Outcomes-Based Leader Evaluation (LEM): A Valuable Tool for the Learning Organization

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Centura Health, Denver, Colorado

Presentation Objectives

• Know the difference between outcome-based leader evaluation and tactic-based leader evaluation
• Understand the difference between Leader Evaluation as a grading tool and Leader Evaluation as a learning tool.
• Appreciate the power of data derived from outcomes-based leader evaluation in determining, implementing, and monitoring effective, aligned, organization-wide strategies.
What is Centura Health?

- Centura Health is a large faith-based healthcare system in Colorado.
- Centura is the umbrella organization that provides corporate services and leadership to the CHI (Catholic Health Initiatives) and AHS (Adventist Health Systems) healthcare facilities on Colorado’s front range.
- Centura employs about 12,000 human beings
- Over 800 of the employees are “leaders”

What does Centura Health do?

- Provides comprehensive healthcare services through its ten acute care facilities in Frisco, Boulder, Denver, Parker, Colorado Springs, Pueblo and Canon City
- Provides Home Care and Hospice Services in these communities
- Has an extensive network of Senior Services in these communities
Every company needs goals.

We have division goals, department goals, district goals, personal goals and affiliate goals.
YOU WILL ALL ATTEND A FOUR-HOUR TRAINING SESSION ON HOW TO WRITE GOALS.

EVERY COMPANY NEEDS GOALS.
WE HAVE EDUCATION GOALS, DEPARTMENTAL GOALS, INDIVIDUAL GOALS AND ETHICAL GOALS.

EVERY WEEK YOU WILL REPORT ON HOW YOU ARE DOING COMPARED TO YOUR GOALS.

YOU WILL ALL ATTEND A BI-MONTHLY MEETING TO REVIEW HOW WE ARE DOING.
THOSE REPORTS WILL BE ENTERED INTO A GIANT DATABASE.

WON'T THE SIZE AND COMPLEXITY OF THE DATABASE MAKE IT IMPOSSIBLE TO KNOW WHAT'S REALLY HAPPENING?
What's Right in Health Care

Yes, that's why your raises will be based on what you look like.

- EVERY COMPANY NEEDS GOALS
- WE HAVE EVIDENCE SHOWING SAVINGS AND IMPROVEMENTS ATTAINED BY REACHING OUR GOALS
- WHAT IS IMPORTANT IS HOW SUCCESSFUL YOU ARE AT YOUR WORK
- YOU WILL BE ATTENDING FRONT-TO-FRONT TRAINING TO IMPROVE YOUR ABILITY TO MEET THE GOALS
- EVERY LEADER YOU WORK FOR WILL BE SITTING AT THE TABLE

bummer, for you.

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Getting Started

- Had been working towards a balanced approach to system effectiveness for several years
- In spite of concentrated efforts to create positive change, our metrics were flat
- We engaged the Studer Group in 2006 because we believed that they could help give “legs” to the work we were doing
- Outcomes based leadership evaluation is a key tactic for moving the dials
Leadership Evaluation

- Tactics based
  - Focus is on:
    - Process
    - Programs

- Outcomes based
  - Focus is on:
    - Results

Results in all Pillars

- Quality
- Service
- Cost
- People
- Growth
- Community

Continuity: Improvement
Vision and Values
Mission and Heritage
Superior Patient Experience
Partner of Choice
Excellence in extending the healing ministry of Christ
Leader Evaluation Manager℠ (LEM)

- Software program that allows a systematic way to establish and monitor achievement of strategically aligned goals
- Commonly referred to as the “LEM”
## 90 Day Plan

<table>
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<th>Yearly Goal</th>
<th>Action Steps</th>
<th>Manage Up</th>
<th>Results</th>
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<tr>
<td>10% Improve the delivery of quality patient care measured by an increase in Acute Myocardial Infarction, Infection, and Heart Failure core measure bundle scores for Centura based on quarterly bundle percentages.</td>
<td>1. Implement care bundle for Infection</td>
<td>2nd Quarter Action Steps</td>
<td>1 completed</td>
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<td>10% Improve the delivery of quality patient care measured by an increase in Acute Myocardial Infarction, Infection, and Heart Failure core measure bundle scores for Centura based on quarterly bundle percentages.</td>
<td>2. Participate as an active member of PPH's DBP Committee</td>
<td>2nd Quarter Action Steps</td>
<td>1 completed</td>
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## Monthly Report Card

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What’s Right in Health Care | Evidence to Outcomes

What’s Right in Health Care | Evidence to Outcomes
Decisions we made...

- What organizational goals will we align to?
- What are the targets? i.e., How will we know when a goal has been achieved?
- Who will participate?
- How will new leaders learn about the LEM?
- What data will be used to populate the LEM?
- What goals should be required?
- How will achievement of goals be connected to pay?

Challenges

- Compliance
- Orienting new leaders to system
- Selecting tactics instead of goals
- No interface to our employee database
- Executive Incentive plans not aligned with LEM outcomes
- Understanding that a Rating of “3” means GOOD!
- Owning overarching goals when leader only has influence vs. direct control
- Consistency
Why LEM as a Learning Tool?

• LEM is a living document not an event
• LEM is objective
• LEM produces data
• LEM data tells a story
  – About the leader and
  – About the organization

LEM Goal Data Base Fields

• Department
• Division
• Facility Type
• Last Name
• First name
• Job Type
• Executive Type
• Pillar
• Goal
• Goal Type
• Goal Weight
### Job Types

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<tr>
<th>Exec/Admin</th>
<th>Support</th>
<th>Clinical</th>
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<td>- O's &amp; VP's</td>
<td>- Registration</td>
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<td>- Pharmacy</td>
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<td>- EVS</td>
<td>- Health at Home</td>
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<td>- Rehab</td>
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<td></td>
<td>- Nursing Units</td>
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<td></td>
<td>- Foundation</td>
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### Strategic Focus

1. Physician Alignment
2. CMS Bundle Scores
3. Patient Satisfaction (HCAHPS)
4. Associate Satisfaction
5. Financial Performance
   - EBITDA
   - Expense
   - Productivity
   - Growth
Goal Types

- Accreditation/JCAHO/Compliance
- Assoc Satisfaction
- CMS Bundle/ Clinical Outcomes
- Community Budget
- Community Board
- Community Participation
- Community Perception
- EBITDA/Margin
- Expense
- Fund Raising
- Interdepartmental Satisfaction
- Physician Credentials
- Physician Satisfaction
- Process/Process Imp./Training
- Productivity/Staffing/Agency
- Pr/Res/Client/Customer Satisfaction
- Revenue/Collections
- Safety
- TAT
- Turnover
- Volume/Growth

The Normal Look at Organizational Effort

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<th>Goal Type Reclass</th>
<th>Count</th>
<th>% of Goals</th>
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<td>655</td>
<td>17.91%</td>
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Executive Effort Placement by Goal Type

Executive Effort Placement by Strategic Emphasis
Combined Executive Effort by Strategic Emphasis

Job Types

- Exec/Admin
  - O's & VP's
  - HIM
  - Volunteers

- Support
  - Registration
  - Nut. Services
  - EVS
  - HIM
  - Volunteers

- Clinical
  - Cancer Center
  - Quality
  - Health at Home
  - Clinical/nursing education
  - Physicians
  - Oncology
  - Pt. Education
  - Nursing Units

- Ancillary
  - Pharmacy
  - Lab
  - Imaging
  - Rehab
  - Pulmonary
  - Cardiology

- Infrastructure
  - Supply chain
  - Finance
  - Billing
  - HR
  - Facilities
  - Gift Shop
  - Foundation
  - Marketing
  - IT
  - Medical Staff Svcs
Conclusions

- Effort tends to be focused on what we control, not what we can influence
- Number of leaders choosing a given goal is not an indication of the effort that will be expended towards attaining that goal
- Goal alignment among executives cannot be assumed
Try not. Do, or do not. There is no 'try.'

The “Learning Organization” . . .
How well do we know ourselves?

• Are individual intentions aligned with organizational intentions?

• Is our effort aligned towards the same outcomes?

• It’s not how well we are doing, it’s how well we’re doing on the right stuff!
LEARNING . . .

is what fills the space between where you are . . . .

and where you want to be!

Lessons Learned

- Educate the Board: align goals and incentives
- Targets must be meaningful and achievable
- Goal setting process must start at top and cascade down to ensure alignment and focus
- Data must be accessible and consistent
- Use more pre-populated goal templates
- Be clear about philosophy when designing
- Reporting outcomes in multiple ways reduces compliance
- A LEM or “LEM-like” tool provides a powerful and necessary infrastructure for achieving goals
Next Steps

- Educate Board
- Establish meaningful targets
- “Connect the Dots” Education on how each employee group can influence strategic targets
- Build more pre-populated templates
- Start goal selection process with Corporate CEO and cascade down
- Audit to ensure weights reflect strategic direction
- Automate data mining
- Use LEM as primary dashboard for monitoring
- Tie incentives to LEM
Thank You!

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(303) 804-8169

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