



## Enhancing Quality Oversight

*Study findings show hospital boards increasingly focused on quality initiatives.*

Among many changes taking place in the healthcare sector during the last 10 years is the increasing attention of hospitals to quality improvement. In this environment, boards have been called to take up their leadership role in quality oversight. And a recent survey of hospitals and health systems is evidence that boards continue to fulfill this responsibility.

The Governance Institute's (TGI's) 2009 survey included questions related to 13 recommended board practices for quality oversight, and results indicate that a higher percentage of boards report having these practices in place than in 2007. This is good news for the healthcare field.

### Survey Results

The 2009 survey provides updates on the extent to which boards have adopted the 13 recommended quality oversight practices. Some practices have become industrywide standards embraced by almost every hospital board, while several others have been adopted by a majority of the boards and a few have been implemented by only about half of the boards. The following section breaks down several recommended practices that have the highest level of board adoption as of 2009.

### ***Practices Adopted by Most Hospitals and Health Systems***

Ninety percent of hospital and health systems surveyed say their boards have adopted the following governance oversight practices:

- Review quality performance measures using dashboards, balanced scorecards, run charts and other tools at least quarterly to identify needs for corrective action.
- Review patient satisfaction/patient experience scores at least annually.
- Review the organization's quality performance by comparing its current performance to historical performance.
- Challenge recommendations of the medical executive committee(s) regarding physician appointment or reappointment to the medical staff.

What makes these practices crucial is the link from numbers to actions. They involve more than just collecting data and talking about them; these practices drive quality improvement activities. Such a philosophy should guide the selection of measures, the design and presentation of the information to stakeholders including the board itself and the establishment of goals or benchmarks.

### ***Practices That Show Substantial Increase in Adoption***

A number of other practices show significantly increasing adoption rates in the 2009 survey compared with the 2007 survey. For example, the percentage of boards that reported having a standing quality committee increased, making the quality/safety committee among the top four most common board committees. This finding shows not only increasing awareness of the board's leadership role in quality oversight but also the board's commitment to making quality a high priority.

Four additional practices also show significantly increasing adoption rates by boards. They include:

- Requiring management to base at least some of the organization's quality goals on the theoretical ideal.
- Devoting significant time during its meetings to discuss quality issues.
- Ensuring that its own and the medical staff's involvement in setting the quality agenda is equal to or surpasses that of management.
- Requiring the organization to report its quality/safety performance to the general public.

### **Effectiveness of Recommended Governance Practices**

In addition to boards' adoption of several

of the 13 practices at higher rates, it also is worthwhile to examine the practices' effectiveness from 2007 to 2009. To assess the value of each of the 13 board practices related to quality oversight, the Agency for Healthcare Research and Quality (AHRQ), a division of the United States Department of Health and Human Services (HHS), linked the TGI 2007 survey results to measures of hospital quality performance—specifically, clinical process of care (using data from HHS' Hospital Compare tool) and patient outcomes (using AHRQ's inpatient quality indicators).

AHRQ found that better quality performance is significantly associated with the existence of a board quality committee and the board's adoption of six particular governance practices. Hospitals with a board quality committee performed significantly better than hospitals without such a committee in place, both in clinical process-of-care measures and in risk-adjusted mortality measures. The presence of a board quality committee helps signal the board's leadership in and commitment to promoting quality of care. It also provides an organizational structure to facilitate collaboration among board members, senior executives and physician leadership to direct, discuss and decide on quality improvement efforts.

Of the six governance practices recommended to help achieve a high level of performance, two practices, which are bold and unusual approaches for governing boards to take, were associated with better quality-of-care performance and showed significance in terms of process-of-care measures. First, *the board requires management to base at least some of the hospital's quality goals on the "theoretical ideal"*

(e.g., zero central line infections, zero sepsis), rather than average levels or national benchmarks. Raising the bar for these goals seems to be even more effective in improving quality performance. Second, *the board requires the hospital to report its quality/safety performance to the general public*. Doing so appears to encourage quality improvement at all levels of the organization.

The remaining four practices found to be significant with respect to clinical process-of-care measures include the following:

*The board reviews quality performance measures using dashboards, balanced scorecards, run charts and other tools at least quarterly to identify needs for corrective action.* This action lends support to the old management motto that "you can't manage what you don't measure." As reported by multiple studies, this governance practice has been widely adopted among U.S. community hospitals.

*The board requires major new hospital clinical programs or services to meet quality-related performance criteria.* By doing so, the board sets clear expectations for how those new programs or services should be operated to ensure the quality of care.

*The board devotes significant time to quality issues at most board meetings.* The positive association of this effort with quality of care has also been reported in other studies.

*The board and the medical staff are equally involved with or more involved than management in setting the agenda for the board's discussion on quality.* Although the board functions as the

principal, with the management and medical staff serving as the agents, it is important for all three parties to participate and form a collective leadership in addressing quality-of-care issues.

Boards have shown improvement in fulfilling their quality oversight role, which is encouraging.

However, certain areas continue to represent ongoing challenges to most boards. For example, boards are unclear what criteria should be used to select measures for internal quality review. As more measures are adopted by the Centers for Medicare & Medicaid Services, private payors and health plans, and statewide organizations that sponsor public reporting of hospital performance, boards find it increasingly difficult to choose the right measures on which to focus. Boards also should be alert to the link between quality review and the organization's strategic goals. Finally, trustees must enhance collaboration among the board, the medical staff and management. ▲

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