

Rural Hospital Quality Leadership Summit

Building and Sustaining Quality Leadership in Rural Hospitals

Minneapolis, Minnesota
December 9-10, 2010

This is a publication of the Technical Assistance and Services Center (TASC), a program of the National Rural Health Resource Center. The project described was supported by Grant Number U27RH08533 from the U.S. Department of Health and Human Services, Health Resources and Services Administration, Office of Rural Health Policy.

For questions, concerns, clarification, or technical assistance, please contact:
National Rural Health Resource Center
600 East Superior Street, Suite 404
Duluth, Minnesota 55802
Phone: 218-727-9390
Fax: 218-727-9392
www.ruralcenter.org



NATIONAL
RURAL HEALTH
RESOURCE CENTER

PARTICIPANTS

- Laurie Bach, Quality Coordinator, Lakewood Health System, Minnesota Critical Access Hospital
- Darlene Bainbridge, President, D.D. Bainbridge & Associates, Inc.
- Larry Baronner, Flex Coordinator, Pennsylvania Office of Rural Health
- Carol Bischoff, Flex Coordinator, Montana Rural Health Care Performance Improvement Network
- Howard Eng, Flex Co-Investigator & Program Evaluator, Arizona Office of Rural Health
- Ed Gamache, CEO, Harbor Beach Community Hospitals, Michigan Critical Access Hospital
- Brian Haapala, Managing Director, Stroudwater Associates
- Robert Hartl, Process Consultant, Hartl Pearson Consulting
- Jennifer Lundblad, Executive Director, Stratis Health, Minnesota Quality Improvement Organization
- Paul Moore, Senior Health Policy Advisor, Health Resources and Services Administration, Office of Rural Health Policy
- Ira Moscovice, Ph.D., Minnesota Center for Rural Health Research, Flex Monitoring Team
- Iran Naqvi, Project Officer, Health Resources and Services Administration, Office of Rural Health Policy
- Dave Palm, Administrator, Office of Community Health and Performance Management, Nebraska Office of Rural Health
- Toni Pearson, Process Consultant, Hartl Pearson Consulting
- Tim Rice, CEO, Lakewood Health System, Minnesota Critical Access Hospital
- John Roberts, Executive Director, Nebraska Rural Health Association
- Brock Slabach, Senior Vice President for Member Services, National Rural Health Association
- Jeff Spade, Executive Director, North Carolina Center for Rural Health
- Chris Tilden, Executive Director, Mountain States Group

SUMMIT STAFF

- Facilitator – Terry Hill, Executive Director, National Rural Health Resource Center
- Facilitator – Geoff Kaufmann, Regional CEO, American Red Cross
- Tracy Morton, Program Manager, National Rural Health Resource Center
- Kami Norland, Community Specialist, National Rural Health Resource Center

PURPOSE AND PROCESS

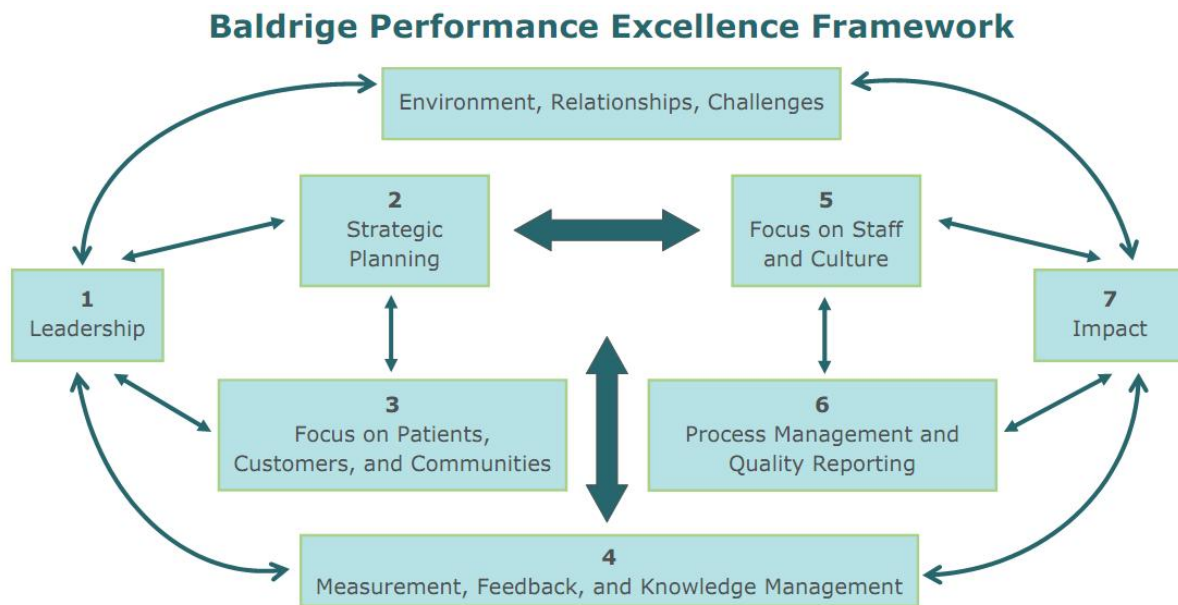
On December 9 and 10, 2010, the National Rural Health Resource Center hosted a Summit comprised of some of the most accomplished and experienced experts on rural hospital quality improvement. Funding for the event was provided by the Health Resources and Services Administration's Office of Rural Health Policy. The goals of the Summit were to:

- Gather knowledge about rural hospital quality and leadership to share with federal policy makers, state rural health leaders, network and system leaders, and rural hospital leaders
- Generate a comprehensive list of lessons learned about rural quality initiatives from experienced key informants
- Explore the viability of using business frameworks to manage quality initiatives that require major culture change
- Examine the relationship between rural hospital leadership and sustainable quality excellence

The two-day meeting was facilitated by Terry Hill and Geoff Kaufmann. Participants prepared short PowerPoint presentations in advance that summarized important lessons learned regarding rural quality and leadership. After the first day, participants spent the remainder of the meeting discussing key topics that had emerged from the presentations and developed general recommendations and next steps. Robert Hartl and Toni Pearson concluded the meeting with a structured dialog process that captured additional thoughts and recommendations. The following information summarizes the content of the Summit discussions.

NEED FOR A FRAMEWORK

Participants determined that major rural hospital quality improvement initiatives require a systems-based framework to ensure long-term sustainability. The Baldrige Performance Excellence Framework (see figure below) is widely accepted as the standard for organizational performance excellence and is an important blueprint for managing quality initiatives in rural hospitals. This Baldrige Framework, which was suggested by several Summit participants, includes the following key components:



Without using a framework to provide a comprehensive systems approach, hospitals often struggle to align leadership; conduct meaningful strategic planning; assess customer needs, measure progress; review relevant information to fix problems; engage and motivate staff; streamline processes; and, document outcomes. Without a framework, hospitals may successfully carry out some of these essential components, but then may be thwarted by breakdowns in other component areas that are not managed effectively. Meaningful work must be done in all these component areas to maximize a hospital's chance of achieving long-term excellence in major undertakings. Following the Baldrige Framework is a useful formula for achieving sustainable quality excellence in rural hospitals.

Comments, recommendations, and lessons learned by Summit participants are organized under the Baldrige component headings.

LEADERSHIP

Engaging and aligning key hospital leaders are essential in beginning major performance improvement initiatives. Leadership should include hospital boards of directors, medical leaders, CEOs, CNOs, CIOs, CFOs, and performance/quality improvement directors. It is imperative that key hospital leaders understand unique performance improvement initiatives from their inception. Each leader must be clear about his/her role in the process and must be able to convey a unified message to hospital staff. In short, senior C-team leaders must function as resilient and determined change agents from the beginning to the end of performance improvement initiatives.

Management guru, Peter Drucker, describes hospitals as “the most complex organizations in the history of mankind.” Hospital leaders should be aware of and closely monitor the various departmental subcultures that exist within their hospitals. Leaders should employ systems frameworks, such as Baldrige, to help manage those complexities as well as to provide essential management information and feedback.

Ongoing education for hospital boards on governance, systems thinking, and quality improvement is vitally important to achieving and sustaining excellence. Leadership and management education must become an organizational priority. This may mean that leaders will need to allocate ample staff time and money to address those needs. Hospital leadership coaching will become increasingly important as new market and policy changes place greater demands on leadership. Consequently, some rural hospital CEOs have hired coaches to help guide them and provide objective feedback on their performance.

Education, coaching, and other methods of support should also be available to rural hospital mid-level management. Most rural hospital managers have limited management training. While they have extensive training in clinical or other

“A successful hospital leader must understand the complex systems that exist in his/her hospital; understand themselves as a leader in the system; and, understand how to create change and produce results.”

– Dave Palm

“Attention is the currency of leadership.”

– Brian Haapala

“To ensure Board support and buy-in for quality initiatives, make quality an ongoing item on the rural hospital board’s agenda.”

– Tim Rice

“A leader is someone you choose to follow to places you wouldn’t go alone.”

– Joel Barker

health-related careers, most are promoted to management because of expertise in their field, not strong management experience.

STRATEGIC PLANNING

Ongoing strategic planning that involves the board of directors and key hospital and medical staff is essential for successful rural hospitals. The strategic plan should be dynamic, specific, and quantifiable. It should also outline key strategies to move the hospital to organizational success and service excellence.

“Education on systems thinking is crucial for long-lasting hospital success.”
– Ed Gamache

“Even though quality is an expressed priority in rural hospitals, funding for quality initiatives often does not follow.”
– Howard Eng

“If you don’t know where you are, any road will get you there.”
– Lewis Carroll

The strategic plan, and each of its key strategies, should be communicated to all hospital and medical staff. Everyone in the organization should know his/her role in carrying out the organizational strategies.

Successful organizations demonstrate a convergence between mission (what we believe), operations (what we do), and budget (what we prioritize).

Key hospital strategies relating to quality improvement require funding support, leadership attention, and feedback information loops to monitor progress and address breakdowns.

FOCUS ON PATIENTS, CUSTOMERS, AND COMMUNITIES

Rural hospitals should continuously employ diverse methods of communication with residents in their service area. These methods might include community meetings, key informant interviews, focus groups, and community surveys. Through these efforts, rural hospitals can elicit input on community needs and wants. They can also gather information for marketing, program development, and service improvement uses as well.

Community work, while always important, has come to have even more significant impact on rural hospitals than in the past. Today, patient satisfaction scores are now included in various pay for performance formulas. They are also reported publicly through “Hospital Compare.” According to Press Ganey, a health care performance improvement organization, rural hospitals tend to

outperform their urban counterparts in customer satisfaction rankings and should consciously build on and promote that advantage.

Health reform initiatives rewarding patient centered care, establishing accountable care organizations (ACOs), and developing medical homes all present business opportunities for rural hospitals. Rural hospitals should be aware of these new federal and state reform initiatives and should proactively pursue a relevant place in the new configurations.

In order to meet new policy and market demands, most rural hospitals will benefit from being a part of either an integrated health care system or a hospital network. Collaborative relationships and collective volume provided through networks will enable discounted prices for needed products and services, peer support from other hospital staff, and access to hard-to-find technical expertise, such as health information technology and quality process improvement experts. Quality improvement networks, like those developed in Michigan and Montana, have demonstrated significant benefits to the rural hospital participants and have documented impressive quality improvements in the hospitals.

One of the most important community health partnerships is between a rural hospital and its affiliated medical providers. Rural physicians are in extremely short supply, yet they are powerful community opinion leaders and they are influential in the referral of patients. It is important that hospital leaders carefully manage the hospital's relationship with its physicians by periodically assessing provider satisfaction and considering provider suggestions for improvement.

MEASUREMENT, FEEDBACK, AND KNOWLEDGE MANAGEMENT

Rural hospitals spend a great deal of time collecting and reporting quality data, but they generally spend limited time analyzing the data and using it for improvement purposes. One of the greatest benefits of taking an organized systems approach to quality is that the hospital can build in feedback loops to

"The greatest wisdom may sometimes be found in the person sitting next to you."
– Carol Bischoff

"Learning, networking, and best practices all need to be become hardwired within an organization."
– Jennifer Lundblad

"All of us are smarter than any one of us."
– Source unknown

"Never doubt that a small group of thoughtful committed citizens can change the world; indeed, it's the only thing that ever has."
– Margaret Mead

measure progress towards strategic targets. These feedback loops can generate vital information for making timely process improvements. Training for rural hospital staff is needed on how to turn data into information and information into action.

“Increase user-friendliness of clinical and operational systems.”

– Larry Baronner

“Storytelling is crucial in getting the buy-in for the implementation of frameworks, such as the Balanced Scorecard. The Balanced Scorecard creates an obsession with people, not an obsession with numbers.”

– John Roberts

While there are several methods for converting data into action through business tools and frameworks, one tool that has been particularly successful in many rural hospitals has been the Balanced Scorecard. The Balanced Scorecard provides a balanced, systematic framework for setting targets, measuring progress on strategic goals, and feeding back information for continuous improvement. Implementing a Balanced Scorecard also becomes a driver for open, transparent communication and accountability. Ideally, the Balanced Scorecard and its associated strategy map can become the face of the hospital's strategic plan.

Any measurement framework requires the understanding and support of top leadership. In rural hospitals, it is important to limit the number of measures, simplify the terminology, and make the framework understandable and relevant to everyone.

FOCUS ON STAFF AND CULTURE

Cultural transformation requires a strong and ongoing leadership commitment. Hospital CEOs must be the “change agent” in the organization.

Many health care leaders and consultants do not understand “change theory,” and consequently may mismanage their change initiatives. Actions intended to motivate change often result in learning anxiety, which, in turn, may produce resistance to change. For example, physicians often exhibit this learning anxiety but may be reluctant to admit it. It is important to understand that meaningful culture change always takes time.

“Work to change culture with essential management tools that embrace change. Make change the status quo.”

– Brock Slabach

“Culture is a learned thing; it does not result from somebody announcing it.”

– Edgar Schein

“When a team outgrows individual performance and learns team confidence, excellence becomes a reality.”

– Joe Paterno

Patience and persistence is required for leaders to transform culture.

Performance improvement requires an alignment of a hospital's cultural subgroups. This is best achieved by focusing on work outcomes. Achieving a

culture of safety requires understanding the important values, beliefs, and norms in an organization and what attitudes and behaviors are appropriate and necessary to support those artifacts. It may be important to consider that sometimes the only way to change culture is to change part of the workforce.

"Culture trumps strategy on virtually every occasion."
– Brock Slabach

"Transparency and accountability, along with a fair and just culture, are drivers to achieve safety."
– Jennifer Lundblad

Measuring organizational culture through tools such as staff satisfaction surveys, are essential and should be done periodically to set targets, assess progress, and take advantage of opportunities for improvement. Frequent feedback and reinforcement from leaders to staff is essential for buy-in and follow-through.

PROCESS MANAGEMENT AND QUALITY REPORTING

Continuous process improvement is useful in achieving quality excellence. Rural hospital staff must be taught techniques, such as process mapping and process redesign, to improve hospital processes continuously.

Lean is an organizational approach that can save money, improve quality outcomes, and support culture transformation. Lean is used effectively by hundreds of hospitals in the United States, many in rural areas. Rural hospitals that have been most successful at adopting Lean process improvement skills and achieving quality improvement standards have developed peer support networks and have customized education to accommodate their unique needs. A quality network and peer support approach has been used successfully in Michigan, Montana, Nebraska, North Carolina, and Pennsylvania.

"Talk about quality in a manner that inspires."
– Darlene Bainbridge

"Of the three major approaches to improving patient safety – regulation/accreditation, financial incentives, and public reporting, the most promising is public reporting of performance information and feedback to providers."
– Lucian Leape, MD

"It's very important to market the successes of rural quality initiatives to other rural hospitals."
– Carol Bischoff

“Both a process and a system achieve the results that they are perfectly designed to achieve. To change the outcomes you must change the systems and the processes.”
– Paraphrased from the work of Peter Senge

“We can’t always be error free, but we can trap our errors before they reach the patients.”
– Darlene Bainbridge

Achieving meaningful use of electronic health records will require documenting all internal hospital processes. This represents a significant opportunity for improvement. If hospitals make inefficient processes electronic, they will be locking in those inefficiencies. Reviewing and redefining processes prior to going electronic will help eliminate those inefficiencies and provide better quality outcomes.

Successful quality reporting depends on the alignment and buy-in of leadership and quality professionals. It is vital for both to see the meaning and value in the information collected.

While many rural hospitals have emerged as national quality and patient safety models, there is a need to capture the knowledge and lessons learned by these exemplary hospitals and to share those lessons with other rural hospitals. There is also a need to create an accessible national repository of rural quality methods, tools, curricula, models, and other resources for rural health providers.

IMPACT

Quality measurement and outcome transparency is becoming increasingly important in the post-health care reform environment. Quality reporting will also be critical, but efforts must be made to customize indicators and reports to make them relevant for rural hospitals. The multiple quality reporting requirements of federal, state, and private payers often places a burden on rural hospital staffs. Coordinating the efforts of payers and federal agencies to reduce or eliminate duplication of efforts would be an efficient and time-saving improvement.

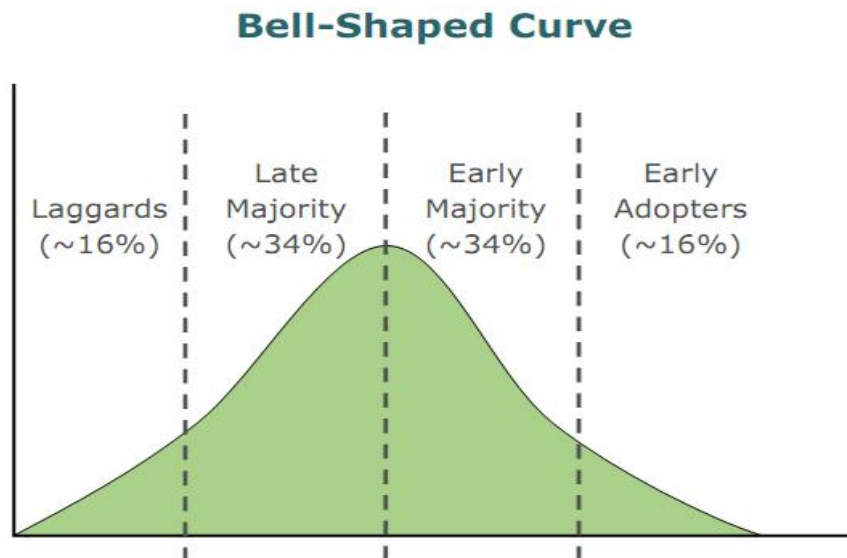
In addition, rural hospital quality outcomes should be communicated to the local service area in a format that is both accessible and understandable.

“Customization of hospital performance indicators and reports to meet hospital-specific needs is crucial.”
– Larry Baronner

“There is no value to a system that allows patients to die so that it can learn.”
– Darlene Bainbridge

KNOWLEDGE CAPTURE AND DISSEMINATION

It is sometimes useful to view rural hospitals through the lens of a Bell-Shaped Curve. The “early adopters” (approximately 16%) are on the far right in the curve; the “early majority” (roughly 34%) are in the right middle; the “late majority” (again about 34%) are in the left middle; and, the “laggards” (approximately 16%) are on the far left of the curve. Movement within any major change initiative is made first by the early adopters. The early majority may see value in the changes, but often wait to see how the early adopters fare and then follow their path. The late majority may know change is necessary, but usually wait until it is safe, and both the early adopters and early majority have demonstrated success. The laggards usually resist change and may avoid change until the end.



This model can be used to describe both hospital leaders and staff within hospital departments. A major challenge in facilitating change is in getting as many people as possible across the Bell-Shaped Curve to the desired change in behavior. This is sometimes referred to as “Spread Theory.” According to Jeff Spade, a Summit participant, “spread can be seen as the diffusion of innovation.” It is important for rural hospitals intent on making transformational changes to have customized and very different approaches that target each segment of the workforce within the Bell-Shaped Curve. Perhaps somewhat illogically, most educational resources and initiatives seem targeted at the early adopter group. In fact, this group likely needs the least amount of help in accepting the change. A greater challenge exists in trying to motivate the 68% in the middle of the curve to move faster towards the desired organizational behavior change. This will require customized educational approaches to each of these groups.

“In times of change, the ‘learners’ will inherit the Earth, while the ‘knowers’ will find themselves beautifully equipped to deal with a world that no longer exists.”

– Eric Hoffer

“Fundamentally, the only way to achieve exceptional performance in any complex organization is by generating, then sustaining, high speed, broad-based, non-stop improvement and innovation.”

– Stephen Spear

Spread Theory should be considered additionally in approaches directed to state rural health programs and rural hospitals across the country. Since change is occurring at an exponential rate, it is important to develop national and state strategies to drive rapid quality improvement in rural hospitals that motivate not just the early adopters. These strategies may include:

- Providing funding and support for rural hospital quality innovation and documentation of results

- Capturing knowledge and lessons learned from rural hospital innovators – both through traditional research and key informant knowledge groups – and sharing that information in easily accessible and understandable formats
- Communicating models and knowledge through websites, presentations, newsletters, journals, e-mail blasts, learning cohorts, and resource centers; in other words, developing multiple methods of knowledge transfer to engage multiple styles of learners
- Creating a national rural quality knowledge center that would be given the responsibility of capturing and disseminating relevant rural hospital knowledge
- Creating a national rural quality learning group of quality and rural health organizations to coordinate efforts, combine forces for major national initiatives, and learn from each other

CONCLUSION

The Rural Hospital Quality Leadership Summit participants ended the two-day summit with a dialog session facilitated by Robert Hartl and Toni Pearson. Participants described what they had learned, what they were committed to doing as follow-up, and what they would recommend for future sessions of this kind. The participants agreed to continue dialog, to meet again in the near

future, and to work together to improve quality and patient safety in rural America.

The current American health care system needs significant improvements to achieve the safety and quality of care that patients and payers are demanding. A redesign and reformation of the current system can produce such results, but not without the dedication of leadership and the mobilization of the health care workforce to make it happen. Health care reform will require strong health care leadership. Rural America must be positioned to lead the way in such change initiatives.

"I think health care is more about love than about most other things. At the core of this, two human beings have agreed to be in a relationship where one is trying to help relieve the suffering of another."
– Don Berwick

