Heartland Health

2005 Missouri Quality Award Application Summary

P.1 Organizational Description
P.1a Organizational Environment
P.1a(1) Health Care Services
Heartland Health (HH) is a not-for-profit 501(c)(3) community-based organization, governed by a community board of directors and serving the residents of 21 counties in Northwest Missouri, Northeast Kansas, Southeast Nebraska, and Southwest Iowa. Based in St. Joseph, Missouri, HH provides health services and health insurance products. HH was formed in 1984 as the product of a merger between Methodist Medical Center and St. Joseph Hospital, both in the same city.

HH operates its main hospital facilities with 461 licensed beds (350 operational) providing the following main services:
- Neuromusculoskeletal
- Women's Health
- Cardiopulmonary Vascular
- Medical
- Surgical
- Emergency
- Clinical
- Heartland Clinic (physician offices)

Through its health insurance company, Community Health Plan (CHP), Heartland offers solutions for health care with the following products:
- Health Maintenance Organization (HMO)
- Preferred Provider Organization (PPO)
- Administrative Services Only (ASO)

To meet all health care delivery and patient requirements, HH utilizes a well-defined **care delivery process** that cuts across all service lines. Key sub-processes include:
- Admission
- Assessment
- Diagnosis
- Treatment
- Discharge
- Follow-Up

Patient care teams (PCTs) deliver care and are organized around the needs of the patient. PCTs are comprised of a diverse group of individuals including a physician, RN, LPN, and/or patient care technician, care manager, social service representative, and dietary, pharmacy and housekeeping personnel. Other professionals such as physical therapists, respiratory therapists, and chaplains are integrated with the team based on patient needs.

Health care solutions for health care delivery are provided through CHP. Products are sold to plan members through brokers using a well-defined sales process designed to meet the plan member requirements shown in Figure OP-4.

P.1a(2) Organizational Culture
HH's vision, mission, core values and statements of principle are shown in Figure OP-2. Our culture is one of quality improvement and teamwork.

P.1a(3) Staff Profile
HH employs approximately 2,800 people equating to approximately 2,300 full-time equivalents (FTEs). The health care staff is diverse and includes physicians, nurses, clinicians, technicians, aides, executives, managers/supervisors, support staff, food service personnel, and clerical staff. Three percent

Vision
To make Heartland Health and our service area the best and safest place in America to receive health care and live a healthy and productive life.
Mission
To improve the health of individuals and communities located in the Heartland Health region and provide the right care, at the right time, in the right place, at the right cost with outcomes second to none.
Core Values
Our vision and mission will be achieved through exercise of our core values: • Respect   • Honesty   • Trust   • Integrity   • Compassion
Statements of Principle
• People and Leadership (HH will nurture its employees and medical staff). • Local Governance (HH will maintain local control, encourage and promote development of our service area). • Integration (HH will provide seamless service and care, developing working relationships up, down, and across the organization, enabling quick response and flexibility in the face of change). • Collaboration (HH will build relationships and partnerships that ensure quality of care, nurture innovation, and inspire performance). • Customer Intimacy (HH will anticipate and exceed customer needs, wants, expectations in care and service, encourage and promote development of our service area).

Figure OP-2 HH Vision, Mission, Core Values, Statements of Principle

of the employees represent minority groups, and 82% of the employees are women. HH has no unionized employee groups, but will occasionally use contract workers to supplement the workforce.

P.1a(4) Major Technologies
HH invests significantly in services and technology to ensure the health needs of the region are being met with the best facilities and technology economically feasible. In addition to the ongoing technical updating of clinical areas such as Laboratory and Radiology, HH has also invested significantly in consolidating all acute-care services at its main hospital campus.

P.1a(5) Legal/Regulatory Environment
HH operates subject to those laws and regulations that govern its activities. HH maintains a compliance program, committee and process to assure that laws and regulations are adhered to. Also, HH participates in the Consumer Assessment of Health Plan Study (CAHPS).

P.1b Organizational Relationships
P.1b(1) Organizational Structure & Governance
HH is governed by a Board of Directors (Board), which is a community-based group of 11 members charged with providing overall governance for the system. The HH Chief Executive Officer (CEO) reports to and is a member of the Board, and other members of the HH leadership team

participate, facilitate, and collaborate with the Board at its meetings, as well as its committee meetings, in an ex-officio capacity.

P.1b(2) Key Patient, Customer and Stakeholder Groups
HH's service area includes fifteen Northwest Missouri counties and six adjacent counties in Kansas and Nebraska. The Primary Service Area (PSA) includes Andrew and Buchanan Counties in Missouri, and Doniphan County in Kansas. The Secondary Service Area (SSA) includes the remaining 18 counties.

HH's key customers and requirements are shown in Figure OP-4. Customer segments and requirements are identified through the segmentation methods and the listening and learning methods described in 3.1.

Customer	Key Requirements
Patients • Inpatients • Outpatients • Emergency Patients • Heartland Clinic Patients	• Responsiveness • Timeliness • Courtesy • Information • Safety • Outcome of Care
Health Plan • Large Group Employers • Small Group Employers • Members	• Access • Good Service • Choice • Low Cost • Simplicity • Health Improvement

Figure OP-4 HH Customers and Key Requirements

P.1b(3-4) Role of Suppliers/Partners
Suppliers and partners are important to HH because the products and services procured can directly impact the quality of care and the effectiveness of care delivery, and because expenses associated with procurement of supplier goods and services are a significant component of HH costs. Suppliers and partners are categorized as Partners, and Key Suppliers.

Figure OP-5 identifies HH partners and key suppliers, the types of items procured and the key requirements HH has defined for them. As indicated above, partners have dual requirements.

P.2 Organizational Challenges
P.2a Competitive Environment
P.2a(1) Competitive Position
HH is the largest employer in the region with approximately 2,800 employees earning an average wage of almost $45,000 annually. In addition to payroll, HH purchases nearly $47 million in goods and services annually.

P.2a(2) Competitive Success Factors
The principal factors that contribute to HH's current and future market leadership are:

Key Supplier/Partner	Items Procured	Key Requirements
Partners ▪ Physicians	▪ Care Delivery	▪ Admissions ▪ Referrals ▪ Competency ▪ High Patient Satisfaction ▪ Resource Management
▪ Insurance Brokers	▪ Insurance Sales	▪ High Sales Volumes ▪ High Customer Satisfaction ▪ Knowledge of Products
Key Suppliers ▪ Cardinal (Premier) ▪ Burrows (Premier) ▪ Picker (Premier)	▪ Products and Services	▪ Reasonable Cost ▪ Timely Delivery ▪ Accuracy of Receipt ▪ Product/Service Quality
▪ Cerner	▪ Information Technology Services	▪ Reasonable Cost ▪ Product/Service Quality ▪ Responsiveness
▪ Missouri Western State University	▪ Workforce	▪ Competency
▪ Hillyard	▪ Workforce	▪ Competency

Figure OP-5 HH Partners, Suppliers, Items Procured and Requirements

Business Expansion and Innovation
- **Master Site Planning**
- **Culture of Continuous Improvement**
- **Integration Strategy**

The most significant changes taking place that affect HH's competitive position are:
- Mergers and acquisitions underway in the Kansas City market area;
- Policy changes governing provider and insurer contracting;
- State policy changes concerning health coverage for defined populations;
- Federal policy changes regarding reimbursement reductions in certain venues.

P.2a(3) Comparative Data
HH key sources of comparative data provide comparisons within the health care industry to similar types of services across the country, and in some cases, the local market area. Comparisons are generally in the form of industry averages or quartile level performance. While these data are readily available, there is less ability to gather direct competitor data.

P.2b Strategic Challenges

HH has identified the following strategic challenges:

- Work Force Development
- Medical Staff Development
- Efficiency Management and Cost Control
- Image Building
- Application of Technology

P.2c Performance Improvement System

HH maintains an organizational focus on performance improvement by integrating five key elements depicted in the **Heartland Health Organizational Architecture** shown in Figure OP-8. The five elements are:

1. HH is driven by its Vision, Mission and Strategy (see Item 1.1 and Category 2)
2. The HH Management Model indicates use of the Baldrige philosophy that is reinforced through annual assessments conducted to understand strengths and opportunities for improvement relative to the Management Model.
3. The HH Process Model depicts and reinforces the process improvement culture. HH strategies give rise to aligned macro-level processes. These processes are made up of sub-processes, which form the basis for performance improvement activity using JADE, PASTE and PASTEplus.

4. Three Performance Improvement Models - Joint Achievement of Design Excellence (JADE); Problem, Analysis, Solution, Transition, Evaluation (PASTE); and PASTEplus (see 6.1a3 and Figure 6.1-2) - are used to design, manage and improve processes.
5. The Balanced Scorecard process and associated performance reviews are used to monitor organization- and process-level performance.

HH uses multiple methods to learn and share knowledge across the organization. The Knowledge Management Process (KMP) described in 4.2 outlines HH's strategy for managing knowledge and summarizes the variety of learning and sharing methods used. Within the context of the KMP, the **PASTE Continuous Improvement** methodology described in 6.1 is a well-defined guide to learning through process analysis and problem solving, and includes a requirement for all improvement efforts to be shared with other parts of the organization. Employees are trained on the use of PASTE, and numerous teams are formed to address process improvement opportunities. Outcomes of these initiatives are regularly shared with the entire organization through the methods shown in Figure 4.2-2.
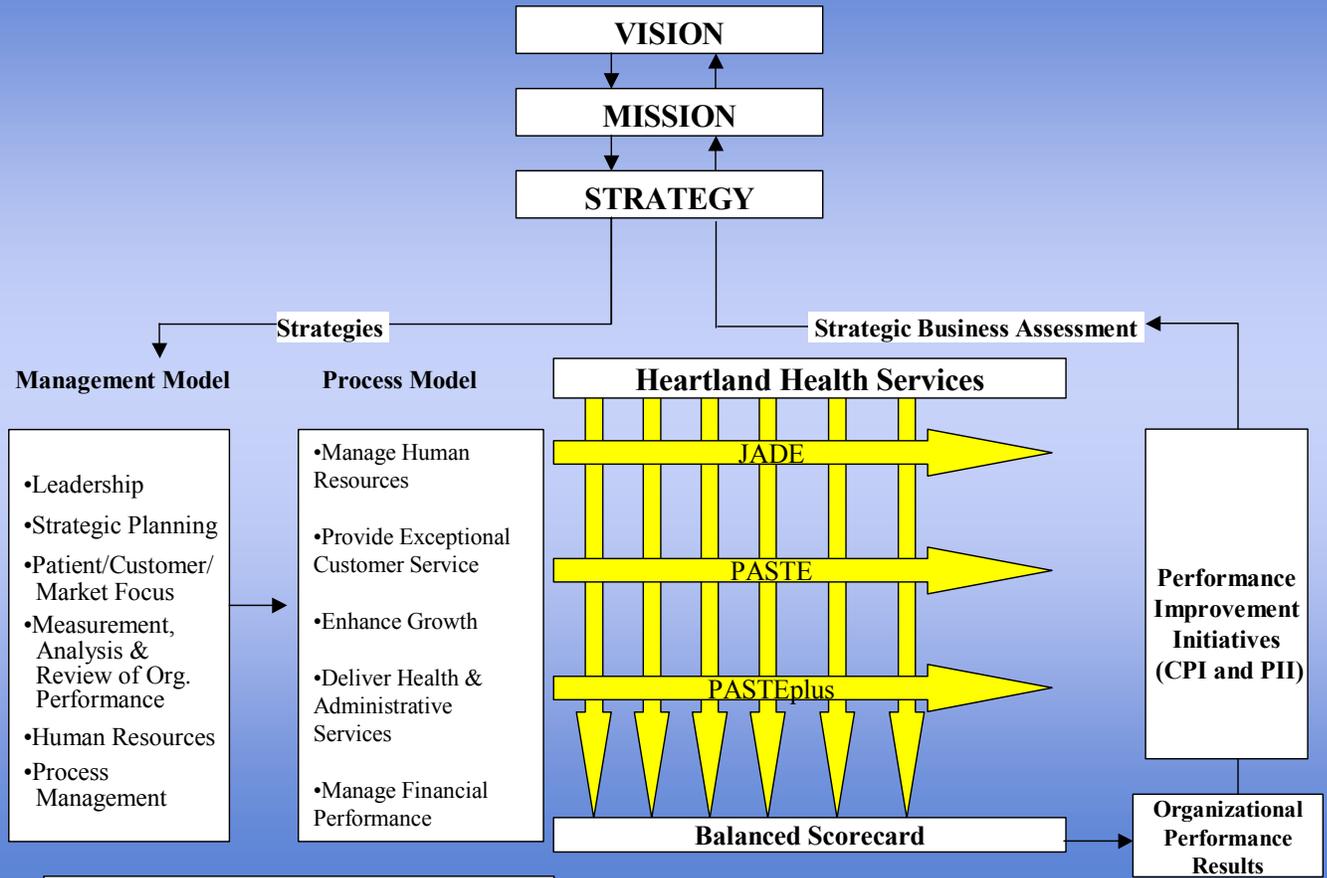
HEARTLAND HEALTH
ORGANIZATIONAL ARCHITECTURE

VISION

MISSION

STRATEGY

Strategies

Strategic Business Assessment

Management Model

Process Model

Heartland Health Services

JADE

PASTE

PASTEplus

- Leadership
- Strategic Planning
- Patient/Customer/ Market Focus
- Measurement, Analysis & Review of Org. Performance
- Human Resources
- Process Management

- Manage Human Resources
- Provide Exceptional Customer Service
- Enhance Growth
- Deliver Health & Administrative Services
- Manage Financial Performance

Balanced Scorecard

Performance Improvement Initiatives (CPI and PII)

Organizational Performance Results

Figure OP-8 HH Organizational Architecture
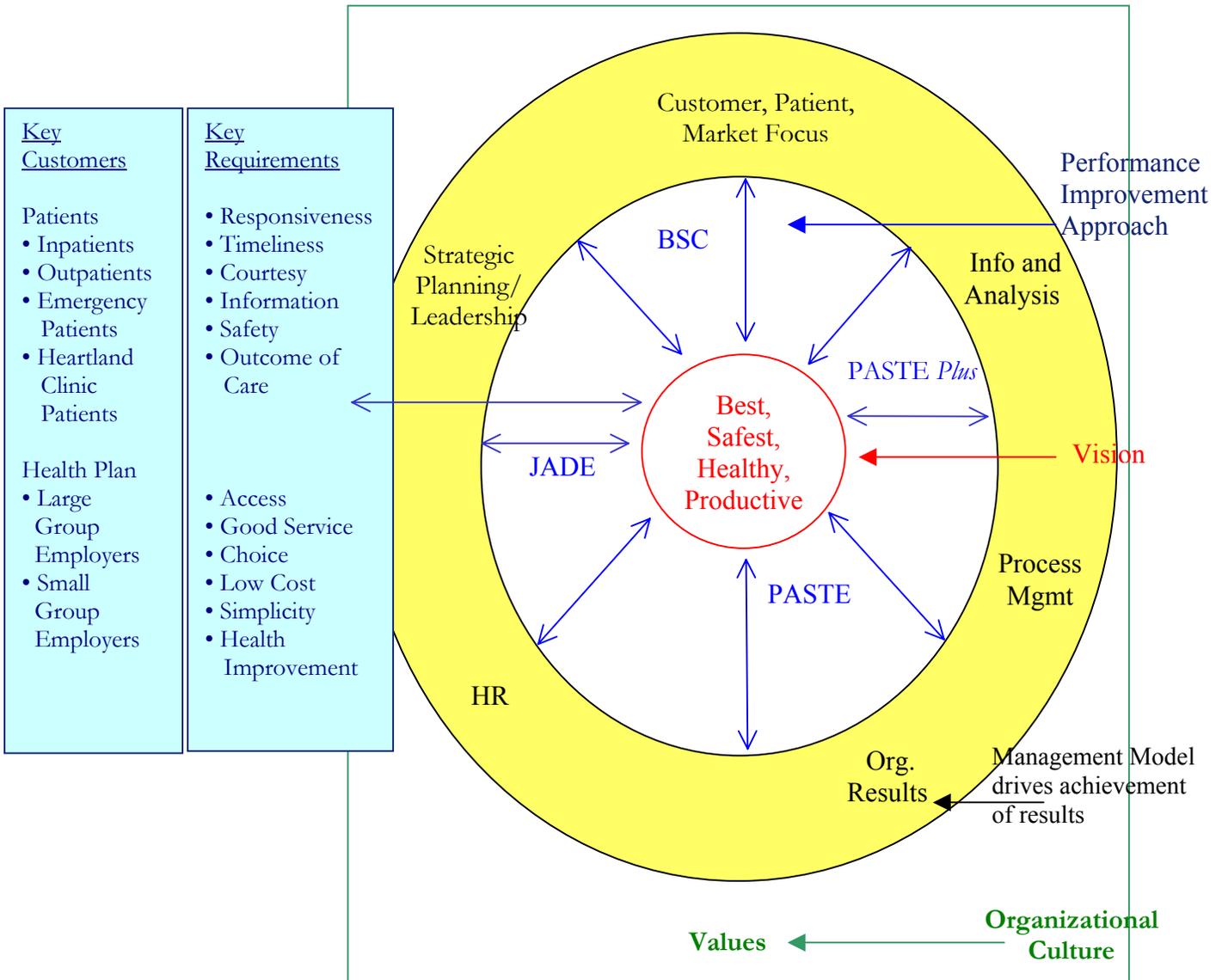
1.1 Senior Leadership
1.1a Vision and Values
1.1a(1) Set and Deploy Vision and Values

The HH leadership system is comprised of the **HH Quality System** shown in Figure 1.1-1, the **HH Plan, Deploy, Review Process (PDR)** shown in Figure 2.1-1, and the **HH Organizational Structure** described below. This system depicts a values driven organization that maintains a strong focus on performance results, continuous improvement and innovation, and the ability to respond quickly to patient, other customer and market needs. It also ensures close collaboration between the administrative and medical staff within the health system. The **HH Quality System** is framed around the HH Vision and Core Values with the vision as its focal point in the center. The vision is shaped by various customer groups and their key requirements. Leaders seek to achieve the vision through the Baldrige Management Model, which is integrated into the quality system, and is pursued in the context of the core values using a variety of performance improvement approaches to achieve performance excellence as shown in Figure OP-8. The **HH PDR Process** is used throughout HH to ensure that all activities are accomplished in an aligned, systematic and standardized way.

The HH Organizational Structure is comprised of the following bodies: **Strategic Leadership Team (SLT)**.

Key Customers

Patients
• Inpatients
• Outpatients
• Emergency Patients
• Heartland Clinic Patients

Health Plan
• Large Group Employers
• Small Group Employers

Key Requirements

• Responsiveness
• Timeliness
• Courtesy
• Information
• Safety
• Outcome of Care

• Access
• Good Service
• Choice
• Low Cost
• Simplicity
• Health Improvement

Customer, Patient, Market Focus

Performance Improvement Approach

Strategic Planning/ Leadership

BSC

Info and Analysis

PASTE *Plus*

Best, Safest, Healthy, Productive

Vision

JADE

Process Mgmt

PASTE

HR

Org. Results

Management Model drives achievement of results

Values

Organizational Culture

Vision shaped by customer groups, driven by Management Model, in the context of values, using performance improvement tools, to achieve organizational results.

Figure 1.1-1 HH Quality System

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The SLT sets and deploys the vision, mission, core values and HH direction and performance expectations through implementation of the **PDR Process**. As part of this process, the SLT performs annually, a **Strategic Business Assessment (SBA),** develops long-term strategies, validates key processes, selects Performance Improvement Initiatives (PIIs), establishes short- and long-term goals and develops action plans. A member of the SLT is assigned to each of the PIIs, and he or she is responsible to ensure that they are deployed effectively across the HH services. HH administrators apply the PDR Process at the service level to ensure that strategic plans are developed that align with and support the HH plan. During this phase of the PDR, specific action plans are developed, along with goals and scorecards, and those are driven down to the department level in a similar manner. Team leaders are responsible to establish individual goals with all employees through the **staff performance management** system. In this manner, HH deploys direction and its performance expectations to the individual employee level to ensure full alignment around its plans and strategies.

<u>Clinical Business Strategy Committee (CBS)</u> – The CBS is led by the Chief Operating Officer (COO) and consists of the HH officers and administrators. This is the chief operating group within HH and provides performance improvement oversight, policy approval and service, product and process design decisions. It meets weekly.

<u>Quality Management Board (QMB)</u> – The QMB represents a fusion of the Medical Staff Quality Assurance Committee and the Administrative Quality Committee. It meets monthly and consists of the head of each Heartland Regional Medical Center (HRMC) service line "paired" with a physician leader through an initiative called Physician-Administrative Leaders (PALs). Its purpose is to create close collaboration between administrative and medical staff leaders, and to provide a forum for reviews of mid-to-low level quality measures and oversight of overall health care delivery for all of the hospital services.

<u>CBS plus CEO</u> – The CBS plus CEO is responsible to implement the PDR as it pertains to HH's strategic plan development.

<u>Senior Leadership (SL)</u> – The SL is a monthly gathering of all HH team leaders and above led by the CEO. The meeting provides a forum for a review of the BSC, performance improvement initiatives, identification of improvement priorities, and information sharing and knowledge transfer.

1.1a(2) Foster and Require Legal and Ethical Behavior
HH leaders place a heavy emphasis on ethics and model the proper behaviors on a regular basis. HH has established a code of conduct, which is published in a document called *Setting*. The HH Compliance Committee receives regular reports of potential issues of non-compliance.

1.1a(3) Create a Sustainable Organization
As noted in P.1a (1), HH was formed in a 1984 merger of two St. Joseph hospitals. During the past two decades, HH has institutionalized the three elements described below to ensure organizational sustainability and growth.

- First, the HH Vision, Mission, Core Values, and Statements of Principle (Figure OP-2) provide the foundation for decision making, organizational direction, and sustainability.
- Second, the organizational Governance Structure described in P.1b(1) requires an objective Board be in place to provide overall organizational guidance, ensure leadership succession takes place, review and approve major financial decisions and uphold the ethics policies.
- Third, the HH Organizational Architecture (Figure OP-8) ensures alignment and integration of Vision, Mission, Strategies, Management structures, The Balanced Scorecard and Performance Improvement Initiatives. The Strategic Business Assessment (see P.2c(1) and 2.1a(2) is also a key component of the Architecture and organizational sustainability.

Senior leaders reinforce an environment conducive to performance improvement and accomplishment of strategic objectives.

<u>Organizational agility</u> is reinforced through the **Integration** statement of principle that states HH will provide seamless service and care, develop working relationships up, down, and across the organization enabling quick response and flexibility in the face of change.

1.1b Communication and Organizational Performance
1.1b(1) Senior Leaders Communicate
Senior leaders use the following methods to communicate with employees and motivate staff. All senior leaders "round" in units/departments to gather input and share information. Staff are empowered through a "voucher" system to resolve patient concerns. Some leaders hold regular meetings with staff, encourage use of the "grapevine" telephone call-in, and attendance at the CEO's Employee Forums. Senior leaders utilize a recognition system to reward staff with "Awards of Excellence," "Spotlight Awards" and "Cheerful Change."

1.1b(2) Senior Leaders Create a Focus on Action
Senior leaders focus on action through use of the PDR Process. The process considers the strategic plan, operating priorities and initiatives, then drives execution through use of teams who utilize either PASTE, PASTEplus, or JADE methodology to accomplish the objectives.

1.2 Governance and Social Responsibility
1.2a Organizational Governance
1.2a(1) Key Factors in Governance System
The HH governance structure described in P.1b(1) and the approaches described in 1.1a(3) regarding sustainability also ensure management and fiscal accountability. In addition,

Board committee reviews are conducted to address the various Focus Areas.

Audit independence is achieved by engaging a third party organization to perform a financial audit. The audit report and required Management response to the audit report is presented to the Board annually. The Board requires follow-up on the previous year's response when necessary.

The HH Board reviews the performance of the CEO formally on a semi-annual basis and all leaders and Board performance annually.

Stakeholder interests are protected through a Board required *Community Benefit Report* that summarizes HH's key operational activities and financial benefits to the community.

1.2a(2) Senior Leader Performance Evaluation
HH uses the **Level of Effectiveness of Leadership (LOEL)** development tool to assess leader development. LOEL is a comprehensive method of assessing the behaviors and attributes of leaders in the organization using standard criteria that serve as a basis for management competence. Input is obtained from subordinates, peers, and supervisors using templates containing the standard criteria and the specific goals for the individual leader being assessed. From the LOEL assessment, individual development plans are established. Information from the LOEL serves as input to succession planning. The Board conducts an appraisal of its performance, medical staff leaders are reviewed on an annual basis and formal management appraisals are conducted annually for each leader.

The HH leadership system is evaluated annually as part of the SBA conducted during planning. During the initial phase of planning, before operational goals are established, senior leaders formally meet and assess the effectiveness of the HH Management Model. The assessment findings are prioritized and actions for the next year's plan are considered during subsequent plan development steps. If actions are included in the plan, they are also incorporated into the LOEL criteria. This evaluation approach produced the PALs initiative that is used to pair an administrative and medical staff leader in the QMB. This eliminated duplication and overlap, and improved alignment and communication through an organizational structure change, and has resulted in a more responsive, agile organization.

1.2b Legal and Ethical Behavior
1.2b(1) Adverse Impacts on Society
HH established a corporate compliance program to address the issues related to the CMS, Department of Justice (DOJ), and other legal and regulatory requirements. The program includes a **Corporate Compliance Officer (CCO)** and a **Corporate Compliance Committee (CCC).** The CCC is responsible to be knowledgeable regarding all compliance issues and to provide direction and oversight on all compliance matters. It tracks fraud and abuse laws, Office of Inspector General (OIG) guidelines, communicates to the

organization, and ensures that all employees are properly educated in these matters.

HH anticipates public concerns by proactively engaging segments of the community in discussions involving current and future services and operations. HH senior leaders speak with civic groups and local and regional employers and employees to obtain their input, and Board members are selected from the community, thereby allowing them to fulfill a liaison role between HH and other groups and provide input to HH leaders.

1.2b(2) Promote and Ensure Ethical Behavior
HH has an **Ethics Committee (EC)** in place to ensure ethical behavior in all activities and that HH continually does "the right things right" in accordance with its mission statement. The role of the committee is to review all ethics related matters and provide advice to leadership.

In addition, HH subscribes to a patient rights philosophy that entitles patients to privacy, confidentiality, information regarding treatment and information about their rights. To reinforce patient rights, HH has implemented a set of standards pertaining to the processes used in all patient interactions as described in 3.2.

1.2c Support of Key Communities and Community Health
HH key communities are defined by its primary and secondary market area described in the Organizational Profile. HH knows from prior research that good jobs and education are key drivers of health care resource consumption and, therefore, recognizes that community partnerships to improve education and employment will be beneficial in containing or reducing health care costs. Consequently, HH created the **Heartland Foundation (HF)** to work in partnership with community groups to continuously improve the health and quality of life for children and adults within the region. HH selects initiatives to pursue based on three criteria:
- Will the initiative improve the health status of the population we serve;
- Will the initiative serve to develop the economy of Northwest Missouri; and
- Will the initiative support charitable endeavors.

HH uses the Missouri health status data (e.g., poverty, education level, economics and health status) to identify what problems the communities within the region have. With this information, HF identifies partnerships and programs to participate in or initiate, and HH leadership makes determinations as to what actions to take using the established criteria.

Community Program	Objective
• Healthy Communities of the Midwestern 4 Corners	• Improve health and quality of life for all
• Area Health Education Center	• Improve the supply and distribution of health care professionals
• St. Joseph Area United Way	• Contribute to worthy causes in the community
• Youth Health Partnership	• Partner with schools to improve health, attendance and learning
• Success by Six	• Education and health assessment of children ages 0-6
• Project Fit America	• Positively impact children's physical fitness
• St. Joseph Youth Alliance and Caring Communities	• Education and promotion of health and healthy lifestyles
• Community Plan	• 7 Health Status Categories

Figure 1.2-2 HH Community Support Initiatives

A measure of the success of HH's **Healthy Communities Initiative**, a partnership with Northwest Missouri State University, is its selection as one of only six community-building initiatives in the nation chosen by The Health Forum in San Francisco to participate in a five-year nationwide study called Accelerating Community Transformation (The ACT Project). The purpose of this applied research project is to evaluate the impact of cross-sectional leadership approaches aimed at improving a community's health and well-being.

In addition to HH's organizational approach to community health, senior leaders and employees participate in numerous local, regional, and national initiatives to improve health and build communities. Encouragement comes from senior leader communication of the desire for individuals to participate in such efforts, publicizing those efforts in public forums, and publishing the *Community Benefit Report* highlighting efforts by HH, its senior leaders, and employees to strengthen the community.

2.1 Strategy Development
2.1a Strategy Development Process
2.1a(1) Strategic Planning
HH uses the three-phased **PDR Process** shown in Figure 2.1-1 to develop, deploy, and manage to its strategy and plans. The specific steps in this process when applied to strategy development are shown in Figure 2.1-2. The SLT and the CBS plus CEO carry out all of these steps, with physician leadership <u>and supplier/partners</u> involvement as indicated. The PDR approach produces the HH strategic plan.

Annually, HH goes through the PDR process to validate long-term direction and create and identify plans for the coming year. At the culmination of each planning cycle, HH will have a set of

confirmed statements of **Vision, Mission, Values, Statements of Principle, Strategies, Three-Year Goals, and One-Year Goals.**. At the end of each planning cycle, the PDR process is reviewed to determine how it can be improved.

2.1a(2) Key Factors Addressed in Planning
HH ensures that the PDR process is comprehensive and addresses all key factors by assigning key leaders to research and represent selected key factors as the process moves forward. Those responsible for this aspect of planning gather data and conduct analyses to determine future impact on HH relative to their particular factor. This information is brought together during the **Strategic Business Assessment**
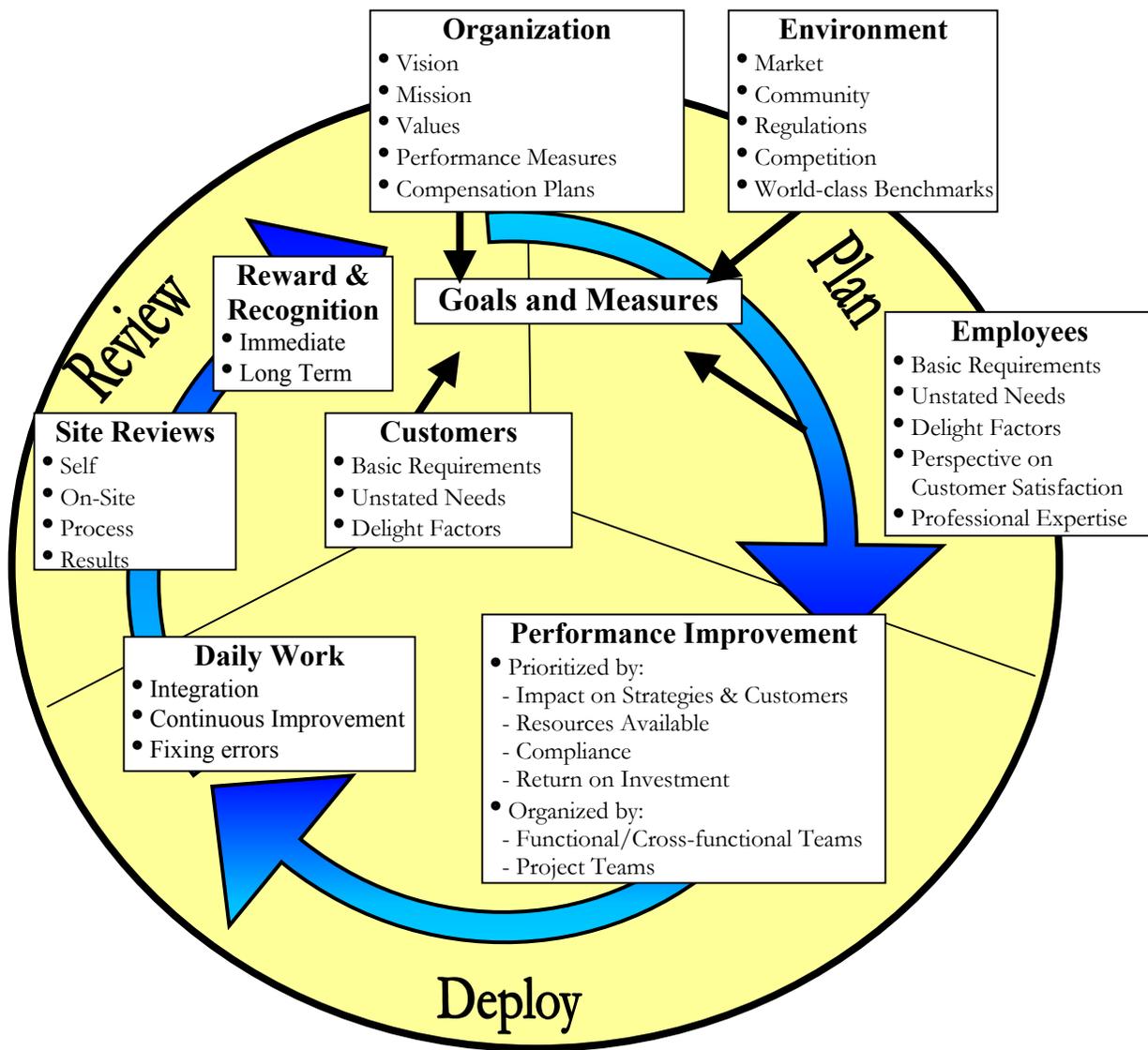

Figure 2.1-1 HH PDR Process

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Plan Step	Who	When	Process Methodology/Tools	Data Reviewed
Perform Strategic Business Assessment (SBA)	• CBS plus CEO • Cerner (supplier) • MWSU (supplier) • Insurance Brokers (partner) • Physicians (partner)	September	• Key Factors Data Assessment • Trend Charts • "SWOT" Exercise	• Market and Economic Factors • Community Health • Physician Preferences • Broker Analysis • Patient Volumes and Profiles • Member Demographics • Emerging Industry Factors
Validate Vision, Mission, Values, Statements of Principle	• Governance • CBS plus CEO • Physicians (partner)	October	• Consensus Building	• Key Learnings from Strategic Business Assessment
Develop Strategies and Strategic Objectives	• Governance • CBS plus CEO	November	• Benchmarking • Consensus Building	• Balanced Scorecards • Vision/Mission • Key Learnings from SBA
Validate BSC Strategy Maps	• CBS plus CEO	December	• MAP Exercise	• Key Customer Needs • Proposed Strategies • Performance Results
Validate Key Processes	• Cerner (supplier) • CBS plus CEO	January	• Consensus Building Tools	• Key Customer Needs • Performance results
Select Initiatives	• Cerner (supplier) • Premier (supplier) • Physicians (partner) • CBS plus CEO	February	• Criteria Selection Process	• Key Customer Needs • Performance Results
Develop Goals (three and one year)	• CBS plus CEO • Physicians (partner)	February	• Benchmarking • Goal Setting Process	• Key Customer Needs • Performance Results
Validate BSC and Process Measures	• CBS plus CEO	March	• Consensus Building Tools	• Three- and One-Year goals • Performance Results
Deploy Goals	• SLT	March-May	• Goal Setting Template	• One-Year Initiatives
Execute Initiatives	• Senior Leadership	July-June	• Action Planning • Employee Evaluation/ Goal Setting	• One-Year Initiatives

Figure 2.1-2 HH Strategic Planning Process

(SBA) conducted at the outset of strategy development. Data are gathered and analyzed to support the SBA as indicated in 4.1, and include the following assessments: customer and market factors; health of the service area; economic factors; competitor data; regulatory requirements; legislative activities; technology opportunities; financial condition; community benefit programs; organizational strengths and weaknesses; and improvement opportunities. The CBS plus CEO reviews the key external, internal and emerging industry and market factors and conducts a "SWOT" exercise to prepare for the strategy development session. Review sessions with the key suppliers and partners are conducted to challenge and validate the trends and assumptions. The findings and assumptions from this key factor assessment are incorporated into the governance leadership process for development of strategies.

2.1b Strategic Objectives
2.1b(1) Key Strategic Objectives

HH's measures are replicated on the HH Balanced Scorecards. Goals are established using benchmark data, or by calculating the standard deviation based on the previous three years of performance in the measured area. Rationale is applied to assess the time and levels of performance necessary to reasonably achieve "stretch" performance. The goal for the next year will typically be the product of benchmarks, standard deviation, and business judgment. Whenever benchmarks are available, HH determines a reasonable timeframe for achieving this level of performance. The timeframe is established using business judgment, organizational/leadership capacity, and competitive analysis criteria. In the absence of benchmarks, the mathematical process is utilized.

2.1b(2) Strategic Objectives Address Challenges
The Strategies, Initiatives, and PIIs are developed in direct response to the strategic challenges identified in the Organizational Profile. Figure 2.1-5 displays those challenges and how they align with the PIIs. To ensure that

the PIIs balance short- and long-term challenges and opportunities, and the needs of all stakeholders, HH identifies the most significant processes or activities that are linked to the BSC measures for the Strategy under consideration, and then prioritizes the PIIs based on an analysis of the key success drivers of each of the Strategies and on organizational capacity analysis. The Prioritization Matrix used to accomplish this work is shown in Figure 2.1-6. These activities are then prioritized to ensure that no Strategic or other goal is accomplished on the back of another customer group's needs.

2.2 Strategy Deployment
2.2a Initiative Development and Deployment
2.2a(1) Develop and Deploy Action Plans
The initiatives are developed and aligned to the five strategies. The CBS plus CEO validates the BSC key planning factors and processes to determine the opportunities for focused attention in addressing the organizational challenges.

The strategies, initiatives, and measures are presented to the HH governance, senior leadership, key suppliers and physicians (partners). These are assigned to a leader who develops a three-year plan with appropriate stakeholders to identify what actions are needed to generate the desired changes and improvements. The three-year plans identify goals and measures, in addition to activities. The three-year plans lead to development of an incremental one-year plan, which identifies capital expense, operating expense, anticipated improvement, and resources necessary to carry out the intended actions. Each initiative identifies the number and type of new employees, including physicians, who are needed to ensure success. These new human resources are compared to the Performance Management Plan (outlined in 5.1b) and recruitment programs (Touchstone, AHEC, Stepping Stones) to determine if near- and intermediate-term human resources can be assured. Each initiative is presented for review by the CBS plus CEO for prioritization and approval.

Once plans are approved by the CBS plus CEO, the capital and operating cost assumptions and the human resource requirements are incorporated by the assigned senior leader into the one-year operating plan and associated budget. The goals and initiatives are then given to the administrative and service areas so each can develop supporting plans and employee goals to sustain and monitor performance to the plans.

2.2a(2-5) Develop/Deploy/Align/Modify Short and Long Term Action Plans
HH initiatives along with the key measures are used to track progress. More detailed measures and indicators for specific initiative activities are also used to track progress. These are typically built around accomplishment of milestones as plans are implemented. Human resource plans are shown in relation to the Employer of Choice Strategy. Actions in other Strategies are also evaluated for human resource

impact as indicated above, and appropriate plans are established.

2.2b Performance Projection
The HH Balanced Scorecard indicates 2005 YTD performance, current benchmark, type of benchmark, and current performance status.

Strategic Challenges	Strategy
Workforce Development	Employer of Choice (EOC)
Strong physician/practitioner and physician/hospital relationships/image	Exceptional Customer Service
Technology/Cerner Plan Competition People assume greater responsibility	Learn, Grow and Innovate
Baby-boomers arrive	Benchmark for Quality
Restructure entitlement programs including Medicare, Medicaid and Social Security/efficiency	High Value, Available Services

Figure 2.1-5 HH Strategic Challenges and Initiatives

Rating Key Success Drivers	High Impact (3)	Moderate Impact (2)	Low Impact (1)
Process Standard			
Contributes to strategic success			
Process is a high priority for regulatory compliance			
Process failure will negatively impact a related process with above characteristics			
Process is highly visible to key customers			
If process deteriorates further, there will be high cost to reinstate			
Process has high cost in daily operations			
Process is a strong driver of one or more scorecard measures			

Figure 2.1-6 HH Initiative Prioritization Matrix

3.1 Patient, Other Customer, and Health Care Market Knowledge
3.1a Patient, Other Customer, and Health Care Market Knowledge
3.1a(1) Identify Patients/Customers and Markets
Our community based governance adopted the historical trade and commerce pattern of major St. Joseph area employers as our service area when HH was formed in 1984. It includes a three-county primary service area (PSA) and an 18 county secondary Service Area (SSA) of Northwest Missouri and adjacent counties in Kansas and Nebraska.

To learn about customers of competitors we conduct consumer preferences and image surveys that include insights from competitor customers. The Missouri Hospital Association database (HIDI) allows HH to monitor market share changes against our competitors such as Kansas City providers. All these data are linked to the appropriate segments and services. Because of growing consumer demand for comparative outcomes, HH uses healthgrades.com for consumer outcome comparisons. Medicare patients also have a comparative Web site for quality and service that includes all of our competitors.
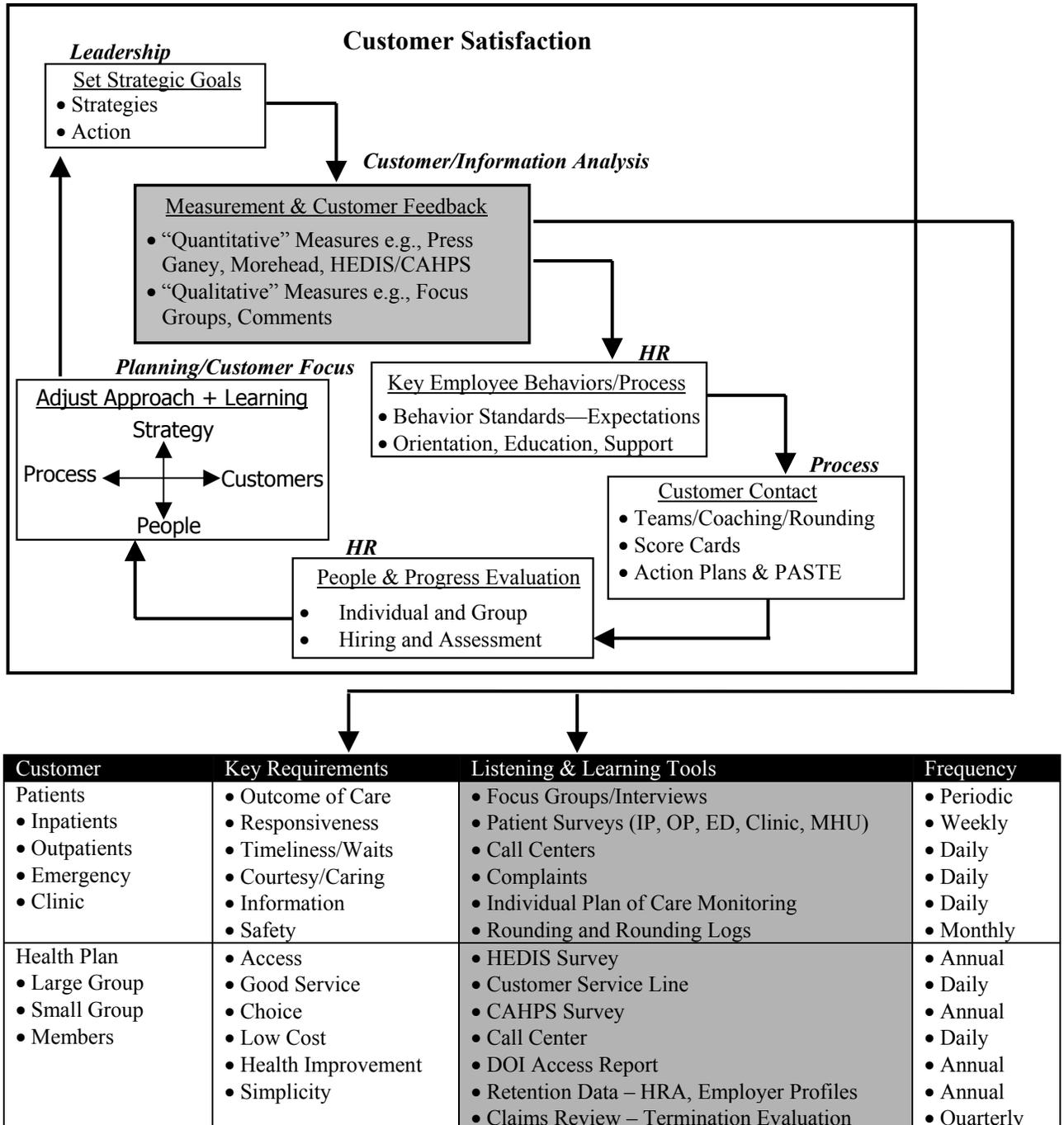
Customer Satisfaction

Leadership

Set Strategic Goals
- Strategies
- Action

Customer/Information Analysis

Measurement & Customer Feedback
- "Quantitative" Measures e.g., Press Ganey, Morehead, HEDIS/CAHPS
- "Qualitative" Measures e.g., Focus Groups, Comments

Planning/Customer Focus

Adjust Approach + Learning
Strategy
Process ←→ Customers
People

HR

Key Employee Behaviors/Process
- Behavior Standards—Expectations
- Orientation, Education, Support

Process

Customer Contact
- Teams/Coaching/Rounding
- Score Cards
- Action Plans & PASTE

HR

People & Progress Evaluation
- Individual and Group
- Hiring and Assessment

Customer	Key Requirements	Listening & Learning Tools	Frequency
Patients • Inpatients • Outpatients • Emergency • Clinic	• Outcome of Care • Responsiveness • Timeliness/Waits • Courtesy/Caring • Information • Safety	• Focus Groups/Interviews • Patient Surveys (IP, OP, ED, Clinic, MHU) • Call Centers • Complaints • Individual Plan of Care Monitoring • Rounding and Rounding Logs	• Periodic • Weekly • Daily • Daily • Daily • Monthly
Health Plan • Large Group • Small Group • Members	• Access • Good Service • Choice • Low Cost • Health Improvement • Simplicity	• HEDIS Survey • Customer Service Line • CAHPS Survey • Call Center • DOI Access Report • Retention Data – HRA, Employer Profiles • Claims Review – Termination Evaluation	• Annual • Daily • Annual • Daily • Annual • Annual • Quarterly

Figure 3.1-1 Customer Satisfaction PDR Process

3.1a(2) Listen and Learn
HH listening and learning methods are shown in Figure 3.1-1. The shaded information and analysis process utilizes multiple listening and learning tools for each customer group.

One method of listening and learning is rounding. Rounding for customer and employee outcomes is a learning, teaching and improvement tool used by senior leaders.

3.1a(3) Listening and Learning Kept Current
Listening and learning tools are evaluated annually as indicated in Figure 3.1-1. The market research department reviews satisfaction instruments for validity, reliability and appropriateness based on national research and environmental changes.

3.2 Customer Relationships and Satisfaction
3.2a Patient and Other Customer Relationship Building
3.2a(1) Build Relationships
Individual care plans are tailored for each patient. Within the individual plan of care, patient expectations are addressed through the key processes of assessment and care planning. A member of the patient care team discusses with the patient/family a general overview of the treatment plan; the individual's plan of care incorporates his/her particular

anticipated length of stay, and ascertains any particular needs after discharge.

3.2a(2) Key Access and Service Mechanisms
Key access mechanisms are derived by learning from measurement results such as surveys, interviews, comments and complaints and applying them in customer service behaviors as well as clinical and administrative systems. All employees receive a four-hour training, followed by monthly updates administered by education staff and team leaders. New hires are trained within 90 days. Further, customer behaviors are part of the annual employee evaluation.

3.2a(3) Complaint Management Process
Complaints are part of a larger process called **event management**. Adverse events are any situation that may happen to customers and could be a potential liability to HH. Events are risk stratified. Patient complaints are a type of event and are typically lodged by patients/visitors, physicians, and employees. Each complaint has specific process steps for staff to follow. The process is taught in orientation and on-going staff education for all employees.

Key Customer Requirements	Key Satisfaction Measures by Customer Segment
Patients	**Inpatient Satisfiers**
1. Outcome of Care 2. Responsiveness 3. Timeliness/Waits 4. Courtesy/Caring 5. Information 6. Safety	• Response to concerns/complaints during your stay. (2-4) • Waiting time for tests and treatments. (3) • Staff effort to include you in decisions about your treatment. (1-4-5) • How well nurses kept you informed. (1-4-5)
	Outpatient Satisfiers
	• Our sensitivity to your needs. (1) • Response to concerns/complaints. (3) • Ease of the registration process. (4) • Staff worked together to provide care. (1)
	Emergency Satisfiers
	• Nurses' concern to keep you informed about your treatment. (4-5) • Nurses' attention to your needs. (1) • Doctor's concern for your comfort while treating you. (1) • Doctor's concern to keep you informed about your treatment. (1-3) • How well you were kept informed about delays. (1-3)
	Heartland Clinic Satisfiers
	• Our sensitivity to patients' needs. (1) • Care provider's efforts to include you in decisions. (1-5) • Our helpfulness on the telephone. (4-3) • Care received during visit. (1)
Members	**Member Satisfiers**
7. Access 8. Good Service 9. Choice 10. Low Cost 11. Health Improvement 12. Simplicity	• Getting needed care. (7-11-9) • Getting care quickly. (8-11) • Claims processing. (12-10) • Customer service. (8-12)
(#) Corresponds with Key Requirements	

Figure 3.1-2 Key Customer Requirements and Key Measures

3.2a(4) Relationship Building Kept Current
During the annual strategic planning process leadership, staff, medical staff and board review the SBA including customer access and needs.

3.2b Patient and Other Customer Satisfaction Determination
3.2b(1) Determine Patient/Customer Satisfaction/ Dissatisfaction
Satisfaction and dissatisfaction are determined through multiple methods of customer research as illustrated in Figure 3.1-1 and managed by HH market research. Primary tools used are patient and member surveys.

3.2b(2) Follow Up with Patients/Customers
Between the call center and clinical units, many patients and members receive post discharge follow-up calls.
3.2b(3) Satisfaction Relative to Competitors
The Press Ganey patient satisfaction system collects and compares survey feedback and statistical analysis including a Kansas City competitor composite, national and regional results. Every section and question includes national and peer group percentile rankings to determine best practice and benchmark. Results are shared throughout the organization. For general public opinion about patient care, National Research Corporations consumer survey is utilized to determine public image, brand knowledge and provider preferences. The results are inputs to market communication action plans and serve as customer listening posts. Use of this information guides our brand/image communication to the community for a specific customer segment. It also supports our business planning in the secondary service area relative to our competitor's strengths, weaknesses, opportunities and threats.

Competitor HMO member satisfaction is reported by the state Department of Health. The information is useful for consumer and health plan comparisons. Another source of comparison is the national HCAPS survey of member satisfaction. Although the data does not list competitors, it provides member satisfaction comparison with the data set.

3.2b(4) Satisfaction Determination Kept Current
The final step in the Customer Satisfaction process is adjusting the approach, learning and realigning strategy/people with process/customers. In recent years, both Missouri Quality Award (MQA) and Baldrige assessments are elements in the approach to keeping health services and needs current. The customer satisfaction process approach itself is annually reviewed and changed by HH market research. Relevant internal and external stakeholders including Press Ganey and some of their top performing organizations and the Health Care Advisory Board research provides input.

4.1 Measurement, Analysis, and Review of Organizational Performance
4.1a Performance Measurement
4.1a(1) Select, Collect, Align and Integrate Data
Data identified for collection by HH are grouped into two categories. In each of these categories, clinical, financial, and non-financial data needs are identified as appropriate.

- **Organizational Data** - HH uses **Balanced Scorecards (BSC)** to determine the organization's progress to plan and overall performance. There is an organization-wide BSC for HH and scorecards for each entity as well; MC, HC and CHP.
- **Operational Data** - HH uses **Departmental Reports and Project Scorecards (PSCs)** to manage the day-to-day processes of the organization as well as performance improvement activities.

Organizational data are selected annually as a part of the PDR Process as outlined in category 2.1b(1) to identify measures that give a clear picture of how HH is performing relative to its strategies, PIIs, action plans and annual goals.

Customer and organizational requirements are used to identify measures for each BSC. Each BSC measure has a completed **Measurement Rules** form outlining the selection, data collection, data management, analysis, and use to help develop the measure, establish a goal and evaluate performance. See Figure 4.1-2 for a summary and example of the five-step measurement process outlining the Measurement Rules.

Operational data includes both departmental reporting as well as performance improvement activities. Departmental data is selected annually as a part of the PDR Process to identify measures that give a clear picture of how HH's departments are performing relative to their action plans and annual goals. Departmental information is provided to each leader to help manage the day-to-day operations including such reports as customer satisfaction, employee retention, environments of care, regulatory requirements, patient

Figure 4.1-1 Measurement Architecture

safety, quality of care, and financial performance. Performance Improvement data relates to HH's work processes and are selected through the performance improvement model (Figure 6.1-2). Each performance improvement measure has a completed Measurement Rules process to help develop the measure, establish a goal and evaluate performance. These operational data are incorporated into the monthly Results Review Process (see 4.1b) with improvement measures incorporated through the **PSCs** allowing owners to evaluate performance, manage and improve processes to achieve targeted results. The results are shared both one level up and one level down.

4.1a(2) Comparative Data
HH uses the following guidelines for selecting what to benchmark:
- Linkage to strategies, PIIs and annual goals,
- Significant impact on outcomes, quality, service and/or financial performance, and
- Greatest opportunity for improvement with available resources.

HH has developed a benchmarking guide that helps users through a four-step process:
- Planning the study,
- Collecting information,
- Analyzing results, and
- Adapting and improving.

Criteria for seeking sources of appropriate comparative data or benchmarking partners include:
- Organizations similar in size and/or services provided,
- Organizations that compete with HH,
- Organizations known to excel in the service, practice, process and/or results inside or outside of health care,
- Industry best practice.

Based on these criteria, the primary sources of comparative data are as shown in Figure OP-7.

4.1a(3) Keep Performance Measurement System Current
The measurement system consists of five key elements which include: (1) types of data (organizational and operational), (2) drivers of performance, (3) measurement process, (4) benchmarking process and (5) analytical tools. The Decision Support Staff completes an annual evaluation for each element of the measurement system, making revisions and enhancements as needed.

4.1b Performance Analysis and Review
4.1b(1) Performance Analysis and Review
The **Review** phase of the PDR process as outlined in Category 2.1, dictates that HH will review performance on a regular basis. The formal leadership review structure is shown in Figure 4.1-3. Heartland utilizes a **Results Review Process** to review organizational and operational data throughout the organization. The Results Review Process

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Measurement Process Step	HH Customer Satisfaction Example
Step 1-Selection: Determine measures; ensure linkage to strategies/goals; determine how data will be used to make improvements	Customer requirements: responsiveness, timeliness, courtesy, information, patient safety and outcomes of care. Organizational requirements: high quality care, high value services, and cost. Measure = Customer Satisfaction
Step 2-Data Collection: Determine if measures exist; define data elements and sources; collection process; need for comparative data, who will collect, statistically valid sample sizes; time period	Data collected from Press Ganey surveys along with external benchmark quartiles.
Step 3-Data Management: Determine data collation methods, presentation formats, appropriate analytical tool(s); report frequency; responsible staff	Data collated/segmented by primary customer groups as well as key patient populations; Satisfaction data are reported through the Results Review Process at the department, entity and organizational levels.
Step 4-Analysis: Data aggregated and analyzed against targets and/or benchmarks. When expected outcomes not achieved, negative trends occur or results fall outside control limits, root cause analysis is completed to identify special cause variation.	Customer satisfaction results trended and analyzed in Results Review Process at the work team and entity levels. The responsible leader is provided the appropriate data and root cause analysis to help develop corrective actions.
Step 5-Use: • Comparison between actual and expected performance • Documentation of root cause analysis for variances • Identification of next steps • Identification of needs	Root Cause Analysis (RCA) is used to identify variances requiring corrective actions. Each leader identifies resources needed to achieve targeted performance results. RCA includes addition of new measures and/or replacement measures are identified and incorporated into the Results Review Process.

Figure 4.1-2

includes reviews at all levels of the organization (processes, department, entity and organization) as outlined in Figure 4.1-1. These reviews incorporate reporting of the results compared to the goal, root causes for variances, next steps to close performance gaps and identification of needs from the organization to achieve the targeted results. This information is shared one level up (boss) and one-level down (employees) at each level in the review process.

Leadership Body	Items Reviewed	Frequency of Review
SLT	• Organizational & Entity Performance • Improvement Initiatives	• Quarterly • Monthly
CBS	• Organizational & Entity Performance • Improvement Initiatives • Policy/Standards • Product/Service/Process Design	• Quarterly • Weekly • Weekly • Weekly
QMB	• Clinical Quality Measures • Patient Satisfaction • Clinical Improvement Initiatives	• Quarterly and Monthly
SL	• Organizational & Entity Performance • Improvement Initiatives • Department Performance	• Quarterly • Monthly • Monthly, Weekly and Daily

At each stage of the Review process, the organizational strategies are evaluated, and the need to revise and/or reprioritize plans and performance improvement initiatives as well as align operating and capital funds takes place. In addition, the CBS group meets weekly and has the authority to consider and approve new or modified proposals, projects and/or improve initiatives as needed to ensure the organization meets its defined strategies.
Figure 4.1-3 HH Results Review Process
4.1b(2) Translate Findings Into Priorities
As noted in 4.1b(1), CBS analyzes results, prioritizes improvement opportunities and provides oversight to the performance improvement initiatives. Actions are incorporated into organizational, entity and/or work team goals and are reflected as individual goals through the goal deployment process and incorporated into staff performance standards through the annual evaluation process. Leaders and performance improvement teams use PASTE, PASTEplus and JADE improvement methodologies as the framework for managing improvement opportunities. In each of the reviews, any result area that demonstrates declining or poor performance is highlighted for further analysis, action planning and measurement refinement as needed.

4.2 Information and Knowledge Management
4.2a Organizational Knowledge Management
4.2a(1) Make Data and Information Available
The current state of clinical information systems at HH includes a strategic business relationship with Cerner Corporation to develop and implement an integrated solution that includes patient demographics, nursing

solutions, laboratory, radiology, pharmacy, and a charging/ billing system. All software solutions are connected for patient Admit, Transfer, Discharge information by way of an interface engine.

CHP has software solutions that are available to subscribers via the Internet. Subscribers have access to view status of their claims and in the future will be able to enroll (or re-enroll) electronically. In addition, software has been implemented for CHP Call Center, to allow patients to speak directly to a clinician to obtain medical advice on a 24-hour basis.

4.2a(2) Ensure Reliability, Security and User Friendliness

To ensure that the application is implemented with the overarching objective of a solution that is reliable, secure and user-friendly, a series of discovery processes are performed to obtain the "Voice of the Customer." Voice of the Customer methodology is used to identify and meet all key requirements, including patient safety, regulatory, accreditation, and payor requirements. The project team interviews key internal and external customers and documented respective CTQ's. The Voice of the Customer determines how the software configurations are built to make the system efficient, effective, and user friendly. In addition to Voice of the Customer, rounding as described in 6.1a(6), is completed by HH's Chief Information Officer, Chief Medical Information Officer and leaders. This process gives employees and patients an opportunity to discuss requirements, expectations, and future plans with Technology Services. This information is used to continue to improve applications and interaction with the customer and users of the patient care system. As described in 5.1a(3), HH uses a Cycling of Information model to help strengthen trust and communication among leadership, physicians, volunteers, and staff, again, creating a user-friendly software solution.

HH has created an application security committee to form global security allocations for software applications. This committee, including HH's Compliance Officer, HIPAA Privacy Team Leader, and Technology Services and operations project team members, is responsible for developing a security model for HH. This security model follows HIPAA regulations, allowing employees access to only those applications that are minimally necessary to perform patient care or other work within HH. The security grid is reviewed on a regular basis to maintain appropriate levels of access.

4.2a(3) Continued Availability In An Emergency

Important data is backed up to tape and stored at an offsite facility. Heartland Health has a contractual agreement with SunGard Recovery Services, Inc. to provide an alternate data center, in Wood Dale, IL should Heartland's be rendered inoperative. Restoration of operating system, applications and communications is tested on an annual basis.

4.2a(4) Data and Information Availability Kept Current

HH has created a Chief Medical Information Officer (CMIO) position within Technology Services with responsibilities including liaison to the medical staff. This liaison results in understanding the needs and expectations of the staff providing direct medical care. The CMIO interfaces directly with the Technology Services staff to communicate clinician needs and includes this input within the Technology Services Strategic Plan. Each year during the SBA, the three-year Technology Strategic plan is formally reviewed, updated and prioritized; see figure 2.1-4 HH Strategic Plan.

4.2b Organizational Knowledge Management

HH recognizes that significant knowledge resides throughout the organization and it is extremely important to effectively manage that knowledge in order to maximize the opportunity to learn, improve, and innovate. Consequently, HH has developed a Knowledge Management Process (KMP) to ensure that HH uses and shares information effectively. The KMP seeks to achieve the following objectives:

- identify organizational knowledge holders;
- determine the types of knowledge important to the organization;
- identify mechanisms and methods to collect knowledge;
- establish knowledge sharing as a routine behavior;
- deploy methods to share and transfer knowledge across the organization;
- identify mechanisms to store knowledge for future use;
- use of lessons learned throughout the steps of the JADE process; and
- evaluate and improve overall knowledge management on a regular basis.

HH knowledge holders include staff, patients, plan members, suppliers, and partners. For each of these groups, HH seeks to understand what type of knowledge is held, and what knowledge is worthy of collection, transfer, and storage.

4.2c Data, Information, and Knowledge Quality

With the adoption of Six Sigma Quality methodology, HH uses a Project Improvement Model, as described in 6.1a(3), to continue to refine and ensure that processes, including integrity, security and reliability of data and information are continually reviewed and improved.

HH performs a complete and thorough testing process on each application of software that is used to provide patient care prior to production use.

Test scripts following state and federal regulations are developed upon completion of the database build; the test scripts include testing of all hardware and software, both in integrated and parallel testing states.

5.1 Work Systems
5.1a Organization and Management of Work
5.1a(1) Organize and Manage Work and Jobs
HH's job and work design are driven by the needs of customers and the planning process. Each job role has behavioral, technical, functional and educational requirements and skills outlined in the job description, and incorporates HH values as well as individual responsibilities. The work design in the patient care areas is a team approach, designed to maximize skills, promote cooperation, and encourage empowerment and innovation. **Patient Care Teams (PCTs)** are organized around the needs of the patient and include a diverse group of individuals in the areas of education, skills, experience and personal characteristics. The work design in the administrative support areas and CHP is more of a traditional functional approach, but still utilizes cross-functional work teams as appropriate. The primary types of teams are listed in Figure 5.1-1.

5.1a(2) Capitalize on Diverse Cultures, Ideas and Thinking
The Process Owner is responsible for bringing to bear the appropriate stakeholders and a line of sight is created for those who have a responsibility in implementing the action plan through the goal deployment process. Stakeholders are selected based on skills, expertise, experience and personal characteristics maximize the benefits of diversity built into the team design described in 5.1.a(1). In addition, a structured approach to recruitment and selection of staff, using varied sourcing activities and role-specific requirements, ensures our ability to attract a diverse workforce. This approach has resulted in an employee population that is representative of the communities served.

5.1a(3) Effective Communication and Skill Sharing
HH's work system design described in 5.1a(1) supports and enhances the opportunity for effective communication and skill sharing due to the integration of both clinical and non-clinical resources organized around the needs of the customer. The clinical areas organize work around service lines that are guided by an administrative Service Leader teamed with a Physician (PALS) to coordinate the organizational resources and medical staff resources to better meet the needs of the patient. The intersection of the services and supporting processes in the organization represents the customer-supplier relationship and minimizes traditional boundaries, allowing for cross-functional communication and problem solving.

5.1b Staff Performance Management System
HH's **Performance Management Program (**PMP**)** encompasses three components: selection (described in 5.1c), development (described in 5.2) and the performance evaluation process. The prioritized action plans and goals deployed from them serve as one element of the performance evaluation. The remaining portion consists of behavioral, technical and functional competencies that support a health care service focus for our patients and

Team	Criteria	Primary Performance Improvement Methodology
1. Work Team	Generally focused within a work unit and requires minimal resources to address the issue identified. Team can execute quickly to resolve problems at the point of origin, reinforcing organizational agility.	PASTE
2. Workout Team (WOT)	Cross-functional membership focusing on well defined issues and agreed upon solutions. Team may require some technology and/or capital.	Action Plan/PASTE
3. Performance Improvement Team (PIT)	Cross-functional membership to address somewhat urgent need. Customer requirements are understood to some degree, but the solution is not well defined. Team may require some technology and/or capital.	PASTE
4. PASTEplus Team	Requires CBS plus CEO approval of PII cross-functional or cross-entity membership. Problem or process represents significant/10 fold improvement opportunity requiring enterprise resources, capital and some technology.	PASTEplus
5. JADE Team	Requires CBS plus CEO approval of PII. Cross-functional or cross-entity membership. Process represents design or re-design opportunity requiring enterprise resources, capital and significant technology.	JADE

Figure 5.1-1 Primary Types of Teams

customers. Each employee's performance is assessed annually by his/her supervisor. A retrospective review is completed and prospective goals, based on the goals cascaded from organizational action plans, are set and agreed upon between the leader and employee for the next performance cycle. Coaching is provided for areas of improvement and professional growth and development. Individual Educational Plans (IEPs) are used when specific performance issues are identified to provide specific direction for activities, timelines, and resources needed to accomplish desired results.

HH has implemented a **Total Rewards** program that encompasses compensation, benefits and recognition approaches designed to reinforce high-performance work in an environment that supports a health care service focus. Compensation is broken down into three levels: staff, leadership and physician.

Staff compensation includes salary ranges set at a competitive level that allow for recruitment and retention of high quality staff. Ranges are evaluated once a year and, as the market moves, ranges are adjusted and employee salaries are increased based on the market. HH's variable pay program, **Sharing Success**, reinforces high-performance in the areas of financial performance and customer service, through annual and quarterly rewards respectively. **Leadership compensation** is impacted through high performance and market changes, with individual, customer service and financial performance as the basis for incentive pay. **Physician compensation** includes base pay, with incentives based on productivity and quality.

Employee recognition compliments HH's **Total Rewards** approach and occurs through both formal and informal methods. To support and encourage recognition, HH's **Center Stage Awards** recognition program provides a strategically designed set of recognition tools that give HH and its employees, volunteers, physicians, contractors, customers and leadership numerous ways to acknowledge individuals for dedication to quality, customer service and the organization. Center Stage is supported through employee-led teams that define, implement and upgrade programs to meet employee and organizational recognition needs.

5.1c Recruitment and Career Progression
5.1c(1) Identify Characteristics and Skills Needed
HH's workforce management centers on assuring that the right people are in the right place at the right time to support and accomplish organizational action plans. The **Targeted Selection (TS)** process identifies specific behaviors, motivations and knowledge (competencies) critical to job success for each job role at HH. These competencies are embedded in the job description, as well as the interview and selection scoring tools used in individual and team interviews. All individuals involved in the hiring process are trained in the use of TS.

5.1c(2) Recruit, Hire and Retain
Staff is recruited using a wide variety of methods that include traditional advertising in local, regional, and national mediums, as well as targeted media such as minority publications, professional organizations, Internet, job fairs, direct mail, and an employee referral program. Relationships with local colleges provide an ongoing pipeline for clinical staff. Specific recruitment plans and approaches include input from both the hiring manager(s) and incumbent staff, which allow for greater breadth and diversity of the sourcing and selection of candidates.

The introduction of TS in 2001 and other retention efforts have resulted in vacancy rates better than national averages and retention rates above the top quartile. Unique retention programs include **LifeCare®**, a concierge-type service that provides informational and convenience support to employees; **Touchstone**, an employee emergency/crisis and family scholarship fund; voluntary **long- and short-term disability** products and an **adoption** reimbursement program.

5.1c(3) Succession Planning and Career Progression
HH's systematic approach to leadership development and succession planning uses both qualitative and quantitative data collected on each leader. Participation in the LOEL 360-degree assessment process as well as interviews with each leader's supervisor provides the information needed to assess a leader's performance and potential based on a set of identified indicators. Proactive identification of leaders' strengths and opportunities for growth in regard to performance and potential, assists the organization in matching leaders with a development experience when one is identified in the organization.

There are two main funding sources for educational assistance. Stepping Stones provides financial assistance for education in 12-targeted health care careers. In addition, tuition assistance of up to $3,000 per year is available to full-time employees and pro-rated for part-time employees. Heartland has a robust internal education curriculum in addition to departmental education allocations that can be used as needs are identified on an individual or departmental basis.

5.2 Staff Learning and Motivation
5.2.a Staff Education, Training and Development
5.2a(1) Contribute to Achievement of Action Plans
Educational needs are assessed using inputs, thus ensuring alignment with organizational action plans, performance improvement and technology changes. This alignment with action plans also includes prioritization that is consistent with key organizational needs and ensures that appropriate human and financial resources are available for implementation. The assessment process is lead by the **Education and Resource Center (ERC),** which plans and executes all clinical and developmental education and training at HH.

5.2a(2) Address Key Organizational Needs
Figure 5.2-2 provides an overview of training associated
with key organizational needs. HH addresses many other
training needs and that information is available on site.

5.2a(3) Input From Staff, Supervisors and Managers
Input from staff and managers is gathered using a variety of
data points including outputs of the Knowledge
Management Process (KMP), education/training/
development feedback, employee satisfaction surveys, focus
groups, leader rounding, committees, performance
improvement initiatives and performance evaluations.
Organizational learning and knowledge assets are
incorporated into training as new knowledge is identified,
and evaluated to determine if training would add to HH's
ability to share that knowledge across the organization.

5.2a(4) Delivery of Education and Training
Education and training is delivered via many avenues
including the classroom – both inside and outside the
organization – self-study, e-learning, role-playing, group
interactions, train the trainer, qualified evaluators, super-
users, mentoring, just-in-time training, and on-the-job
training. The delivery process is determined using first-hand
involvement of the stakeholders in the development or
selection of curriculum. More than one approach may be
used to address individual learning needs and to reinforce
learning.

5.2a(5) Reinforce the Use of New Knowledge and Skills
The four types of knowledge important to HH in
maximizing its potential are described in 4.2b(1), along with
the KMP methods to collect and transfer knowledge in these
areas. In addition to the KMP, employees are provided the
opportunity to apply new knowledge and skills on the job.
To help reinforce learning, education plans include job aids,
use of knowledge in later offerings, toolkits, leadership
rounding, on-line learning and reinforcement aids and
refresher courses.

**5.2a(6) Evaluate the Effectiveness of Education and
Training**
The ERC evaluates the effectiveness of education and
training through the use of the Kirkpatrick Model and
associated measurement activities.
  Level 1 (reaction) evaluations are conducted on all
    offerings through use of a standardized evaluation tool,
    updated annually. This information is used by the ERC
    to refine the content and delivery of the offering.
  Level 2 (learning) evaluations are used to ensure
    participants understand and retain course content.
  Level 3 (behavior/application) evaluations validate
    participants' ability to apply learned behaviors or skills,
    as appropriate, on the job. Level 3 evaluations are used
    when staff is trained on new equipment to ensure
    operators retain the knowledge and skills to operate the
    new equipment.
  Level 4 (results) evaluations are used strategically to
    ensure the application of new skills or knowledge
    produce the desired results.

Clinical education specialists are aligned with the service
lines and non-clinical education specialists are aligned with
the process (e.g., technology education, on-line learning,
leadership development) to provide data evaluation, timely
education support, educational design expertise and
continuity in meeting organizational goals. The evaluation
phase of the HH Education and Training Process serves as
the basis for evaluation of success/ achievement of the
desired behavior, skill and/or knowledge.

5.2b Motivation and Career Development
Resources and support are made available through HH's
Growth and Development Program as noted in 5.1.c(3) and
include both financial support and career guidance.
Opportunity is provided through a selection process that
gives preference to internal candidates. Tools to recognize
and celebrate both large and small accomplishments are
available through the Center Stage Recognition Program as
described in 5.1b.

HH's **Total Rewards Program** is also designed to identify
and reward individuals for their contributions toward
achievement of HH's vision, mission, values, statement of
principles and strategies. Individual growth and
development needs may be self-identified or identified by
leadership through daily rounding, performance appraisals,
career development services and others. Clinical education
resources are also provided to staff and physicians to help
support them in education and development needs.

5.3 Staff Well-Being and Satisfaction
5.3a Work Environment
5.3a(1) Improve the Work Environment
HH improves workplace health, safety, security, and
ergonomics through the multidisciplinary work design
structure as described in 5.1. Figure 5.3-1 depicts the
committees, their measures and annual goals as approved by
the Environment of Care Steering Committee. This work
team is comprised of representatives from each committee
listed in Figure 5.3-1. They provide oversight and feedback
regarding the work performed and recommendations made
at the committee level. Each committee, comprised of staff
representation from patient care service lines, patient care
support areas, hospital ancillary service units, clinic
representatives and administrative work settings targets the
measures identified through the development of standards,
data collection, segmented trending and reporting.

Providing support for employees to improve their health is
promoted through HH's **Wellness Connections Program**,
open to all employees. Employees are encouraged to
participate in an annual Health Risk Assessment (HRA) that
includes both a lifestyle questionnaire and individual
clinical data, which is used to develop a Personal Action
Plan.

An **Ergonomics Team**, serving as an adjunct to the Health
and Safety committee, engages new staff during the general
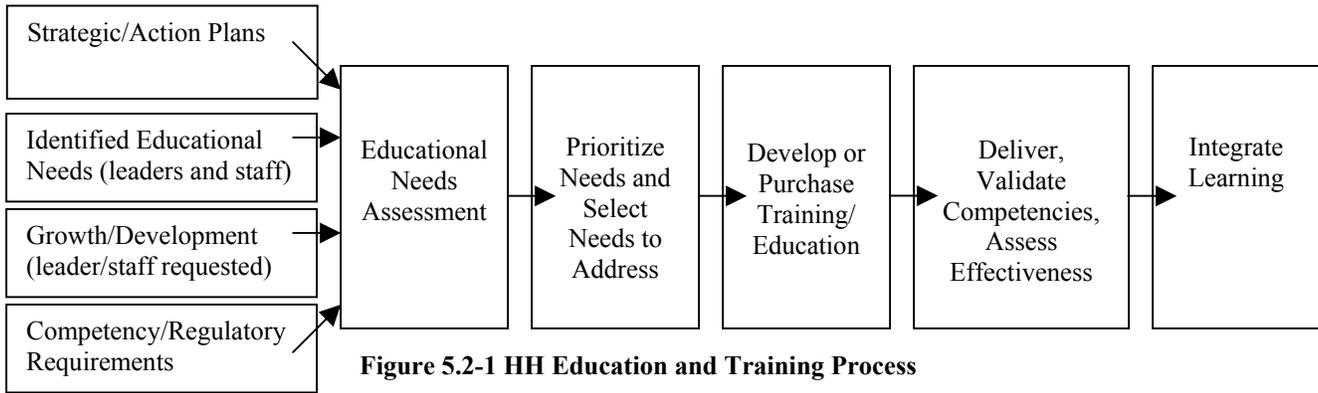orientation day to assess proper body mechanics for task-

Figure 5.2-1 HH Education and Training Process

Need	Training Method
New Staff Orientation	• One and one-half days organizational training (mission, vision, and values, safety, patient rights, infection control, continuous improvement, customer service, cultural diversity, benefits) • Department/Unit specific orientation based on the competency model identifying key development and training needs • *The Quality Advantage* (TQA) training within the first 6 months of employment
Diversity	• RespectPlus training within 90 days of employment • Respecting Diversity
Ethical Practices	• Orientation • Code of Conduct training
Leadership and Management Development	• Leadership Orientation Plan • Leadership Development Series • Leadership – The Quality Advantage • Senior Leadership meeting include one hour of education
Safety	• New employee orientation • Safety Coaches
Business Practice and Performance Improvement	• The Quality Advantage • Six Sigma Training • PASTE and other quality measurement tools • Leadership Development Series • Just-In-Time Team Training
Regulatory Requirements	• JCAHO • CMS • National Patient Safety Goals • Other regulatory requirements
Technological Change	• Technology Strategies • Identification of core technology skills needed in the organization • Intranet Training • Desktop software training • Cerner Systems Implementation • E-learning expansion

Figure 5.2-2 Training for Key Organizational Needs

related functions. New staff demonstrating risk factors during this initial orientation receive personalized follow-up within their work setting by Ergonomic Team therapists to reinforce role-specific risk reduction through specific equipment usage and proper body mechanics that can be applied in their unique work setting.

5.3a(2) Ensure Workplace Preparedness
Emergency conditions and basic staff response introduced in the general orientation are linked to area **Emergency Action Plans** at the department level to ensure role proficiencies within the work unit for anticipated emergency conditions. While this provides a foundational level of preparedness within the hospital, the events of September 11, 2001, brought emergency management and disaster preparedness to the forefront not only for hospitals, but the community as a whole. The Hospital Emergency Incident Command System (HEICS) drills internally and externally with community emergency response agencies to evaluate the overall community's preparedness to respond to various natural or man-made disaster scenarios.

5.3b Staff Support and Satisfaction
5.3b(1) Key Factors of Staff Well-Being, Satisfaction and Motivation
HH regularly assesses satisfaction through a survey vendor that provides questions that have been validated as drivers of well-being, satisfaction and motivation in health care employees. Questions measure both the performance and the importance of each survey item. In addition, a commitment index allows HH to monitor dissatisfaction that could lead to turnover. Benchmark questions are available on both a regional and national level. HH conducts both full census and "pulse" surveys.

5.3b(2)Services, Benefits, and Policies
Based on annual employee feedback, changes have been made to our health insurance plan and additional benefits have been offered, including a voluntary long- and short-term disability benefit, infertility drug coverage, hearing aid coverage and an adoption benefit.

Convenience benefits include on-site services such as dry cleaning, gift shops, credit union, discounts at local day care facilities, and an **Employee Assistance Program (EAP)** that provides eight counseling sessions for an employee or family member at no cost. The Touchstone Program helps

employees facing an unexpected need as well as providing scholarships for immediate family members through an employee trust funded by the organization. Family Medical Leave and Leave of Absence are available for employees in addition to the ability for employees to donate benefit hours to assist other employees in need.

Additional services and benefits include:
- Wellness programs- volleyball tournaments, parkway walks, reimbursement for smoking cessation classes and products, discounts at fitness centers
- Flexible scheduling
- Health screenings including annual lab workups, TB screening, mammograms and flu shots
- Wage Differential Option for staff (higher pay if not benefits)
- LifeCare®, a concierge-type service available to all employees

5.3b(3) Staff Well-Being, Satisfaction and Motivation
In addition to employee opinion survey results discussed in Area 5.3b(1), the following assessment methods and measures are used to determine staff well-being, satisfaction and motivation:
- Exit Interviews
- Employee Focus Groups
- Dispute Resolution
- Corrective Action
- Individual Education Plans
- Turnover/Retention Rates
- Workers Compensation Data Employee Complaints
- Grapevine Comments
- Employee/CEO Lunches and Dinners
- Leadership Rounding
- CEO Forums

The Human Resources Department, the Safety Committee and the Compliance Committee monitor and review the data from the above sources for trends and actionable items. If the data show that segments of the employee population are uniquely affected or are responsible for an unusually large proportion of incidents, they may be identified for further analysis and/or become the focus of a work team. The data are also shared with leadership and serve as the basis for modifying policies, procedures, and processes.

5.3b(4) Relate Assessment Findings to Performance Results
Assessment findings are incorporated into the PDR process and human resource measures are elevated to a high level of organizational focus through the strategy of Employer of Choice. Human resource results are reviewed along with business results through the monthly Results Review and quarterly BSC processes.

6.1 Health Care Processes
6.1a Health Care Processes
6.1a(1-2). **Determine services, delivery processes**
HH determines its key health care services and delivery processes through its strategic planning and market segmentation approaches as described in 2.1 and 3.1. Based on information from SBA Step One (OP-7), existing services are evaluated and decisions are made as to what changes are required.

Key processes are validated in Step Five of the strategic planning process by review of SBA key learnings, including customer needs and performance results.

Health care service outcomes are achieved by improving the health of the populations served through a system that promotes excellence in health care, and through practicing a standard of care based on evidence based medicine (EBM).

Requirements for key health care and insurance processes are primarily driven by customer needs. They are identified during SBA through the collaboration of suppliers, partners and CBS plus CEO; and the data review of each customer segment. In addition, the multiple listening and learning methods described in 3.1 are utilized to engage patients, their families and other external customers, suppliers, partners, and internal customers in determining requirements. HH Leaders are engaged to determine organizational requirements.

6.1a(3) Design Processes to Meet Requirements
HH utilizes its **Performance Improvement Model,** shown in Figure 6.1-2, a disciplined approach to selecting Performance Improvement Initiatives (PII's) and **designing**, improving and managing HH services and associated delivery processes. Although PIIs are primarily selected during strategic planning, the steps **"Identify and Define Opportunity"** and **"Assess Opportunity"** may be initiated whenever a need emerges.

The SBA allows HH leaders to evaluate, identify and define process improvement opportunities. CBS plus CEO assesses the opportunities, then prioritizes and selects the PIIs using the criteria shown in Figure 2.1.7. The PII scope and resource requirements dictate whether PASTE, PASTEplus or JADE methodology is used.

The HH Six Sigma process design/redesign methodology, **J**oint **A**chievement of **D**esign **E**xcellence (**JADE**), is initiated if the PII scope requires process design or significant redesign.

Joint Achievement symbolizes the critical role of key customers, suppliers and partners in designing/redesigning services and processes. **Design Excellence** represents Six Sigma design principles and statistical tools used to identify key customer needs, expectations and priorities; to translate these into Critical-to-Quality Requirements (CTQ's); and to design/redesign services and processes that meet CTQ's and achieve Six Sigma level performance. HH implemented the

concept as a design/redesign process in 2003 to support the relationship of HH-Cerner Corporation. The alignment provides dedicated organizational resources and technology solutions needed for designing/redesigning processes in the Enterprise Electronic Medical Record.

Imbedded as a part of JADE are patient safety, regulation, accreditation and payor requirements.

The project team interviews key internal and external customers to incorporate organizational knowledge and document CTQ's. Key stakeholders, which would include suppliers, partners and pertinent internal leaders, are interviewed or asked to participate in the project as extended team members.

Organizational requirements are classified as CTQ's of the internal Voice of the Customer (VOC) and include productivity, cost control and efficiency. In addition, health care outcomes and cycle time are incorporated during process design by reviewing and validating CTQ's throughout the JADE phases.

JADE Phase II activities address technology, agility and patient safety during concept development. Typically, a Failure Mode Effect Analysis (FMEA) is conducted for a potential process step that impacts patient safety. The project team identifies ways to reduce or eliminate risks, and "mistake proofs" manual processes.

JADE Phase III activities address process prototype testing to ensure design requirements are met. If the prototype test indicates requirements are not met, the process is adjusted and re-tested before full implementation.

JADE Phases IV and V activities reinforce implementation and ensure design requirements are met. Activities include aggressive monitoring of design specifications immediately after implementation and continued monitoring until design and solutions are stabilized; documenting post implementation issues and resolving root causes; monitoring of project results in project scorecard; and the transitioning of project results to appropriate Leader's Results Review.

6.1a(4-5) Address Patient Expectations, Key Performance Measures or Indicators
Expectations for HH, ER, and Clinic patients are addressed through the use of the Patient Care Team (PCT) described in 5.1. When a patient arrives the PCT meets with the patient and family to develop the plan of care.

Key process requirements, including patient safety, regulatory, accreditation and payor requirements are addressed through day-to-day management of the key health care processes by PCTs. PCTs monitor the individualized plan of care to assure it is being followed and track performance against the key process.

Key insurance process requirements are met through the daily processes of customer service, care management and

claims adjudication. Regulatory and compliance requirements are incorporated into daily processes and monitored regularly.

Three Performance assessments are used for control and improvement of health care processes that include real time customer input. The first approach, **leadership rounding** involves all leaders in the organization. Each leader, including the CEO, visits a sampling of patients, discusses their understanding of the plan of care and asks if their expectations are being met. The input received is communicated to the process owners for inclusion in process improvement activities of the individual, work unit, cross-functional or organizational team.

The second approach is the **Patient Advocate/Ethics Coordinator** interaction. As an expert in patient advocacy, patient rights and organizational ethics, this individual is available to the patient/customer and employee to advise and offer input.

The third approach is the **Event Management Program** described in 3.2.

6.1a(6-7) Minimize Costs of Inspections, Tests, Audits; Prevent Rework, and Improve Processes

HH adopted the Six Sigma approach to process management to prevent or mitigate the occurrence of defects/errors. Extensive testing is conducted (JADE Phase III) prior to the implementation of a solution to mitigate defects in Production State. The team develops metrics that include the first-pass rate as well as post-inspection rate. In conjunction with eliminating inspections and audits, HH leaders develop necessary or value-added inspections and audits to ensure regulatory compliance and patient safety. The objective of these is to inspect or audit at the point-of-service and mitigate retrospective audits.

Improvement in health care processes and outcomes is achieved through the use of interdisciplinary Clinical Process Improvement (CPI) teams who follow the PASTE model and focus on achieving best practice.

Upon completion of any process improvement activity, the team develops a storyboard that may be presented during the annual **Heartland Quality Celebration**. Activities of PIIs are placed on the HH Intranet to facilitate communication, education and sharing of lessons learned.

The PASTE process is the foundation of the more robust PASTEplus model. This model is used for the more complex PII's, which require the analytical skills of the belts (staff with Six Sigma expertise).

PASTEplus incorporates lean concepts and Six Sigma continuous improvement principles and tools to help identify and reduce process variation.

6.2 Support Processes and Operational Planning
6.2a Business and Other Support Processes
6.2a(1-6) Key Support Processes, Key Performance Measures or Indicators, Minimize Costs and Improve Processes

HH's key processes for supporting health care delivery and their respective requirements and measures are shown in Figure 6.2-1. In Step five of strategic planning, key support and business processes are identified and validated in conjunction with key health care delivery processes. They are designed, improved and managed using the **JADE, PASTEplus** and **PASTE** methodologies described in 6.1. Process owners of key business and support processes are responsible for determining requirements by initiating the VOC methodology described in 6.1, a critical process replicated in JADE, PASTEplus and PASTE. Process owners incorporate customer and physician satisfaction surveys, research regulatory and accreditation requirements, and maintain awareness of the imminent operational charges that will impact/change key requirements.

The support process owners' objective is to eliminate rework, inspections, errors and the respective costs by designing error-free processes. If design/re-design isn't appropriate, the owner opts to improve processes using PASTEplus or PASTE methodologies. Necessary inspections and audits are incorporated into design and improvement solutions to ensure regulatory compliance. During Evaluate (PASTE), Evaluate/Control Defects and Variations (PASTEplus) and Implement and Evaluate (JADE) Phases, measures are developed to confirm solution stabilization and the effectiveness and efficiency of processes. In-process and results measures are proactively monitored; out-of-control processes identified; root causes are isolated and corrective action plans implemented to eliminate or mitigate recurrence.

Physician Partnering Process

HH has several formal and informal structures in place that facilitate this partnership. For example, the traditional Medical Staff Committee Structure exists as well as the Quality Management Board. Both structures provide an avenue for establishing reciprocal key requirements in order to provide the best and safest care. Physician leaders are fully integrated into the Strategic Planning Process, Leadership Development Series, the Balanced Scorecard Process, Clinical Process Improvement teams and Health Care Delivery Process Design and Improvement. In addition, the Heartland Clinic has both operational and governance groups that discuss key requirements in partnering with HRMC to deliver high quality care. Health Care Delivery is measured, in part, through the medical record audit, the outcomes reports from clinical process improvement teams, and the CMS demonstration projects, among others. Productivity is measured through cost/case, length of stay, clinic productivity and profitability. Finally, an annual survey of physicians is conducted to ascertain physician satisfaction with regard to processes, including satisfaction with and validation of, the key requirements.

Broker Partnering Process

CHP partners with brokers in the sales process. Brokers represent both the health plan and the purchaser of the product(s). CHP meets with brokers on a regular basis to share ideas, get feedback and discuss the key requirements of simplicity, cost and information. Brokers, as representatives of the buyers of health insurance, require simplicity in product design and implementation as well as a product that delivers value for reasonable cost. CHP requires brokers to have the ability to accurately portray CHP's products to the customer, providing thorough information. CHP monitors these requirements during the sales process. Data is collected during this process regarding premium sold, product purchased, and any pertinent comments from employer group and/or broker. Brokers are given feedback regarding their particular processes and/or level of service and the health plan revises processes/products based on this data.

6.2b Operational Planning
6.2b(1) Financial Resource Availability
As part of the strategic planning process, an annual operating plan is developed which includes both a capital and operating budget. The budgets are developed by leadership, adjusted for business growth needs, performance improvement initiatives and inflation. In addition, the budgets are developed which also balances the financial obligations, cash available and annual financial performance goals of the organization. Furthermore, as a part of the annual operating plan process, key financial risks are assessed and improvement initiatives are identified to balance the overall margin targets.

6.2b(2) Continuity of Operations
HH ensures continuity of operations in event of an emergency by implementing the Hospital Emergency needs of a specific crisis. HEICS is not the entire disaster plan but rather the method by which HH will operate when an emergency is declared.

The HEICS infrastructure incorporates four sections under the overall leadership of the Emergency Incident Commander. Each of the four sections: Logistics, Planning, Finance and Operations have a leader who designates unit leaders and managers of sub functions.

This structure limits the span of control of each leader in an attempt to distribute the work and ensure a manageable scope of supervision for all functions/positions. It provides for a system of documenting and reporting all emergency response activities.

Technology Services' disaster recovery plan aligns with HEICS to ensure continuity of information critical to HH processes in the event of an emergency. Each leader is responsible for documenting pertinent system downtime procedures and orienting staff.

Key Support Processes	Key Measures
Human Resource Management • Recruitment/Retention • Performance Management • Compensation/Rewards **Requirements:** • Timeliness • Quality of Resources • Cost Control	• Days to fill position • Retention rates • Vacancy rates • Employee satisfaction • Cost to fill
Physician Partnering **Requirements:** • Efficiency • Ease of Access • Physician Participation	• Variable cost per case • Physician Satisfaction
Broker Partnering **Requirements:** • Information • Simplicity • Cost	• MLR of groups/broker • # of new groups/broker • # of renewals/broker
Technology Management **Requirements:** • Availability • Ease of Access • Reliability	• Up-time
Revenue Cycle Management **Requirements:** • Accuracy • Timeliness • Billing Satisfaction	• Net Accounts Receivable Days • Net Collections % • % Patient statement accuracy • Claims adjudication turnaround time • % Claims adjudication accuracy • % Billing accuracy/turnaround time
Supplier Management **Requirements:** • Cost • Accuracy • Availability	• Cost/patient discharge • Vendor purchase savings • % Fill-rate accuracy • % On-time delivery • Product quality
Facilities Management **Requirements:** • Timeliness • Safety • Compliance	• % Timely completion of work orders • % Compliance of Environments of Care standards • Customer satisfaction
Health Information Management **Requirements:** • Timeliness • Access	• % Record completion • % Compliance transcription turnaround standard • Audit results: % Coding Accuracy • Release-of-Information cycle time
Hotel Services • Dietary • Housekeeping • Laundry **Requirements:** • Timeliness • Cleanliness • Quality	• Room cleaning cycle time • Patient satisfaction

Figure 6.2-1 HH Key Support Processes

PDR **Strategic Planning**		
Identify, Define, Assess Opportunity		

Select Performance Improvement Initiative (PII)

PII Represents Incremental Improvement	No →	**PII** Represents significant/10 Fold Improvement	No →	**PII** Represents Six Sigma Process Design/Redesign
Yes		Yes		Yes

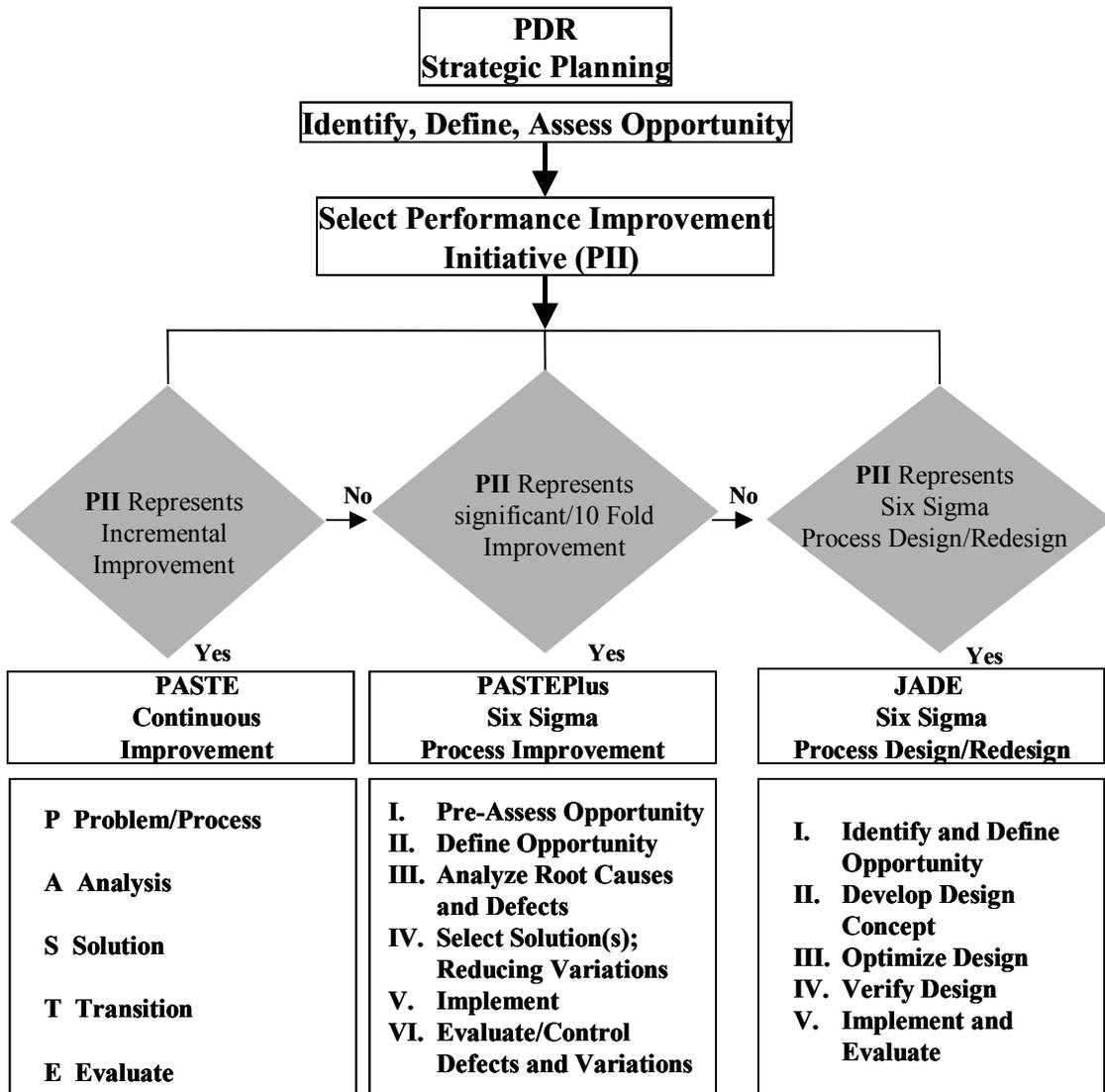| PASTE **Continuous Improvement**	PASTEPlus **Six Sigma Process Improvement**	JADE **Six Sigma Process Design/Redesign**
P Problem/Process **A Analysis** **S Solution** **T Transition** **E Evaluate**	**I. Pre-Assess Opportunity** **II. Define Opportunity** **III. Analyze Root Causes and Defects** **IV. Select Solution(s); Reducing Variations** **V. Implement** **VI. Evaluate/Control Defects and Variations**	**I. Identify and Define Opportunity** **II. Develop Design Concept** **III. Optimize Design** **IV. Verify Design** **V. Implement and Evaluate**

Figure
6.1-2 HH Performance Improvement Model