

5 Steps to Successful Healthcare Continuous Improvement



Introduction

The Challenge

A central challenge for healthcare management teams as they position their organizations for strategic growth, competitive differentiation, and sustained financial health is how to employ continuous improvement processes to enhance performance, improve margins, and increase quality and accessibility of patient care.

Continuous improvement in healthcare requires a thorough evaluation of how an organization is performing, including a comprehensive view of performance analytics that provide insights into current and projected future operations.



The Goal

Effective continuous improvement requires leaders to have confidence that they are focusing attention in the right areas and measuring the right things with the right metrics. Doing so allows leaders to leverage data to understand performance and ensure accountability in the context of the organization's objectives.

It also allows them to understand and monitor:

- Overall organizational goals, performance expectations, and associated measures
- How goals are aligned and distributed across performance dimensions defined by the organization

For high-quality continuous improvement, leadership teams must manage performance across core strategic dimensions of the organization. Although the names may differ by organization, common dimensions typically include staffing efficiencies, readmission, length of stay (LOS), supply and services utilization, care quality, revenue, and others.

5 Steps to Successful Continuous Improvement

This e-book provides five key steps to help organizations successfully achieve continuous improvement goals and how to get started:

1



Prepare to manage performance in a changing environment

2



Align on end-game objectives and top opportunities

3



Foster a culture of embedded accountability and results expectations

4



Establish clear communication of objectives and well-developed feedback loops

5



Commit to progress monitoring with a comprehensive view of performance

Successfully achieving one, two, or even three of these steps is insufficient. Leaders will need to deliver on all five steps to achieve the desired results for their organizations.

1

Prepare to Manage Performance in a Changing Environment

A best-practice continuous improvement process integrates and operationalizes performance dimensions through defined targets, metrics, measures, or other key performance indicators. Clinical and administrative leaders should identify and develop these elements and implement them as part of a continuous improvement system. To build broad buy-in, leadership should champion use of this system by management and clinical teams to track the progress and impacts of improvement initiatives.

Leaders set continuous improvement goals in the context of the organization's strategic financial picture, typically over a three- to five-year horizon, as formulated in the integrated plan. Year 1 establishes performance targets for the current year's operating budget. Subsequent years form a more complete picture, with baseline financial projections that typically reveal performance gaps.

Leaders must close these gaps between projected results and target performance goals to understand the impacts of specific opportunities. This iterative process quantifies the implications of each opportunity or combination of opportunities, which enables executives to set an optimal initiative portfolio that constitutes a sustainable plan.



2

Align on End-Game Objectives and Top Opportunities

To ensure focus on the right opportunities and tactics to meet organizational objectives, cross-functional leaders should answer several questions, such as:

- Amid the many advancement and improvement opportunities, which deserve priority focus?
- How do we vet and quantify whether opportunities are attainable, sustainable, and realistic?
- How do we make sure the right people are involved and execute initiatives related to those opportunities in a disciplined manner?

To achieve desired bottom-line results, improvement opportunities must be prioritized. These priorities should be reviewed on a regular basis and in a forum that holds initiative owners and stakeholders accountable for performance results.

Software systems can help organizations streamline identifying, prioritizing, approving, and monitoring performance improvement opportunities. For example, continuous improvement solutions can guide managers to input standard information needed to capture organizational objectives, define corrective actions, and set clear targets and metrics. They also can help quantify needed human and capital resources, expected benefits, and organizational impacts.

Standardizing how initiatives are defined establishes a level playing field for approvals, assessing priorities, and evaluating progress toward goals. Missing information, unrealistic or unsustainable goals, or lack of progress toward goals will be readily apparent and can be addressed in a timely manner. Importantly, the process also ensures that ownership and accountability relative to specific goals and metrics are assigned to the appropriate individuals.

Figure 1 –
New Initiative Form

New Initiative

* Name: Adult Total Knee Replacement W/O - Supplies - 10 - Northern Valley Medical Center

* Cost Leader: Dianna Abbey

* Owner: Marc Vaden

* Executive Sponsor: Aaron Hooper

* Tracking Start Month: January, 2024

Goal Statement:

Workstream: Supplies

Stakeholders:

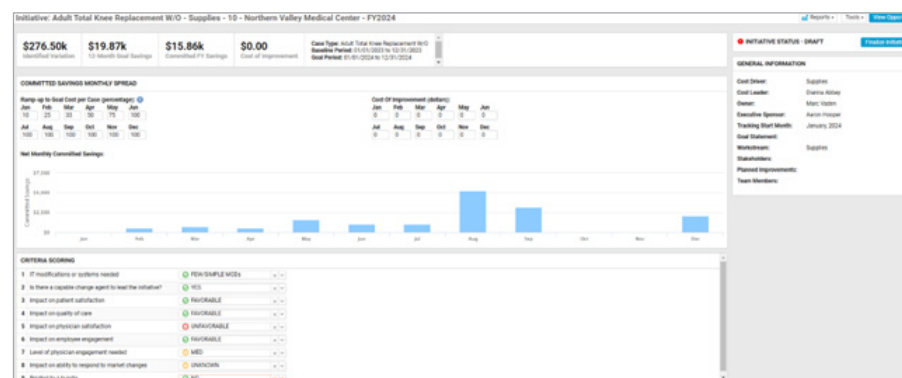
Planned Improvements:

Team Members:

Milestones:

1: Name	Due Date:
2: Name	MM/DD/YYYY
3: Name	MM/DD/YYYY
4: Name	MM/DD/YYYY
5: Name	MM/DD/YYYY

Cancel Create Initiative



3

Foster a Culture of Embedded Accountability and Results Expectations

At high-performing organizations, leaders create a culture that integrates ownership and accountability for performance results into routine processes. Such a culture supports continuous improvement and the change management that makes real progress possible.

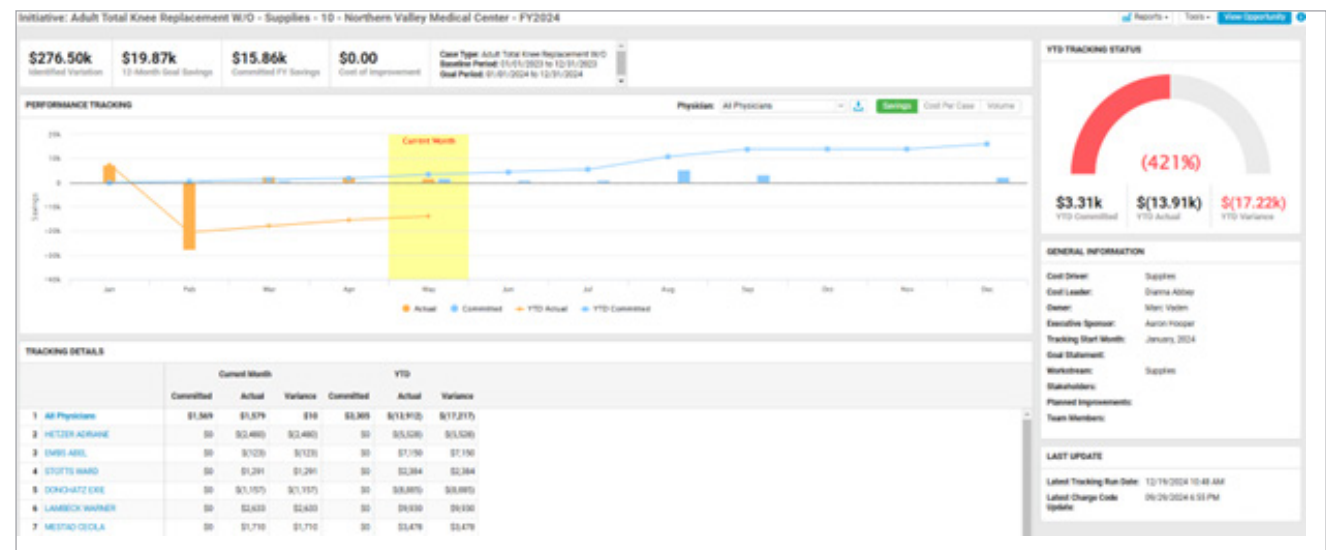
To ingrain accountability and results expectations in their organizations, leaders need to define:

- The objectives to be met in each organizational dimension
- Opportunities in place to meet the objectives
- Appropriate measures to gauge performance of opportunities
- Specific agreed-upon milestones and accountable individuals

Based on how each of these elements is defined, executives can measure performance and be agile in identifying variations from projected performance while devising and implementing plans to address those variations.

Successful leadership teams govern around explicit target metrics and have an expectation that executives and managers will consistently deliver expected results. All targets are monitored rigorously, based on the principle that what gets measured gets done.

Figure 2 – Monitor Progress to Ensure Accountability



4

Establish Clear Communication of Objectives and Well-Developed Feedback Loops

To further support accountability and transparency, healthcare leaders should make sure that information on organizational targets — as well as how teams are performing relative to those targets — is readily available and widely shared.

Communicating the status of goals and opportunities across various units and levels of management is essential. Communications can be tailored to specific audiences as necessary. They should tie the opportunities to employees' day-to-day activities and speak to why staff care about the improvements.

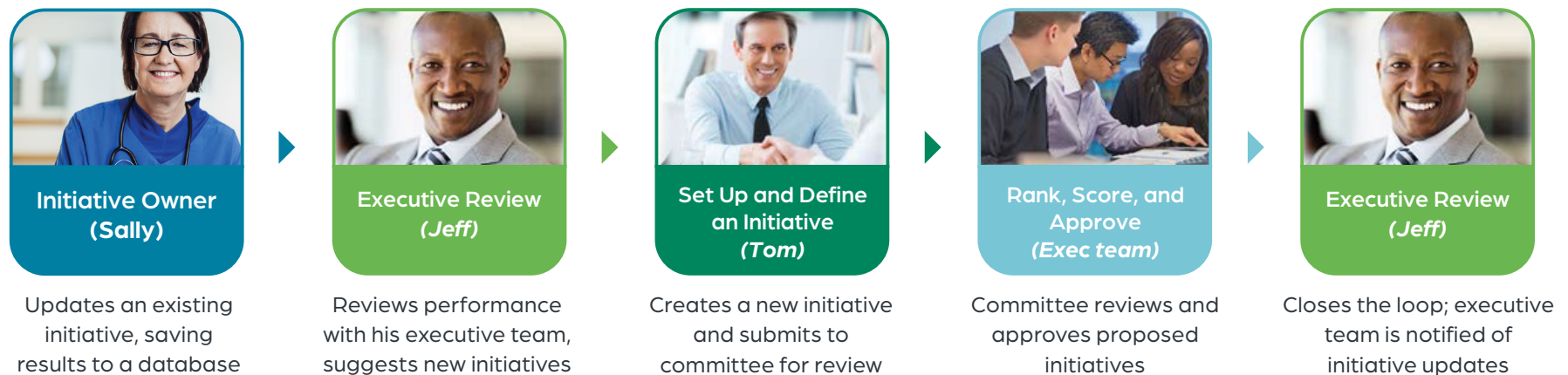
The goal is to provide a comprehensive view of the organization's current initiatives, including regular updates from project owners around milestones

and key measures relative to targets. This approach helps to connect the teams and individuals who are responsible for executing initiatives to broader organizational objectives.

Consistent and clear management and communication of opportunities help ensure a well-developed feedback loop. Questions such as who is accountable for specific targets or goals, whether goals are being met, and what execution risks exist can be quickly and easily answered.

Ongoing collaboration in managing milestones and monitoring results within the context of organizational objectives builds commitment to continuous improvement.

Figure 3 – Implement an Ongoing Review Process



5

Commit to Progress Monitoring with a Comprehensive View of Performance

A final step in establishing effective continuous improvement efforts relates to ensuring organizations can take action on the information shared via routine communications and performance monitoring. Leaders should be able to use this information to drill into the data, compare performance to targets, and identify areas where opportunity savings are not meeting expectations. If an initiative is underperforming, logical follow-up questions are: Who owns that project? What is the plan to improve the trajectory?

Narrowing the number of metrics tracked for each opportunity to a manageable number is key. Five to eight metrics typically is ideal, as opposed to the several hundred often tracked. Having too many metrics is distracting and inhibits management's focus on what really matters.

Leaders should define a cascading set of metrics which then flows to function-specific or department-level metrics, as needed. Cascading metrics enable leaders and managers at all levels to stay focused on the core metrics that they can influence.

Having all the information accessible to leaders through one centralized system enables sustainable progress monitoring across the organization.

Figure 4 – Executive Dashboard



Conclusion



Fostering a results-oriented culture, clearly defining objectives and improvement opportunities, and monitoring and communicating progress organization wide help ensure successful continuous improvement initiatives.

Organizations need processes and supporting tools that provide participants with feedback as they answer the following questions:

- What do we want to achieve?
- How do we get there?
- Are we on track?
- Where can we improve?

As illustrated in the graph to the left, the strategize-plan-monitor-analyze process required to answer these questions is an ongoing cycle. Leadership teams that use this process and that are equipped with the right planning and analytic tools can align and execute effective continuous improvement strategies for their organizations that foster tangible results.



About Strata Decision Technology

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