



***Using the Baldrige Criteria to
Achieve Performance Excellence***

Jane Poulter, BSN, MSA

Baldrige National Quality Program

Quality Colloquium

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Outline of Talk

Baldrige National Quality Program

Process for Selecting Recipients

Performance Excellence Criteria

- Seven Categories
- Processes and Results

Why Use the Baldrige Criteria?

- Self-Assessment
- Feedback Reports

The Bottom Line is 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



What Is the History of the Program?

The Malcolm Baldrige National Quality Improvement Act of 1987, Public Law 100-107

Created Award program to

- identify/recognize role model businesses
- establish criteria for evaluating improvement efforts
- disseminate/share best practices

Expanded to health care and education in 199



Who Can Apply for the Baldrige Award?

Manufacturing

Service

Small business (manufacturing or
service)

Education

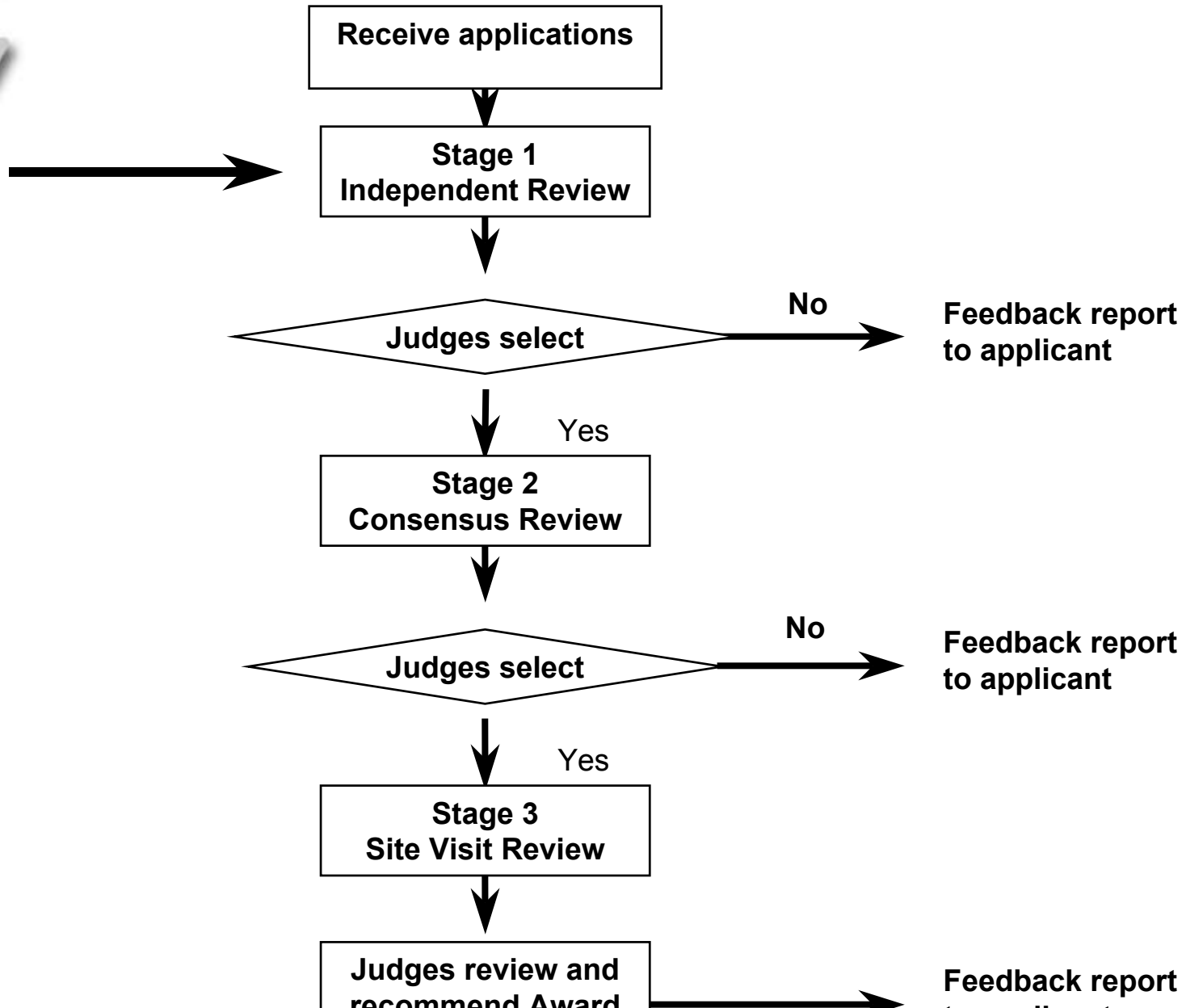
Health care



Health Care Award Recipients

- Baptist Hospital, Inc.
(2003)
- Saint Luke's Hospital
of Kansas City (2003)
- SSM Health Care
(2002)

Selection Process





What Should I Know About the Baldrige Criteria?

Used as an assessment tool

Used to identify Award recipients

Basis for giving feedback to applicants

Three versions: health care, education, and business

Organizational Profile and Seven Categories compose an integrated framework

Updated regularly



What Is Performance Excellence?

An integrated approach to organizational performance management that results in

delivery of ever-improving value to patients and other customers, contributing to improved health care quality

improvement of overall organizational effectiveness and capabilities as a health care provider

organizational and personal learning



World Class Quality

“ The most comprehensive list of actions to achieve world-class quality is contained in the Malcolm Baldrige Criteria. ”

Joseph Juran

Quality Progress

August, 1994



Seven Categories of the Health Care Criteria

Leadership

Strategic Planning

Focus on Patients, Other Customers, and Markets

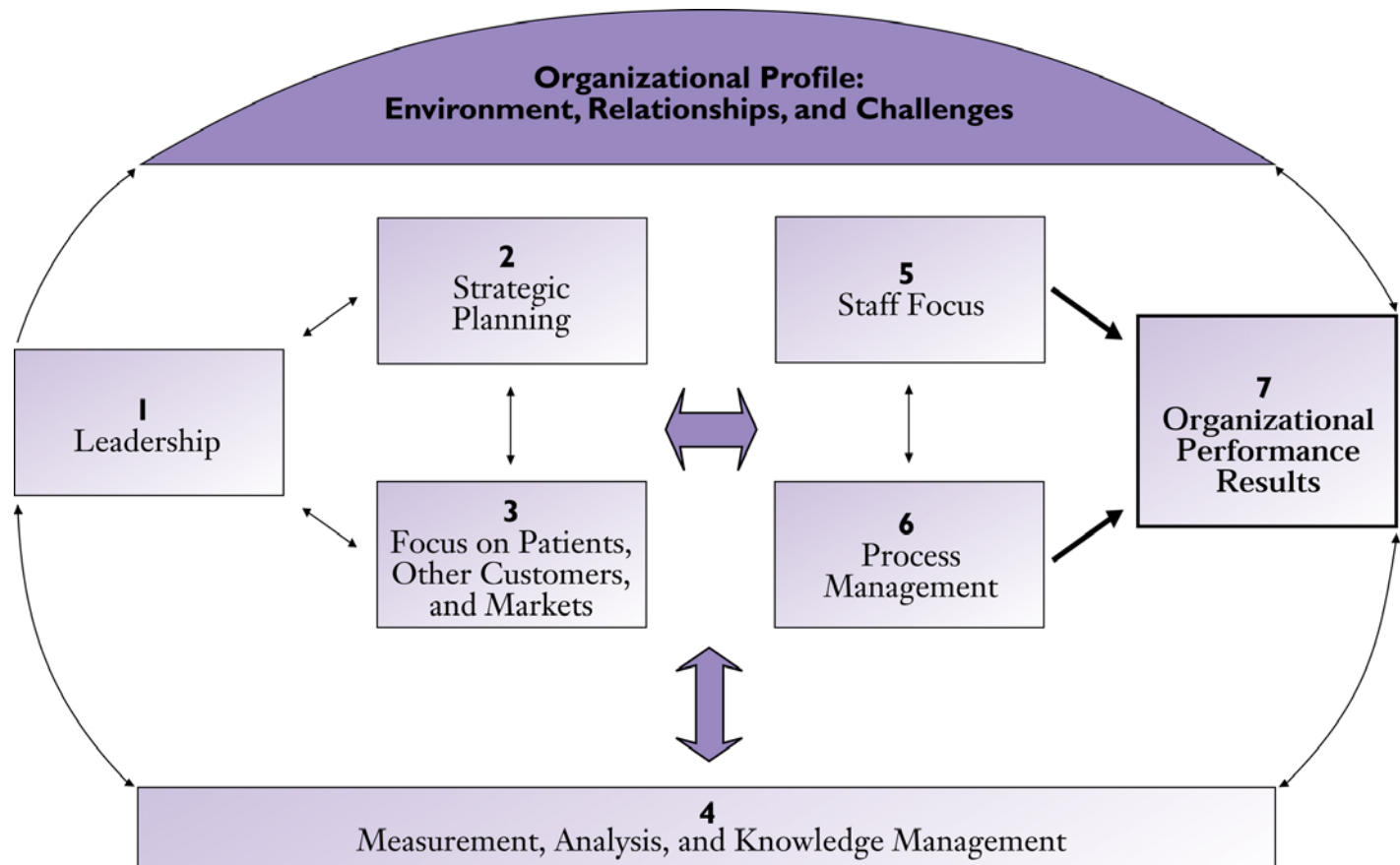
Measurement, Analysis, and Knowledge Management

Staff Focus

Process Management

Organizational Performance Results

Baldrige Health Care Criteria Framework: 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 3.1 a (2) How do you listen and learn to determine key patient/ customer requirements and expectations ... and their relative importance ...?

How do you do it (listen and learn)?

How do methods vary for different patient/ customer groups?

How do you use information from current and former patients/ customers, including . . . ?



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 ...?

How do these processes contribute to improved health care service outcomes?

How are health care service delivery processes and likely outcomes explained to set realistic patient expectations?



Results Items

Link to important processes and action plans

Cover health care delivery and outcomes, patient and other customers satisfaction, financial and marketplace performance, staff and work systems, operational performance, and governance and social responsibility

Ask for current performance level, trends, comparative data, and benchmarks.



Sample Results Item Questions

Item 7.1a(1) What are your current levels and trends in key measures or health care outcomes, health care delivery results, patient safety, and patients' functional status that are important to your patients and other customers?

How do these compare to the performance of your competitors and other organizations providing similar health care services?



Organizational Profile *(no point value)*

P.1 Organizational Description

P.2 Organizational Challenges



Organizational Profile

Self-assessment and application starting point

Basis for early action planning



1. Leadership (120 pts.)

Addresses Senior Leaders' Roles, Governance, and Citizenship

1.1 Organizational Leadership (70 pts.)

1.2 Social Responsibility (50 pts.)

SSM: Leadership

Executive Leadership

- Seven expectations for executive leaders ...

Based on five system values:
Compassion, Respect, Excellence
Stewardship, Community





2. Strategic Planning (85 pts.)

***Addresses Strategic and Action Planning
and Deployment of Plans***

2.1 Strategy Development (40 pts.)

2.2 Strategy Deployment (45 pts.)

Pearl River: Strategic Planning

Strategic Objectives	Lag Indicators	Lead Indicators
Goal 1: Improve Academic Performance		
Academic Achievement	Regents Diploma Rate	Achievement on 4 th and 8 th grade NYS exams CTPIII Reading and Math Achievement Gender Equity Special Education Opportunity
College Admissions	Advanced Placement Rate	Passing level on Regents Exams (Mastery)
	AP Performance Rate	SAT I & II Participation Rate Scholar Athlete Teams
Goal 2: Improve Perception		
Parent/Community Satisfaction	Maintain 2:1 Plurality on Budget Votes	Stakeholder Satisfaction Surveys Adult Education Enrollment
	Market Share	Student Satisfaction Surveys Prospective Homeowner Requests New Resident Survey
Goal 3: Maintain Fiscal Stability		
Cost-effective Fiscal Management	Contain Per-Pupil-Expenditure Below CPI and At/Below County Average	Reduce Costs in Non-Instructional Areas
	Maintain Fund Balance	Reduce Costs in Non-Instructional Areas





3. Focus on Patients, Other Customers, and Markets (85 pts.)

Addresses how an Organization Determines Requirements, Expectations, and Preferences of Patients, Other Customers, and Markets

3.1 Patient, Other Customer, and Health Care Market Knowledge (40 pts.)

3.2 Patient and Other Customer Relationships and Satisfaction (45 pts.)

SSM: Customer and Market Focus

Listening and Learning Tools

- Former & current patients & families
 - Satisfaction surveys
 - Primary-secondary market research
 - Comment cards
 - Selected patient follow-up calls
 - Complaint Management System
 - Internet web pages response system



SSM: Customer and Market Focus

Listening and Learning Tools

- Potential patients & future markets
 - Primary-secondary market research
 - Survey research
 - Community contact telephone lines
 - Internet web pages response system
 - Professional associations, journals, abstracts, publications and courses





4. *Measurement, Analysis, and Knowledge Management (90 pts.)*

***Addresses Analysis and Management of Data,
Information, and Knowledge Assets***

4.1 Measurement and Analysis of Organizational Performance (45 pts.)

4.2 Information and Knowledge Management

SSM: Measurement, Analysis, & Knowledge Management

















Performance Management Process

Alignment of Indicators




SSM: Measurement, Analysis, & Knowledge Management

Performance Analysis – System-Level Indicators

<u>Initiative</u>	<u>Indicators</u>	<u>Year to Date</u>		<u>Performance To Plan</u>
		<u>Actual</u>	<u>Plan</u>	
<u>Consolidated Operations</u>				
Profitability	Operating Margin %	1.5%	2.4%	
Liquidity	Unrestricted Days Cash on Hand	182	209	
<u>Hospital Operations</u>				
Growth	Acute Admissions	137,656	136,884	
Reimbursement	Patient Revenue Per APD	\$1,410	\$1,336	
Productivity/Cost	Operating Expense Per APD	\$1,402	\$1,321	
Profitability	Operating Margin %	3.7%	4.4%	
Clinical	31 Day Acute Readmission Rate	4.5%	4.2%	
Service & Quality	Inpatient Loyalty Index	49.5%	52.9%	
Satisfaction	Employee Satisfaction Indicator	74.1%	71.8%	
Satisfaction	Physician Satisfaction Indicator	77.6%	73.6%	
<u>Skilled Nursing Home</u>				
Profitability	Operating Margin %	1.4%	-1.9%	
Service & Quality	Daily Physical Restraints Prevalence	3.9%	5.1%	
<u>Home Health</u>				
Profitability	Operating Margin %	12.0%	8.4%	
Service & Quality	Homecare Patient Loyalty Index	56.9%	64.0%	
<u>Physician</u>				
Profitability	Net Revenue Per Physician	\$35,074	\$33,739	
Productivity	Practice Direct Operating Cost %	66.6%	68.4%	



 > 5% favorable  Within 5% of plan  > 5% unfavorable





5. Staff Focus (85 pts.)

Addresses Key Human Resource Practices

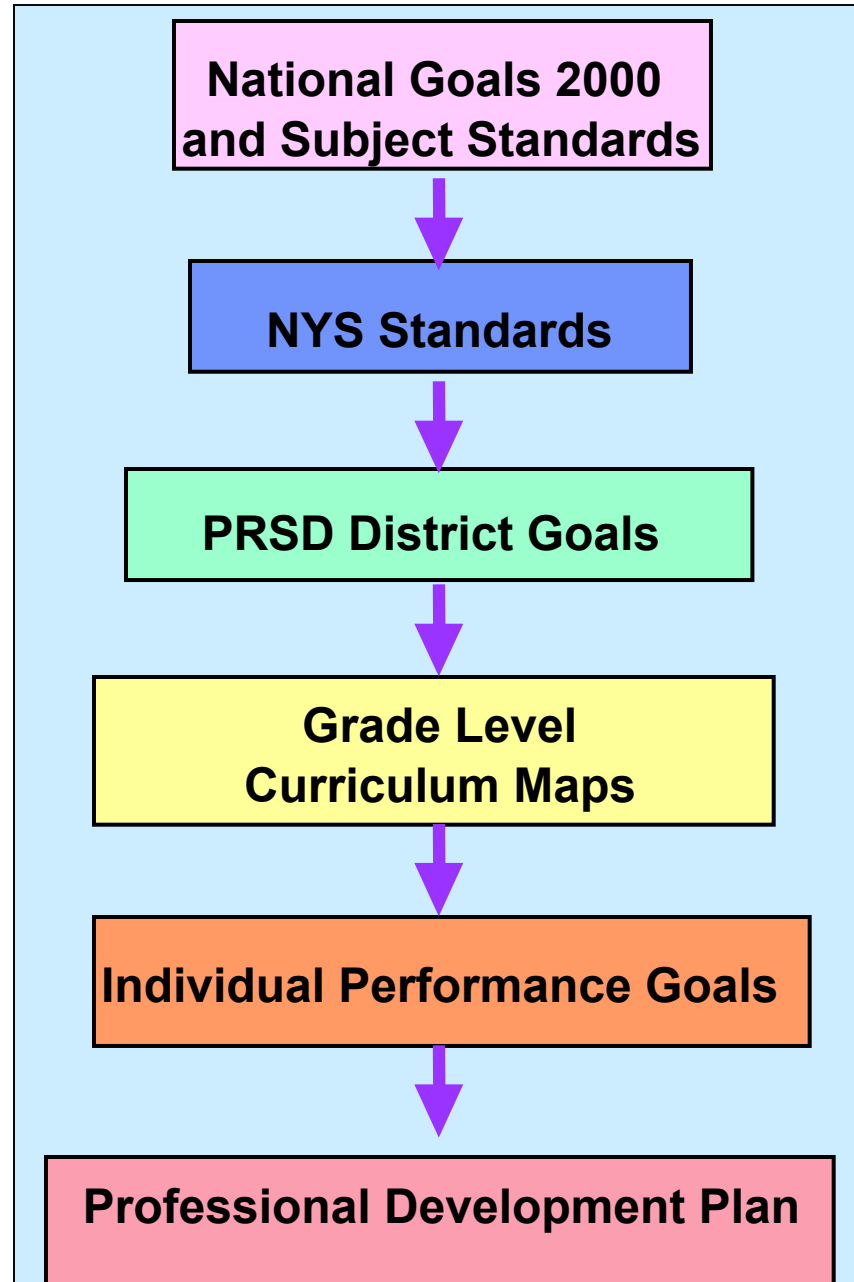
5.1 Work Systems (35 pts.)

5.2 Staff Learning and Motivation (25 pts.)

5.3 Staff Well-Being and Satisfaction (25 pts.)

Pearl River: Human Resource Focus

Aligning
Employee
Goals





Pearl River: Human Resource Focus

Key Factors for Teachers, Guidance, Nurses and Teaching Assistants

- Appropriate Work Space
- Adequate Supplies/Technology
- Communication from Principal
- Professional Development
- Opportunities to Collaborate





6. Process Management (85 pts.)

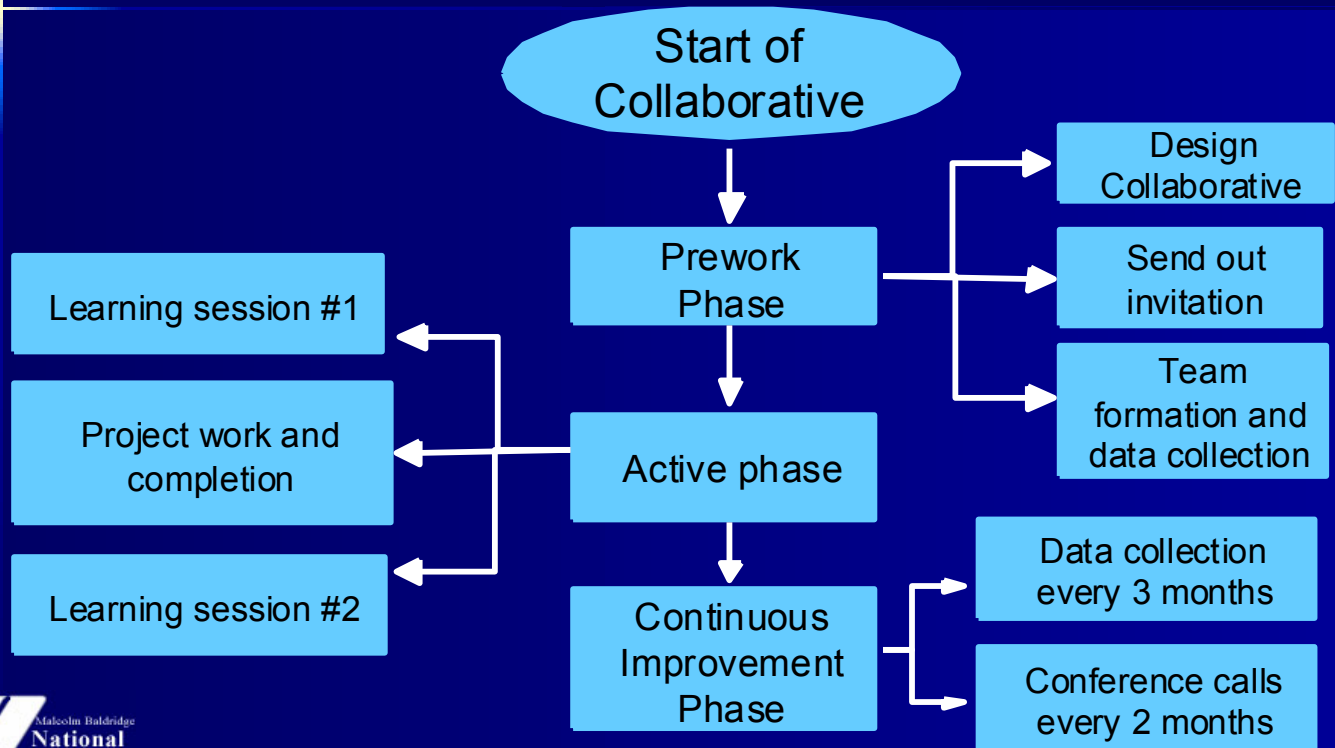
Addresses Key Processes and Process Management

6.1 Health Care Processes (50 pts.)

6.2 Support Processes (35 pts.)

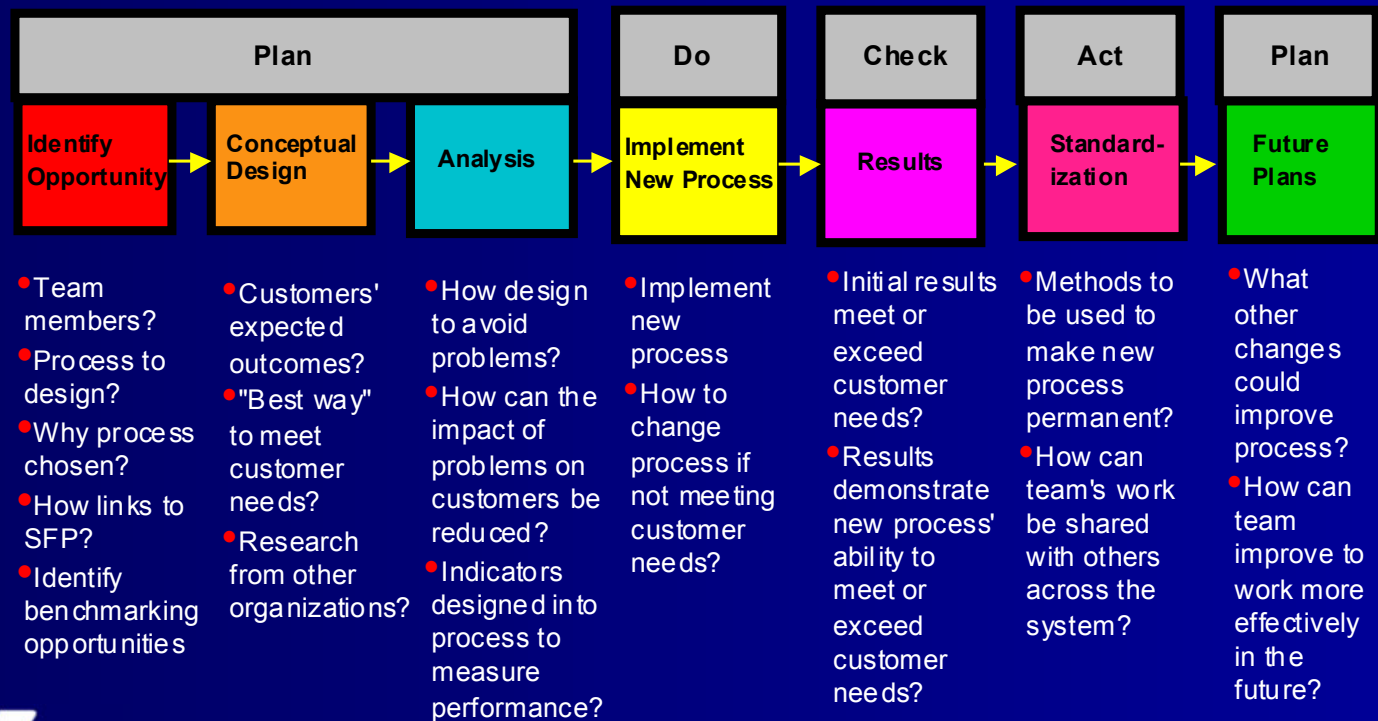
SSM: Process Management

Clinical Collaboratives



SSM: Process Management

CQI Model – Process Design Approach





7. *Organizational Performance Results*
(450 pts.)

***Addresses Progress on Results—Including
Levels,
Trends, and Comparative Data***

7.1 Health Care Results (75 pts.)

7.2 Patient- and Other Customer-Focused Results
(75 pts.)

7.3 Financial and Market Results (75 pts.)

7.4 Staff and Work System Results (75 pts.)



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 governance and social responsibility

SSM: Results

Clinical Collaboratives

- Improving the Secondary Prevention of Ischemic Heart Disease (1/99)
- Improving Prescribing Practices (5/99)
- Using Patient Information to Improve Care (11/99)
- Enhancing Patient Safety Through Safe Systems (3/00)
- Improving the Treatment of Congestive Heart Failure (11/00)
- Achieving Exceptional Safety in Health Care (1/02)

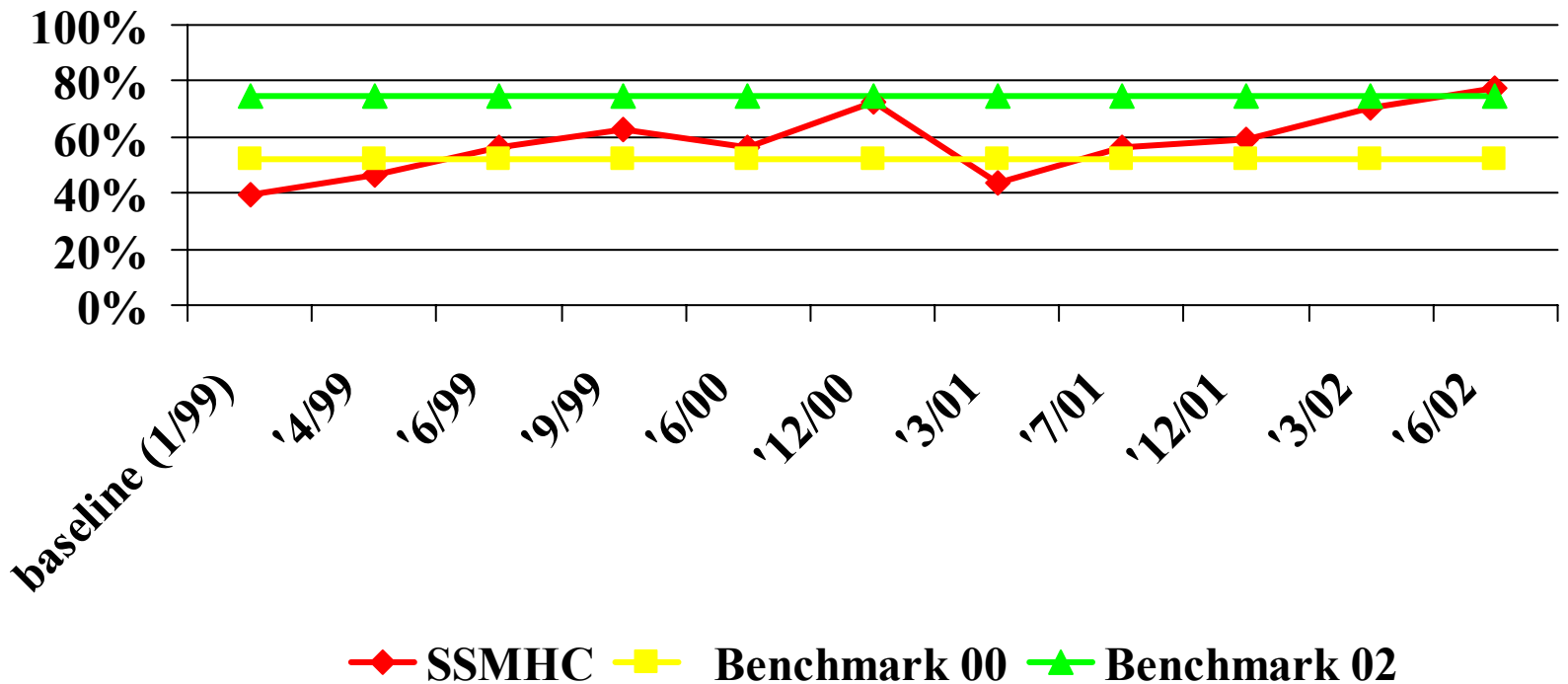


SSM Health Care

2002 Award Recipient in Health Care

Heart Attack (MI) patients treated with Lipid-Lowering Agents

Percentage of MI patients





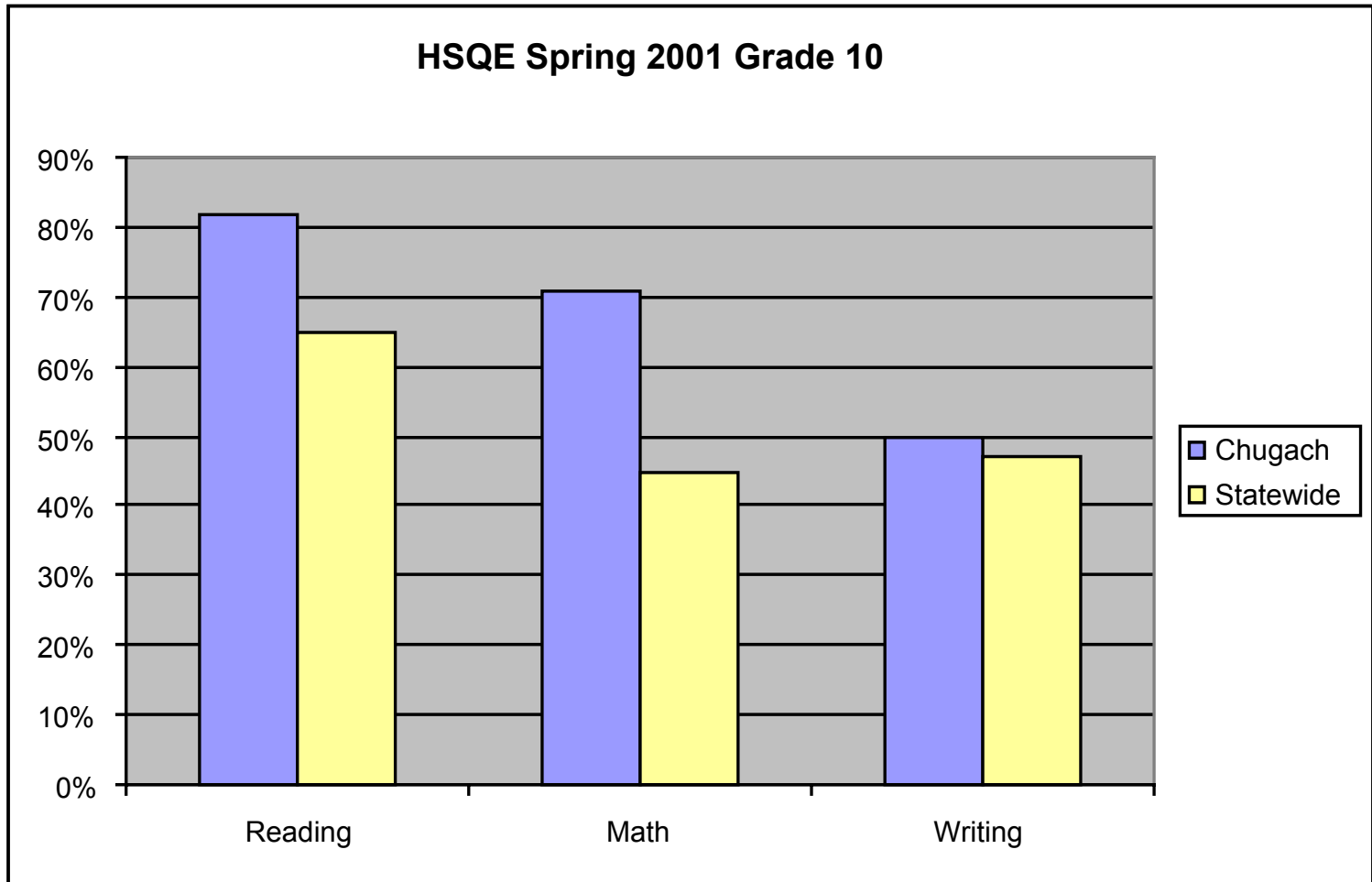
Saint Luke's Hospital of Kansas City

2003 Award Recipient in Health Care

	SLH	National Average
Medical Mortality	13.1%	15.3%
Surgical Mortality	1.8%	2.5%
Physician Rating	86%	33%
Accreditation Score	92	91
Overall Score	7669	5418
SLH Rank = 35 of 4,500 hospitals in U.S.A.		

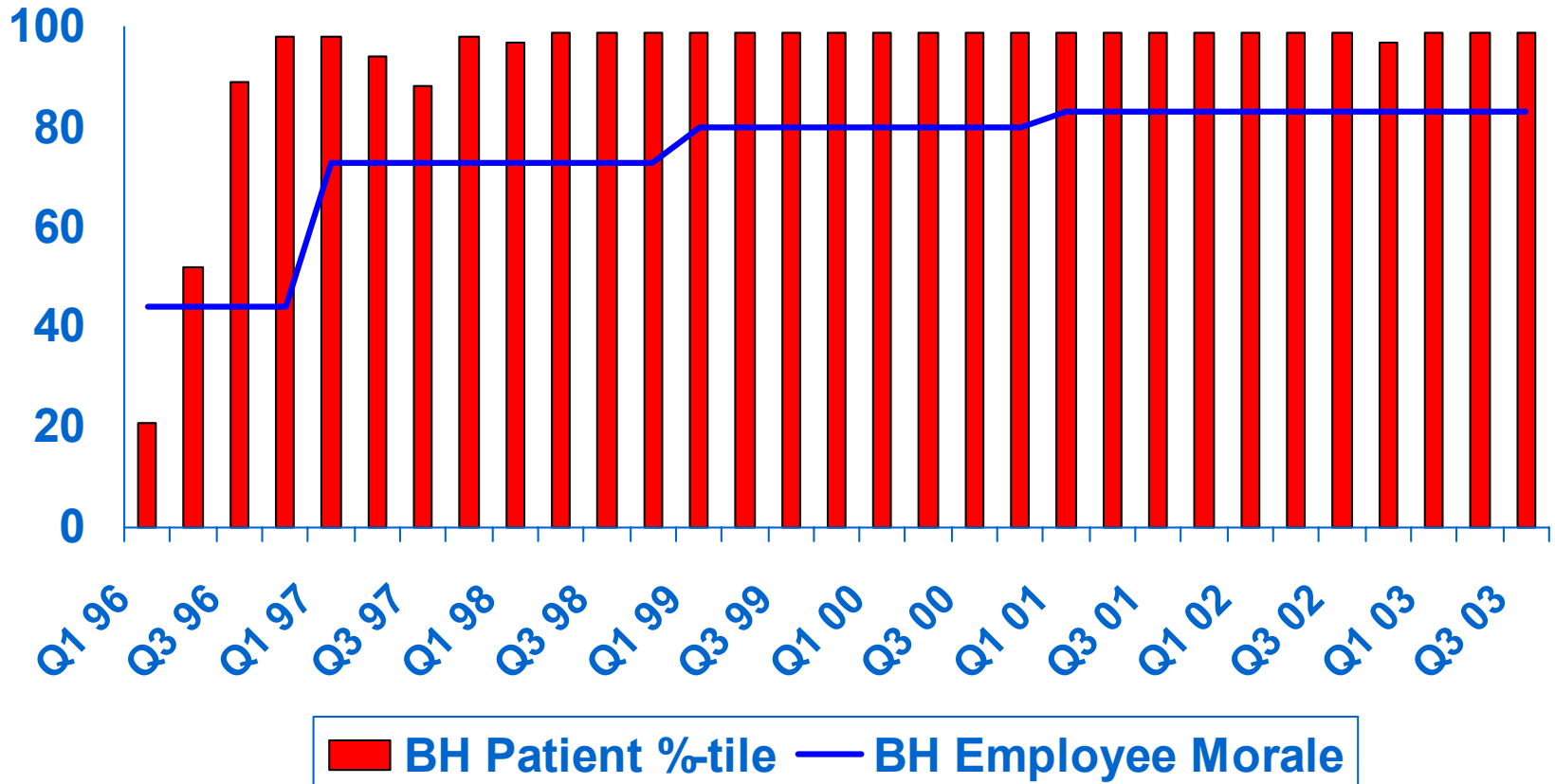
Chugach School District

2001 Award Recipient in Education



Baptist Hospital, Inc.

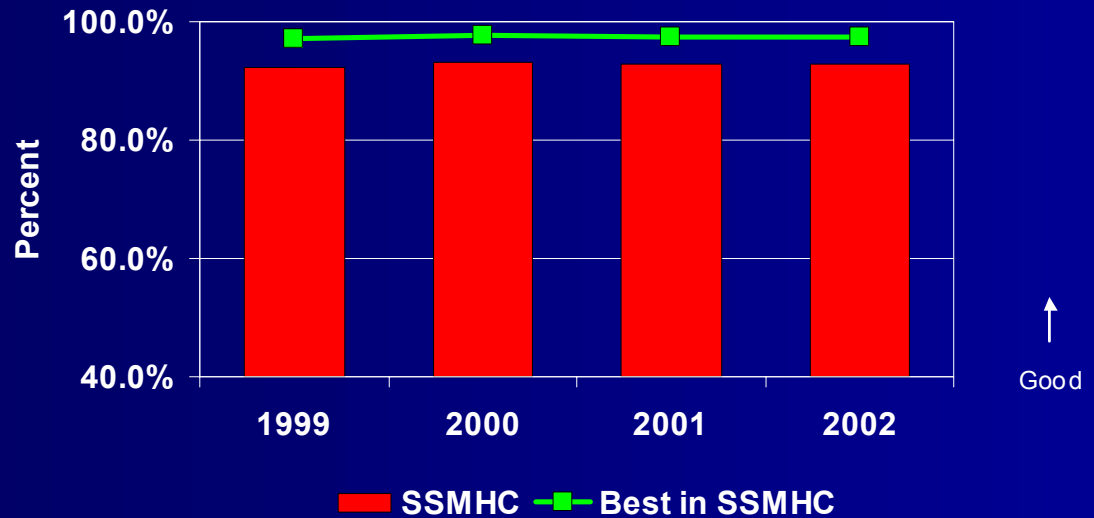
2003 Award Recipient in Health Care



SSM: Results

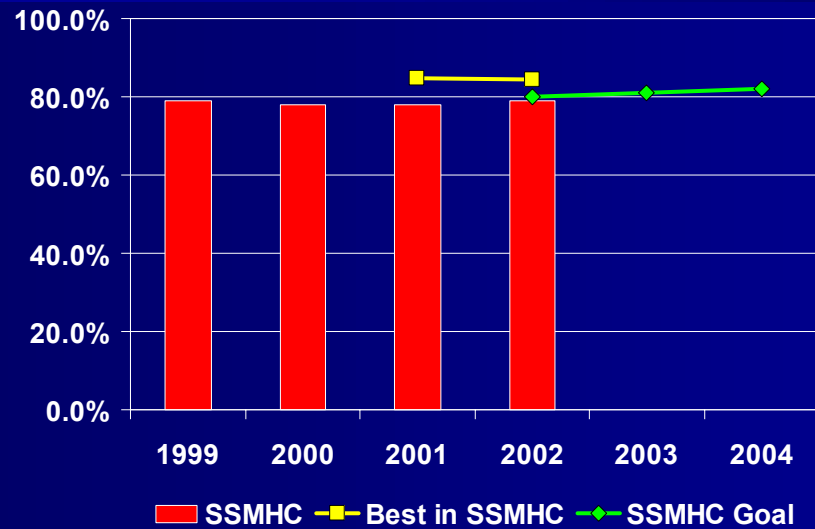
Key Customer Requirements

Staff Did All Possible to Control Pain



SSM: Results

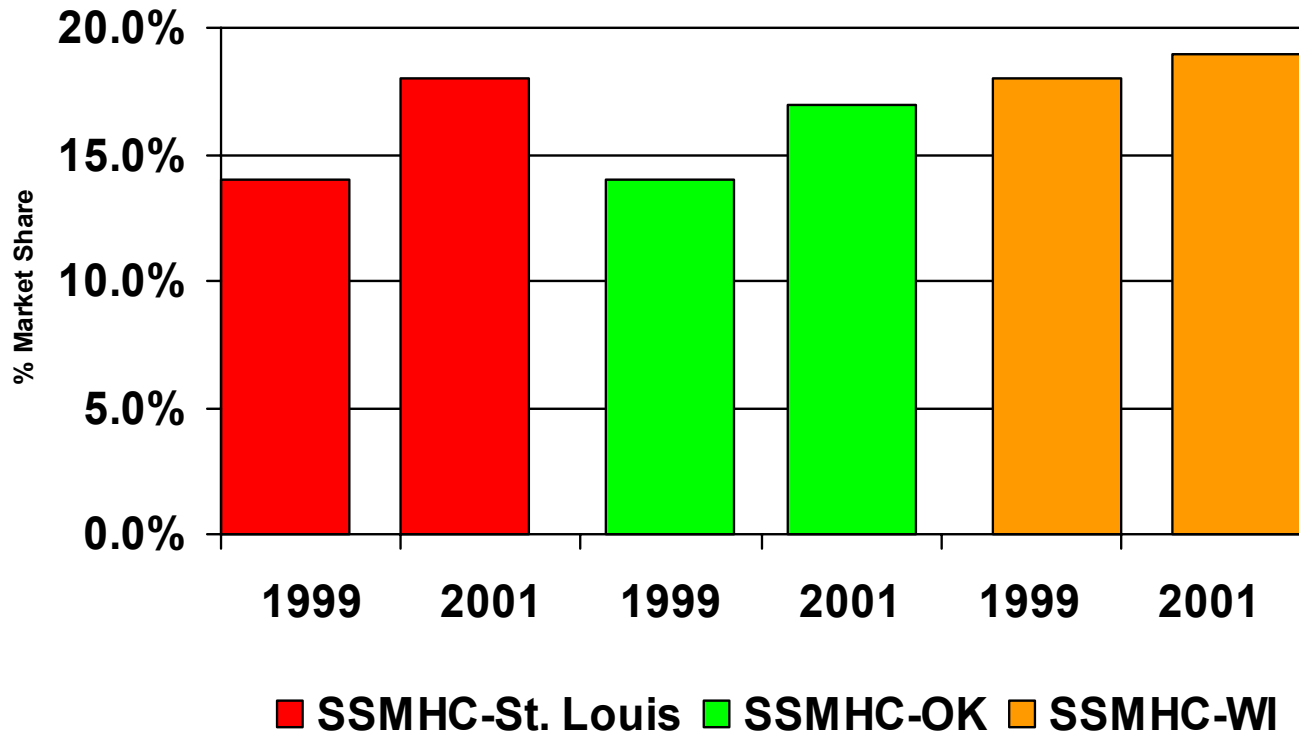
Physician Satisfaction



SSM Health Care

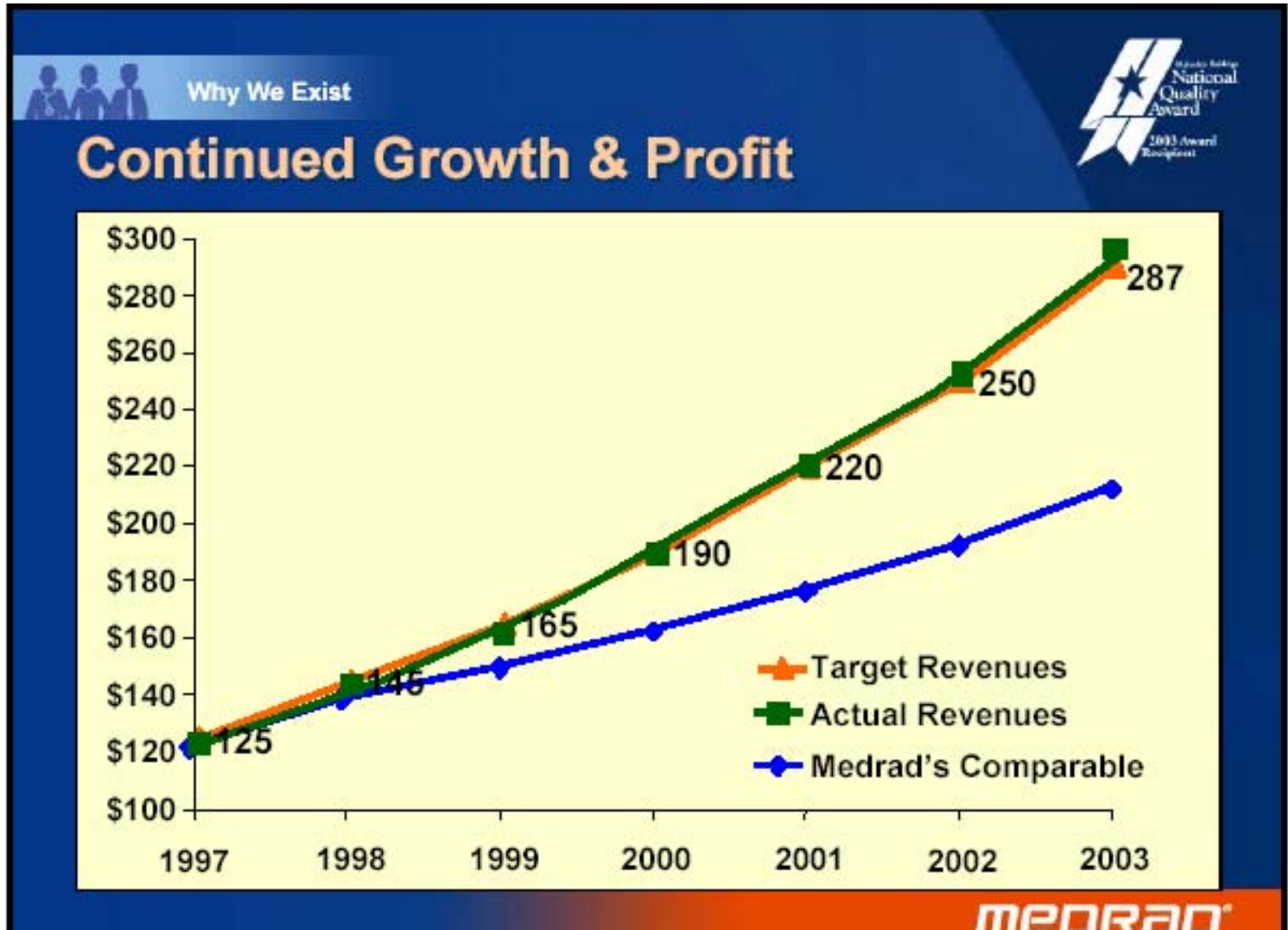
2002 Award Recipient in Health Care

Market Share



Medrad, Inc.

2003 Award Recipient in Manufacturing

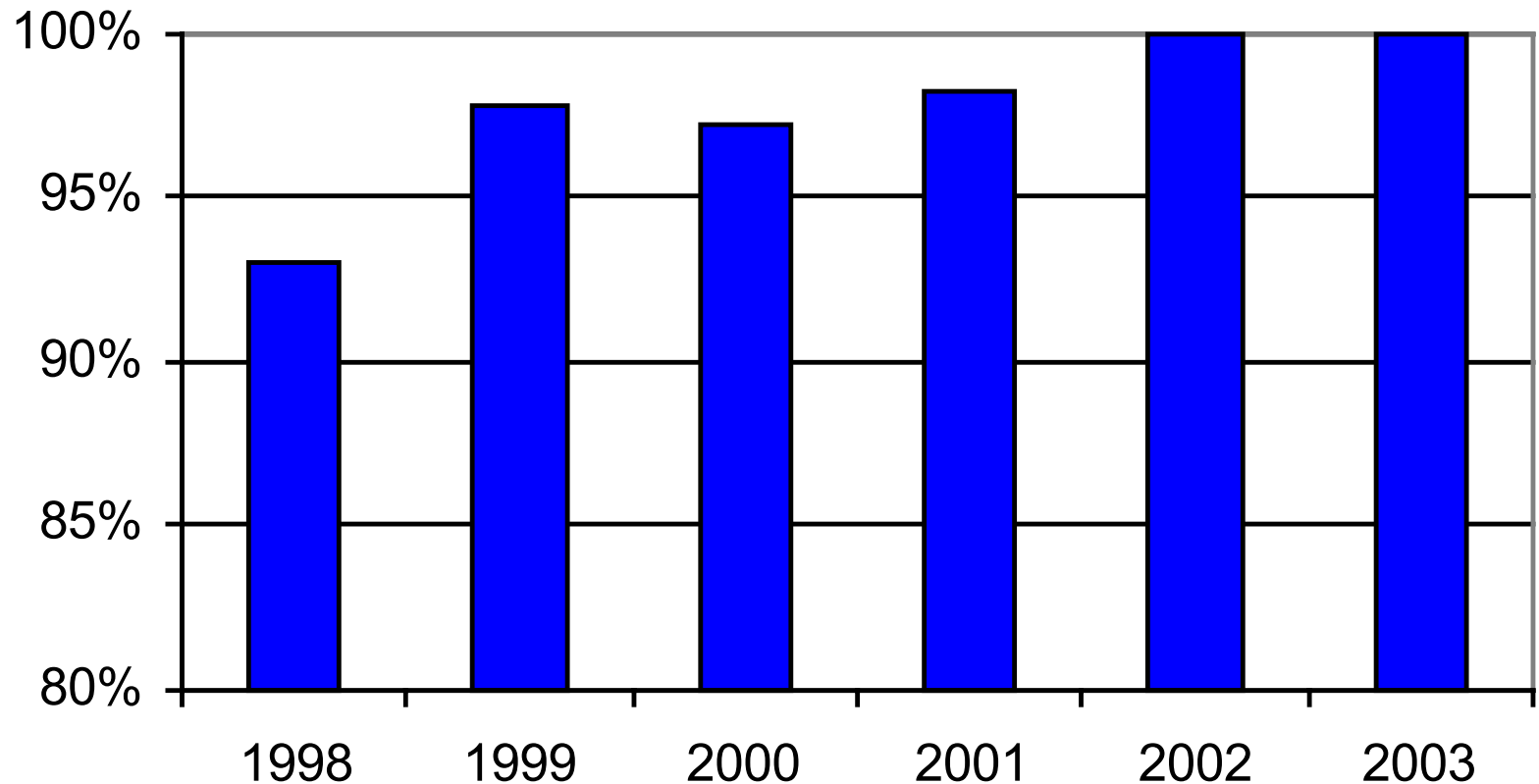




Stoner, Inc.

2003 Award Recipient in Small Business

% Of Orders Shipped Same Day





What makes the Baldrige Criteria different?

Key Characteristics

focus on results

are non-prescriptive

are adaptable


support a systems perspective

support goal-based diagnosis



Is Your Organization Ready?

It is **never too early** to begin using the Baldrige Criteria for Performance Excellence.



“It amazes me that U.S. businesses spend so much money on ‘how-to’ books and coursework to teach leaders how to build successful organizations. My recommendation: implement the Baldrige-based Criteria in your business. No other single document can help build a long-term successful organization.”

Jerry R. Rose, President

Sunny Fresh Foods

Baldrige Award Recipient, 1999



Benefits of Self-Assessment and Applying for the Award

Identify successes and opportunities for improvement

Jump-start a change initiative

Focus your organization on common goals

Gain an outside perspective

Learn from feedback

Enhance organizational learning



The Feedback Report: Your Greatest Benefit

Written assessment of strengths and opportunities for improvement

Compiled by a team of expert Examiners

The report includes

- Key Themes Summary
- Comments
- Individual Scoring Range
- Scoring Distribution



“To change and to change for the better are two different things.”

German Proverb



How Can I Learn More About the Baldrige Criteria?

e-Baldrige

Getting Started

Why Apply?

Are We Making Progress?

Are We Making Progress as Leaders?

Criteria for Performance Excellence



How Can I Learn More About the Baldrige Program?

Visit our Web site at **www.baldrige.nist.gov**

Contact your state or local Baldrige-based
program

Attend a conference

Become an Examiner



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