Annex-4

Baldrige Performance Excellence:

Health care organizations around the country are looking for ways to improve safety and outcomes, while reducing cost. There is increasing pressure in the U.S. to overhaul our health care system. The history of the Baldrige Program shows that health care organizations of any size and type and in any location can benefit from using the Health Care Criteria for Performance Excellence. Service providers, single hospitals, and large health systems nationwide use the Criteria to improve their operations and sustain world-class results. So can your organization.

**Improve the Results**

Whether the organization is involved in ambulatory service, health maintenance, or another health care service, the Baldrige Criteria are a valuable framework for measuring performance and planning in an uncertain environment. The Baldrige Criteria help health care organizations achieve and sustain the highest national levels of

- patient safety and patient loyalty
- health care outcomes for acute myocardial infarction, heart failure, pneumonia, and other conditions
- physician and staff satisfaction and engagement, especially among registered nurses
- revenue and market share
- community services

**Specific Baldrige Criteria**

1.1 **Leadership**

a. **Senior Leadership Direction**

(1) How do senior Leaders set and deploy organizational values, short- and longer-term directions, and performance expectations? How do senior leaders include a focus on creating and balancing value for patients and other customers and stakeholders in their performance expectations? How do senior leaders communicate organizational values, directions, and expectations through your LEADERSHIP SYSTEM, to all STAFF, and to KEY suppliers and partners? HOW do SENIOR LEADERS ensure two-way communication on these topics?

(2) HOW do SENIOR LEADERS create an environment for EMPOWERMENT, INNOVATION, and organizational agility? HOW do they create an environment for organizational and STAFF learning? HOW do they create an environment that fosters legal and ethical behavior?

b. **Organizational GOVERNANCE**

HOW does your organization address the following KEY factors in your GOVERNANCE system?

- Management accountability for the organization’s actions
- Fiscal accountability
- Independence in internal and external audits
c. Organizational PERFORMANCE Review

(1) HOW do SENIOR LEADERS review organizational PERFORMANCE and capabilities? HOW do they use these reviews to assess organizational success, competitive PERFORMANCE, and progress relative to short- and longer term GOALS? HOW do they use these reviews to assess your organizational ability to address changing HEALTH CARE SERVICE needs?

(2) What are the KEY PERFORMANCE MEASURES regularly reviewed by your SENIOR LEADERS? What are your KEY recent PERFORMANCE review findings?

(3) HOW do SENIOR LEADERS translate organizational PERFORMANCE review findings into priorities for continuous and breakthrough improvement of KEY organizational PERFORMANCE RESULTS and into opportunities for INNOVATION? HOW are these priorities and opportunities deployed throughout your organization? When appropriate, HOW are they deployed to your suppliers and partners to ensure organizational ALIGNMENT?

(4) HOW do you evaluate the PERFORMANCE of your SENIOR LEADERS, including both administrative and health care leaders? HOW do SENIOR LEADERS use organizational PERFORMANCE review findings to improve both their own leadership effectiveness and that of your board and LEADERSHIP SYSTEM, as appropriate?

1.2 Social Responsibility -Deployment

a. Responsibilities to the Public

(1) HOW do you address the impacts on society of your HEALTH CARE SERVICES and operations? What are your KEY PROCESSES, MEASURES, and GOALS for achieving and surpassing regulatory, legal, and accreditation requirements, as appropriate? What are your KEY PROCESSES, MEASURES, and GOALS for addressing risks associated with your management of HEALTH CARE SERVICES and other organizational operations?

(2) HOW do you anticipate public concerns with current and future services and operations? HOW do you prepare for these concerns in a proactive manner?

b. Ethical Behavior

HOW do you ensure ethical behavior in all STAKEHOLDER transactions and interactions? What are your KEY PROCESSES and MEASURES or INDICATORS for monitoring ethical behavior throughout your organization, with KEY partners and collaborators, and in your GOVERNANCE structure?

c. Support of KEY Communities and Community Health

HOW does your organization actively support and strengthen your KEY communities? HOW do you identify KEY communities and determine areas of emphasis for organizational involvement and support? What are your KEY communities? HOW do your SENIOR LEADERS and your STAFF contribute to improving these communities and to building community health?
2.1 **Strategy Development**

**a. Strategy Development PROCESS**

(1) What is your overall strategic planning PROCESS? What are the KEY steps? Who are the KEY participants? What are your short- and longer-term planning time horizons? HOW are these time horizons set? HOW does your strategic planning PROCESS address these time horizons?

(2) HOW do you ensure that strategic planning addresses the KEY factors listed below? HOW do you collect and analyze relevant data and information to address these factors as they relate to your strategic planning:

- Your PATIENT, other CUSTOMER, and health care market needs, expectations, and opportunities
- Your competitive environment, and/or your collaborative environment to conserve community resources and your capabilities relative to competitors
- Technological and other KEY INNOVATIONS or changes that might affect your HEALTH CARE SERVICES and HOW you operate
- Your strengths and weaknesses, including STAFF and other resources
- Your opportunities to redirect resources to higher priority HEALTH CARE SERVICES or areas
- Financial, societal and ethical, regulatory, and other potential risks
- Changes in the local, regional, or national economic environment
- Factors unique to your organization, including partner and supply chain needs, strengths, and weaknesses

**B. Strategic Objectives**

(1) What are your KEY STRATEGIC OBJECTIVES and your timetable for accomplishing them? What are your most important GOALS for these STRATEGIC OBJECTIVES?

(2) HOW do your STRATEGIC OBJECTIVES address the challenges identified in response to P.2 in your Organizational Profile? HOW do you ensure that your STRATEGIC OBJECTIVES balance short- and longer-term challenges and opportunities? HOW do you ensure that your STRATEGIC OBJECTIVES balance the needs of PATIENTS and other KEY CUSTOMERS and STAKEHOLDERS?

2.2 **Strategy Deployment** -Deployment

**a. ACTION PLAN Development and DEPLOYMENT**

(1) HOW do you develop and deploy ACTION PLANS to achieve your KEY STRATEGIC OBJECTIVES? HOW do you allocate resources to ensure accomplishment of your ACTION
PLANS? HOW do you ensure that the KEY changes resulting from ACTION PLANS can be sustained?

(2) What are your KEY short- and longer-term ACTION PLANS? What are the KEY changes, if any, in your HEALTH CARE SERVICES and programs, your CUSTOMERS and markets (including PATIENT populations), and HOW you will operate?

(3) What are your KEY staffing plans that derive from your short- and longer-term STRATEGIC OBJECTIVES and ACTION PLANS?

(4) What are your KEY PERFORMANCE MEASURES or INDICATORS for tracking progress on your ACTION PLANS? HOW do you ensure that your overall ACTION PLAN measurement system reinforces organizational ALIGNMENT? HOW do you ensure that the measurement system covers all KEY DEPLOYMENT areas and STAKEHOLDERS?

b. PERFORMANCE Projection

For the KEY PERFORMANCE MEASURES or INDICATORS identified in 2.2a(4), what are your PERFORMANCE PROJECTIONS for both your short- and longer-term planning time horizons? HOW does your projected PERFORMANCE compare with competitors’ projected PERFORMANCE or other organizations providing similar HEALTH CARE SERVICES? HOW does it compare with KEY BENCHMARKS, GOALS, and past PERFORMANCE, as appropriate?

3.1 Patient, Other Customer, and Health Care Market Knowledge

a. PATIENT/CUSTOMER and Health Care Market Knowledge

(1) HOW do you determine or target PATIENTS, other CUSTOMERS, CUSTOMER groups, and health care market segments? HOW do you include CUSTOMERS of competitors and other potential CUSTOMERS and markets in this determination?

(2) HOW do you listen and learn to determine KEY PATIENT/CUSTOMER requirements and expectations (including HEALTH CARE SERVICE features) and their relative importance to PATIENTS’/CUSTOMERS’ health care purchasing decisions? HOW do determination methods vary for different PATIENTS/CUSTOMERS or CUSTOMER groups? HOW do you use relevant information from current and former PATIENTS/CUSTOMERS, including marketing information, PATIENT/CUSTOMER loyalty and retention data, win/loss ANALYSIS, and complaints? HOW do you use this information for PURPOSES of HEALTH CARE SERVICE planning, marketing, PROCESS improvements, and other business development?

(3) HOW do you keep your listening and learning methods current with HEALTH CARE SERVICE needs and directions?

3.2 Patient and Other Customer Relationships and Satisfaction

A

a. PATIENT/CUSTOMER Relationship Building
(1) HOW do you build relationships to acquire PATIENTS and other CUSTOMERS, to meet and exceed their expectations, to increase loyalty and secure their future interactions with your organization, and to gain positive referrals?

(2) What are your KEY access mechanisms for PATIENTS and other CUSTOMERS to seek information, obtain services, and make complaints? HOW do you determine KEY contact requirements for each mode of PATIENT and other CUSTOMER access? HOW do you ensure that these contact requirements are deployed to all people and PROCESSES involved in the CUSTOMER response chain?

(3) What is your complaint management PROCESS? HOW do you ensure that complaints are resolved effectively and promptly? HOW are complaints aggregated and analyzed for use in improvement throughout your organization and by your partners?

(4) HOW do you keep your APPROACHES to building relationships and providing PATIENT/CUSTOMER access current with HEALTH CARE SERVICE needs and directions?

b. PATIENT/CUSTOMER Satisfaction Determination

(1) HOW do you determine PATIENT and other CUSTOMER satisfaction and dissatisfaction? HOW do these determination methods differ among PATIENT/CUSTOMER groups? HOW do you ensure that your measurements capture actionable information for use in exceeding your PATIENTS’ and other CUSTOMERS’ expectations, securing their future interactions with your organization, and gaining positive referrals? HOW do you use PATIENT and other CUSTOMER satisfaction and dissatisfaction information for improvement?

(2) HOW do you follow up with PATIENTS and other CUSTOMERS on HEALTH CARE SERVICES and transaction quality to receive prompt and actionable feedback?

(3) HOW do you obtain and use information on PATIENTS’ and other CUSTOMERS’ satisfaction relative to satisfaction with your competitors, other organizations providing similar HEALTH CARE SERVICES, and/or BENCHMARKS?

(4) HOW do you keep your APPROACHES to determining satisfaction current with HEALTH CARE SERVICE needs and directions?

4.1 Measurement and Analysis of Organizational Performance

a. PERFORMANCE Measurement

(1) HOW do you select, collect, align, and integrate data and information for tracking daily operations and for tracking overall organizational PERFORMANCE? HOW do you use these data and information to support organizational decision-making and INNOVATION as a health care provider?
(2) HOW do you select and ensure the EFFECTIVE use of KEY comparative data and information to support operational and strategic decision-making and INNOVATION?

(3) HOW do you keep your PERFORMANCE measurement system current with HEALTH CARE SERVICE needs and directions? HOW do you ensure that your PERFORMANCE measurement system is sensitive to rapid or unexpected organizational or external changes?

b. PERFORMANCE ANALYSIS

(1) What ANALYSES do you perform to support your SENIOR LEADERS’ organizational PERFORMANCE review? What ANALYSES do you perform to support your organization’s strategic planning?

(2) HOW do you communicate the RESULTS of organizational-level ANALYSES to work group and functional-level operations to enable EFFECTIVE support for their decision-making?

4.2 Information and Knowledge Management

a. Data and Information Availability

(1) HOW do you make needed data and information available? HOW do you make them accessible to STAFF, suppliers and partners, and PATIENTS and other CUSTOMERS, as appropriate?

(2) HOW do you ensure that hardware and software are reliable, secure, and user friendly?

(3) HOW do you keep your data and information availability mechanisms, including your software and hardware systems, current with HEALTH CARE SERVICE needs and directions?

b. Organizational Knowledge

(1) HOW do you manage organizational knowledge to accomplish • the collection and transfer of STAFF knowledge?
• The transfer of relevant knowledge from PATIENTS and other CUSTOMERS, suppliers, and partners
• The identification and sharing of best practices

(2) HOW do you ensure the following properties of your data, information, and organizational knowledge?
• Integrity
• Timeliness
• Reliability
• Security
• Accuracy
• Confidentiality

5.1 Work Systems - Deploy

a. Organization and Management of Work
(1) HOW do you organize and manage work and jobs to promote cooperation, initiative, EMPOWERMENT, INNOVATION, and your organizational culture? HOW do you organize and manage work and jobs to achieve the agility to keep current with HEALTH CARE SERVICE needs?

(2) HOW do your WORK SYSTEMS capitalize on the diverse ideas, cultures, and thinking of your STAFF and the communities with which you interact (your STAFF recruitment and your PATIENT/CUSTOMER communities)?

(3) HOW do you achieve EFFECTIVE communication and skill sharing across health care professions, departments and work units, jobs, and locations?

b. STAFF PERFORMANCE Management System

HOW does your STAFF PERFORMANCE management system, including feedback to STAFF, support HIGH-PERFORMANCE WORK? HOW does your STAFF PERFORMANCE management system support a PATIENT/CUSTOMER and HEALTH CARE SERVICE focus? HOW do your compensation, recognition, and related reward and incentive practices reinforce HIGH-PERFORMANCE WORK and a PATIENT/CUSTOMER and HEALTH CARE SERVICE focus?

c. Recruitment and Career Progression

(1) HOW do you identify characteristics and skills needed by potential STAFF?

(2) HOW do you recruit, hire, and retain new STAFF? HOW do you ensure the STAFF members represent the diverse ideas, cultures, and thinking of your STAFF recruitment community?

(3) HOW do you accomplish EFFECTIVE succession planning for leadership and management positions, including senior administrative and health care leadership, as appropriate? HOW do you manage EFFECTIVE career progression for all STAFF throughout the organization?

5.2 Staff Learning and Motivation

a. STAFF Education, Training, and Development

(1) HOW do STAFF education and training contribute to the achievement of your ACTION PLANS? HOW do your STAFF education, training, and development address your KEY needs associated with organizational PERFORMANCE measurement, PERFORMANCE improvement, and technological change? HOW does your education and training APPROACH balance short- and longer-term organizational objectives with STAFF needs, including licensure and recredentialing requirements, development, learning, and career progression?

(2) HOW do STAFF education, training, and development address your KEY organizational needs associated with new STAFF orientation, diversity, ethical health care and business practices, and management and leadership development? HOW do STAFF education, training, and development address your KEY organizational needs associated with STAFF, workplace, and environmental safety?
(3) HOW do you seek and use input from STAFF and their supervisors and managers on education and training needs? HOW do you incorporate your organizational learning and KNOWLEDGE ASSETS into your education and training?

(4) HOW do you deliver education and training? HOW do you seek and use input from STAFF and their supervisors and managers on options for the delivery of education and training? HOW do you use both formal and informal delivery APPROACHES, including mentoring and other APPROACHES, as appropriate?

(5) HOW do you reinforce the use of new knowledge and skills on the job?

(6) HOW do you evaluate the effectiveness of education and training, taking into account individual and organizational PERFORMANCE?

b. Motivation and Career Development

HOW do you motivate STAFF to develop and utilize their full potential? HOW does your organization use formal and informal mechanisms to help STAFF attain job- and career-related development and learning objectives? HOW do managers and supervisors help STAFF attain job- and career-related development and learning objectives?

5.3 Staff Well-Being and Satisfaction

a. Work Environment

(1) HOW do you improve workplace health, safety, security, and ergonomics? HOW do STAFF take part in improving them? What are your PERFORMANCE MEASURES or targets for each of these KEY workplace factors? What are the significant differences in workplace factors and PERFORMANCE MEASURES or targets if different STAFF groups and work units have different work environments?

(2) HOW do you ensure workplace preparedness for emergencies or disasters? HOW do you seek to ensure HEALTH CARE SERVICE and business continuity for the benefit of your PATIENTS, other CUSTOMERS, and STAFF?

b. STAFF Support and Satisfaction

(1) HOW do you determine the KEY factors that affect STAFF well-being, satisfaction, and motivation? HOW are these factors segmented for a diverse workforce and for different categories and types of STAFF?

(2) HOW do you support your STAFF via services, benefits, and policies? HOW are these tailored to the needs of a diverse workforce and different categories and types of STAFF?

(3) What formal and informal assessment methods and MEASURES do you use to determine STAFF well-being, satisfaction, and motivation? HOW do these methods and MEASURES...
differ across a diverse workforce and different categories and types of STAFF? HOW do you use other INDICATORS, such as STAFF retention, absenteeism, grievances, safety, and PRODUCTIVITY, to assess and improve STAFF well-being, satisfaction, and motivation?

(4) HOW do you relate assessment findings to KEY organizational PERFORMANCE RESULTS to identify priorities for improving the work environment and STAFF support climate?

6.1 Health Care Processes

   a. Health Care PROCESSES

(1) HOW does your organization determine its KEY HEALTH CARE SERVICES and service delivery PROCESSES? What are your organization’s KEY health care PROCESSES? HOW do these PROCESSES create VALUE for the organization, your PATIENTS and other CUSTOMERS, and your other KEY STAKEHOLDERS? HOW do they contribute to improved HEALTH CARE SERVICE outcomes?

(2) HOW do you determine KEY health care PROCESS requirements, incorporating input from PATIENTS and other CUSTOMERS, suppliers, and partners, as appropriate? What are the KEY requirements for these PROCESSES?

(3) HOW do you design these PROCESSES to meet all the KEY requirements, including PATIENT safety, regulatory, accreditation, and payor requirements? HOW do you incorporate new technology and organizational knowledge into the design of these PROCESSES? HOW do you incorporate improved health care outcomes, CYCLE TIME, PRODUCTIVITY, cost control, and other efficiency and effectiveness factors into the design of these PROCESSES? HOW do you implement these PROCESSES to ensure they meet design requirements?

(4) HOW are PATIENTS’ expectations addressed and considered? HOW are HEALTH CARE SERVICE delivery PROCESSES and likely outcomes explained to set realistic PATIENT expectations? HOW are PATIENT decision-making and PATIENT preferences factored into the delivery of HEALTH CARE SERVICES?

(5) HOW does your day-to-day operation of your health care PROCESSES ensure meeting KEY PROCESS requirements, including PATIENT safety, regulatory, accreditation, and payor requirements? What are your KEY PERFORMANCE assessments and MEASURES or INDICATORS used for the control and improvement of your health care PROCESSES? HOW are in-process MEASURES used in managing these PROCESSES? HOW is PATIENT and other CUSTOMER, supplier, and partner input used in managing your health care PROCESSES, as appropriate?

(6) HOW do you minimize overall costs associated with inspections, tests, and PROCESS or PERFORMANCE audits, as appropriate? HOW do you prevent errors and rework?

6.2 Support Processes
a. Business and Other Support PROCESSES (e.g. technology acquisition, supply chain management)

(1) HOW does your organization determine its KEY business and other support PROCESSES? What are your KEY PROCESSES for supporting your health care PROCESSES?

(2) HOW do you determine KEY support PROCESS requirements, incorporating input from internal and external CUSTOMERS, and suppliers and partners, as appropriate? What are the KEY requirements for these PROCESSES?

(3) HOW do you design these PROCESSES to meet all the KEY requirements? HOW do you incorporate new technology and organizational knowledge into the design of these PROCESSES? HOW do you incorporate improved CYCLE TIME, PRODUCTIVITY, cost control, and other efficiency and effectiveness factors into the design of the PROCESSES? HOW do you implement these PROCESSES to ensure they meet design requirements?

(4) What are your KEY PERFORMANCE MEASURES or INDICATORS used for the control and improvement of your support PROCESSES? HOW does your day-to-day operation of KEY support PROCESSES ensure meeting KEY PERFORMANCE requirements? HOW are in-process MEASURES used in managing these PROCESSES? HOW are PATIENT and other CUSTOMER, supplier, and partner input used in managing these PROCESSES, as appropriate?

(5) HOW do you minimize overall costs associated with inspections, tests, and PROCESS or PERFORMANCE audits, as appropriate? HOW do you prevent errors and rework?

(6) HOW do you improve your support PROCESSES to achieve better PERFORMANCE, to reduce variability, and to keep the PROCESSES current with HEALTH CARE SERVICE needs and directions? HOW are improvements shared with other organizational units and PROCESSES?

7.1 Health Care Results

a. Health Care RESULTS

What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of health care outcomes, HEALTH CARE SERVICE delivery RESULTS, PATIENT safety, and PATIENTS’ functional status that are important to your PATIENTS and other CUSTOMERS? HOW do these RESULTS compare to the PERFORMANCE of your competitors and other organizations providing similar HEALTH CARE SERVICES?

7.2 Patient- and Other Customer-Focused Results

a. PATIENT- and Other CUSTOMER-Focused RESULTS

(1) What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of PATIENT and other CUSTOMER satisfaction and dissatisfaction? HOW do these compare with satisfaction relative to competitors and other organizations providing similar HEALTH CARE SERVICES?
(2) What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of PATIENT- and other CUSTOMER perceived VALUE, including PATIENT and other CUSTOMER loyalty and retention, positive referral, and other aspects of building relationships with PATIENTS and other CUSTOMERS, as appropriate?

7.3 **Financial and Market Results**

   a. Financial and Market RESULTS

(1) What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of financial PERFORMANCE, including aggregate MEASURES of financial return and economic value, as appropriate?

(2) What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of health care marketplace PERFORMANCE, including market share or position, business growth, and new markets entered, as appropriate?

7.4 **Staff and Work System Results**

   a. STAFF and WORK SYSTEM RESULTS

(1) What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of WORK SYSTEM PERFORMANCE and effectiveness?

(2) What are your current LEVELS and TRENDS in KEY MEASURES of STAFF learning and development?

(3) What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of STAFF well-being, satisfaction, and dissatisfaction?

7.5 **Organizational Effectiveness Results**

   a. Organizational Effectiveness RESULTS

(1) What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of the operational PERFORMANCE of your KEY health care PROCESSES? Include PRODUCTIVITY, CYCLE TIME, supplier and partner PERFORMANCE, and other appropriate MEASURES of effectiveness and efficiency.

(2) What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of the operational PERFORMANCE of your KEY support and business PROCESSES? Include PRODUCTIVITY, CYCLE TIME, supplier and partner PERFORMANCE, and other appropriate MEASURES of effectiveness and efficiency.

7.6 **Governance and Social Responsibility Results**

   a. GOVERNANCE and Social Responsibility RESULTS
(1) What are your KEY current findings and TRENDS in KEY MEASURES or INDICATORS of fiscal accountability, internal and external, as appropriate?

(2) What are your RESULTS for KEY MEASURES or INDICATORS of ethical behavior and of STAKEHOLDER trust in the GOVERNANCE of your organization?

(3) What are your RESULTS for KEY MEASURES or INDICATORS of organizational accreditation, assessment, and regulatory and legal compliance?

(4) What are your RESULTS for KEY MEASURES or INDICATORS of organizational citizenship in support of your KEY communities, including contributions to the health of your community?

Note: Baldrige Criteria proposes a scoring system based on three evaluation dimensions: (1) APPROACH, (2) DEPLOYMENT, and (3) RESULTS.

Approach refers to how the requirements are addressed or the methods used. The factors used to evaluate approach are:

1) The appropriateness of the methods to the requirements

2) The effectiveness of use of the methods and the degree to which the approach — is repeatable, integrated, and consistently applied — embodies evaluation/improvement/learning cycles — is based on reliable information and data

3) Alignment with organizational needs

4) Evidence of beneficial innovation and change

Deployment refers to the extent to which the approach is applied. The factors used to evaluate deployment are:

1) Use of the approach in addressing item requirements relevant and important to your organization

2) Use of the approach by all appropriate work units

Results refer to outcomes in achieving the objectives given in Items 7.1–7.6. The factors used to evaluate results are:

1) Current performance

2) Performance relative to appropriate comparisons and/or benchmarks

3) Rate and breadth of your performance improvements

4) Linkage of results measures to important patient/customer, health care, market, process, and action plan performance requirements identified.