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BOARDROOM BRIEFING

Unannounced JCAHO Surveys Force Changes in Culture, Board Work

By
Sharon O'Malley

It was bright and early on a Monday morning in March when five inspectors from the Joint Commission on Accreditation of Healthcare Organizations arrived at VA Long Beach Healthcare System to conduct the system's triennial accreditation survey. But their arrival took system officials by surprise—because the survey wasn't due until May.

The system hadn't had a chance to prepare for the surprise survey as it had for the scheduled inspections of the past: Starting six months before the visit, officials would contract with JCAHO surveyors

to conduct a mock survey and then spend the next six months "getting everything in place," says Ronald Norby, acting director of the Long Beach, Calif., system. Hospital administrators, who knew the names of the surveyors in advance, would call their colleagues at other systems to learn which areas the inspectors seemed to focus on. Then, as the survey date approached, he says, the system would double up on housekeeping staff, "snazzy up the place, shine the place up with spit and

"They really related to our facility the same way a patient would relate to our facility."

*Ronald Norby
VA Long Beach Health System*

polish," Norby says. "The old cycles we had were just crazy."

This time, "there was no way to kind of fix it up for the commission. They saw our hospital as it was every day."

And that's the point. VA Long Beach was among the first healthcare systems to undergo an unannounced JCAHO survey as part of a two-year pilot program to test a new approach to accreditation.

No warning

The Joint Commission is trying out unannounced surveys—on a voluntary basis for now—with 150 hospitals by the end of next year. But by 2006, the

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commission's inspectors will show up without an appointment at all hospitals whose surveys are due.

As the days when accredited healthcare organizations knew their survey dates well in advance come to an end, so will the triennial frenzy of sprucing up records and facilities to impress the surveyors—and the tendency to revert to business as usual once they depart.

JCAHO aims to shift the focus from survey preparation to continuous readiness. Besides arriving unannounced, JCAHO is making other

“How are hospitals going to stay ready? That is the \$64,000 question.”

*Denise Adams
Marin General Hospital*

changes it hopes will bolster public confidence in surveys and win greater respect from those it accredits.

For example, surveyors will use a broad range of performance measures to target their attention to potential problems and areas needing improvement. They'll also look at the hospital's response to sentinel events and its compliance with JCAHO's National Patient Safety Goals. And they'll look for adequate staffing, emergency department overcrowding, infection control procedures and how hospitals are working to improve core measures of clinical performance.

JCAHO also says it will look for

evidence that physicians are integrally involved in performance monitoring and improvement.

Midway between each three-year survey, accredited organizations will submit to JCAHO a Periodic Performance Review—a self-assessment and improvement plan that includes corrective actions for any deficiencies they've found. Joint Commission surveyors will review the report online, discuss it with hospital administrators during a telephone consultation, agree on an acceptable plan of action, and even visit the hospital if administrators request it.

But perhaps the greatest change to the survey approach—besides the unscheduled appearance of surveyors—is a new focus on the actual delivery of care, treatment and services. To that end, surveyors have begun to use a new “tracer methodology” that allows them to follow a patient's care through the organization.

“No longer are people sitting in rooms going through policies,” notes Norby.

Instead, surveyors who participated in the five-day exercise at VA Long Beach chose about a dozen patients each and traced their care, starting with admission.

Surveyors interviewed the patients about their experience at the hospital, and then used their charts to backtrack, questioning surgeons, attending physicians, nurses, technicians and even dieticians about each case.

If an emergency room patient had previously visited one of the system's community-based outpatient clinics,

the surveyor went there to interview the staff. An inspector even followed a home care patient's case back to the hospital, where she had recently been an inpatient.

Norby assigned a handful of staff members to shadow each surveyor in case questions arose—and they did. Some wanted to review written policies, but only, Norby says, when they were pertinent to the case.

“It was a logical thing,” he says, much different from prior surveys in which JCAHO inspectors spent most of their time poring over documents to learn how many times staff had breached a policy. “This is a more realistic process. They really related to our facility the same way a patient would relate to our facility.”

‘Evolution of commitment’

JCAHO's new approach to accreditation, says Dr. Russell Massaro, executive vice president for accreditation operations, is “simply an evolution of our commitment ... to continuous quality improvement.”

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The switch to unannounced surveys, he notes, is an attempt “to get away from a once-every-three-years cramming for an exam to get the score” and a move to “embed standards compliance into operations.” In fact, JCAHO has done away with numerical scores altogether and now simply informs the healthcare organization if it has earned full, conditional or no accreditation.

Coupled with the self-assessment that comes due midway between surveys, Massaro says, the process “lets the accreditation be a byproduct of good management, not a separate activity.”

He says the changes are a response to hospital executives who said their staffs would “stop thinking the old way”—that accreditation was an event in itself rather than a gauge of a system’s allegiance to patient safety—only “if they didn’t know the exam was coming.”

Culture change needed

The switch, notes Massaro, will require a culture change at accredited organizations on the part of senior executives, hospital employees and the medical staff. “The culture change is for them to see us no longer as a competition for scores and an exam to cram for”—which will take about three years at each hospital, or a full accreditation cycle.

Denise Adams, director of quality management services at Marin General Hospital and Novato Community Hospital in northern California, says unannounced surveys and tracer methodology are “the way it should be.” Still, she admits, it’s not going to

be easy to change the traditional culture of hospitals.

“It’s about how we practice nursing, how we practice medicine as

“Once your policies are congruent with standards compliance, you don’t have to worry about that anymore.”

*Dr. Russell Massaro
JCAHO*

hospitals. It’s not just about getting ready for some survey,” she says. “How are we hospitals going to stay

ready? That is the \$64,000 question.”

She says that nationally, boards of trustees will be key to hospitals’ transformation. “It starts at the top. We have to get out of the mindset of waiting” for the next survey.

To that end, she notes, boards have to understand JCAHO’s standards and make them an organizational priority, a “big step” for any healthcare board because of competing priorities—most of them financially-driven.

Boards, she suggests, will have to insist that quality and patient safety issues appear on the agenda of every board meeting, and perhaps

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Comprehensive Standards

JCAHO’s new approach does not require governing boards to receive specific reports about the organization’s continuous improvement or patient safety activities.

However, hospital leaders, including board members, managers and physician leaders, are expected to meet a comprehensive set of standards ensuring that:

- 1. An integrated patient safety program is implemented.**
- 2. Performance improvement priorities are identified.**
- 3. Adequate resources are allocated for measuring, assessing and improving**

hospital performance and patient safety.

- 4. Leaders measure and assess the effectiveness of performance improvement and safety improvement activities.**
- 5. The hospital considers clinical practice guidelines when designing or improving processes.**
- 6. The results of clinical practice guideline implementation are carefully monitored.**

It is difficult to imagine a hospital could comply with these standards without providing significant quality reports to the governing board or a board quality committee.

Overseeing Continuous Readiness: Questions for the Board to Ask

1. When will our organization become subject to unannounced surveys?
2. What are we doing *now* to prepare the organization for the change to continuous readiness? For example, have we trained staff to conduct their own “tracer” studies to track the care given to individual patients compared with our policies, best practice protocols and JCAHO standards?
3. What we will do on an ongoing basis to be continuously prepared? For example, will we have a regular program of focused internal surveys of high-priority areas?
4. What does JCAHO expect the system or hospital is doing on an ongoing basis to measure performance, ensure and improve quality and protect patient safety? (Suggestion: The Board ought to be as knowledgeable about JCAHO’s expectations as it is about the requirements of bond

rating agencies and the external auditors.)

5. What is our organization’s culture with regard to quality and patient safety? Do employees feel safe reporting errors, and do they perceive the organization gives a high priority to quality

Best Board Practices Checklist

and safety matters? Do we have a way to measure our organization’s culture? Would board members feel safe in the hospital?

6. What information should the board see about quality and patient safety? Do we use a comprehensive dashboard for regular oversight?
7. What information is available publicly about our accreditation status, clinical outcomes, patient safety and customer satisfaction? Have

board members visited Web sites reporting information about the hospital? Can we take pride in our results, or are there areas for improvement?

8. In a time of increased accountability for quality, are we satisfied with how the board has organized itself to discharge its quality- and safety-related functions?

- If we have a quality committee, is it functioning as effectively as it could?
- If we don’t have a quality committee, should we initiate one?
- Is the full board spending enough time on quality and safety issues and value-added governance work, not just hearing reports?

9. Does the Quality Committee ask for follow-up reports on corrective actions and improvement initiatives?
10. Does the board evaluate its performance of its quality and patient safety responsibilities?

Unannounced survey participants call process ‘much better’

Three hospital executives who have participated in unannounced surveys said during a JCAHO-hosted audio conference March 17 the process focused on patient care.

“It is a much better process,” said Dianne Shugrue, executive vice president of operations for Ellis Hospital in Schenectady, N.Y.

To hear a recording of the

audio conference, visit http://www.jcaho.org/accredited+organizations/hospitals/conf_call.htm.

JCAHO will hold three more audio conferences this year.

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one trustee could develop expertise in quality as a sort of “lead director.”

The boards are responsible for those kinds of things anyway,” Adams notes, “but I’m not sure we spend enough time educating board members about what it means and what they can do to help us.”

Massaro agrees. “It is a potential liability for a board not to be in touch with these issues, which means, where necessary, resources,” he says. “The board’s responsibility is to essentially set the agenda for the organization with the CEO and staff. If the only thing the board talks about is finance, patient safety falls to a second or third level. It’s the board’s fiduciary responsibility to protect patient safety as well as to protect financial integrity.”

JCAHO surveyors, Massaro says, will conduct a leadership interview that includes the board at the end of each new survey. “After they get a sense of what is going on in the organization, we will ask the leaders ... are you aware of what’s going on in the organization? Tell us how you become aware, how you become comfortable that you are tracking, monitoring and understanding the most important issues of safety and quality in your organization.”

Dr. Richard Afable, chief medical officer of Catholic Health East in Newtown Square, Pa., says boards will rise to the challenge. “Because of JCAHO’s change in focus, we already focus more on outcomes,” he says. “It gives the board the opportunity to look at things that matter.”

He adds: “It’s almost as if what JCAHO used to require of the boards was a distraction from the things they should be looking at. Now, those things they *should* have been looking at, they *will* be looking at.”

At the 32-hospital Catholic Health East system, Afable says, the six months prior to a JCAHO inspection

“It’s almost as if what JCAHO used to require of the boards was a distraction from the things they should be looking at.”

*Dr. Richard Afable
Catholic Health East*

were not as frenzied as they are at some other institutions – for a simple reason.

“We have a philosophy of continuous preparedness,” he says. “It doesn’t mean we’re prepared for a survey; it means we’re trying to be continuously functioning at a high level that would allow us to complete a survey successfully.”

At the ready

As part of that effort, the system has a corporate staff to maintain regulatory compliance and “make sure we’re continuously ready for surveys. We know what the Joint Commission is interested in: They’re interested in quality of care. We are ready in terms of providing high-quality care.”

And now, so is VA Long Beach. Because Norby knew his upcoming survey would involve the new tracer methodology, everyone on his staff was trained to do tracers on their own.

Each week since January, an internal team of doctors, nurses and administrators has chosen a patient to interview. Team members drill the patient’s nurses and doctors about the procedures they followed when giving care and report their findings to the hospital’s quality assurance analysts, who can spot trends.

The exercise, which Norby says will continue, helped prepare the staff for the questions surveyors asked while conducting their own tracers.

The ‘right thing’

Massaro says the best way to prepare for a surprise visit from the Joint Commission is to set policies and procedures that document the hospital’s intention to “do the right thing.” And conducting the self-assessment midway between surveys reveals deficiencies that can be corrected long before surveyors arrive.

“After that, you can forget accreditation,” Massaro says. “Once your policies are congruent with standards compliance, you don’t have to worry about that anymore. Just have your staff follow it on a day-to-day basis. Then, when the surveyors come, you don’t have a thing to worry about.” He adds: “What you’re preparing for is no longer the survey. You should be preparing for the next patient.”

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Hospital leaders hope JCAHO's new survey process will be more relevant to how they provide safe and effective patient care in an environment of increased accountability to payors, the government and the public.

"Their points of emphasis are a reflection of the national emphasis on quality and evidence-based medicine," as well as patient safety, notes Dr. Joe Bujak, vice president of medical affairs at Kootenai Medical Center in Coeur d'Alene, Idaho.

And each board will have to increase its organization's emphasis on those factors as a result, he says.

"In the not-for-profit world, the equivalent of the Enron scandal for a board is to knowingly allow for less-than-acceptable levels of quality in their institution," says Bujak. "So somebody will come to the board and say, 'You mean you knew that you were not meeting these guidelines and you did

nothing about it?' That's kind of an abrogation of their fiduciary responsibility to know about quality."

JCAHO's new emphasis on patient care, he says, will keep those issues front and center. And it could force boards and medical staffs to communicate better.

Quality and safety, notes Bujak, "really require physician involvement. I think board/physician dialogue is almost nonexistent. The new regulations will change that."

Jury's out

Still, says Bujak, "the jury's out" on JCAHO's new approach to accreditation until its surveyors conduct more surveys. He predicts the Joint Commission's biggest challenge will be to "find people to do it as a vocation, and not just come to apply rules and regulations and gotcha's and slaps on the wrist."

Norby says the surveyors who visited VA Long Beach seemed vested in JCAHO's new direction, although he admits he misses having a numerical score, which he can use to compare his hospital to others. The surveyors noted a minimal number of changes he had to make, Norby says, but it wasn't until he called other hospitals that had gone through the new survey that he understood his organization had fared extremely well.

Afable predicts the new approach will benefit accredited organizations once a few kinks are ironed out. "The focus in healthcare around outcomes is new for everybody," he says. "Because it's new for everyone, this is going to be a learning process. It's going to take some time for us all to figure this out."

For more information, visit the JCAHO Web site at <http://www.jcaho.org>.

Governance Briefs

Report calls for governance overhaul

Last year, a Washington Post series blasted Nature Conservancy, the world's largest environmental group, for lending money to insiders, selling land to its trustees or drilling for oil on nature preserve land.

The board came under fire for apparently failing to oversee management and allowing conflicts of interest to replace the organization's best interests.

Now, a 28-page report prepared by an outside committee lays out a blueprint for restoring integrity to the organization and its governance. The report recommends a smaller executive committee plus strict observance of conflict-of-interest rules.

Read The Washington Post's story at www.washingtonpost.com/wp-dyn/articles/

A37463-2004Mar30.html, and see the full report at <http://nature.org/pressroom/press/press1389.html>.

Don't take tax status for granted

Watch for renewed debate over whether not-for-profit hospitals deserve the tax breaks they receive.

The House Ways and Means Committee and the Department of Health and Human Services will investigate nonprofit organizations, including hospitals, to learn if taxpayer benefits from them are worth the preferred tax treatment they receive.

For more information, see "Nonprofit Hospitals and Systems: On the Verge of a National Debate?," in HealthLeaders News, March 24, 2004 (www.healthleaders.com/news/feature1.php?contentid=53484).