FAIRVIEW

Fairview Health Services
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Chair of the Board of Overseers for
the Malcolm Baldrige National Quality Award
before the Committee on Veterans' Affairs of
the United States House of Representatives

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I appreciate the opportunity to speak to you today both on behalf of Fairview Health Services, an integrated, academic health system based in Minneapolis, Minnesota serving more than 600,000 people each year, and the Malcolm Baldrige National Quality Award, the world's leading performance excellence criteria created by an act of Congress 25 years ago to improve America's performance and its competitive standing in the world.

I myself am honored to be a veteran of the United States Air Force. That background gives me an enhanced interest on the topic under consideration today. I also bring my perspective from nearly 30 years of health care administration experience. I've worked in a variety of private health care systems in rural, suburban and urban markets. Based on this diverse background, I would suggest that while the issues faced by the VA today are significant, they present you with a problem similar in nature to the issues each of our systems are facing. Specifically, how do we increase access and quality in light of limited resources? Like my health system and others in the country, Congress is wrestling with how to deliver the care our veterans deserve without breaking the bank.

As the American Hospital Association has suggested, health care needs are unique and health care needs to be tailored to the individual. However, the processes by which we can improve

clinical outcomes are not unique. The challenge, I would suggest, is to find proven improvement methodologies that cross care settings that can benefit any health organization, including the VA.

Malcolm Baldrige Performance Excellence Program

To this end, we are fortunate in the United States to have the world's finest process to address these issues. The Malcolm Baldrige Performance Excellence Program, located at the National Institute of Standards and Technology in the Department of Commerce, is a public-private partnership that defines, promotes and recognizes performance excellence in U.S. organizations. Some organizations choose to pursue the actual Baldrige Award, which carries the Presidential seal, and award recipients then share their best practices with others. Best of all, the program is up and running and available to help right now at no additional cost to the VA.

The program initially revolutionized manufacturing in the United States, and it is now having the same effect on health care. In 38 hospitals that were Baldrige award finalists, the overall risk-adjusted mortality rate was 7.57 percent lower, the patient safety index was 8.17 percent better, and risk-adjusted complications index was 1.3 percent better than in 3,000 peer hospitals.

Using a simple extrapolation, a comparable improvement in mortality for all U.S. hospitals would save more than 54,000 lives and 1.78 billion dollars in health care costs annually.

Results achieved by Baldrige Award recipients include the following:

Health Care Outcomes and Patient Safety

- 24 percent reduction in risk-adjusted mortality rate over 3 years (Advocate Good Samaritan Hospital, Indiana); 23 percent reduction in overall mortality rate over 2 years (Heartland Health, Missouri); 25 percent reduction in overall mortality rate over 5 years (Robert Wood Johnson University Hospital Hamilton, New Jersey); and 20 percent reduction in overall mortality rate over 2 years (Bronson Methodist Hospital, Michigan)
- 33 percent reduction in harm events per 1,000 patients over 3 years through a "zero-defect, no-excuses" approach to health care outcomes (Henry Ford Health System, Michigan)

- 1 percent or better hospital-acquired infection rate over 3 years (Schneck Medical Center, Indiana); zero central-line-associated blood stream infections since 2010 and zero catheter-associated urinary tract infections and adverse events involving incompatible blood since 2008 (Sutter Davis Hospital, California); No central line-associated blood stream infections in the intensive care unit for two years (North Mississippi Medical Center)

Patient Satisfaction

- Top 10 percent nationally for patient satisfaction and engagement as defined by the Hospital Consumer Assessment of Healthcare Provider and Systems (HCAHPS), as well as a four-year record of meeting CMS benchmarks for overall hospital ratings of and measures of customers' willingness to recommend the hospital to others. (Sutter Davis Hospital)
- 725 percent improvement in medical-group patient satisfaction with urgent care and 100 percent improvement in overall medical-group patient satisfaction over 5 years (Sharp HealthCare, California)
- Weighted patient satisfaction results at or above the Press Ganey Associates 90th percentile since 2008 (North Mississippi Health System)
- Better-than-top-decile patient satisfaction ratings for outpatient, emergency, ambulatory surgery, and convenient care (Advocate Good Samaritan Hospital, Illinois)

Efficiency and Cost Reduction

- Decrease in Emergency Department average door-to-doctor time from 45 minutes in 2008 to 22 minutes in 2012, well below the California benchmark of 58 minutes. (Sutter Davis Hospital)
- Best 25 percent in the state for adjusted cost per discharge (Sutter Davis Hospital, California)
- Decreases of 50 percent in costly emergency room and urgent care visits, 65 percent in specialty care, 36 percent in primary care visits, and 54 percent in hospital admissions due to increased same-day access to care (SouthCentral Foundation, Alaska)

- Despite its location in what has been called "the nation's epicenter of poverty," the only health care organization in Mississippi or Alabama with a Standard & Poor's (S&P) AA credit rating, which it has held for the past 18 years. (North Mississippi Health System)
- Average charge $2,000 lower than that of its main competitor and $7,000 lower than the average charge in the metropolitan area, while achieving a profit per discharge higher than the top 10 percent of U.S. hospitals (Poudre Valley Health System, now University of Colorado Health)
- Nearly 28 percent overall improvement in length of stay over 3 years (Poudre Valley Health System); nearly 16 percent overall improvement in length of stay over 4 years (AtlantiCare)

Workforce Engagement

- Employee satisfaction and engagement scores that are better than the top 10 percent in a national survey database. (Sutter Davis Hospital)
- Employee retention rate at or above 90 percent since fiscal year 2009, exceeding the Bureau of Labor Statistics' benchmark for health care organizations by 10 percent. (North Mississippi Health System)
- A culture that emphasizes "people first" among its critical success factors. Based on a "servant-leadership" philosophy, managers model the organization's values and build trust with employees, sustaining an empowered, accountable, and high-performing workforce. (North Mississippi Health System)
- Ranking in the national top 10 percent of similar organizations for physician loyalty; names on of the "Top 100 Best Places to Work" (Poudre Valley Health System, now University of Colorado Health)
- Clinical Integration Program that rewards physicians for achieving superior clinical, service, and efficiency outcomes (Advocate Good Samaritan Hospital, Illinois)
- Nearly 47 percent improvement in physician satisfaction over 3 years (AtlantiCare, New Jersey); 20 percent improvement over 2 years (Bronson Methodist Hospital); 99 percent overall physician satisfaction (North Mississippi Medical Center)
- Decreases in employee vacancy rates: 68 percent decrease over 3 years (Robert Wood Johnson University Hospital Hamilton); nearly 31 percent decrease over 2 years (North

Mississippi Medical Center); 34 percent decrease over 5 years (Mercy Health System); 33 percent decrease over 4 years (AtlantiCare, New Jersey)

As a recipient of the Baldrige Award at a previous organization, I experienced first-hand the power of the Baldrige Performance Excellence Program. Using the program as an improvement roadmap, we improved patient satisfaction for ten straight years. Our risk adjusted mortality rate improved to rank among the top 10 percent nationally. Additionally, by improving staff motivation and empowering the staff to be innovative we were able to decrease employee turnover from 25 percent to less than 5 percent, and we achieved national rankings in the top 10 percent for physician loyalty. While driving these improvements, we also created efficiencies, freeing up resources to further reinvest in our clinical care and services.

This process works and is instantly available. It works because it engages physicians, nurses and other staff in identifying improvement opportunities and then engages them in duplicating best practices so each and every patient we serve receives the best possible care. Best practices can come from within our organization or from others in the industry.

What Providers Can Learn from One Another: Examples from Fairview Health Services

On the national level, health care providers have much to learn from one another. In fact, the VA has, in the past, lead the industry in identifying and sharing best practice research. The precursor to the National Surgical Quality Improvement Program, the nation's leading surgical best practice improvement program, came from VA research and best practice sharing. I know that the American Hospital Association and organizations like mine throughout the country stand ready to help revitalize this process and lend any assistance we can as we search for leading-edge ideas on how to improve quality and access while reducing costs.

These processes have also helped us at Fairview Health Services, where we annually have more than 5.8 million outpatient encounters, 1.5 million clinic visits, 72,000 inpatient admissions and 9,000 births. And we continue to driving many quality improvements from which I believe other organizations can learn. Some examples:

- In just one of our Emergency Departments, the care team cut the average time spent waiting between registration and seeing the doctor by more than half—from 58 minutes to less than 28 minutes.
- In May 2010, we launched an ambitious effort to change how we deliver primary care to improve quality outcomes and the patient experience while reducing the total cost of care. By more fully leveraging the multidisciplinary team and the date now available to us through the electronic health record, we've moved the dial on all three metrics. In fact, just this week 32 of our clinics were recognized statewide for clinical quality results.
- A Tel-Assurance program that has been in place less than a year has already has helped cut in half the 30-day hospital readmission rate for participating patients compared to a baseline population—from 13 percent to 6.5 percent. The program was initially launched for select patient populations, and we're now spreading it to others.
- To meet the needs of adult patients with complex, chronic conditions who have physical, psychological or social barriers that make leaving their home challenging, we recently expanded our Complex Care Clinic to provide more home-base care. We found that meeting with patients in their homes does more than provide them access. It provides an opportunity to more rapidly build relationships and trust and to identify barriers to their health and well-being that may not be readily evident in the clinic setting.
- A multidisciplinary team at Fairview believed reducing injuries to mothers and babies during delivery was a worthy mission and set out in 2008 to reduce those injuries to zero—and they are making great progress. For example, birth injuries at our children's hospital were already rare, but this work reduced them by another 70 percent. Our work to drive birth injuries to zero is often cited as a national best practice.
- To specifically better meet the needs of the seniors we care for, we are bringing more health care directly into our senior resident communities. Services include mobile X-rays and fracture casting, in-house vision and hearing check-ups and online medical record services accessible by residents and their families. We're learning that one person's convenience is another person's lifesaver.

I share these examples to emphasize that health care organizations can achieve dramatic improvements when we identify improvement opportunities—both small and large, take steps to

address the opportunities, measure the results and then spread what works. I also share them to reinforce that health systems across the country are driving improvements and that providers have a lot to share and learn from another. That's what methodologies like the Baldrige Performance Excellence Program teach us. We are fortunate to have such a resource available to us, and I hope more health care organizations take advantage of what it can do to improve care and reduce costs.

The United States Congress expects people like me to find ways to deliver even higher quality care while further reducing costs. And, you are right to do so. By using proven methodologies and sharing best practices across the industry, our nation's health care system can improve and better serve the people who count on us each day to care for them and their loved ones.