

Performance Measurement Tips that Help Improve Quality of Care

By Margie Satinsky, M.B.A.

Given the many existing national and state laws and regulations that impact the health care environment, as well as anticipated future changes, there's a tendency to lump all aspects of performance measurement into the broad category of "governmental nuisance." We prefer a positive approach where medical practices take a hard look at quality of care, establish both clear goals and indicators and use performance measurement to close the gap between desired and actual outcomes.

In our experience as a practice management consultancy, four obstacles deter practices from embracing performance measurement. The first is absence of goals. The second is lack of insight on what to measure to achieve stated goals. The third is lack of information about the current state of affairs, not necessarily because the data isn't available, but because of lack of knowledge regarding accessing the information. The fourth obstacle is practice size. In small practice settings, the individual responsible for performance measurement usually has multiple responsibilities, while larger organizations have entire departments.

Our goal in this article is to increase awareness of opportunities to use performance measurement to improve quality of care. We'll define both quality and quality improvement, provide suggestions on topics to be measured and list action steps that your practice can take to get started.

Definitions

The Institute of Medicine (IOM) defines quality as "the degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge" (Lohr, 1990). Going a step further, in 2001 the IOM said, "Americans should be able to count on receiving care that meets their needs and is based on the best scientific knowledge" (*Crossing the Quality Chasm. A New Health System for the 21st Century*). Quality is the difference between care that is given now and the care that could be delivered given what we already know.

Where does quality improvement fit into the picture? It's the method by which we close the gap between the current and desirable state(s), using measurement before, during and after to track changes and results.

Measurement and Quality Improvement

If measurement is the key to understanding current status and improvements, what should you measure? A good place to start is the five pillars of excellence identified by Quint Studor, author of *Hardwiring Excellence*: (1) service; (2) people; (3) operational components of quality; (4) growth and (5) finance.

Here are suggested measurements for each.



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- 1) Service:** patient satisfaction, telephone service, patient and other provider complaints
- 2) People:** physician staffing appropriate to practice growth; formal processes for employee recruitment, retention and termination; and employee utilization
- 3) Operational components of quality:** charting completion on a timely basis; percentage of providers meeting meaningful-use targets; and service recovery effectiveness and incident-related problem resolution
- 4) Practice Growth:** growth of total organizational workload, new patient revenue and net revenue from all sources
- 5) Finance:** pre-provider cost-to-revenue ratio compared with specialty-specific standards; effectiveness of net accounts receivable; self-pay net collection rate; and claims denial rate

Action Steps

If you are ready to move forward, here are seven steps to take in the suggested order.

- 1) Make an organizational commitment to excellence, using performance measurement to improve quality of care. Commitment starts at the top with practice ownership.
- 2) Designate a qualified individual with responsibility: Depending on the size of the practice, identify one or more individuals within or outside the organization to lead the effort.
- 3) Take an objective look at your practice, using a structured practice assessment questionnaire.
- 4) Identify the aspects of your practice that you plan to measure. Use the suggestions in the previous section as a starting point.
- 5) Establish quantitative measures as well as the sources of information.
- 6) Collect the data, analyze it and organize the results into a format that is comprehensible to all.
- 7) Develop a scoring system that works for you. There's no right way. Consider assigning percentage scores for different levels of achievement. For example, if you were measuring patient satisfaction, you might have score ranges that correlate with 50, 75, 90 and 100 percent achievement of the goal.
- 8) Organize the findings and share them with the workforce.
- 9) Bring ownership of the effort to the entire workforce by incorporating financial incentives into a bonus system.
- 10) Keep a close eye on the project once it's up and running.

The ball is in your court.

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