

# [Performance measurement in health care sector](https://assignbuster.com/performance-measurement-in-health-care-sector/)

## INTRODUCTION

‘ What gets measured gets done’ if you don’t measure result you won’t be able to tell success from failure. ‘ Performance measurement means different things to different people, how performance is been measured in the service industry is different from how it’s measured in production companies. Performance measurement was defined by Neely, A., as “ the process of quantifying the efficiency and effectiveness of past actions through acquisition, collation, sorting, analysis, interpretation and dissemination of appropriate data”. Performance measurement system comprise a set of coherent activities designed to enable management to determine, directly or indirectly, how an organizational system is performing, improving or deteriorating, in or out of control, whilst providing information in support of decisions and actions aimed at improving performance of the system. A performance measurement system embraces the things we do to find out how things are been done and decide how it can be done better. Why organizations measure performance? The reason varies from one organization to another.

To identify if the needs of customers or service users are met

It helps to understand organizational processes

To ensure that decisions taken are based on facts and not on bias or emotion

To show if improvement plan has been actualized

It is used to identify an organization success

## BACKGROUND

Cost management has become a primary topic in health care. Improving the

quality of health care and measuring the performance of care are major public and

Political issues challenging health care organizations. Delivering excellent health services requires a high standard of performance on a wide range of factors, including clinical care, patient satisfaction, and short waiting times, cost control, and learning from best practice elsewhere. Due to dynamics in the health care organizations in recent terms, they are been pressurized to reduce costs, develop the quality of care and meet rigid general rules, has compelled the health care professionals to evaluate how their performance system is been evaluated. Innovation and strive for excellence has made many health care organizations to realise that evaluating performance is beyond financial measures , although a lot of the health care sector still find it difficult to decide what to measure and also how to use the results derived from the measurement. Suffice to say the health care professionals need to improve the performance measurement system by following a few steps. ” The trend of new public management has seen the use of performance measurement (PM) to drive a more efficient, effective and accountable public sector, the government recognized the need for commitment by National Health Service (NHS) to deliver effective service and quality treatment. The government launched a new directive called The NHS Plan (DOH, 2000a) which highlights investments and reform in NHS” (Ritchie 2002) the following were recognized as challenges facing the NHS (Ritchie 2002);

â€‰a lack of national standardsâ€‚ â€‰

old-fashioned demarcations between staff and barriers between servicesâ€‚ â€‰

a lack of clear incentives and levers to improve performanceâ€‚ â€‰

over-centralization and disempowered patients

The quality of care provided by the health services needs to be assessed objectively not only to motivate clinicians and managers to make improvement but also to ensure public accountability, to enable patients make informed choices. Health care quality improvement has become a major concern for stakeholders in the health care system, the federal and state government, health care professionals, providers of health care and also consumers. ” The design of an effective performance measurement system, that includes the selection of an appropriate measures and approaches in analyzing results, is central to aligning an organizational operation with its strategic direction. Despite its importance, this is one area that many organizations fail to address effectively” [Purbey S. ‘ et al’]

## PROPOSAL AIMS AND KEY RESEARCH QUESTIONS

The aim of this research is to investigate how performance is measured in the health care sector, and to explore some of the key factors that drive improvement in the NHS and health care.

## The proposal will address the following question

What is the current approach to performance measurement and improvement?

Does measurement lead to quality improvement?

What are the steps to be taken in improving measurement and performance in the future?

How can the chosen system be managed?

What are the Limitations of the framework used to measure performance?

“ The effective management of hospitals has become an important political and social issue over the last decade, and demographic trends in the USA indicate that the issues associated with better hospital management will only become increasingly important as the domestic population continues to age. As hospitals face an increasingly complex list of challenges (e. g. aging population, cost pressures, and increasing concerns for patient safety)” [Stock N and Mcdermott C.] Most of the government policies in the UK are centered on NHS performance measurement, in a recent development; the government has adapted Kaplan and Norton’s (1992) BSC to construct the NHS Performance Assessment Framework (PAF) [Chang L., et, al 2002]. The PAF introduced by the government. The PAF covers six dimensions;

Health improvement;

Fair access;

Effective delivery of appropriate healthcare;

Efficiency;

Patient/carer experience; and

Health outcomes of NHS health care.

Health improvement:

deaths from all causes (ages 15-64);

death from all causes (ages 65-74);

deaths from cancer;

deaths from all circulatory diseases;

suicide rates;

deaths from accidents; and

Serious injury from accidents.

Fair access:

inpatient waiting list;

adult dental registrations;

early detection of cancer;

cancer waiting times;

number of GPs;

GP practice availability;

elective surgery rates;

Surgery rates – coronary heart disease.

Effective delivery of appropriate health care:

childhood immunisations;

inappropriately used surgery;

acute care management;

chronic care management;

mental health in primary care;

cost effective prescribing;

returning home following treatment for a stroke;

Returning home following treatment for a fractured hip.

Efficiency:

day case rate;

length of stay;

maternity unit costs;

mental health unit costs;

Generic prescribing.

Patient/carer experience of the NHS:

patients who wait less than two hours for emergency admission (through A&E);

cancelled operations;

delayed discharge;

first outpatient appointments for which patients did not attend;

outpatients seen within 13 weeks of GP referral;

percentage of those on waiting lists waiting 18 months or more;

Patient satisfaction.

6 Health outcomes of NHS health care:

conceptions below age 18;

decayed, missing or filled teeth in five-year-old children;

readmission to hospital following discharge;

emergency admissions of older people;

emergency psychiatric re-admissions;

stillbirths and infant deaths;

breast cancer survival;

cervical cancer survival;

lung cancer survival;

colon cancer survival;

deaths in hospital following surgery (emergency admissions);

deaths in hospital following surgery (non-emergency admissions);

deaths in hospital following a heart attack (ages 35-74);

deaths in hospital following a fractured hip [Source: NHS Executive, 1999]

Health improvement is measured in terms of reduction in key seven indicators, deaths from all causes (15-64 & 65-74), and death from cancer, death due to circulatory diseases, death due to accident, suicide rates, and incidence from injuries due to accident. “ It is argued that the relationship between inputs, outputs and outcomes in the NHS is complicated and not easy to measure. Improvement in the health care is not only about reducing death rates. It involves improving emotional fitness and spiritual health and a lot of effort and resources have been invested in these dimensions of care services. These sorts of activities are usually not captured within the PAF framework however, perhaps because their invisible outcomes are difficult to quantify within a service-oriented public sector (Audit Commission, 2000). Their omission means that the scope of the PAF is limited, rendering it less comprehensive as a strategic measurement and management system” [Chang, L., Lin, S., & Northcott, D. (2002)]. The establishment of normalized criteria and standards for appropriate and safe health care provision as well as mechanisms for evaluating the systems and organization’s performance, country and worldwide, is still a crucial issue in need of a valid and recognized answer [Simon J., 2004]. Healthcare costs have become an important issue, so the use of cost improvement or cost containment as a performance measure has been very common in healthcare research. Quality has also been very widely used as a performance outcome in healthcare research measured by many different means, including self-reported quality measures, medical errors, and mortality rates. Organizational performance in a hospital, particularly from a strategic perspective, can also be viewed as a construct that combines multiple dimensions, such as clinical outcomes, financial performance, productivity, and operational measures”. Performance measurement takes capacity [Stock N. & Mcdermott C. (2007)]. The reasons for the lack of evaluation research include the methodological challenges of measuring performance and the complexity of the health care system [Ovretveit and Gustafson (2002)]. Furthermore moeller et al (2001), observed that ‘ health care is receiving increasing attention, not only for its tremendous impact on the economic resources available to a population, but also for its elementary value to that specific population. In many countries today, regardless of their size or wealth, the health of the population and how that health care is provided is a major concern. And all who manage health care delivery strive to achieve the highest quality care possible within the resources available. Evaluation of health services is, therefore, required. According to Purbey, S., Mukherjee, k. & Bhar, C. (2007), various authors have suggested different performance measurement frameworks for measuring performance of an organization. Some of the important performance measurement frameworks are discussed below;

Balanced performance measurement matrix

Performance measures for time-based competition

Performance pyramid system

Balanced scorecard framework

Brown’s input, processes, outputs and outcomes framework

Performance prism

All this above mention performance frameworks has been faulted, the balanced performance measurement matrix was said to be too complex as it does not explicitly link between different dimensions of business performance. [Anderson K. & McAdam (2004)] The performance pyramid system approach was seen to fail to specify the detail relating to the form of measures of performance or the process for developing them, with no apparent scope for lead measures of performance. [Hudson M., Smart A. & Bourne M. (2001)] The Balance scorecard framework lack consideration to the measurement of human resources, employee satisfaction, supplier performance, product/service quality and environmental/community perspective [Brown M. G. (1996)]. Performance prism suggest some areas in which measures of performance might be useful, but provide little guidance on how the appropriate measures can be identified, introduced and ultimately used to manage the business [Medori D. & Steeple D. (2002)]. Quality means different things to different people, in today’s world there is no single accepted definition of quality, it is usually meant to distinguish one organization, products, services, person, and action from another. Given that quality is meeting the needs of service users, it is not enough to satisfy some requirements and not others.

Implication of poor quality in a hospital [Moullin, M.]

Description implication for patient implication for staff cost implication

Inadequate delays to patients extra work for extra pathology costs

Clinical details risks of incorrect test pathology staff increased length of stay

to pathology extra conversation fewer patients treated

dept. With clinical customer more complaints some appointments

Cancelled

Porters not delays in operations staff kept waiting expensive staff and

available to sicker patients delays in operations plant underused

move patients patients in for longer inter-staff aggravation more costly

to operating treatments for patients

theatre worsened condition higher accommodation cost

Insufficient car patients late for staff late for staff (patients) kept

parking facilities appointments appointments waiting increased anxiety low morale capital equipment not used to fullest capacity repeated appointment

Health record frustration at having histories need extra time spent

missing or out to repeat history taking again searching or taking

of date wrong treatment internal inquiries histories

offered extra consultation

expensive/complex

remedial treatments

Discharge delayed longer stay unnecessary work higher accommodation

because drugs to longer waits for for all staff costs

take home are new patient slower throughput

not available

patients kept stress and ambulances held extra staff time

waiting over an frustration up on explaining and

hour for pre- cant park as car staff on the mollifying

booked parks over -full defensive need for larger

appointments waiting rooms and

car parks

“ As organizations move away from traditional approaches of management towards continous quality improvement and other more customer oriented approaches, the measures of performance they use need to reflect their changing priorities. Traditional measures of quality and performance have a number of weaknesses for measuring service quality. They are often inwardly focused rather than focused on patients and service users. They also emphasize output and machine or server utilization much more than quality”. [Moullin M]

## DATA COLLECTION TOOLS/TECHNIQUE

Before the researcher would start the study of the chosen organizations, an approval will be obtained from the National Research Ethics Service. An informed consent will also be obtained by the researchers from the entire study participant. A mixed method approach of data collection will be employed in the study (qualitative and quantitative). Data will be collected using questionnaire and also an in-depth interview would be conducted to get the views of management on performance management. The participants will be interviewed alone using similar questions being posed several times in each interview. Interview will be conducted within one month with each interview lasting between 25-30 minutes. The interview would be audio-taped and transcribed verbatim. The first interview will be conducted at the beginning of the study, the participant would be asked on what performance measurement indicators are been used and also who are those involved. The questionnaire would be used to collect information about the participant knowledge, beliefs, attitudes, and behaviour towards quality. Interview would be conducted with an unstructured approach, but the researcher would have made enough preparation beforehand. Activity 1 Conduct a literature review on performance measurement in health care. Activity 2 Observe the group [nurses, doctors, clinicians] for few hours every week, observing mostly on service delivery to patients. Activity 3 Questionnaires would be distributed to staffs and service users, and the analysis of the questionnaire would be followed up with an interview. Activity 4 The researcher will attempt to conduct these interviews shortly after discussing area of interest with participant. While the interviews will not be formal or structured, the researcher would start off the interview with broad questions and follow up on the interviewee’s responses to capture the interviewee’s point of view without providing leading questions.

Activity 5 Analysis of the collected data would be done and inference made from the result in the reports.

## SCOPE AND LIMITATION OF THE RESEARCH

The literature search will aim to be comprehensive, but restricted access to primary literature, for example due to the remote location of material sought, will exclude consideration of some sources in the actual literature review. The collection of primary data will be based on a survey of 30 Scottish hospitals, the number in the sample limited due to the restrictions of time to complete the project and resources to support it. While the review into the application of performance measures has resulted in a significant amount of material, the majority of the articles were either early research, or theoretical systems requiring practical application or validation. By being in the organization for only a few hours a day, there is bound to be an aspect of service delivery that will not be revealed during my observations. Being an outsider may limit what is revealed to the researcher. The researcher might not get full cooperation of NHS management.