

Quality transformation: How hospitals are striking a balance between the bottom line and better care



Patient safety events, especially preventable ones, are on the rise at healthcare organizations.

Meanwhile, frontline staff are burned out, and the current fiscal environment is exerting pressure on margins. Amid these interrelated challenges, it is difficult for health system leaders to manage competing priorities. Though many hospitals and health systems try to reduce expenses by cutting supply costs, the greatest opportunity for transformation is quality improvement.

Becker's Hospital Review recently spoke with two Vizient experts — Angela Hunt, RN, senior principal, and Rick May, MD, senior principal — about how a total quality program can increase revenues, reduce costs, decrease the burden on employees and enhance both the provider and patient experience.

Post-pandemic, leaders are reexamining their toolboxes

The effects of the COVID-19 pandemic are lingering in hospitals and health systems. Labor shortages persist, and many organizations face huge financial deficits. Although delivering high-quality patient care is the reason most healthcare CEOs and CFOs come to work every day, they also recognize the importance of the financial picture.

“Hospital leaders have to care about finances, but they really want to focus on caring for the patients their organizations serve,” Dr. May said. “They’re used to cycles of boom and bust, and they’ve developed a standard set of tools to address tight budgets. But we’re hearing now that conventional fixes like tightening your belt aren’t working.”

In today’s environment, clinical quality improvement is a better way for leaders to address pressing economic challenges while laying the groundwork for future success. These initiatives result in better patient care, as well as stronger finances.

Three critical elements for quality improvement initiatives: prioritization, analytics and an infrastructure based on systems and collaboration

Hospitals and health systems must first apply a structured prioritization process for quality improvement initiatives. “There are hundreds of projects that an organization could work on,” Dr. May said. “With limited resources, teams need a way to identify the most important ones. We can help

organizations narrow down a long list of opportunities to a short list of 20 to 30.” This prioritization may be based on a combination of factors, including the improvement of internal quality metrics as well as externally facing consumer ratings like CMS’ Star Ratings or Leapfrog Hospital Safety Grades, financial criteria and strategic growth considerations.

Robust analytics, which deliver actionable insights to end users, are a second critical success factor for quality improvement efforts. All hospitals generate data and reports, but many need to determine who uses them and why. “So much of the quality work we do is data and analytics-driven,” Dr. May said. “We provide actionable information to floor nurses to improve care or to surgeons in the ER to impact their outcomes, and we track key metrics to help measure improvement.”

Third, hospitals and health systems need an infrastructure based on systems and collaboration. This means the quality department must focus on the right things. “In recent years, quality departments have turned more of their attention to completing reports that satisfy regulatory compliance requirements,” Dr. May said. “These teams may spend only 10 to 15 percent of their time on quality improvement.”

However, the quality department is only one element of this infrastructure. As Ms. Hunt noted, quality is a team sport. “Organizations also need participation from clinicians, front-line nurses, clinical documentation improvement, coding and more,” she said. “To achieve quality improvement goals, everyone must understand their role and work collaboratively.”

For example, having the right people in clinical documentation improvement roles is very important. Rather than simply engaging in concurrent coding, they must also look at records and analyze why the organization is spending significant resources on a subset of patients or why the length of a patient’s hospital stay is exceeding what’s expected for their diagnosis.

A commitment to quality comes from the top down

When driving quality, C-suite leaders must be active and visible daily. They need to be out on the floors talking with staff to understand barriers to quality and to underscore the importance of quality to the organization. Every conversation, even the financially focused ones, must link to quality.

“Nurses, physicians and employees follow the lead,” Dr. May said. “Without a consistent verbal and visual commitment to quality, team members will get pulled in different directions. Leaders must consistently reinforce a culture where quality is front and center daily.”

In organizations with a culture of high reliability, employees function in highly complex and risk-prone environments for extended periods without causing harm. The workforce becomes more mindful of risks and systems become more reliable. The result is improved patient safety and clinical outcomes, as well as an enhanced patient experience. High reliability organizations also perform better in value-based agreements.

Six Ways to Embed High Reliability Organization Principles into Your Operations

1. Develop leaders who are competent and capable to lead and manage based on high reliability principles.
2. Create learning cultures that promote mindfulness and accountability.
3. Implement management systems across the organization to proactively engage the workforce in improvements, as well as sustaining advancements.
4. Enhance workforce engagement and resiliency.
5. Focus resources on actions that accelerate goal achievement and sustainability.
6. Integrate clinical and outcomes data with culture and employee engagement data to identify new drivers and align teams with targeted solutions.

Change management is essential to long-term success

All too often, organizations assume that once they launch a quality improvement project, progress will occur automatically. Unfortunately, that's not usually the way things happen. Communication and change management are key for setting expectations about behavior.

It's important to identify all the players involved, educate them about their roles and articulate how the quality initiative fits into their existing workflows. Taking these steps will ensure that quality-related work doesn't place an additional burden on employees and ultimately improves the workforce experience.

"Everything must be mapped out so people understand what to do for goal improvement and when," Ms. Hunt said. "For example, with clinical documentation, CMS Star Ratings

require specific information about clinical conditions to be captured during index admissions to show risk adjustment. Doctors must be educated about how to document."

When implementing these initiatives, it's also important to narrow the focus of the work so staff are spending their time on the right tasks.

"Every hospital has a preoperative process, for example, and it's usually a mishmash of different people doing different things," Dr. May said. "Organizations need a more efficient way of handling quality-related work. With central line infections, for instance, we may want employees to focus on six specific actions. In this way, they don't waste valuable time on activities that don't add value."

Quality programs enhance the financial well-being of healthcare organizations

Despite the financial crises that many hospitals and health systems are facing, some leaders haven't paid attention to the significant economic benefits linked to quality improvement — on both the expense and revenue sides.

"For a long time, hospitals were paid more for delivering low-quality care," Dr. May said. "Now with fundamental shifts in payment models, it's critical for organizations to understand how much poor-quality costs." Surgery is a financial lifeline for most hospitals, generating the greatest revenue and the highest margins. But complications can be costly because payers don't reimburse for that additional care.

Post-surgical complications can also increase a patient's length of stay. Studies have found that surgical site infections are typically associated with an additional **seven to 11 postoperative hospital days**. When length of stay increases, healthcare organizations can't fill medical-surgical beds with new, revenue-generating patients.

"It's very difficult to quantify the patients that a hospital missed out on caring for because they didn't have bed capacity," Ms. Hunt said. "In addition, the longer the length of stay, the higher the likelihood that a patient safety indicator will occur. It's all connected."

Vizient's process is based on decades of healthcare experience

As a provider-driven healthcare performance improvement company with more than 40 years of innovation and growth, Vizient is uniquely positioned to help healthcare organizations improve the quality of their care. Vizient serves more than 60% of acute care hospitals in the U.S.

"Our job is to offer our providers with as much support as they need, whether supplying information about quality

best practices or engaging in a quality transformation consulting project,” Dr. May said. “For decades, we have worked with hospitals of all sizes, from major academic medical centers to the smallest rural hospitals. When driving quality improvement, we understand the fastest path between where an organization is today and where it wants to be.”

Subject matter experts from the Vizient team have first-hand experience working in hospitals in both clinical and quality improvement roles. They understand the culture of healthcare and how to improve quality in that context. Ms. Hunt noted Vizient’s diverse team of doctors, nurses, hospital quality directors, coders and process engineers, as well as those with Lean Six Sigma Green and Black Belts.

The path to better care and financial resilience

Quality improvement efforts in healthcare require a unique combination of focused and broad thinking. Hospitals and health systems must narrow their focus and identify the

most important quality areas to address and then optimize their infrastructure to execute successfully. At the same time, quality initiatives must be all encompassing from an organizational perspective.

“It can’t just be the quality department,” Ms. Hunt said. “You need communication and commitment from the top down, as well as change management that proactively engages employees at all levels. These types of things will encourage people to show up differently. We’ve found that high reliability organizations focus on building a learning culture across departments that promotes mindfulness and accountability.”

As financial survival becomes a top priority for hospitals, many are recognizing that quality can be an important driver of financial health and that Vizient can help them achieve their goals.

“We understand what works in the hospital environment better than anyone else in the industry,” Dr. May said. “We have great analytics and unparalleled quality improvement experience. Our teams work together with clients, side by side, to connect the dots.”



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Vizient, Inc., the nation’s largest member-driven healthcare performance improvement company, serves more than 60% of the nation’s acute care providers, which includes 97% of the nation’s academic medical centers, and more than 25% of the non-acute care market. Vizient provides expertise, analytics and advisory services, as well as a contract portfolio that represents more than \$130 billion in annual purchasing volume. Vizient’s solutions and services improve the delivery of high-value care by aligning cost, quality and market performance. Headquartered in Irving, Texas, Vizient has offices throughout the United States. Learn more at www.vizientinc.com.