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"Benchmarking in Hospitals: When You Need More than a Scorecard"

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If you look at many hospital web sites and other materials made publicly available by hospitals, you will often see charts, graphs, or tables showing the hospital's performance on some metric compared with a national standard. An example is Table 1 which is extracted from a hospital web site and compares patient satisfaction on a number of dimensions to the national average. The hospital highlighted the items where they exceeded the national average.

Table 1. Benchmarking Outcome Measures

Item	Our Hospital	National Average
Overall Patient Satisfaction	84.9	82.5
Check-in	82.0	79.0
Nurses	79.3	84.4
Doctors	84.1	85.4
Tests	85.5	85.8
Family or Friends	88.9	85.5
Waiting Time	83.6	87.5

RED – Our Hospital lower than national average

BLUE – Our Hospital higher than national average

The term benchmarking is often mentioned in the hospital quality literature, but the process of benchmarking is often misunderstood. True benchmarking is not simply comparing outcome measures against industry averages. The American Society for Quality defines benchmarking as an improvement process in which an organization measures its performance against that of best-in-class organizations, determines how

those organizations achieved their performance levels, and uses that information to improve its own performance. The subjects that can be benchmarked include strategies, operations, processes, and procedures.[1]

Simple comparison to a national average is more like a scoreboard answering the question "Who is winning?" or "Am I above or below average?" The answers to these questions are not very instructive about how to improve operations. This approach may be of interest to the general public, government, and accreditation agencies but are of limited value as input to a hospital's process of continuous quality improvement (CQI). They fail to provide insight into what must be done to improve. Ask yourself, which is more instructive to your CQI program: a) knowing that your hospital is slightly above average nationally in controlling MRSA or b) understanding the processes that the University of Virginia Hospital used to achieve best-in-class MRSA control[2]?

There is value to comparisons to national averages. Residents of the service area of the hospital can judge the quality of their hospital compared to national averages. The hospital's quality director and quality improvement teams can use this information to determine areas that are most in need of improvement. Progress of the improvement efforts can be monitored over time to determine whether the actions taken are effective in "closing the gaps." However, for all its usefulness, comparison to national averages is insufficient. Meeting the national average does not equate to excellence. It may not equate even to sufficiency.

A Canadian study found that 7.5 percent of patients experienced at least one adverse event because of medical error in 2000[3]. If your hospital has a medical error rate of 7 percent, it is better than the national average. Is that sufficient? Wouldn't it be

better to know what the error rate is at the best hospitals? Wouldn't it be even better to understand how those best-in-class hospitals achieved the benchmark standard medical error rates?

The *Leapfrog Hospital Quality and Safety Survey*[4] found that 50% of hospitals do not have procedures to prevent bed sores. If your hospital does have such procedures, you are above the national average. Is that sufficient? Wouldn't it be better to know what the procedures are at the hospitals with the lowest incidence of bed sores?

Without information about the processes used by the best hospitals, we must approach improvement by reinventing the wheel. We are doomed to make the same mistakes that other hospitals have made and learned from. A problem with national averages is that we don't even know which hospitals are the best performers and we don't know what that best-in-class performance is.

National averages provide no measure of variation in performance and no information about the level for best-in-class performers. Variation in performance can be a bigger problem than average performance. The Nebraska Medical Center's interventional radiology department undertook to improve major problems in delays in treatment that created patient dissatisfaction and loss of patients[5]. They found that it took an average of 1.4 calls to schedule an appointment. Further analysis revealed that the standard deviation was 0.989 calls with a maximum of 7 calls. After several improvement projects had been completed, the average was still 1.4 calls. However, the standard deviation had been reduced to 0.52 calls with a maximum of 3 calls. If they had used a comparison to national averages, the significant improvement in this process would not be visible.

Benchmarking is an improvement process in which an organization measures its strategic, operations or internal process performance against that of best-in-class organizations within or outside its industry, determines how those organizations achieved their performance levels, and uses that information to improve its own performance. Benchmarking can be a valuable tool in moving beyond national average performance to best-in-class performance.

Best-In-Class

While it is useful to discuss improvement efforts with other hospitals that are convenient, you must compare yourself to *excellent* hospitals in order to aspire for excellence. One such best-in-class hospital is Robert Wood Johnson (RWJ) University Hospital in Hamilton, NJ. RWJ won the 2004 Malcolm Baldrige National Quality Award (MBNQA)[6]. They had a quality program in place in 1999 that was based on their "five pillars of excellence" – service, finance, quality, people, and growth. But looking for ways to better serve its customers, the hospital's management decided to use the MBNQA criteria as a "framework…for leadership and acceleration of our quality journey." One of their achievements is best-in-class service in their Emergency Department (ED). Their 15/30 Program guarantees that every patient will be seen by a nurse within 15 minutes and by a doctor within 30 minutes of entering the ED. They back this program with an extraordinary guarantee--if they fail to meet their guarantee, the ED portion of the bill will be waived upon patient request. This program has contributed to overall hospital success since 70% of the hospital's inpatients enter through the ED. Patient satisfaction in the ED was crucial to the hospital's success.

Their payout is less than 1% indicating that they have a process in place to achieve the desired results. Patient satisfaction with ED increased from 85% in 2001 to 90% in 2004.

Another hospital has an average time from entering the ER to seeing a physician of 47 minutes. The graph on its web site shows that this is better than the national norm of about 55 minutes. Clearly, this is an above average hospital. But it is not best-in-class. It should benchmark against RWJ's best-in-class performance—not the national norm.

Inside or Outside its Industry

While there are a number of hospitals recognized for excellence (e.g. four have won the MBNQA since 2002), hospitals need not restrict their search for benchmarking partners to other hospitals. This is reflected by Joseph Juran who wrote "As the health industry undertakes… change, it is well advised to take into account the experience of other industries in order to understand what has worked and what has not…The health industry is different… however the decisive factors in what works and what does not are the managerial processes, which are alike for all industries."

For example, there are processes that hospitals share with hotels. Another MBNQA winner is the Ritz Carlton Hotel Co. (1992). Their approaches to employee training, room service, custodial services, customer orientation, and quality metrics could be instructive to hospitals. Disney is well known for employee training and customer orientation—both important to hospitals. Both of these organizations were used as benchmark standards by Bronson Methodist Hospital—also a MBNQA winner[7].

Benchmarking is NOT just copying what other successful organizations are doing. It involves not only understanding what best-in-class organizations' goals are and how they have addressed achieving those goals through improvement of processes and operations, but also taking that information back to your own organization to determine how to achieve comparable results given the particular internal and external conditions that are unique to your organization. This process will make yours a better hospital.

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