



AMONG THE BEST

Comparative Methodology and Objectives of 'Best Hospital' Rankings

Presented by: Jacqueline M. Ennis, PhD
March 26, 2004

PRESENTATION OBJECTIVES

- METHODOLOGY
 - Strengths, Weaknesses
 - TARGET AUDIENCE AND USES
 - COMPARISONS WITH THE 'BEST OF THE BEST'
 - MAKING THE MOST OF YOUR PERFORMANCE
-

Solucient 100 Top Hospitals[®] vs. Other Scorecards

Solucient 100 Top Hospitals[®] Benchmarks

Targets hospitals, employers
Quantifiable measures
Academic validation

No black box
Public data only - 2 yrs old
Name winners only

U.S. News & World Report Ratings

Targets consumers
Subjective, process, quantifiable
measures

Black box survey data
Focus—academic centers
Ranks winners by specialty

HealthGrades.com Ratings

**Targets consumers, hospitals,
employers**
Single measure

Reports scores of all hospitals
Consulting to improve score
MD sanctions, credential reports

US News & World Report

Selection Criteria

- Index of Hospital Quality (IHQ)
 - Reputation
 - Physician Survey
 - Structure
 - Volume
 - RNs to Beds
 - Technology
 - Trauma
 - Discharge Planning
 - Service Mix
 - Outcome
 - Mortality
 - Geriatric Services
 - Gynecology Services
 - Med/Surg Intensive Care Beds
 - NCI Indicator
 - Hospice/Palliative Care Indicator
-

Solucient 100 Top Hospitals[®] —

Selection Criteria

- **Quality**

- Risk-adjusted mortality
- Risk-adjusted complications

- **Financial—stability and sustainability**

- Profitability (cash flow margin)
- Expense per adjusted discharge—
wage and case mix-adjusted

- **Efficiency**

- Severity-adjusted Average Length of Stay (ALOS)
- Productivity (total asset turnover ratio)

- **Adjustment to competition and environment**

- Proportion of outpatient revenue to inpatient revenue

- **Data quality measure**

- Use of non-specific ICD-9-CM codes, data content error
-

Solucient 100 Top Hospitals[®] — Credible Measures of Performance

- **Balanced scorecard approach**
 - Efficiency, reasonable costs, and high quality
 - Consistently good, dependable care for community
 - **Management characteristics**
 - Clear communication of two goals
 - Growth
 - Continuous performance improvement
 - Improve quality and cut costs simultaneously
 - **Best performers by business definition**
 - **True practitioners of continuous performance improvement**
-

Solucient – *Performance Improvement Leaders*[®] ---Trended over 5 years

■ **Quality**

- Risk-adjusted mortality
- Risk-adjusted complications

■ **Financial—stability and sustainability**

- Profitability (operating profit margin)
- Expense per adjusted discharge—
wage and case mix-adjusted

■ **Efficiency**

- Severity-adjusted Average Length of Stay (ALOS)
- Productivity (total asset turnover ratio)

■ **Adjustment to competition and environment**

- Proportion of outpatient revenue to inpatient revenue

■ **Data quality measure**

- Use of non-specific ICD-9-CM codes, data content error
-

US News & World Report

The 2003 Honor Roll

1. Johns Hopkins Hospital
 2. Mayo Clinic*
 3. UCLA Medical Center
 4. Massachusetts General Hospital
 5. Cleveland Clinic
 6. Duke University Medical Center
 7. Univ. of California San Francisco Medical Center
 8. Barnes-Jewish Hospital
 9. University of Michigan Medical Center
 10. University of Washington Medical Center
 11. New York-Presbyterian Hospital
-

Solucient – *Performance Improvement Leaders*[®] -----Large Community Hospital

- El Camino Hospital (CA)
 - Manatee Memorial (FL)
 - Sarasota Memorial (FL)
 - Indian River Hospital (FL)
 - Cape Coral Hospital (FL)
 - Phoebe Putney (GA)
 - Athens Regional (GA)
 - Ingalls Memorial (IL)
 - Silver Cross (IL)
 - Sentara Virginia Beach
 - Rockford (IL)
 - Central Baptist (KY)
 - Our Lady of Lake (LA)
 - Peninsula Regional (MD)
 - North Mississippi (MS)
 - Saint Mary's (NV)
 - WCA (NY)
 - Franklin Memorial (NY)
 - Mercy Medical Ctr (OH)
 - Park Plaza (TX)
-

DIFFERENCES AMONG WINNERS

- National name recognition versus
 - Local and regional name recognition

 - Academic / Teaching Centers versus
 - Community Hospitals

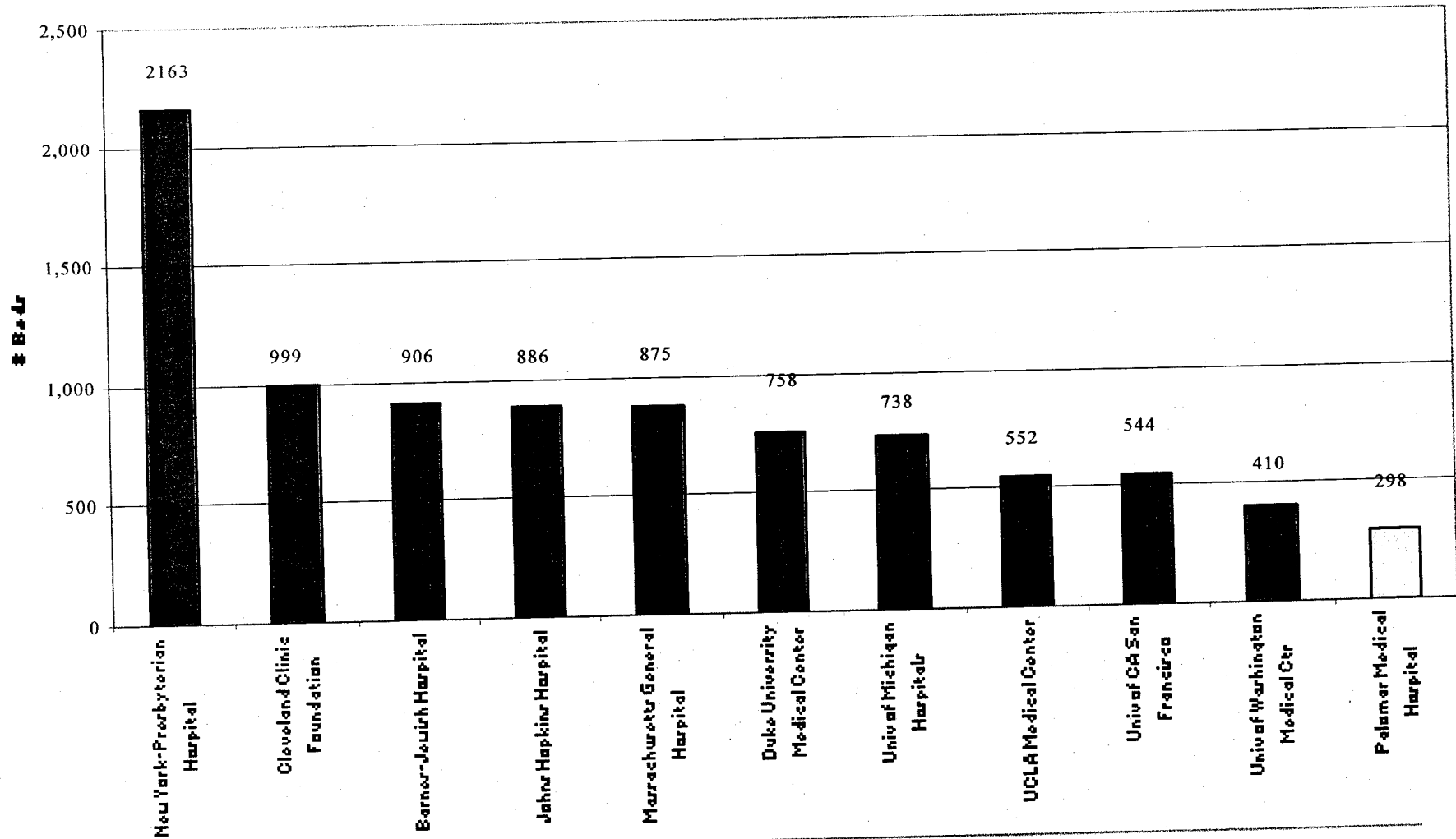
 - Tertiary Care / Specialty versus
 - Primary Care / Family
-

Structural Comparison



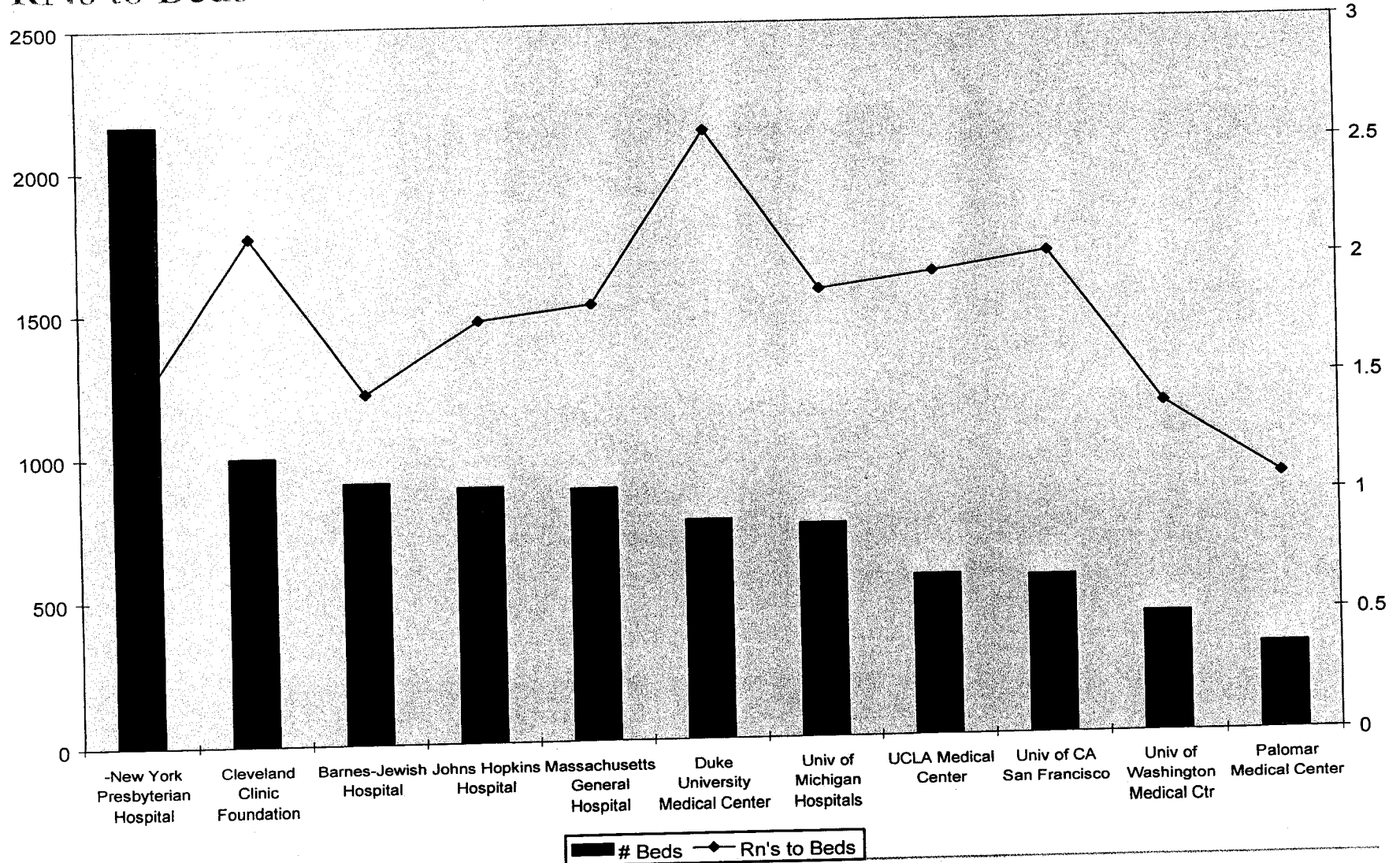
Structural Comparison

Bed Size



Structural Comparison

RNs to Beds



Structural Comparison

Website Features/Amenities

Patient Services

- On-line pre-registration
- Email a patient
- Virtual nursery
- E-clinic or online wellness programs
- Beauty/barber services
- Patient Profiles/Testimonials*
- Support Group Information
- Online Rx refills
- Online submission of complaints/compliments

Other Services

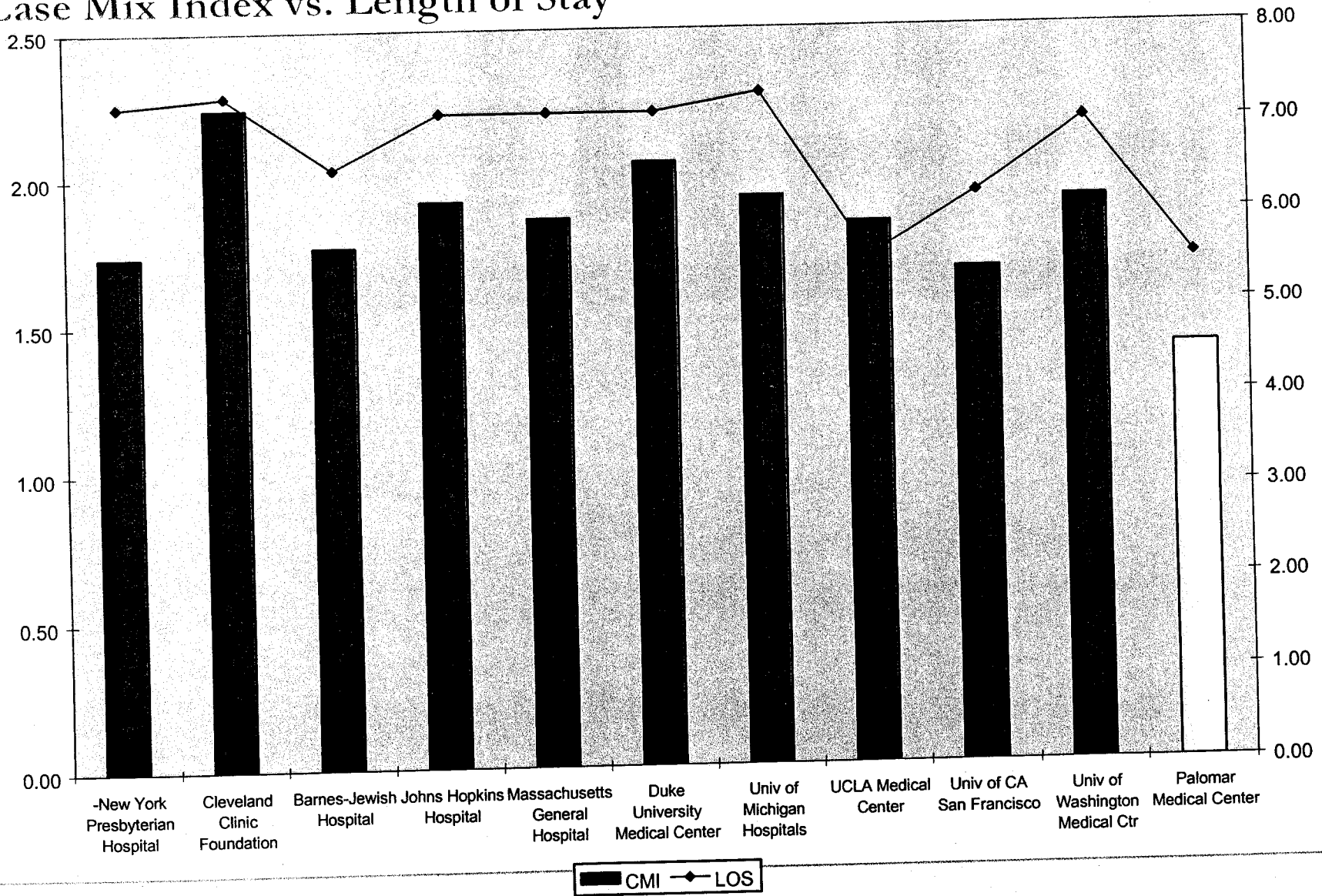
- Email a physician
 - Physician chat room/bulletin boards
 - Online resume posting*
 - Online manuals/training
 - Healthcare career exploration pgms*
 - Employee housing programs
 - Online giving*
 - Quality information
 - Patient satisfaction results
 - Spanish translation of website
 - Construction projects update
-

Outcomes Comparison



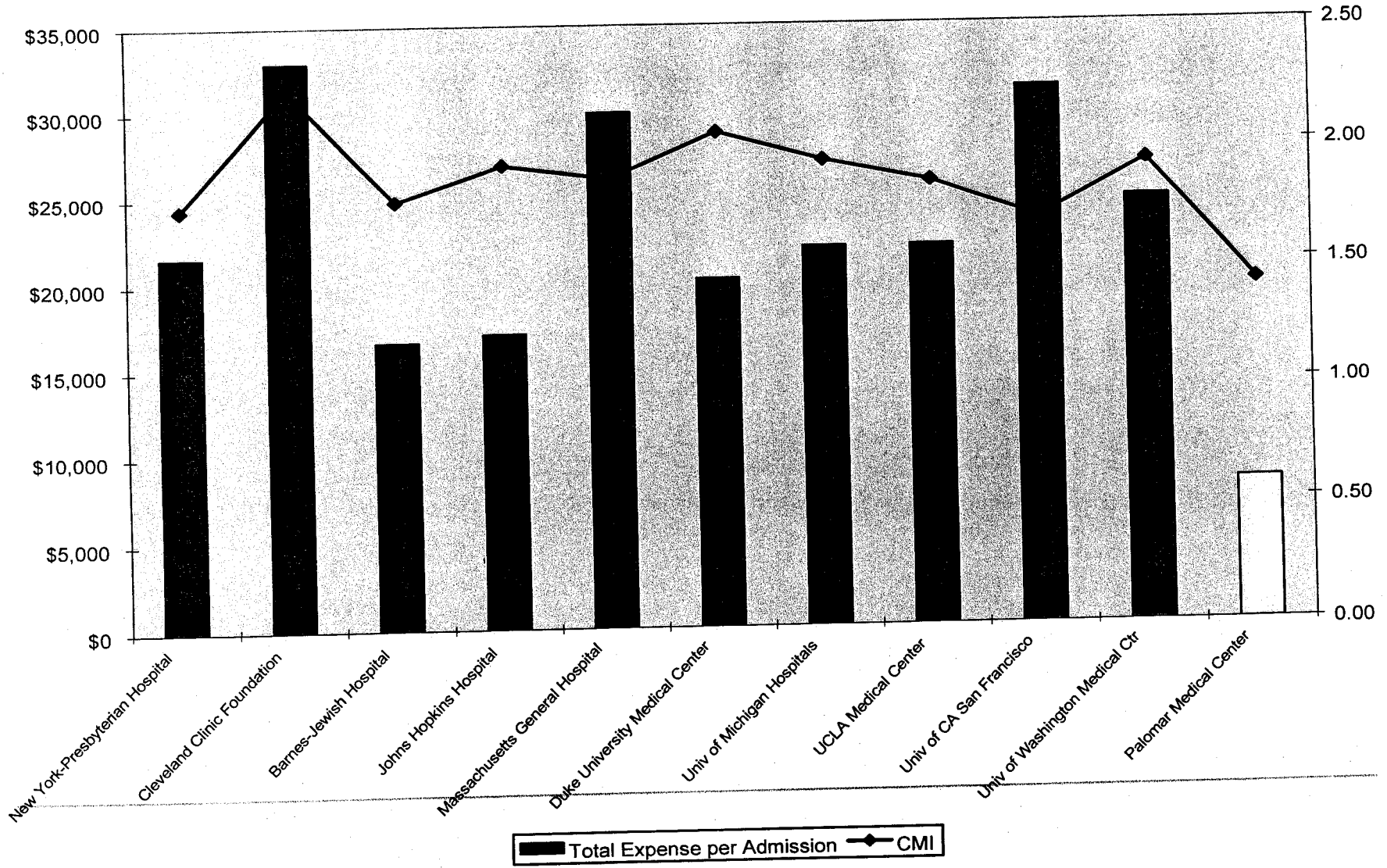
Outcomes Comparison

Case Mix Index vs. Length of Stay



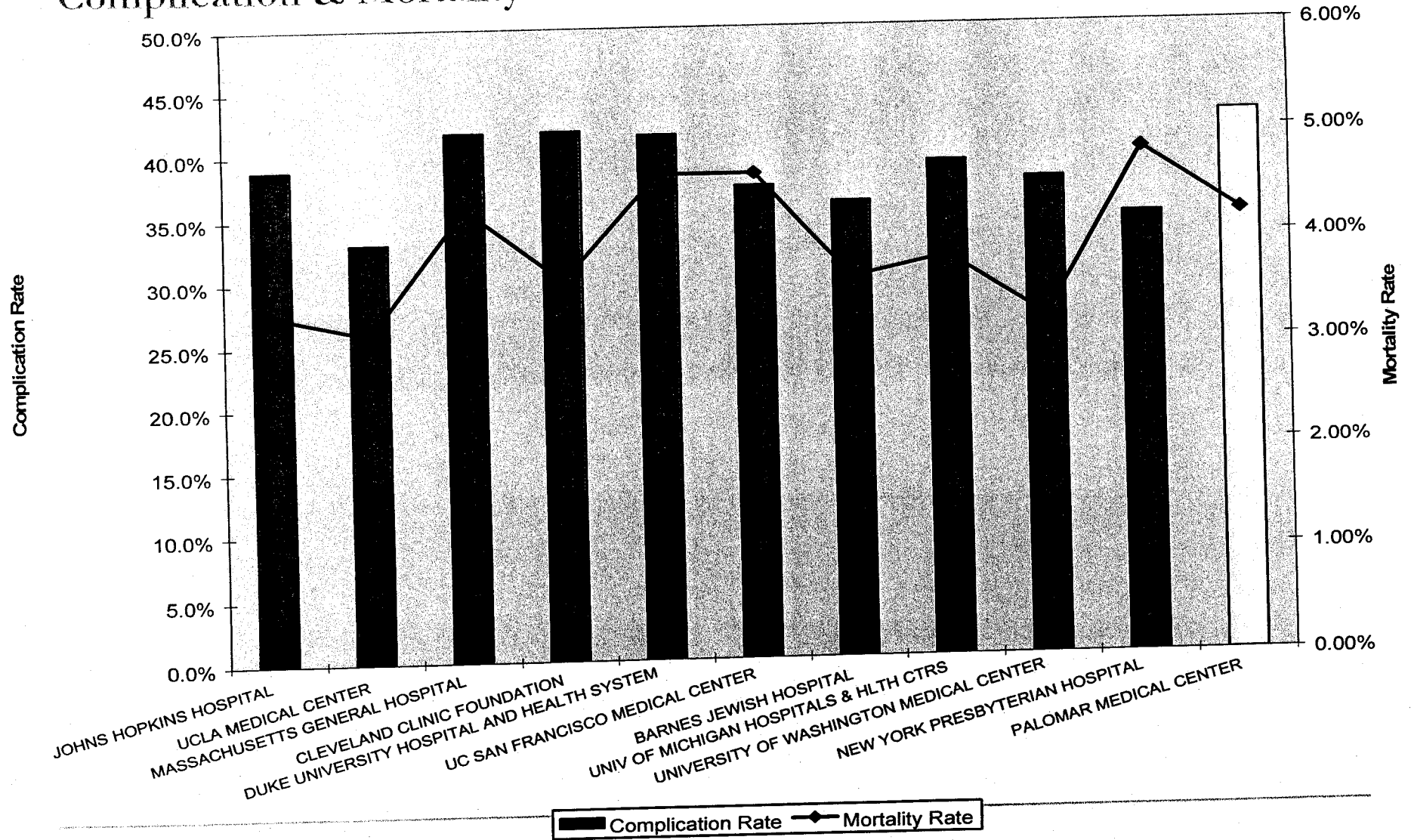
Outcomes Comparison

Expense per Admission vs. Case Mix Index



Outcomes Comparison

Complication & Mortality Rates



*How Do We Get From Here
To There ?*

Leadership Dilemma for Your Hospitals

- Questions for hospital management
 - Do I have the metrics to address public performance?
 - Do I have the culture/ motivational tools to turn data into sustainable performance improvements?
 - Can I measure effectiveness of execution over time?
 - Can I measure the value my organization brings to the community?

Effective Use of the 100 Top Public Reports

- **Motivating staff to improve**
 - Simple goals
 - All employees can clearly contribute
- **Assessing public position**
 - Review public information and position
 - Use all-payer data to determine current position
- **Developing strategies for reporting value plus performance improvement goals**

Immediate Actions to Take . . .

Assess current public National, State and Local competitive position

- 100 Top Results Reports

Assess consistency, direction of public performance – hospitals, system

- 100 Top Hospital Trends
- All-payer Trends

Assess opportunities for improvement

- Quality and Cost
- Business practices

Re-assess business strategies

- Identify what you CAN do, not what you THINK you can do
- Identify what you do well and what you don't from a business standpoint
- Target growth, based on true competencies
- Fix or close losers

Initiate Community Reporting

- Emphasize success, improvement goals

Bringing True Value to Your Community— Reporting Success and Performance Improvement

- **Economic impact on community and citizens**
- **Impact on Customers**
 - Percent community served
 - Impact on consumer initiative
 - Impact on targeted audiences in human terms
 - Patient satisfaction
- **Successful treatment rates**
 - Survival rates
 - Patients returning home
 - Largest employer, revenues
- **Changes in health status**
 - Reduction of disability
- **Level and rate of performance improvement**
 - Trends of performance over time against benchmarks
 - Impact of improved performance in human terms

POSTED
3-24-04

PALOMAR POMERADO HEALTH

**BOARD OF DIRECTORS
NOTICE OF SPECIAL MEETING**

A Special Meeting of the Board of Directors of Palomar Pomerado Health has been called for purposes of conducting a "Best Hospitals List, and How to Get on It" educational session presented by Ms Jackie Ennis, speaker. The meeting will be held on Friday, March 26, 2004 at Noon at the Rancho Bernardo Inn, **Bernardo East Room**, 17550 Bernardo Oaks Drive, Rancho Bernardo, California 92128.

DATED: March 24, 2004



Christine D. Meaney
for Alan W. Larson, M.D.
Chairman, Board of Directors