National Institute of Standards and Technology • **Technology Administration** • **Department of Commerce**
Baldrige National Quality Program

2002

CapStar Health System Scorebook

2002

CapStar
Health System
Scorebook

The CapStar Health System Case Study was prepared for use in the 2002 Malcolm Baldrige National Quality Award Examiner Preparation Course. The CapStar Health System Case Study describes a fictitious not-for-profit health system. There is no connection between the fictitious CapStar Health System and any health system, either named CapStar Health System or otherwise. Organizations cited in the case study also are fictitious, with the exception of a few national organizations.

CapStar Health System scored in band 3, showing that the organization demonstrates an effective, systematic approach responsive to the basic requirements of most Items, but deployment in some key Areas to Address is still too early to demonstrate results. In addition, early improvement trends and comparative data in areas of importance to key organizational requirements are evident. If this were an actual Baldrige application with this scoring profile instead of a case study, the CapStar Health System probably would have been evaluated by a group of Examiners, each working independently during the Stage 1—Independent Review. For the 2002 Examiner Preparation Course, the CapStar Health System Case Study was evaluated using the Stage 2—Consensus Review Process, and site visit issues were developed and included as part of the Case Study Scorebook.

Recommended Scoring Ranges for the CapStar Health System Case Study

Item	Scoring Range (%)
1.1	45–55
1.2	40–50
2.1	40–50
2.2	30–40
3.1	45–55
3.2	40–50
4.1	35–45
4.2	40–50
5.1	40–50
5.2	40–50
5.3	40–50
6.1	45–55
6.2	40–50
6.3	35–45
7.1	35–45
7.2	35–45
7.3	30–40
7.4	25–35
Scoring Range (points):	**362-462**

Key Factors Worksheet

To begin the evaluation process, review the applicant's Organizational Profile and the Additional Information Needed Form. List the key business/organization factors for this applicant, using the Areas to Address (Organizational Environment, Organizational Relationships, Competitive Environment, Strategic Challenges, Performance Improvement System) in the order presented in the Preface: Organizational Profile section of the appropriate *Criteria for Performance Excellence* booklet.

P.1.a. Organizational Environment

- A $754-million not-for-profit health care system, founded in 1994 through a series of mergers
- Provides services in the 13-county Cincinnati metro area, including downtown (Excelsion) and suburban (Founders) Cincinnati, Kentucky (Roseleaf), and rural Indiana (Hergh)
- Delivers patient services through four hospitals, six primary care outpatient centers, and a home health care operation; each hospital provides general medical, surgical, and obstetrics inpatient services; specific hospitals also offer specialty services; also has a corporate office. Teaching organization with 102 residents in training; also physical therapist, nutritionist, and nurse anesthetist trainees
- Charitable Trust is the principal fundraising arm of the health system.
- Continuing discussions to sell the unprofitable home health care unit
- Purpose: cherish, preserve, and improve health; enrich the human experience, fulfill needs of patients; honor the dignity of people they serve. Destiny: seek out, embrace, and nurture the finest talent, knowledge, and science to deliver role model health services to people. SPIRIT Values: service, pride, integrity, respect, innovation, and teamwork
- A total of 4,981 colleagues in 315 job classifications: 71 percent female; 41 percent professional, 22 percent technical, 14 percent clerical, 13 percent service, 10 percent management; 41 percent licensed clinicians; representative of community demographics
- Employs 34 hospital-based physicians, owns 11 primary care physician practices that staff the six clinics
- More than 700 independent physicians on hospital staff
- Has reduced FTEs by 807 since 1996
- More than 1,945 volunteers
- Some contract labor (for radiology, anesthesiology, pathology, and emergency medicine)
- Two unions representing nursing, engineering, and maintenance staff
- All facilities use surgical, diagnostic, and therapeutic equipment; part owner of shared air ambulance company
- Knowledge Information System (KIS), partially Web-based, connects all facilities; plans to invest $5-8 million/year in KIS for the next ten years
- Highly regulated environment, subject to many state and federal regulations. Accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and other professional and teaching accrediting bodies
- Impacted by the Balanced Budget Act of 1997

P.1.b. Organizational Relationships

- Ninety-one percent of patients reside in the 13-county Cincinnati Metropolitan Service Area (MSA) (which has increased about 9 percent since 1990); the remaining 9 percent come from other areas in the tristate region; 10 percent of the population is uninsured.
- Customer requirements: (1) Active Inpatients, Outpatients, Home Care Patients, Families: 24/7/365 error-free care; compassionate, caring environment; reliable, consistent information; participation in health care decisions; visitor accommodations; (2) Potential or Inactive Patients: easy access; compelling reasons to choose applicant vs. elsewhere; accurate answers; know how applicant is better; (3) Physicians: knowledgeable, pleasant colleagues/staff; easy access to technology and facilities; real-time clinical information; input into policies and decisions; high patient satisfaction; (4) Payors: low costs; quality care; responsiveness; accuracy; range of services; (5) Employers: convenient access; healthy, satisfied employees; quality care at lowest possible cost; wellness and disease prevention information and services; (6) Community Organizations: community health improvement; volunteers; financial aid and access to health information; school-based clinic support; violence prevention programs; economic and development councils
- Belongs to Preeminent Hospitals of North America (PHNA), one of the largest national group purchasing organizations; spends $185 million annually on goods and services; five suppliers provide 68 percent of

purchased goods: Beaver & Newton (general medical/surgical), Middleton & Green (office and other nonmedical products), South Summit Laboratories, Express Pharmaceuticals, and Twin Scientific Products
- Key service contracts: Stoneyridge Foods, Majestic Housekeeping, Uriwise, Inc. (dialysis), Reliastate Insurance Management System (insurance contract management), and multiple agencies for temporary staff
- Contracts with clinical partners: ERCare (emergency physician services), Calmstate Anesthesiology Services, InsideYou, Inc. (radiologists), Healthcognizant, Inc. (for ten planned ambulatory/fitness centers)
- Has patient transfer agreements with the Veteran's Health Administration (VHA)

P.2.a. Competitive Environment

- Second largest health care system in the region (beds, net revenue), with 20 percent market share in the MSA and 23 percent of regional referred patients
- Managed Care Organizations (MCOs) have captured over 50 percent of the Medicare and Medicaid market share.
- Several major competitors: Riverport University Hospital (RUH), Goldenrod Hospital System, Zefram Memorial Hospital, CNT Integrated Care, VHA, River's Edge Surgical Center, Inc., and various outpatient diagnostic and treatment centers
- CSFs: Patients First, Physician Distinction, High Performing Colleagues, Compassionate Operational Excellence, Finance and Market Strength, Information Anywhere Anytime, and Community Support

P.2.b. Strategic Challenges

- RUH is becoming increasingly aggressive as a competitor, is attempting to acquire the applicant's key physicians, and holds the advanced care image in the region.
- Increasing managed care price pressure and drug costs
- New hospital, River's Edge Surgical Center, threatens profitable ambulatory surgery services of Founders.
- Uncompensated care in 2000 was $42 million/year, particularly high in depressed Excelsion area
- Excelsion is an aging plant unsuitable for new technology and would require $80 million to expand/improve.
- Opening ten Total Health Centers as primary strategy for population growth areas
- Achieving systemwide quality, productivity, and medical staff collaboration given the once independent physician force
- Strategic challenge: regional and national shortage of staff—particularly therapists, technicians, and nurses—while current staff are approaching retirement
- Performance of Hergh lags behind the rest of the system.

P.2.c. Performance Improvement System

- The Executive Leadership Team (ELT) and Interlocking Committees (ICs) form an interlocking system of committees that form the management system of the organization.
- The new service design and improvement processes, the Process Evolution cycle (PEC), and the Process Improvement Cycle (PIC) are key for evaluation/improvement.
- Has used Baldrige since 1996, completing a high-level assessment in 1998 and a full assessment in 2000

Key Themes Worksheet

The Key Themes Worksheet provides an overall summary of the key points in the evaluation of the application and is an assessment of the key themes to be explored if the applicant proceeds to Stage 2, Consensus Review, and/or Stage 3, Site Visit Review. A key theme is a strength or opportunity for improvement that addresses a central requirement of the Criteria, is common to more than one Item or Category (cross-cutting), is especially significant in terms of the applicant's KFs, and/or addresses a Core Value of the Criteria.

The Key Themes Worksheet should respond to the three questions below:

   a.   What are the most important strengths or outstanding practices (of potential value to other organizations) identified?

   b.   What are the most significant opportunities, concerns, or vulnerabilities identified?

   c.   Considering the applicant's key business/organization factors, what are the most significant strengths, opportunities, vulnerabilities, and/or gaps (related to data, comparisons, linkages) found in its response to Results Items?

a.   What are the most important strengths or outstanding practices (of potential value to other organizations) identified?

- The applicant uses its Critical Success Factors (CSFs) to organize systemwide and Operating Unit (OU) leadership structures and work. The leadership system includes a leadership team at each level that has seven Interlocking Committees (ICs), each of which relates to a CSF. At least one leadership team member at each level serves on each IC, with at least one additional executive who overlaps with another IC. This strategically focused and linked leadership structure helps the applicant balance value for patients and other customers and ensures alignment of directions and expectations across the organization.

- The applicant's seven-step Strategic Planning Process and 12-part Drill Down include bottom-up and top-down inputs. Coupled with Triannual Action Plans (TAPs), these processes ensure that key organizational objectives and their associated action plans are regularly reviewed for progress and that senior leaders and their respective OUs and ICs respond with agility to performance shortfalls.

- The applicant demonstrates a focus on patients and other customers by systematically determining the requirements of patients, their families, physicians, payors, and employers, using multiple listening and learning strategies; building relationships based on these requirements; and assessing satisfaction results. Each potential new customer and market segment is assessed for alignment with organizational direction. The Customer Focus Team (CFT) uses survey results to create updated approaches, such as a Web-based survey, and best practices are shared at Patients First fairs and incorporated into customer service training programs. Additionally, colleagues use the Customer Concern and Recovery (CCR) process with on-the-spot resolution and automatic escalation if needed to systematically capture, track, and resolve customer concerns from all six customer segments.

- The applicant's Knowledge Information System (KIS) electronically links clinical, financial, and operational data and information to support data-driven decisions. The Balanced Scorecard (BSC), for example, is made available through KIS and Knowledge Boards (KBs) to colleagues and key customers and suppliers. In addition, KIS includes national benchmarks from 125 similar health care systems to drive performance improvements.

- The applicant has created Patient Centered Teams (PACTs) that design care around the needs and preferences of patients and their families, in keeping with the organization's Patients First CSF and primary purpose. These multidisciplinary teams use scripted messages, bedside question cards, individualized critical pathways, follow-up calls, and other innovations to deliver highly responsive care. PACTs are key differentiators from traditional hospitals for the applicant; they capitalize on hospitalists and result in efficiencies in care (e.g., reduced admission cycle time). This approach is an important source of satisfaction for both team members and admitting physicians.

- The applicant has built benchmarking into its core design process (Figure 6.1-1), and it benchmarks successful organizations that are external to its own industry in order to develop effective new approaches.

For example, the strategic planning framework and best practices in human resources were adapted from Baldrige Award recipients in manufacturing and service, benchmarking capacity with 125 other hospitals is part of KIS, and the applicant's daily briefings are patterned after those of a hotel industry leader.

- The applicant's key operating processes have undergone cycles of improvement, and they now extend across the organization to support the ongoing needs of the business. For example, the Process Evolution Cycle (PEC) and the Process Improvement Cycle (PIC) serve as templates for all new health care design and delivery processes, business processes, and support processes for the life cycle of each process. The PEC and PIC are used to ensure that customer and organizational requirements such as quality, cycle time, and cost control are met or exceeded. Additionally, the applicant conducts organizational self-assessments based on Baldrige Criteria and has systematic methods in place to ensure that successes and lessons learned are shared with other organizational units and used to update training.

b. What are the most significant opportunities, concerns, or vulnerabilities identified?

- While the applicant has a comprehensive strategic planning process that has gone through several refinements, the defined strategic objectives do not appear to address all key strategic challenges. For example, medical staff collaboration and integration, uncompensated care, staffing shortages, managed care price pressure, increasing drug costs, and the lagging performance of the most recently acquired hospital are not specifically addressed through strategies or action plans. In addition, the applicant does not appear to address its longer-term strategic challenges with approaches and measures to reach planned targets. For example, action plans and measures are not presented for plans to invest heavily in information systems, to capture a competitor's advanced care image, to open and staff six primary care outpatient centers, or to renovate two aging plants. It is not clear how the applicant will be able to achieve its Purpose and Destiny without addressing all key challenges.

- Although measures are used throughout the organization, it is generally not clear how they are identified, how they are aligned throughout the organization, or how they support key strategies, processes, or challenges. For example, the baselines and references for percent and percentile changes are unclear, and BSC and Healthy People 2010 measures are not defined. Performance measures are lacking for several objectives, particularly those related to large financial investments, such as colleague training, information system improvements, and renovation of aging plants.

- From a systems perspective, it is not evident that the applicant's strategic objectives, action plans, and approaches address and balance the needs of all key stakeholders. The applicant frequently demonstrates a systematic approach responsive to the requirements of inpatients and physicians, and its community support program integrates all key customer requirements with the applicant's strategic challenges. However, gaps exist in approaches to meet the needs of others identified in the Organizational Profile, such as inpatients who are not served by PACTs or on clinical pathways, potential or inactive patients, patients treated on night or weekend shifts, patients in clinics, home care patients, families, payors, and employers.

- Deployment of effective, systematic approaches to some key areas of the organization is not yet complete. For example, electronic data that are available to on-site colleagues and physicians are not yet available to 35 percent of the applicant's 711 staff physicians, information needs of patients and communities are not addressed, and recognition programs based on the Purpose, Destiny, and SPIRIT Values (PDV) are not deployed to volunteers, trainees, or contract partners.

- Deployment of the applicant's key staff work systems and education and training approaches to its multiple job classifications and to all OUs is not clear. For example, it is not apparent how the applicant promotes cooperation, initiative, innovation, and knowledge and skill sharing for non-PACT colleagues, including volunteers and nonhospitalists, and in non-PACT venues. Additionally, beyond PACTs and the residency training program, the applicant's processes for reinforcing the use of knowledge and skills on the job across all OUs and colleague job classifications are not evident.

- The applicant describes few approaches to systematically address or improve its key legal, regulatory, and accreditation responsibilities, and the Corporate Compliance Officer position is vacant. Several of these missing approaches also relate to gaps in ensuring a safe, healthy work environment for colleagues.

c. **Considering the applicant's key business/organization factors, what are the most significant strengths, opportunities, vulnerabilities, and/or gaps (related to data, comparisons, linkages) found in its response to Results Items?**

- The applicant demonstrates both patient-centered excellence and a focus on results in its achievement of continuous improvement in delivery of evidence-based medicine over three years in the treatment of acute myocardial infarction, congestive heart failure, and pneumonia—its three top priority conditions. All results for these conditions currently exceed regional averages, and two of six measures equal or exceed national averages (Figure 7.1-1). The applicant also has improved clinical outcomes for patients by reducing adverse events associated with medication errors by 50 percent in two years (Figure 7.1-7) and by decreasing its readmission rates faster than the national average (Figure 7.4-5).

- Consistent with its FY 2002 target, the applicant has maintained an "A" bond rating for most key financial measures presented. Days Cash on Hand has improved from 150 days in 1996 to 170 days in 2001, demonstrating recovery from the effects of the Balanced Budget Act, and results for 2001 exceed the Standard and Poor's (S&P) target that the applicant has set (Figure 7.2-3).

- The improving maturity and expanding deployment of the PEC/PIC approach to process design and process improvement is supported by the significant reductions in the cycle time to complete designs or improvements, together with the reduction in the number of problems discovered after implementation.

- The applicant is in the early stages of using segmented data, comparative data, benchmarks, and in-depth analyses, such as trends, projections, correlation, and cause-effect relationships, to support its improvement efforts and organizational performance management system. For example, limited comparative data are presented to help colleagues assess progress related to market and volume performance, operational performance, or outpatient, physician, payor, and employer satisfaction.

- Although the applicant operates in diverse communities with colleagues in multiple job classifications, and hospitals vary in several areas of deployment and results presented, there is little evidence of segmentation of key results by customer group or characteristics, colleague job types, or OU. This limits the availability of actionable information to achieve strategic goals.

- The applicant does not yet demonstrate results of organizational learning across OUs. For example, one hospital lags far behind the others for most measures, and fewer than one-third of patients at three hospitals are on evidence-based clinical pathways five years after implementation, compared to 90 percent at Excelsion (Figure 7.4-7).

- Results are not reported for areas that the applicant designates as important for meeting customer requirements and achieving strategic goals. These include key measures and indicators of customer satisfaction and dissatisfaction for the payor, employer, and community customer segments (Item 7.1). The applicant does not present results for its indicators of colleague satisfaction or dissatisfaction identified in Category 5 (Item 7.3). Limited results are reported for key areas of operational performance listed in Figures 6.2-1 and 6.3-1, for outpatient or home health programs, for key areas of public responsibility and citizenship, or for many of the applicant's strategic objectives (Figure 2.2-1). This lack of results suggests that the applicant is in the early stages of management by fact and of focusing on results to create value for all stakeholders.

Item Worksheets

Item Worksheet—Item 1.1

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- A $754-million not-for-profit health care system, founded in 1994 through a series of mergers
- Delivers patient services through four hospitals, six primary care outpatient centers, and a home health care operation
- Purpose, Destiny, and SPIRIT Values
- Nine strategic challenges
- The ELT and ICs form the management system.

+/++	Area to Address	(+) STRENGTHS
++	a(1)	The applicant's senior leaders set, deploy, and reinforce the organization's values, short- and longer-term directions, and performance expectations through a leadership system that includes the Executive Leadership Team (ELT) and seven interlocking committees (ICs). Each IC focuses on one of the organization's Critical Success Factors (CSFs). Each Operating Unit's (OU's) leadership system connects to and mirrors the ELT and its ICs (Figure 1.1-1).
+	a(1)	Senior leaders use a variety of methods to communicate the organization's Purpose, Destiny, and Spirit Values (PDV), strategic and tactical direction, and expectations to all colleagues. These methods include triannual Colleague Dialogues, an inspirational newsletter, Knowledge Boards, Knowledge Today e-mails, Inspiration Awards, physicians' involvement in operational and strategic decisions, and the Triannual Action Process (TAP).
+	a(2)	Senior leaders use several methods to create a high-performance and innovative environment. Senior leaders refer to those who work in the organization as "colleagues" or "staff" (rather than employees), include physicians in several leadership positions, support the self-governing Patient Centered Teams (PACTs) in patient care areas, and ensure that such efforts as the Open Door Policy, sharing of performance results, the Inspiring Ideas program, and the Rapid Recovery $$ Program are systematically carried out. In alignment with the organization's Destiny, the High Performing Colleagues (HPC) IC at each OU oversees empowerment initiatives.
+	a(2), b(1)	Senior leaders use the Agility Process (AP) to schedule and support the regular review of organizational performance. This process (Figure 1.1-1) provides a systematic way to ensure that senior leaders meet on a regular basis to review performance and that emerging issues relating to the CSFs are addressed quickly.
+	b(2)	Senior leadership teams translate review findings into improvement priorities through their regular review process. Results that fall below prespecified expectations are assigned to an IC for corrective action. If the issue requires input from several colleagues across OUs or departments, a Process Improvement Cycle (PIC) Team is established. Identified corrective actions are added to the 120-day TAP review and monitored to ensure sustained improvement.
+	b(2)	All senior leaders and managers have 120-day plans that cascade from the CSFs to assure aligned deployment across the organization. Partners who work on site attend the 120-day TAP reviews and participate in the IC and PIC teams.

Area to		
–/– –	**Address**	**(–) OPPORTUNITIES FOR IMPROVEMENT**

-     a(2)   While senior leaders use a variety of methods to create an environment for innovation and provide a number of ways for staff to provide suggestions, it is not clear how or if staff outside of the PACTs are empowered to respond to patients and other customers or to improve organizational performance.

--   b(1)   While the process for reviewing organizational performance and capabilities is described, recent performance review findings are not presented, which makes it difficult to understand what performance measures senior leaders regularly review and how effectively review findings are translated into priorities for improvement.

-     b(3)   While senior leaders review information from the Balanced Scorecard (BSC), Baldrige self-assessments, and individual Performance Evaluation Plans to assess the effectiveness of their own leadership and that of the leadership system, it is not clear how the information from the annual assessment process is systematically translated into priorities for improving the organization's leadership system.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the approach for setting and deploying organizational values, short- and longer-term directions, and performance expectations.

- Verify how senior leaders create an environment for empowerment and innovation. Clarify how senior leaders empower colleagues not involved in PACTs; also clarify how they facilitate staff/organizational learning across all OUs.

- Verify how the ELT translates organizational performance review findings into improvement opportunities/priorities and deploys its priorities to colleagues, suppliers, and partners across the organization.

- Clarify the measures the applicant uses to review organizational performance; also clarify the approach used to regularly review organizational performance. Identify recent performance review findings.

- Clarify the approach senior leaders use to assess the effectiveness of individual and system leadership and how they translate findings from their annual assessment to priorities and plans for improving both individual and system leadership effectiveness.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 1.1

Item Worksheet—Item 1.2

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- A $754-million not-for-profit health care system, founded in 1994 through a series of mergers
- Delivers patient services through four hospitals, six primary care outpatient centers, and a home health care operation
- Purpose, Destiny, and SPIRIT Values
- Highly regulated environment
- Customer segment: community organizations

+/++	Area to Address	(+) STRENGTHS
+	a(1)	The applicant uses the Regulatory and Accreditation Committee (RAC) to track and monitor compliance with regulations, laws, and accreditation standards. Sample targets for regulatory/legal performance are provided in Figure 1.2-1. The RAC also establishes policies/procedures and promotes the sharing of best practices with similar committees in the OUs.
+	a(3)	The applicant promotes ethical practices by providing the *Pride and Ethics Handbook* to job candidates, by giving *Compliance Commitment* to each colleague during orientation, and by maintaining an ongoing focus on ethics through discussions in each Dialogue, a toll-free hotline to report concerns, and an Ethics Consultant Team.
+	b	At the October TAP meeting, the applicant evaluates community needs and identifies four long-term priorities for support. Colleagues who participate in these priority activities are eligible for paid time off. The applicant's approaches to building community health are responsive to all six of the key requirements of organizations in the applicant's communities and in alignment with many of the applicant's strategic challenges. For example, its program to help neighborhood low-wage earners enter higher paying health care jobs also addresses its strategic challenge of uncompensated care at its main hospital.

–/– –	Area to Address	(–) OPPORTUNITIES FOR IMPROVEMENT
-	a(1)	The applicant does not describe how it addresses societal concerns related to risks associated with management of health care services and other organizational operations.
-	a(2)	Although the applicant participates in collaborative disaster and disease planning with other health care providers and senior leaders participate in a number of community organizations, a proactive approach to anticipating and preparing for public concerns with current and future services and operations is not evident.
-	b	Although the applicant has identified four long-term priorities for community support, measures used to track its support appear to be limited to monetary and in-kind contributions, which may make it difficult for the organization to understand the impact of its community support efforts and how these efforts are contributing to its strategic goals.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Clarify the processes, measures, and targets the applicant uses to address risks associated with the management of its health care services and other organizational operations.

- Clarify how the applicant anticipates public concerns with current and future services/operations and how it proactively prepares for these concerns.

- Verify the methods the applicant uses to accomplish ethical practices in all stakeholder transactions and interactions.

- Verify how the applicant identifies key communities and determines areas of emphasis for organizational involvement/support.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

   raise large   raise small   no change   lower small   lower large

Item Worksheet—Item 1.2

Item Worksheet—Item 2.1

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Headquarters in Cincinnati, Ohio, and facilities in southern Ohio, northern Kentucky, and southeastern Indiana
- Highly regulated environment
- Six customer segments (active patients, potential/inactive patients, physicians, payors, employers, and community organizations) with identified requirements
- Seven major competitors offering similar services
- Seven CSFs
- Nine strategic challenges

+/++	Area to Address	(+) STRENGTHS
++	a(1)	The organization has a systematic seven-step Strategic Planning Process (SPP) that begins each January and continues through October of every year (Figure 2.1-1). Participants in the SPP include the ELT, Senior Leadership Teams (SLTs), selected Board members, and IC members from the OUs. The SPP begins with a bottom-up approach and is integrated with the TAP process to ensure that operational performance review is linked to strategic planning.
+	a(2)	As summarized in Figure 2.1-2, the SPP addresses many key factors, including patient and family needs, supplier capabilities, other stakeholder (e.g., payors, residents) needs, regulation, competitor information, technology capabilities, and economic conditions. These factors are assigned to specific ICs for analysis in the twelve-part Drill Down process.
+	b(1)	The organization has identified strategic objectives and targets for 2002–2005 (Figure 2.2-1). Each objective is aligned with at least one CSF to ensure that strategic initiatives are aligned and support the achievement of the organization's Purpose and Destiny.

–/– –	Area to Address	(–) OPPORTUNITIES FOR IMPROVEMENT
-	a(2)	The Financial and Market Strength (FMS) IC (Figure 2.1-2) is responsible for responding to the numerous requirements and risks related to regulation and accreditation. However, it is unclear how these issues are systematically addressed during the SPP, and no related strategic objectives are evident in Figure 2.2-1: Sample Strategic Objectives, Action Plans, Targets, and Balanced Scorecard Metrics.
-	b(2)	The applicant's strategic objectives do not appear to address all of the key strategic challenges outlined in P.2 of the Organizational Profile. For example, staff collaboration, uncompensated care, staffing shortages, managed care price pressure, increasing drug costs, and Hergh performance are not specifically addressed through strategies or action plans. It is not clear how the applicant will be able to achieve its Purpose and Destiny without addressing all key challenges.
-	b(2)	It is not evident that the strategic objectives presented in Figure 2.2-1 balance the needs of all key stakeholders. For example, although the applicant identifies the needs of payors and employers in the Organizational Profile, specific strategic objectives and related action plans are not presented to support the needs of these two groups.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the SPP and TAP processes and clarify how planning inputs are gathered and analyzed within the process.
- Clarify how regulation is addressed in planning.
- Clarify how strategic objectives are identified, how they address the organization's nine strategic challenges, and how they balance the needs of stakeholders.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 2.1

Item Worksheet—Item 2.2

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- A $754-million not-for-profit health care system, founded in 1994 through a series of mergers
- A total of 4,981 colleagues in 315 job classifications; two unions representing nursing, engineering, and maintenance staff; some contract labor; more than 1,945 volunteers
- Employs 34 FTE hospital-based physicians and has 711 independent physicians on hospital staff. Owns 11 primary care physician practices that serve the six primary care outpatient centers
- The Knowledge Information System (KIS) connects all facilities.
- Seven CSFs
- Nine strategic challenges

+/++	Area to Address	(+) STRENGTHS
+	a(1)	Action plans are developed annually at organizational and OU levels as part of the SPP and are reviewed and approved in the October TAP. Resources are allocated in the form of annual budgets that are tied to action plan objectives.
+	a(2)	A sample of key short- and longer-term action plans and related measures is presented in Figure 2.2-1. Because plans and objectives are reviewed throughout the year, action plans can be modified frequently to reflect key changes in the organization's internal or external environment.
+	a(3)	The HPC IC uses input from the May retreat to develop action plans and targets for the organization's overall human resource plan. In addition, each OU identifies staffing implications of its strategies and action plans (e.g., staffing increases or decreases, skill needs, training needs, cross-departmental sharing opportunities, and budget). These staffing implications are added to the overall HPC CSF in the October TAP.

–/– –	Area to Address	(–) OPPORTUNITIES FOR IMPROVEMENT
-	a(1)	Although budgets are approved in the October TAP, the process by which resources are allocated across multiple OUs is not clear.
-	a(2)	While the organization addresses many short-term action plans, it is not clear how the organization considers longer-term action plans to address strategic challenges and CSFs. For example, it is not clear how the organization plans to approach its goals of decreasing errors by 50 percent, opening ten health centers, or maintaining uncompensated care at $42 million per year.
-	a(3)	Although the HPC IC uses input from the May retreat to develop action plans and targets for the organization's overall human resources plan, it is unclear what key human resource action plans and targets result from this process.
--	b	Although the organization provides future-based targets and historically based comparative data, the organization does not provide performance projections for its key short- and longer-term measures or for determining how its projections compare with those of competitors or other organizations providing similar health care services.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify how short-term action plans are developed and deployed, and clarify how longer-term action plans are developed and deployed. Include how resources are allocated and how plans address all CSFs and all strategic challenges. Clarify also what human resource action plans and targets result from the May retreat.

- Verify how measures are identified to monitor plans, how they are deployed to all OUs, and how they are used to ensure organizational alignment.

- Clarify the existence of performance projections for the organization and, if they exist, how they compare with those of competitors/other appropriate organizations.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large   raise small   no change   lower small   lower large

Item Worksheet—Item 2.2

Item Worksheet—Item 3.1

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- A $754-million not-for-profit health care system, founded in 1994 through a series of mergers
- Headquarters in Cincinnati, Ohio, and facilities in southern Ohio, northern Kentucky, and southeastern Indiana
- Delivers patient services through four hospitals, six primary care outpatient centers, and a home health care operation
- Over 90 percent of patients reside in the 13-county Cincinnati MSA; the remaining 9 percent come from other areas in the tristate region; 10 percent of the population is uninsured.
- Six customer segments (active patients, potential/inactive patients, physicians, payors, employers, and community organizations) with identified requirements
- CSFs: Patients First, Physician Distinction, Compassionate Operational Excellence, Information Anywhere Anytime, and Community Support

+/++	Area to Address	(+) STRENGTHS
+	a(1)	In conjunction with the Customer Focus Team (CFT), the ELT uses the New Customer/Market Segment Analysis Process (Figure 3.1-1) during the TAP Drill Down to identify new customers and markets. This process ensures that alignment with the PDV is maintained and includes linkages to other key processes such as the SPP, Process Evolution Cycle, and Process Improvement Cycle.
+	a(2)	The applicant employs a variety of formal and informal listening and learning approaches to determine requirements of all key patient/customer groups, including former patients and patients of competitors. These approaches include market research, focus groups, satisfaction surveys, complaints, a toll-free number, a Web site, and ELT/SLT affiliations (Figure 3.1-2). In addition, the applicant tailors these approaches by customer group. For example, physicians and their key staff members are surveyed extensively in support of the Physician Distinction CSF.
+	a(2)	In pursuit of its goal of providing superior performance matched to community needs, the applicant cooperates with other hospitals in the region to complete an areawide analysis of health care needs, disease rates, and key demographic trends every two years.
+	a(3)	The applicant keeps satisfaction survey listening and learning methods current with health care service needs and directions through the use of two specific open-ended questions at the conclusion of each survey. Answers to these questions provide the CFT with feedback on changing customer needs and help ensure that listening and learning methods remain current. For example, the use of the Web site to conduct satisfaction surveys is evidence of refinement in methods.

Area to		
–/– –	**Address**	**(–) OPPORTUNITIES FOR IMPROVEMENT**

-    a(1)   Although the applicant identifies six customer and patient segments, it is not clear whether the applicant considers other segmentation factors beyond customer type in light of the diversity of services provided and geographic locations, nor is it clear how it includes customers of competitors in its segmentation process.

-    a(2)   It is not evident that the applicant gathers data regarding the relative importance and value of health care service features to customers' purchasing decisions. Without these data it may be difficult for the applicant to adequately support health care service planning, marketing, improvements, and other business development processes.

-    a(2)   Although the applicant has implemented methods to contact inactive and former patients and reaches some patients of competitors through surveys, it is not evident that the applicant has a systematic approach to using relevant information such as patient and customer retention data or won-lost analyses.

-    a(3)   Although the applicant strives to keep the satisfaction survey up to date with changing customer needs, this is just one of many listening and learning methods that it uses. The applicant does not describe how other listening and learning methods such as market research, focus groups, complaints, ELT/SLT affiliations, and customer-initiated communications are kept current with health care service needs and directions.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the use of the New Customer/Market Segment Analysis Process (Figure 3.1-1) during the TAP Drill Down to identify new customers and markets.

- Verify the use of listening and learning methods, and clarify how the applicant determines the relative importance/value of service features in its listening and learning methods.

- Clarify how the applicant segments customers/patients and whether it considers relevant segmentation factors other than customer type. Also, clarify whether it uses other relevant information such as retention data, won-lost analyses, and/or complaints.

- Clarify whether the applicant has methods for keeping all listening and learning approaches current with changing needs.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 3.1

Item Worksheet—Item 3.2

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Purpose: cherish, preserve, and improve health; enrich the human experience, fulfill needs of patients; honor the dignity of the people they serve
- Six customer segments (active patients, potential/inactive patients, physicians, payors, employers, and community organizations) with identified requirements
- CSFs: Patients First, Physician Distinction, Compassionate Operational Excellence, Information Anywhere Anytime, and Community Support
- Over 90 percent of patients reside in the 13-county Cincinnati MSA; the remaining 9 percent come from other areas in the tristate region; 10 percent of the population is uninsured.

+/++	Area to Address	(+) STRENGTHS
+	a(1)	The applicant deploys a range of methods to build patient and customer loyalty aligned with its PDV and the Patients First CSF. For example, the organization utilizes Patient Centered Teams (PACTs), several systematic procedures related to the care of patients from admission to discharge, and open access scheduling at outpatient centers. The PACTs are designed to reduce the number of different staff contacts and to focus on patient needs. In addition, PACTs are used to deploy in-process and post-discharge methods to communicate with patients and build relationships.
+	a(1)	The Physician Distinction IC leads the applicant's efforts in building physician relationships by involving physicians in leadership positions, strategic decisions, and operational improvements and by enabling them to spend more time in offices and operating rooms. In addition, the organization builds physician loyalty by providing links to KIS, providing patient satisfaction survey results, providing referral feedback, and offering a daily on-line summary of key health care news in response to key customer requirements for this group.
+	a(2)	The CFT determines key patient/customer contact requirements through analysis of data from multiple listening posts, health care and other industry standards, best practices, and emerging applications. Key contact requirements include timeliness, convenience, efficiency, accuracy, and courtesy. These requirements are deployed to all colleagues and independent physicians through job descriptions, new colleague orientation, customer service training, newsletters, and distribution of customer satisfaction survey results.
++	a(3)	The Customer Concern and Recovery (CCR) process (Figure 3.2-1) is used by all OUs to systematically capture, track, and resolve customer concerns from all six customer segments. The CCR process includes an automatic escalation mechanism to ensure that complaints are handled properly. Every colleague is empowered to resolve customer concerns on the spot or, if required, to stay with the problem until resolution. Customer concerns are aggregated across the organization by the Process Improvement Office (PIO) using the KIS system, and SLTs and the PIO review monthly aggregated complaint data summaries to identify and resolve systemic issues.
+	b(3)	The applicant determines its customer satisfaction relative to competitors through the use of an independent annual "report card" process sponsored by the Greater Cincinnati Business Roundtable. These data are correlated with other survey results and internal data for strategic planning and improvement purposes. The applicant also uses customer satisfaction data gathered through its participation in national improvement activities with similar health care provider organizations outside the greater Cincinnati area.

Area to		
–/– – Address		(–) OPPORTUNITIES FOR IMPROVEMENT

- a(1,2)   The processes used to build loyalty and positive referral for the employer and payor customer segments are not clearly described. Although examples of communication methods and other services to these groups are presented, it is not evident that the applicant has systematically deployed a process to determine the requirements and preferences of these customer segments and provide access mechanisms and other services that match customer requirements.

- a(4),b(4)   The applicant does not describe how the CFT keeps customer relationship and satisfaction approaches current with health care service needs and directions, and it is not evident that the processes used to evaluate and improve these approaches are fact based and systematic.

-- b(1)   It is not clear how the applicant ensures that the patient/customer satisfaction determination process captures actionable information from groups other than inpatients and physicians, such as employers and payors. Although some contact methods are presented for these groups, it is not evident that the process enables the applicant to predict future interactions with the organization and/or potential for positive referral.

- b(2)   Although the applicant uses a number of methods to follow up with inpatients, ambulatory surgery patients, and their families, it is not evident that the applicant follows up with other patient/customer groups following the delivery of service or completion of other transactions to obtain prompt and actionable feedback. For example, the independent physician survey is only conducted annually. Without prompt and actionable feedback from all customer groups, the applicant may have difficulty achieving its CSFs.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Clarify the methods used to build loyalty and positive referral for all customer segments.

- Review the patient/customer satisfaction determination process to clarify whether it captures actionable information from all customer groups, and determine whether the applicant is able to predict future interactions with the organization, provider loyalty, and/or potential for positive referral from the data gathered in this process.

- Clarify whether the applicant, particularly the CFT, has a process for keeping customer relationship and satisfaction approaches current with changing health care services needs and directions.

- Clarify how the applicant follows up with all patient/customer groups following the delivery of service or completion of transactions in order to obtain prompt and actionable feedback.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 3.2

Item Worksheet—Item 4.1

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Six customer segments (active patients, potential/inactive patients, physicians, payors, employers, and community organizations) with identified requirements
- Delivers patient services through four hospitals, six primary care outpatient centers, and a home health care operation
- A total of 4,981 colleagues in 315 job classifications; two unions representing nursing, engineering, and maintenance staff; some contract labor; more than 1,945 volunteers; employs 34 FTE hospital-based physicians and has 711 independent physicians on hospital staff; owns 11 primary care physician practices that serve the six primary care outpatient centers; contracts with clinical partners
- KIS connects all facilities.
- Seven CSFs
- Seven major competitors offering similar services; MCOs have captured over 50 percent of the market.

+/++	Area to Address	(+) STRENGTHS
++	a(1)	The Information Anywhere Anytime (IAA) IC uses the Knowledge Information System (KIS) to gather data and information from OUs and functional areas. KIS integrates and disseminates information across the organization through linked systems such as the Clinical Information System to support patient care and the Administrative Decision Support System to guide daily operations and decision-making (Figure 4.1-1). The system includes benchmarking data from 125 similarly sized health care systems nationwide.
+	a(2)	The SLT for each OU selects clinical, financial, and operational measures that align with the CSFs. ICs oversee the cascading of these measures to operating departments and functional areas in each OU.
+	b(1)	The ELT's organizational performance review is supported through a color status analysis of key measures associated with the Balanced Scorecard (BSC) and CSFs. The applicant uses green, yellow, and red to assist ELT members in reviewing organizational performance.
+	b(2)	The organization communicates the results of its TAP reviews and ongoing monitoring of key performance measures and indicators through the IC structure, the BSC available on KIS, and Knowledge Boards (KBs) posted throughout the organization.

–/– –	Area to Address	(–) OPPORTUNITIES FOR IMPROVEMENT
-	a(2)	While references are made throughout the application to the BSC and key measures, it is not clear what these measures are, nor is it clear how the organization ensures that the measures selected by the OUs are aligned for tracking overall organizational performance.
-	a(3)	Although users have access to comparative data and information through KIS, it is not clear how the applicant selects and ensures the effective use of comparative data and information in assessing performance and identifying areas of improvement. Few comparative measures are presented in the sample of BSC metrics (Figure 2.2-1) or in the applicant's results (Category 7).
--	b(1)	The applicant appears to be in the early stages of using techniques such as comparisons, cause-and-effect relationships, root cause analysis, and data correlations to give senior leaders an in-depth view of organizational performance. For example, although the applicant uses color designators to indicate performance relating to BSC and CSF measures, the analyses performed to support these designations are not evident.

-        b(3)   It is not evident that the applicant aligns the results of organizational-level analysis with key
                   organizational performance results, strategic objectives, and action plans to provide a basis for
                   projections for improvement.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify that the applicant gathers and integrates data and information through KIS from OUs and functional areas and disseminates information across the organization.

- Clarify what the actual BSC measures are; how the SLT for each OU selects clinical, financial, and operational measures that align with the CSFs; and how the organization selects appropriate comparisons.

- Clarify how the review of BSC measures and the "green, yellow, and red" system represent analyses performed to support senior leaders' organizational performance reviews.

- Clarify how the results of organizational-level analysis provide the basis for projecting performance improvements.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 4.1

Item Worksheet—Item 4.2

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Six customer segments (active patients, potential/inactive patients, physicians, payors, employers, and community organizations) with identified requirements
- Delivers patient services through four hospitals, six primary care outpatient centers, and a home health care operation
- A total of 4,981 colleagues in 315 job classifications; two unions representing nursing, engineering, and maintenance staff; some contract labor; more than 1,945 volunteers; employs 34 FTE hospital-based physicians and has 711 independent physicians on hospital staff; owns 11 primary care physician practices that serve the six primary care outpatient centers; contracts with clinical partners
- KIS connects all facilities.
- Seven CSFs
- The ELT and ICs form the management system; new service design and improvement processes, the PEC, and the PIC are key for evaluation/improvement.

	Area to	
+/++	**Address**	**(+) STRENGTHS**

+   a(1)   Supporting its CSF of Information Anywhere Anytime, the applicant makes needed data and information on KIS widely available through personal computers and kiosks. Access is available in clinical and administrative areas and physicians' offices and homes. In addition, some insurers and employers have access to selected KIS data. This data availability is aligned with several of the organization's Purpose, Destiny, and SPIRIT Values; customer requirements; strategic objectives; and CSFs, including error reduction, real-time clinical data access for physicians, and cost management.

+   a(2)   An IC, the Chief Information Officer (CIO), and the work of the Health Insurance Portability and Accountability Act (HIPAA) Task Force guide policies and procedures to address key requirements surrounding data and information, such as automation of data entry and access code restrictions to protect confidentiality (Figure 4.2-1).

+   b(1)   The applicant's approach to ensure the user friendliness of hardware and software systems includes beta testing prior to full implementation to provide the opportunity for the colleagues who will use the system to evaluate the functionality of the system and to evaluate other related issues, such as training.

+   b(2)   The IT Department addresses information system reliability by using a modified PEC process to assess, purchase, and begin use of hardware and software.

Area to		
–/– –	**Address**	**(–) OPPORTUNITIES FOR IMPROVEMENT**

- a(1)   While data and information are widely available to on-site colleagues and physicians, especially through the KIS, it does not appear to be as readily available to several other key partner groups. For example, approximately 250 of the applicant's independent physicians are not on KIS, only one of four key service partners (Reliastate Insurance Management System) is on automatic data interchange, and there is no mention of how patients or community organizations have access to needed data and information.

- a(2)   It is not clear what process is used by the IAA IC and the CIO to establish the policies and procedures (Figure 4.2-1) for ensuring data and information integrity, reliability, accuracy, timeliness, security, and confidentiality. Although the implementation of the KIS was a significant improvement to the organization's approach to address these factors, significant features of this system are not yet implemented or not implemented in all OUs.

- a(3), b(2)   Although the applicant relies on the primary software vendor to provide upgrades, it is not evident that this results in a systematic approach to keep information availability mechanisms or related software and hardware systems current with health care service needs and directions. This is of particular importance to the applicant because of its plan to invest $5 to $8 million per year in information systems over the next ten years in a time of increasing price and cost pressures.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Clarify the extent of KIS deployment and availability to independent physicians, patients and other customers, and key partners.

- Clarify how the IAA IC and the CIO establish policies and procedures and how the process ensures data and information integrity, reliability, accuracy, timeliness, security, and confidentiality.

- Clarify how the IT Department's use of a modified PEC process serves to keep software and hardware systems up to date. Clarify how the applicant's reliance on software upgrades results in a systematic approach to keep information availability mechanisms and related software and hardware systems current with health care needs and directions.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 4.2

Item Worksheet—Item 5.1

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Destiny: seek out, embrace, and nurture the finest talent, knowledge, and science to deliver role model health services to people. SPIRIT Values: service, pride, integrity, respect, innovation, and teamwork
- A total of 4,981 colleagues in 315 job classifications; two unions representing nursing, engineering, and maintenance staff; some contract labor; more than 1,945 volunteers
- Employs 34 FTE hospital-based physicians and has 711 independent physicians on hospital staff. Owns 11 primary care physician practices that serve the six primary care outpatient centers
- CSFs: Physician Distinction, High Performing Colleagues
- Strategic challenge: regional and national shortage of staff—particularly therapists, technicians, and nurses—while current staff are approaching retirement

	Area to	
+/++	**Address**	**(+) STRENGTHS**

+	a(1)	The applicant has implemented the evidence-based Patient Focused Care (PFC) approach that places the patient in the center of the care process and clusters patients with similar care needs together with small multidisciplinary teams for treating chronic diseases and other clinical priorities (Figure 5.1-1). Since these teams are cross-functional, this structure supports cooperation, flexibility, communication, and knowledge and skill sharing. This approach is implemented through PACTs in three of the four hospital OUs.
+	a(1)	In support of the Physician Distinction CSF, the applicant provides a work structure that enhances communication and efficient care practices to streamline physician-related work processes and information access and availability. This approach relies heavily on full-time, hospital-based physicians, or hospitalists, to improve coverage and communication with admitting physicians.
+	a(2)	To motivate staff to utilize their full potential and support high performance in key areas of organizational priority, the applicant has implemented a Performance Evaluation Plan (PEP), which is a shared responsibility of the supervisor and each colleague. This process requires monthly coaching and formal reviews every six months based on the development and ongoing amendment of performance expectations by supervisors and colleagues for each six-month period. Performance expectations are developed in the three key areas of career and personal growth, organizational performance targets, and the PDV.
+	a(3)	The applicant emphasizes colleague, individual, and team recognition and has implemented a number of award programs to support and recognize high performance, in keeping with its Purpose to improve health, its Destiny to nurture the finest talent, and its SPIRIT Values of pride and teamwork. In addition to the one or two colleagues from each OU who are recognized annually for role-model performance, individual OUs have implemented their own internal programs to recognize exceptional performance.
+	a(4)	The applicant focuses on increasing internal promotion to senior positions. Its succession planning process includes identification of key leadership competencies, evaluation of potential candidates against these competencies, and the use of the Nine-Box Matrix Assessment. All ELT and SLT positions have succession plans that are reviewed with the Board. In addition, during the formal six-month PEP, colleagues and their supervisors discuss individual progress in growth and development.
+	a(5)	In response to the strategic challenge of staffing shortages, the applicant uses both traditional approaches (e.g., newspaper classified ads) and innovative approaches (e.g., flexible benefits) to meet its recruitment and hiring needs. Additionally, as part of its community support CSF

efforts, the applicant works with K-12 school districts to develop future health care workers through job "shadowing" in fields with shortages such as nursing and pharmacy, and it promotes regional economic development by helping low-wage earners enter higher paying health care disciplines.

–/– –	Area to Address	(–) OPPORTUNITIES FOR IMPROVEMENT

--   a(1)   While the PACTs address job responsibilities for several job classifications (e.g., nurse, pharmacist), the applicant is operating in an environment with 315 job classifications, 4,981 colleagues, 1,945 volunteers, two unions, and contracted staff in areas such as radiology and emergency medicine. Thus, it is not clear how work is organized and managed to promote cooperation, initiative, innovation, and knowledge and skill sharing for non-PACT colleagues.

-     a(3)   The organization considers its 1,945 volunteers to be an important component of its human resources, and it relies on contract labor for radiology, anesthesiology, pathology, and emergency medicine. However, it recognizes volunteers only for years served rather than for the PDV-focused performance that it promotes for colleagues, and no reward or recognition system for contract labor, for the 711 independent physicians on hospital staff, or for trainees is described.

-     a(5)   It is unclear how the applicant's work system capitalizes on the diversity of the communities in which it operates to better serve its population base.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the approach for leadership development and succession planning. Review the applicant's need and approach for succession planning for colleagues in nonmanagement jobs and for other colleagues, such as physicians.

- Verify the approach, deployment, and use of PEP for all types of colleagues, and clarify the deployment and use of incentive awards and recognition for all segments of the workforce.

- Clarify how work and jobs are organized and managed for colleagues who are not in PACTs. Verify how job structure promotes cooperation, initiative, and innovation in PACTs, and clarify how it affects other job classifications.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 5.1

Item Worksheet—Item 5.2

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Destiny: seek out, embrace, and nurture the finest talent, knowledge, and science to deliver role model health services to people. SPIRIT Values: service, pride, integrity, respect, innovation, and teamwork
- A total of 4,981 colleagues in 315 job classifications; two unions representing nursing, engineering, and maintenance staff; some contract labor; more than 1,945 volunteers
- Has 34 FTE hospital-based physicians and 711 independent physicians on hospital staff. Owns 11 primary care physician practices that serve the six primary care outpatient centers
- CSFs: Physician Distinction, High Performing Colleagues
- Strategic challenge: regional and national shortage of staff—particularly therapists, technicians, and nurses—while current staff are approaching retirement

+/++	Area to Address	(+) STRENGTHS
+	a(1)	The HPC IC is responsible for developing a comprehensive annual education, training, and development plan. This plan is designed to fit into the budget and align with the results of the TAP Drill Down, annual action plans, and Colleague Development Plans from individual six-month PEPs. The plan also supports colleagues in meeting their specific licensing and credentialing requirements.
+	a(2)	The OU-level HPC ICs gather input from colleagues regarding educational needs through a number of mechanisms in order to establish the Education Plan. For example, the system-level HPC IC conducts focus groups, colleagues provide input via the Inspiring Ideas (I2) suggestion program and exit interviews, and specific areas are identified in the annual Colleague Opinion Survey.
+	a(3)	The applicant has developed a graduate studies program tailored to the needs of colleague segments such as nurses, pharmacists, support staff, and independent physicians in partnership with a local university. With a goal of a minimum of 50 hours of training per year, per colleague, courses are offered by the applicant's own in-house "college" in areas such as safety and KIS. Tuition reimbursement also is provided to colleagues pursuing undergraduate and advanced degrees in their career paths.
+	a(4)	The applicant provides formal and informal training through a number of methods. For example, the applicant's in-house "college" offers in-classroom courses, self-study programs, video conferences, and computer-based training. The applicant also has begun to benchmark other corporate universities with distance learning. Additionally, some courses are offered on campus at a local university. Other education methods include daily Knowledge Today e-mail messages from the ELT, coaching during Dialogues, articles in an inspirational newsletter, KBs in each facility, and quarterly Patients First fairs.

	Area to	
–/– –	**Address**	**(–) OPPORTUNITIES FOR IMPROVEMENT**

- a(3) It is not clear how the applicant's education, training, and development efforts address some key organizational needs such as performance measurement and improvement, evidence-based medicine, and diversity. Also, although the applicant has provided additional education to support the expanding use and capabilities of KIS, the applicant's approach to training related to changing technology associated with patient care and other colleague job responsibilities is not described.

- a(4) The applicant's approach to the evaluation of the effectiveness of education and training appears to be limited to collecting input from colleagues on their satisfaction with education and training. Although the applicant has recognized the need to evaluate education in relation to organizational and clinical performance, such as the planned deployment and use of the Kirkpatrick Model, these approaches are in the early stages of development and deployment.

- a(5) Although the applicant has described cross-training and skill sharing in some types of jobs, such as those for colleagues who work in PACTs and the residency training program, it is not evident that the applicant systematically reinforces the use of knowledge and skills on the job across all OUs and colleague job classifications.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the approach for the development of the Education Plan, including the balance of short- and longer-term organizational objectives and staff needs. Verify the collection and use of colleague input on educational needs and delivery options.

- Clarify the approach and level of deployment of training in the areas of diversity, evidence-based medicine, performance measurement, and changing technology. Verify the deployment and availability of and access to training at all OUs and for all classifications of colleagues.

- Clarify the current level of deployment of the Kirkpatrick Model and its use in evaluating the effect of training on organizational performance. In addition, clarify the use of participant feedback in the evaluation and improvement of education and education delivery.

- Clarify the approach to reinforcement of knowledge and skills on the job for all OUs and classifications of colleagues.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 5.2

Item Worksheet—Item 5.3

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Destiny: seek out, embrace, and nurture the finest talent, knowledge, and science to deliver role model health services to people. SPIRIT Values: service, pride, integrity, respect, innovation, and teamwork
- A total of 4,981 colleagues in 315 job classifications; two unions representing nursing, engineering, and maintenance staff; some contract labor; more than 1,945 volunteers
- Employs 34 FTE hospital-based physicians and has 711 independent physicians on hospital staff. Owns 11 primary care physician practices that serve the six primary care outpatient centers
- CSFs: Physician Distinction, High Performing Colleagues
- Strategic challenge: regional and national shortage of staff—particularly therapists, technicians, and nurses—while current staff are approaching retirement

+/++	Area to Address	(+) STRENGTHS
+	a	The applicant supports safety in the workplace through the establishment of a Colleague Care Committee and a Safety Office and the assignment of safety experts in each OU. Other activities include Weekly Safety Rounds in patient care units and PACTs, the availability of safety training by request from the in-house "college," and safety training as part of New Colleague Orientation.
+	b(1)	In response to the strategic challenge of staff shortages, the applicant originally determined key factors that affect colleague well-being and satisfaction through an organization-wide assessment. Ongoing refinement of these factors occurs through the use of information gathered from Colleague Opinion Survey focus groups. Senior leaders also monitor performance related to these factors on a regular basis through daily rounds and the I2 on-line suggestion program.
++	b(2)	In response to the competition for critically needed skills, the applicant provides an expanded benefits package that includes features such as flexible work schedules, reimbursement for child care, transportation assistance, and paid sabbaticals in addition to the traditional health, dental, vacation, and pension benefits.
+	b(3)	The applicant conducts a Colleague Opinion Survey administered according to colleagues' birth dates to provide timely input throughout the year. I2 also is used as a key source of information regarding colleague well-being, satisfaction, and motivation. Human Resources monitors other measures such as turnover, absences, complaints, grievances, and disciplinary actions.
+	b(4)	Colleague well-being and satisfaction indicators are reviewed as part of the Strategic Planning Process and TAP Drill Down to relate colleague results to key organizational performance results. Priorities are defined and improvement actions undertaken through a cross-functional PEC team.

Area to

–/– –   Address   (–) OPPORTUNITIES FOR IMPROVEMENT

- a Performance measures and targets for key environmental factors that affect workplace health, safety, and ergonomics are not provided.

- a It is unclear how the applicant identifies significant differences based on the diverse locations and the work done by different colleague segments.

- b(1) It is unclear how the applicant determines the factors that affect well-being, satisfaction, and motivation for particular segments of its diverse workforce and for its varying categories and types of staff, including volunteers and union members.

- b(3) It is not clear how the applicant tailors its formal and informal assessment methods and measures to its diverse workforce and for its varying categories and types of staff.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the approach to develop key factors affecting colleague support and satisfaction. Verify how colleague input is used to refine and update these factors and how these factors are used by senior leaders to monitor performance and seek improvements.

- Verify the applicant's approach to colleague benefits and services, as well as the level of deployment of, use of, and colleague satisfaction with the various elements of benefits and services.

- Verify how assessment findings are related to key organizational performance results.

- Clarify if the applicant has identified measures and targets for key environmental factors and considers varying work environments in the determination of these factors.

- Clarify if the applicant systematically addresses the needs of a diverse workforce through the segmentation of key performance factor and assessment methods and the tailoring of services benefits and policies.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large   raise small   no change   lower small   lower large

Item Worksheet—Item 5.3

Item Worksheet—Item 6.1

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Delivers patient services through four hospitals, six primary care outpatient centers, and a home health care operation
- Destiny: seek out, embrace, and nurture the finest talent, knowledge, and science to deliver role model health services to people
- Six customer segments (active patients, potential/inactive patients, physicians, payors, employers, and community organizations) with identified requirements
- Seven CSFs
- The new service design and improvement processes, the PEC, and the PIC are key for evaluation/ improvement.

+/++	Area to Address	(+) STRENGTHS
+	a(1,2)	The applicant uses a team-based Process Evolution Cycle (Figure 6.1-1) to design, pilot, and benchmark processes for health care services and delivery systems. The work of the cross-functional PEC Teams is integrated with current organizational structures and processes (the ELT, the SLT, ICs, and the TAP).
+	a(7)	To minimize errors and rework in the deployment of new systems and processes, the applicant has incorporated a test phase into the PEC. All new programs are pilot tested in this phase. Once the pilot program is successful, the process is deployed across the organization. This process has recently been enhanced by use of a mock-up prior to a live-site pilot test for new processes that involve workplace or workflow modifications.
+	b(1)	The applicant defines its key health care delivery processes, subprocesses, operational requirements, and performance measures (Figure 6.1-5). Clinical pathways, which consist of evidence-based, scientifically validated clinical process steps, are used to diagnose and treat disease.
+	b(2)	The Central Intake Office uses a standardized Intake Process to record the patient's medical condition, social and family circumstances, and care expectations. For patients who are receiving care through a PACT, a customized care plan is designed as part of the clinical pathway. Once completed, this care plan ensures that caregivers, the patient, and the patient's family share a common understanding of the patient's care.
+	b(6)	The applicant uses the Process Improvement Cycle (Figure 6.1-4) and coordinated activities of the PIO, ICs, and PACTs to systematically improve health care service delivery systems and processes. As improvements are identified and quantified, they are posted on KIS, on KBs, and in the applicant's newsletter and are used to update training courses.

	Area to	
–/– –	Address	(–) OPPORTUNITIES FOR IMPROVEMENT

-       a(2)   Although the applicant indicates one of its primary goals is to design and deliver the best quality health care at the lowest cost, it is not clear when or how the applicant factors financial considerations into its PEC or how a balance between quality health care and cost is achieved.

-       a(4)   Although the IAA IC prioritizes the needs for new information system technologies using defined criteria based on the PDV, it is not clear how medical technologies are addressed. It also is not clear how technology is systematically incorporated into the design of health care service delivery systems and processes. This may limit the applicant's opportunities to achieve the desired advanced care image that its research-funded university competitor now holds.

-       a(6)   The organization's approach to establishing performance requirements and measures related to regulatory and accreditation standards is not clear in light of the vacancy in the Compliance Officer position and the dependence upon this position in the PEC design process.

--   b(2, 3)   The applicant does not appear to have fully deployed its health care service delivery processes in several areas. For example, it is unclear how expectations are determined and monitored for patients who are not on a clinical pathway or in a PACT area or how day-to-day operations of key health care service delivery processes are ensured where PACTs have not yet been deployed.

-       a, b   It is not clear that the processes for the design, management, and improvement of health care delivery systems and processes are deployed to all OUs and functional areas, such as the six primary care outpatient centers and home care program.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the process for the PEC, including the incorporation of medical technology, and clarify its deployment to all sites for health care service processes.

- Clarify the approach and deployment of PACTs, the PEC, and the PIC throughout the organization.

- Clarify how day-to-day operations of key health care services are ensured where PACTs and clinical pathways have not yet been deployed.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 6.1

Item Worksheet—Item 6.2

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Delivers patient services through four hospitals, six primary care outpatient centers, and a home health care operation
- CSFs include Compassionate Operational Excellence
- The new service design and improvement processes, the PEC, and the PIC are key for evaluation/ improvement.
- Belongs to Preeminent Hospitals of North America (PHNA); spends $185 million annually on goods and services; five suppliers provide 68 percent of purchased goods
- Key service contracts
- Contracts with clinical partners

+/++	Area to Address	(+) STRENGTHS
+	a(1)	The applicant defines its seven key business processes (Figure 6.2-1) as technology acquisition, knowledge management, supply chain management, supplier partnering, nonclinical revenue activities, community outreach, and successful business growth. These processes also have related subprocesses and identified operational requirements.
+	a(3)	The applicant uses the PEC to design business processes to meet strategic and operational requirements. Performance of each business process is monitored with specified sets of measures (Figure 6.2-1).
+	a(5)	Through its partnership with PHNA, the applicant has reduced its supply base from 750 suppliers to 530 suppliers and has developed 16 partners. These initiatives have led to reductions in incoming inspections, product testing, and performance audits.
+	a(6)	The applicant uses the PEC and PIC models to improve its business processes. These results are shared via the KIS system, on KBs, and in an inspirational newsletter. In addition to monitoring its own performance through the PIO, the applicant compares the performance of its business processes with industry benchmarks and best practices.

–/– –	Area to Address	(–) OPPORTUNITIES FOR IMPROVEMENT
-	a(4)	Although suppliers and partners participate on PEC and PIC teams, systematic processes to collect and use feedback from suppliers and partners in the management of the business processes are not evident.
-	a(5)	Other than by reducing the number of suppliers and partners, it is not clear how the applicant minimizes costs associated with inspections and tests while maintaining and improving supplier performance.
-	a(6)	Although the applicant identifies methods for sharing key lessons learned, it is not clear how this information is systematically incorporated into performance improvement opportunities across all OUs.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the deployment of the PEC for business processes throughout the organization, including the role of partners and suppliers. Clarify how feedback from suppliers and partners is incorporated into the PEC process.

- Verify the performance measures used to monitor the performance of business processes.

- Clarify the approach and deployment to minimize costs associated with inspections, including the approach to systematically reduce the number of suppliers and partners.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 6.2

Item Worksheet—Item 6.3

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Delivers patient services through four hospitals, six primary care outpatient centers, and a home health care operation
- Destiny: seek out, embrace, and nurture the finest talent, knowledge, and science to deliver role model health services to people
- Highly regulated environment
- The new service design and improvement processes, the PEC, and the PIC are key for evaluation/ improvement.
- KIS connects all facilities.
- Seven CSFs

+/++	Area to Address	(+) STRENGTHS
+	a(1)	The applicant identifies human resources, education/training, the knowledge information system, facilities management, billing and payment, and corporate compliance as key processes for supporting daily operations and staff in delivering health care services (Figure 6.3-1). These processes also have related subprocesses, identified operational requirements, and performance measures.
+	a(3)	The PEC model is used to design key support processes and develop measures to track process performance that links to strategic requirements. The PIO and appropriate IC monitor performance.

–/– –	Area to Address	(–) OPPORTUNITIES FOR IMPROVEMENT
-	a(4)	It is not clear how the applicant systematically uses the information available through KIS and continuous staff interactions to ensure that key support processes are meeting key performance requirements.
-	a(5)	Although the applicant has identified many key performance measures to control and improve the support processes (Figure 6.3-1), it is not clear whether some of the key operational requirements for these processes (e.g., accuracy for human resources, competence for education/training, or timeliness of billing) have related measures.
-	a(6)	It is not evident how oversight by the PIO reduces the need for inspections, tests, and process audits. Furthermore, it is unclear how the organization systematically reduces audit and inspections costs related to support processes.
-	a(7)	Although an example is provided, it is unclear how the applicant systematically shares improvements of support processes with other organizational units and processes to achieve better performance across OUs.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the deployment of the PEC with support processes.

- Clarify the approach and deployment of using staff interaction and real-time data from KIS to ensure that day-to-day operations of support processes satisfy key performance requirements.

- Clarify the systematic process used by the PIO to reduce inspections, tests, and process audits, including related expenses.

- Clarify the use of performance measures to control and improve the support processes, and clarify the deployment of the measures throughout the organization.

- Clarify how the applicant shares improvements of support processes across OUs. Clarify the use of a fact-based approach to keep these processes current.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 6.3

Item Worksheet—Item 7.1

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Purpose: cherish, preserve, and improve health; enrich the human experience, fulfill needs of patients; honor the dignity of the people they serve
- Six customer segments (active patients, potential/inactive patients, physicians, payors, employers, and community organizations) with identified requirements
- CSFs: Patients First, Physician Distinction, Compassionate Operational Excellence, Information Anywhere Anytime, and Community Support
- Over 90 percent of patients reside in the 13-county Cincinnati MSA; the remaining 9 percent come from other areas in the tristate region; 10 percent of the population is uninsured.

+/++	Area to Address	(+) STRENGTHS
++	a	The applicant has established strategic objectives for achieving distinctive outcomes in the treatment of acute myocardial infarction, congestive heart failure, and pneumonia. Evidence of success in these key areas is shown by the representative treatment results presented in Figure 7.1-1. Results for all three conditions have improved over the 1999–2001 time period, all exceed the regional mean, and two of six measures meet or exceed the national benchmark.
+	a	In areas of patient care such as C-Section, Mammography, and Pap Smear Rates, the applicant has achieved consistent gains over the 1999–2001 time period, and all measures currently exceed the regional benchmark (Figure 7.1-2). Likewise, stroke, arthroscopy, and trauma rehabilitation results show improvement trends over the 1999–2001 time frame and currently meet or exceed the goal of being in the top 25th percentile of national results (Figure 7.1-3).
+	a	Geriatrics/behavioral health services, orthopedic and rheumatology services, and patient satisfaction with pain control show sustained improvement trends over the 1999–2001 time frame, and all currently are better than the benchmarks (Figures 7.1-4, 7.1-5, and 7.1-6). Additionally, the rate of readmissions due to secondary effects has shown continuing improvement and has been better than the national average since 1998 (Figure 7.4-5). The percentage of patients on appropriate clinical pathways has increased at Excelsion since 1996, at Founders since 1997, and at Hergh since 1998 (Figure 7.4-7).
+	a	Through an improvement in the organizational culture, the applicant increased the frequency of reported medical errors seven-fold and potential adverse drug events three-fold from 1999 to 2001, while the rate of actual adverse drug events was cut in half in the same period. These results suggest that error-reporting accuracy (rather than errors) increased as intended in the applicant's strategic objectives and action plan, and they indicate that patient outcomes related to drug delivery improved by 50 percent (Figures 2.2-1, 7.1-7).
+	b(1)	With the exception of Hergh, overall inpatient satisfaction and satisfaction with physician care, nursing care, and the emergency department all show generally improving trends over the 1996–2001 time frame for the OUs shown (Figures 7.1-9 through 7.1-12). Patient satisfaction with primary care outpatient centers also has shown improvement in four survey areas from 1998–2001 (Figures 7.1-13).
+	b(1,2)	Independent physician satisfaction (Figure 7.1-15) has increased steadily over the last five years for Excelsion, Roseleaf, and Founders and over the past two-and-a-half years for Hergh. Furthermore, independent physicians have indicated increasing loyalty to the organization. Over 90 percent of physicians in three hospitals would recommend the organization as a place to practice (Figure 7.1-20). Likewise, referring physicians at Excelsion and Founders show an increased willingness to recommend the organization to colleagues (Figure 7.1-21), and approximately 90 percent would recommend the organization again to patients (Figure 7.1-22).

Area to		
–/– –	**Address**	**(–) OPPORTUNITIES FOR IMPROVEMENT**

- a Although the health care service results indicate generally improving trends in key areas of interest, they are not segmented by the applicant's market segments (OUs). Without appropriate segmentation, the applicant may find it difficult to understand the relative performance of its OUs and identify and prioritize improvement opportunities.

- b Although the applicant has explained the difficulty in obtaining comparative data in many areas of patient/customer results, many of the results presented lack relevance and clarity because of the absence of such comparisons. For example, in areas such as emergency department patient satisfaction (Figure 7.1-12) and independent physician satisfaction (Figure 7.1-15), the applicant may find it difficult to assess the true significance of these improvement trends as they relate to its CSFs without relevant comparisons to key competitors. This difficulty may be particularly important in instances in which satisfaction results are not on track to reach the applicant's 2002 goal of overall patient satisfaction of 94 percent (Figure 2.2-1).

-- b(1,2) Results are not reported for key measures and indicators of customer satisfaction/dissatisfaction for the payor, employer, and community customer segments. Likewise, there are no measures presented for patient-/customer-perceived value, patient/customer retention, or positive referral. The absence of these measures may make it difficult for the applicant to achieve its CSF goals.

- b(2) Although the applicant's community quality image for best overall hospital has improved steadily since 1999, performance still lags behind that of its best competitor, RUH (Figure 7.1-17). In addition, the applicant exceeds all competitors but shows declining trends for its community quality image for best doctors and best nurses (Figures 7.1-18 and 7.1-19). Since perception of nursing and physician care is a driver of overall satisfaction for the applicant, these trends are particularly important to its future success in achieving its desired role model status in this area.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Review updated data for all figures presented in Item 7.1. Clarify whether comparative data exist for areas lacking comparisons in the application.

- Verify whether the applicant has achieved its strategic targets of increasing error reporting accuracy and decreasing drug errors.

- Clarify whether health care service results are segmented by market segments. If so, review current levels and trends.

- Clarify whether customer satisfaction/dissatisfaction results data are available for all customer segments.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 7.1

Item Worksheet—Item 7.2

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- A $754-million not-for-profit health care system, founded in 1994 through a series of mergers
- Ten percent of the population is uninsured.
- Second largest health care system in the region (beds, revenue), with 20 percent market share and 23 percent of regional referred patients
- MCOs have captured over 50 percent of the market.
- Seven major competitors offering similar services

+/++	Area to Address	(+) STRENGTHS
++	a(1)	In support of its key CSF of Financial Strength, the applicant has maintained its A bond rating, and Cash Flow/Current Liabilities is better than the two hospital system comparisons provided (Figure 7.2-1). Notwithstanding the negative impact of the Balanced Budget Act (BBA) of 1997, Days Cash on Hand (Figure 7.2-3) has shown improvement from 150 days in 1996 to 170 days in 2001. It is better than the two hospital system comparisons provided and has exceeded the Standard and Poor's (S&P) target (Figures 7.2-2 -and 7.2-3). During the same period, Long-Term Debt and Capitalization has shown improvement from 36 percent to 31 percent (Figure 7.2-4).
+	a(1)	The applicant's operating margin (Figures 7.2-6 and 7.2-7), while impacted by the BBA, is above the S&P target and the performance of one of two comparison health care systems.
+	a(1)	Annual gifts to the applicant's Charitable Trust have continued to improve, increasing from approximately $2 million in 1996 to nearly $9 million in 2001 (Figure 7.2-10).
+	a(2)	Three of the applicant's four hospitals show increased overall market share through 2001 (Figure 7.2-11). Excelsion has regained the market share lost during 1998 and 1999.
+	a(2)	In areas of emphasis, the applicant shows increased numbers of emergency department visits, open heart surgery cases, hospital admissions, and orthopedic/rheumatology volume (Figures 7.2-12 through 7.2-15). Tertiary care referrals for oncology and cardiac patients from outside Excelsion's primary service area also show improvement (Figure 7.2-16).
+	a(2)	The three-year trend in visits to the applicant's primary care centers has increased from approximately 8,000 in 1999 to over 18,500 in 2001. The applicant attributes the increase of approximately 250 inpatient admissions at two of its hospital OUs to this increase in primary care center patient visits (Figure 7.2-13).

–/– –	Area to Address	(–) OPPORTUNITIES FOR IMPROVEMENT
-	a(1)	Although Days in Accounts Receivable (Figure 7.2-5) shows an improving trend from 2000 to 2001, the applicant's results are slightly worse than one of the comparisons provided and worse than the S&P target.
-	a(1)	The financial performance results presented are not segmented by market segment or OU. Without such segmentation, it is not clear how the applicant can fully assess current performance and identify strengths and opportunities for improvement for specific OUs, understand the financial implications of its involvement in primary care centers, or assess the impact of the aging plant and equipment at specific facilities.
-	a(1)	Results from several key financial measures lack relevant comparisons, making it difficult to understand how the applicant tracks its progress relative to other organizations providing similar health care services and sets meaningful targets and projections in these areas. These measures

            include cost per case (Figure 7.2-8), net patient revenue as a percent of budget (Figure 7.2-9), and annual gifts to the Charitable Trust (Figure 7.2-10).

-     a(2)   Many of the results related to the applicant's market share and targeted care areas lack relevant comparison data, making it difficult to determine if the applicant is competitive in these areas. These results include overall market share (Figure 7.2-11), emergency department visits (Figure 7.2-12), hospital admissions (Figure 7.2-13), and Roseleaf orthopedic/rheumatology volume (Figure 7.2-15). In addition, no results are presented to show relative market share for insurers (payors) and employers, two of the applicant's key customer segments.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify key financial results and review updated data.
- Clarify if financial results data segmented by market segment and/or OU are available and, if so, what they show.
- Clarify the applicant's use of comparative data and determine the source and relevance of the comparative data for financial and market results. Also clarify if additional comparative data are available to support the results presented.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 7.2

Item Worksheet—Item 7.3

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- Purpose, Destiny, and SPIRIT Values
- A total of 4,981 colleagues in 315 job classifications; two unions representing nursing, engineering, and maintenance staff; some contract labor; more than 1,945 volunteers
- Employs 34 FTE hospital-based physicians and has 711 independent physicians on hospital staff. Owns 11 primary care physician practices that serve the six primary care outpatient centers
- Strategic challenge: regional and national shortage of staff—particularly therapists, technicians, and nurses—while current staff are approaching retirement
- CSFs: Physician Distinction and High Performing Colleagues

	Area to	
+/++	**Address**	**(+) STRENGTHS**

+   a(1)   Colleague satisfaction in areas such as place to work, work group, type of work, recognition, and quality of services reported in Figures 7.3-1 through 7.3-6 indicate generally neutral to positive trends for the three years presented. The percentage of colleagues who either are mostly dissatisfied or very dissatisfied is somewhat better than the Peoplego comparison in all areas reported.

+   a(1)   Concurrent with the applicant's "Way to Wellness" program, which includes preventive care and educational and behavioral support, colleagues' general health factors have improved significantly since 1997 (Figure 7.3-7). For example, the percentages of overweight colleagues and colleagues with high cholesterol have been reduced by over 20 percent in each category.

+   a(2)   Needle stick injuries per 100 beds, a key measure of colleague safety, have decreased steadily since 1999 and are below the national mean (Figure 7.3-9). The expense for workers' compensation claims also has dropped 38 percent since 1997 to $97,000, compared to $185,000 for the Soranez Institute.

+   a(2)   The implementation of PACTs in one hospital OU has been successful in reducing work time significantly in key areas of patient care, such as complete blood count, chest x-ray, electrocardiogram, and physical therapy (Figure 7.3-10). The applicant also reports higher physician satisfaction in nursing units organized as PACTs compared to traditional approaches (Figure 7.3-11). These results support the effectiveness of this work system approach.

+   a(2)   Nurse turnover has improved during the three years reported and has dropped below the industry average (Figure 7.3-12).

Area to		
–/– –	Address	(–) OPPORTUNITIES FOR IMPROVEMENT

--   a(1)   Although one satisfaction measure is provided for nurses (Figure 7.3-6) and the applicant explains that the colleague survey data presented in Figures 7.3-1 through 7.3-5 do not vary significantly by OU, most results are not segmented by the different categories and types of colleagues employed by the applicant. Because the applicant has colleagues in jobs as varied as physicians and custodial staff, these aggregated colleague satisfaction data may not provide the applicant with a clear view of colleague issues or actionable information.

--   a(1)   Results are not presented for a number of key indicators of colleague satisfaction/dissatisfaction identified in Category 5. These include absenteeism, complaints, grievances, and work-related injuries. Additionally, no results are reported for lost workdays, recruiting, diversity, labor relations, union contract completion, I2 submissions, training effectiveness, and staff development (Figures 2.2-1, 6.3-1).

--   a(2)   Although the applicant has 4,981 colleagues in 315 job descriptions with two unions and uses contract labor for radiology, anesthesiology, pathology, and emergency medicine, current levels and trends in key measures of work system performance and effectiveness are not presented except for two safety measures and two PACT measures from one hospital OU (Figures 7.3-10 and 7.3-11).

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the results presented for the "Way to Wellness" program. Determine the level of deployment across all OUs and the level of colleague participation. Review results for this program for the intervening years between 1997 and 2001.

- Clarify if the applicant has additional colleague satisfaction and dissatisfaction or work system performance and effectiveness data. Clarify if these data are segmented by types and classifications of colleagues and work locations.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 7.3

Item Worksheet—Item 7.4

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

Indicate the 4–6 most important key business/organization factors relevant to this Item.

- A $754-million not-for-profit health care system, founded in 1994 through a series of mergers
- Headquarters in Cincinnati, Ohio, and facilities in southern Ohio, northern Kentucky, and southeastern Indiana
- Highly regulated environment
- Seven CSFs
- The new service design and improvement processes, the PEC, and the PIC are key for evaluation/ improvement.

+/++	Area to Address	(+) STRENGTHS

+ | a(1) | The applicant's success in reducing the cycle time of the design and implementation of new service delivery processes is supported by sustained improvement over the 1997 to 2001 time frame in the cycle time from inception to installation, the average number of changes after implementation, and the number of projects completed per year (Figure 7.4-1).

+ | a(1) | Measures/indicators of performance related to the Patients First and Compassionate Operational Excellence CSFs include time from arrival in the emergency department to arrival in the inpatient room, satisfaction with the discharge process, and consistency of follow-up post discharge. Results in these areas (Figures 7.4-2 to 7.4-4) have shown improvement from 1997 through 2001.

+ | a(1) | The organization shows improvement in the following key supply chain measures from 1996–2001: inventory accuracy, supply effectiveness (the correct supplies for the procedure), and the amount of supplies being procured from partners (Figure 7.4-8). In addition, order fulfillment, the key indicator for supply chain performance, has improved in each of the four hospitals over the past six years (Figure 7.4-9).

+ | a, b | The applicant's focus on its strategic plans and CSFs, as well as the effectiveness of its PEC process, is supported through yearly increases in the "Status Green" CSFs (Figure 7.4-6). Specific measures of the accomplishment of organizational strategies include the numbers of returning and referred patients (Figure 7.4-11), as well as the level of community involvement in areas such as sponsored events, presentations, professional society memberships, and community health programs (Figure 7.4-13). Improvement has occurred in each of these measures over time.

+ | b(1) | All of the applicant's hospital OUs were surveyed by JCAHO during 1999, and, with the exception of the Hergh facility, each earned an overall score that compared favorably to the Ohio average (Figure 7.4-12). Additionally, all regulatory and legal goals noted in Figure 1.2-1 have been met since 1998, and the applicant has received no findings from the Occupational Safety and Health Administration, the Environmental Protection Agency, or state and regional environmental and safety agencies over the past five years.

Area to

–/– –   **Address   (–) OPPORTUNITIES FOR IMPROVEMENT**

- a(1)   Although Excelsion has shown steady progress and is demonstrating a high percentage of appropriate patients on pathways, the other OUs' performance is lower, even though they have shown improvement since 1996 or 1997 (Figure 7.4-7). There appears to be a lack of organizational learning, as would be evidenced by other OUs benefiting from Excelsion's progress.

-- a(1,2) Results are not reported for a number of key areas of operational performance, including measures related to the IAA CSF or for measures of performance related to the applicant's outpatient programs, home health program, and teaching programs. Likewise, no results are reported for many strategic objectives listed in Figure 2.2-1, such as performance data on the plan to counter the River's Edge threat, recruitment of more hospitalists and other specialists, expansion of physician leadership training, or deployment of more PACTs.

- b   Although the applicant reports results related to participation in various community efforts, results are not presented for some areas of public responsibility and citizenship. For example, no results are presented relating to staff licensing, Centers for Medicare and Medicaid Services (CMS) denials, or the effectiveness of targeted community involvement activities.

-- a, b   With the exception of readmission rates in Figure 7.4-5, the utility of the results presented in this Item is unclear due to the absence of appropriate comparative data. For example, without industry or local comparative data in areas such as returning and referred patients (Figure 7.4-11) or emergency department to inpatient room time (Figure 7.4-2), it may be difficult for the applicant to assess its competitive standing and take appropriate action.

SITE VISIT ISSUES (For Stage 2, Consensus Review, Only)

- Verify the results relating to the design/implementation of new service delivery processes; also verify results related to measures of emergency department check-in time, satisfaction with discharge planning, and follow-up with patients who have been hospitalized.

- Verify reported results for indicators of organizational accreditation and regulatory/legal compliance. Clarify if additional results are available for various aspects of legal/regulatory compliance (e.g., staff licensing, CMS denials, HIPAA compliance) and the four designated community development priorities.

- Clarify if additional results are available for key areas of operational performance not described in the application. Specifically, clarify results relating to measures of performance listed in Figures 6.2-1 and 6.3-1, outpatient services, home health operations, and teaching programs. Also clarify if additional results are available relative to the strategic objectives listed in Figure 2.2-1.

- Clarify if additional comparative data are available and in use relating to measures of performance related to organizational effectiveness and to public responsibility and citizenship.

Change Due to Site Visit Findings (For Stage 3, Site Visit Review, Only)

raise large	raise small	no change	lower small	lower large

Item Worksheet—Item 7.4

Baldrige National Quality Program

Baldrige National Quality Program
National Institute of Standards and Technology
Technology Administration
United States Department of Commerce
Administration Building, Room A600
100 Bureau Drive, Stop 1020
Gaithersburg, MD 20899-1020

The National Institute of Standards and Technology (NIST) is a nonregulatory federal agency within the Commerce Department's Technology Administration. NIST's primary mission is to develop and promote measurement, standards, and technology to enhance productivity, facilitate trade, and improve the quality of life. The Baldrige National Quality Program (BNQP) at NIST is a customer-focused federal change agent that enhances the competitiveness, quality, and productivity of U.S. organizations for the benefit of all citizens. BNQP develops and disseminates evaluation criteria and manages the Malcolm Baldrige National Quality Award. It also provides global leadership in promoting performance excellence and in the learning and sharing of successful performance practices, principles, and strategies.

Call BNQP for

- information on improving the performance of your organization
- information on eligibility requirements for the Baldrige Award
- information on applying for the Baldrige Award
- information on becoming a Baldrige Examiner
- information on the Baldrige Award recipients
- individual copies of the Criteria for Performance Excellence—Business, Education, and Health Care (no cost)
- information on BNQP educational materials

Telephone: (301) 975-2036; Fax: (301) 948-3716; E-mail: nqp@nist.gov
Web address: www.quality.nist.gov

American Society for Quality
600 North Plankinton Avenue
P.O. Box 3005
Milwaukee, WI 53201-3005

The American Society for Quality (ASQ) advances individual and organizational performance excellence worldwide by providing opportunities for learning, quality improvement, and knowledge exchange. ASQ administers the Malcolm Baldrige National Quality Award under contract to NIST.

Call ASQ to order

- bulk copies of the Criteria
- case studies
- Award recipients' videos

Telephone: (800) 248-1946; Fax: (414) 272-1734; E-mail: asq@asq.org
Web address: www.asq.org

excellence