The Baldrige Journey to Quality: A Road More Traveled By

Greg Wise, MD
Vice President Medical Affairs
Kettering Medical Center
Dayton, OH
Learning objectives:

1. Identify elements of the Baldrige criteria and their applications to healthcare
2. Apply the Baldrige process to healthcare quality improvement
3. Understand how participation in the Baldrige journey can lead to organizational excellence
Looking to achieve excellence in your organization?

Here's an excellent resource: Consultant Referral Network

Seminar on best practices focusing on Health Care

Take advantage of this professional development day to learn from four Ohioans who know the challenges that everyone is facing today. Take a day away from work on June 26th and enjoy a day of learning and networking!
• BNQP is a comprehensive management discipline voluntarily embraced by organizations committed to achieving best-in-class status.

• Since 1987, BNQP has been the highest level quality achievement in the United States and is the only quality award bestowed by the President of the United States.
Baldrige National Quality Program

- Award named after Malcolm Baldrige, Secretary of Commerce, under President Reagan
- Created by Public Law 100-107 in 1987 and designed to encourage US companies to become more competitive internationally
- Process has been developed and modified over the years to provide organizations with a framework that promotes excellence
- Offices housed in the National Institute for Standards and Technology
The American Society for Quality (ASQ) is the world's leading authority on quality. With more than 100,000 individual and organizational members, this professional association advances learning, quality improvement, and knowledge exchange to improve business results, and to create better workplaces and communities worldwide.

As champion of the quality movement, ASQ offers technologies, concepts, tools, and training to quality professionals, quality practitioners, and everyday consumers, encouraging all to Make Good Great®.

Globally, ASQ has formed relationships with other nonprofit organizations that have comparable missions and principles. Our international strategic alliances are helping to meet the quality needs of companies, individuals, and organizations worldwide.

ASQ members have informed and advised the U.S. Congress, government agencies, state legislatures and other groups and individuals on quality-related topics.

And since 1991 ASQ has administered the United States’ premier quality honor—the Malcolm Baldrige National Quality Award, which annually recognizes companies and organizations that have achieved performance excellence.
How They Line Up

- Right to Operate
- Compliance/QA/QC Driven
- Leadership/Customer Driven

- CMS/State Surveys
- Other Govt. Surveys
- ISO9000
- TQM
- TPS
- Six Sigma
- Magnet
- IHIP2
- TJC
- HFAP

- Organizational Excellence
“I see the Baldrige process as a powerful set of mechanisms for disciplined people engaged in disciplined thought and taking disciplined action to create great organizations that produce exceptional results.”

- Jim Collins, Good to Great
“The Baldrige framework had provided a structured process by which to view the operations of our organization. Through its adoption as our business model, Mountain States Health Alliance has experienced focused growth, strategically engineered, balancing the needs of our customers and the needs of the organization. Using a fact-based decision model has allowed leadership to further develop a health system that is meeting the challenges of difficult times while expanding services and improving the care delivery model. Mountain States Health Alliance has used the model to engage the organization in systemic processes and is achieving performance that is ranking in the top quartile and top decile in key measures of success – operational effectiveness, clinical effectiveness, safety and service excellence. Celebrating the strengths and addressing the opportunities for improvement, the organization is changing the face of healthcare in northeast Tennessee and southwest Virginia.”

Tom Tull
Asst. Vice President, Washington County Operations and Guest Services
Mountain States Health Alliance
Financial benefits

- Baldrige winners that are publicly traded companies have outperformed the S&P index by up to 6 times in 10 of the last 13 years
- Companies that have been finalists have out-performed the index by 2 to 1

—Mark Graham Brown, 2005
Sectors

- Manufacturing
- Service
- Small Business
- Health Care (1999)
- Education (1999)
- Not-for-profit (2006)
## Applications by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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Health Care Award Recipients

- Poudre Valley Health System (2008)
- Sharp Healthcare (2007)
- Mercy Health System (2007)
- North Mississippi Medical Center (2006)
- Bronson Methodist Hospital (2005)
- Baptist (2003)
- SSM Health Care System (2002)
Baldrige National Quality Program

Health Care Criteria for Performance Excellence
The Health Care Criteria are designed to help provide organizations with an integrated approach to organizational management that results in:

– Delivery of ever-improving value to patients and stakeholders, contributing to improved health care quality and organizational sustainability

– Improvement of overall organizational effectiveness and capabilities as a health care provider

– Organizational and personal learning
Core competencies

“Refers to your organization’s areas of greatest expertise…those strategically important capabilities that are central to fulfilling your mission or provide an advantage in your marketplace or service environment…frequently are challenging for competitors…to imitate and provide a sustainable competitive advantage.”
The Role of Core Values and Concepts

The Health Care Criteria build on Core Values and Concepts...

which are embedded in systematic processes...
(Criteria Categories 1–6)

yielding performance results.
(Criteria Category 7)
Core Values and Concepts

- Visionary leadership
- Patient-focused excellence
- Organizational and personal learning
- Valuing workforce members and partners
- Agility
- Focus on the future

- Managing for innovation
- Management by fact
- Societal responsibility and community health
- Focus on results and creating value
- Systems perspective
Item Format

<table>
<thead>
<tr>
<th>Item number</th>
<th>Item title</th>
<th>Item points value</th>
<th>Types of information users are expected to provide in response to this Item</th>
</tr>
</thead>
</table>

**Basic Item requirements expressed in Item title**

**Overall Item requirements expressed as specific topics users need to address**

**Areas to Address**

**Item notes have the following purposes:**
- clarify key terms and requirements
- give instructions
- indicate/clarify important linkages

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**Notes:**

N1. Senior leaders include the head of the organization and his/her direct reports. In health care organizations, which include administrators, clinicians, and health care providers, leadership, “senior leaders” refers to both sets of leaders and the relationships between these leaders.

N2. Organizational vision (1.1.4.3) should fit the context of the organization and action plans, which are described in Items 2.1 and 2.2.

N3. A sustainable organization (1.1.4.4) is capable of addressing current organizational needs and projects the agility and strategic management as prepare successfully for future organizational and market environments. In this context, the centers of innovation include both collaborative and organizational innovation as unique in the field. A sustainable organization also ensures a safe and secure environment.

N4. A focus on action (1.1.4.2) considers the strategy, the work stream, and the hard data of your organization. It includes both innovation and ongoing improvement in productivity that may be achievable through eliminating waste or reducing cycle time, and it might use techniques such as Six Sigma and Lean. It also includes the actions to accomplish your organization’s strategic objectives.

N5. Your organizational performance results should be reported in Items 7.1–7.6.

For additional description of this item, see pages 25–30

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**Location of Item description**

**Multiple requirements expressed as individual Criteria questions**
Seven Categories of the Health Care Criteria

1. Leadership
2. Strategic Planning
3. Focus on Patients, Other Customers, and Markets
4. Measurement, Analysis, and Knowledge Management
5. Workforce Focus
6. Process Management
7. Results
What are the Processes?

1. How senior leaders **guide** our organization
2. How we develop and deploy **strategic** direction
3. How we address the needs of our patients and other **customers**
4. How we use data to **improve**
5. How we position **staff** for excellence
6. How we manage **key processes**
4.1 Measurement, Analysis, and Improvement of Organizational Performance: How do you measure, analyze, and then improve organizational performance? (45 pts.)

Describe how your organization measures, analyzes, reviews, and improves its performance as a health care provider through the use of data and information at all levels and in all parts of your organization.

Within your response, include answers to the following questions:

a. PERFORMANCE MEASUREMENT
   (1) How do you select, collect, align, and integrate data and information for tracking daily operations and for tracking overall organizational performance, including progress relative to strategic objectives and action plans? What are your key organizational performance measures, including key short-term and longer-term financial measures? How frequently are these measures determined? How do you use these data and information to support organizational decision making and innovation?
7.1 Health Care Outcomes: What are your health care results? (100 pts.)

Summarize your organization’s key health care results. Segment your results by health care service offerings, patient and stakeholder groups, and market segments, as appropriate. Include appropriate comparative data. Indicate those measures that are mandated by regulatory, accreditor, or payor requirements.

Provide data and information to answer the following questions:

a. Health Care Results

What are your current levels and trends in key measures of indicators of health care outcomes, health care process results, patient safety, and patients' functional status that are important to your patients and stakeholders? How do these results compare with the performance of your competitors and other organizations with similar health care service offerings?
Focus on what is important

Organizations committed to excellence focus on:

- How they meet and exceed customers needs
- Their strategic challenges and advantages
- Knowing the competition
- Their systematic approach to performance improvement
Excellent organizations …

Use data from what they learn to create cycles of improvement

Examples of how we have used data for improvement?
Excellent organizations …

Systematically deploy or hardwire the approach throughout the organization

Give examples of how we do that
Excellent organizations …

Effectively apply what they have learned to create improvement across the organization that supports organization-wide goals.

Examples of how we do that?
What do excellent organizations look like?

Repeateble, Effective Processes

Sustained Results

Across the Organization
Steps Toward Mature Processes

An Aid for Scoring Process Items

(1) Reacting to Problems

Operations are characterized by activities rather than by processes, and they are largely responsive to immediate needs or problems. Goals are poorly defined.

(2) Early Systematic Approaches

The organization is at the beginning stages of conducting operations by processes with repeatability, evaluation and improvement, and some early coordination among organizational units. Strategy and quantitative goals are being defined.

(3) Aligned Approaches

Operations are characterized by processes that are repeatable and regularly evaluated for improvement, with learnings shared and with coordination among organizational units. Processes address key strategies and goals of the organization.

(4) Integrated Approaches

Operations are characterized by processes that are repeatable and regularly evaluated for change and improvement in collaboration with other affected units. Efficiencies across units are sought and achieved through analysis, innovation, and sharing. Processes and measures track progress on key strategic and operational goals.
Excellent organizations …

Describe performance in numerical terms and over a period of time

How do we do that?
Excellent organizations …

Describe how their performance compares with other organizations

How do we do that?
All About Alignment and Execution
All About Strategy?
All About Leadership?
“We are going to relentlessly chase perfection, knowing full well we will not catch it, because nothing is perfect. But we are going to relentlessly chase it, because in the process we will catch excellence. I am not remotely interested in just being good.”

Vince Lombardi

Inaugural Locker Room Speech, 1959
<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
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<tbody>
<tr>
<td>Leadership</td>
<td>120</td>
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<tr>
<td>Strategic Planning</td>
<td>85</td>
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<tr>
<td>Focus on Patients, Other Customers, and Markets</td>
<td>85</td>
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<tr>
<td>Measurement, Analysis, and Knowledge Management</td>
<td>90</td>
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<tr>
<td>Workforce Focus</td>
<td>85</td>
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<tr>
<td>Process Management</td>
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<tr>
<td>Results</td>
<td>450</td>
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<td><strong>TOTAL POINTS</strong></td>
<td><strong>1,000</strong></td>
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</tbody>
</table>
KHN Integrated Management Model

Requirements

Customer

Leadership

Strategy

Meet and Exceed

Engaged Teams
(Employee, Physicians, Volunteers)

Efficient Processes

Get Results Be Valued

Data and Dashboard to Monitor Progress

Predict Outcomes
1. Leadership

Addresses Senior Leaders’ Roles, Governance, and Citizenship

1.1 Senior Leadership (70 pts.)

1.2 Governance and Social Responsibilities (50 pts.)
2. Strategic Planning

Addresses Strategic and Action Planning and Deployment of Plans

2.1 Strategy Development (40 pts.)

2.2 Strategy Deployment (45 pts.)
3. Focus on Patients, Other Customers, and Markets

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.)
4. Measurement, Analysis, and Knowledge Management

Addresses Analysis and Management of Data, Organizational Performance Review, Information, and Knowledge Assets

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

4.2 Management of Information, Information technology and Knowledge Management (45 pts.)
5. Workforce Focus

Addresses Key Workforce Practices

5.1 Workforce Engagement (45 points)

5.2 Workforce Environment (40 points.)
6. Process Management

6.1 Work Systems Design (35 pts.)

6.2 Work Process Management and Improvement (50 pts)
7. Results

Addresses Progress on Results – Including Current Performance Levels, Trends, and Comparative Data

7.1 Health Care Outcomes (100 pts.)
7.2 Patient- and Other Customer-Focused Outcomes (70 pts.)
7.3 Financial and Market Outcomes (70 pts.)
7.4 Workforce-Focused Outcomes (70 pts.)
7.5 Process Effectiveness Outcomes (70 pts.)
7.6 Leadership Outcomes (70 pts.)
<table>
<thead>
<tr>
<th>Process</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Approach</td>
<td>&quot;Approach&quot; refers to the methods used by an organization to achieve its objectives. Is the approach <strong>systematic, repeatable and effective?</strong></td>
</tr>
<tr>
<td>Deployment</td>
<td>&quot;Deployment&quot; refers to the extent to which an approach is <strong>consistently applied across the organization.</strong></td>
</tr>
<tr>
<td>Learning</td>
<td>&quot;Learning&quot; refers to new knowledge or skills acquired through evaluation, study, experience, and innovation.</td>
</tr>
<tr>
<td>Integration</td>
<td>&quot;Integration&quot; refers to the harmonization of plans, processes, information, resource decisions, actions, results, and analyses to support key organization-wide goals.</td>
</tr>
<tr>
<td>“Levels”</td>
<td>“Trends” refers to the rate, sustainability or slope of performance improvement and the breadth (extent of deployment) of your performance results</td>
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## Scoring Bands

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<th>Range</th>
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Band 4: 50-65%

“The organization demonstrates effective, systematic approaches responsive to the overall requirements of the Items, but deployment may vary in some areas or work units. Key processes benefit from fact-based evaluation and improvement, and approaches are being aligned with organizational needs. Results address key customer/stakeholder, market, and process requirements, and they demonstrate some areas of strength and/or good performance against relevant comparisons. There are no patterns of adverse trends or poor performance in areas of importance to the organization’s key requirements.”
“The organization demonstrates effective, systematic, well-deployed approaches responsive to the overall requirements of the Items. The organization demonstrates a fact-based, systematic evaluation and improvement process and organizational learning that result in improving the effectiveness and efficiency of key processes. Results address most key customer/stakeholder, market, and process requirements, and they demonstrate areas of strength against relevant comparisons and/or benchmarks. Improvement trends and/or good performance are reported for most areas of importance to the organization’s key requirements.”
Reacting to the problem:
Run with the hose and put out the fire.
(0–5%)
General improvement orientation:
Install more fire hoses to get to the fires quickly and reduce their impact.
(10–25%)
Systematic evaluation and improvement:
Evaluate which locations are most susceptible to fire.
Install heat sensors and sprinklers in those locations.
(30–45%)
Learning and strategic improvement:
Install systemwide heat sensors and a sprinkler system that is activated by the heat preceding fires.
(50–65%)
Organizational analysis and innovation:
Use fireproof and fire-retardant materials,
Replace combustible liquids with water-based liquids,
Sensors and sprinklers become the secondary line of protection,
with prevention as the primary approach for protection.
(70–100%)
Assessing our Organization

<table>
<thead>
<tr>
<th>Strengths</th>
<th>OFI’s</th>
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<tbody>
<tr>
<td>Those processes and results that match us against the best performing</td>
<td>Opportunities for Improvement</td>
</tr>
<tr>
<td>organizations in the country</td>
<td></td>
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</tbody>
</table>
Category 4 - Measurement, Analysis, Knowledge Management

**Strengths**

1. Process in place for selecting, collecting, aligning and integrating data and information.

2. An effective systematic process to keep performance measurement system current is in place and is well integrated.

3. Health care results (7.1) demonstrate generally positive trends for the various timeframes presented.

4. Annual reviews of high-level performance are included in the strategic planning process, which result in a set of cascading KRA goals and 90-day action plans.

5. Process is in place to ensure that IS systems (hardware and software) will be operational in the case of an emergency.

**OFIs**

1. The extent of PDCA deployment to the key clinical and business work processes.

2. Challenge is to get to true outcome measurements rather than just process compliance measurements. (7.1)

3. We do have challenges in some of the areas to find best-in-class comparative metrics.

4. Lack of a systematic approach for translating organizational performance review findings into priorities for improvement (ex. PIC scope and function).

5. Demonstrate the systematic incorporation of organizational learnings across the Network.
Most Significant OFI’s

1. Improve the way we use departmental communication boards
2. Consistently use leader rounding
3. Consistently use PDCA throughout the Network
4. Exchange useful knowledge and data across our organization more systematically
5. Continue to improve our patient satisfaction results
Applying Baldrige Here

- Select an internal core process
- Is effective, systematic, repeatable?
- Is it consistently deployed across the department, organizations?
  Is new knowledge acquired through evaluation and study?
- Does the process support key organizational wide goals?
The Roadmap

**Stage 0**
"Status Quo"
Regulatory compliance only

**Stage 1**
"False Starts"
Project mentality, characterized by various tactical improvement activities

**Stage 2**
"Traction"
Alignment of projects to strategy, attention to leadership and management processes

**Stage 3**
"Integration"
Clear linkage of process management and improvement to operational results

**Stage 4**
"Sustaining"
Continued improvement as methodologies are embedded into the organization’s culture

- OR
Decline, as the organization loses discipline and changes course

Baldrige recipient

Baldrige start

- OR
Give up on the process when managed as a delegated project

**Progress**

**Time**
3-8 Years
FAQ’s

• What is the difference between the state and national programs?
• Does an organization need to win the award to make it worthwhile?
• What is the best way to prepare a submission?
• What is the purpose of a site visit?
• What are the costs?
## Costs

### Fees for the 2009 Award Cycle

**Eligibility Certification Filing Fee:** For the 2009 Award cycle, a nonrefundable fee of $150 must be submitted to ASQ along with the Eligibility Certification Package and a proof of the mailing date no later than April 7, 2009 (March 2, 2009, for eligibility certification with a nomination to the Board of Examiners).

**Application Fee:** The chart below shows the 2009 application fees for various types of organizations. For the 2009 Award cycle, the appropriate fee must be submitted to ASQ with the Award Application Package and a proof of the mailing date no later than May 21, 2009, for paper copies (May 7, 2009, if submitted on a CD).

<table>
<thead>
<tr>
<th>Award Category</th>
<th>Eligibility Fee</th>
<th>Application Fee*</th>
<th>Supplemental Section Fee (If Applicable)**</th>
<th>Site Visit Fee Usual Range (If Applicable)***</th>
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<td>$150</td>
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<tr>
<td>Education, For-Profit 500 Or Fewer Faculty/Staff</td>
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<tr>
<td>Health Care &gt;500 Staff</td>
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Final Observations

• **Advantages:**
  - True consultative, non-prescriptive feedback
  - All applicants receive a written report of key themes, strengths and OFI’s
  - Serves as a framework for improvement and way to doing business

• **Disadvantages:**
  - Long process and few ‘winners’
  - Requires major commitment of leadership
  - Scoring is arguably subjective and the evaluation team is subject to the vagaries of small group dynamics
Resources

- http://www.baldrige.nist.gov/Examiner_Resources.htm
- http://www.sharp.com/choose-sharp/baldrige/index.cfm
Being a Baldrige examiner

- Formal application process late each year
- Selection occurs in March
- Requirement for pre-work and one week on site training in Washington DC
- Commitment to being part of an examiner team to assess an applicant
  - Hours of work (up to 110)
  - One week site visit
- Willingness to be an ambassador
“I am grateful to have had the chance to be a Baldrige Examiner. A good deal of work is required, but the return on investment is huge. I can’t think of a better experience for enhancing your career…The people you meet are top-notch, the exposure to different industries and business models expands your horizons, and best of all, it is a lot of fun!”

Steve Lampa
Senior VP, Lodging Quality Assurance and Rooms Operations
Marriott International
TWO ROADS
DIVERGED IN A
WOOD, AND I-
I TOOK THE ONE
LESS TRAVELED BY,
AND THAT HAS
MADE ALL THE
DIFFERENCE.

(ROBERT FROST)
"When you come to a fork in the road.... Take it"

-- Yogi Berra
Thank you very much!

Questions?