

A photograph of three professionals in a meeting. On the left, a woman with glasses and a stethoscope around her neck. In the center, a woman with dark hair pulled back. On the right, a man in a suit. They are all looking towards the right side of the frame.

Case Study: Data Driven Performance Improvement at Henry County Hospital

Henry County Hospital is a 25-bed critical access hospital serving Henry County, Ohio. Since 1919, Henry County Hospital has provided health care services and innovative programs centered on patient-focused care and improving community health.

“It is helpful to look at your own data and look back at your history and see where you have been—having said that it is so easy to look at your own data and think you are performing well ... benchmarking provides that necessary external perspective.”

-Kim Bordenkircher, CEO Henry County Hospital

As part of Henry County Hospital’s ongoing journey to deliver excellent, patient-centered care, the organization has embedded a continuous performance improvement program to ensure that their community receives the highest quality and most cost-effective care possible. The organization has made it a strategic priority to address opportunities for improvement and participates in a state-wide consortium organized by the Ohio Department of Health focused on utilizing peer benchmarking and collaboration to establish meaningful and lasting performance improvement. Through this consortium, Henry County Hospital benefits from the expertise of The Chartis Center for Rural Health and access to iVantage Health Analytics’ performance management and benchmarking platform. While many hospitals struggle with data doubt and staff buy-in, Henry County has achieved transformative results through collaboration and transparency, becoming a model for success. This strategic approach has led to a cadence of simultaneous initiatives that produce positive results on an ongoing basis.

Creating a Culture of Empowerment— A Key Foundational Step

Like so many of her colleagues, Kim Bordenkircher, CEO of Henry County Hospital, faces the daunting challenge of aligning department and organizational performance goals. Mandating new processes and standards can often create staff resistance and disengagement, misaligned priorities and not surprisingly, lower patient satisfaction. By empowering staff to make their own data-driven decisions, Henry County has created a culture of continuous performance improvement.

The key by-product is bidirectional trust and respect between the administration and staff. Kim encourages open communication and collaboration that leads to more effective problem solving. *“Administration can help the staff with barriers they have [and in turn] they see how [we are] in touch with the work they are doing—recognize each other’s value—I recognize their value and they recognize my value.”*

Henry County utilizes multiple techniques to achieve synergy between administration and management in order to optimize performance improvement. One of the approaches used by administration includes engaging staff in the value of objective benchmark targets—helping them to move beyond misaligned initiatives informed by gut assessments alone to taking a more objective, data driven stance. That being said, Kim recognizes her staff’s expertise and values their insight. *“Sometimes you need to let*

people go with their gut feeling—try it out for success, then next time look at the data and see what it tells us we should do.” She is encouraging people to raise concerns about what the data is suggesting versus what they are feeling, so that these concerns can be investigated and alleviated. This way, trust in the process and data is achieved.

The approach developed by Kim and her team at Henry County for successfully deploying a data-driven performance improvement program included the following specific areas of focus:

- ✓ **Effectively aligning senior leader decision making with operational priorities.**
- ✓ **Empowering all staff to identify their own targets for improvement and to be in the driver’s seat for performance improvement related decision making.**
- ✓ **Establishing an ongoing – *and this is key* – transparent system for reviewing and tracking activity.**
- ✓ **Building a culture of trust via frequent, effective, non-punitive bidirectional communication.**
- ✓ **Creating an expectation that the focus on improvement is holistic, continuous and ongoing—rather than a collection of disparate projects.**

iVantage Performance Manager helps us focus on areas we may otherwise not be aware of... The platform's reports highlight opportunities in context of how others are operating with success."

- Kim Bordenkircher, CEO Henry County Hospital

Using Data to Improve Performance and Reduce Cost

At the start of the current fiscal year, Kim – working with her administrative staff and based on the insights coming out of iVantage Performance Manager™ – identified several key areas of opportunity for cost reduction and streamlined operations. Specific areas of focus included, Laboratory Operations, Labor (FTE Allocation & Skill Mix), Supplies Cost, Referential Lab Costs, Overall Organizational Labor Costs and Overall Organizational Supply Costs.

Based on the data guidance and in collaboration with a cross-functional improvement team, a variety of performance improvement projects were executed with the hospital achieving significant savings. Henry County Hospital has found success by using a multifaceted approach to performance management. Continuous internal review and monitoring is bolstered by benchmarking, additional research and external assessments to further validate and build upon findings. By embracing benchmarking data, the

hospital has been able to objectively monitor operations and realize significant savings.

Henry County partners with iVantage Health Analytics to identify performance improvement opportunities, set realistic targets based on the outcomes of other high-performing organizations, measure the impact of ongoing efforts and support a “fail-fast” approach – pivoting away quickly from less effective strategies. Top opportunities for improvement are identified using a detailed level of comparative analysis and by aggregating the differences between the facility performance and peer group performance.

Since 2013—When Henry County Hospital Began Using iVantage Performance Manager—They Have Reduced Their Overall Cost Position By 12%.

2017 Fiscal Year Results

Utilizing the performance targets from iVantage Performance Manager as a guide and corroboration based on further investigation, Henry County focused on reducing laboratory costs, organization-wide labor costs and supply utilization, as well as a number of additional initiatives.

Laboratory:

In April 2017, Henry County contracted a new reference laboratory as a means to control costs;

projected savings are \$30,000 year over year. Labor analysis revealed an opportunity to reduce costs by adjusting staffing levels and skill mix. Staffing levels have been adjusted down by .8 FTE's in the back lab, which will result in annual savings of nearly \$46,000. A reduction in the use of agency staff and an increased use of lower cost labor, such as increased utilization of lab assistants, has resulted in approximately \$19,000 in savings in two months' time.

Labor:

Overall organizational skill-mix and agency use presented as areas of improvement; including an opportunity to reduce the utilization of relatively high-cost registered nurse hours by switching to a more cost-effective model using more nurses' aides. The current savings projection is approximately \$80,000. In addition, this staffing change has allowed registered nursing staff to take on more of a "lead" nursing role resulting in a 0.3 FTE reduction in Nursing Administration which resulted in an annual savings of \$20,000. The anticipated result is more than \$100,000 in savings for nursing cost annually.

Supply Utilization:

Organization-wide supply costs were reduced by contracting with a new GPO. Projected savings are \$30,000 year over year.

Conclusion and Implications

Successful execution of performance improvement work is fully dependent on

PROJECTED ANNUAL SAVINGS

Laboratory Costs

\$76,000

Nursing Costs

Over \$100,000

Supply Utilization Costs

\$30,000

communication and cooperation between administration and staff. The restructuring required to execute such projects often causes staff frustration and dissatisfaction. However, Henry County's data shows staff satisfaction increased throughout the duration of 2017 due to an active effort to work collaboratively. These highlighted projects are great examples of their overall culture of empowerment.

Kim and her colleagues at Henry County recognize the need to continuously improve their approach to care delivery as they guide the organization through an increasingly complex and uncertain future. Their culture is one that embraces data-driven management techniques to improve efficiency and realize cost savings while addressing quality, safety, patient satisfaction and employee engagement. They

continually monitor these areas as part of their ongoing waste reduction efforts.

For FY 2018, Henry County added a cost reduction goal of \$100,000 for all hospital departments to achieve by the end of the year. Each department was given a percentage of this goal to achieve based on its overall expenses. As part of this project, all of the departments that made the Top 10 excess list were required to focus cost reduction efforts on the specific opportunity identified using iVantage Performance Manager. At this time, they have achieved nearly 88 percent of the goal, totaling \$88,000.

Embedded in Henry County's strategic approach to performance improvement is a philosophy of collaboration across functional areas and critical analysis of integrated clinical, operational and financial data. Having access to meaningful data and full confidence in the accuracy of the data source is very important to the success of their performance improvement initiatives. The key driver of the organization's success is the long-standing investment made into developing an

overall culture of cross-functional trust and collaboration. The administration and subject matter experts in the facility continually work to identify improvement opportunities and collaborate with staff to implement new initiatives and achieve sustainable success.

"People don't like to be changed, but they don't mind changing... Empower your people to make the right steps and decisions for themselves."

-Kim Bordenkircher, CEO Henry County Hospital

About iVantage Health Analytics

Based in Newton, Massachusetts, iVantage Health Analytics is a leading provider of performance management, cost-reduction, benchmarking and strategic market planning solutions for healthcare organizations. Leadership teams across the country rely on the company's software and services to help them to achieve or maintain their status as high-performing organizations.

iVantage Health Analytics was acquired by the Chartis Group in 2015, strengthening iVantage's position in the market through significant investment and thought leadership.