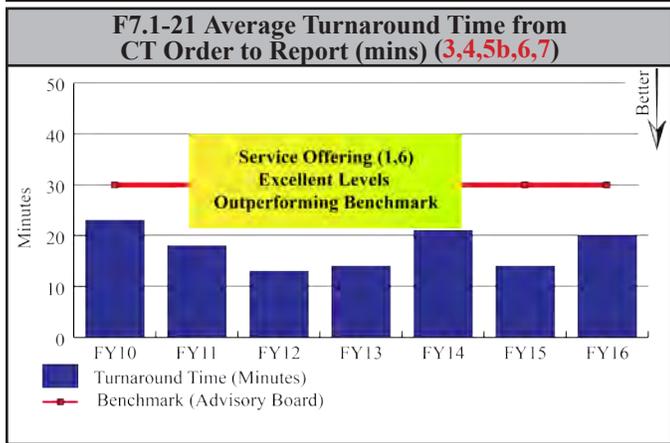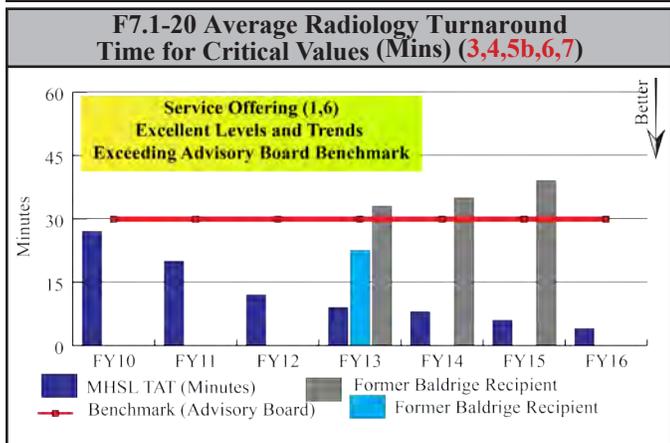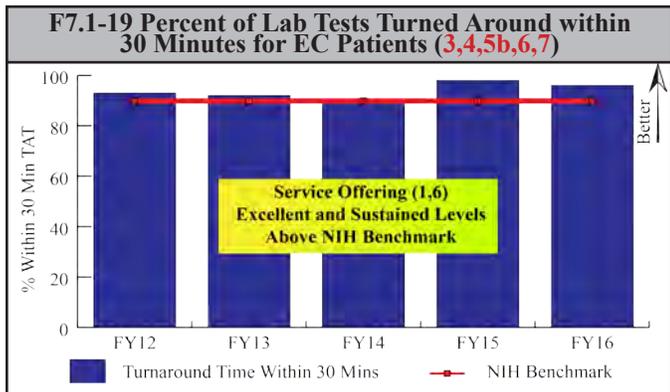Legend: MHSL Median: Care Complete (Admit to IP Bed) — Nat. Avg: EC Care Complete — Volume

(F7.1-16a,b) Even with an increase in volume, Emergency center turn around time and throughput has outperformed benchmarks while maintaining top decile patient satisfaction (F7.2-10).
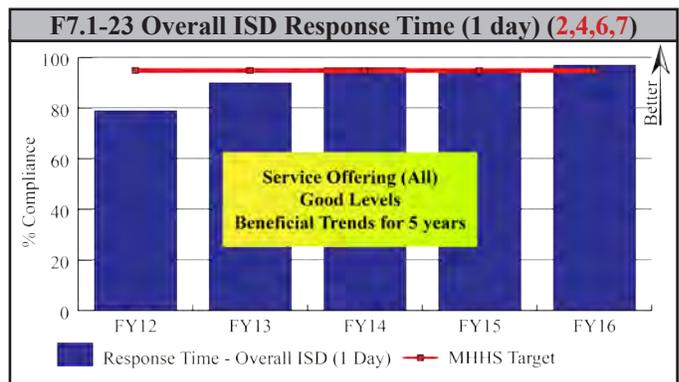
F7.1-17 Percent of EC Patients LWBS vs Volume (3,4,6,7)

Service Offerings (1-7)
Increased volume has had < than 1% impact

Legend: LWBS % — Former Baldrige Recipient — Nat/ LWBS Benchmark % — Volume
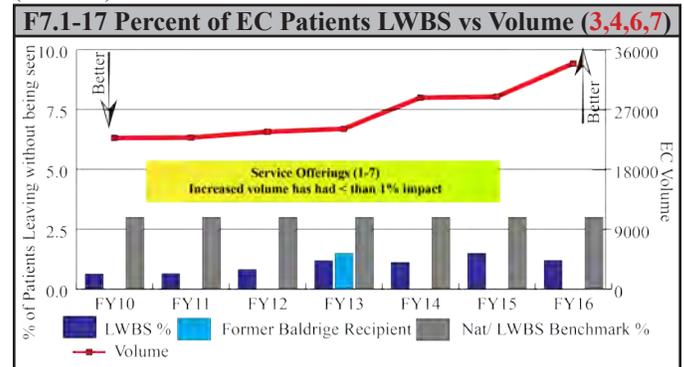
(F7.1-17) LWBS by a physician, a key indicator of efficiency, has outperformed the national benchmark since FY2010.

F7.1-18 Door to EKG for Chest Pain Patients (Min) (3,4,5b,6,7)

Service Offering (1,6)
Excellent Levels and
Trends Below National Average

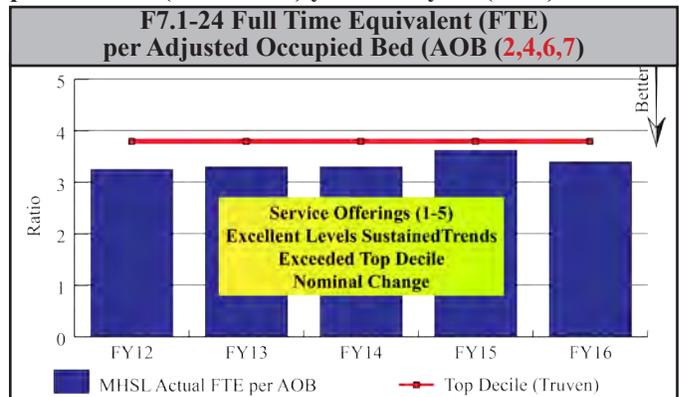Legend: Door to EKG - Chest Pain (Median) — National Average
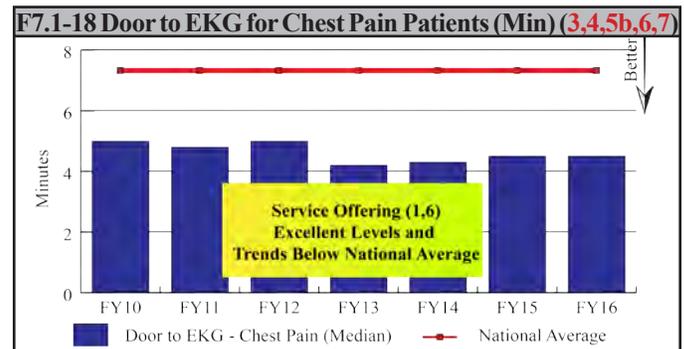
(F7.1-18)As an accredited Chest Pain Center, MHSL demonstrates best practices in early identification of heart issues as indicated by superior door to EKG results compared to the best available data.
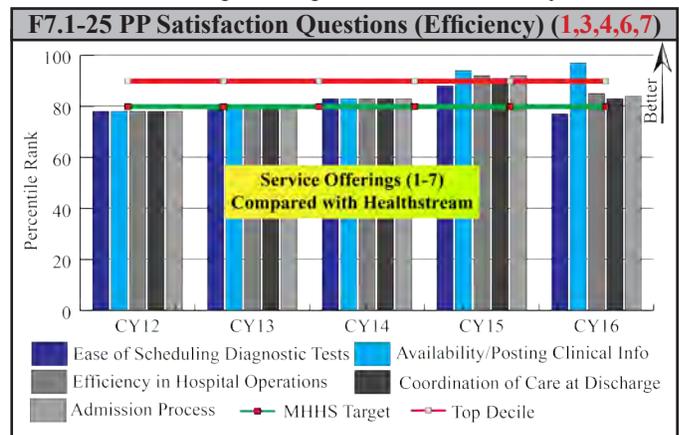
F7.1-19 Percent of Lab Tests Turned Around within 30 Minutes for EC Patients (3,4,5b,6,7)

Service Offering (1,6)
Excellent and Sustained Levels
Above NIH Benchmark

Legend: Turnaround Time Within 30 Mins — NIH Benchmark

F7.1-20 Average Radiology Turnaround Time for Critical Values (Mins) (3,4,5b,6,7)

Service Offering (1,6)
Excellent Levels and Trends
Exceeding Advisory Board Benchmark

Legend: MHSL TAT (Minutes) — Former Baldrige Recipient — Benchmark (Advisory Board) — Former Baldrige Recipient

F7.1-21 Average Turnaround Time from CT Order to Report (mins) (3,4,5b,6,7)

Service Offering (1,6)
Excellent Levels
Outperforming Benchmark

Legend: Turnaround Time (Minutes) — Benchmark (Advisory Board)

F7.1-22 OR Room Turnover Time (Min) (2,3,4,5b,6,7)

Service Offering (2)
Excellent Levels
Sustained Trends

Legend: Turnaround Time (Minutes) — Former Baldrige Recipient — MHHS Distinguished — 90th Percentile (QI Study by Press Ganey)

(F7.1-19-22) A key factor in patient throughput is timeliness of Lab Tests Completed for EC, Radiology TAT, CT Order to Report TAT, OR Room Turnover. All results demonstrate beneficial or improving trends with levels outperforming or as good as relevant comparisons. CT Order performance increased slightly in 2014, leading to cycles of refinement that have improved performance.

F7.1-23 Overall ISD Response Time (1 day) (2,4,6,7)

Service Offering (All)
Good Levels
Beneficial Trends for 5 years

Legend: Response Time - Overall ISD (1 Day) — MHHS Target

(F7.1-23) With the implementation of meaningful use, organizations rely on technology to ensure that all aspects of care and regulatory requirements are met. MHHS has an established 1-day response time goal of 88%, with performance improving for the past 3 years through cycles of refinement. **RESULT: ISD Uptime availability has sustained reliable performance (near 100%) year after year (AOS).**

F7.1-24 Full Time Equivalent (FTE) per Adjusted Occupied Bed (AOB (2,4,6,7)

Service Offerings (1-5)
Excellent Levels Sustained Trends
Exceeded Top Decile
Nominal Change

Legend: MHSL Actual FTE per AOB — Top Decile (Truven)

(F7.2-14) FTE per AOB (F7.1-24), a key indicator of productivity and efficiency, is managed to flex with volume, and demonstrates top decile performance since 5+ years.

F7.1-25 PP Satisfaction Questions (Efficiency) (1,3,4,6,7)

Service Offerings (1-7)
Compared with Healthstream

Legend: Ease of Scheduling Diagnostic Tests — Availability/Posting Clinical Info — Efficiency in Hospital Operations — Coordination of Care at Discharge — Admission Process — MHHS Target — Top Decile

(F7.1-25) PP inclusion in discussions and decisions about hospital operations and processes related to care coordination, contribute to overall efficiencies and have resulted in a sustained trend of satisfaction above top decile.

(F7.1-26) MHSL mandates the use of CPOE for PP for both *Patient Safety* and organizational effectiveness. The compliance rate demonstrates beneficial trends and excellent levels compared to the Leapfrog benchmark rate for the past 3 years.

F7.1-26 eOrdering Compliance (CPOE) (3,4,6,7)

Service Offering (All)
Excellent Levels
Beneficial Trends Above
Leapfrog Benchmark

Legend: eOrdering - All Orders; eOrdering - Medications; Benchmark (Leapfrog)
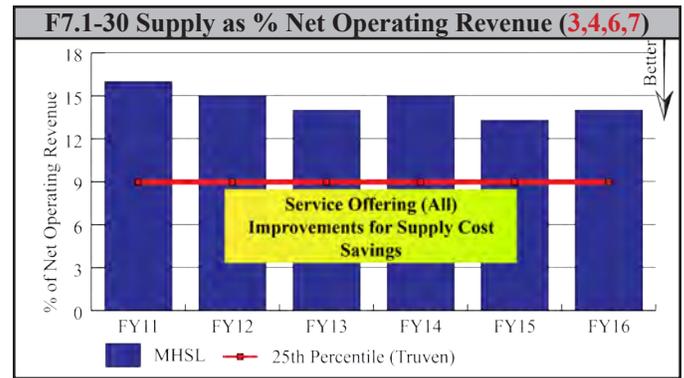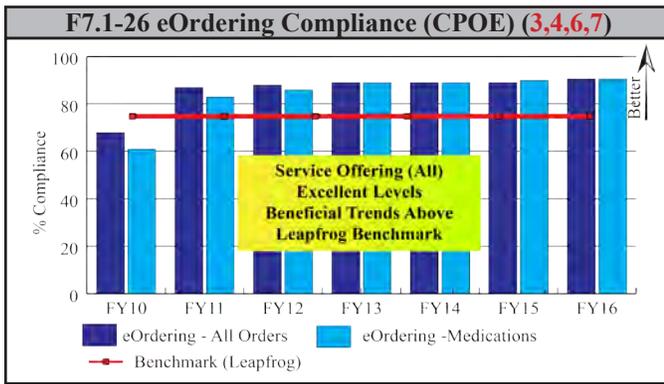
F7.1-27 Sample *Innovation* Metrics New to MHSL in FY15 (2)

New Measure	Goal	FY14	FY15	FY16
Number of Ideas from WF	↑	50	126	144
Inconvience eliminated (moving goal)	↓	N/A	60%	50%
Inspiration Session (Done at FF-FY16)	↑	N/A	6	6
Trendsetters (1/Year)	↑	N/A	1	1
Number of LT Trained in *iAcademy*		FY17 = 100%		

Innovation: (F7.1-27) While many of our results are due to *Innovation*s in process and execution and could be included in measuring *Innovation*, we have developed (and still developing) specific *Innovation* metrics (iCard). The table represents a sample of our growing metrics (others AOS). There are no comparisons for this work in health care, something we are looking to find in outside industries over the next year for key initiatives. Our new top inconvenience scorecards are too new, but expect data by the Fall of 2016. iClimate pilot survey resulted in 54% top box, detail (AOS).

7.1b(2) Emergency Preparedness

F7.1-28 *Safety*/Emergency Drills (2,5b)

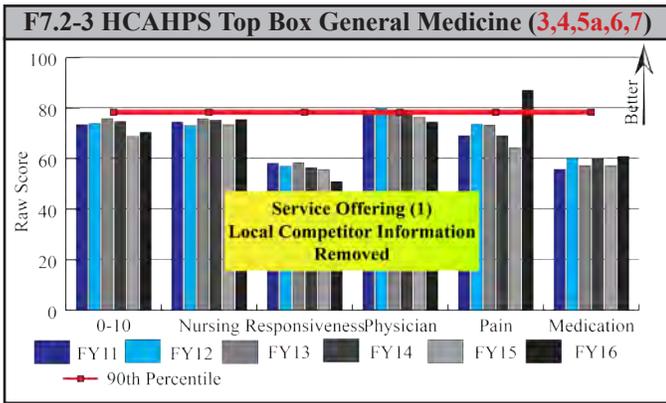| Drill	FY12	FY13	FY14	FY15	FY16
Fire Drills (16/yr)	16	16	16	16	16
Code Pink Drills	4	4	4	4	4
Emergency Prep Exercises	4	3	3	3	3
Community Emergency Drill	1	1	1	1	1
Hazmat Training/Drills	1	1	1	1	1

(F7.1-28) MHSL approaches emergency preparedness in a consistent and effective systematic manner through education, emergency drills and active events.

F7.1-29 Linen Utilization (3,4,6,7)

Service Offering (All)
Improvements for Supply Cost
Savings

Legend: MHSL; 25th Percentile (Truven)

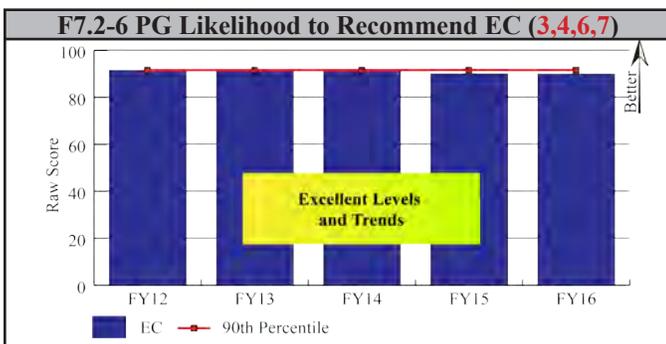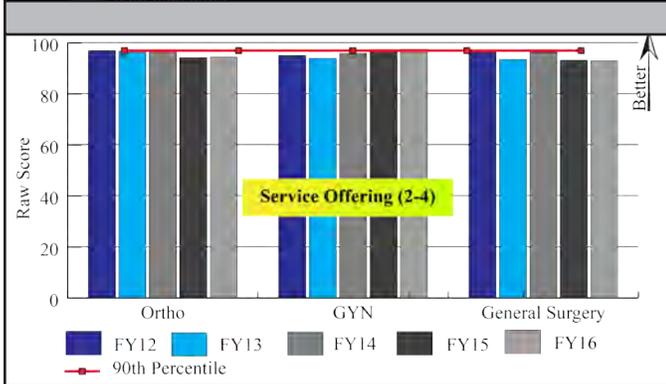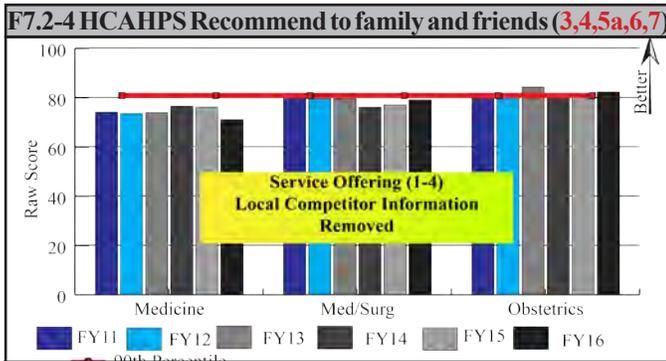### 7.1c Supply Chain Management Results

With patient involvement, we've decreased Linen Usage Per Patient Day each year, outperforming the Standard Textile industry benchmark while being a "green" organization (F7.4-9).

F7.1-30 Supply as % Net Operating Revenue (3,4,6,7)

Service Offering (All)
Improvements for Supply Cost
Savings

Legend: MHSL; 25th Percentile (Truven)

(F7.1-30) Supply chain is managed by MHHS. Through MHSL actions we have consistently decreased the Supplies as a % Net Operating Revenue despite consistent growth in volumes over the last 3 years, approaching Truven's 25th Percentile (lower percentile is better; only provided in quartiles).

7.2 Customer Focus Results
7.2a(1) Patient and Other Customer Satisfaction

Consumer Centric results are measured using HCAHPS/PG for IP and PG for OP (Day Surgery) and EC. With increasing volumes, case mix severity, and capacity issues, overall patient-focused results remain strong for our highly competitive market. Patient satisfaction data is looked at in multiple ways: **1)** MHHS reports data results using fixed means and ranks, by received date. **2)** MHSL looks at patient satisfaction using **a)** current PG all database benchmarking to ensure that we are keeping pace with an ever improving marketplace, **b)** raw data by discharge date so that we can readily identify improvements and declines, and **c)** using specialty means and ranks to ensure that unit goals are reasonable and equitable. Since FY11, MHSL has improved and/or sustained patient experience results (7.2-1-3) in key domains for overall MHSL and two key service lines: Ortho and

F7.2-1 HCAHPS Top Box All Inpatient (3,4,5a,6,7)

Service Offering (1-5)
Local Competitor References
Removed

Legend: FY11; FY12; FY13; FY14; FY15; FY16; 90th Percentile

F7.2-2 HCAHPS Top Box Ortho (3,4,5a,6,7)

Service Offering (3)
Local Competitor Information
Removed

Legend: FY11; FY12; FY13; FY14; FY15; FY16; 90th Percentile

F7.2-3 HCAHPS Top Box General Medicine (3,4,5a,6,7)

7.2a(2) Patient and Other Customer Engagement

F7.2-4 HCAHPS Recommend to family and friends (3,4,5a,6,7)

**F7.2-6 PG Likelihood to Recommend EC (3,4,6,7)**

General Medicine. While we know our SC3,6 have impacted some patient experience domains, we do not accept this as an excuse and continue to learn and refine processes (LOC, nurse navigation, bedside shift reports and purposeful rounding) to achieve top decile. NOTE: competitor data only available for HCAHPS results but it is 18-months behind.

(F7.2-4-7) Recommending MHSL is a key indicator of engagement and, in many ways a telling indicator of achieving our *CC*. It is key to our Cycle of Engagement efforts and helps

F7.2-7 PG Likelihood to Recommend By Svc Line (3,4,5,7)
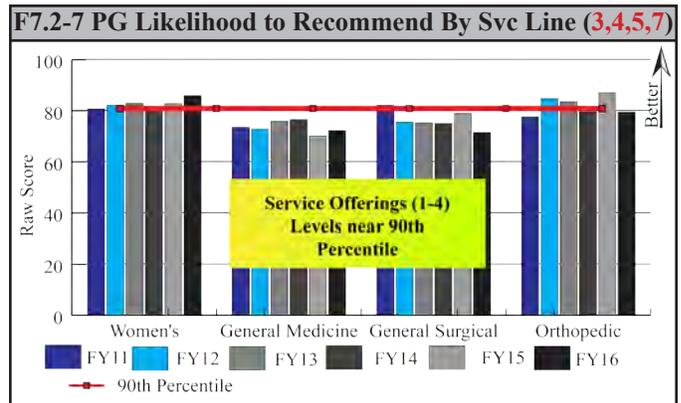
build lasting relationships. For key IP, OP, and EC metrics we have sustained raw score performance at or above top decile.

F7.2-8 Press Ganey Inpatient Survey (Courtesy) (3,4,5,7)

F7.2-9 Press Ganey Day Surgery Survey (3,4,5,7)

F7.2-10 Press Ganey EC Survey (3,4,5,7)
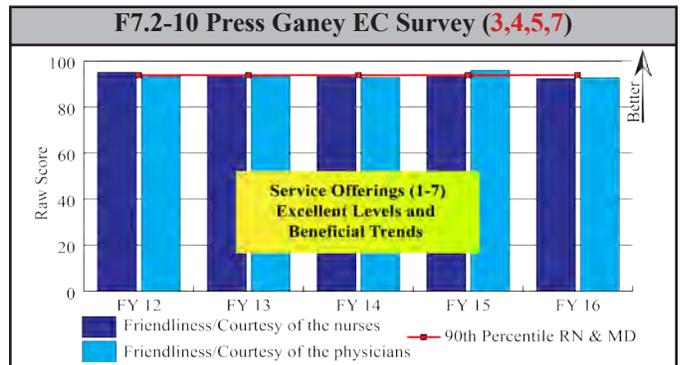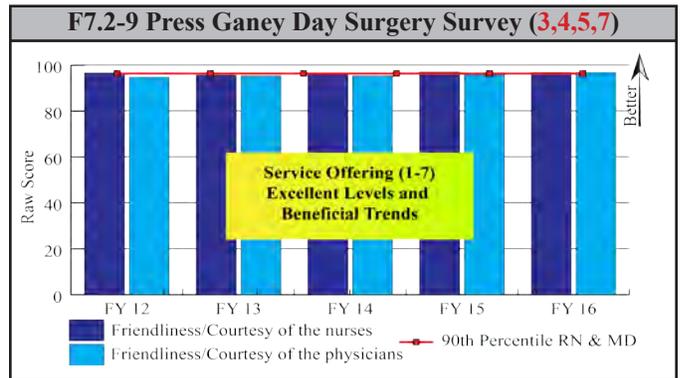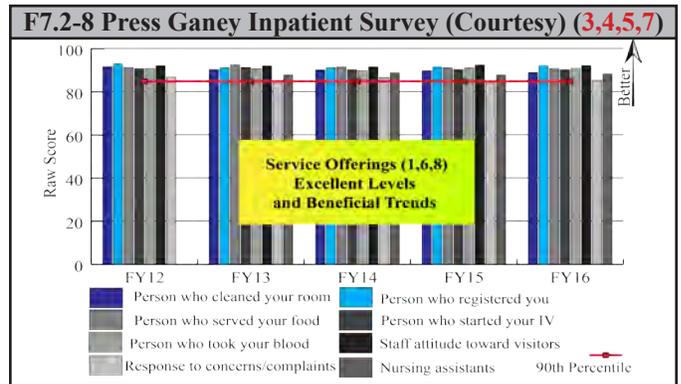
(F7.2-8-10) MHSL *FCF* CC is measured using key questions from the PG survey that correlate to our patient's perception of friendliness & courtesy. Each result demonstrates sustained segmented performance at or above Top Decile.

(F7.2-11a,b,c & 12) Due to proactive and pervasive rounding, the number of grievances has remained around one across all segments. The Percentage of Very Good Responses and Very Poor Responses are both sustaining excellent levels,
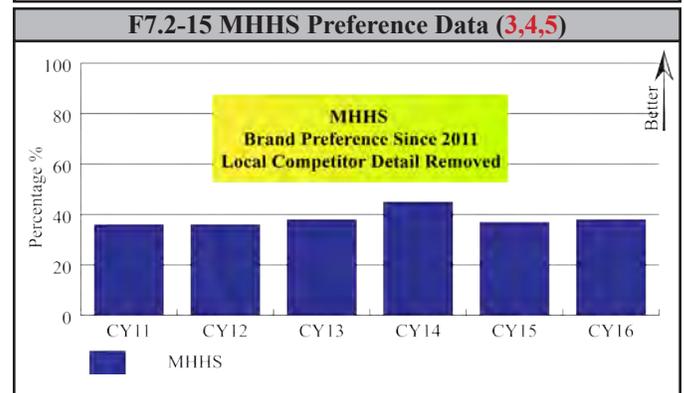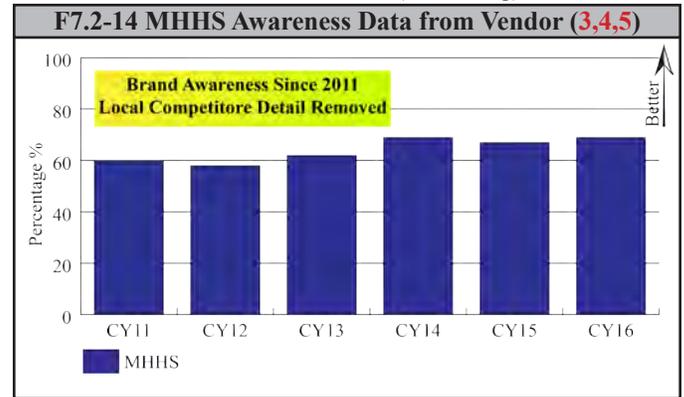
F7.2-11a Grievances by Segment (3,4,5,7)

Rate of Grievances Concerns Per 1000 Visits

There is no national or local databases available for Rate per 1000 visits

Better

FY14 · FY15 · FY16

EC · IP · OP

F7.2-11b % of Very Good responses (2,3,4,5)

% of Total Response Rate

Service Offerings (1-7) Good Levels and Trends (No Comparison)

Better

FY 12 · FY 13 · FY 14 · FY 15 · FY16

Surg (OP) Very Good — EC Very Good

F7.2-11c % of Poor or Very Poor responses (2,3,4,5)

% of Total Response Rate

Service Offerings (All) Excellent Levels & Beneficial Trends (No Comparisons)

Better

FY 12 · FY 13 · FY 14 · FY 15 · FY 16

Surg (OP) Very Poor — Surg (OP) Poor

F7.2-11d Resolution of Complaints (< 30 Days) (2,3,4,5)

% Compliance

Service Offerings (All) Sustained Excellent Levels & Sustained Trends

Better

FY12 · FY13 · FY14 · FY15 · FY16

Resolution within 30 days — MHSL Target

F7.2-12 HCAHPS Top Box for Cleanliness (3,4,5)

Raw Score

Service Offerings (1-7) Crothall (EVS) Active Efforts to Improve Score to reach the 90th Percentile

Better

FY11 · FY12 · FY13 · FY14 · FY15 · FY16

Cleanliness — 90th Percentile

respectively, aligning with our *FCF* environment. In addition, our efforts to Resolve Complaints within targeted 30 days has been at **100% for 5+ years**.

(F7.2-12) Hospital Cleanliness is a must – for *FCF*, *Safety*, and overall experience. Patients should feel they are being treated in a clean facility, and through increased focus and *Collaboration* with EVS, our performance has continued to be near Top Decile performance since 2012. The process is being promoted as a best practice by The Advisory Board. **RESULT: In FY12/13 MHSL received Crothall's Presidents' Council Award for consistent high performance, which includes: budget, patient satisfaction and injury rates (0 in 1189 plus days).**

F7.2-13 Social Media Growth FY14 (5)

Faceook, YouTube & Twitter

Service Offerings (All) Significant Award Winning Social Media Presence (Millions) Local Comparisons Removed

Better

FY 15 Q4 · FY 16 Q1 · FY 16 Q2 · FY 16 Q3 · FY 16 Q4

Memorial Hermann
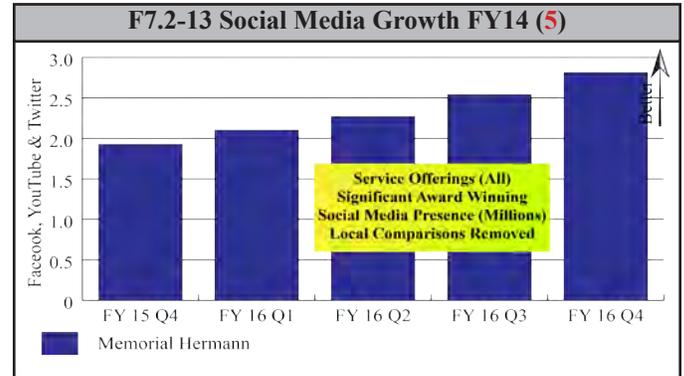
(F7.2-13) Relationships are also built through Social Media conduits (MHHS controlled/metric), in which MHHS significantly is a role model in presence and growth as measured by health system output. MHHS's social media efforts have led to the Gold Aster Award for excellence (Marketing).

F7.2-14 MHHS Awareness Data from Vendor (3,4,5)

Percentage %

Brand Awareness Since 2011 Local Competitore Detail Removed

Better

CY11 · CY12 · CY13 · CY14 · CY15 · CY16

MHHS

F7.2-15 MHHS Preference Data (3,4,5)

Percentage %

MHHS Brand Preference Since 2011 Local Competitor Detail Removed

Better

CY11 · CY12 · CY13 · CY14 · CY15 · CY16

MHHS

(F7.2-14,15) Annually MHHS contracts with a third party vendor for a Brand Awareness and Preference study to measure community engagement. MHHS has consistently and significantly outperformed the competition on both measures, evidence of the System's feeder strategy and focus on quality, *Safety*, and reliability. While the data is not collected by the third party for each MHHS BU, this information is used to help with brand proliferation, marketing, strategic planning, and how to improve our Cycle of Engagement approaches.

7.3 Workforce-Focused
7.3a(1) Workforce Capability and Capacity

**F7.3-1 Percent of EP meeting Job Performance (5)**
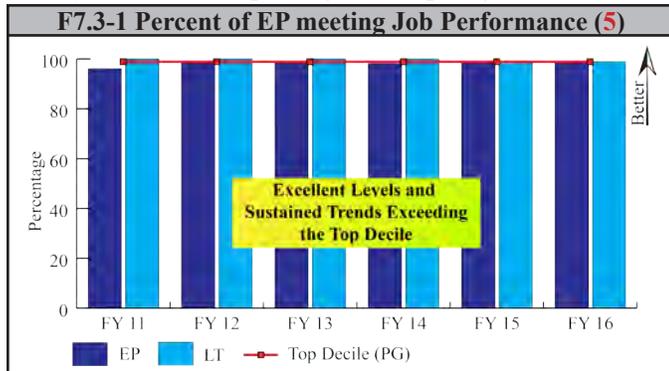
(F7.3-1) Success is driven by a focus and dedication to WF excellence, culture, *Empowerment*, a high performing WF, and *FCF*. MHHS requires annual Performance Evaluations for all EP. For the **past six FYs 99% of EP (segmented by LT) have been rated as "meeting" job performance standards, exceeding the PG Top Decile**. Those not meeting expectations, require an ILP.

F7.3-2 Overall FT/PT Retention Rate (5)
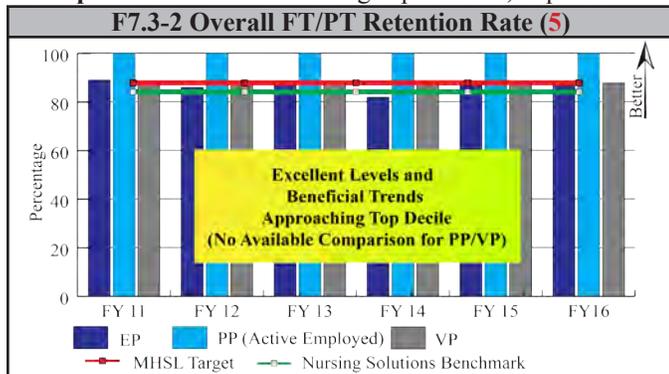
(F7.3-2) In 2014, MHHS made a decision to strengthen culture and high performance expectations, resulting in an expected drop in retention. Overall Retention rates by segment, given the highly competitive Houston market, remain at or above the national average, with our largest segment (EP) rebounding as predicted from the 2014 System decision.

F7.3-3 First Year Retention (Percent of New Hires) (5)
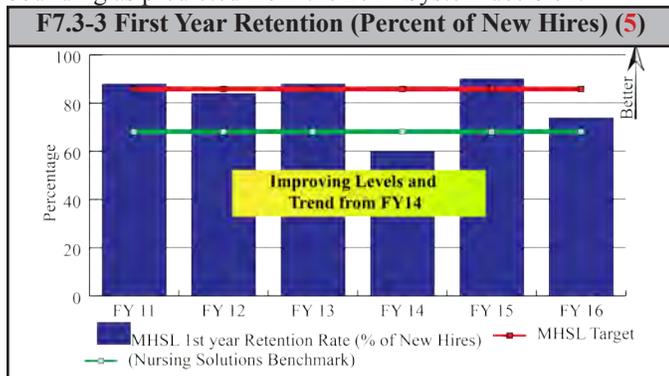
(F7.3-3-4) Retention rates for First Year and First 90 Days, are consistently improving and either approaching or surpassing the national retention benchmark. We utilize Nursing Solutions as our national benchmark, because they provide turn over trends for healthcare overall and nursing specifically. Through a cycle of refinement MHSL deployed the Retention Engine Program, with a goal to ensure that all new hires and current employees feel like they made a great decision to join our family.

F7.3-4 First 90 Days Retention (Percent of New Hires) (5)

**F7.3-5 Overall FT/PT Nurse Retention Rate (5)**
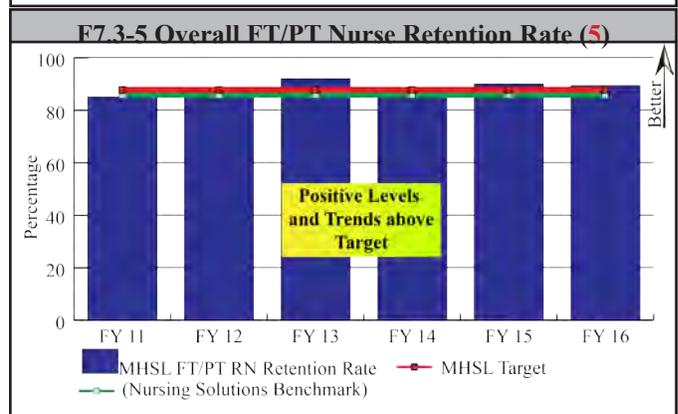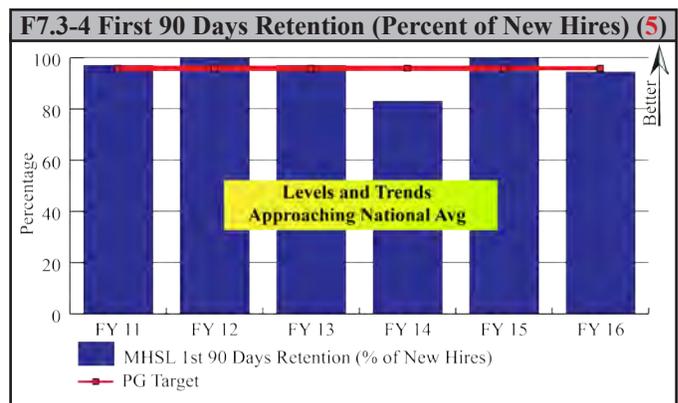
(F7.3-5) MHSL focuses on RN positions that fall in the critical position category utilizing specialized recruiters to focus on EC, ICU and OR. Even though our market is saturated with several competitors who are constantly recruiting nurses with incentives, the MHSL RN Retention Rate is consistent with the PG mean.

7.3a(2) Workforce Climate

F7.3-6 OSHA Incident Case Rate (5)
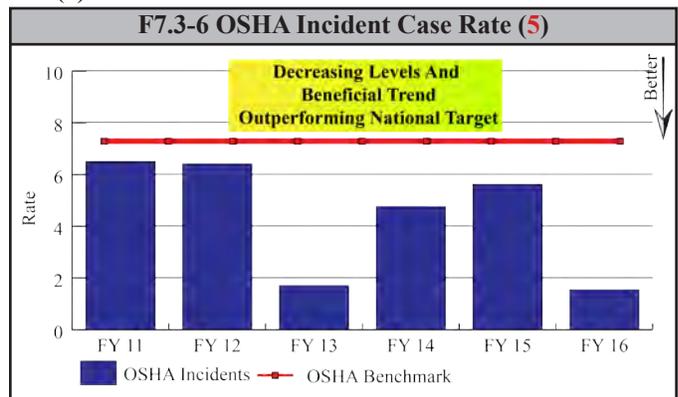
(F7.3-6) The OHSA Incident Case Rate, measured by Total Incident Case Rate (TICR), is an OSHA calculated metric (Number of recordable injuries x 200,000)/Employee hours worked. We compare favorably to the Bureau of Labor Statistics (BLS) for all hospitals. In 2014 we saw a spike in injuries and activated a task force to review root causes and develop an intervention to reduce injuries. Then in 2015 we formalized a WF *Safety* committee focused on education and prevention with our current focus on sharps injuries.
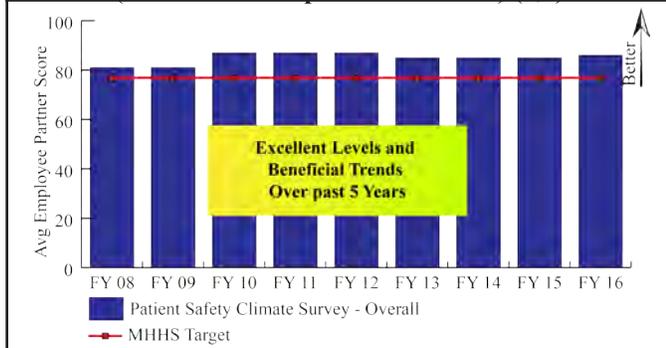
(F7.3-7,7b,8a) WF climate include Flu Shot Compliance, which remains at **99% over the past 4 years.** EP results on perceptions of *Safety* show improved and/or sustained good-to-excellent levels for several years.

F7.3-7 Flu Shot Compliance(2,5)

Excellent Levels and Trends
Maintained Compliance
Over past 5 years
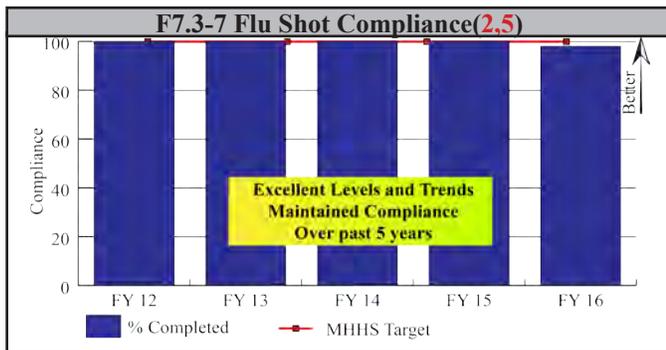
F7.3-7b EP Survey: Leadership is driving us to be a *Safety centered institution*(2,5)

Excellent Levels and
Beneficial Trends
Over past 5 Years

F7.3-8a Overall EP Perception of *Patient Safety* (Internal no comparison available) (2,5)

Excellent Levels and
Beneficial Trends
Over past 5 Years

7.3a(3) Workforce Engagement

F7.3-8b EP Overall Satisfaction with MHSL(2,5)

Sustained Beneficial Trend
Exceeding Target
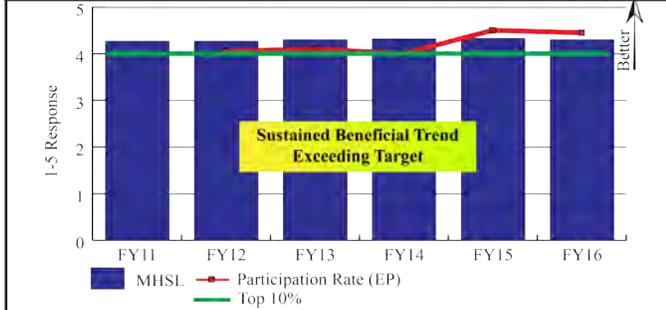
(F7.3-8b) Historically MHSL measured engagement using an internal annual survey. However in FY14 MHHS adopted Press Ganey to allow for national benchmarking of results. Data from this newly adopted tool cannot be trended 1:1 for the entire survey; however, similar questions from our former internal survey have been combined to allow for trending and comparison. Overall EP Satisfaction has remained consistently high, **outperforming a 2014 Baldrige Recipient**. Having Resources To Do Your Job (F7.3-9), Support/Care from Supervisor (F7.3-10), and Feeling Accomplished (F7.3-11) are key components of an engaged EP and validates *FCF*. For these

F7.3-9 FY11-13: I have the resources I need to do my Job FY14: My job makes good use of my skills and abilities (5)

Above PG Top Decile
Over past 5 Years
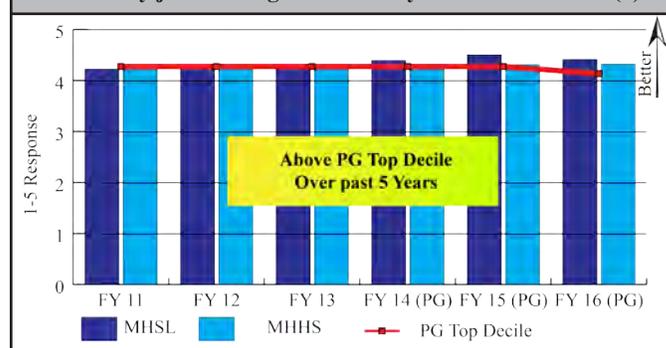
F7.3-10 FY11-13: My Mgr has talked to me about my performance FY14: Person I report to cares about my job satisfaction (5)

Consistently Improving
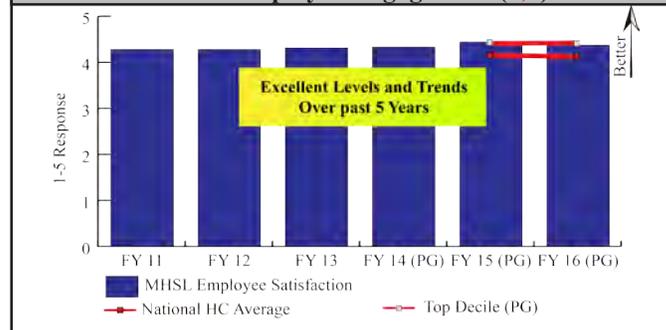Over past 5 Years
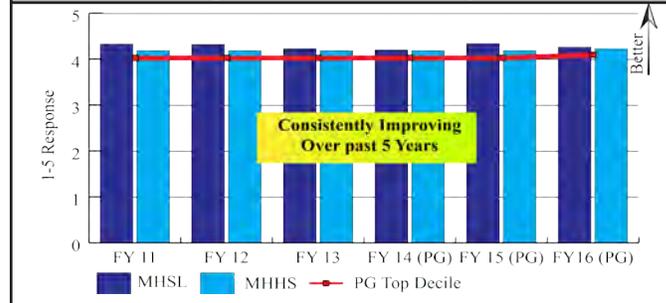
F7.3-11 FY11-13: I received recognition for doing good work. FY14: My work gives me a feeling of accomplishment.(2,5)

Improving
Over past 4 Years
No Comparison FY11-13
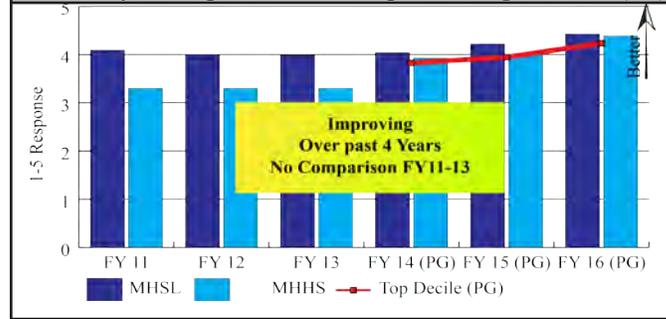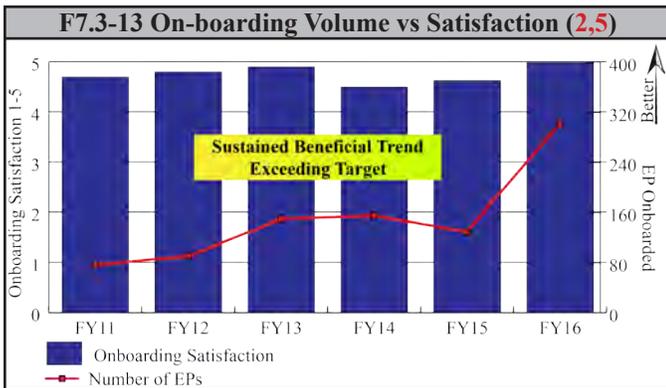
three metrics, MHSL compares favorably to the PG Top Decile with excellent levels sustained since 2011.

F7.3-12 Employee Engagement (2,5)

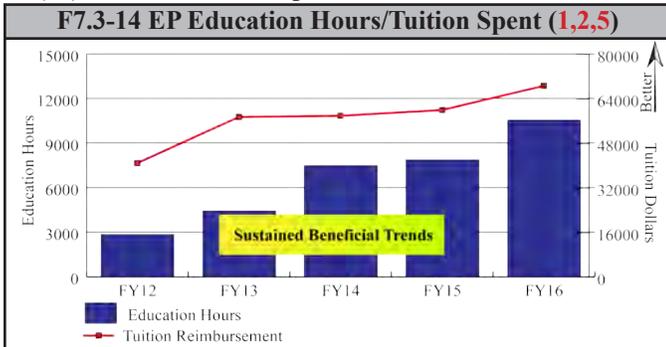Excellent Levels and Trends
Over past 5 Years

(F7.3-12) Overall EP Engagement continues to remain at excellent levels, outperforming a 2014 & 2015 Baldrige Recipient, and the PG Top Decile.
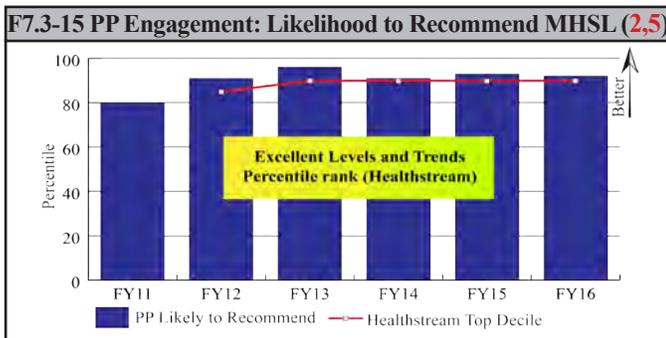
(F7.3-13) MHSL determines effectiveness of NEO with on-boarding and orientation through a 90-day retention and on-boarding internal satisfaction survey. The slight decrease in 2014 (4.9 to 4.5) was a result of a change in survey methodology question bank and is on track to return to previous levels.
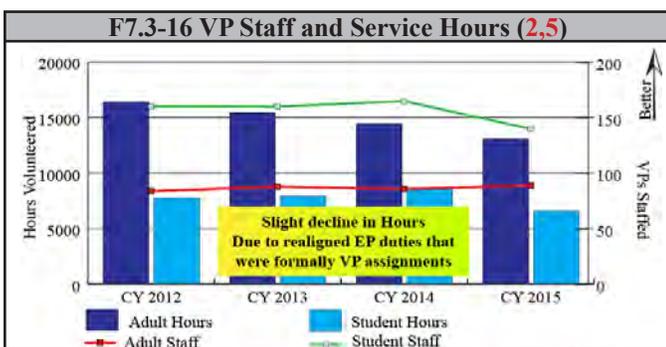
F7.3-13 On-boarding Volume vs Satisfaction (2,5)

Sustained Beneficial Trend Exceeding Target

Legend:
- Onboarding Satisfaction
- Number of EPs

7.3(a4) Workforce Development

F7.3-14 EP Education Hours/Tuition Spent (1,2,5)

Sustained Beneficial Trends

Legend:
- Education Hours
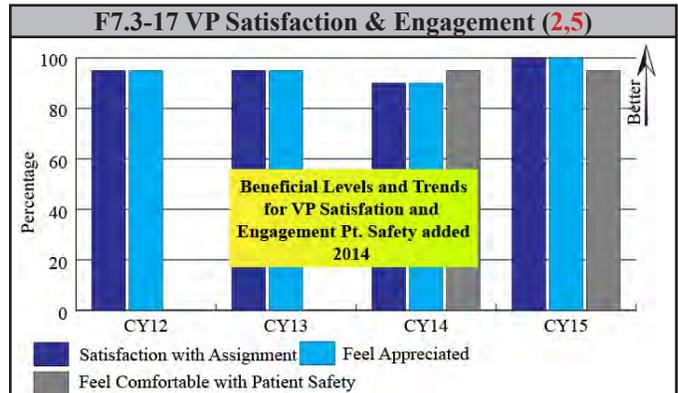- Tuition Reimbursement

(F7.3-14) MHSL promotes employee development by providing Educational Hours and Tuition to sustain talent. Our commitment to growth and development is evidenced by increasing dollars and hours spent in learning and education. Internal comparisons are not relevant.

F7.3-15 PP Engagement: Likelihood to Recommend MHSL (2,5)

Excellent Levels and Trends Percentile rank (Healthstream)

Legend:
- PP Likely to Recommend
- Healthstream Top Decile

(F7.3-15) PP engagement is core to our *Collaborative* relationship to deliver preeminent care. PP "Likelihood to Recommend" demonstrates the confidence that our PP have in MHSL with performance approaching the 99th percentile.

F7.3-16 VP Staff and Service Hours (2,5)

Slight decline in Hours Due to realigned EP duties that were formally VP assignments

Legend:
- Adult Hours
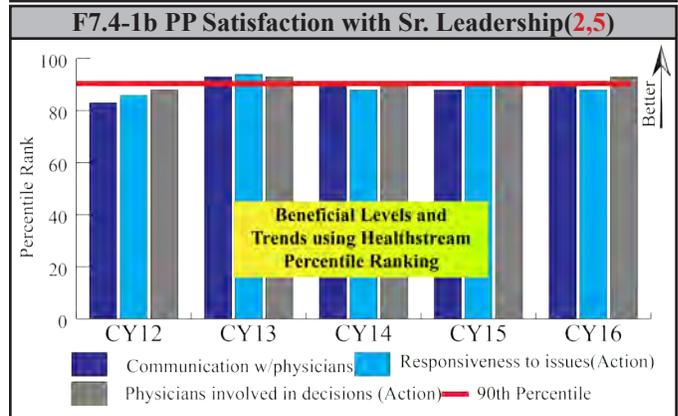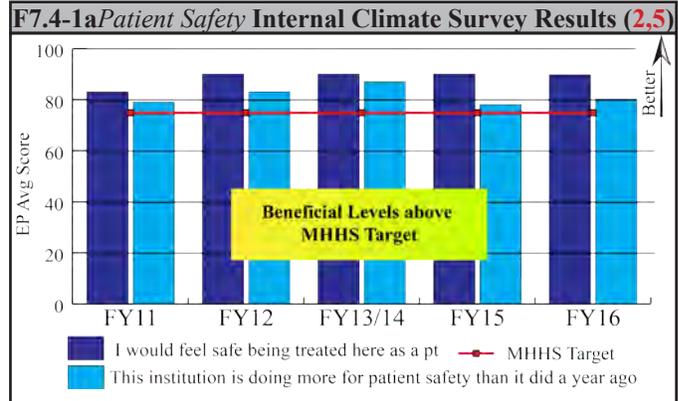- Student Hours
- Adult Staff
- Student Staff

(F7.3-16 -17) VP engagement is measured through the Number of service hours and an internal survey using Likelihood to Recommend. There is a slight decline in VP hours
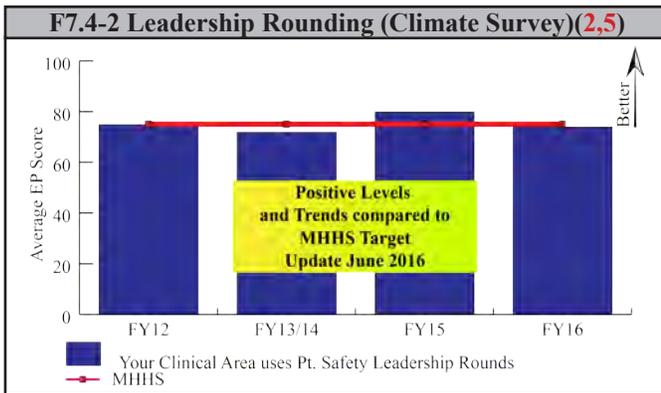
F7.3-17 VP Satisfaction & Engagement (2,5)

Beneficial Levels and Trends for VP Satisfation and Engagement Pt. Safety added 2014

Legend:
- Satisfaction with Assignment
- Feel Appreciated
- Feel Comfortable with Patient Safety

due to realigning VP assignments and VP engagement shows improvement with **100% for two key factors**.

7.4 Leadership and Governance Results
7.4a(1) Leadership

F7.4-1a *Patient Safety* Internal Climate Survey Results (2,5)

Beneficial Levels above MHHS Target

Legend:
- I would feel safe being treated here as a pt
- MHHS Target
- This institution is doing more for patient safety than it did a year ago

F7.4-1b PP Satisfaction with Sr. Leadership (2,5)

Beneficial Levels and Trends using Healthstream Percentile Ranking

Legend:
- Communication w/physicians
- Responsiveness to issues(Action)
- Physicians involved in decisions (Action)
- 90th Percentile

(7.4-1a,b&2) MHHS deploys an internal climate survey that goes beyond the WF engagement assessment tools to provide further insight into our environment. While it is not comparable externally, targets are set at Distinguished levels by MHSL. Many results for leadership communication and engagement are found in 7.3 and throughout Category 7 as evidenced by our strong outcomes. Additional results, and those related to the deployment of the MVV, include measurement of our *Safety* Value, PP Satisfaction with the ET, and Leadership Rounding all show trended improvement at good levels of performance. Note: One survey was done in FY13/14 therefore results have been combined for both years. Changes in LT rounding to "purposeful" rounding, provided a mechanism for enhanced communication with EP. Although purposeful, focused leader rounding was enhanced in 2013 with more rounding being conducted, the introduction of VB and rounding facilitates real-time feedback, which is more meaningful and actionable.

F7.4-2 Leadership Rounding (Climate Survey)(2,5)

Positive Levels and Trends compared to MHHS Target Update June 2016

■ Your Clinical Area uses Pt. Safety Leadership Rounds
— MHHS

7.4a(2) Governance

| F7.4-3 *Accountability*, Accreditation, Licensure, Legal, Risk & *Safety*			
Process	Measure	Results	Yrs/Audits
Fiscal *Accountability*			
Internal Audits	Findings	0	Ongoing
External Audits	Findings	0	Ongoing
Accreditation/Licensure			
State Licensure	Licensure	Full	Every 2 yrs
The Joint Commission (TJC)	Accreditation	Full	Every 3 yrs
CMS COP	Accreditation	Full	Every 3 yrs
CAP/CLIA	Accreditation	Full	Every 2 yrs
Chest Pain Center (CPC) of Excellence	Accreditation	Full	Every 3 yrs
Regulatory/Legal Compliance			
OSHA Reporting	% Compliance	100%	Ongoing
HIPAA- Policy & Mandatory Training annual CBT review	% Completion	100%	Annually
Physician & Professional Services Contract Evaluation	% Annual Review	100%	Annually
Physicist / Radiation *Safety* Annual Survey	% Compliance	100%	Annually
EPA/Conservation Compliance Management	% Compliance	100%	Annually
Risk Management/*Patient Safety*			
Compliance Risk Assessment	% Completion	100%	Ongoing
Infection Prevention Risk Assessment	% Completion	100%	Annually
Environmental *Safety* Risk Assessment	% Completion	100%	Annually
Medical Equipment Training	% Completion	100%	Annually
Patient Safety Training	% Completion	100%	Annually
National *Patient Safety* Goals	Compliance	100%	Annually
Code Drills	Compliance	100%	Quarterly
Goals are always 100% Compliance/Pass & 0 Findings *Above measures are for 3 consecutive years*			

(F7.4-3)The MHHS Board of Directors oversee the governing responsibilities for all subsidiaries at the System (P.1b1). Results for governance include a CEO BU specific dashboard that includes Fiscal Measures, Quality, Market Share. Fiscal *Accountability is* conducted through internal and external audits. There have been **ZERO audit findings for MHSL since before 2012.**

7.4a(3)(4) Law, Regulation and Accreditation and Ethics

(F7.4-3) MHSL prides itself on not only meeting minimum regulatory and legal requirements, but working to surpass them

by **achieving our goal of ZERO (findings, etc.) and 100% (compliance, completion, etc.).**
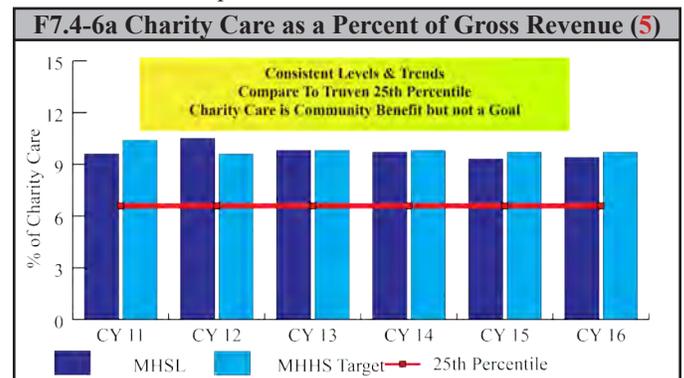
F7.4-4 Ethics Management		
Employee Compliance Hot-line Reviews	Conducted	100%
Corporate Compliance-training, annual review	% Completion	100%
Conflict of Interest- policy, training, annual review	% Completion	100%
Criminal Background checks	% Completion	100%
Privacy Hotline Reviews	Conducted	100%

F7.4-5 Ethics Measures (1, 5)

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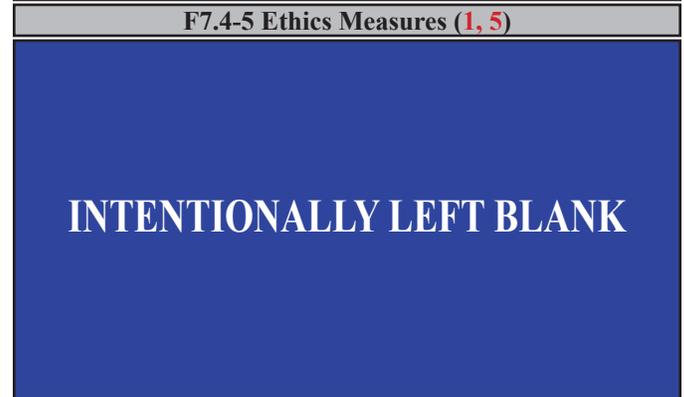
(F7.4-4-5) Ethics is an organizational must. Our focus on creating an ethical environment includes **Ethics Management of key processes at 100%** and Ethics Measures such as audits, hotline calls, and training, which demonstrate improving trends across all three variables. When enhanced education on the use of the anonymous ethics hotline was facilitated, we saw an increase in calls, which was expected (and desired), as we promote transparency. MHSL currently has the lowest number of ethics complaints in MHHS.

7.4a(5) Society

(F7.46a) Accounts that are written off due to a patient's inability to pay and/or lack of insurance are categorized as Charity Care. These write-offs are calculated as a percentage of gross revenue and benchmarked. Truven research states organizations should be around the 25th percentile.

F7.4-6a Charity Care as a Percent of Gross Revenue (5)

Consistent Levels & Trends Compare To Truven 25th Percentile Charity Care is Community Benefit but not a Goal

■ MHSL   ■ MHHS Target — 25th Percentile

(7.4-6b) Serving those who are in need in our community is a fundamental part of the Mission as well as a basis for our nonprofit status. MHHS assumes a leadership role in

F7.4-6b Community Benefit (Dollars) (1, 5) Calendar Year					
Campaign	2012	2013	2014	2015	2016
Employee Campaign	15,444	18,171	25,869	35,272	42,834
United Way	24,188	41,000	40,109	43,035	31,941
American Hrt Association	16,167	14,800	19,530	20,804	22,681
March of Dimes	6,322	7,400	5,408	10,400	7,200

providing Community Benefit for several worthy healthcare related charities. Those depicted are the key charities; however, many local organizations benefit from MHSL's monetary or in kind donations such as the FBJSL, Child Advocates of Fort Bend County, local schools, our community, etc.

F7.4-7 MHSL Health Event Participation (1, 5)
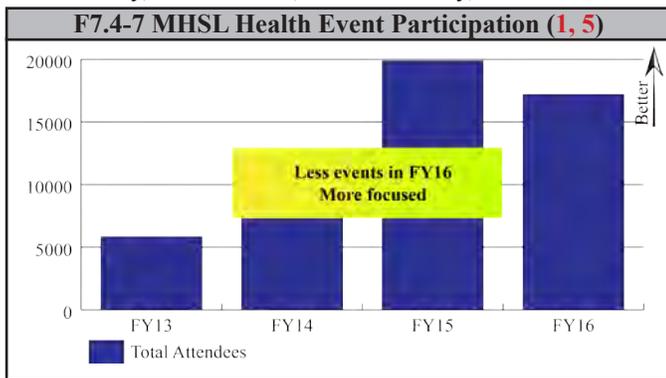
(F7.4-7) MHSL provides many resources in the community through health screenings, education and networking at events such as Care 2 Chat, MTFL, WHS, Pink in the Park, and other health events. We have seen a steady increase in community participation at these events since 2011.

F7.4-8 MHSL Sports Medicine Outreach (1,2, 5)
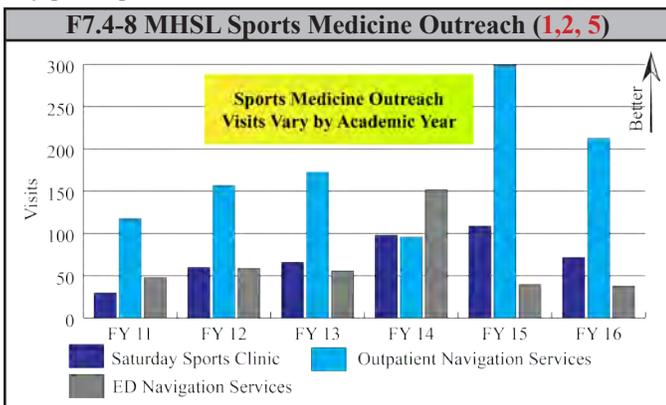
(F7.4-8) In addition to the services facilitated by our Sports Medicine Outreach Coordinator, MHHS IRONMAN Sports Medicine Institutes across the Greater Houston area sponsor and assist with sports physicals annually. MHHS PP and residents perform complimentary sports physicals with all monies raised donated back to the school's athletic funds (AOS). Specific to MHSL, we continue to see growth in the Sports Outreach initiative across three key variables.

F7.4-9 Green Metrics

Measure/Benchmark	FY11	FY12	FY13	FY14	FY15
Energy Efficiency (%tile) ↑	83	77	87	90	90
EPA Target	75	75	75	75	75
Pounds Waste Recycled ↑	38,414	79,427	72,427	76,627	77,347
No Benchmark	N/A	N/A	N/A	N/A	N/A
Linen Pound Per Day ↓	14	13	11	11	11
Nat Avg	14	14	14	14	14

(F7.4-9) Conserving resources through "going green" efforts like waste recycling, energy efficient equipment and lighting led to MHSL's Energy Star rating award from the EPA for the seventh consecutive year.

(F7.4-10) MHSL has used a consistent approach to the SPP and execution yielding positive results in outcomes across the Strategies. Despite the aggressive local competition and

### F7.4-10 Strategic Implementation (Sample)

| ADVANCE	Measure	FY14	FY15	FY16
A	PP Engagement	D	D	D
D	Zero SSE I/II	D	D	D
V	Engagement	D	D	D
	Retention	B	D	T
A	Operating Cash/Income	D	D	D
N	Grow Services/Ideas	D	D	D
C	HCHAPS/PG (Inpatient)	B	B	B
	PG (Outpatient)	T	T	T
E	ACO Dashboard	N/A	N/A	N/A
D - Distinguished, T- Target, B-Below Target FY16 is projected *Changes year after year				

challenges with health care reform and reimbursement (P2.4), MHSL has consistently gained market share and volume, and exceeds all growth projections while maintaining WF and patient engagement, gaining financial stability, and excellent quality outcomes.

7.5 Financial and Market Results

7.5a(1) Financial Performance: The latest S&P and Moody's Reports for Not-for-Profit Hospitals revealed continued slower revenue growth and weaker operating performance, declining to levels not seen since the recession. Both Rating Services expect continued compression in profitability in 2015, primarily due to inpatient volume decline outpaced by increasing operating expenses. In spite of this, MHSL has demonstrated exceptionally strong favorable trends over the last five years. **NOTE**: competitor data is not available for financial indicators and as BU of a System, certain metrics are not available at the MHSL level through financial rules.

F7.5-1 EBIDA (Cash Flow) (2,8)
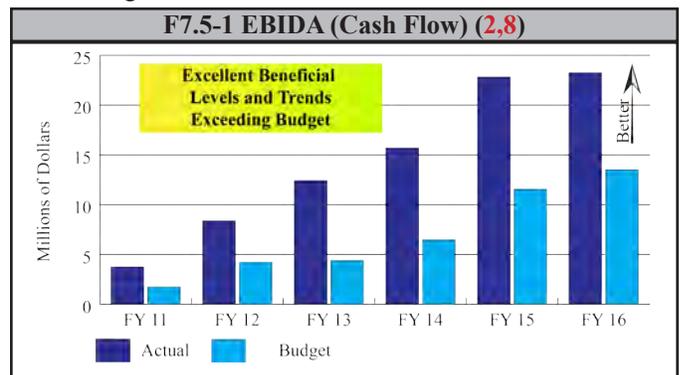
(F7.5-1) Financial performance has improved significantly with strong Cash Flow of $3.8M in FY11 to $23M by FY15 (605% increase). FY16 is on track to continue cash flow growth. This is a huge accomplishment for a communi-

### F7.5-2 Operating EBIDA (Percent of Margin) (8)
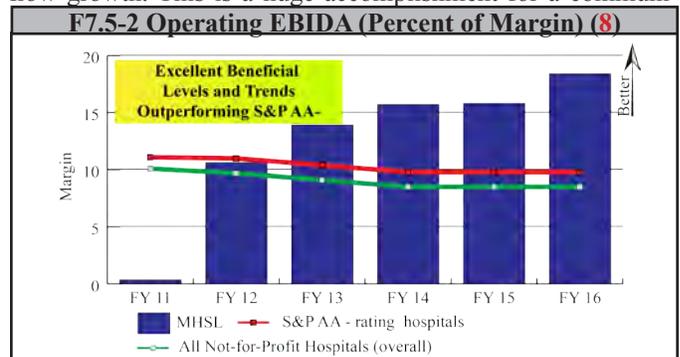
ty hospital in an emerging economy with an increasing cost of living, declining healthcare spending trend, and extreme market competition in our service area. Our growth is proof of our sustained quality, exceptional customer service, and a highly engaged workforce.

(F7.5-2) The Operating EBIDA margin expresses cash flow dollars as a % of Net Operating Revenue. Overall, the industry continues to trend downward (S&P and Moody's), however MHSL's performance has increased from 3.5% in FY11 to 15.8% in FY15, significantly outperforming key comparisons.

**F7.5-3 Operating Margin (8)**
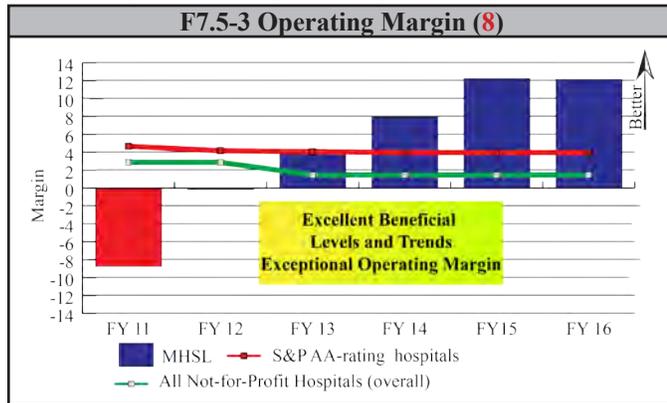
(F7.5-3). Since MHSL opened in Dec 2006, we carried a negative Operating Margin until FY12, and have turned around performance (7.9% FY14) with beneficial trends that exceed S&P ratings.

MHHS has chosen to carve out the Outpatient Imaging and Sports Medicine services from MHSL's operations/financials under the MHHS's Retail Division. This change has adversely and significantly impacted the hospital-only margin and has put MHSL in a much lower percentile rank within our compare group. If those service lines are included, our total EBIDA would have been $34M vs $23M, Operating Margin of 16% vs 12%. Even without this reclassification, MHSL out-performed S&P overall Not-for-Profit Hospitals' median of 2.9% AA-rated Hospitals with a median of 4% in the same year. These are the results from strong and steady growth rate in Net Operating Revenue along with tight cost controls.

F7.5-4 Net Operating Revenue (2,8)
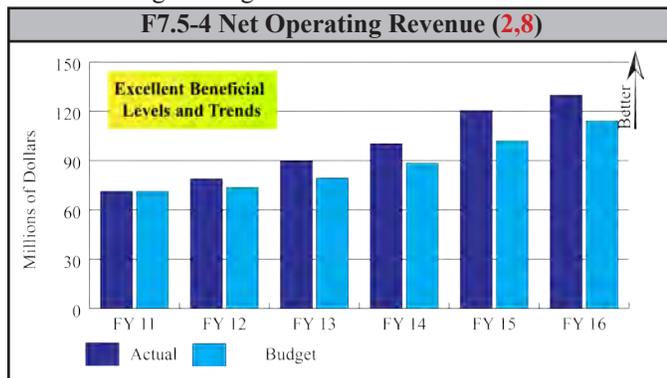
(F7.5-4) Our successful growth strategies, strong payor mix, and collection efforts have brought increased Net Operating Revenue from $71M in 2011 to $121M in 2015 (71% improvement), with FY16 on track to exceed FY15 with an 8% Improvement. In addition, **RESULT**: Our growth rate in Operating Revenue increased from 8.7% in 2011-12 to 11.1% in 2013-14 while the Moody's Largest 50 Hospitals decreased from 6.5% growth rate to 5.8% and Smallest 50 Hospitals decreased from 4.5% to 2.9% in 2011-12 to 2012-13.


F7.5-5 Days Cash On Hand (8)
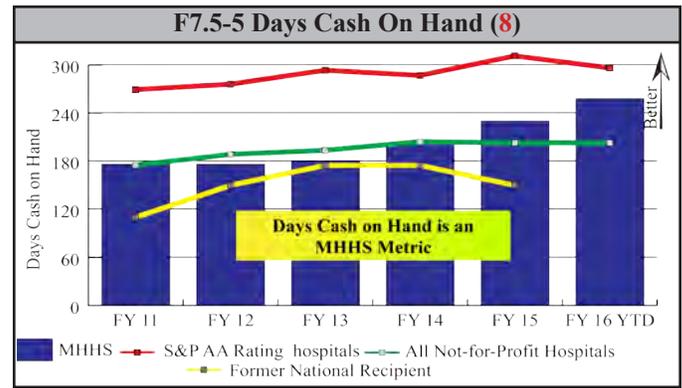
(F7.5-5) As part of MHHS, Days Cash on Hand is reported by the System. MHHS maintains high liquidity with 258 days in FY14 improving from 176 days four years ago. Our System is significantly above the S&P AA -Rating Not-for-Profit Hospitals' median of 203 days.
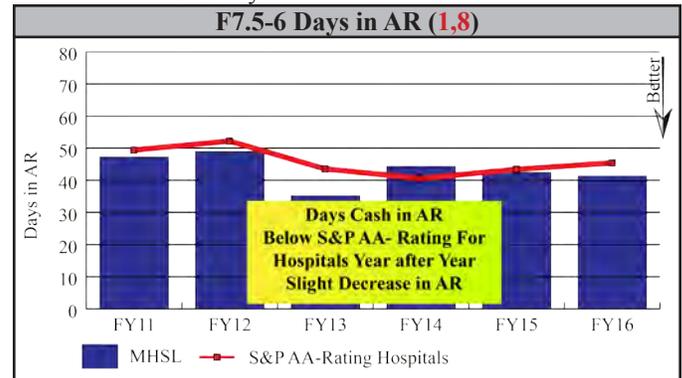
F7.5-6 Days in AR (1,8)

(F7.5-6) Days in Accounts Receivable measures the ability and efficiency in cash collections. MHSL has successfully decreased this metric from 50 days in FY11 to 45 days in FY2014 (10% improvement) as compared to 52 days for S&P AA-rated Hospitals median.

F7.5-7 MHHS Bond Rating

Agency	2011	2012	2013	2014	2015	2016
Moody's	A2	A1	A1	A1	A1	A1
S&P	A+	A+	A+	A+	A+	A+

(F7.5-7) Financial viability of MHHS has consistently remained strong. In March 2012, MHHS received an upgrade from Moody's rating to "A1." HMH S&P is lower with an "A+" and Moody's is A1. These have been maintained at the same level through FY15.

F7.5-8 Salaries/Supplies Expense CMI Adj (2,8)
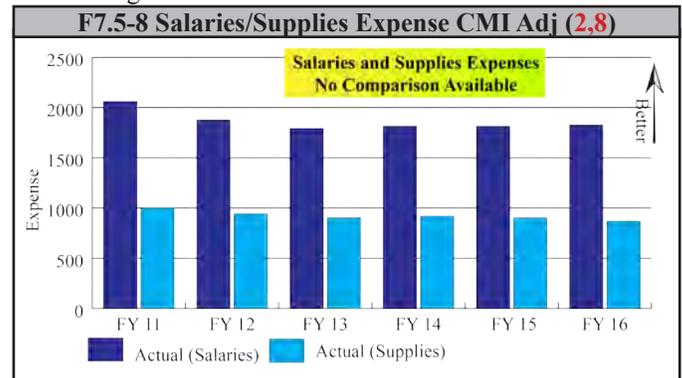
(F7.5-8) As a healthcare provider, the two primary expense categories are labor and supplies. MHHS mandates aggressive improvement in salary and supply costs year over year. Daily monitoring of our WF led by LT has resulted in efficient man-

agement of resources and expenses. Our success is evident by the fact we have consistently remained significantly below budget and continue to show improvement year-over-year for both labor and supply expense categories. Keeping cost low is vital in our industry with reimbursement reduction by the Government and other Payors while our non-resourced population is increasing.

7.5a(2) Marketplace Performance

F7.5-9 Market Share PSA (Sugar Land) (8)
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(F7.5-9) Our highly competitive market includes 4 other Full-Service Acute Care hospitals within an 8-mile radius, five free-standing EC and over four urgent care centers. Our strong growth strategies, excellence in quality care, and positive service experiences has not only resulted in retaining market share but increased in FY14 in our PSA.

F7.5-10 MHHS (PSA) Market Share (8)
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(F7.5-10) At the hospital system level (BU feeder strategy), MHHS remains the system leader in the Greater Houston area.

(F7.5-11) Our market share increase is the result of growth in various service lines and excellent services. Inpatient use rates have been declining across the country for several years. The latest 5-year forecast by Sg2 has projected a further decrease of 9.7% from 2012 to 2018. Despite the projection, MHSL's volume has shown significant growth in IP admissions, surgeries, outpatient visits and EC visits.

(F7.5-12) As noted in the process Categories, the belief that an engaged WF delivering *FCF & Patient Safety*, quality outcomes, a great experience, and continuously innovating will lead to growth. Financially, we continue to improve on several key indicators as does our System and BU market share. Yet, perhaps the most meaningful measure of organizations success is whether or not customers are choosing us. Our (MHSL) Growth Rate has continured to improve since 2011. We are very proud of this result and will continue to provide preeminent service to our community.

F7.5-11 Growth Volume (Admissions, Surgery, EC & L&D)						
Service	Measure		FY13	FY14	FY15	FY16
Admission	Budget		4,440	5,000	5,300	5,410
	Actual	↑	4,793	5,263	5,393	5,889
	Growth Rate		12.0%	10.0%	2.5%	9.2%
	Moody's Median		1.0%	1.0%	1.0%	1.0%
Surgeries	Budget		2,999	3,252	3,676	3,305
	Actual	↑	3,279	3,546	3,300	3,751
	Growth Rate		8.0%	8.0%	-6.9%	13.7%
	Moody's Median		7.0%	7.0%	7.0%	7.0%
EC Visits	Budget		24,176	27,340	29,530	32,680
	Actual	↑	26,948	28,857	33,155	34,006
	Growth Rate		14%	7%	15%	2.57%
	Moody's Median		3%	3%	3%	3%
Deliveries	Budget		1,060	1,368	1,448	1,350
	Actual	↑	1,240	1,391	1,308	1,526
	Growth Rate		22%	12%	-6%	16.7%
	Moody's Median		N/A	N/A	N/A	N/A

F7.5-12 Growth Rate v Competitors (Sugar Land) (8)
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 MHSL demonstrates that even in a large healthcare system and amidst the increasing impact of federal healthcare regulation, it is possible to provide high-quality, patient-centered care with a personal touch. It happens because of a transparent leadership system that asks *Why Not Us*. It happens because we are deeply involved in our community, pay rigorous attention to detail, and have heartfelt *Compassion* which are all features that one would expect from a hospital that is truly a *Family Caring for Family*.