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Benchmarking: Moving Beyond a Metrics Beauty Pageant

By Jennie Dulac

Even top quartile organizations cannot be complacent.

Benchmarking as a numbers exercise has grown in popularity, driven in part by the rising popularity of national rankings and the competition to achieve them. Too often, benchmarking is an approach for comparing hospitals with 50th percentiles pulled from a national database and then publicizing when decile or quartile performance is exceeded.

The flawed thinking here is that 50th percentile infers average, which is not where hospitals should strive to be, particularly as clinical effectiveness, efficiency, and cost improvement are top priorities. For example, better-than-national averages on infection or mortality rates do not provide assurances that a hospital is doing as well as required.

Percentile tracking should, instead, inspire hospitals to push their performance to achieve the lowest incidence rates. Even hospitals in the top quartile of national or regional benchmarks cannot be complacent. Being at the highest performance level in a transforming industry does not mean that the journey is over; it just means there is less distance to travel.



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More than a Numbers Game

Healthcare providers should get back to benchmarking roots, which are more than numbers games, and view benchmarking as process improvement that creates best-practice organizations. The initial step is peer comparison. The power of benchmarking occurs when hospitals study how other organizations achieve top performance levels and then adapt those strategies for their own use.

Benchmarking Best Practices

As hospitals move from benchmarking as a comparison exercise toward benchmarking as a process to take them to best-practice status, the following strategies should stay top of mind:

Include key stakeholders in the entire process. Senior leaders, clinicians, and data specialists should be involved in the full set of benchmarking activities to ensure consistency with strategic goals and organizational buy in. High-performing staff will welcome assessment and execution of improvement opportunities.

Use both internal and external lenses. Internal benchmarking involves comparison of an organization's own data, such as care variation across physicians, nursing units, service lines, and facilities. External

benchmarking means looking at peer groups performing at best-practice levels. It can be challenging to find comparable organizations that are willing to share their data and lessons learned, but organizations that have used this approach confirm that it can mean the difference between success and failure of improvement efforts.

Look beyond nearby hospitals for comparisons. Identify five facilities to visit and learn from and be willing to fund visits to other regions and states.

Be aware of reporting time lags. Substantial lags may occur with published benchmarks. Older numbers used for external comparison may have shifted in organizations' current comparative periods. Directional and specific benchmark movement may have occurred.

Avoid a one-size-fits all approach. Lessons learned from other organizations must be carefully evaluated before they are replicated. While best-practice providers can serve as models and learning opportunities for other organizations, hospitals must consider how their unique circumstances and culture could impact their abilities to roll out improvements.

View benchmarking as a way to motivate caregivers. By comparing performance with appropriate external standards, teams can reflect on their performance and be inspired to hit improvement and growth targets using approaches from best-practice organizations.

Consider looking outside the healthcare industry. Some benchmarking initiatives may benefit from looking outside healthcare organizations. For example, Kroger supermarkets benchmarked its customer wait times and looked to military infrared technology to shorten checkout lines. Cameras detect body heat at entrances and cash registers to determine how many lanes to open. Customer wait times have been reduced from four minutes to 26 seconds.

If benchmarking activities stop at the point of comparison, hospitals will have found out where they are, but will lack direction on where to go. Organizations that continue with the process as a means to change and improve, while striving to become best-practice organizations, will find that it is a high-impact approach to becoming an even higher-performing organization. //

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