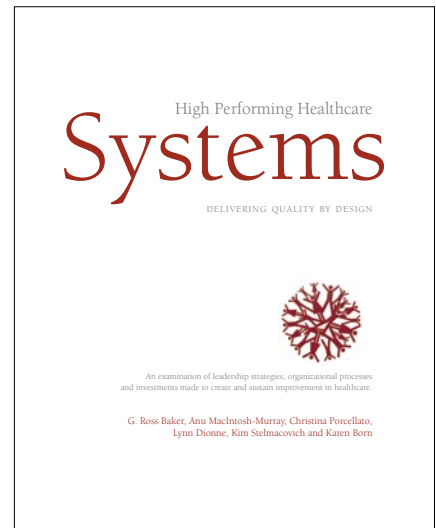


# High Performing Healthcare Systems

DELIVERING QUALITY BY DESIGN

## Chapter 6 Commentary



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# Commentary: Henry Ford Health System

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“2005 was a very successful year,” reported the chief executive officer (CEO) of the Henry Ford Health System (HFHS). That year, Henry Ford Hospital was identified as a performance improvement leader in Solucient’s 2005 list of 100 Top Hospitals: Performance Improvement Leaders. Although a similar national ranking system does not exist for Canadian hospitals, it is advisable for boards and senior administrators in Canadian hospitals and regional health authorities to learn from performance improvement leaders in the United States. In the accompanying case study of HFHS, much can be learned and emulated in the Canadian context.

## **Case study**

In 2003 the new CEO of HFHS adopted a strategy of integration, alignment and performance improvement. The organization’s strategic framework was restructured to support clear performance goals focused in seven key areas (people, service, quality and safety, growth, research and education, community and finance). The framework included clear lines of accountability for reaching those goals. A cascading communication exercise ensured that the strategic goals were understood throughout the entire organization. Investments in the corporate Office of Clinical Quality and Safety (OCQS) supported the process transformation and the creation of key quality and safety

performance measures and targets. Further investments in clinical information systems ensured that local data were available for measuring and improving performance.

### **Canadian context**

Over the past few years there have been several reports, both federal (Romanow 2002; Kirby 2002) and provincial (Mazankowski 2001) calling for the transformation of Canada's health system. In response, the federal government created an arms-length Health Quality Council and a Canadian Patient Safety Institute to report annually on the status of healthcare quality and safety in Canada. Increasing attention has also been directed at both reducing wait times and creating clarity around accountability for healthcare providers.

The sustainability of Canada's health system is in doubt, as critics of medicare predict that we will not be able to meet the demands of an expanding aging population. Some of the significant challenges facing the Canadian government, the provincial ministries of health and health service providers include the following:

- Growing wait lists
- A call for wait time guarantees
- Shortage of health human resources
- Inadequate health information systems
- Increasing costs of new drugs and technologies
- Insufficient physical capacity

In the context of so many challenges, it is essential for health service providers, hospitals and regional health authorities to focus on becoming performance improvement leaders. HFHS recognized the need for such massive transformation. While its administrators looked at every aspect of the organization, they succeeded by focusing significant effort and investment in four key areas: leadership, accountability, performance measures and a culture of quality and safety. Given the challenges facing the Canadian health system, healthcare administrators as well as government policy- and decision-makers may be well advised to adopt a similar approach to help transform Canadian hospitals and regional health authorities.

### **Leadership**

HFHS redesigned both governance and management structures to ensure integration and alignment at all levels. Once the organizational goals had been defined and communicated throughout the organization, leaders and managers at all levels understood where the organization was going and, most importantly, what they needed to focus on to help HFHS get there.

The importance of demonstrable commitment from the board of governors, the CEO and senior administration is clear. It is apparent that physician involvement was equally important. The case study authors tell us that “physician champions and leaders are very important” at HFHS; however, most of the organization’s physicians are employees. Clearly, this relationship provides HFHS administrators and department heads with significant leverage in gaining compliance with organizational directions.

In the Canadian system, meanwhile, physicians are not employees. Rather, they are given appointments and privileges. However, this difference need not be prohibitive in engaging physicians as leaders. Administrators should ensure that all department and division heads truly understand organizational goals. This is particularly true for academic centres where patient care, education and research are all part of their mandate. Once an organization’s goals are understood, physician leaders’ roles and responsibilities must be clearly stated. Finally, a process for measuring, monitoring and managing performance must be implemented. In this way, physician leaders and champions can and will help transform Canada’s health system.

### **Accountability**

At HFHS the annual strategic plan and performance reporting systems are explicitly tied to the organization’s “seven pillars.” Once HFHS had established clear organizational goals, it then created a structure to ensure that individuals in the organization could be held accountable for reaching those goals. The organization was restructured into cross-functional teams that corresponded to each of the seven pillars. HFHS executive leaders were assigned as both chairs and participating members of those teams. In this way, clear lines of accountability were established for each pillar. Once executives and teams were identified for the pillars, HFHS ensured that key performance indicators and targets were created for each team. A Dashboard Report – including graphs of indicators and targets for finances, growth, people (nurse and physician turnover) and service (patient satisfaction) – was reviewed monthly and necessary actions were taken, as required.

### **Performance measurement**

Healthcare organizations have been slower than most to embrace the adage, “You can’t manage what you can’t measure.” Clearly, HFHS’ decision to underscore the importance of information systems and local data in making the organization a performance improvement leader was key to its success.

Historically, health organizations have not invested sufficiently in information systems. This has led to widespread collection of diverse sets of data that, for the most part, may be inaccurate, outdated and not comparable to data produced by other health

organizations. Lack of confidence in health system data has hindered efforts at measuring and comparing peer healthcare organizations for benchmarking exercises and other performance improvement initiatives.

Certain more progressive organizations have, however, adopted the principle that measuring performance is an essential work in progress. Increasingly, governments and health service providers are working to improve both the accuracy and timeliness of performance data. By continuing to use and improve data, HFHS was able to create performance indicators to reflect performance in key areas of the organization. HFHS understood that becoming a performance leader requires significant investments and attention to collecting local data. Its administrators also understood the importance of using external data from a variety of sources, including published studies and collaboratives. Standardized patient satisfaction and employee satisfaction surveys, participation in the Institute for Healthcare Improvement's 100k Lives campaign and participation in the JCAHO accreditation are some of the ways that HFHS uses credible external indicators to help drive performance improvement.

In Canada, more and more credible initiatives (e.g., the Required Organizational Practices of the Canadian Council on Health Services Accreditation; the Safer Healthcare Now initiative of the Canadian Patient Safety Institute) are helping senior health system leaders focus on improving quality and safety. Today's senior health system decision-makers must understand the importance of both credible external performance measures and local data. They must also continue to invest in information systems that will support their organizations' quests to become performance leaders.

### **Culture of quality and safety**

Great leaders articulate clear visions for their organizations. Equally important, they ensure that everyone in their organizations understands their own value in helping achieve those visions.

The HFHS leadership recognized this truth and created a compelling vision statement: "To provide each patient the quality of care and comfort we want for ourselves and our families." They demonstrated their commitment to this vision through tangible investments in organizational development, service excellence and culture change. These investments included a significant increase in resources to support the newly formed OCQS. A number of initiatives aimed at creating a quality culture were implemented, the most compelling of which were the key quality performance measures. Reporting on these clearly defined what HFHS meant by quality and stated objective measures of the quality of care that was being provided. Each of the six categories of quality (safe, timely, efficient, effective, equitable and patient-centred) was assigned a number

of performance indicators, and progress improvement in these areas was measured objectively. Through clear lines of accountability, the loop was closed and HFHS moved forward toward its vision.

### **Summary**

In a few short years HFHS successfully transformed itself from being an average to below-average healthcare provider into a leading organization. The organization focused on leadership (including physicians), alignment and integration through clear lines of accountability for performance improvement, performance measurement through designing local performance indicators and the creation of a culture of quality and safety. Although the health system in the United States differs from Canada's, the strategies and tactics HFHS used are highly relevant to Canadian health service organizations seeking to be leading performers in the health system.

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