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Top Performing Health Care Organizations: What Drives Their Success

Overview of Eight Studies by Vizient

Consistency. Leadership. Results.

These are three powerful traits found in top-performing Vizient member health care organizations that participate in our annual <u>Quality and Accountability Ranking</u>, which measures annual performance across safety, mortality, effectiveness, efficiency, patient centeredness and equity using data from our Clinical Data Base®. These measurements correlate with those used by other annual national hospital rankings, including Leapfrog and the Overall Hospital Quality Star rating from the Centers for Medicare and Medicaid Services (CMS) however, Vizient's rankings use current patient outcomes data from all payors where the others use data that is often 2-4 years old and may not include all payors. Use of contemporary data makes Vizient's ranking a leading indicator of

Transparent data for reliable insight

The Vizient® Clinical Data Base (CDB) is the definitive health care analytics platform for performance improvement. CDB provides high-quality, accurate and such as mortality, length of stay, complications, readmission rates, resource utilization, and hospitalacquired conditions - that enable hospitals to benchmark against peers; identify, accelerate and sustain improvements; reduce variation; and expedite data collection to fulfill agency reporting requirements. Clinical benchmarking tools such as dashboards, simulation calculators, and templated and customizable reports enable you to quickly identify improvement opportunities and their potential impact.

overall quality and performance.

What Vizient's rankings have demonstrated is that many health care organizations can achieve high performance across multiple domains for a short period of time. However, sustaining those achievements year after year can often be elusive.

How can a health care organization maintain top performance, year after year after year? What factors impact continuous success? What metrics do they evaluate? How do they communicate about goals and objectives for the organization? How do they build and sustain an internal culture that enables this regular ranking among the best?

For the past 16 years, Vizient has conducted several studies of member academic medical centers to identify the unique characteristics of its top-performing organizations.

Vizient Studies

Our team conducted studies of member academic medical centers who participated in our annual Quality and Accountability study in 2005, 2010, 2012, 2013, 2014, 2015, 2018 and 2021.

The first of the studies sought to identify the key components

of top performing organizations. The studies from 2010 through 2018 explored specific facets of those key components, including performance improvement team structure, board involvement and governance, adoption of electronic health records (EHR) and the role and impact of the Chief Quality Officer. The most recent study,



conducted from 2019-2021, sought to uncover the consistent behaviors driving performance of these organizations that led to sustained top performance. Each study is detailed below.

2005 Original Study: Key Characteristics of Top Performers in Health Care Rankings

2005 was the first year that Vizient conducted its Quality and Accountability ranking of academic medical centers which measured annual performance across safety, mortality, effectiveness, efficiency and patient centeredness and equity using contemporary data from our Clinical Data Base®. Following publication of the ranking, these organizations were looking to learn what are key characteristics that are essential to drive top performance.

To address these questions, Vizient compared three top performing organizations with three mid-level ranking organizations and learned how leadership at the top-ranked organization leverages people and processes to establish a culture of excellence.

We chose to compare top-ranking organizations to mid-level organizations rather than the lowest quartile because many of our member academic medical centers at the time were regularly in the mid-level, and if they were able to move into the top-performing areas, may not have been able to sustain that level.

Vizient designed our original study to go beyond preconceived impressions and set out to dig into the granular details of organizational and cultural factors that distinguish top-performing academic medical centers in quality and safety from their peers.

The identified factors are reviewed in more detail here:

- 1. **Shared sense of purpose:** Hospital leaders continually articulate that patient care must be the focus, and decisions are made at all levels of the organization to reflect that. Leaders and staff from the top to the bottom are committed to develop a culture of continuous improvement. Service excellence is considered a priority, which results in high quality and safety care.
- 2. Leadership style: The CEO leading the organization is passionate about service, quality and safety, and has an authentic, hands-on style. Everyday events at the unit and department level and individual patient interactions are connected to the larger, guiding purpose through stories and rituals. This enables the goal-oriented and evidence-based communications. Governance structures and practices of alignment and consistency minimize conflict. The institution is led as an alliance between the executive leadership group and clinical department leaders or chairs. Goals are created collaboratively and with insights from all types of team members.
- 3. Accountability system for service, quality and safety: Prioritizing, developing measures and setting goals are centralized, and the tactics to improve those metrics are decentralized throughout the organization. The department chairs accept responsibility for quality and safety within their own departments. There is also accountability innovation, empowerment and redundancy at the unit level.
- 4. A focus on results: There is a relentless effort to improve, employing performance against external standards as a measure of success. The results are more important than navigating the approach to performance improvements. The organization focuses on systems and processes redesign as the keys to improvement. Technology is used as a supporting point, to accelerate improvement, not as the solution.
- 5. Collaboration: Collaboration characterizes the relationships between administration, physicians, nurses and other staff. The organization leaders at every level regularly recognize contributions of employees. Regardless of title or role, staff treat each other with respect and understand each employee is bringing critical knowledge when problem solving.

Each of these takes a commitment from every level of the organization, and a nucleus with all sectors of an organization circling around patient-centered care.



The study found that those organizations who were top ranked had a CEO who created an impactful leadership team, a coalition mindset and ongoing collaboration to focus on results. Organizations that were not able to reach that level of rankings lacked leadership that endorsed and supported senior leaders, struggled to focus on key priorities because of too many competing priorities and no coaching of staff at all levels.

2010 Study: Better Understanding of Necessary Capabilities to Accelerate Performance

In this study, Vizient set out to dive more deeply into the characteristics identified in the first study from 2005, with particular attention to academic medical centers that increased their performance in the Vizient Quality and Accountability rankings by at least 20 positions and had moved into the top 20, while also retaining that status for two years. For this study, we compared these groups who had rapidly moved into the top rankings with those who remained in the middle quartile of the annual rankings.

The findings reaffirmed the original study findings from 2005 and identified two new requirements of top performance.

In the first study, Vizient found that the CEO role and leadership approach was critical. This study reinforced the critical role of the CEO but expanded the scope of leadership. The role of leadership extended beyond the CEO to the other senior leaders that report to and surround the CEO. More than a single leader, leadership was not an individual but a strong leadership team: a coalition for collaboration that also included the role of the board.

The study also found an expansion of the importance of the role of quality and safety leadership. With the emergence of complex metrics and measurement, top performers identified individuals with subject matter expertise to preside over and facilitate the quality and safety agenda and achievement of goals. Capable quality leaders were endorsed and supported by senior leadership, focused on a manageable number of priorities and functioned as a coach and facilitator to support local activation.

This study began to build on the results of the 2005 study, providing enhanced information for Vizient to continue communicating with members and researching to learn more. The leadership, consistency and alignment from the first study continued to remain present with these additional insights.

2012 Study: Quality Structures and Operations

In 2012, we evaluated quality structures and operations within academic medical centers. We postulated that perhaps the dynamics, procedures, or leadership specifically within the quality group of an organization was a key differentiator of top performers. We specifically asked questions about the number of staff in the quality department, how the department was integrated into the organizational structure of the hospital and the staff expertise in it.

A total of 75 academic medical centers participated in a survey focused on the major functions of performance improvement, to help us drill down into whether or not the quality department dramatically impacted such improvements.

There were three notable findings:

- The majority of health care organizations that responded have multiple quality and safety functions organized under one leader
- A mixed model of centralized and decentralized functions was most common
- There was not a relationship between the number of staff in the performance improvement department and ranking in the Vizient Quality and Accountability ranking.

While the findings did not call out any innovative solutions for maintaining top performance, they did note the continued focus on patient care at all levels of the organization remains key, reinforcing the initial study's findings.

2013 Study: Role of Governance



In 2013, Vizient explored the role of governance in driving top performance at academic medical centers.

The study assessed 40 consensus-based standards from the American Hospital Association as potential drivers of top performance. CEOs from 58 academic medical center completed a survey to determine the organizational penetration of each of the standards. Each standard was individually assessed to determine impact on performance. Three were found to be statistically significant. The boards of high performers:

- Systematically define needs for expertise and recruit new board members to meet those needs. The boards included nurses as well as physicians
- Conduct regular formal education on metrics and measurement and the changing national health care landscape
- Review core governance processes (e.g., ongoing oversight of financial performance, CEO evaluation, etc.) regularly to identify ways to improve as a board These very specific attitudes and actions at the board leadership level directly correlated with top performing organizations identified in Vizient's Quality and Accountability ranking. This was further built upon with the 2019-2021 study exploring how, exactly, board leaders contribute to top-performing organizations.

2014 Study: Accountability Systems for Quality and Safety and Focus on Results

Since the 2010 and 2013 studies had affirmed key performance characteristics, in 2014, Vizient's research team pivoted to gather a deeper understanding of two characteristics of top performance from the original study: the accountability system for service quality and safety, and how organizations focus on results.

This study was observational; researchers evaluated the top 10 ranked academic medical centers. The behaviors and processes associated with the two characteristics were assessed through observation of the daily activities by the leaders and staff in these organizations.

These top performers demonstrated capability of accountability and a focus on results through:

Shared ownership: The representation of a shared sense of purpose beyond the CEO and the leadership team. Engagement goes from top to bottom and bottom to top. One example was seeing staff outside of leadership ranks welcome to attend and actively participating in the Clinical Executive Committee. We also observed physician-nurse unit teams sharing responsibility for results with humility and respect.

Measurement, evaluation and transparency: A universal understanding of goals and priorities could be demonstrably seen throughout the organization. Transparency about those goals, how they were developed and how they would be achieved created awareness and accountability. Simplified measures helped to create sustainability with cascading communications.

Front-line leader empowerment to own improvement and innovate: Staff shared accountability and responsibility for meeting organizational goals. Physician residents were involved in quality improvement activities, and staff collaborated to solve community challenges. Creating that sense of empowerment and collaboration to solve issues and use skills at an individual and unit level creates strong, positive ripple effects for patient care.

Each of these trends to share accountability, empower front-line staff at every level of the organization and support transparency and clarity with goals and priorities continued to support the findings from the 2005 study. Each additional piece of data helps provide a stronger roadmap for all health care organizations to follow.

2015 Study: EHR Strategies and Impact on Patient Outcomes

In 2015, members surfaced another inquiry about the drivers of top performance. The specific question was about whether EHR strategies influenced organizations' ability to be successful in achieving the best patient outcomes.



Vizient interviewed five top performer and five mid performer academic medical centers from that same year's Quality and Accountability ranking to identify key EHR optimization strategies that impact positive quality and accountability results. Having an EHR or a certain type of EHR was not found to be a factor on overall ranking. However, key findings in top performers included:

- Having a specific prioritization process for EHR optimization
- · Standardized forms, decision support rules and order sets rather than customized tools
- Structure to engage clinicians and dedicated physician involvement in prioritization, decision support and order sets

This study continued to shed light on the behaviors found in the 2005 study, including engaging clinicians in decision support and procedures, creating standardized expectations and using technology as a tool to help reach goals.

2018 Study: Chief Quality Officer Role

In 2018, members asked Vizient to evaluate the contemporary role of the Chief Quality Officer (CQO), as a lever to top performance. CQOs from 31 academic medical centers responded to our survey and while the results found the CQO is not a specific driver of top performance, it identified current characteristics of CQO's and expanded the understanding of their roles and responsibilities.

Of the academic medical centers that responded to the survey, 66% have combined the Chief Medical Officer (CMO) and CQO role; however, when the roles are combined there is still a distinct need for a leader to have oversight of quality operations. The CMO and CQO have different responsibilities and the combined role can blur and dilute the importance of each.

Most (over 60%) CQOs' report either to the CEO or CMO and have budgetary control for the quality department. They are engaged in the strategic planning process and facilitate the process of setting their organization's quality-related priorities. Vizient found that most CQO's use our organization's Quality and Accountability scorecard and ranking to direct organizational quality improvement efforts, and some use the Quality and Accountability scorecard performance in their annual goals.

Most common functions that report up to the senior-most quality executive include patient safety, clinical process improvement, infection control, data and analytics, accreditation and regulatory compliance and operational process improvement.

Skills reported by the majority of CQO's included:

- Communication and analytical skills, along with knowledge of high reliability and systems thinking
- Subject matter expertise in metrics, measurement and process and outcome impact
- Ability to engage clinicians on quality indicators and educate executives and board members
- Business management and financial skills—including understanding of health care financing and ability to demonstrate return-on-investment for quality initiatives
- Ability to develop a structure to scale system improvement efforts

These skills come directly into play in the key top-performing actions of cascading clear organizational goals, empowering front-line leaders to solve problems and instating processes focused on patient care.

2019-2021: Methodology and Approach to Discover Unique Behaviors of Top Performers

The most recent study explored the unique behaviors and practices of academic medical centers that have sustained top performance in the Vizient Quality and Accountability Study over a long period of time. This study

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sought to build upon the lessons learned from past studies and provide contemporary and relevant information for health care leaders in any type of health system. Strong organizational practices are generally enduring and transcend challenges; these systems, processes and behaviors are so ingrained into the culture they ensure top performance.

For this study, Vizient's team partnered with three "sustainers," i.e., top performers that had maintained their top ranking for between eight and 12 years of the last 15 years, including the most recent two years. As a comparison for the study, organizations that had been top performers between four and seven times in the past 15 years but had not maintained their status in the last two years were selected

We completed site visits and virtual interviews for both the sustainers and comparison sites, focusing on learning the nuances of leadership and management behaviors. Our team conducted interviews with executive leaders, key nursing staff, physician leaders and quality managers. In the sustainer cohort we also interviewed board members and staff.

This study methodology is modeled after the original study in 2005, using the

quantitative scoring and ranking methodology that includes:

- Efficiency: 10 percent
- Effectiveness: 20 percent
- Safety: 25 percent
- Equity:5 percent
- Mortality: 25 percent
- Patient-centeredness: 15 percent

These factors are developed into a composite scoring system that results in the annual Quality and Accountability ranking for each academic medical center.

First and foremost, the overall results from this study confirmed the original study findings from more than a decade ago, as well as amplified findings from subsequent studies.

The most consistent note of intel from this study was that leaders, physicians, managers and staff within organizations understand that achieving the best patient experience was top of mind each day and throughout every decision. While each sustainer health care organization varied in approach to execute consistency and alignment, the underpinnings to every system, process and behavior was a palpable intensity and focus to achieve the best patient experience for every patient, in every way.

The importance of senior leadership's involvement and communications as they interacted with organizational staff also was a demonstrated contributor to top ranking sustainability, specifically in the five following areas:

1. People (Leaders, Physicians and Staff): Everyone, from the boardroom to the bedside, are aligned and have a broad and deep understanding and appreciation of how vital each person (from top to bottom) is to solving problems and ensuring the best patient experience.

The sustainers focus on engaging and empowering everyone in the organization, executives, physicians, middle management as well as front line and all service and support areas. Together, they each play a vital role in organizational success. Everyone understands and feels accountable for their individual role in achieving top performance. Across the organization, staff have a deep level of understanding related to organizational goals and share a palpable level of intensity to work together and meet those coals.

Leaders are visible to staff and expectations are clearly defined and communicated. Leaders at all levels care about their teams and encourage them to be their best self for patients – if a team member cannot be their best self, the organization supports them to stay home and take care of themselves.



Nurses are highly respected by medical staff and staff are regularly recognized and celebrated.

Even hiring is woven into the mindset, as hires are based on cultural fit and both new hires and existing staff are invested in by providing problem-solving training.

In the comparison hospitals, the continuous intense, aligned and palpable focus and energy is missing. The sense of accountability across individuals and teams varies along with physician engagement. Physicians lack confidence and alignment with executives who set goals and make decisions driven by financials over clinical outcomes. The level of physician and nursing partnership is present in some units, but not pervasive across the organization. Expectations are not clear and communicated across all levels and standard approaches have not been consistently defined and supported. They are on a journey, but organizational and cultural transformation is immature, incomplete and variable.

2. Board Support: The board plays a strong role by assuming and creating accountability for advancing the quality and safety performance agenda.

The board at sustainer organizations share the palpable focus and energy on achieving the best care and patient experience. They are not afraid to get involved in the decisions affecting patient care and bring an energy to support organization decisions focused on stats beyond the financials. The board or a strong subcommittee is very knowledgeable about quality and safety and embrace their role in messaging, creating accountability and resolving problems. Board members are intimately aware of the current state of quality and safety and can articulate the difference between good and bad. The board understands the metrics and can speak to performance. They expect problem resolution and closure and understand in detail the actions required to positively impact outcomes. Board meeting agendas have quality as one of the top items usually ahead of financials and the board takes its role of accountability seriously.

At comparison hospitals, boards are kept at bay from senior leadership and operational concerns. They do not have robust quality performance transparency and are distracted with other activities such as credentialing. While there may be some enthusiasm, there is not alignment among board leaders about their role and actions. Comparison hospitals with newer board members are demonstrating a priority to increase board engagement in quality and safety. They are intentionally recruiting new members that understand the nuances of health care and who are initiating new activities such as rounding, asking questions and getting immersed in the quality and safety performance of the organization. Significant variation exists in the board member level of knowledge and involvement.

3. **Processes:** Clinical practice is grounded in transparent data and evidence-based practices to assure the very best patient care.

The organizational priorities and processes required to achieve success are well-defined. Communication about priorities and associated expectations are clearly communicated and cascaded to departments and individuals to create team and individual alignment and accountability. Performance is managed daily with rounding, huddles, just-in-time coaching and transparent data through management systems. Evidence-based practice is hardwired into daily operations. Staff hold each other accountable and coach each other and there is a clear priority of continuous improvement.

Because of the clear communication and understanding of expectations and best practices, individual staff members and teams are empowered to solve problems as they arise. Clinical training focused on how to solve problems "in the trenches" is a priority for these organizations. Innovation is occurring in real time at the unit and department level.

At comparison hospitals, there is intention to develop models that support management systems, however, there is inconsistent application of key strategies. There is variation in staff alignment and daily activities such as rounding, huddles, just-in-time coaching and data. Comparison hospitals have pockets of high performers, some innovation and some front-line problem-solving. The difference between the



sustainers and the comparisons hospitals is not in a lack of knowledge or understanding of the principles of high reliability and management systems but rather in the adoption, execution and commitment.

4. Decision Making: At all levels of the organization decisions are made based on delivering the best patient experience and staff empowerment.

For the sustainer organizations, there is a fundamental understanding throughout the organization that decisions are made with the best patient experience at the center. All leaders respect and support the process for organizational decisions and even when a decision is not what they would have chosen, they champion the decision and facilitate buy-in. Individual physician thoughts are not weighed more heavily than other staff feedback. Leaders at every level are expected to build support for decisions.

Nursing and physician leaders collaborate to prioritize opportunities and implement action plans with bidirectional mutual respect. In fact, staff are empowered to make independent decisions with the best interest of the patient in mind and can autonomously lead rapid improvement.

At comparison hospitals the structure and process for decision making is hierarchical and titles influence decisions. There are too many forums for debating decisions. Staff empowerment occurs when there is a focused organizational initiative or project and wains when the focus is removed. There are pockets of strong physician and nurse collaboration, but it is not engrained in organizational culture. Many decisions are financially focused.

5. Consistent Goals and Reliable Metrics: Goals are easy to understand and are measured and monitored daily/weekly/monthly to create alignment and accountability. Metrics are transparent to all levels of staff on a regular basis.

Sustainer organizations are focused and aligned on a "north star" and determined to achieve and sustain top performance. The metrics that matter, such as specific hospital acquired conditions not an aggregate rate, risk adjusted length of stay, readmission rate, can be drilled down to the provider and patient level is essential. Performance-to-goals is reviewed daily, weekly, monthly at the organization and department level. There is continuous reflection about how the individual department can impact the organization's overall performance. The organization does not dispute the data, but rather, uses it to gain insight and drive action. The organization sees themselves as a continuous learning and improving organization. The goals and metrics remain relatively consistent year-over-year. There is a collegial level of competition and humility to drive metric performance and benchmarks are welcomed. Everyone knows who has the best performance and strives to emulate them.

At comparison hospitals, in some cases, goals are almost all financially focused on avoiding penalties. These organizations lack a consistent north star, therefore organizational alignment and focus is jeopardized; there are many disparate metrics. There is variation in the level of understanding of organizational goals and many times, physicians are not involved in goal development and not aware. Goals are not visible, and not effectively cascaded. There is not clarity or alignment on how each department might contribute to the broader organizational success. Benchmarking and risk adjustments become a reason for debate and distraction versus an accelerator for improvement.

Leaders from the sustaining organizations shared that they are highly sensitive and aware of what is required to maintain top performance. They understand they must anticipate and be diligent in proactively identifying potential disruptors that may elevate new challenges and jeopardize their past success. Some of their concerns include:

• Maintaining a mindful and consistent culture through commitment, action and engagement at all levels: executive, middle management and workforce



- Effectively managing the rapid pace of organizational growth across a large multi-facility enterprise
- Recruiting and retaining the best people with growing challenges over the past two year. These leaders believe people are the drivers of their culture and critical to ongoing sustainability. Turnover at all levels disrupts intention and intensity of their performance excellence focus.

These findings highlight accountability and shared sense of purpose at every level of a sustainer organization. These organizations focus on a simple and consistent set of metrics, have board leadership closely involved, empower unit level and individual staff to solve problems and see high levels of collaboration without focus on titles. All roles are aligned, and decisions are supported.

This approach leads to high quality rankings, top performing safety, clear effectiveness and ongoing patient-centeredness.

Click to read the UCLA Health case study, "Collaboration, leadership and data improve patient care"

Conclusion

The Quality and Accountability studies have provided a deeper understanding of the factors that impact clinical and operational outcomes and those factors that are irrelevant. Each study provides insight on the specific area of focus and together they provide a body of knowledge regarding the drivers and influencers of top performing health care organizations. Interestingly, each study has continued to emphasize the key organizational focuses leading to consistent top rankings:

- Shared Purpose
- Leadership Style
- Accountability Systems
- Focus on Results
- Collaboration

Further, insights gathered pinpoint respect and close collaboration between physicians and nurses, transparency with board members and active support from them and focus on a few key metrics with robust communication throughout the organization.

Key areas of focus that are consistent across top performing academic medical centers:

- Learn together by participating in peer networks and access educational offerings to develop for emerging leaders.
- Use data to lead change. On average, top performers ran 9,400 <u>Vizient Clinical Data Base</u>® reports per year as compared with low performers at less than 2,800 per year.
- Participate in performance improvement collaborations, where organizations select key projects to drive performance, an average three to four times per year.

The lynchpin of each top-performing organization is its laser like focus on a quality patient experience.