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New Year, New Approach

by **Roberta Domos, RRT**

A formal performance improvement program can get you ready for mandatory quality standards while driving up customer satisfaction—and revenue.



If you are a typical HME provider, you spend a fair amount of time strategizing about how to stay ahead of decreasing reimbursement rates, competitive bidding threats, and ever-increasing operation costs. In fact, you may spend so much time strategizing that you have little time left to execute all your great ideas.

Implementing a formalized performance improvement program can help you put your ideas into action, reduce risk and waste, and improve operational efficiency, quality of care, and profitability. If your company is a Medicare supplier, a performance improvement program can help you get ready for mandatory quality standards that

will be required of HME providers in 2007.

Putting together a performance improvement program is not as hard as you might imagine. There are five basic components to an effective program:

1) A standardized performance improvement model, such as "PDCA" (Plan, Do, Check, Act) helps you maximize the effectiveness of your performance improvement activities. PDCA is a simple model that is easy to follow. You "plan" the improvement; "do" the improvement by putting your plan into action; "check" the results of the actions; then "act" by making the changes part of your new policy or process. If you find that the planned improvements did not materialize, you go back to the planning stage and redesign using the information you gained.

2) Use a team approach that involves staff members and maximizes leadership to get the most out of your efforts. As the owner or general manager of a company, you may feel you know best when it comes to what performance improvement activities should be a priority. And as a leader of the company, it is your job to ultimately make those decisions. However, your staff members are on the front lines of your business on a day-to-day basis. They can help you identify problems that may be the perfect target for performance improvement activities, and also provide invaluable assistance when it comes to brainstorming solutions that will work. Leadership must promote a message that performance improvement is everyone's job.

3) Prioritize opportunities for improvement. You can't work on everything at once, so the organization's leaders will need to make critical decisions about performance improvement priorities. At times, priorities are obvious, but when competing interests arise, you should ask yourself a few key questions to guide decision-making: Does the process impact a large number of patients?; Is the process high risk or chronically problem prone?; and Does the process have a major impact on quality of care or the financial health of the organization? Answering these questions about each performance improvement activity you are considering can help you separate the wheat from the chaff when it comes to making decisions.

4) Effective data collection and aggregation is crucial. A well-developed gut instinct can certainly come in handy when you are running a business, but when it comes to performance improvement, you will get better results if you plan your activities and make decisions about revamping processes based on hard data. Choose specific indicators that get to the heart of the process you are attempting to improve, and then collect data on the measure before you start your performance improvement project.

Also, consider developing a set of core indicators that you monitor consistently, every quarter, because of their importance to your business—such as customer satisfaction survey results, incident report logs, and financial indicators such as billing converted to cash, or "days sales outstanding." It is also helpful to seek industry-wide data for the indicators you are measuring on a routine basis, so that you can benchmark your results against those of other companies. Trending the data with charts and graphs will help problem areas stand out. When data falls out of the threshold you have set for acceptable results, it is time for a closer look.

5) Effective data analysis and action plans complete the process. The leadership of the organization should meet with key staff members on a quarterly basis and carefully review the data that has been collected. This is where decisions are made regarding priorities for performance improvement activities. Once it is decided what the priorities are, the real work starts. Now it is time to put together a team to complete and in depth review the process that has been chosen for improvement.

Creating a flow chart of the process, whether in a narrative or graphic format, will help to clarify the root cause of the problem and help to uncover any obstacles that keep the process from working more effectively. Naturally, it is important to interview each staff member involved in the process so that everything can be completely understood from the ground up. Once you have identified the obstacles, it is

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time for a brainstorming session. What can be done to remove the obstacles and improve performance?



Roberta Domos, RRT

At times, the lack of a formalized process can be the main problem. For instance, if there is no defined company policy on follow-up time frames for physician documentation requests, turnaround times are likely to be outside acceptable limits. In some instances, the root cause of the problem may be lack of employee training, or not enough staff members to get the job done. Perhaps employees do not have the necessary tools, such as reference materials or software, that they need to complete processes more efficiently.

Many times it is a combination of obstacles that results in an ineffective or inefficient process. Do not rule out anything until you have looked at all the possibilities, and above all, keep the process as simple as possible.

Once you have settled on a plan of action, put it in written form and focus on implementation. This may mean you will need to develop a new form, new training materials, or new policies and procedures. It will almost certainly mean you will need to meet with staff members and review the revamped process with them so that they understand how the new process is designed to work. Be open to suggestions and alternate ideas as you implement the action plan. It is not unusual to have to tweak a process once it moves from an idea on paper to one that is practiced in real life.

Back to the Drawing Board?

Once you are satisfied that the action plan you've put in place is viable, let the new process work for several months, then collect data again to provide objective evidence of improvement. If you don't see the improvement you expected, it is time to go back to the drawing board and tweak some more. When you are satisfied with the results, monitor the process for another 3 to 6 months until you are sure that the improvements you have put in place will be effective over the long haul. Then move on to improving other areas of your business.

Many HME providers shy away from performance improvement activities because they seem complicated and time-consuming. However, a formalized performance improvement program can be simple and still be effective. In fact, if you resolve to dedicate as few as 8 to 10 hours of staff time per quarter to performance improvement activities, you are likely to see a huge pay-off on your investment. DP

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