The Healthcare CQO's Guide to Benchmarking

EBOOK

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EXECUTIVE SUMMARY

The pursuit of excellence in patient care relies heavily on data and analytics. This eBook explores the vital role of benchmark data in helping to drive change and elevate healthcare quality.

In some way CMS reimbursement, penalties and incentives have largely driven health systems into a zero sum game of winners and non-winners. Improving relative to peers is a clear path to maximizing revenues and financial health, reinforcing the need to understand where you stand and where to focus to improve.

Benchmark data offers a comparative lens through which healthcare systems can evaluate their performance against industry standards and peer institutions. Key strategies for utilizing benchmark data include setting realistic goals, initiating quality improvement initiatives, communicating transparently with stakeholders, mitigating risks, and fostering a culture of continuous improvement.

Through real-world examples and practical strategies, this eBook suggests methods for the CQO to lead and drive improvement in health outcomes.

Introduction

Pursuit of excellence in patient care and better outcomes is a continuous journey that is informed by data and analytics. Health systems target broad categories such as readmissions and healthcare-associated infections (HAI) and ratings like CMS Star Rating and Leapfrog Safety Grade, but also many specific initiatives that can be organization specific.

Chief Quality Officers (CQOs) orchestrate efforts to elevate healthcare quality, improve patient outcomes, and foster a culture of continuous improvement. Benchmark data is instrumental in their decision-making processes and quality improvement initiatives.

This eBook explores key strategies for leveraging benchmark data to drive change. As the guardians of quality, CQOs play a pivotal role in utilizing benchmark data to assess performance, set meaningful goals, initiate quality improvement initiatives, identify and mitigate risks, and communicate transparently with a diverse range of stakeholders.

Benchmarking is ever more relevant to not only executives charged with quality but also those entrusted with operational and financial stewardship of a health system.

In a recent poll of healthcare organizations, some quality improvement initiatives included:

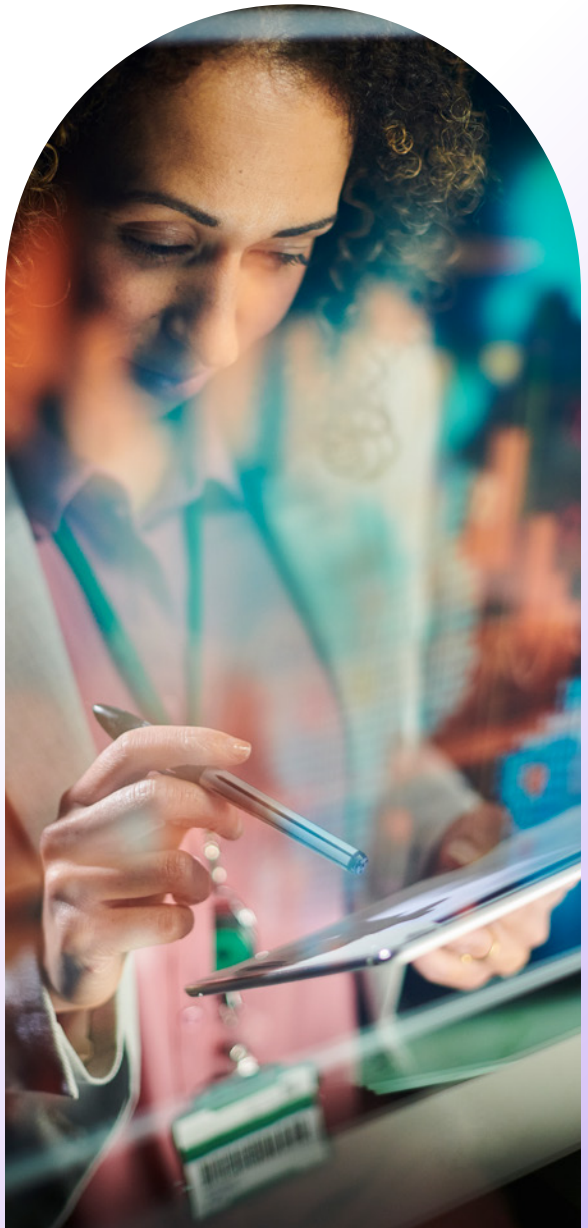
- Decreasing falls with injury
- Decreasing reportable hospital acquired pressure injuries
- Decreasing catheter acquired urinary tract infections
- Decreasing central line blood stream infections
- Improving hand hygiene compliance
- Improving breast and colon cancer screening rates among black, indigenous, and people of color
- Improving annual wellness visit completion rates

Understanding Benchmark Data

Understanding and harnessing the power of benchmark data is foundational to achieving organizational excellence. This section looks at benchmark data's significance, types, and the role it plays in guiding the quest for superior patient care.

The Significance of Healthcare Benchmark Data

Benchmark data is a collection of performance metrics gathered from a significant number of hospitals. Benchmark data offers a comparative lens through which organizations can evaluate their performance against industry standards and peer institutions. For example, is your mortality rate better, similar, or worse than the average hospital? It can be used to inform the roadmap for improvement, enabling CQOs to identify areas of opportunity for improvement. Seeing how a health system stacks up to competitors and similar organizations paves the way for targeted interventions and continuous improvement. Benchmark data categories broadly cover clinical, operational, financial, and patient satisfaction indicators. Driving quality improvement calls for a deeper level understanding of clinical benchmarks, which are the focus of this eBook.



There are tens of thousands of indicators that can be benchmarked, a few examples of other interesting indicators include:

- Core Measures
- Acute Myocardial Infarction (AMI) per 1000 admissions
- AMI LOS
- Arthroplasty of Hip LOS
- Arthroplasty of Knee LOS
- Bacterial Pneumonia Mortality, LOS
- Fluid and electrolyte disorders Mortality
- Heart Failure LOS, Mortality
- Respiratory Failure and Pulmonary Insufficiency LOS, Mortality
- Sepsis and related conditions LOS, Mortality

Harnessing Technological Tools for Benchmarking

Technology plays a pivotal role in benchmarking. Data must be collected and aggregated for comparison. A large number of hospitals must provide their own data into the pool for a meaningful comparison. Provider organizations typically rely on third party organizations who gather and anonymize the data for individual hospitals to review their performance. Very few third parties have a large enough customer base to provide a statistically significant cohort.

Benchmark data is not merely a component of healthcare quality management but a strategic asset. It serves as a compass, guiding CQOs in their mission to provide high-quality, patient-centered care. Benchmarks also help executives prioritize initiatives, picking out the vital few areas for their clinical teams to target for improvement in the coming the year. The rest of this eBook explores how CQOs translate benchmark data into actionable strategies for organizational excellence.

3 Ways to Use Benchmarks Overview

Quality improvement is a journey. Like a hiking trip, groups map the terrain, set realistic goals, track progress, mitigate risk, and learn from the trail. In Quality Improvement, benchmarks inform the journey. Like the hiking analogy, there are 3 major ways that Benchmarks can be used in Quality Management.

- Setting Goals and Creating Quality Improvement Plans
- Stakeholder Communication and Alignment
- Risk Mitigation

> **“We can look at data across all our markets for our primary care population. We’re able to look at different data sources and do more advanced analytics, like [generate] composite clinical risk scores to stratify our populations.”**
>
> - Heath System Director of Analytics and Technology

Setting Goals and Creating QI Plans

Setting quality goals is a strategic process that aligns the organization and serves as a beacon to continuous improvement. Benchmark data should play a pivotal role in the goal-setting process. We're asking the question, "What does good look like?" It's an instinctive want to aim for perfection. What's wrong with aiming for perfect? A caveat: Set achievable goals. Teams that consistently reach for unattainable goals are disappointed, demotivated, and destroy valuable resources. Using benchmarks is a data-driven approach that ensures that performance goals are not arbitrary but rooted in a comparative understanding of how similar institutions are performing and what is realistic. In some cases, these comparisons can be across the national landscape. In others, they may be more directed to a comparable cohort such as hospitals between 100 and 199 beds with a specific clinical cluster.

> **"Healthcare providers gain insights and improve outcomes through quality measure benchmarking. Benchmarking allows us to identify best practices in care. By analyzing variation in quality measures, we can identify research opportunities that advance professional knowledge, which informs the creation of future best practices. Similarly, quality measure benchmarks can be used to accurately track quality improvement progress."**
>
> - CMS

An example illustrates this type of goal setting. Effective goal setting with benchmarking often calls for setting goals based on percentile targets rather than a specific percentage or level. This inherently adjusts the target based on industry performance levels. Figure 1 demonstrates the current state of the Severe Sepsis and Septic Shock Management Bundle (SEP-1) measure. In this example, the hospital was consistently at the 5th percentile and now is hitting the 20th percentile in most quarters. An achievable goal now would be to consistently move their performance to the 50th percentile.

Figure 1: Severe Sepsis and Septic Shock Management Bundle (SEP-1)

Period	Site Value	Site Percentile	5th	20th	50th	80th	95th
Q2 2023	50.0%	19th	31.03	50.00	65.52	80.00	90.74
Q1 2023	27.2%	4th	29.63	47.62	64.00	78.38	91.67
Q4 2022	50.0%	20th	31.15	48.28	64.71	80.00	93.33
Q3 2022	50.0%	21st	29.03	48.28	64.29	80.00	90.91
Q2 2022	61.9%	42nd	28.57	48.39	66.67	80.00	93.33
Q1 2022	50.0%	24th	29.41	45.98	61.11	77.78	90.48
Q4 2021	48.2%	26th	27.66	43.75	61.11	77.78	90.48
Q3 2021	49.2%	27th	28.57	45.28	60.71	77.14	90.91
Q2 2021	42.0%	15th	27.27	45.45	62.20	77.78	89.66

Benchmark driven realistic performance targets inform resource allocation. They identify meaningful but achievable changes that move the needle and assure the largest improvement in metrics is achieved for the effort involved.

A related approach, not strictly benchmarking but similar in practice, is a value-based purchasing (VBP) calculator. CMS ties the scoring for VBP to relative performance and national standards. A calculator identifies lost opportunity for VBP revenue. This technique allows the quality team to identify changes in key performance indicators (KPIs) that will generate large swings in the VBP revenue. Figure 2 illustrates this.

Figure 2: Estimated Potential VBP Revenue

Earnback:	$1,096,462
Additional Earnback:	$321,684
Lost Opportunity	$2,098,967

Weighted VBP Score	26%
Estimated VBP Contribution	$1,096,462
Participating Facilities	2,553
Percentile	40th
Estimated Potential VBP Revenue	$3,517,113
Estimated Actual VBP Revenue	$1,418,146
Estimated Net Opportunity Gain/Loss	$321,684

Figure 2 shows Acute Myocardial Infarction (AMI) 30-day mortality rate and its impact on the VBP revenue projection. For VBP, CMS defines the metric as 30-day survival rate, so larger numbers are better. In this example the hospital has a current score level of 87.5%. According to the VBP calculator shown in Figure 3, this level of performance gains a score of 3 of 10 available achievement points. Achievement points score the metric performance compared with national standards. 3 of 10 shows that there is room for improvement.

Figure 3: Acute MI 30-day Mortality Rate

Performance Period Score	(Actual) **87.5**	(Target) **89**
Achievement Points	**3**	**10**
Improvement Points	**0**	**0**
Awarded Points	**3**	**10**
Possible Points	**10**	**10**

What would it take to move the needle? Rather than setting a goal of 100%, we see that if the target were 89%, the hospital would achieve 10 points, and the VBP revenue increases by over $300,000. Of course, the difficulty in achieving this improvement would need to be assessed versus the revenue improvement, but this example shows that a small change in the metric can be impactful. Having staff that understand the financial impact of penalties and incentives can be valuable in developing quality improvement initiatives.

Ideas for goal setting:

Align with Strategic Objectives: Goals should align closely with the hospital's strategic objectives and mission. For instance, goals might focus on reducing infection rates or medication errors if patient safety is a primary concern.

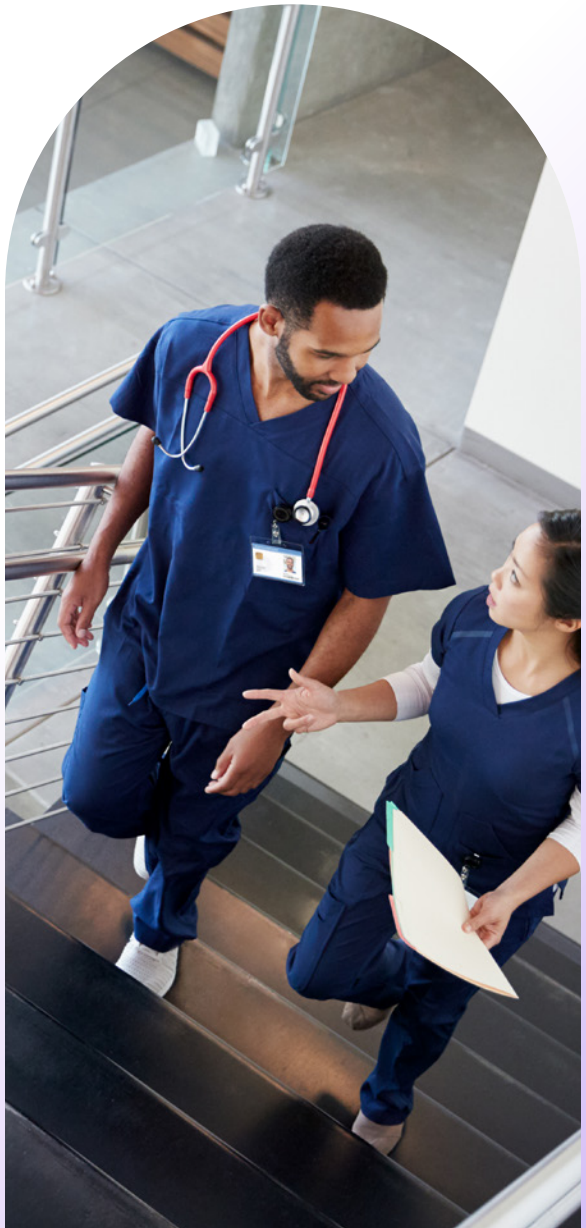
Balance Leading and Lagging Indicators: Leading indicators (like compliance with best practices, e.g., SEP-1) can predict future performance, while lagging indicators (like mortality rates) reflect past performance. A mix of both provides a comprehensive view.

Prioritize Patient-Centered Care: Goals should emphasize patient outcomes and experiences. Metrics could include patient satisfaction scores, readmission rates, or average length of stay.

Focus on Continuous Improvement: Set goals encouraging ongoing improvement rather than just meeting a static target. This involves regularly reviewing and adjusting as needed.

Measure the Financial Impact: Where possible, calculate the approximate financial impact of achieving a specific improvement and share that impact with team members so they understand the bigger picture.

By utilizing benchmark data, CQOs ensure that goals and plans are realistic, aligned with industry standards, and contribute to the overarching goal of providing high-quality, patient-centered healthcare.



Stakeholder Communication

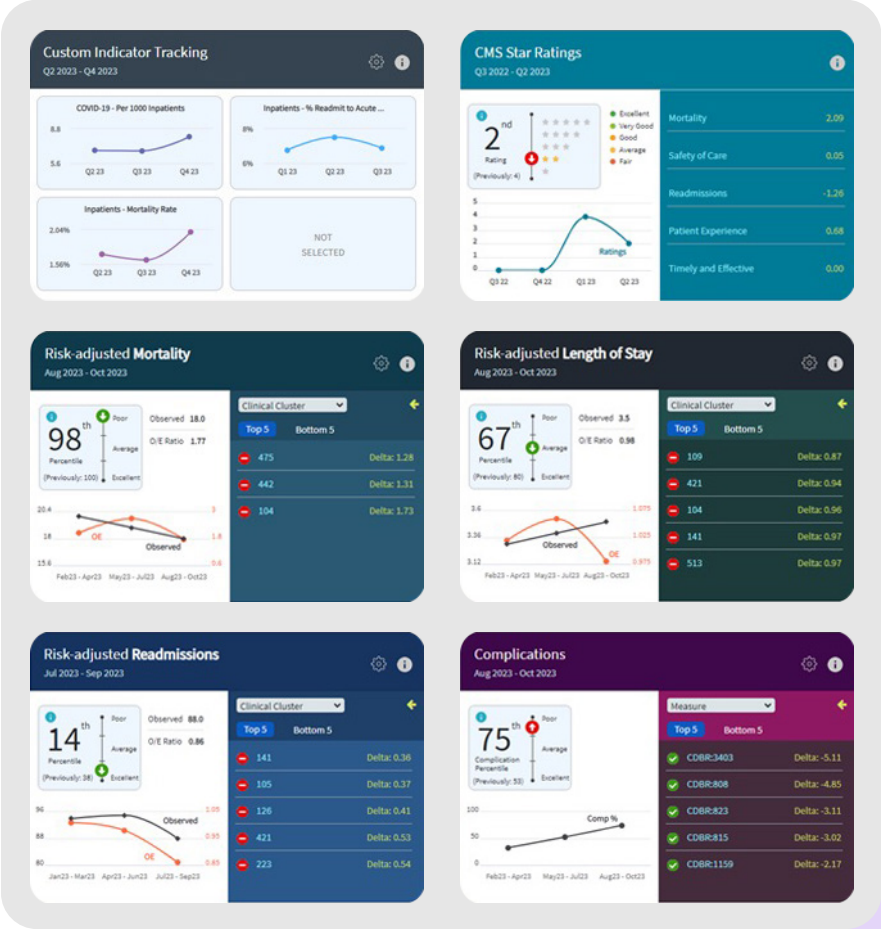
Effective and repeated communication is a cornerstone of successful healthcare quality management. This approach requires transparent and strategic communication with a wide range of stakeholders, including healthcare professionals, administrators, regulatory bodies, patients, and the community. Benchmarking is beneficial in all of these stakeholders, but the focus of this eBook is on applications to staff, leadership, and executive communication. Transparent communication about performance relative to benchmarks fosters buy-in, accountability, and trust. Clear communication and transparency are key components of goal setting and progress tracking, fostering a sense of shared responsibility and accountability among healthcare professionals, administrators, and staff. Dashboards and reports informed by benchmark data are useful for all levels of the organization.

CQOs ensure that hospital healthcare professionals and staff are well-informed about the organization's performance, quality initiatives, and any changes resulting from benchmark data analysis. Dashboards and reports based on benchmarks inform regular communication, including team meetings, newsletters, and training sessions, and foster a shared understanding of the organization's commitment to quality.

Transparent communication with leadership involves sharing insights from benchmark data, progress on quality improvement initiatives, and the state of key performance indicators. Collaboration with leadership ensures that quality goals are aligned with the overall strategic objectives of the organization. It also provides them with the tools they need to manage teams and make progress on quality initiatives. Executive dashboards are useful for board reporting and support department chairs and chiefs with their staff. An example dashboard is shown in Figure 4. Dashboards also benefit the clinical and quality staff so they are aware of how they're trending against performance targets and can participate in development of solutions and the design of performance improvement plans.

When challenges are identified through benchmarking, CQOs communicate openly about these challenges, along with the strategies being implemented to address them. This proactive approach builds credibility and reassures stakeholders about the organization's commitment to continuous improvement. CQOs work to instill a culture of transparency within the organization. This involves not only sharing successes but also acknowledging and learning from setbacks. Transparent communication fosters a sense of shared responsibility and commitment among all stakeholders.

Figure 4:



Risk Mitigation

Benchmark data serves as a valuable tool in risk identification. CQOs identify areas where the organization may be at risk of falling short of established standards. This comparative analysis allows for a proactive approach to risk management.

In addition, benchmarks play a role in mitigating risk that quality improvement initiatives will fail. As part of goal setting and selection of QI plans, picking the right areas to focus on is critical. Benchmarks help rally support for a quality initiative and can be used to assure stakeholders that it is likely to be successful. Skepticism can be overcome by demonstrating that nationally or within a particular cohort, a certain level of performance is realistic and achievable.

When a risk is identified, quality departments may lead root cause analyses to understand the underlying factors contributing to the risk. This process involves investigating the chain of events, systems, and human factors that may have led to the identified issue. Understanding the root causes is crucial for effective risk mitigation. Preventive measures may include changes to protocols, enhanced training programs, improved communication strategies, and the integration of technological solutions to mitigate identified risks.

Bonus Idea

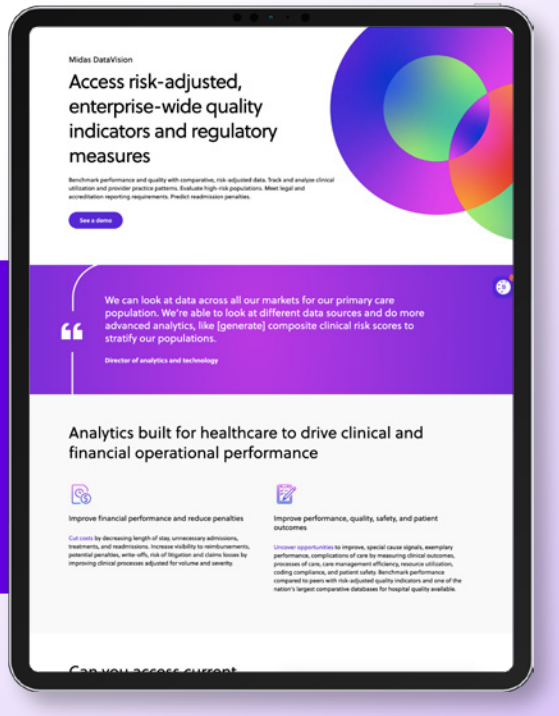
Quality Departments receive many ideas for quality improvement. These conversations frequently begin with, "I read an article that said...". Benchmark data can inform the likely success and potential validity of a new initiative idea. If the health system has little to gain relative to benchmark performance levels, or if the "bang-for-the-buck" is not high enough, the benchmarks provide a data-driven basis for deciding against an idea. If the upside potential is high and the likely return on investment is good, benchmark data can support encouraging the proposal.

Datavision Overview

The exhibits shown in this eBook were generated from symplr's Midas DataVision, which provides real-time access to enterprise-wide quality data and regulatory measures. Health systems use it to benchmark performance and quality with comparative, risk-adjusted data for departments, hospitals, and across the health system. They track and analyze clinical utilization and provider practice patterns, evaluate high-risk populations, meet legal and accreditation reporting requirements, and predict readmission penalties.

Approximately 1,000 hospitals use and contribute to the DataVision comparative database. These facilities vary in size – both large and small – and include teaching hospitals, critical access hospitals, and community hospitals.

To learn more, see Datavision in action



CONCLUSION

Hopefully the CQO's Guide to Benchmarking has prompted some new ideas for the application of benchmark data to quality management. Beyond the specific ideas, here are a few takeaways for using benchmarking.

1. **Benchmark Data as Your North Star:** We've explored how benchmark data isn't just about numbers; it's your guiding light. It empowers you, the CQO, to navigate the seas of healthcare, comparing performance, setting meaningful goals, and steering your organization towards excellence.
2. **CQOs Communicate Transparently, Up and Down the Organization:** Regarding identified risks and the measures taken to mitigate them. Open communication fosters trust among healthcare professionals, patients, and stakeholders, reinforcing the organization's commitment to patient safety and quality care. Benchmark data helps communicate with and align the organization using a data-driven approach.
3. **Make Benchmark Targets Part of Your Strategies for Success:** Include benchmark data in your strategies. Whether it's performance evaluation, goal setting, quality improvement initiatives, risk management, or stakeholder communication, we've unpacked practical strategies and real-world examples to arm you with the tools needed to lead your organization to new heights.
4. **Lean On the Power of Transparency:** Transparent communication emerged as a recurring theme. We've emphasized how openness builds trust, fosters collaboration, and paves the way for a culture of continuous improvement.
5. **Empower Your Teams to Participate in the Process:** Teams can analyze the data, identify root causes of lower performance, prioritize actions to improve.

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