Measuring Intangible Value and Aligning IT Strategy with the Business Mission

Pete Shelkin

Deputy CIO
The Ohio State University Medical Center

Objectives – Learn how to:

1. Develop value based criteria which are tied to the hospital's mission and vision

2. Build agreement on using non-financial, value-based criteria as part of the capital allocation process

3. Integrate those criteria into the project proposal and approval process

4. Use those criteria for measuring "non-financial" value returned after project implementation

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Value at Not-for-Profits

In order to make meaningful, value based decisions, we need to measure value not only in terms of traditional financial measures, but in terms of our mission and vision as well.

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"Preflight Checklist"

- A functional IT governance body

- Projects are sponsored by department leaders who are accountable for achieving the project objectives

- Responsibility for achieving objectives lies with both executive leadership and IT

- A strong sense of collaboration exists between the CIO and other department leaders

- You (the CIO) have a true understanding of how your organization operates and the role of IT

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Objectives 1 & 2

- Develop value based criteria that are tied to the hospital's mission and vision

- Build agreement on using non-financial, value-based criteria as part of the capital allocation process

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Example Hospitals

- San Juan Regional Medical Center is a small regional hospital located in Farmington, NM

- The Ohio State University Medical Center is a major, multi-hospital, academic medical center located in Columbus, OH

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About SJRMC

San Juan Regional Medical Center (SJRMC) is a regional full-service, Level III - 240 acute care bed hospital serving Farmington, New Mexico and San Juan County, and providing specialized medical service to the Four Corners area of Arizona, Colorado, New Mexico and Utah.

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SJRMC Mission & Vision

Our Mission is to personalize health care and create enthusiasm and vitality in healing.

Our Vision is to be known as the most personalized quality health care provider.

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Mission & Vision Key Words

Our Mission is to **personalize** health care and create **enthusiasm** and **vitality** in healing.

Our Vision is to be known as the most **personalized quality** health care provider.

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Key Word Meanings
(in the context of healthcare at SJRMC)

■ Personal = Accurate, Timely Information, Communication, and Interactive Processes

■ Enthusiasm = Patient and Staff Satisfaction

■ Vitality = Quality Care Delivery/Outcomes, Fiscal Strength, Core Community Institution

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Many Different Perspectives

- **The Patient's Perspective**
- **The Physician's Perspective**
- **The Nurse's Perspective**
- **The Ancillary Provider's Perspective**
- **The Manager's Perspective**
- **etc.**

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The Patient's Perspective

- Availability of information *in their preferred manner*
- Answering questions *once*
- Asking questions *once*
- Preferences are remembered and anticipated
- Register/Schedule from anywhere
- Privacy and confidentiality standards are strictly met
- Communicate with care providers on-line
- Find affiliated physicians on-line

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The Physician's Perspective

- Patient care data easily shared between the hospital and physician offices
- Ability to easily schedule patients
- Single sign-on/Portal for ease of use
- Capture/transfer of data from monitoring equipment
- Easy access to medical record information
- Electronic order entry
- On-line clinical documentation
- Real-time alerts and reminders
- Support for outcomes tracking, population analysis, etc.
- Automation of peri-operative processes
- Easy access to guarantor, co-pays, demographic info, etc.

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The Nurse's Perspective

- Patient care data easily and readily available
- Efficient staff and resource scheduling
- Easy access to complete clinical record
- On-line clinical documentation
- Real-time alerts and reminders
- Automatic downloads from monitoring equipment
- Easy access to demographic info for discharge planning
- Tools to support best clinical practices
- Correlation of clinical data with nursing intervention

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Ancillary Provider's Perspective

- Easy access to complete health information
- Procedures are scheduled efficiently regardless of source
- Drug interactions automatically checked
- Tools to support best clinical practices
- Easy access to guarantor, co-pays, demographic info, etc.
- All systems are fully integrated and compatible
- Manuals and procedures available on-line
- Focus on patient safety
- As paperless as possible

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The Manager's Perspective

- ADT process is efficient
- Tools for soliciting feedback on services
- Easy to use financial and administrative systems & reports
- Historical information easily available
- Easy to use research/outcomes databases
- Right information readily available to the right individuals
- Electronic capture/archive (reduce paper)
- Electronic eligibility checking, billing, etc.
- Easy to use/manage training and educations tools
- Effective communication tools and processes

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Finding Patterns

- Review all items collected and look for common themes.

- Condense the big listing of "value items" into your shorter listing of common themes.

- Continue to work with the various constituent representatives to finalize the short list.

- These half dozen items become your primary IT strategic drivers.

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SJRMC's Primary IT Drivers

1. Fully Integrated, Fully Accessible Systems

2. Complete Health Record

3. No Duplication of Effort

4. Reduce Errors and Improve Outcomes

5. Enhance the Patient Experience

6. Ease of Use

7. Consideration to Current and Future Technologies

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Quick Review: Strategic IT Drivers

- Begin with the mission and vision

- Solicit input from stakeholders across organization

- Strategic drivers are derived from common themes

- Focus on items that are measurable

- Vet Strategic Drivers with constituents

- Formalize Strategic Drivers with IT Governance

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Another Example…

- Different hospital

- Same Challenge

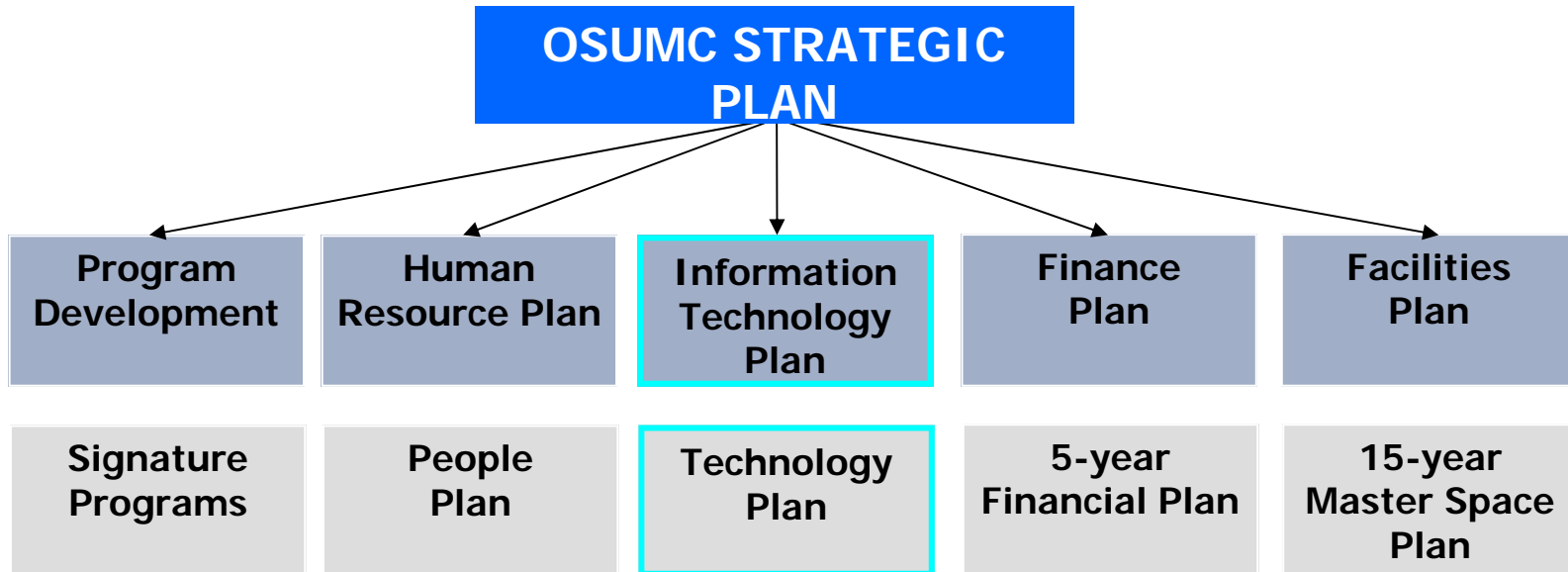- Similar Process/Approach

- Same Outcome

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About OSUMC

The Ohio State University Medical Center, located on Columbus, OH, is comprised of a College of Medicine, 10 research centers, a physician practice plan, six hospitals, a primary care network, more than 13,000 employees, and an annual budget of over $1.4 billion.

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OSUMC Mission & Vision

Our Mission: to improve people's lives through innovation in research, education and patient care.

Our Vision: Shape the future of medicine by creating, disseminating and applying new knowledge, and by personalizing health care to meet the needs of each individual.

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OSUMC Strategic Plan

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                        │   OSUMC STRATEGIC    │
                        │        PLAN          │
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Program Development	Human Resource Plan	Information Technology Plan	Finance Plan	Facilities Plan
Signature Programs	People Plan	Technology Plan	5-year Financial Plan	15-year Master Space Plan

The IT Strategic Plan is a component of the OSUMC Strategic Plan

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Strategic Drivers

- Through a collaborative process, OSUMC created set of measurable elements for all plan components

- OSUMC uses the term "Key Result Areas"

- Value of all proposed and actual work is measured in terms of KRA's

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OSUMC Key Result Areas

- ■ Workplace of Choice

- ■ Quality

- ■ Productivity and Efficiency

- ■ Financial Performance

- ■ Service and Reputation

- ■ Innovation and Strategic Growth

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From KRA's to Measures (p. 1)

KRA	Defining Attributes	How Measured
Workplace of Choice	Collaborative, personalized, constructive, highly integrative, encouraging, service-oriented, results oriented, accountable, empowering, engaging.	Staff satisfaction, ability to recruit & retain clinicians, turnover
Quality	Patient safety, clinical-specific outcomes, accreditation preparedness and results, student quality, student preparedness, postgraduate placement, evidenced-based delivery, high impact publications and research.	Standard quality reports, outcomes measures, accreditation, national rankings
Productivity & Efficiency	Throughput, labor productivity (staff, physician, researcher), access to services (appointment availability, bed availability), capacity utilization and management, efficient/lean processes	Workflow statistics, average patient wait times, capacity utilization, ALOS, costs per bed/day

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From KRA's to Measures (p. 2)

KRA	Defining Attributes	How Measured
Financial Performance	Revenue growth, expense management, fundraising (cash, endowments, scholarships).	Standard financial reporting
Service & Reputation	Patient satisfaction, referring physician satisfaction, personalized care, patient and family centeredness, investment in the community, access to clinical programs and trail, national recognition, national awareness.	Customer satisfaction scores, physician satisfaction scores, USNWR annual rankings
Innovation & Strategic Growth	Targeted strategic growth, Signature Program development, increasing market reach and share, new clinical, education and research programs (clinical trials, research grants, publications, CME programs), innovative techniques and procedures.	Program growth, market share, funded clinical trials, grants, FDA approvals

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Integrate Strategic IT Drivers into the project proposal, approval, and contracting process
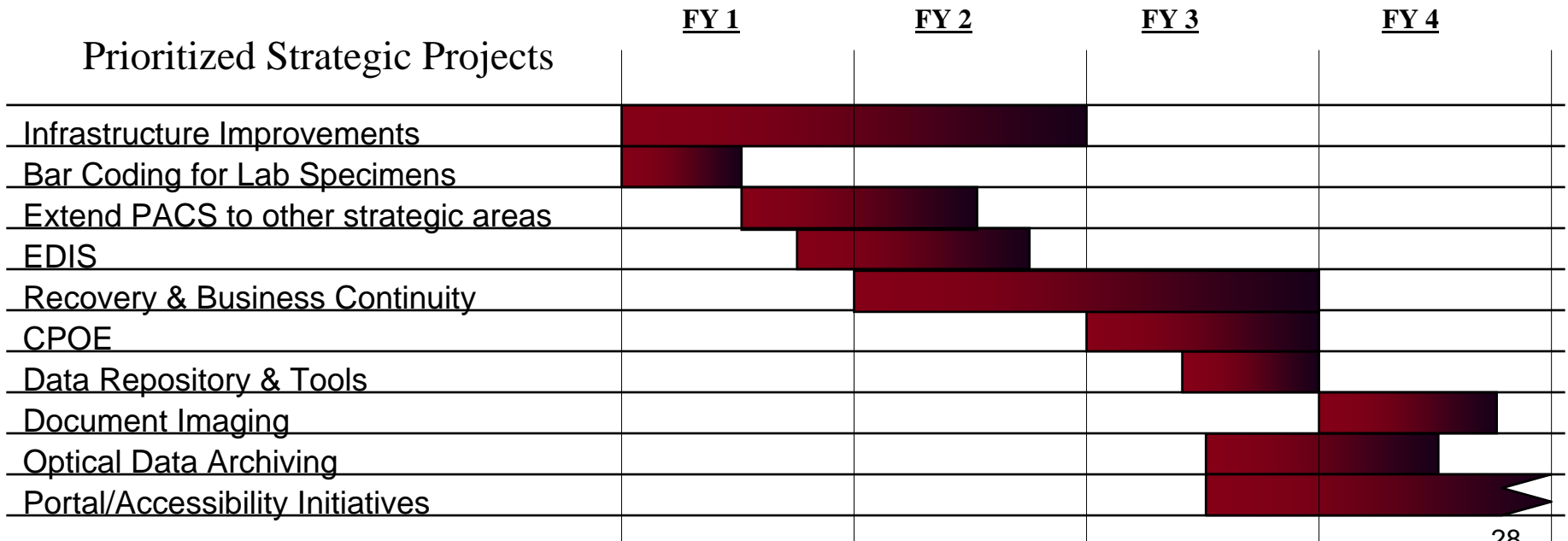
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Building the IT Plan

Proposed Projects

The IT Governance Body uses the measures associated with the strategic IT drivers to "filter" incoming requests. The result is a strategic IT plan that is directly tied to the hospital's mission and vision.

Prioritized Strategic Projects	FY 1	FY 2	FY 3	FY 4
Infrastructure Improvements	██████	████		
Bar Coding for Lab Specimens	██			
Extend PACS to other strategic areas		████		
EDIS		███		
Recovery & Business Continuity		████	███	
CPOE			███	
Data Repository & Tools			██	
Document Imaging				████
Optical Data Archiving				███
Portal/Accessibility Initiatives				████

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IT Project Proposal

- ■ Opportunity Statement
- ■ Project Goal
- ■ Measures for Success
- ■ Approach for Meeting Goal
- ■ IT Strategic Integration Review
- ■ Project Scope
- ■ Project Organization
- ■ Potential Barriers and Risk Mitigation Approach
- ■ Project Milestones and Estimated Timeline
- ■ Project Budget Estimate

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Project Goal

Project goals should be written using the SMART (Specific, Measurable, Achievable, Relevant, Time-bound) format. Measures should be related to the Strategic IT Initiatives.

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Sample Project Goal

"Laboratory will improve patient safety by ensuring a zero (0) tolerance level for errors when identifying inpatient specimens, and improve phlebotomy turnaround time by 3% by the end of the first quarter of 2006."

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Sample Measures for Success

A. Eliminate all patient identification and labeling errors.

B. Reduce the time required by phlebotomist for patient identification verification and phlebotomy by at least 10%.

C. Reduce the number of duplicate or missed draws on inpatients by at least 90%.
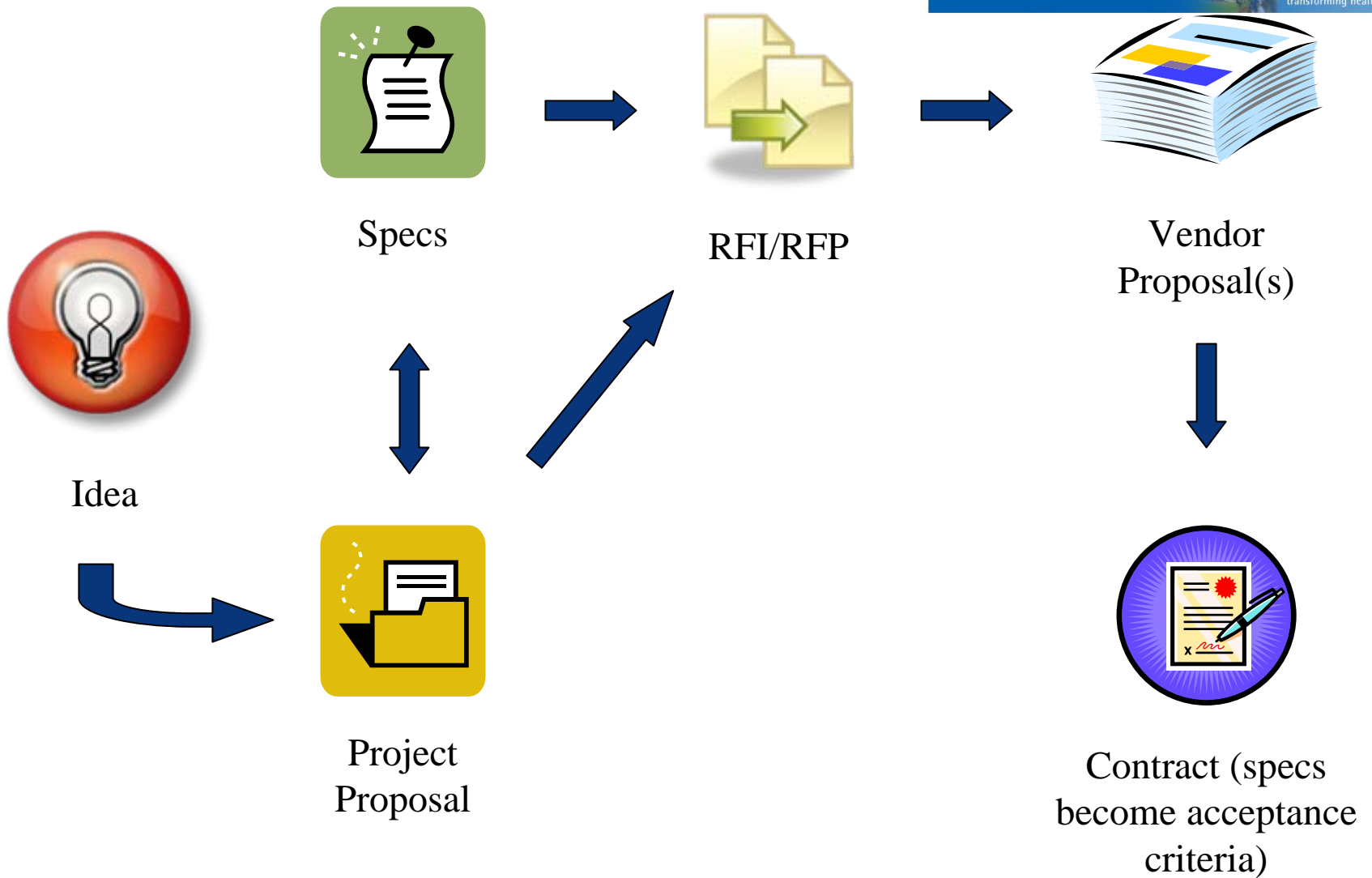
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IT Strategic Integration Review

Each of the Strategic IT Drivers are included in the proposal template. The project champion must identify which concepts represented by the drivers are applicable to this project, and articulate how the proposed project supports those items.

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Measures Related to Mission

- Eliminate all patient identification and labeling errors

- Reduce the time required by phlebotomist for patient identification verification and phlebotomy by at least 10%

- Reduce the number of duplicate or missed draws on inpatients by at least 90%

- Fully Integrated, Fully Accessible Systems
- Complete Health Record
- No Duplication of Effort
- Reduce Errors and Improve Outcomes
- Enhance the Patient Experience
- Ease of Use
- Consideration to Current and Future Technologies

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RFI/RFP

- Each RFI/RFP should include a section for IT Strategic Integration Review just as the proposal does.

- Vendors should be required to articulate how the solution they are proposing supports the elements of the IT strategy.
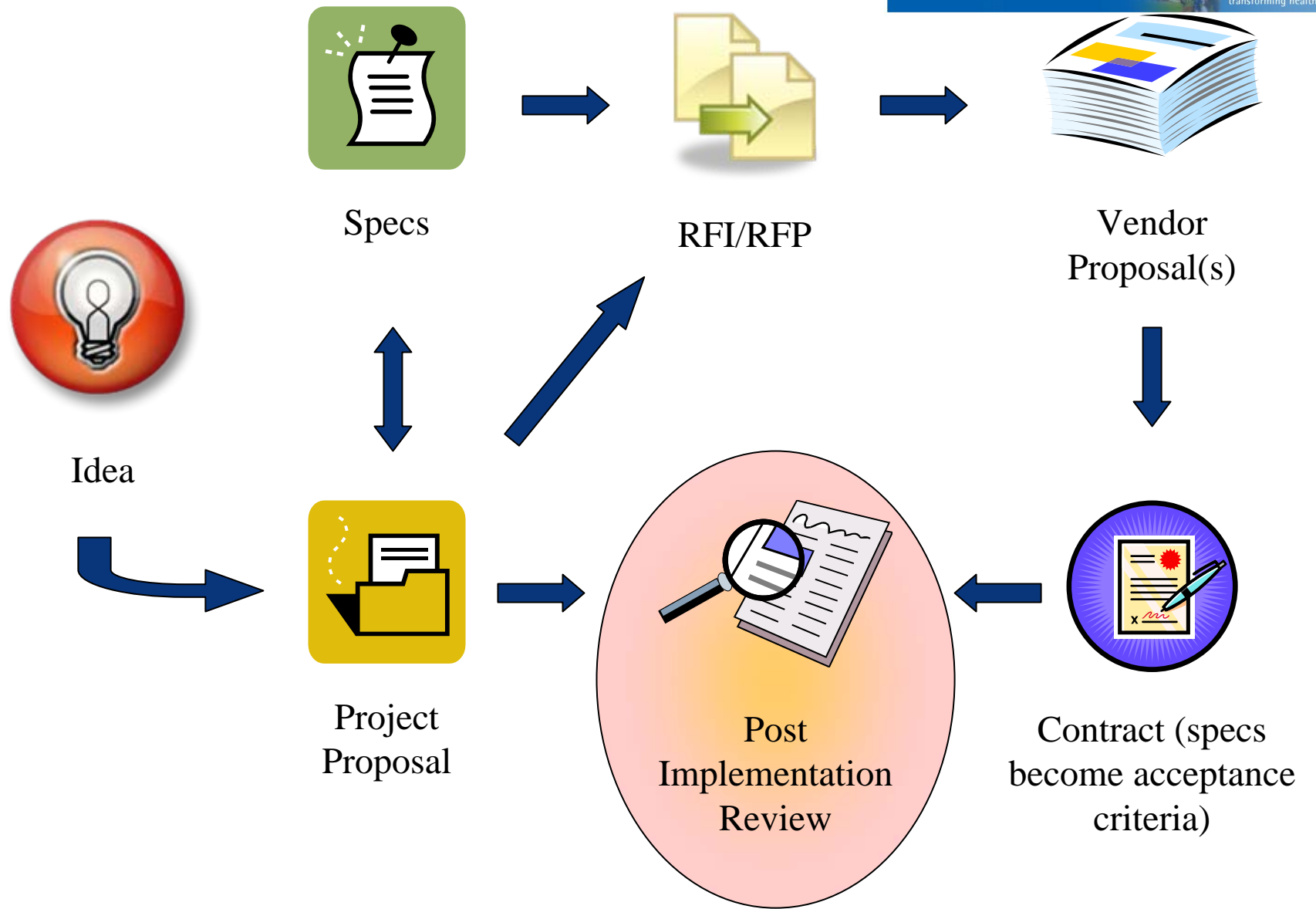
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Specs

RFI/RFP

Vendor
Proposal(s)

Idea

Project
Proposal

Contract (specs
become acceptance
criteria)

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Objective 4

Use those criteria for measuring "non-financial" value returned after project implementation

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Post-Implementation Review

- Projects must be reviewed after implementation to validate whether or not the expected value was delivered.

- By using the measures and targets listed in the proposal, the post-implementation review assures that the items which bring value in terms of the mission and vision are the focus of the review.

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Specs

RFI/RFP

Vendor Proposal(s)

Idea

Project Proposal

Post Implementation Review

Contract (specs become acceptance criteria)

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Summary for IT Governance

Project/Measures	Baseline	Target	Live + 6mo	Live + 12mo
Project1				
Measure1	90	30	45	35
Measure2	3	0	0	0
Measure3	60	6	8	4
Project2				
Measure1	1,000	5,000	2,350	5,285
Measure2	500	200	450	375
Measure3	80%	97%	95%	96%

etc.

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What We Learned

- You **can** measure more than just time and money

- Building consensus on measuring value **before** the planning meetings helps minimize politics, enabling you to move forward

- Retrospective analysis must focus on all relevant "value measures" in order to be meaningful

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Questions…

Pete Shelkin
The Ohio State University Medical Center
pete.shelkin@osumc.edu
614.293.9446

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