



*Using Baldrige Criteria to
Achieve Performance Excellence*

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Baldrige National Quality Program
The Quality Colloquium
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Baldrige National Quality Program

Outline of Talk

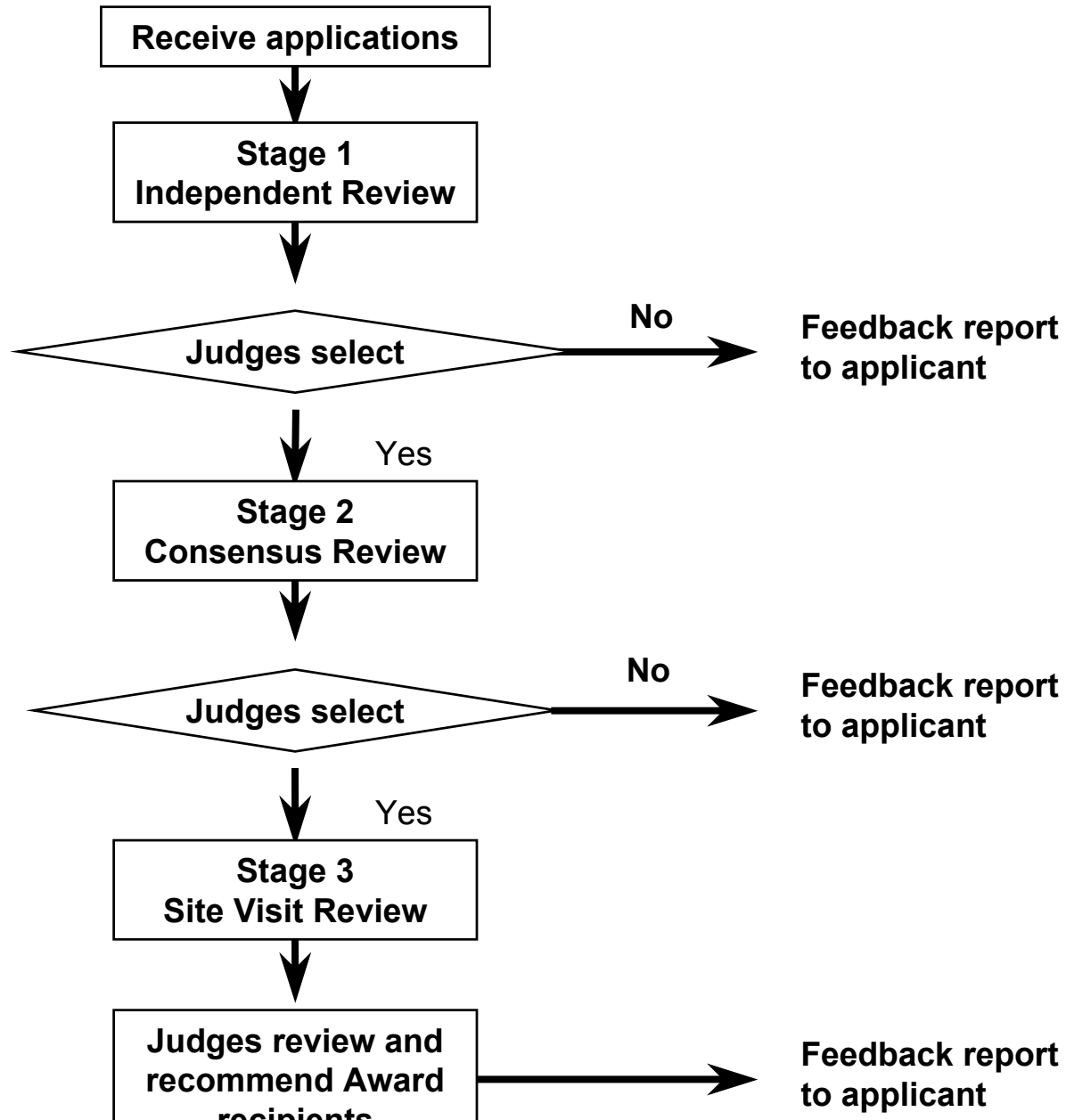
- **Baldrige National Quality Program**
- **Performance Excellence Criteria**
 - **Seven Categories**
 - **Processes and Results**
- **Baldrige Award Recipients' Results**



What Is the Baldrige National Quality Program?

- **Operates as a public-private partnership**
- **Manages the Malcolm Baldrige National Quality Award**
- **Provides global leadership in promoting performance excellence**
- **Disseminates information**

Award Process Cycle

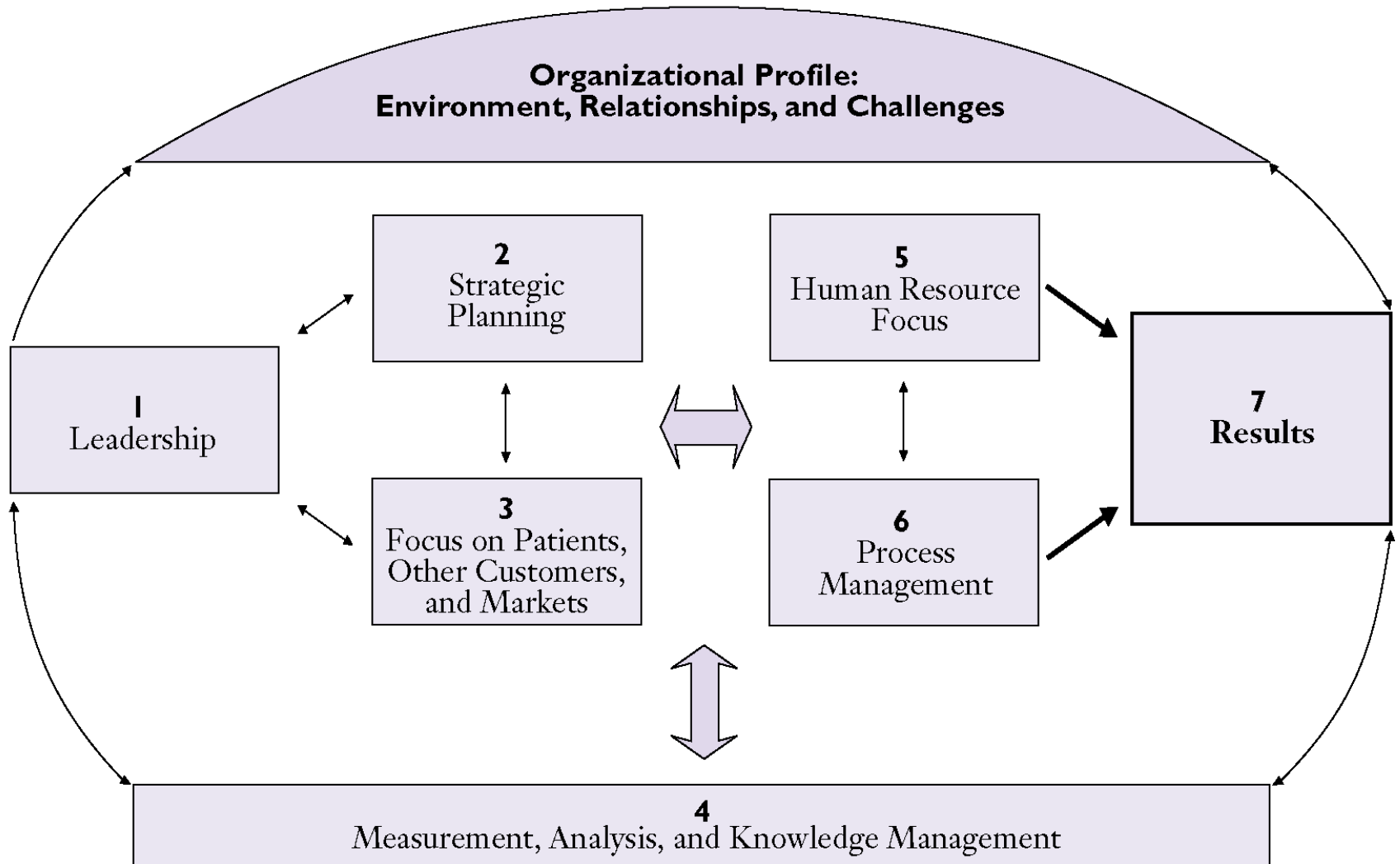




Seven Categories of the Health Care Criteria

- **Leadership**
- **Strategic Planning**
- **Focus on Patients, Other Customers, and Markets**
- **Measurement, Analysis, and Knowledge Management**
- **Human Resource Focus**
- **Process Management**
- **Results**

A Systems Perspective





Know thyself.

Plato



Process Items

- **Seek information on “how” your organization does its work**
 - **Defined and repeatable methods**
 - **Use of data and information (measures)**
 - **Deployment**
 - **Evaluation, improvement/learning**



Sample Process Item Questions

Item 1.1 How do your senior leaders lead?

- **How do senior leaders set organizational vision and values?**
- **How do senior leaders promote an environment that fosters and requires legal and ethical behavior?**
- **How do senior leaders create a focus on action to accomplish the organization's objectives [and] improve performance?**



Sample Process Item Questions

Item 6.1(a)1-4

- **How does your organization determine its key health care processes ... process requirements ... and design these processes to meet all the key requirements ... including patient safety?**
- **How are patients' expectations addressed and considered?**
- **How do you prevent errors and rework?**



The Bottom Line: Results

- **Improved quality of care and outcomes**
- **Improved patient and other customers satisfaction and loyalty**
- **Increased revenue/ lower costs/ financial stability/ increased market share**
- **Greater staff productivity and satisfaction**
- **Increased operational performance**
- **Improved governance, senior leadership, and social responsibility results**



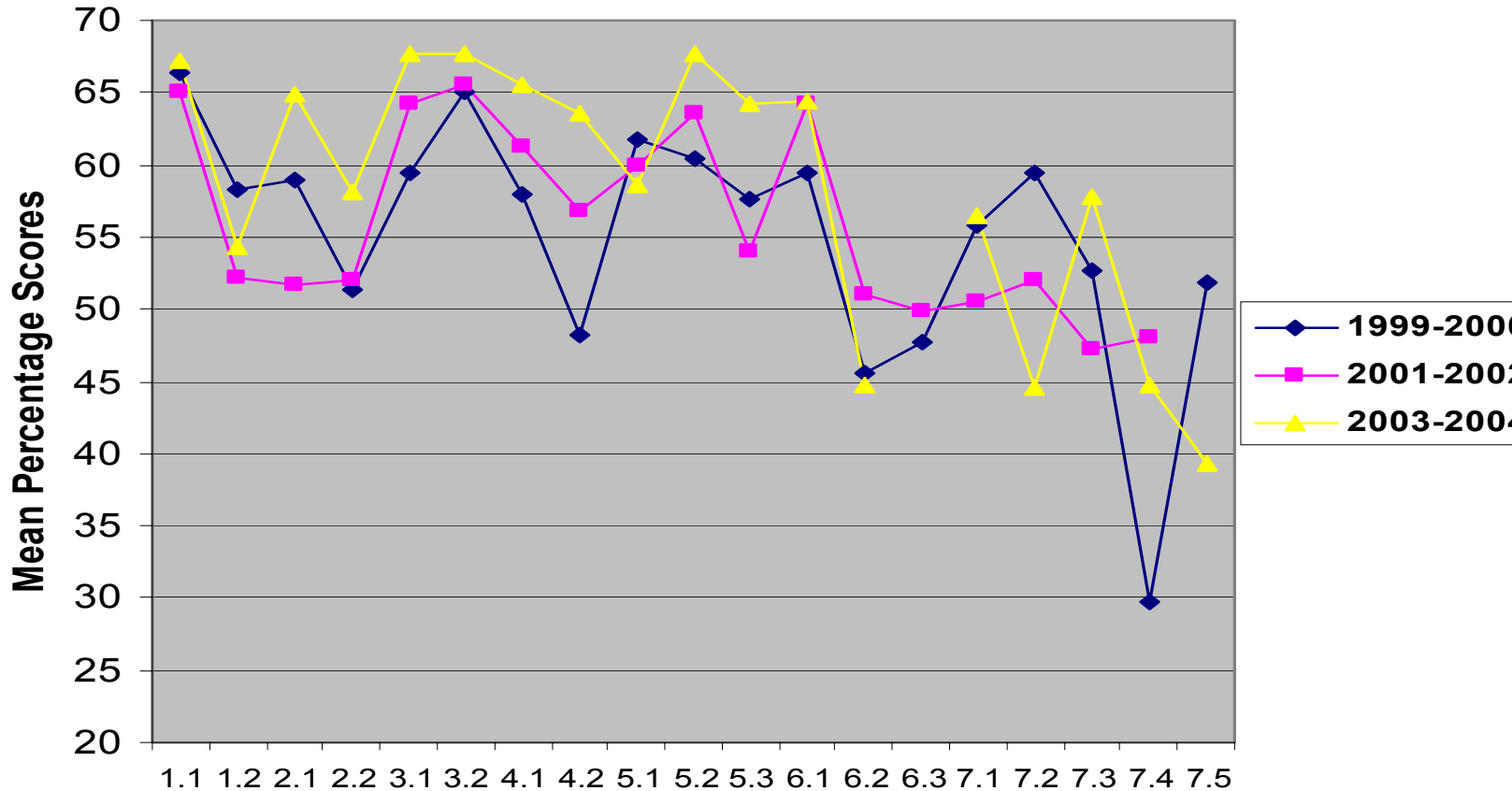
Sample Results Item Questions

Item 7.1a(1)

- **What are your current levels and trends in key measures or indicators of health care outcomes, health care service delivery results, patient safety, and patients' functional status that are important to you patients and other customers?**
- **How do these results compare with the performance of your competitors and other organizations providing similar health care services?**

Research Trends and Leadership Characteristics

**Award Process Mean Item Percentage Scores
All Business Categories
1999 - 2004**





Baldrige Role Model Characteristics

1999-2004

1.1 Leadership

3.1 Patient/Customer and Health Care Market Knowledge

3.2 Patient/Customer Satisfaction and Relationship Enhancement

5.1 Work Systems

5.2 Staff Education, Training, and Development

6.1 Health Care Service Processes



How do Senior Leaders Guide and Sustain the Organization

- **Set and Deploy Vision and Values**
- **Promote legal and ethical behaviors**
- **Create a sustainable organization**
- **Communicate with, empower, and motivate employees**
- **Create a focus on action and improving performance**
- **Create and balance value**



Caterpillar Financial Services
2003 Service Award Recipient

Leadership – A Critical Success Factor

- **Executive Development**
- **Succession Management Process**



Medrad, Inc

*2003 Manufacturing Award
Recipient*

Formal Bench Strength Process

- **Identify high potential employees**
- **Opportunities for development**
- **Review performance**
- **Template for each management position**



Health Care Recipients Examples

- **SSM Health Care (2002)**
- **Baptist Hospital, Inc., Pensacola, FL (2003)**
- **St. Luke's Hospital of Kansas City (2003)**
- **Robert Wood Johnson University Hospital – Hamilton (2004)**
- **Bronson Methodist Hospital (2005)**



Leadership Best Practices

SSM Health Care

2002 Award Recipient

- **Balance the needs for standardization with the benefits of local autonomy**
- **Leadership philosophy and 7 performance expectations that flow from 5 system values**
- **Every employee a leader**
- **Mission statement discovered from within**
- **Consensus building and decision-making**

An environment for empowerment

All Employees are Leaders



SSM
SOUTH SOUTHERN MEDICAL



Health Care Award Recipient Results

SSM Health Care (2002)

- Achieved national benchmark levels of patients receiving lipid-lowering agents following heart attacks**
- 90% of patients reported that staff did as possible to control pain**
- For four consecutive years SSM maintained an investment “AA Credit Rating” – a rating attained by fewer than 1 percent of U.S. hospitals**


Leadership Best Practices

Baptist Hospital, Inc.

2003 Award Recipient

Pillars of Excellence (Quality)





*Ensuring Two-Way
Communication on Values,
Directions, and Expectations*





Health Care Award Recipient Results

Baptist Hospital, Inc. (2003)

- Inpatient and outpatient satisfaction has been near the 99th percentile since 1998
- Staff positive morale rose from 47 percent in 1996 to 84 percent in 2001. Its best competitor reported positive morale for about 70 percent of staff
- Provides 6.7% of its total revenue to indigent patients compared to 5.2% and 4% for competitors

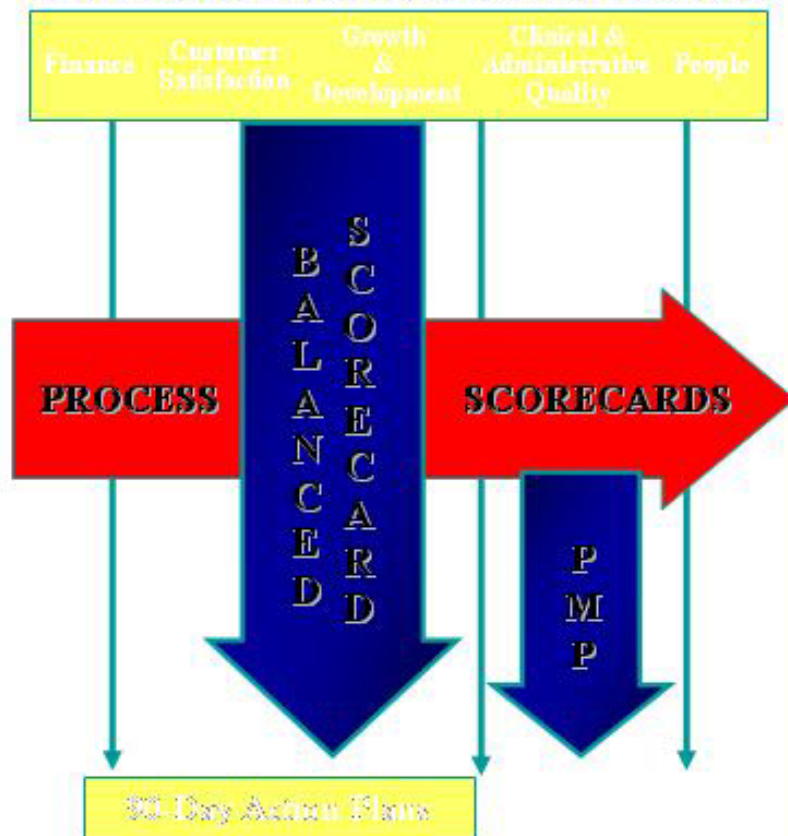
Leadership Best Practices

St. Luke's Hospital of Kansas City

2003 Award Recipient

Saint Luke's Hospital Assessment of Performance

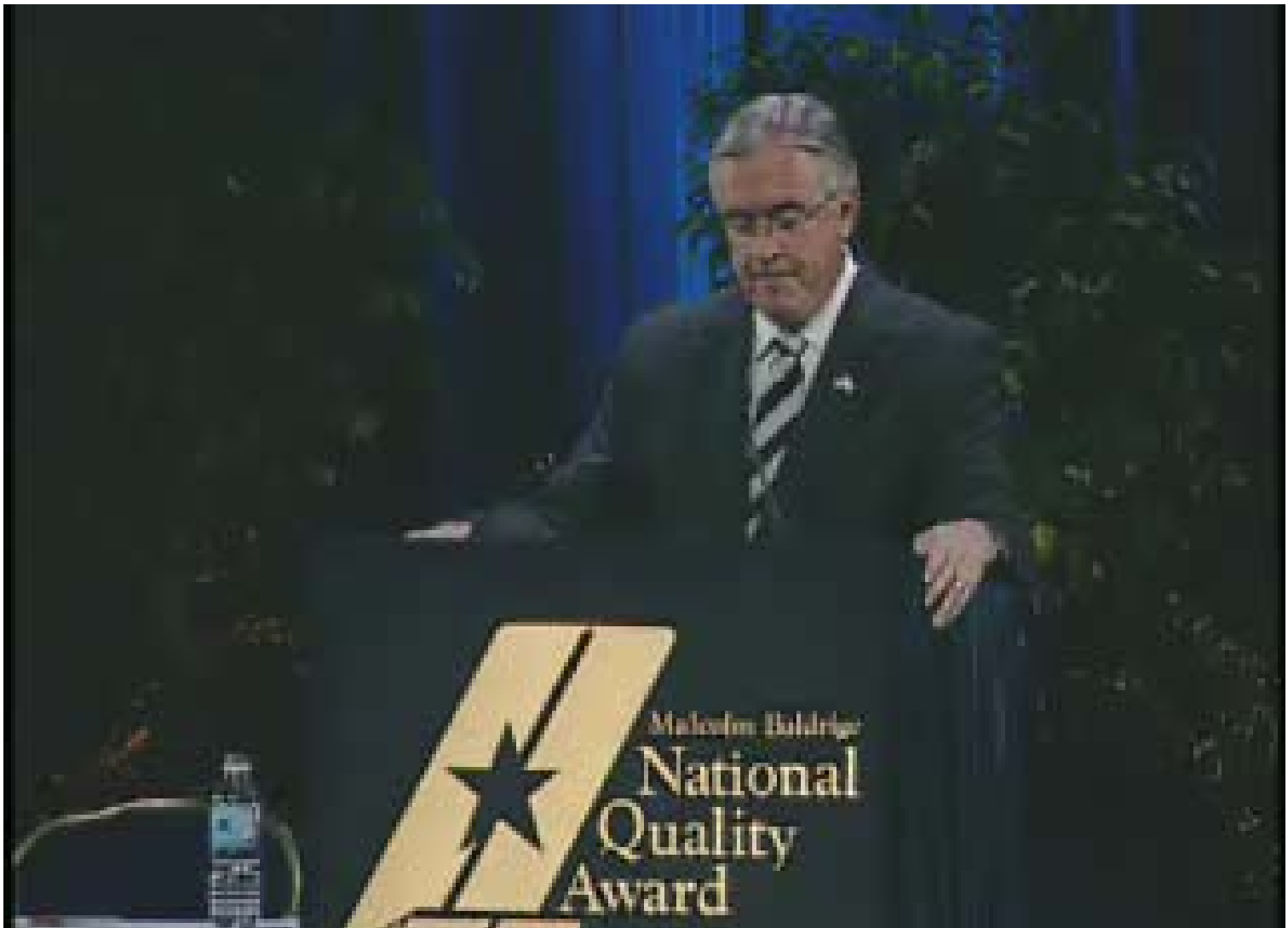
BALANCED SCORECARD PERSPECTIVES



Key Measure	4th Qtr 2002 Performance	SCORING CRITERIA										Raw Score
		Target	Stretch	Goal	Moderate			Risk				
		10	9	8	7	6	5	4	3	2	1	
FINANCIAL												
Total Margin	16.1%	7.6%	8.5%	9.0%	9.5%	9.9%	10.4%	10.9%	11.4%	11.9%	12.4%	10
Operating Margin	14.5%	4.4%	3.7%	3.3%	2.9%	2.6%	2.3%	1.9%	1.2%	0.9%	-0.5%	10
Days Cash on Hand	338.4	296.8	233.7	228.7	223.9	209.1	194.3	179.9	164.8	157.4	150.0	10
Cost per CMR Adjusted Discharge	\$7,361	\$7,021	\$7,146	\$7,269	\$7,396	\$7,521	\$8,006	\$8,490	\$8,975	\$9,460	\$9,945	7
CUSTOMER SATISFACTION												
Expanded Wait Time (OP-ED)	96.1%	9.0%	8.9%	8.0%	8.0%	11.8%	13.1%	15.1%	17.2%	18.2%	19.2%	6
Overall Satisfaction (OP-ED)	94.8%	95.0%	90.3%	92.3%	92.1%	91.8%	91.5%	91.1%	90.6%	90.0%	90.3%	9
Responsiveness to Complaints	92.8%	95.0%	93.2%	92.6%	92.4%	91.8%	90.6%	90.0%	89.2%	88.5%	88.4%	6
Outcome of Care	82.1%	97.0%	95.7%	95.1%	94.6%	93.5%	92.4%	91.3%	90.2%	89.6%	89.1%	4
Active Admitting Physician Ratio	37.3%	50.0%	47.2%	46.3%	45.2%	43.4%	41.5%	39.6%	37.6%	35.6%	33.6%	3
GROWTH & DEVELOPMENT												
*Community Market Share	8.6%	10.0%	9.6%	9.7%	9.5%	9.5%	9.3%	9.2%	9.0%	8.9%	8.6%	1
Elite Market Share	7.9%	8.6%	8.7%	8.5%	8.3%	8.1%	7.9%	7.7%	7.5%	7.3%	7.1%	5
Contributing DRGs Profitable Market Share	8.5%	9.5%	9.3%	9.1%	8.9%	8.6%	8.4%	8.2%	8.1%	8.0%	8.0%	5
POP Relative - Gross Service Lines Market Quality Indicator Index	34.9%	40.0%	37.6%	37.0%	36.0%	34.1%	32.2%	30.3%	28.4%	27.4%	26.5%	6
CLINICAL & ADMINISTRATIVE QUALITY												
Patient Safety Index**	8	10	9	9	7	6	5	4	3	2	1	8
Infection Control Index**	8	10	9	9	7	6	5	4	3	2	1	5
Medical Staff Clinical Indicator Index	8	10	9	8	7	6	5	4	3	2	1	9
Net Days in Accounts Receivable (NPDR)	34.2	33.80	34.77	35.83	42.80	51.80	60.81	69.81	78.81	83.31	87.81	9
PEOPLE												
Human Capital Value Added	\$88,899	\$81,888	\$83,102	\$82,536	\$81,570	\$80,604	\$80,712	\$80,794	\$80,880	\$80,966	\$81,052	10
Retention	88.8%	88.2%	88.3%	87.9%	87.3%	86.5%	85.6%	84.8%	83.9%	83.0%	82.1%	8
**Compensation	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	9
Diversity	9.88%	9.18%	8.04%	7.91%	7.78%	7.31%	6.97%	6.57%	6.16%	5.86%	5.70%	10
**Compliance	99.8%	99.8%	99.8%	99.7%	99.6%	99.3%	97.9%	97.6%	97.2%	97.0%	96.9%	10
**Employee Satisfaction	89.4%	95.0%	92.5%	90.0%	87.5%	85.0%	82.5%	80.0%	77.5%	75.0%	72.5%	7
Overall Score												7
2002												7
1 Qtr												7
2 Qtr												7
3 Qtr												7
4 Qtr												7
Goal												7
Stretch												10



*Communicate Values, Directions,
and Expectations to All Staff*





Health Care Award Recipient Results

Saint Luke's Hospital of Kansas City (2003)

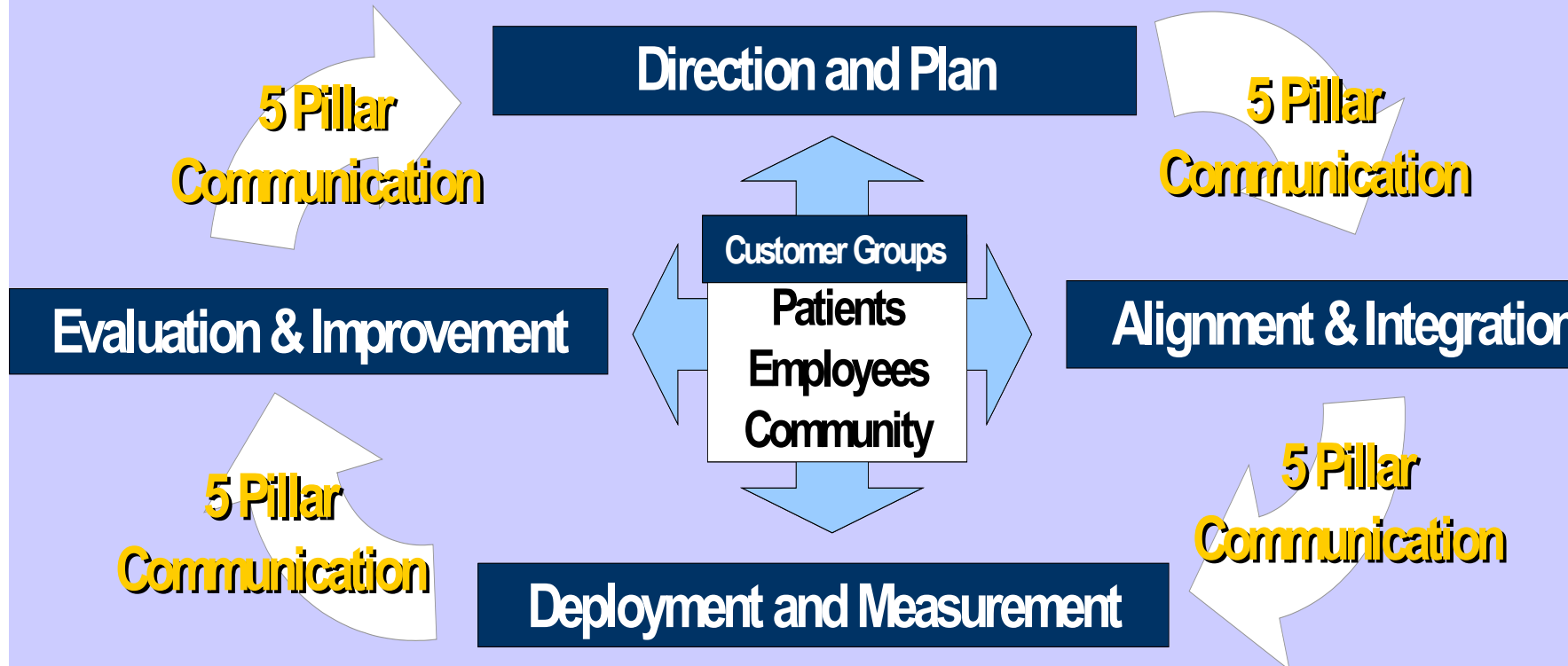
- Physician rating is 86% compared to the national average of 33% (Consumers' Checkbook Ratings)**
- Overall rating is 35th out of 4,500 hospitals in the U.S. (Consumers' Checkbook Ratings)**
- In treating ischemic stroke, 27% of SLH patients receive tPA versus the national average of 3 percent**

Leadership Best Practices

RWJ – Hamilton

2004 Award Recipient

Excellence Through Service Leadership System





*Create a Focus on Action and
Performance Improvement*

**Comments by Christy Stephenson,
President and CEO of Robert Wood
Johnson University Hospital - Hamilton**



Health Care Award Recipient Results

Robert Wood Johnson University Hospital Hamilton (2004)

- **15/30 program, which guarantees that patients coming into the emergency department will see a nurse within 15 minutes and a physician within 30 minutes**
- **Emergency department patient satisfaction is at 90%, exceeding the national benchmark**
- **New Jersey's fastest growing hospital for the last five years and improved its market share while closest competitor's share declined**
- **Charity Care Dollars increased from \$5 million in**

Leadership Best Practices

Bronson Methodist Hospital

2005 Award Recipient





Deploying The Vision





Health Care Award Recipient Results

Bronson Methodist Hospital (2005)

- **Physician satisfaction in 2005 was 85%, equal to the 99th percentile from a study of 161 hospitals.**
- **Named among the 100 Best Companies to Work For by *Fortune* magazine twice (2004 and 2005) and the 100 Best Companies for Working Mothers by *Working Mother* magazine three times (2003, 2004, and 2005)**

A Results Focus is Essential

Baldrige National Quality Program

CEO Issue Sheet

BALDRIGE in Health Care: Performance Excellence Delivers World-Class Results

Validating Key Results

Maybe you have heard about organizations in crisis using a Baldrige assessment to begin a turn-around. But why would a good U.S. health care organization undertake a Baldrige self-assessment? To become better—and to get better results. In today's rapidly changing health care marketplace with ever-increasing challenges, being results-focused is essential. Senior leaders are responsible for cultivating a results-driven environment. Senior leaders who understand organizational performance excellence know that results must create and balance

Achieve Superior Health Care Outcomes and Service Delivery Outcomes

Baldrige Award recipients focus on improving health care outcomes and delivering the highest quality health care service. Award recipients have demonstrated how an emphasis on health care performance results can lead to rapid improvements in patient care.

- Robert Wood Johnson University Hospital Hamilton (*RWJUHH*, 2004 Award Recipient in Health Care) maintains a focus on improving outcomes for patients with myocardial infarction (MI) and congestive heart failure (CHF). In an evaluation by the Joint Commission on Accreditation of Healthcare Organizations, RWJUHH ranks among the top 10 percent of hospitals in the effectiveness of its aspirin and beta-blocker treatment for patients who have suffered a heart attack or congestive heart failure. For more information, contact Shashi Madhok, Vice President of Quality, (609) 631-6988, smadhok@rwjuhh.edu.
- St. Luke's Hospital of Kansas City (*SLH*, 2003 Award Recipient in Health Care) is a



For More Information

Visit our website: www.baldrige.nist.gov

- Application summaries of Award recipients
- CEO Issue Sheets
- Self Assessment Tools
Are We Making Progress?
e-Baldrige
- Baldrige Criteria for Performance Excellence

Call our customer service desk: 301 975 2036



How Can I Contact the Baldrige Program?

- **E-mail: nqp@nist.gov**
- **Phone: (301) 975-2036**
- **Fax: (301) 948-3716**
- **Web site: www.baldrige.nist.gov**
- **Jane Poulter, poulter@nist.gov,
(301) 975-4307**