LETTER

Healthcare leaders test a proven business strategy

Healthcare leaders around the world today face mounting challenges. Every feature of health care—quality, safety, workforce loyalty, patient experience, cost, efficiency and more—faces growing scrutiny. While challenges abound, successful change strategies for healthcare leaders and organizations remain elusive.

One proven approach to organizational change—called the Baldrige approach in the United States—is gaining supporters within health care as well as in the business and service sectors. For nearly 15 years, in countries around the globe, organizations committed to high performance have competed against sophisticated comprehensive criteria for performance excellence. The Baldrige approach is not a new fad, another buzz word, or a silver bullet. As Vinod Singhal, Professor of Operations Management at Georgia Institute of Technology, reported to an audience of international quality improvement leaders in The Hague, Netherlands on 3 June 2003, it is a change strategy used by growing numbers of businesses around the globe because it works to improve results.

In Europe, companies and public sector organizations may apply for the European Quality Award and receive a comprehensive objective evaluation against the European Foundation for Quality Management (EFQM) excellence model. In addition, there are regional and national award programs using similar criteria. In the US, organizations may apply for the Malcolm Baldrige National Quality Award (MBNQA) or self-assess against the MBNQA criteria for performance excellence. In all, about 60 different countries have award programs using criteria which embody similar principles. While each country’s criteria and award programs are unique, the fundamental approach consists of the same three steps:

- Write a 50-75 page description of how your organization achieves its clinical and business results and display the results you achieve as objective measures compared with best in class performance.
- Invite expert examiners trained in your country’s criteria to study your documents and interview your workforce about how you achieve the results you achieve.
- Receive and learn from the detailed feedback provided by the volunteer examiners for award programs.

The criteria examine every aspect of leadership from ethics to the customer experience to other key business results, including clinical outcomes in healthcare organizations. In the US, MBNQA recipients must demonstrate responsibility to the highest integrity, their own values, their communities, and the environment. A Baldrige or EFQM organizational assessment can be likened to a 360 degree review of the organization as a whole, a review that is as objective and thorough as is humanly possible. Most importantly, these evaluations create extraordinary growth and development at the system and individual levels.

In 2003, 19 healthcare organizations submitted applications to the MBNQA documenting their approach, deployment, and results in patient care outcomes, experience of care, financial and market position, ethics, community service, workforce development and management, and other areas of performance.

Both the EFQM and the MBNQA criteria represent the intellectual contributions by thousands of volunteers sharing their wisdom about building high performance organizations. These volunteers work together as highly trained examiners to build the criteria, the evaluation and feedback process, and the award programs. The entire work product of these award programs resides in the public domain. Arguably, an MBNQA application and feedback report is the least expensive and most valuable consulting an organization can buy. From a personal standpoint, having served as a Judge (1999–2002) and now serving as an Examiner (2003) for the MBNQA have been the most valuable professional development experiences of my 20 year career as a physician executive.

But get a second opinion. Invite Sister Mary Jean Ryan or one of her team members from Baldrige award winning SSM Health Care to share their story. Based in St Louis, MO, SSM Health Care (SSMHC) is a not for profit Catholic health system providing primary, secondary, and tertiary healthcare services. The system owns, manages, or is affiliated with 21 acute care hospitals and three nursing homes in four US states. SSMHC hospitals and system have applied for 36 Baldrige based awards at the state and national level over the last 10 years. As Sister will describe, they do it for the feedback, learning, and motivation to improve.

The SSMHC track record of improvement in clinical outcomes and financial performance speaks for itself. As part of SSMHC’s “clinical collaborative” process, physicians work with other caregivers, administrators, and staff to make rapid improvements in clinical outcomes. Selection of clinical collaborators occurs in alignment with system goals such as improving patient outcomes, satisfaction, and safety. SSMHC has undertaken ten collaboratives involving 85 teams in 2002, up from 14 teams in 1999. The results for SSMHC’s clinical collaboratives for patients with congestive heart failure and ischemic heart disease show levels that approach or exceed national benchmarks. SSMHC collaborative hospitals have maintained a high level of coumadin treatment for patients who have congestive heart failure and atrial fibrillation. More than 80% of SSMHC patients are on coumadin treatment compared with the benchmark of 60%. For the fourth consecutive year, SSMHC has maintained an investment grade rating in the “AA credit rating” category (published by the two national rating agencies—Standard & Poor’s and Fitch). This rating is attained by less than 1% of US hospitals.

The Baldrige and EFQM approaches, as well as similar programs around the world, offer a proven strategy for organizational change badly needed by healthcare leaders. The purposes of these programs are directly on point to our current challenges. Using the criteria for assessing, making awards, and giving feedback to leaders and managers serves to help improve organizational practices, capabilities, and results. These business strategies facilitate communication and sharing of best practices among organizations of all types. The assessment process creates a working tool for managing performance across entire systems and for guiding organizational learning and planning. Check the results of any of the MBNQA recipients’ summary applications posted on the Baldrige website and draw your own conclusions.

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References
3 Singhal V. The impact of Total Quality Management (TQM) on corporate performance: past achievement and future prospects. The Hoppenstedt Centre, Copenhagen, Denmark. If you would like to receive details about this conference, when available, please email quality@bma.org.uk.
4 To be held on 12–14 May 2004 at the Bella Centre, Copenhagen, Denmark. If you would like to receive details about this conference, when available, please email quality@bma.org.uk.