

# HCAHPS Readiness and Performance Management White Paper

*NOTE - Brian Lee has made minor edits to this document Jan 31 2013*

Between August and October 2012, HealthcareSource conducted a survey about Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey readiness. HCAHPS scores are critical, since they directly translate into increases or decreases in Medicare funding for hospitals. This research revealed that many organizations are struggling with HCAHPS. Although the vast majority of organizations (81%) have a strategic initiative to address HCAHPS scores, many hospitals are unsure how to interpret HCAHPS results and also how to influence employee behaviors to improve scores.

Human Resources can play an important role in increasing HCAHPS scores, since the function lies at the intersection of people and business. HR is closely connected with both talent and organization-wide strategies, such as HCAHPS. To become and remain a patient-centric facility, however, hospitals need to work continually to promote employee behaviors that support HCAHPS and evaluate employees accordingly. “HCAHPS readiness can’t be the flavor of the month and we can’t think it’s going to go away. This is a very big part of hospitals’ financial future and a big part of the future of healthcare in our country,” according to Susan Grady, owner of SM Grady Strategic Human Resources. Performance management is a proven way that hospitals can improve their HCAHPS scores. In this white paper, industry experts discuss performance management best practices focused on three areas: developing a culture of coaching and improvement, educating staff about HCAHPS, and defining HCAHPS expectations in order to hold managers and employees accountable.

## **Develop a Culture of Coaching and Improvement**

A good first step to support HCAHPS efforts is cultivating a culture focused on coaching and performance improvement. Susan Grady has observed that healthcare organizations are often comprised of small groups of employees with different areas of expertise. These groups aren’t necessarily trained to work together, yet patients and families are looking for teamwork among caregivers. To develop an environment of coaching and continuous improvement, hospitals should consider taking the following actions.

### **1. Brief the C-suite about HCAHPS.**

A culture of coaching and improvement begins with the CEO, CFO, and CNO. Human Resources is the ideal candidate for briefing the C-suite about the organizational impact of HCAHPS. One outcome of these discussions may be to identify an HCAHPS champion for the hospital. This should be someone with the skills and competencies to partner with the entire organization and it may be an individual from HR. The champion should develop a clear and simple plan for addressing HCAHPS.

## **2. Define HCAHPS service excellence competencies**

Dr. Frederick Morgeson, Professor of Management and Valade Research Scholar at the Eli Broad College of Business at Michigan State University, recommended three steps that can help hospitals clearly define the service excellence competencies required for high HCAHPS scores:

- First, organizations must recognize how HCAHPS scores are calculated. This means understanding both global measures and summary measures like communication with nurses and doctors, staff responsiveness, and pain management.
- Second, hospitals must identify the employee behaviors that affect those metrics. For example, patients are more likely to be satisfied by employees who engage in active listening, are helpful and empathetic, and show respect.
- Finally, organizations must understand how employee behaviors linked to HCAHPS summary measures relate to the overall mission and values. Alignment must exist between workforce competencies and the hospital's goals, values, and mission.

## **3. Embed HCAHPS in employee and departmental routines**

One way to fuse HCAHPS into the work environment is to create a Service Excellence Council. Brian Lee, founder and CEO of [Custom Learning Systems](#) and the Healthcare Service Excellence Conference, suggested that 60 percent of this group should be comprised of management, 40 percent should be frontline workers, and the council should be chaired by the CNO or director of nursing.

Other techniques for embedding HCAHPS into employee routines include holding monthly DOIT (Daily Ongoing Improvement Tactics) meetings to focus on eliminating 1 priority patient dis-satisfier, sourced from your patient satisfaction survey. Another effective staff engagement process, is to hold a weekly, 15 minute stand up "Service Huddle". In these meetings, designed to keep the patient experience top of mind, teams share information about what they have learned about patient expectations and HCAHPS from the previous week, and agree on what they will do better this week to address those issues. "When every unit holds these meetings, it actively engages the entire organization in improving the patient experience," said Lee.

## **4. Align HCAHPS service excellence competencies with HR systems**

All HR systems, including the performance management and rewards systems, must be aligned with the behaviors needed to increase HCAHPS scores. Without this alignment, employees won't engage in necessary behaviors. "Technology can introduce structure into the work environment. By formalizing processes, the probability that employees will take the right action increases. This is especially true when delegating decisions and processes to lower levels in the

organization,” observed Dr. Morgeson. Formal technology-based solutions help people perform processes right every time. Replicability is the key to being successful.

### **Educate Staff About HCAHPS**

Before employees can be held accountable for HCAHPS goals, they need education and tools to be successful. “Individuals need to see HCAHPS as something that is meaningful to them and important to their jobs. Hospitals have to educate employees about how patients perceive quality and how to place the patient at the center of everything they do,” noted Susan Grady. If organizations want their staff to understand HCAHPS-related expectations, employees need to be knowledgeable about “the what” and “the why” of HCAHPS.

#### **1. Provide easy access to training materials**

Healthcare is a 24/7 environment, so holding traditional classroom training during the hours of 9am to 5pm isn’t a good solution. Both managers and employees must have easy access to HCAHPS-related training and development resources. The HealthcareSource HCAHPS Readiness Survey found that 56% of employees and 40% of managers have been trained on HCAHPS and what it means. One way to improve access to HCAHPS training is through technology, such as online education systems.

#### **2. Engage all employees in training**

Every hospital employee should be educated about HCAHPS. “There’s a big myth that patient satisfaction and HCAHPS is a nursing problem,” observed Brian Lee. “In reality, every employee is a caregiver, so we need a bigger picture understanding of how we train employees on HCAHPS.” One approach is to conduct a train-the-trainer course, for five percent of the brightest and best staff, to teach an annual HCAHPS-based service excellence workshop for their peers. Every employee should be required to participate in this type of workshop once a year.

It’s important not to forget special employee populations, like physicians and hospital leaders. While the HealthcareSource HCAHPS Readiness survey found that 84% of nurses were included in service excellence training for HCAHPS, only 50% of physicians and mid-levels were included. Lee suggested four techniques for engaging physicians in HCAHPS education:

- Schedule a free lunch or dinner with a presentation from an outside expert.
- Respect physicians’ time by limiting in-person training to an hour or less. Consider e-learning that can be completed at the doctor’s convenience.
- Send a report home that compares the physician’s HCAHPS score for doctor communication with that of his or her peers.

- Challenge doctors to set an annual goal for HCAHPS scores related to doctor communication.

Hospital managers also must be knowledgeable about HCAHPS and how to lead teams in ways that will generate patient satisfaction. Unfortunately, many healthcare organizations see leadership development as a one-time event like a class or seminar. To be effective, leadership development needs to be an ongoing program. Leadership assessment software that is designed for healthcare can be a good alternative. The best systems focus on competencies that are crucial for healthcare leadership, such as customer orientation and openness to change. Leadership assessment systems can be used to evaluate existing managers and then recommend different development activities that relate to on-the-job tasks and appeal to different learning styles. Assessments also enable senior hospital executives to look at their leadership team as a whole, identify their strengths, and define developmental opportunities that will provide the greatest return in terms of increased HCAHPS scores.

### **3. Test employee competencies related to HCAHPS and track the results**

Simply training employees about HCAHPS isn't enough. Hospitals should test employee competencies related to HCAHPS and track those results over time. Learning management systems can help capture this information in an automated way. Using manual processes to track HCAHPS education puts hospitals at risk of wasting valuable resources and being non-compliant.

### **Define HCAHPS Expectations, Then Hold Managers and Employees Accountable**

It's important for hospitals to manage HCAHPS expectations proactively. A good first step is to incorporate HCAHPS goals into job descriptions. This sets the tone that all employees are expected to embrace a patient-centric culture. "It is difficult for organizations to meet their financial and quality goals if their job descriptions don't include HCAHPS expectations," noted Susan Grady. While this is a best practice, it isn't necessarily the norm among hospitals. The HealthcareSource HCAHPS Readiness Survey found that 44% of organizations have job descriptions that include HCAHPS goals.

#### **1. Use performance appraisals to hold managers and employees accountable for HCAHPS objectives**

Both managers and employees must be held responsible for HCAHPS objectives. "Unfortunately, most organizations haven't made management accountable for HCAHPS, let alone frontline employees," said Brian Lee, who recommended the use of Leadership Accountability Agreements. "In most organizations, managers aren't accountable and that's where we have to start." One proven way to hold employees responsible is through performance appraisals. Most employees want to do a good job and are open to performance evaluations and performance discussions, when done in the appropriate way. "We can emphasize accountability through consistent and persistent feedback," said Susan Grady. "This can be done through formal

and informal appraisals, as well as teachable moments.” Performance management software helps by structuring the evaluation process. Tracking anecdotal HCAHPS-related staff stories in a performance management system throughout the year makes it easy to incorporate that information into performance appraisals. Automating aspects of the evaluation process enables hospitals to focus on reinforcing HCAHPS education, rather than organizing manual processes.

## **2. Strive to provide more positive feedback than negative**

Positive and negative feedback should be balanced. Although negative feedback clearly identifies where corrective action is needed, it can also be de-motivational. Positive feedback bolsters motivation. “Decades of research have shown that positive reinforcement is the best way to ensure that a behavior will continue in the future. Positive feedback can be very influential and most organizations need more of it,” said Dr. Morgeson. For every piece of negative feedback given to an employee, managers should provide five pieces of positive feedback. When employees receive positive feedback about HCAHPS related behaviors, they are more likely to engage in those desirable actions which translate into higher HCAHPS scores.

## **3. Define HCAHPS goals for both departments and employees**

HCAHPS goals should be defined at both the department and employee levels. Brian Lee has found that employees need to buy into HCAHPS expectations before they accept responsibility for them. According to the HealthcareSource HCAHPS Readiness Survey, most managers (57%) have clearly defined HCAHPS goals for their department, but only 24% of staff employees have clearly articulated individual performance goals. One way to generate employee support and understanding for HCAHPS is to have department members read verbatim comments and feedback about HCAHPS scores aloud. This often brings abstract ideas to life.

Setting HCAHPS goals for frontline employees is essential, because these workers represent the greatest risk to patient satisfaction and also the greatest opportunity for improving the patient experience. Establishing HCAHPS goals may seem overwhelming to already overworked managers. However, performance management systems can automate the development of patient experience-related goals. Employees can go online to define their own individual goals and managers can edit and approve them. The process promotes employee buy-in and streamlines managers’ workloads.

## **Conclusion**

Leading healthcare organizations have found that performance management promotes the employee behaviors that generate patient satisfaction and improved HCAHPS scores. Developing a culture of coaching and improvement starts from the top. Service excellence competencies must be an integral part of employee routines and HR systems, including the performance management and rewards systems.

Educating hospital staff about HCAHPS and holding them accountable for HCAHPS objectives is also essential. Technology can play a central role in both these areas. With automation, training can be accessed easily by everyone, from nurses and physicians to hospital leaders. Automating the performance management process also enables leaders to capture employee feedback throughout the year and structure evaluations. Less time spent on manual processes means more time to devote to HCAHPS education, goal-setting, and performance improvement.

### **Sidebar 1: About the HealthcareSource HCAPHS Readiness Survey**

- August through October 2012
- 19 questions
- 292 responses
- [www.beHCAHPSready.com](http://www.beHCAHPSready.com)

### **Sidebar 2: Key Leadership Competencies in Healthcare**

Leadership in healthcare organizations is not the same as in other industry sectors. When executives and managers exhibit the following key competencies, they are more likely to have satisfied employees which translates into better patient care, patient satisfaction, and HCAHPS scores.

- Customer orientation
- Innovative thinking
- Conscientiousness
- Achievement orientation
- Emotional evenness
- Openness to change
- Self confidence
- Multi-tasking
- Self-development
- Critical thinking

### **Sidebar 3: Improving Nurse Communication through Leadership Development**

Evaluating employee competencies related to the patient experience has two major benefits. It helps direct leadership development activities which can have a direct impact on HCAHPS scores. Dr. Frederick Morgeson recently conducted an analysis of HCAPHS data which found that hospitals using HealthcareSource Leadership Assessment had markedly higher results on HCAPHS measures related to nurse communication, overall rating of the hospital, and likelihood to recommend the hospital to others.

	<b>HealthcareSource Leadership Assessment Hospitals</b>	<b>Other Hospitals</b>
<b>Patients who felt nurses always communicated well with them</b>	52.11 percentile	51.18 percentile
<b>Overall rating of hospital</b>	54.96 percentile	50..51 percentile
<b>Patients who would recommend the hospital to friends and family</b>	57.95 percentile	50.68 percentile

*Note: Percentile scores range from 0 to 100 and reflect a hospital's score relative to all other hospitals in the sample. For example, if a hospital has a percentile score of 60, this means that its score is higher than 60 percent of all other hospitals. Higher percentile scores indicate more favorable HCAHPS ratings.*