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The
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Managing for

C H A N G E

A Publication for the Managers of The University Hospital

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Criteria-based performance appraisal system moving forward

*Employees' job descriptions
will be directly tied into the
Hospital's mission, and they
will be evaluated by
quantifiable standards*

The Hospital is making steady progress towards its goal of having a Hospital-wide criteria-based performance appraisal system. "We are pretty much on target to have the system designed, the job descriptions in place, and the performance-appraisal standards defined by the start of fiscal year 1992," says Trip Folland, manager for Training & Development. Folland works closely with the Council of Directors (COD) subcommittee charged with implementing the system.

The Hospital has already selected a system, which has been developed in cooperation with Omni Compensation Services of the Omni Group, Inc. The system will allow managers to define their department's mission in the context of the Hospital's mission, and then devise their employees' job descriptions and responsibilities with quantifiable performance standards. The entire performance-appraisal process is being overseen by Susan Hancox, vice president for Human Resources.

Adds Folland, "Ultimately, with the system in place, employees will understand precisely what their jobs are in the context of the Hospital's mission and values, and in concert with the strategic plan. They will know the order of priority of their various job tasks. And they will be evaluated through carefully developed, clear standards."

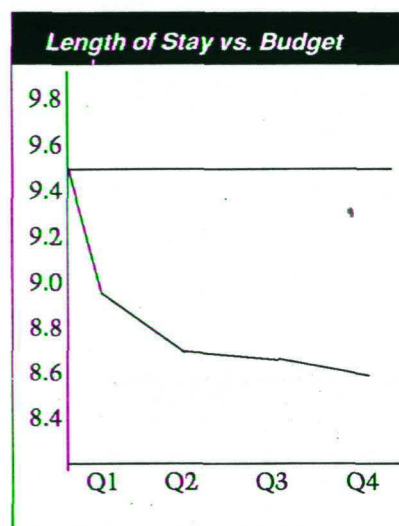
The traditional approach to performance appraisal at UH has been department-specific—that is, each department has had its own evaluation processes with a subsequent merit-raise scale. The new system will provide institutional criteria that will allow senior management to better track the performance of its workforce.

Based solely on numbers, it appears that the productivity of UH's workforce has improved in each of the last several years. The best way to measure Hospital-wide productivity, according to Miriam Pollack, director of Planning Services, is through a mathematical quotient known as "case-mix-adjusted-discharge per FTE." In the last few years, the Hospital has admitted and discharged more patients, has cared for a patient population with the state's second highest case-mix index (which measures how intensely ill UH patients are), and has done so with fewer full-time equivalent employees (FTEs) each year. It is believed that UH's productivity quotient will improve even further with the many current operations initiatives and improved management information systems being put into place.

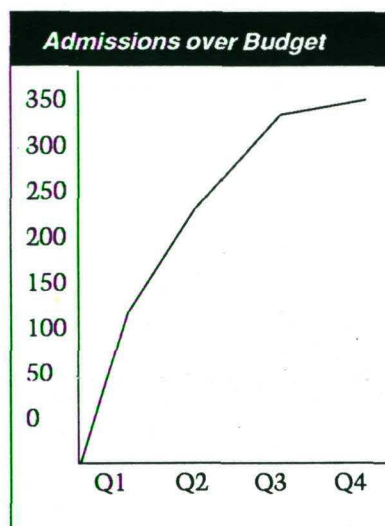
Folland adds that the new system will not mean that employees in different departments will be judged by exactly the same standards. "It is more of a methodology—a universal way of doing things—than a system, per se. So really, the only common bond between two employees who have vastly different jobs will be that their bosses will evaluate their performance in the same way, and that their job descriptions will be directly tied into the mission of the Hospital."

FY90 year-end indicators show solid performance

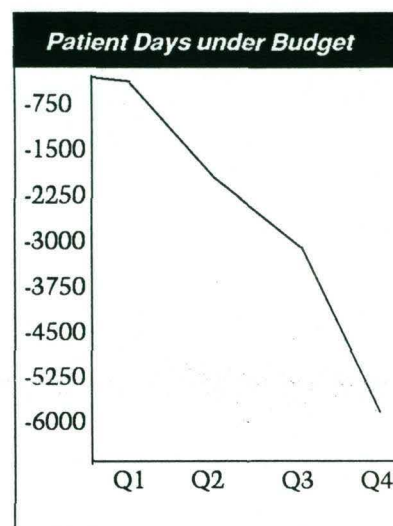
Fiscal year 1990 came to a close on October 1, with the year-end leading indicators—length of stay, admissions, and patient days—each outperforming their respective budgets. Below you will notice charts documenting the cumulative performance of the indicators by fiscal quarter.



Length of Stay—The Hospital's ALOS finished FY90 at 8.66 days, about 9 percent under budget and 12 percent better than last year.



Admissions—For the sixth year in a row, UH experienced growth in its overall admissions, finishing 343 admissions over budget and 351 more than last year.



Patient Days—UH was nearly 6,000 days under its FY90 budget for patient days, signifying an 8-percent improvement over last year.

Dorothy O'Sullivan comes aboard as nursing VP

On October 1, the Hospital welcomed Dorothy O'Sullivan, R.N., M.B.A., as the new vice president for nursing. O'Sullivan was selected following a national search to fill the position left vacant last January by Karen Kirby, R.N., M.S.N. She comes to UH from her most recent post at Presbyterian Hospital in New York City, where she served as the senior nursing executive. The Presbyterian Hospital is a renowned 1,300-bed teaching hospital affiliated with Columbia University's College of Physicians and Surgeons.

In welcoming O'Sullivan, Dr. Abercrombie remarked, "Not only does [O'Sullivan] bring excellent credentials and an outstanding reputation, she also has had the benefit, if you will, of working in perhaps the most volatile health-care environment in the nation. Based on her experience, we anticipate that she will have much knowledge and wisdom to share with us, and that she will maintain and build upon UH's long tradition of nursing excellence."

Abercrombie also thanked Joan Russo, R.N., who has served as the acting nursing vice president during the search, for maintaining the Hospital's standards for nursing excellence with admirable grace.

Coupled-test program shows immediate signs of success

There is good news to report about ancillary utilization. The Coupled-Test Program, which began in July and required that physicians fill out a supplemental laboratory test order form when ordering coupled tests, has produced extraordinary results in a very short time. The objective of the form was to reduce the number of coupled laboratory tests that were not medically necessary. Specifically, physicians were asked to evaluate whether a Urea

Nitrogen (BUN) test is indicated with every Creatinine test ordered, since Creatinine generally provides enough information for determining renal function. Physicians also were to question whether Prothrombin Time (PT) is indicated with each Activated Partial Thromboplastin Time (APTT).

The results have been dramatic. In two months, the ratio of PT to PTT tests ordered decreased from one-to-one to three-to-four (25 percent). In the same period, the ratio of BUN to Creatinine tests ordered has decreased from one-to-one to two-to-three (33 percent). A yearly savings of tens of thousands of tests, with a consequent cost savings, is anticipated.

The work of physicians and house officers, and the leadership of David Battinelli, M.D., director of the Medical Residency Training Program, Paul Raslavicus, M.D., chief of Laboratory Medicine, and Doug Mesler, M.D., chief medical resident, are credited for this achievement.

Federal deficit, CLT referendum paint grim financial picture

News on the state and federal legislative fronts is anything but positive. Although a definitive federal budget has not yet emerged, the prospects are dismal for health-care interests. Deep cuts are expected to be made to Medicare, particularly in the areas of indirect medical education (IME), capital payments, hospital outpatient and laboratory payments and marketbasket adjustments to DRG rates. Some think the cuts may be eased by revenue increases through tax hikes or Medicare premium increases, but neither has occurred as yet.

At the September Medical-Dental Staff Quarterly Meeting, Dr. Abercrombie aired his views on the Citizens for Limited Taxation (CLT) ballot question: "I would like to say that although this referendum appears to have great popular support, it represents at best only a problematic solution to the state's current fiscal problems. I say this not as one of millions of Massachusetts citizens frustrated and even disgusted with this state's politics and government, but as someone fearful of the broader effects of the petition's passage. Do you realize that over the next three years, [CLT] would mean \$6 billion less in revenues to our state's already recessed economy? This state simply cannot afford such a shortfall. Our government has given its citizens every reason to believe that it cannot responsibly manage this state's financial affairs, and the CLT referendum is one way to assure that our apparently deep pockets are no longer picked clean by government. But a new administration will take office in January, and perhaps it deserves an opportunity to restore our faith in competent government."

Abercrombie added that this legislative action has made the FY91 budget process—particularly accurate revenue projection—extremely difficult. Because of that, he said, accurately predicting an operating surplus for reinvestment in programs and capital this year is hazardous at best.

UH recognized for public relations excellence

In September, the Hospital's Department of Public Relations accepted three national awards at a conference in New Orleans. The PR department, which includes both the Office of Publication Services and the Office of Media Relations, collected several awards for professional excellence from the American Society of Health Care Marketing and Public Relations (ASHCMRP): In the category of Media Relations Project, UH was awarded the organization's Gold Medal for a nationwide publicity campaign on an important clinical project. *Connections*, UH's employee newsletter, received a Silver Medal in the category of Employee Communications. Finally, the Hospital's "You Choose" benefits program material, produced by the OPS Desktop Publishing Center, received a Silver Medal in the category of Special Projects.

**HHS releases
blueprint for nation's
health goals**

Fitness, nutrition, minimal tobacco use, AIDS, cancer, heart-disease prevention and minority health are the top priorities for improving the health of Americans by the year 2000, according to a 700-page report released by Health and Human Services Secretary Louis Sullivan.

The September 10 issue of *AHA News* reported that Sullivan's "blueprint" for the nation's health stresses three primary goals: increased lifespan, reduced health disparities—especially among minorities—and guaranteed access to preventive health services for all Americans. Sullivan stated that if America doesn't improve its current health status, the nation's medical bill could reach \$1.5 trillion by the end of the century.

**U.S. ALOS low,
intensity high,
compared to others**

Americans on average spend less time in the hospital but receive more intensive hospital care than citizens of eight other nations, according to a study by the Employee Benefit Research Institute (EBRI) in Washington, D.C. Americans spend 6.4 days per hospital stay on average, compared to Japan's average of 40.9 days. Other nations involved in the study, and their lengths of stay, include: Australia, 7.3 days; France, 10.2; United Kingdom, 10.7; Canada, 11.4; Netherlands, 11.8; Germany, 17.0; and Sweden, 20.7 days. The report said that the U.S. health-care system also assesses quality of care far more extensively than do the other eight nations. Finally, the study also found that, between 1977 and 1987, real annual growth in health expenditures was higher in France, Japan, Australia and Canada than it was in the U.S.