Performance improvement

OR team helps to win Baldrige award

A 200-bed suburban New Jersey hospital received a 2004 Malcolm Baldrige National Quality Award July 20 at the White House.

Robert Wood Johnson (RWJ) University Hospital at Hamilton was 1 of 4 organizations to receive the prestigious award this year—and the only one in health care.

Only 3 other health care organizations have received the award—2 hospitals and a health system—since the program was established in 1987 to jumpstart the growing US quality movement. The award honors organizations that are role models for quality improvement.

The OR’s achievements, which contributed to winning the award, included reducing cost per case by $100 through reprocessing of single-use devices and switching group purchasing organizations (GPOs). Every employee is engaged in meeting the OR’s strategic objectives.

Deb Baehser, RN, MHSA, vice president of patient care services, says applying for the Baldrige award helped the hospital improve significantly while also being the fastest-growing hospital in New Jersey. The hospital has 9 ORs and performed 8,600 procedures in 2004.

“The Baldrige process is an evidence-based path to performance excellence and quality,” Baehser says. “It helped us sharpen our focus on service excellence and quality improvement in the total organization.”

Top-down, bottom-up management

The hospital’s strategic direction involves careful top-down, bottom-up alignment of initiatives and employee goals.

It begins with senior leadership’s commitment to service excellence and performance improvement, Baehser says. All strategic planning and quality improvement stem from the organization’s mission, vision, values, and 5 Pillars—factors the hospital deems critical to its success: people, service, quality, finance, and growth.

After senior leaders set the year’s strategic plan, objectives, and goals, department managers identify their staffs’ role in meeting them. Managers propose their departmental goals back to the senior leadership team, which ensures all organizational goals are assigned and departments have the resources they need.

“As a director, I love the clarity and structure that comes from aligning goals throughout the organization,” says OR director Barb Lee, RN, BS, CNOR.

Margin management

In 2004, the hospital set margin management—increasing revenue—for the OR as one of its strategic objectives.

A team made up of the hospital’s chief financial officer, Baehser, Lee, the assistant vice president of finance, the director of materials management, and a surgeon representative developed an approach to increase revenue and volume and decrease expenses.

“One reason margin management became a strategic objective for surgical services is because of competition from freestanding facilities,” Lee says.

To increase revenue, the assistant vice president of finance identified the top 10 procedures for volume and profit, most of which were in orthopedics. The team then devised strategies to increase orthopedic volume and met with orthopedic surgeons individually and as a group.

“We found out how we could better meet their needs for growth and enhance equipment and scheduling,” Baehser says.
Five orthopedic surgeons also presented a community seminar about total joint replacements at the hospital’s Center for Health and Wellness. More than 100 people attended.

**Tackling OR costs**

The team developed tactics to reduce the OR’s supply and equipment costs, achieving the goal of reducing the cost per procedure by $100. The tactics included:

- switching to a GPO that got them better pricing
- changing vendors and products for certain items and implementing a tracking system for instrument trays
- reprocessing single-use instruments through a third-party reprocessor, a company that resterilizes the items and returns them for reuse.

The reprocessing initiative saved almost $50,000 in 9 months, Lee says.

“We had to get buy-in from the surgeons before implementing the reprocessing initiative,” she notes. “We involved them early on, sharing literature and setting up information sessions with our vendor representative.”

The vendor representative also instructed the nursing staff about which items were appropriate to reprocess and how to prepare these items for the reprocessor.

Baehser explains that the Baldrige model provides a framework for this kind of improvement because it requires the hospital’s strategic objectives to be deployed from top to bottom.

“We had the chief financial officer sitting with us and driving the margin management initiative,” Baehser says. “Having him there showed our staff that this priority was key to our success.”

**Engage every employee**

Another key to success is involving employees in performance improvement.

“Employees have input into every aspect of planning,” Lee says. “In the OR, where we’re usually ‘behind closed doors,’ this is especially empowering to our managers and staff.”

The hospital has a tenet called E3 (Engage Every Employee) that incorporates staff input into setting and achieving departmental goals.

“Every employee in the hospital—all 1,700 of them—signs a commitment that aligns them to one of our 10 strategic objectives,” Baehser says.

For instance, in line with the OR’s strategic objective to reduce or maintain the budgeted cost per case, each OR employee’s E3 commitment was “frugal use of OR supplies and reprocessing.”

Each employee signs a card making this commitment. On one side are the hospital’s mission, vision, and values. On the other side, handwritten, are the organization’s top 5 organizational goals for the year, the OR’s strategic objective, and the employee’s E3 commitment. Lee and the OR employee sign the card, which goes in the plastic sleeve with the employee’s name badge.

**Taking initiative**

Several programs encourage employees to take initiative and be innovative.

One program is shared governance.

Nurses from each unit participate in shared governance, as do the infection control and materials management staff.

Two patient safety ideas that came from shared governance teams:

- Reduce hospital-acquired urinary tract infections from Foley catheters. The group performed a 6-month trial of silver-coated Foley catheters, which have been shown to reduce hospital-acquired urinary tract infections. In the trial, the infection rate dropped by 50%.

- Reduce blood culture contamination. The group changed the process of obtaining blood cultures, eliminating an intermediary transfer step. Now the blood cultures go directly from a yellow-top tube into a Microscan processing machine.

**Recognition and rewards**

RWJ-Hamilton expects employees to contribute to process improvement (PI)—
and rewards them for successes. Among the recognition programs:

- Employees are evaluated and awarded bonuses based on meeting their department’s PI goals. On a quarterly basis, employees receive up to 5% of their wages for that quarter, Baehser says.
- The hospital recognizes loyalty with salary increases and longevity benefits for nurses who have worked there for 20 or more years. Benefits include a flat increase in the hourly wage and no holiday or on-call commitments.
- Managers nominate employees weekly to receive a handwritten note at home from an executive. The note thanks them for a specific time when they delivered “excellence through service.” For instance, a unit secretary in same-day surgery received a note for her problem solving and follow-up when the hospital launched a new order-entry system.

“This means so much to my staff,” Lee says.

Employees are required to uphold and deliver the hospital’s 5-Star service standards:

- a sense of ownership
- commitment to customers
- commitment to co-workers
- courtesy and etiquette
- appearance
- communication
- privacy
- safety awareness.

These standards are used to hire, train, coach, and evaluate staff to achieve consistent, service-oriented behaviors, Baehser says.

The OR has a waiting list for RNs. The RN retention rate is 97.5%, the vacancy rate is 7.5%, and the turnover rate is 6.6%, Lee says.

**Communicating results**

The hospital relies heavily on information technology to support quality improvement initiatives. Computerized systems and web-based programs provide information to support decision making.

“Our hospital is a data-driven culture,” Baehser says. She notes that giving employees understandable data on key performance indicators is key to keeping them engaged.

Executives review a Balanced Scorecard dashboard based on the 5 Pillars weekly. The dashboard, with easy-to-read graphs, also is disseminated to all employees. Each quarter, executives present achievements for the 5 Pillars at employee forums on all shifts.

**Benchmarking and scoring**

Complaints are viewed as “gifts” to drive performance improvement, Baehser says.

The hospital collects data from patient satisfaction surveys. Nursing leaders also make daily rounds on all new admissions and call discharged patients to collect feedback. Patient comments are posted on the hospital’s Intranet as feedback for managers and staff.

The hospital benchmarks with organizations inside and outside of health care, including past Baldrige recipients such as SSM Health Care, St Luke’s Hospital of Kansas City, Ritz-Carlton Hotel Co, and Clarke American Checks, Inc.

“We also aggressively benchmark within the Robert Wood Johnson Healthcare System and network and seek comparative data within the health care industry,” Baehser says.

Despite being named by a Gallup survey in 2004 as having the best hospital, best nurses, and best technology in its market, RWJ-Hamilton is not about to slow down. Its motto is to raise the bar “to a higher standard” for all customer groups.

“Superior performance in market-share growth and customer satisfaction are a direct result of our Excellence through Leadership System, which continuously rais-
es the bar,” Baehser says. “This is a journey where we continue to learn. We never settle and think what we’re doing now is OK. We must keep raising our targets and goals.”

—Leslie Flowers

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