

BOX BUTTE GENERAL HOSPITAL

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TOPIC: THE BALANCED SCORECARD

CRITERIA 1: Leadership and Planning

CRITERIA 2: Community

CRITERIA 3: Process Management

Overview: Box Butte General Hospital is a Joint Commission accredited 25 bed Critical Access Hospital long dedicated to providing primary care to the residents of the central Nebraska Panhandle and to others who visit here.

As our 30th Anniversary celebration approaches, we are excited to share with you our commitment to and plan for improving performance, quality and safety within our organization and to the community as a whole, through partnership development with our employees, medical staff, and the people we serve.

Methods: A proud former member of Nebraska's *Magnificent Seven*, Box Butte General Hospital found itself at a crossroads as we entered a new millennium. The organization converted to critical access in 2004. The journey to that decision led us on a path of self reflection and discovery.

“If we cannot deliver safe, high-quality care, communities will seek care elsewhere.” This quote from Jackie Huck, Director of the Rural Healthcare Quality Network, of Seattle, WA is a frightful summary of what our customers were telling us. It was evident that improving revenue was not going to be enough to drive our pursuit for excellence and that the time had come for Box Butte General Hospital to review its purpose, and rededicate itself to being “*more, better, different.*”

In 2004, under new and inspired leadership the hospital embarked on a Strategic Plan expedition. At this same time the Nebraska Hospital Association was inviting Nebraska Critical Access Hospitals to explore the world of Balanced Scorecard. This process caught the attention and interest of Box Butte General Hospital's new CEO and it was soon apparent this was something we WERE going to do. In addition to needing an organizational process, the Quality Management Program was not producing measurable outcomes and was in fact, floundering.

Strategic Maps and Balanced Scorecards were Box Butte General Hospital's 2005 New Year's Babies. A Balanced Scorecard Team led by the CEO and consisting of senior management, the quality manager, and discharge planner began their work to map out our new Strategic Plan and then define goals and measures that would reflect our progress and hold us accountable to our institutional priorities. Mr. Dave Glover provided invaluable support as we launched this project as both an educator and a cheerleader. We are most grateful to him.

By focusing on Box Butte General Hospital's purpose we were able to update our Mission, define our Vision, and adopt Core Values. We then dissected the Strategic Plan,

extracting four primary initiatives, writing goals for each and defining the measures that would guide our process for achieving these goals. {See attachments 1, 2, 3}

Box Butte General Hospital's Strategy Map reflects our four areas of focus which include Human Resources, Clinical and Business Processes, Community and Providers, and Finance. We defined indicators for each goal that we hoped were measurable, gave a "balanced" overview of our outcomes and made our institution transparent.

- Although the organization philosophically recognized that employees are the most valuable asset how does an institution measure their employees' perception of personal value? The goal of the Human Resource Strategic initiative is to recruit, retain, and develop employees who reflect our mission and believe their individual contributions effect the bottom line of Excellence. Measures include satisfaction survey scores, turnover rates, and dollars spent on continuing education, salary and benefits.
- Clinical and Business Processes is a risky area to measure when you have dedicated your institution to transparency, safety, excellence, and innovative healthcare delivery. The goal of the Care Delivery Strategic Initiative focuses on the quality fundamentals as defined by the Governance Institute including safety, evidenced based care, patient centeredness, timeliness, efficiency, and equity. To this end we chose to measure and report ORXY data, medication errors, falls, ER treatment time, readmissions, and Medical Staff engagement.
- The Strategic Initiative surrounding the Community and our Providers strives to encourage the organization to develop true partnerships with these groups by asking them to tell us if we are meeting their needs and to look at how we are measuring the success of programs designed to improve the health of our community. Measures used to assess these goals focus on Provider and Patient Satisfaction Survey results, mammography utilization, and success with diabetic education and community health fairs by tracking Hemoglobin A1C over time and recommended participant follow-up as indicated by Community Health Fair coronary risk profile results.
- Finance is listed at the top of our Strategy Map not because it is most important but because it is effected by and affects all that we do. Still, the map is divided into four equal focus areas, and finance is 25% of the focus. The goal of our Finance Initiative is financial viability making it possible for us to achieve our mission. Finance measures include accounts

receivable days, cash on hand, profit margin, discharge not final billed, Medicare cost to charge ratio, non-operating revenue ratio, and supplies as a percent of operating expenses.

Results: The Balanced Scorecard Team completed the first annual review of our program in July and asked the tough question about results and success. Although many of our indicator lights are still red, and some indicators aren't telling us what we want to know, the success is in having instituted the Balanced Scorecard as much more than a data collection tool. We have adopted the Balanced Scorecard philosophy of transparent quality health care delivery and use it as our Strategic Plan and Hospital Mission GPS.

The Scorecard, as a system for reporting outcomes, has been the impetus for action in the area of Clinical and Business Processes measures. In-patient falls have decreased by 30%. The use of gait belts has increased more than 400%. Reporting ORXY data to Administration, the Governing Board, the Medical Staff, Nursing Staff, and the media in addition to CMS and JCAHO has made everyone responsible for delivering excellent patient care participate in finding a solution. The Quality Management Committee has made the elimination of medication errors due to patient identification variances an organizational priority.

Human Resources has implemented quarterly online employee satisfaction surveys. The information is gathered continuously and gives a better view of how employees are feeling at any given point in time. Measuring dollars spent on continuing education is not providing meaningful information and work is underway to report education in contact hours.

Accounts receivable days have decreased by 46% since January of 2004. We now have 113 days of cash on hand, a 1,514 % improvement. Transitioning to Critical Access is only part of this dramatic improvement. We credit the Balanced Scorecard philosophy for sustaining the energy needed to achieve these successes.

Our Quality Management Program has been incorporated into the Balanced Scorecard System. All performance improvement projects whether they have a broad institutional or department specific focus have a direct link to one or more of the Strategic Initiatives featured on the Strategy Map. The reporting system for departmental performance improvement projects mirrors the Balanced Scorecard.

Lessons Learned: We have far to go. Staying the course is somewhat like a roller coaster ride, and there are days when one wishes they had stock in Dramamine. The Balanced Scorecard Program is in its infancy and needs constant attention to develop and grow. During our annual

review the Team looked at barriers and challenges to achieving this growth. Referencing Paul Niven's article, "Top Ten Balanced Scorecard Implementation Issues" we developed a Box Butte General Hospital Balanced Scorecard Challenge Pyramid that reflects our institutions barriers and will guide our next steps in implementing this process at every level of the institution. (See attachment 4)

When it comes to measurement of our outcomes, three painful realities exist:

1. We don't measure most outcomes (and it is very difficult when we try)
2. We often choose to measure that which we can influence the least
3. Our actual performance usually falls far short of our assumed performance

The Balanced Scorecard Team jumped into the deep end of the water when we began this project. Some of the team were pretty gung ho (Mr. Dan Griess), some a bit more reticent (the rest of us). We spent a lot of time trying to understand details that in the end were not significant to the Balanced Scorecard in this institution. As a result of that, as we began to implement this process throughout the organization we frightened some key people away because of the complexity.

We strive for excellence, less than excellent is not good enough.... that is our mantra. The targets on the Scorecard reflect this. In review it would have been more productive to set short, intermediate, and long term goals that reflect what we believed we could achieve from 2005 – 2008, the period of time our Strategic Plan is designed to pilot. The Team is in fact in the process of reviewing indicators and targets.

The Balanced Scorecard Process is dynamic. It will never be perfect, it isn't designed to be perfect. It is designed for action and if success can be measured by the degree of action this process has and continues to evoke..... we have achieved our goal.

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ATTACHMENTS

1. Mission, Vision, Values
2. Strategy Map
3. Balanced Scorecard
4. Challenge Pyramid

Mission Statement

The Mission of Box Butte General Hospital is to Exhibit Leadership, Excellence, and Innovation in Healthcare Delivery and Community Wellness Promotion.

Vision Statement

Box Butte General Hospital is a Committed Partner with its Patients, Medical Staff, and Community in Providing Excellent Healthcare and Promoting Healthy Lifestyles.

Values:

Safety

Excellence

Compassion

Integrity

Devotion

BALANCED SCORECARD IMPLEMENTATION CHALLENGES

June 22, 2006

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