

Identifying Benchmark Hospitals 2004

Overview

Strategy-Based Performance Measurement and Benchmarks Symposium

11 June 2004



HRRC
Hospital Report
Research Collaborative

Overview

- Benchmarking as a powerful tool in healthcare
 - Describes variation and identifies best practices target
 - Provides system specific solutions
- Challenges associated with various benchmarking methods make it difficult to select the best method
 - Different stakeholders set different benchmarks
 - Critical Question: “*Who defines the benchmark?*”
 - Focus on one indicator could hurt overall performance
 - Critical Question: “*What makes a benchmark hospital?*”

Different Definitions of Benchmark Performance Result From Different Methods

“A continuous systematic process for evaluating the products, services and work practices of organizations that are recognized as representing best practices for... organizational improvement.”

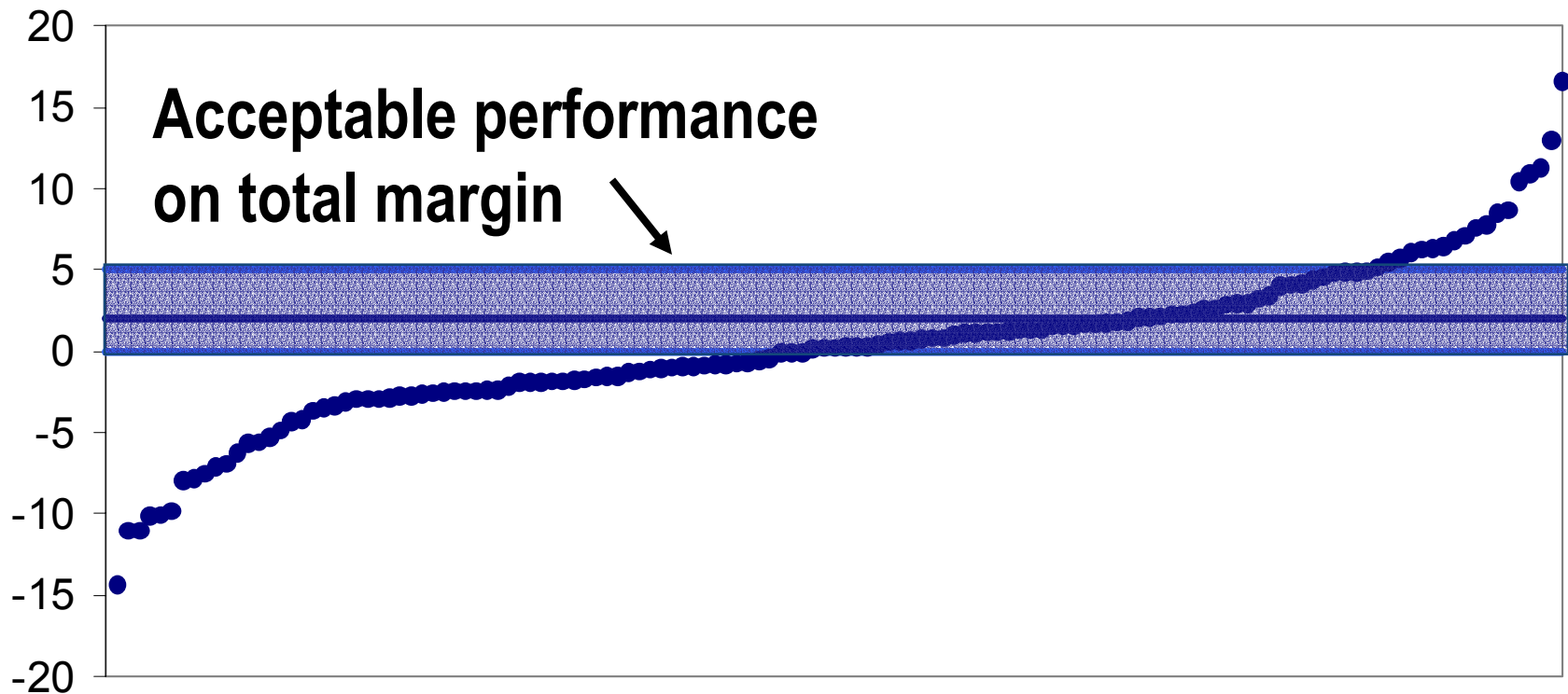
(Miller, 1996)



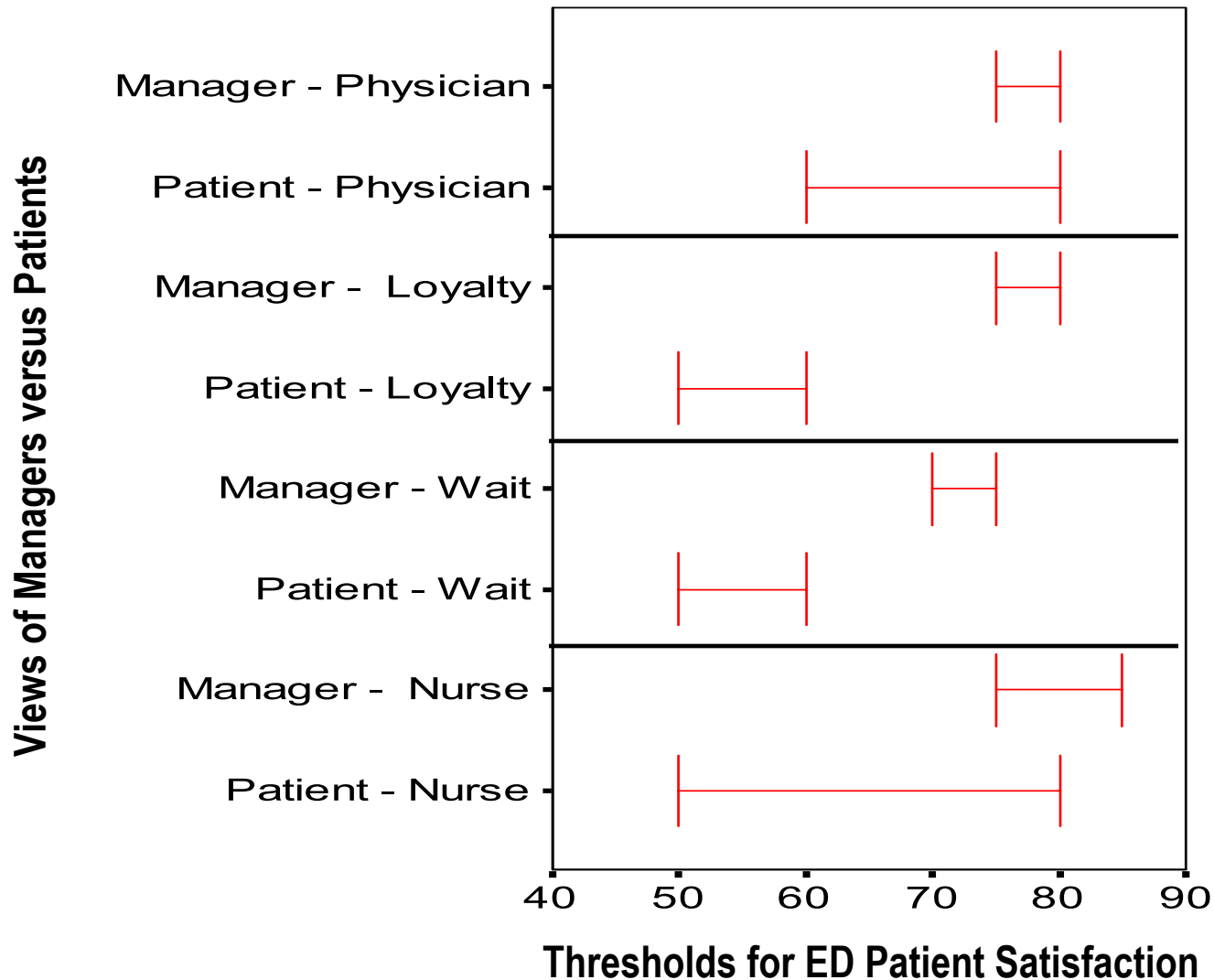
**Single Indicator Benchmarking Identifies the
First Key Challenge**

“Who chooses the benchmark?”

Hospital CFOs Define Good Performance on Total Margin and Other Financial Indicators



But Managers & Patients Disagree on Good Patient Satisfaction Performance



First Key Question: Who Should Decide the Benchmark Method?

- *Hospital Report* principles identify Senior Hospital Leaders as key audience and performance management as key function
- Representation as well today from MOHLTC and OHA
- Researchers will continue to develop new methods over time, so...
- Should we consult with anyone else?

**Regional Sessions (2003) Identify the Second
Key Challenge**

“How do we define benchmark hospitals?”

Regional Sessions Reveal Hospitals Want Benchmarks Based on Several Indicators

- Sessions involve over 200 attendees from 87% of participating institutions
 - Ottawa, Toronto (2), Thunder Bay, Hamilton, London, Windsor, Kingston, Sudbury, Timmins, & 3 teleconferences
- Multiple indicator benchmarking consistent finding across all sessions
 - Consistent with balanced scorecard methodology and helps protect against over-emphasis on one indicator
 - But validation important...

Three Methods Use Different Approaches to Aggregating Results Across Indicators

Method	Ranking	Good to Great	Strategy Linkages
Method	Rank in top 25% across all indicators within each peer group	<p>Always Great: Consistently above average for 75% of indicators in a quadrant</p> <p>Attained Great Status: Attained and maintain great status by year 2</p> <p>Great But Slipped: Great in year 1, lower in year 2 or 3</p>	Above average performance on related indicators within a quadrant or across quadrants
Pros	Easy to explain	Reward improvement, focus on long-term results	Explicit link between investments and outcomes
Cons	Ranking can lead to perverse effects	Stringent criteria, no hospitals perform well in every area	Need to validate related sets of indicators, no hospital performs well in every area

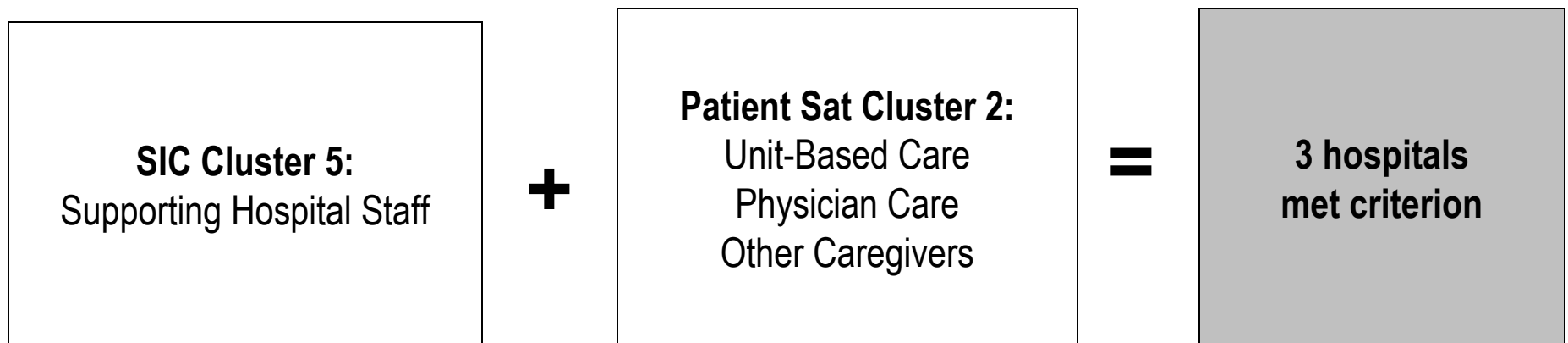
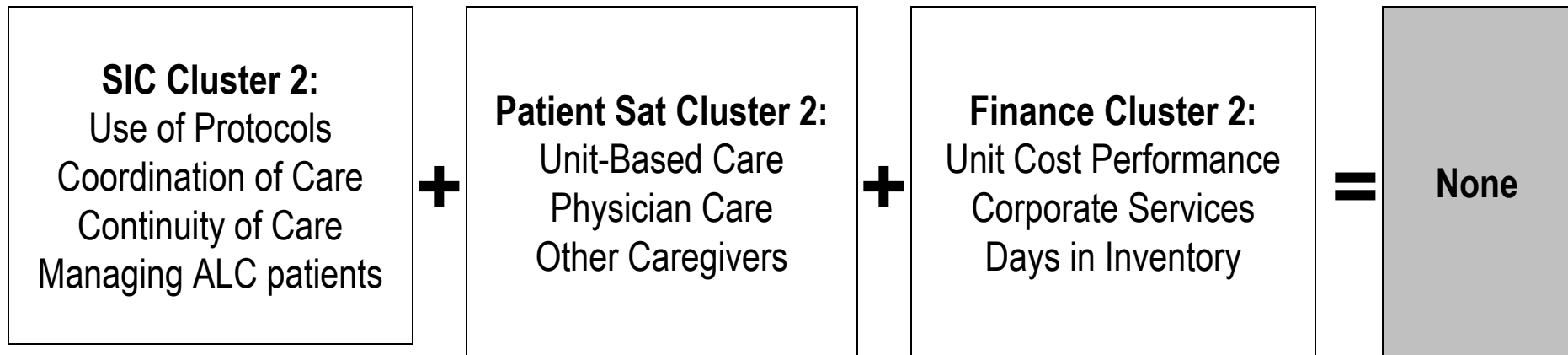
Ranking Method Is Sensitive to Number of Years Included

	Year 1	Year 1 & 2	All 3 Years
Small Hospital	3	1	1
Community Hospital	13	4	3
Teaching Hospital	4	3	2

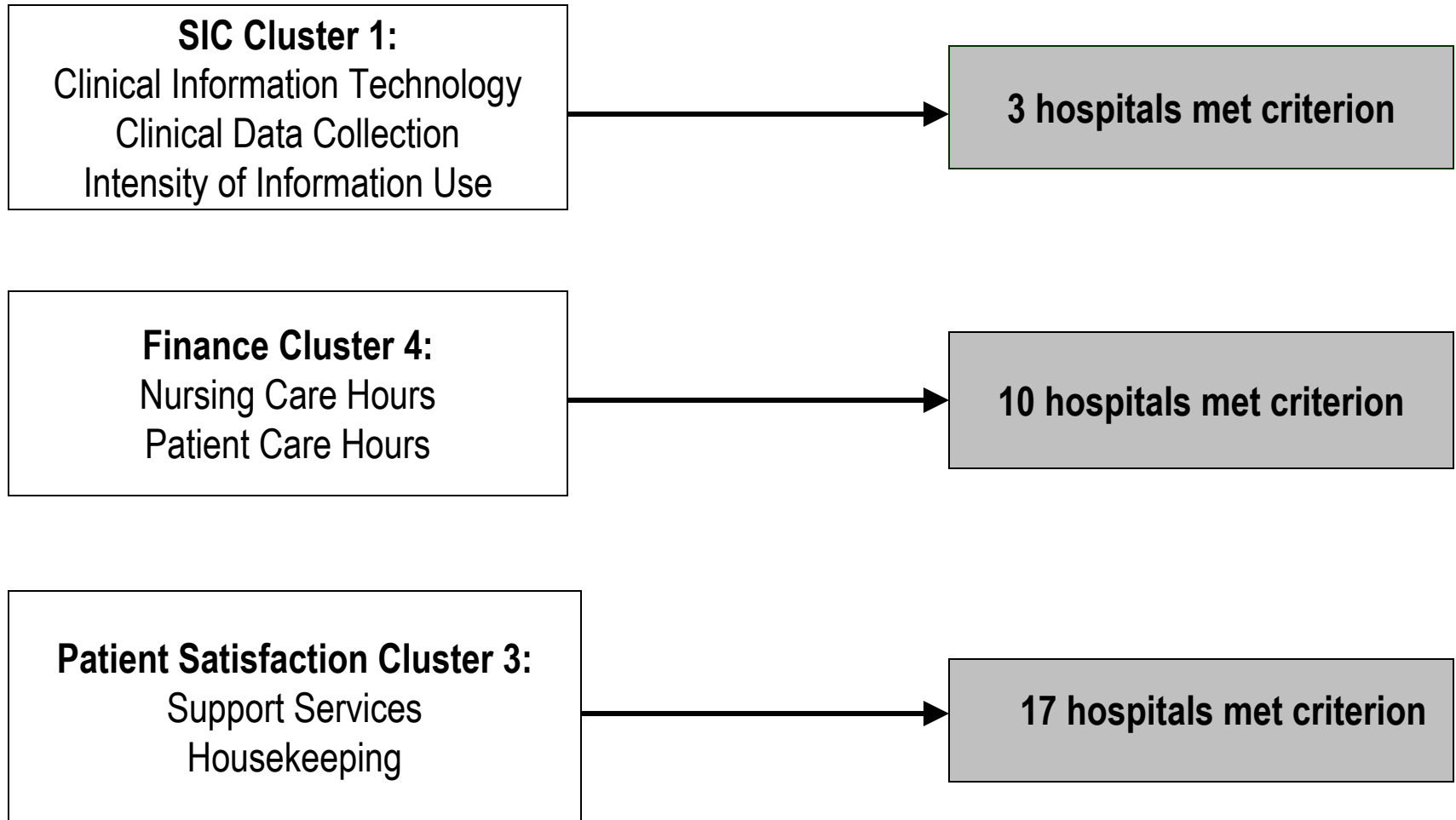
No Hospital Performs Well on Every Indicator

	Always Great	Attained & Maintained	Great but Slipped
Satisfaction	10	1	1
Financial	2	None	3
Clinical	None	None	3
System Integration	1	4	1
Overall	None	None	None

Likewise, Few Hospitals Perform Well on All Cross-Quadrant Groups of Indicators



But Many Perform Well on Within-Quadrant Groups of Indicators



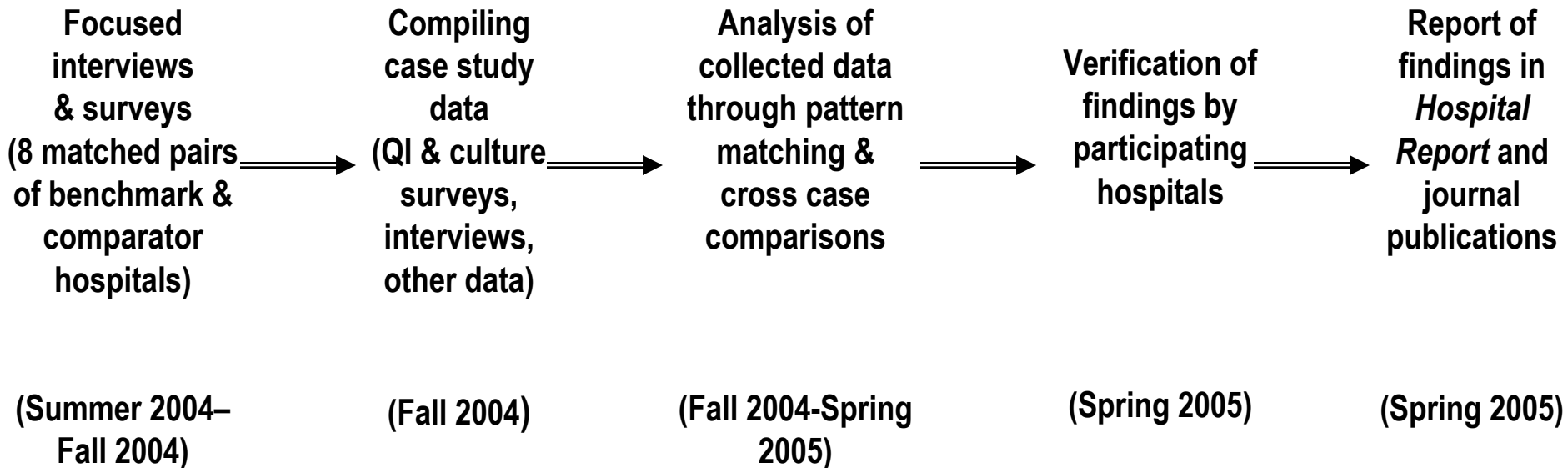
There is Limited Consistency Across Methods

	Ranking	Good to Great	Strategy Linkages	Common in all 3 methods
Small Hospital	1	10	29	1
Community Hospital	3	16	115	2
Teaching Hospital	2	0	25	0
Total Yield by Method(s)	6	26	169	3

Good to Great & Ranking Have Greatest Overlap

	Ranking	Good to Great
Ranking	-	3 hospitals
Strategy Linkages	6 hospitals	24 hospitals

Next Steps Will Validate the Preferred Method(s)



Case Study Timeline

Several Questions Can Help Choose a Method(s)

- Usefulness
 - Is the method useful for Hospital CEOs and Boards?
 - Is the method useful for middle management such as directors and program managers?
 - Is the method useful for reporting to the public?
 - Will the method help improve QI practices?

Several Questions Can Help Choose a Method(s)

...(continued)

- Acceptability
 - Is the method compatible with your notions of quality?
 - Is the method compatible with the goals of the Ontario hospital system and will it be easily implemented?
 - Is the method acceptable to hospitals, professionals and government?

Several Questions Can Help Choose a Method(s)

...(continued)

- Conceptual Rigour
 - Does the method give a multi-dimensional perspective?
 - Does the method support performance management?
 - Does the method provide insight into organizational strategy and support priority setting?
 - Does the method reflect realistic or reasonable expectations given current constraints?

Several Questions Can Help Choose a Method(s)

...(continued)

- Interpretability
 - Is the method easily understood by hospital CEOs, Boards and staff?
 - Is the method easily understood by hospital patients and visitors?

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