

**Malcolm Baldrige National Quality Award
2003 Award Recipient – Health Care**

Baptist Hospital, Inc.

Highest-Ranking Official: John Heer
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Type of Work: Baptist Hospital, Inc., a subsidiary of Baptist Health Care, includes two hospitals -- Baptist Hospital of Pensacola, a 492-bed tertiary care and referral hospital and Gulf Breeze Hospital, a 60-bed medical and surgical hospital -- and Baptist Medical Park, an ambulatory care complex that delivers an array of outpatient and diagnostic services.

Revenue: \$100 million-\$500 million

Workforce: 2,252 employees

Location: Baptist Hospital (BH), Pensacola, Fla.
Gulf Breeze Hospital (GBH), Gulf Breeze, Fla.
Baptist Medical Park (BMP), Pensacola, Fla.

Quality and Performance Results

- **Inpatient overall satisfaction for BH and GBH has been near the 99th percentile** of the Press Ganey survey each quarter since 1998. (Press Ganey Associates provides nationally normed health care satisfaction measurements.) **Outpatient overall satisfaction for BH has been near the 99th percentile** each quarter since 1999 and for BMP near the 99th percentile since the third quarter of 2001. **Ambulatory Surgery overall satisfaction for GBH has been near the 99th percentile** of the Press Ganey survey each quarter since the second quarter of 2000 and for BH has been above the 95th percentile since the first quarter of 1997. The **overall satisfaction of home health care for services provided by BH has been close to the 99th percentile** since the first quarter of 1999. The Emergency Room for GBH has been in the 99th percentile as has LifeFlight, which serves all three locations.
- For the past several years, patient surveys of **staff sensitivity, attitude, and concern, and overall cheerfulness of hospital staff all have been near the 99th percentile** for BH and GBH.

- The employee turnover rate has improved at BH from 27 percent in 1997 to 13.9 percent in 2003 and GBH has improved from 31 percent in 1997 to 14 percent in 2003. These levels for both hospitals are **more favorable than the northwest Florida average and the national average** and are at the best-in-class level.
- Baptist Healthcare Corporation, BHI's parent organization, was ranked 15th among the **100 Best Companies to Work for in America in *Fortune*** magazine's 2003 annual survey.
- BHI staff report **positive morale has risen** from 47 percent in 1996 to 84 percent in 2001. Its best competitor reported positive morale for about 70 percent of staff.
- A Customer Value Analysis Survey, which gathers information on how BHI compares to its competitors, demonstrates that all responses, including nine care/service questions, two emotional questions, one location/environment question, two nurse questions, and one physician question, rated BHI **more favorable than its two competitors**. In addition, BHI ranked higher than its two competitors in loyalty, 54 percent vs. 45 percent.
- BHI has developed a comprehensive tool called CARE (Clinical Accountability Report of Excellence) that uses an index scoring method to capture more than 50 departmental and hospital wide results. One indicator is the hospital-wide medication event rate, which measures adverse reactions to medication, including medication errors. In fiscal year 2000, 2.5 events occurred per 10,000 doses dispensed, while only 1.5 events occurred per 10,000 doses dispensed in fiscal year 2002. These results are at levels **more favorable than the VHA benchmark** of 18. (VHA is a private, for-profit cooperative that serves not-for-profit health care organizations nationwide.)
- Another CARE indicator measures the rate at which patients develop pressure ulcers. This indicator sustained improvements from 7.2 percent in fiscal year 1998 to 3.5 percent (BHI's target) in fiscal year 2002. The results are **more favorable than the benchmark** of 7 percent.
- Diverse thinking is captured through the Bright Ideas program, FOCUS-PDCA (a performance improvement process) teams, around-the-clock employee forums, and peer interviewing using behavior-based questions. The Bright Ideas program solicits innovative suggestions for improvement from all levels of the organization. The **number of ideas generated has increased** from 1,400 in 1998 to 6,800 in 2003 and the **number of ideas implemented has increased** from 370 in 1998 to 5,000 in 2003.
- BHI is governed by an independent Board of Directors, and surveys indicate an **improving trend in the overall rating of the Board's effectiveness** by its members from a 60 percent "strongly approve" rating in 1999 to 78 percent in

2003. A similar trend is shown in the self-evaluation of board effectiveness, from 69 percent in 1999 to 81 percent in 2001.

- **Health screenings and physicals provided by BHI to the community are increasing.** For example, through the HeartFirst program, heart risk screenings have increased from 1,100 in fiscal year 2000 to more than 2,400 in fiscal year 2003. BHI's new Women's Heart Advantage program was established to **improve awareness of heart disease among women**, provide education on healthy lifestyles, and to provide women with easy access to cardiac testing and treatment. BHI's goal is to provide 2,500 screenings to women in 2003.

Processes

- BHI uses a variety of **listening and learning approaches to determine customer needs**, including surveys and Customer Value Analysis to determine patient loyalty attributes. Information gathered from the listening and learning activities is collected and analyzed using a customer relationship management database to identify the key requirements for each customer group and as input into strategic planning, service design and FOCUS-PDCA (a performance improvement process).
- BHI's information and knowledge management systems enable it to collect and integrate data for **tracking overall organizational performance and for identifying opportunities for improvement.** The Hospital Information System (HIS) is used to gather, connect, and integrate data from clinical systems, employees, patients, financial systems, decision support systems, and physicians. The HIS system is accessed through mobile terminals, through the Medical Information Data Access System (MIDAS) system for physicians, and through kiosks located throughout the organization.
- BHI has developed CARE (Clinical Accountability Report of Excellence) and BAR (Budget Accountability Report) reports, which allow it to aggregate and compare clinical quality improvement results, customer satisfaction data, financial information, and trends. Reports are generated to support organizational performance and learning, clinical outcomes improvement, team activities, and continuous improvement. BHI's CARE Overall Score is **above the required minimum 80 percent** score that was identified by senior leaders.
- Baptist University, which includes operational and clinical programs, is used as the primary source for training. All employees are required to receive 60 hours of learning per year. All leaders and employees get together in a "daily line-up" to communicate important operational information and reinforce values. BHI's return on learning tracking and investment research led to its being named as a "**Top 50**" learning organization by *Training* magazine in 2003.

- BHI defines one of its **core values as “integrity.”** In support of this core value, BHI created a Corporate Compliance Department and instituted a Code of Conduct to affirm the day-to-day practice of complete and consistent understanding of all standards, including BHC’s Standards of Conduct.
- BHI’s core strategies, or Pillars, are: People, Service, Quality, Financial, and Growth. **Specific strategies for each of these core strategies have been identified along with specific system goals for each of the strategies.** Using external and internal inputs, BHI’s senior leaders and Strategic Measurement Team are responsible for developing system goals. These system goals then cascade into leader goals, 90-day action plans, senior management priorities, and budgets. BHI has adopted 90-day action plans for short-term goals and uses a five-year longer-term planning horizon to help ensure a balance between lead-time for capital commitments and state approvals and also to anticipate advances in medical technology and practices.
- BHI uses a six-step team-based, health Services Design Process (SDP) to **determine key health care process requirements.** The SDP includes cross-functional product line teams that drive the process. These teams use input from patients and other teams to align service specifications to known customer requirements. Key health care process requirements include financial feasibility and an internal rate of return of at least 15 percent, productivity, cycle time, volume, regulatory issues, and capital sourcing.
- HealthSource, BHI’s **24-hour medical call center**, is a key tool for identifying market opportunities and customer requirements and for identifying potential patients. HealthSource has fielded over 100,000 calls annually since 2000.

Leadership/Social Responsibility

- BHI provides **6.7 percent of its total revenue to indigent patients** compared to 5.2 percent and 4 percent for its competitors. In fiscal year 2002, 2,700 prescriptions valued at more than \$550,000 were provided to hospital patients too poor to pay, and another \$250,000 worth of prescriptions were provided to over 1,100 low-income outpatients through its various programs for the uninsured. BHI has had 26,000 visits from 16,000 indigent patients through its outpatient clinic.
- **Continuous improvement** is an important aspect of BHI’s culture. Senior leaders use peer, employee, physician, and patient surveys, as well as Baldrige-based processes to gather information and identify opportunities for improvement.
- Senior leaders serve as role models and are held accountable for organizational performance excellence through a **“No Excuses” policy.** BHI’s culture provides “open-door” access to everyone, including access to the president to discuss work design and improvement opportunities.