

# Inside Healthcare

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## Physicians First

CEO Javon Bea tells us how a unique relationship with its doctors put Mercy Health System on the road to the Malcolm Baldrige award.



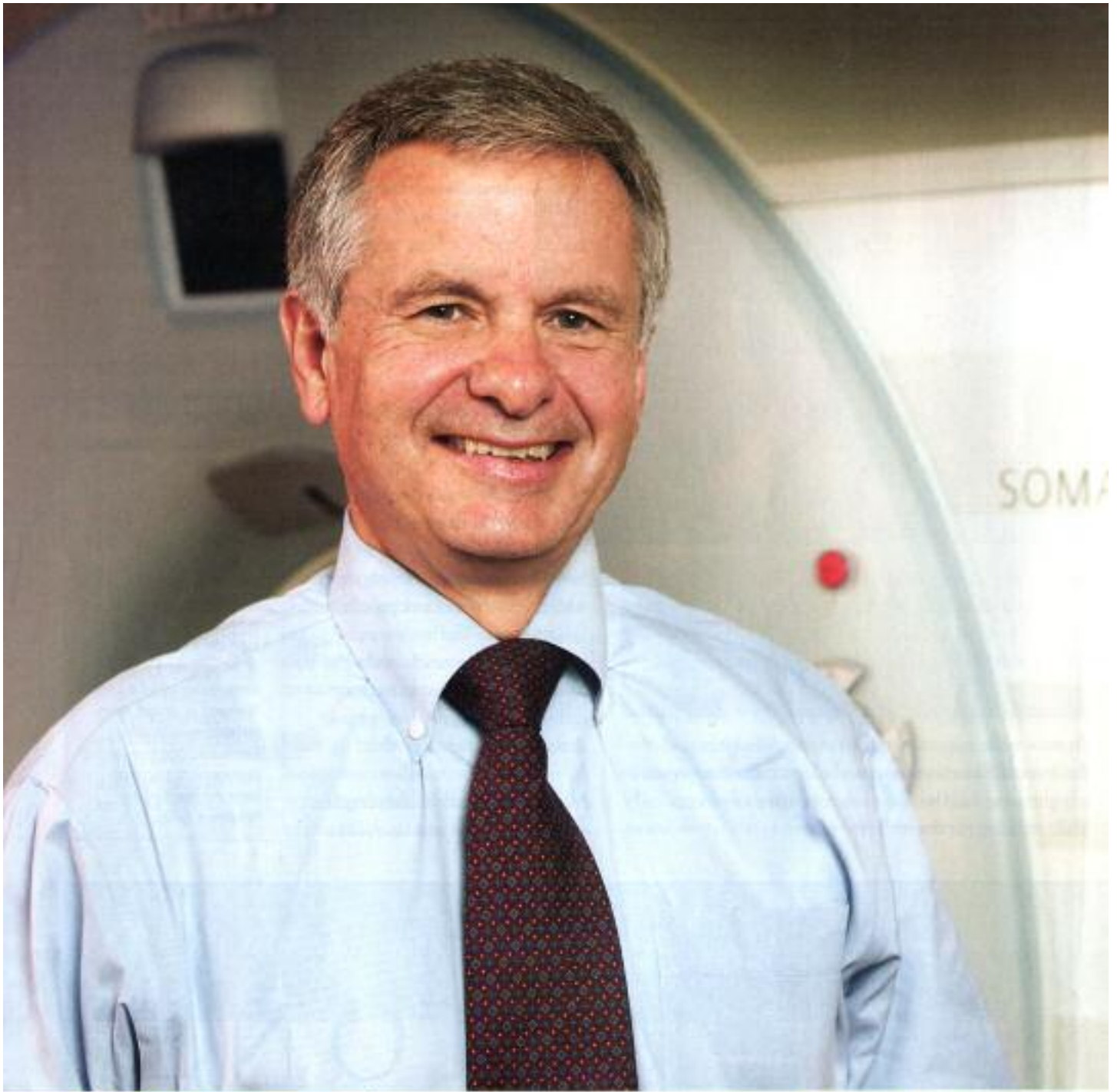
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# Physicians First

**CEO Javon Bea says putting physicians at the top of the org chart helped his organization become the first health system to win the Malcolm Baldrige award.**

**W**hen Javon Bea, president and CEO of Mercy Health System, met President Bush at the White House, he was amazed at how down to earth he was. "He cracked a lot of jokes," said Bea. "He asked me if I like the design on the rug in the Oval Office and said he had asked Laura to design something warm and inviting."

This aspect of the president's personality must have delighted Bea, there to receive the Malcolm Baldrige National

Quality Award, because executives at Mercy quite literally check their egos at the door.

At Mercy, the top of the organizational chart is filled with employees that interact with patients (physicians, nurses, and therapists), known as value producers. The next section of the chart is filled with value supporters, including housekeepers, dietary workers, and supply purchasers. Below that are managers, known as value enhancers, and at the bottom are executives like the chief medical officer and CEO.





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"Our job is to be synthesizers of the processes above us," said Bea, noting that he created the idea of servant leadership 20 years ago and never looked back. Indeed, Bea said the organization's culture made possible its unique partnership with physicians, and that led to Baldrige-level excellence.

Since the Baldrige award was introduced in 1987, 10 million businesses have requested an application, only 72 have won, and only six have been in healthcare. None of those six were integrated health systems like Mercy. "Every one of our hundreds of doctor's offices and 64 facilities, including

our chain of pharmacies, our insurance company, and even our homeless center had to meet the Baldrige standards," said Bea, noting that President Bush told him he should make sure everyone at Mercy understood the award was "a big deal."

**Laser focus**

Mercy embarked on the journey to meet the Baldrige standards seven years ago and received its first site visit in 2004. Four exhaustive site visits later, the organization won the coveted award. "The business leaders that conduct the reviews spend 500 hours prior to coming on site,"

said Bea. Another 500 collective hours are spent on site during each visit.

Bea said he and his team welcomed the focus the process brought to the Wisconsin-based health system. "With 64 facilities in 24 locations, the Baldrige framework turned out to be the model for overall organizational excellence that



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## Mercy Health System

we wanted to use," he said. "We need a yearly checkup to make sure no individual facility is getting away from following our quest for continuing quality and organizational excellence."

That laser-like focus is possible at 4,000-employee Mercy because the administration has a unique relationship with physicians. While other hospitals struggled with strained relationships and often ended up competing with physicians over ancillary services, Bea and his team created the W2 physician partnership model.

More than 80% of the physicians that admit to Mercy's three hospitals have signed a professional services agreement that technically makes them employees, allowing the health system to support their practices with resources and staff. However, said Bea, they're paid just like they are in private practice and operate just like they're in private practice.

"The Physician Partnership Model is a financial and cultural model that incentivizes physicians to work like they would in private practice," said Bea. "Mercy supports them by taking on the administrative work, allowing the physicians more time to treat patients and increase their earnings while retaining decisionmaking over their practices. In today's heavily regulated and increasingly complex environment, this provides a significant advantage."

Bea said he's seen other health systems try this model and fail. They get the financial component, he said, but they go wrong when it comes to the cultural side.

"We don't try to turn the physicians into time-clock-punching employees," he explained. "They are valued and are supported to be as efficient as possible. The more effective they are, the more patient throughput, the better quality—and that's better for the whole system. After all, the patient care process starts in the doctor's office."

### More measures

The third component of Mercy's success is accountability, and that's where the hospital's sophisticated dashboard software comes into play. The system was developed inhouse to measure every aspect of Mercy's operations, including patient satisfaction, clinical quality, and financial conditions. Every department's measurements feed into a system-wide dashboard that shows 26 indicators in green, yellow, or red.

"Our goal is 98% or above for all measures," said Bea, "so those indicators are green. If we are between 93% and 97% in a certain area, it will show up in yellow. Anything that falls below 93% is red."



*"Our goal is 98% or above for all measures, so those indicators are green. If we are between 93% and 97% in a certain area, it will show up in yellow. Anything that falls below 93% is red."*

falls below 93% is red." Bea said he looks at all 26 indicators weekly. "If I see a line in red, we form a response team to find out why it's so low and set an action plan to rectify it."

Rather than simply working to raise levels system wide, the software allows Bea and his team to drill down to where the problem is. For example, last year, the inpatient satisfaction indicator fell below 93%. Bea looked at each department's satisfaction scores and found that the system's largest ED had several scores in the 60th percentile, mainly due to long wait times.

The response team that examined the situation decided patients requiring non-emergent urgent care should be seen in a separate location. "We moved them down the road a block to an urgent care center and launched a community education effort to explain what kinds of symptoms they would be having to go to the urgent care versus the ED," said Bea.

To encourage people to use the center for all non-emergencies, Mercy offered a gift certificate for dinner for two if patients weren't seen within 30 minutes. "We haven't given too many of those out," Bea noted.

Of course, the dashboard system only works if the leaders in every department faithfully keep it up to date. And that,



said Bea, is where culture again comes into play. "The system works really well when it's up and operating, but it takes work to get it in place and make sure everyone is using it—and that's a culture change."

### Yearly checkup

Going forward, Bea and his team plan to expand Mercy's technology capabilities and geographic reach. A full EMR encompassing all outpatient facilities and hospitals is in the works (a fully integrated billing system is already in place), as are several 64-slice CT scanners. "We're committed to staying on the cutting edge of medical technology. We want to be ahead of our competitors," said Bea.

Having met the needs of Southern Wisconsin, the health system is expanding into Northeast Illinois to serve the western suburbs of Chicago. "Communities like Crystal Lake don't have hospitals and can't get care after 5:00," he explained.

Mercy's unique physician partnership model helps its expansion plans, and, Bea said, ensuring the system has doctors to support any facilities it puts in place. "In communities where we don't yet have a hospital, they work with us exclusively for their professional site but work with area hospitals when patients need to be admitted."

Another annual audit is also planned, although this one will be conducted by past Baldrige examiners. Bea said those four consecutive Baldrige site visits made it clear what a boon an outside review is to a large organization seeking continuous improvement. "Now that we have the award," he said, "we don't want to gradually go back to our old ways." +

—Jill Rose



Target Commercial Interiors and HON congratulate Javon Bea and the Mercy Health System team in Janesville, Wisconsin for winning the Malcolm Baldrige National Quality Award for performance excellence. We appreciate your business and our partnership.



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