

"Creating a National Agenda for Rural Hospital Performance Improvement"

The quality of medical services has become a major health care issue, with organizations such as the Institute of Medicine, attributing up to 98,000 American lives lost each year due to medical error. Rural hospitals in Minnesota and the rest of the nation have historically struggled with quality improvement and patient safety-related activities for a variety of reasons. Rural hospitals' limited scales of operation and resources have consistently limited efforts to gather meaningful quality data. There is also widespread belief that most national quality guidelines and initiatives have been designed for larger hospitals and have less applicability in small hospitals.

Quality improvement (QI) activities are as important in small rural hospital settings as in their larger urban counterparts although the commitment to QI can be undermined in rural settings by periodic crises. These smaller institutions are generally very fragile. The loss of key staff, financial shortfalls, new requirements and other periodic difficulties tend to take resources and energy away from QI activities and toward the crisis of the moment. For this reason, a problem in one section of the hospital can affect the quality in another section. The inter-relationship of the problems suggests the need for a comprehensive vision for QI in rural hospitals.

Improving clinical outcomes clearly requires consideration of other performance related factors that can directly and indirectly affect clinical quality. Therefore, a meaningful rural QI initiative should

- Be comprehensive in scope in addition to clinical outcomes
- Include financial improvement, workforce strategies, benchmarking clinical and operational processes, and organizational architecture.

Seen in this broader context, what we are now calling performance improvement (PI) can catalyze rural hospitals to make changes necessary to be competitive in the 21st century.

The Rural Health Resource Center (RHRC) has been at the head of the recent national trend toward hospital performance improvement. With a contract from the federal HRSA Office of Rural Health Policy, RHRC is working with more than 60 hospitals in the eight-state Mississippi Delta Region on a wide range of performance improvement activities. In partnership with state offices of rural health and state hospital associations, RHRC staff has designed a comprehensive rural hospital PI process that has already produced impressive results.

Feedback from participating hospital administrators, indicate that financial improvement has already been documented in some hospitals, work redesign has taken place, strategies have been developed and performance measurement activities (using a tool called the Balanced Scorecard) have taken place. Satisfaction scores from the participating administrators have been in the "very good" to "excellent" range.

RHRC has also been responsible for coordinating two national quality initiatives:

- One in partnership with the federal Office of Rural Health and the Agency for Health Research and Quality (AHRQ), has attempted to define rural health quality;
- A second, called the Roundhouse Group, has created a vision statement that is serving as the basis for national discussion on rural hospital quality.

The Roundhouse Group name emerged from work sessions where performance improvement in rural hospitals came to be viewed as an engine pulling a train. Each car represents aspects of hospital activity, including finances (the coal car); clinical quality, workforce, plant and technology, customers and community (the box cars); and compliance (representing the caboose). If the cars were properly aligned, compliance successfully follows.

The Roundhouse Group proposed eight basic rural PI principles, including:

1. Rural hospital performance improvement must be holistic and collaborative.
2. Performance improvement must be data driven.
3. Local engagement and on-going community-hospital communication are critical.
4. PI must be linked to relevant and practical goals.
5. PI often requires hospitals to engage in cultural transformation.
6. PI requires an organizing framework, customized and applicable to rural realities.
7. PI requires technological and intellectual investment
8. PI must directly contribute to long-term sustainability and financial success.

In early April, the RHRC convened a summit meeting on Rural Hospital Performance Improvement in Chicago. Representatives from 37 states, most from state Rural Hospital Flexibility (Flex) Programs, met to learn about current state and national performance improvement initiatives and the Balanced Scorecard, as well as to provide input on the viability of initiating state PI programs. The discussion featured identification of needed resources including funding, education and consulting expertise. Many states expressed an intention to build PI into their state Flex programs during the coming year.

A comprehensive performance improvement approach as discussed here will be needed in rural hospitals across the country to address the emerging challenges and problems. Small size and limited volume, which hinder rural hospitals in today's competitive environment, can actually be an advantage in implementing system integration and organizational change. PI can be the umbrella under which key components of the rural health system collaborate and thrive. Given the complex challenges facing rural hospitals today, no less than a holistic approach will suffice.

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