

HIMT 2200 Midterm Exam

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HIMT 2200: Performance Improvement

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The highest award or recognition in performance excellence an organization can receive in the United States is the Malcolm Baldrige National Quality Award. Congress created this award in the 1980s and named it after Malcolm Baldrige, former Secretary of Commerce. Their goal was to give exemplar businesses recognition for their accomplishments and performance, share best practices, and set standards for assessing improvement. Congress also aimed to show the value of performance and quality excellence for competing in business. Awards are given annually in several business categories, including healthcare. To receive the Baldrige Award, an organization must demonstrate specific criteria. It must be a role model for having an exemplar organizational management system that establishes perpetual improvement in providing services. It should operate effectively and efficiently and respond to customers and engage them. An organization can use the criteria for this award as guidelines to improve its performance. The Malcolm Baldrige National Quality Award utilizes standards for selection from seven categories: Strategic Planning; Leadership; Customer Focus; Measurement, Analysis, and Knowledge Management; Operations Focus; Workforce Focus; and Results (*MSQPC*, n.d.).

Only the most exemplar organizations win a Malcolm Baldrige National Quality Award. However, regardless of type and size, all healthcare organizations can use the criteria as a framework to improve their operations, quality of care, patient safety, outcomes for particular conditions, patient loyalty, staff satisfaction, community services, and revenue. The Baldrige Criteria are compatible with other groups' agendas, such as The Joint Commission (*NIST*, 2015), and any organization can adapt it to suit its needs. The criteria also encourage and enable organizations to be competitive and successfully reach goals (*NIST*, 2021).

Healthcare organizations can assess their status using the Baldrige framework, which has several dimensions to evaluate processes and results and discover strengths and deficits. Process evaluation utilizes approach, deployment, learning, integration. The first dimension, approach, reveals how an organization accomplishes its work and how effective and systematic its methods are. Secondly, deployment indicates how consistently an organization uses its methods in various areas. Next, learning shows how well an organization has improved and shared its methods and if innovation is present. Lastly, integration indicates how effectively an organization's methods express its organizational needs and how effectively its operations sync in different areas (*NIST*, 2021).

Results evaluation utilizes levels, trends, comparisons, and integration. The first dimension, levels, reveals how an organization performs on a measurement scale. Secondly, trends indicate if results continue to improve, stagnate, or worsen. Next, comparisons show how an organization performs concerning benchmarks and other organizations in the industry. Lastly, integration indicates if an organization tracks its significant results and uses them to make decisions (*NIST*, 2021).

CHI Memorial

Organizational Profile

CHI Memorial Health Initiatives is among the nation's largest Catholic health care systems, operating in 18 states and consisting of ten regions. It serves over four million people annually through facilities providing services along the entire continuum of care (*Catholic Health Initiatives*, 2018, p.1).

Leadership

CHI actively seeks potential expansions, acquisitions, mergers, relationships, partners, affiliations, and divestiture opportunities relevant to its strategic goals of maintaining, creating, and strengthening its networks in already existing and even new markets. CHI has recent acquisitions, realignments, and divestitures (*Catholic Health Initiatives*, 2018, p. 12). CHI established leadership teams that are experienced and strong. They have an excellent understanding of establishing and continuing management of relationships with partners (*Catholic Health Initiatives*, 2018, p. 44).

Strategy

CHI set goals in 2011 of diversified revenue, lowering costs, expanding medical access, and increasing revenue. (*Catholic Health Initiatives*, 2018, p. 5). CHI is currently carrying out two main initiatives. The first is to improve and perform better, and secondly, to establish a new ministry with Dignity Health (*Catholic Health Initiatives*, 2018, p. 6). CHI focuses on growing in already existing and even new markets (*Catholic Health Initiatives*, 2018, p. 12).

Customers

CHI tracks utilization statistics. These statistics include items such as acute admissions, acute inpatient days, inpatient and outpatient ER visits, inpatient and outpatient surgeries, and physician visits (*Catholic Health Initiatives*, 2018, p. 19). It also tracks and compares financial data by region and type of service (*Catholic Health Initiatives*, 2018, p. 20, 23)

Measurement, Analysis, and Knowledge Management

CHI has nine performance goals: service to the poor, employee engagement, physician satisfaction, quality, patient experience, safety, growth, transformation, and operating EBIDA. (*Catholic Health Initiatives*, 2018, p. 6). CHI focuses on performance improvement in several areas: revenue cycle, labor management, non-labor overhead, supply chain, organic growth, information technology, and the medical group enterprise. The goal was to establish efficiency, systems and processes standards, economies of scale, lowered costs and savings, improved growth and revenue, and consolidation of services (*Catholic Health Initiatives*, 2018, p. 6-7).

CHI uses several measures. CHI uses financial data as a tool for internal benchmarking from year to year (*Catholic Health Initiatives*, 2018, p. 2). It uses financial data as internal benchmarks to compare data from year to year.

Workforce Focus

CHI employed more than 3,900 providers and 91,089 employees in June 2018. CHI has a workforce needs of competitive salary and benefits packages and tracks and compares these items to the previous year. CHI offers employee matching for retirement savings plans. “CHI recorded 401(k) Savings Plan expense of \$54.0 million and \$55.7 million for the three months

ended June 30, 2018 and 2017, respectively, and \$218.8 million and \$224.2 million for the fiscal years ended June 30, 2018 and 2017, respectively” (*Catholic Health Initiatives*, 2018, p. 41-42).

Operations

CHI focuses on performance improvement in several areas: revenue cycle, labor management, non-labor overhead, supply chain, organic growth, information technology, and the medical group enterprise. The goal was to establish efficiency, systems and processes standards, economies of scale, lowered costs and savings, improved growth and revenue, and consolidation of services. CHI uses an operating model incorporating four areas which are philosophy, performance metrics, playbooks, and performance reviews (*Catholic Health Initiatives*, 2018, p. 6-7).

Results

CHI uses performance metrics to gauge accomplishment and performance reviews to track improvement (*Catholic Health Initiatives*, 2018, p. 6-7). Patient experience is a measure that would satisfy patients (*Catholic Health Initiatives*, 2018, p. 6). The number of employees and providers CHI has is one measure of workforce capability (*Catholic Health Initiatives*, 2018, p. 41-42). CHI’s recent acquisitions, realignments, and divestitures indicate strategy in action (*Catholic Health Initiatives*, 2018, p. 12). CHI’s facilities all have the required licenses and certifications to operate and for Medicaid and Medicare reimbursement. (*Catholic Health Initiatives*, 2018, p. 42).

Various data throughout the report are measures that would satisfy stakeholders and indicate financial and operational performance improvement. One example of such data is CHI

showing improvement by operating EBIDA in 2018 compared to 2017. The operating EBIDA before restructuring, impairment, and other losses are up to \$238.7 or a margin of 6.3% compared to \$224.1 or a margin of 5.9% in 2017 (*Catholic Health Initiatives*, 2018, p. 21).

Conclusion

CHI has a long and detailed Annual Report. However, it seems to be lacking some details that would benefit them for receiving a Malcolm Baldrige National Quality Award. The bulk of the report lists financial data, strategies, and goals. CHI wants to grow and have increased numbers of patients, but the report does not explain relationship management with customers. However, it demonstrates that it actively maintains and seeks opportunities for relationships for partners and acquisitions. CHI lists operations areas but minimally explains how it designs or improves them, if at all. The workforce is described with overall totals but does not break down their needs by different staff types and skills. Also, one of CHI's two primary initiatives is to "become a 'higher-performing' organization," but this initiative is too vague (*Catholic Health Initiatives*, 2018, p. 6). The report also did not mention environmental factors the health, safety, and security of its workforce. CHI could better utilize the Baldrige Criteria to continue evaluating and improving and become more customer-centered before applying for the Malcolm Baldrige National Quality Award.

References

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