

Executive Briefing

Optimizing Performance in Cardiovascular Service Lines

Top-performing hospitals utilize a dashboard of key indicators to evaluate the performance of their cardiovascular (CV) service line. The composition of the dashboard is reflective of the key elements of the CV service line's strategic goals, whether they are financial and statistical performance, achievement of quality targets, or patient satisfaction. By translating a hospital's strategies into quantifiable and measurable objectives, a performance dashboard can help align interests, retain the focus of key players on the same set of core issues, and ultimately ensure that a hospital achieves its strategic vision for the CV service line. This *Executive Briefing* describes the key elements of a robust CV service line performance dashboard and the steps needed to ensure successful implementation.

Creating Dashboards to Measure Successful Execution of Strategic Plans

Historically, the primary use of dashboards has been to monitor and track a series of operational indicators. The true value of a dashboard, however, comes in identifying metrics that allow management to track the success of a service line from operational and strategic perspectives. Therefore, it is critical to include metrics that reflect the service line's underlying strategies and allow management to understand the impact of these strategies on the service line's overarching goals. To be a useful management tool, the dashboards must be easy to update and formatted in a way that communicates information in a succinct, easy-to-understand fashion. Dashboards can range in complexity, but the most effective examples are straightforward and display both current and historical performance compared to targeted levels, such as is shown below.

| Examples | Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Average Year to Date |
|--|----------------------|-----------|-----------|-----------|-----------|----------------------|
| Compliance With Core Measures | > 90th Percentile | 85th | 86th | 88th | 87th | 87th |
| Door to Balloon Time | < 90 Minutes for All | 85 | 83 | 91 | 91 | 88 |
| Average Cardiology Length of Stay | 5.0 Days | 4.5 | 4.6 | 4.7 | 4.6 | 4.6 |
| CV OR Turnover Times | 38 Minutes | 40 | 41 | 42 | 43 | 42 |
| Number of CV Surgeries (per Quarter) | 100 | 90 | 90 | 95 | 100 | 94 |
| Number of Caths. (Diagnostic and PCIs per Quarter) | 875 | 900 | 890 | 880 | 880 | 888 |
| Market Share in PSA | 60% | 55% | 55% | 56% | 56% | 56% |
| Number of New Patients in Outreach Clinics | 10 per Month | 8 | 10 | 12 | 13 | 11 |
| Contribution Margin per Inpatient CV Case | \$3,500 | 3,600 | 3,600 | 3,590 | 3,580 | \$3,593 |
| % Over-/Under-Budgeted Service Line Expenses | 0% | 0% | +5% | +5% | +5% | +4% |
| Patient Satisfaction Score | > 90th Percentile | 91st | 88th | 90th | 91st | 90th |
| Governance Council Meeting Effectiveness Survey Scores | 10/10 | 9.5 | 9.2 | 9.8 | 10 | 9.6 |

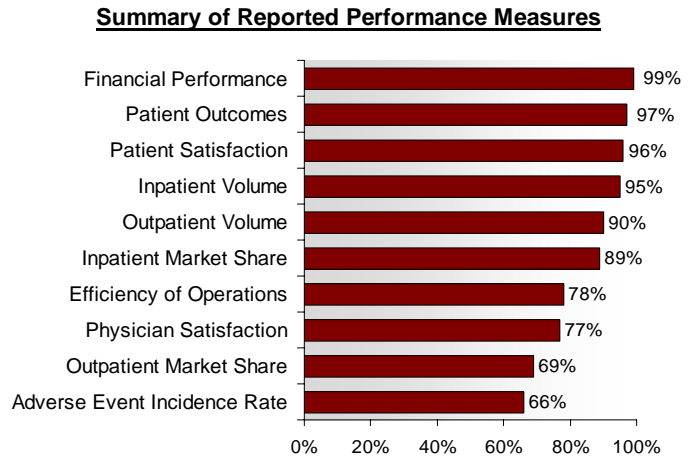
Meeting Target
Not Meeting Target

Researching Best Practices of Top-Performing Hospitals

In spring 2009, ECG Management Consultants, Inc., and the Healthcare & Science business of Thomson Reuters conducted the Cardiac Service Line Best Practices Survey. The results of this survey were published in the *Cardiovascular Service Line Management Survey – Key Findings and Implications*, year 2009 based on 2008 data, and highlight the ways in which top-performing hospitals are using dashboards to guide their service lines. The survey was designed to identify trends in CV service organization and governance in top-performing hospitals and to understand exactly how these hospitals were confronting

the challenges associated with building strong CV service lines. In total, 136 hospitals responded to the survey, representing a wide variety of academic medical centers, teaching hospitals, and community hospitals in both rural and urban settings. These respondents all participated in the Thomson Reuters *100 Top Hospitals®: Cardiovascular Benchmarks* study at least once in the last three years. Thus, all hospitals participating in the survey have strong CV programs.

The results of the CV service line survey illustrate a growing industry trend toward performance management – utilizing dashboards as a management tool to achieve the service line’s strategic objectives and goals. Respondents indicated that they actively manage their CV service lines by using performance measures that have a broad focus, emphasizing outcomes and overall service line financial performance in addition to the more common operational metrics. As indicated in the chart at right, their preferred metrics for these performance-related issues varied widely, focusing not only on finances and volume but also on quality-related measures and physician satisfaction.



Ensuring Successful Development and Implementation

The following key success factors are critical in implementing a dashboard approach effectively:

- *Create Accountability* – It is important to ensure that one person is charged with having ownership of the dashboard and is responsible for updating the data at regular intervals and distributing it to key constituents.
- *Review With Service Line Governance Council* – Dashboards can be extremely beneficial tools in providing key information to the service line governance council, optimally composed of both physicians and administration. These key performance metrics serve as a tool for the service line governance council to evaluate the effectiveness of strategies and initiate any tactical course corrections needed. They also assist service line leadership in prioritizing resource allocations and allowing them to hold management accountable for performance.
- *Monitor Performance Trends* – Dashboards can only be a tool for performance improvement if they are consistently reviewed and if the results are used to shape and inform the initiatives designed to drive change.
- *Incentivize Performance* – Tying service line leaders’ financial incentives to these performance indicators will ensure alignment of goals and focus attention appropriately on the key measures of service line success.
- *Routinely Reevaluate Performance Metrics* – A performance dashboard is not a static tool; rather, it is one that should be continuously evaluated and adjusted to ensure that it continues to achieve the desired objectives.

This *Executive Briefing* was written by Ms. M. Sue Anderson, Manager, and Ms. Kathryn K. Reed, Manager. To learn more about CV service line management, please contact Ms. Anderson at 703-522-8450 or sanderson@ecgmc.com or Ms. Reed at 206-689-2200 or kreed@ecgmc.com.

About ECG Management Consultants, Inc.

ECG offers a broad range of strategic, financial, operational, and technology-related consulting services to healthcare providers. As an industry leader, ECG is particularly known for providing specialized expertise regarding strategic and business planning, specialty program development, hospital/physician relationships, information technology, and the complexities of the academic healthcare enterprise. ECG has offices in Seattle, Boston, Washington, D.C., San Diego, and St. Louis. For more information, visit www.ecgmc.com.