Critical Access Hospital Blueprint for Performance Excellence

Critical Access Hospital Performance Excellence Summit

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TABLE OF CONTENTS

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PURPOSE AND PROCESS

The U.S health care industry is undergoing profound change in financing and service delivery, and is growing increasingly complex. Today, small rural hospitals face the challenge of being successful in their current payment systems, while preparing for new value-based payment systems that are being rolled out in various forms across the country. Complexity and change are best managed by using a comprehensive systems-based framework, including a balanced set of key strategies, initiatives, targets and measures. These systems frameworks are currently being used by many successful rural hospitals to achieve clinical, operational and financial excellence.

As part of the 2013 work plan, the Technical Assistance and Services Center (TASC) for the Medicare Rural Hospital Flexibility (Flex) Grant Program, a program of the National Rural Health Resource Center (The Center), hosted a Critical Access Hospital (CAH) Performance Excellence Summit meeting in Minneapolis, Minnesota on June 6 and 7, 2013. The event was funded by the Federal Office of Rural Health Policy (ORHP). The goal of the Summit was to assemble national rural hospital experts to create a recommended blueprint for sustainable CAH excellence, using a comprehensive framework based on the Baldrige Framework and including the most important critical success factors identified by the experts. The Summit meeting outcomes were supplemented by assessment results obtained in May 2013, from the top 60 CAH performers in the areas of quality, finance and patient satisfaction, as identified by the National Rural Health Association and iVantage. The results of this 2013 TASC initiative are summarized in the Blueprint that follows.

The Blueprint is intended to be a tool for rural hospital leaders to implement a comprehensive systems approach to achieving organizational excellence, and contains an outline of key inter-linked components of the Baldrige Framework, along with critical success factors relevant to small rural hospitals. Challenges and strategies are also addressed, and comments reflecting the Summit discussion are highlighted in each of the seven Blueprint components. Included in the supplemental portion of this document is more information on background, survey results, need for organizational frameworks, applications to new value-based health care models and suggestions for dissemination. In future program years, TASC intends to develop and collect relevant tools, information, education and other materials from across the country to house on the TASC website and to provide easily accessible resources within each of the Blueprint's seven components.

Baldrige Framework Components

- **Leadership**

- **Strategic Planning**

- **Patients, Partners and Communities**

- **Measurement, Feedback and Knowledge Management**

- **Workforce and Culture**

- **Operations and Processes**

- **Impact and Outcomes**

GROWING NEED FOR A BLUEPRINT FOR CAH PERFORMANCE EXCELLENCE

The U.S. health care industry is undergoing profound change and is growing increasingly complex. There is a need for a comprehensive systems approach, such as the Baldrige Framework, to manage this change and complexity. Ironically, the significant market changes in the health care environment are similar to those in the corporate manufacturing world in the 1980s when it was recognized that U.S. manufacturing companies needed to have a renewed focus on quality and efficiency to stay relevant in an increasingly global market place. It was at this time when the original Baldrige Framework was created as an award process to establish criteria for evaluating improvement efforts, highlighting strong performing businesses and disseminating best practices. In 1999, the scope of the Baldrige Award expanded to include health care organizations and in the ensuing 14 years, health care organizations have repeatedly documented outstanding financial and quality results using the Baldrige Framework. This paper does not suggest that CAHs pursue the Baldrige Award, but rather that rural hospitals use the Framework to map a systematic, broad-based set of strategies to achieve and sustain clinical, operational and financial excellence.

Like the corporate manufacturing world of the 1980s, health care organizations, even those in rural communities, must adapt to changing market forces that are moving payment structures from fee-for-service payments based on volume to one that is focused on value. This change in payment perspective is known as the Triple

Aim[1] and is defined by "better health, better care, at a lower cost". This perspective is currently driving changes in the health care system at all levels.

Although strongly influenced by the Affordable Care Act of 2010 (ACA), the focus on the Triple Aim goes beyond the scope of the ACA legislation and broadly impacts the structure, financing and delivery of health care across all populations and insurance types. Health care organizations are undergoing a change in the market environment with an increased number of rural-urban affiliations, physicians transitioning to hospital employment models, flattening in-patient volumes and Chief Executive Officer (CEO) turnover. The ACA includes sweeping changes to health care systems, payment models and insurance benefits/programs with many of the more substantive changes implemented over the next three years. State Medicaid programs are also moving toward managed care models or reduced fee-for-service payments to balance state budgets. Now more than ever it is critically important for rural hospitals to have a renewed focus on quality and efficiency to stay relevant in this rapidly changing market place. Adopting a comprehensive systems approach to performance excellence which includes the ability to measure and show value can help hospitals prepare for these changes.

Rural hospitals inherently have a primary care focused delivery model. As such, they are well positioned to thrive in this changing market place, but not without a system level approach to pursue and demonstrate quality and efficiency, align with primary care providers and develop population health improvement strategies (Appendix C). 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 address problems;

- Engage and motivate staff;

- Streamline processes; and,

- Document outcomes.

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[1] Institute of Healthcare Improvement,
http://www.ihi.org/offerings/Initiatives/TripleAim/Pages/default.aspx

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.

Use of a systems-based performance excellence framework, such as Baldrige, provides a proven comprehensive systems approach to help rural hospitals manage the crucial elements of organizational excellence desperately needed in this rapidly changing environment. Adhering to the Baldrige Framework is a useful formula for achieving sustainable quality excellence in CAH settings.

The image below demonstrates key inter-linked components of the Baldrige Framework:

THE CRITICAL ACCESS HOSPITAL BLUEPRINT FOR PERFORMANCE EXCELLENCE

LEADERSHIP

Critical Success Factors for CAHs
- Educating and engaging the board regarding health industry trends and their potential impact on the organization

- Empowering and motivating hospital employees to achieve performance excellence, focusing on a systems-based approach to creating value

- Aligning with primary care providers to develop a common vision, goals and initiatives focused on creating value

Leadership has the strongest relationship to organizational outcomes and value; more than twice the effect of any other component of the Blueprint. Excellent rural hospitals invariably have excellent leadership.

"Attention is the currency of leadership."

Echoing the assessment findings from the top 60 CAHs (Appendix B), Summit participants reiterated that Leadership is a driving factor for systems-based performance excellence. There are multiple challenges for CAH leaders in implementing critical success factors to support performance excellence in this rapidly changing environment. Due to the complexity of the changes, some rural leaders are unaware of how their organization may be impacted, or may not believe that the changes will impact the rural provider payment system. The day-to-day trials of running a rural hospital can take precedence over strategy, and turnover of CEOs and other leaders add to the challenge of having a consistent approach.

"Resilience among rural providers is critical. Leadership is the foundation of resilience."

"Leadership is critical in helping organizations understand the 'why' of needed change."

Rural hospital leaders have a unique window of opportunity to understand potential impacts of health reform and work with board trustees to align vision and strategy with local primary care

"Fast and roughly right needs to replace precise and slow."

providers. Leadership is critical to helping organizations understand the "why" of needed change, and one of the top strategies recommended for rural hospital leaders is to continually communicate the hospital's vision and strategies.

STRATEGIC PLANNING

Critical Success Factors for CAHs
- Participating in meaningful strategic planning at least annually

- Using a systems framework for planning to ensure a holistic approach

- Communicating the strategic plan organization-wide in easy to understand language

In today's rapidly changing environment, regular strategic planning is extremely important. The era of 3 or 5 year strategic plans that gather dust on a shelf has passed. Planning needs to happen more often and more relevant; for example a quarterly review and adjustment is helpful and can provide an opportunity for regular provider engagement and input.

"There is no cohesive vision of what a future rural hospital needs to look like.
We are in a perfect storm.
We can't go back, but we can't go forward by staying the same."

Lack of internal capacity and expertise in strategic planning models, as well as limited access to data to complete a strong environmental assessment, are some of the challenges facing rural hospitals. Meaningful engagement of providers and community stakeholders is a critical focus in the current health care environment, as the Triple Aim requires partnerships and a focus on wellness and care outside of the hospital's walls.

Effective strategic plans also need to be linked to operations; a simple system to help keep people staying on course. Once a plan is developed, concise communication of the strategy is critical. Several rural hospitals have found success utilizing a strategy map, a visual depiction of goals and objectives and their

connections, as an effective tool for communication (see Appendix D for an example of a CAH strategy map).

PATIENTS, PARTNERS AND COMMUNITIES

Critical Success Factors for CAHs
- Excelling at customer service

- Exploring partnerships with larger systems or rural health networks

- Forging partnerships with other types of providers in the service area

- Engaging and educating the community to improve overall health

- Encouraging the use of local health care services

*"Every patient encounter needs to be the best it can be.
Every one, not 95% of them."*

A focus on building relationships with patients, partners and the community is essential to the growing concept of value in health care. Although not federally required for all, CAHs should participate in public reporting programs on quality and customer experience as a way to show value to patients, the community and potential partners. Historically rural hospitals have had an advantage when it comes to customer satisfaction, but they need the empirical data to demonstrate their value.

"Start small – focus on hospital employee health improvement, or address a single primary care problem in your community."

With a growing focus on population health management, inpatient volumes will likely decrease. To stay viable, CAHs need to increase market share and engage the community to seek outpatient services locally. An effective method (and an Internal Revenue Service (IRS) requirement for all non-profit 501(c)3 hospitals by the ACA) is to conduct a community health assessment to understand the community's needs and assess why community members often travel elsewhere for locally available services. Meaningful engagement can be a challenge and takes time and resources, but the rewards can greatly impact the hospital's bottom line and reputation within the community. Development of portals for patients to access

their medical records through an electronic health record is also an opportunity to reach out and engage community members in managing their own health, while meeting one of the federal standards for Meaningful Use of electronic health records.

Exploration of partnerships with larger systems, rural health networks and other service providers is an opportunity to coordinate care, share resources and identify strategies to improve chronic disease

"We need to engage the community in a way that they truly feel they add value."

management and population health. Although most CAHs are still being paid predominantly through fee-for-service volume, payment systems that focus on value will require a broad spectrum of coordinated services to most efficiently and effectively meet the patient's needs. Exploration and development of partnerships in the near term can lay the foundation for programs and coordination to meet those needs locally as well as demonstrate value to tertiary hospitals and regional systems.

MEASUREMENT, FEEDBACK AND KNOWLEDGE MANAGEMENT

Critical Success Factors for CAHs
- Using a systems framework to manage information and strategic knowledge

- Evaluating strategic progress regularly and sharing information organization-wide

- Gathering and using data to improve health and safety of patients in the service area

Many CAHs are overwhelmed by the wide variety of data reporting requests and requirements. Limited staff time and expertise can compound this issue, particularly when there is a lack of understanding of

"If you don't have data, mythology wins."

the value of the data being gathered. The ability to gather data and turn it into information is critical and will have growing importance as payment structures start to rely on reporting performance measures.

"Measurement takes the politics out of management and drives performance."

A strategic framework such as the Balanced Scorecard, or Studer Pillars of Excellence, with measures and targets in each area, were cited by Summit participants as effective tools in helping staff understand linkages to strategic plans. These plans often include a mix of external measures (such as the Centers for Medicare & Medicaid Services (CMS)), quality measures and internal measures that have been identified for critical components of finance, workforce, quality and operations.[2] A framework, such as the Balanced Scorecard, can also be used as a tool to broadly share information about performance across the organization. One Summit participant, a CAH CEO, mentioned that for the past two years her organization has linked a portion of every employee's wage increase to organizational success in reaching targets on their Balanced Scorecard thereby enhancing staff engagement and focus (see Appendix E for an example of a CAH Balanced Scorecard).

"Until we have supportive personnel systems that allow us to embrace change, it is not going to happen."

WORKFORCE AND CULTURE

Critical Success Factors for CAHs
- Developing a workforce that is change ready and adaptable

- Creating a culture within the CAH that is patient focused and customer driven

- Nurturing ongoing staff development and retention

The workforce culture underlies every factor in the performance excellence framework. Workforce shortages are anticipated to increase as more individuals gain access to

"Don't create panic, but you must create a sense of urgency."

coverage through the ACA and as the population ages. Having an engaged workforce and reducing turnover will increase the ability of CAHs to improve performance and add value.

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[2] National Rural Health Resource Center, http://www.ruralcenter.org/tasc/resources/critical-access-hospital-2012-financial-leadership-summit-summary

Several tools and resources used in rural hospitals are available to help measure employee engagement. Most patient satisfaction survey vendors, such as Gallup and Press Ganey, also have employee engagement assessment tools. Assessment tools are also available in the public domain such as the Agency for Healthcare Research & Quality (AHRQ) Hospital Patient Safety Culture Survey.[3] TeamSTEPPS, a training program that focuses on teamwork and communication was also cited as a useful tool.[4]

Providing opportunities for training and education for mid-level or department managers was cited by Summit participants as a best practice. Rural hospital department heads frequently lack formal management or leadership training. Allocating funding and resources for external training can be challenging when budgets are tight, but internal supports such as 'book clubs' for discussion regarding management literature as well as structured mentoring with more experienced managers. Rural health networks and affiliated health systems may also have resources and leadership programs that could be accessed.

Helping employees be aware of the multitude of changes in the health care environment is also important in keeping employees engaged. Regular communication that includes a focus on the Triple Aim and the potential impact of health reform at the local hospital can help employees understand the context and urgency of changes that need to be made. Storytelling was also cited as a best practice to help employees manage change. Putting information in the context of impact on individual patients can help staff understand the impact of how their actions contribute to the overall value of the care provided to patients and families.

> *"Storytelling and mythologies cause people to become more engaged with the organization, and it becomes the glue."*

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[3] Agency for Healthcare Research and Quality http://www.ahrq.gov/professionals/quality-patient-safety/patientsafetyculture/hospital/index.html
[4] Agency for Healthcare Research and Quality, http://teamstepps.ahrq.gov/

OPERATIONS AND PROCESSES

> **Critical Success Factors for CAHs**
> - Developing efficient business processes with a particular focus on revenue cycle management
>
> - Continually improving quality and patient safety processes
>
> - Maximizing information technology to improve both efficiency and quality

"Unless we refine and execute our internal processes, our survival is in jeopardy."

Streamlining operations and continuously improving quality and safety are essential to staying viable in a reformed health care environment, but are reported as very challenging to implement. CAHs are experiencing the implementation of electronic health records and other technologies, but the opportunity to maximize use of those tools for efficiency, quality and safety can be challenging. Use of technology, such as telehealth, is growing rapidly, and can be an efficient way to help address workforce shortages and access to specialty services. This will be effectively realized if processes for implementation are well designed and providers and staff become comfortable with using the technology.

"If it was easy, all hospitals would be lean and trim."

Training in improvement methods, such as Lean, was cited as being very important, as was sharing best practices between CAHs through workshops, network collaboratives, roundtables and discussion forums. Summit participants cautioned against dabbling in a variety of methodologies for improvement, but advised rather to identify a method that staff can understand and incorporate into their daily work. External revenue cycle assessment was specifically cited as important because it may uncover other operational opportunities for improvement.

*"Pick one process improvement strategy and do it well.
Don't dabble and keep changing."*

IMPACT AND OUTCOMES

Critical Success Factors for CAHs
- Publically reporting and communicating outcomes broadly

- Documenting value in terms of cost, efficiency, quality, satisfaction and population health

Implementation of the performance excellence framework focuses on the goal of improving and documenting outcomes. Now more than ever, CAHs need to demonstrate the value they provide to patients and to their health care systems. As the environment continues to shift toward a focus on measurable outcomes, it is no longer feasible for CAHs to opt out of standard reporting requirements. With the recognition that some quality and safety measures do not adequately reflect the care provided at rural hospitals, high performance on those that are relevant is even more important.

*"The only way to remain relevant is to define excellence
and then achieve and document it."*

CAHs should take advantage of opportunities to define and promote excellence, both within their community and more broadly in the health system. Summit participants encouraged CAHs to seize opportunities within the community to share data on performance, and gather information on perceptions and needs as defined locally. CAH leaders also need to advocate for and participate in value-based payment demonstrations that are relevant for rural providers. Providing input and participating in discussions related to how value is measured and reported through state Flex programs, hospital associations, rural networks and other venues is critical to having a voice in the future of health care in this country.

*"If we don't highlight our strengths,
no one else will."*

CONCLUSION

The health care market is undergoing transformational change. Leadership awareness and support is critical in helping rural hospitals stay relevant during the market transformation. The CAH Blueprint for Performance Excellence is a tool to help CAH leaders manage system wide improvement and navigate change. The Blueprint is flexible and can be used in multiple ways – reviewing the key success factors and taking a critical look at your organization is a good starting point

(Appendix F). Blueprint strategies can help the organization bridge the gap between where they are presently and where they will need to be in a value-based health care system by taking a systems approach. Improvements in the various components of the Blueprint do not have to happen all at the same time; they can be made intermittently. It is important that CAH leaders begin to identify the key strategies necessary to bridge the gap between where they are presently and where they will need to be in a value-based health care system. The Blueprint also suggests the capture of relevant information that might be used in an organizational scorecard.

A brief list of identified relevant resources is included below. As additional tools and resources are developed they will be will be disseminated by the National Rural Health Resource Center and available at: www.ruralcenter.org/tasc

RESOURCES

- Building Commitment Through Group Decision Making Nutshell

- Building Commitment Through Group Decision Making Document

- Engaging Stakeholders During Times of Change and Transition Nutshell

- Sample CAH Strategy Map (Appendix D)

- Sample Health Information Technology Network Strategy Map

- Business Planning Tool Template

- Sample CAH Scorecard (Appendix E)

- Sample HIT Network Scorecard

LINKS

- Alliance for Performance Excellence www.baldrigepe.org/alliance/

- Balanced Scorecard for Small Rural Hospitals
  www.ruralcenter.org/tasc/resources/balanced-scorecards-small-rural-hospitals-concept-overview-and-implementation-guidanc

- Baldrige Performance Excellence Program www.nist.gov/baldrige/

- The Role of Small and Rural Hospitals and Care Systems in Effective Population Health Partnerships www.hpoe.org/Reports-HPOE/The_Role_Small_Rural_Hospital_Effective_Population_Health_Partnership.pdf

- Understanding and Facilitating Rural Health Transformation
  www.RuralHealthValue.org

SUGGESTED READING

- *Good to Great: Why Some Companies Make the Leap… and Others Don't* by Jim Collins

- *Hardwiring Excellence: Purpose, Worthwhile Work, Making a Difference* by Quint Studer

- *Switch: How to Change Things When Change Is Hard* by Chip Heath and Dan Heath

- *Our Iceberg Is Melting: Changing and Succeeding Under Any Conditions* by John Kotter, Holger Rathgeber, Peter Mueller and Spencer Johnson

- *Leading Change* by John Kotter

- *The Heart of Change* by John Kotter and Dan Cohen

- *Managing Transitions: Making the Most of Change* by William Bridges

- *12: The Elements of Great Managing* by Rodd Wagner

APPENDICES

A. Blueprint for CAH Performance Excellence - Critical Success Factors

B. CAH Success Factors Assessment Results

C. Hospital Implementation Framework for Health Reform - Eric Schell, Stroudwater Associates

D. Sample CAH Strategy Map - Johnson Memorial Hospital, Dawson, MN

E. Sample CAH Balanced Scorecard – Johnson Memorial Hospital, Dawson, MN

F. Performance Excellence Framework: Key Questions for Rural Hospitals Assessment

G. Suggestions from Summit Participants

APPENDIX A

Blueprint for CAH Performance Excellence Critical Success Factors

Leadership

- Educating and engaging the board regarding health industry trends and their potential impact on the organization

- Empowering and motivating hospital employees to achieve performance excellence, focusing on a systems-based approach to creating value

- Aligning with primary care providers to develop a common vision, goals and initiatives focused on creating value

Strategic Planning

- Participating in meaningful strategic planning at least annually

- Using a systems framework for planning to ensure a holistic approach

- Communicating the strategic plan organization-wide in easy to understand language

Patients, Partners and Communities

- Excelling at customer service

- Exploring partnerships with larger systems or rural health networks

- Forging partnerships with other types of providers in the service area

- Engaging and educating the community to improve overall health

- Encouraging the use of local health care services

Measurement, Feedback and Knowledge Management

- Using a systems framework to manage information and strategic knowledge

- Evaluating strategic progress regularly and sharing information organization-wide

- Gathering and using data to improve health and safety of patients in the service area

Workforce and Culture

- Developing a workforce that is change ready and adaptable

- Creating a culture within the CAH that is patient focused and customer driven

- Nurturing ongoing staff development and retention

Operations and Processes

- Developing efficient business processes with a particular focus on revenue cycle management

- Continually improving quality and patient safety processes

- Maximizing information technology to improve both efficiency and quality

Impact and Outcomes

- Publically reporting and communicating outcomes broadly

- Documenting value in terms of cost, efficiency, quality, satisfaction and population health

APPENDIX B

CAH Critical Success Factors Assessment Results

Summit participants prepared comments on the level of importance of select critical success factors that contribute towards achieving performance excellence in a CAH setting, using the seven inter-linked Baldrige components to assist organizations. This information was used to guide the development of an online assessment to obtain input from the highest achieving CAHs in the country. The Center solicited the 60 top performing CAHs in the areas of finance, quality and patient satisfaction[5] to complete the online assessment. The assessment requested the CAH leader to rate the level of importance and level of ease in implementing critical success factors within the Baldrige Framework. Results of the assessment provide insight into the top challenges CAHs face in striving for organizational excellence.

The above graph illustrates the level of importance and level of ease of implementing critical success factors in each of the Baldrige components. The scale

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[5] As determined by a comprehensive data analysis completed annually by iVantage to identify the Top 100 performing CAHs in the country. (http://www.ivantagehealth.com/2013-top-100-cahs)

for ranking level of importance ranged from 1) No Importance to 5) High Importance. Similarly, the scale for ranking level of ease ranged from 1) Very Difficult to 5) Very Easy. Overall, the majority of respondents noted that the critical success factors were of moderate to high importance and were difficult to implement. Assessment results confirmed that leaders in high performing CAHs identified all of the framework components as very important (5.0) with Leadership garnering the highest rating (4.7 out of 5.0) and efficient and effective operations (2.01 out of 5.0) identified as the most challenging to implement.

APPENDIX C

Hospital Implementation Framework for Health Reform

The impact of current market shift to value-based purchasing was such a critical component of discussions, that Eric Shell, Principal at Stroudwater Associates, shared a presentation highlighting a whitepaper developed by the Louisiana Hospital Association recommending strategies for success for rural hospitals under health reform. Included in the white paper recommendations were:

- Prepare for dramatic health market change based on a pay for value reimbursement system

- Develop partnerships and alliances with primary care providers and other health care providers in preparation for effective coordination of care

- Maximize efficiencies in all facets of CAH operations

- Pursue partnerships and cooperative working relationships with other health care organizations either in networks or as part of larger systems

Implementation Framework

STROUDWATER ASSOCIATES

Implementation phases linked to evolution of payment system incentives over time

	Current State	Phase I	Phase II	Phase III	Phase IV
Initiative I		Operating Efficiencies Implementation			
Initiative II	Align Primary Care Network Implementation Planning	Align Primary Care Network Implementation			
Initiative III	Rationalize Service Network Strategy	Rationalize Service Network Implementation Planning	Rationalize Service Network Implementation		
Initiative IV	Population Based Payment System Conceptual Plan	Population Based Payment System Strategy	Population Based Payment System Implementation Planning	Population Based Payment System Implementation	

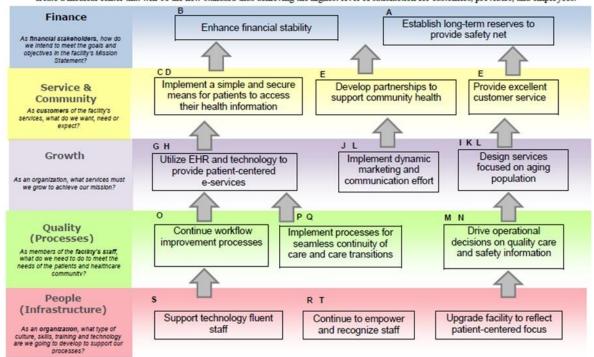2012   2013   2014   2015   2016

56

APPENDIX D

Sample CAH Strategy Map - Johnson Memorial Hospital, Dawson, MN

A Balanced Scorecard is a way of expressing and measuring strategy, linking operations to that strategy and monitoring and comparing performance. The Balanced Scorecard strategy map is a one-page summary of strategic objectives that can be used to easily document and communicate strategy. It is commonly broken into four perspectives: financial, customer, internal process and learning in growth. In the below example, the CAH, which uses Studer, chose to incorporate the five Studer Pillars as the perspectives on their strategy map.

JOHNSON MEMORIAL HEALTH SERVICES
FY13 STRATEGY MAP

Mission: Johnson Memorial Health Services is committed to providing exceptional healthcare as we promote wellness, restore health, and provide comfort to people of all ages and in every stage of life.

Vision: To challenge ourselves to consistently exceed expectations by providing the best healthcare based on a balanced pillar approach encompassing service, quality, finance, people, community, and growth. Through teamwork increased profitability, targeted growth, and strong leadership, we will create a medical center that will be the new standard thus achieving the highest level of satisfaction for customers, providers, and employees.
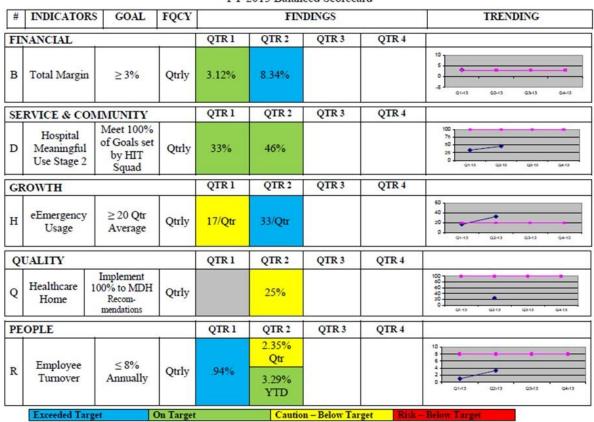
Finance
As financial stakeholders, how do we intend to meet the goals and objectives in the facility's Mission Statement?

- B: Enhance financial stability
- A: Establish long-term reserves to provide safety net

Service & Community
As customers of the facility's services, what do we want, need or expect?

- C D: Implement a simple and secure means for patients to access their health information
- E: Develop partnerships to support community health
- E: Provide excellent customer service

Growth
As an organization, what services must we grow to achieve our mission?

- G H: Utilize EHR and technology to provide patient-centered e-services
- J L: Implement dynamic marketing and communication effort
- I K L: Design services focused on aging population

Quality (Processes)
As members of the facility's staff, what do we need to do to meet the needs of the patients and healthcare community?

- O: Continue workflow improvement processes
- P Q: Implement processes for seamless continuity of care and care transitions
- M N: Drive operational decisions on quality care and safety information

People (Infrastructure)
As an organization, what type of culture, skills, training and technology are we going to develop to support our processes?

- S: Support technology fluent staff
- R T: Continue to empower and recognize staff
- Upgrade facility to reflect patient-centered focus

8/27/12

APPENDIX E

Sample CAH Balanced Scorecard - Johnson Memorial Hospital, Dawson, MN

The Balanced Scorecard takes the strategies off of the strategy map and makes those strategies operational. The scorecard then includes measures the organization or program will use to determine whether or not what is happening operationally is actually achieving the strategy.

Johnson Memorial Health Services
FY 2013 Balanced Scorecard

#	INDICATORS	GOAL	FQCY	FINDINGS				TRENDING
				QTR 1	QTR 2	QTR 3	QTR 4	
FINANCIAL								
B	Total Margin	≥ 3%	Qtrly	3.12%	8.34%			
SERVICE & COMMUNITY				QTR 1	QTR 2	QTR 3	QTR 4	
D	Hospital Meaningful Use Stage 2	Meet 100% of Goals set by HIT Squad	Qtrly	33%	46%			
GROWTH				QTR 1	QTR 2	QTR 3	QTR 4	
H	eEmergency Usage	≥ 20 Qtr Average	Qtrly	17/Qtr	33/Qtr			
QUALITY				QTR 1	QTR 2	QTR 3	QTR 4	
Q	Healthcare Home	Implement 100% to MDH Recom-mendations	Qtrly		25%			
PEOPLE				QTR 1	QTR 2	QTR 3	QTR 4	
R	Employee Turnover	≤ 8% Annually	Qtrly	.94%	2.35% Qtr / 3.29% YTD			

Exceeded Target	On Target	Caution – Below Target	Risk – Below Target

APPENDIX F

Performance Excellence Framework: Key Questions for Rural Hospitals Assessment

The Baldrige Performance Excellence Framework can be used as a systems-based framework for rural hospitals to develop and support critical success factors in key areas leading to performance excellence across the organization.

Key areas of the framework include:

- Leadership

- Strategic Planning

- Patients, Partners and Communities

- Measurement, Feedback and Knowledge Management

- Workforce and Culture

- Operations and Processes

- Impact and Outcomes

Assess your organizations' current capacity in each of these key areas to help identify opportunities for growth and development of system-based capacity for excellence.

Consider having a team of 6 - 8 people from across your organization complete this assessment independently, then use it as a tool for discussion to bring in perspective from across the organization, to understand varying perceptions, gain buy-in and identify opportunities and priorities for action.

A Word document version of this assessment can be accessed at: http://www.ruralcenter.org/sites/default/files/Assessment_Key%20Questions%20for%20Rural%20Hospitals.docx

Performance Excellence Framework: Key Questions for Rural Hospitals Assessment

Please check the appropriate box:

Leadership Our Leadership team...	Strongly Disagree 1	Somewhat Disagree 2	Somewhat Agree 3	Strongly Agree 4
Is aware of health industry trends and changes and how they may impact our facility				
Understands need for systems approach in all aspects of our organization				
Provides ongoing education opportunities for board, internal leadership and managers				
Aligns hospital and medical leadership around values, goals and strategies				
Empowers and motivates hospital employees to achieve performance excellence				
Strategic Planning Our Organization...	Strongly Disagree 1	Somewhat Disagree 2	Somewhat Agree 3	Strongly Agree 4
Conducts meaningful strategic planning at least annually				
Involves multiple stakeholders to ensure strategic plans reflect community needs				
Uses a systems framework for planning to ensure a holistic approach				
Communicates the plan organization-wide in easy to understand language				
Patients, Partners and Communities Our organization...	Strongly Disagree 1	Somewhat Disagree 2	Somewhat Agree 3	Strongly Agree 4
Measures and publicly reports data on patient satisfaction				
Excels at customer services as shown by our comparative results on patient satisfaction				
Engages in partnerships with larger systems or rural networks				
Works collaboratively with other types of providers in our service area to improve transitions of care and care continuity				
Collaborates with public and private organizations in the community to assess and improve health of the population				

Please check appropriate box:

Measurement, Feedback and Knowledge Management Our organization...	Strongly Disagree 1	Somewhat Disagree 2	Somewhat Agree 3	Strongly Agree 4
Uses a strategic framework to manage information (such as a Balanced Scorecard)				
Evaluates strategic process regularly and shares information organization-wide				
Uses data to improve health and safety of patients in the service area				
Workforce and Culture **Our organization...**	**Strongly Disagree** **1**	**Somewhat Disagree** **2**	**Somewhat Agree** **3**	**Strongly Agree** **4**
Supports development of a workforce that is change ready and adaptable				
Has an intense focus on staff development and satisfaction				
Supports ongoing staff skill building and education				
Has developed a customer/patient focused staff culture				
Operations and Processes **Our organization...**	**Strongly Disagree** **1**	**Somewhat Disagree** **2**	**Somewhat Agree** **3**	**Strongly Agree** **4**
Has developed efficient business processes and operations in all areas				
Continually improves quality and safety				
Uses technology appropriately to improve efficiency and quality				
Ensures continuous process improvement is embedded in the culture				
Impact and Outcomes **Our organization...**	**Strongly Disagree** **1**	**Somewhat Disagree** **2**	**Somewhat Agree** **3**	**Strongly Agree** **4**
Regularly documents and assesses outcomes and impact of the care and services we provide				
Reports quality outcomes to federal agencies, community, staff and other stakeholders				
Benchmarks outcomes with peers and internally				
Documents value in terms of cost, efficiency, quality, satisfaction and population health				

APPENDIX G

Suggestions from Summit Participants

Summit participants identified an array of opportunities and potential tools that could support use of both the framework broadly and individual focus areas. These suggestions include:

- Development of a national rural hospital innovation network that allows hospitals to build on each other's ideas and provides a sounding board for input into federal policy and regulation that supports continued viability of small rural hospitals under a value-based reimbursement structure.

- Dissemination of information about the Performance Excellence Blueprint through multiple channels including The Center. Tap into leaders across the country, such as Summit participants and others utilizing the Baldrige Framework or other systems-based performance frameworks, to share common messages about the importance of using frameworks as a tool during changing times and to share experiences and resources.

- Provide succinct educational materials and resources for use with board trustees and staff regarding health reform and use of the Blueprint disseminated through state Flex programs to CAHs.

- Provide guidance and resources to make strategic planning more efficient and relevant. Provide a brief with attributes of a good strategic plan and the importance of provider and community engagement in the process. Help identify resources for meaningful data and support in the strategic planning process.

- Gather and share best practices and case studies of successful performance excellence initiatives and innovations in rural hospitals.

- Align state and federal resources that support rural hospitals in implementing the framework.