



Performance Measurement Workgroup  
Balanced Scorecard Discussion  
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HSCRC Staff

# Defining a Balanced Scorecard

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- ▶ The characteristic of the balanced scorecard:
  - ▶ Presentation of a mixture of financial and non-financial measures each compared to a 'target' value within a single concise report.
  - ▶ The report is not meant to be a replacement for traditional financial or operational reports but a succinct summary that captures the information most relevant to those reading it.
  - ▶ Also gives light to the organization's or project's vision and mission.
- ▶ As a model of performance, the balanced scorecard articulates the links between leading inputs (human and physical), processes, and lagging outcomes and focuses on the importance of managing these components to achieve the organization's strategic priorities.

# Workgroup Tasks Toward Implementing a Balanced Scorecard

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- ▶ Discussion purpose: come to agreement on the concept and technical specifications framework for a preliminary hospital monitoring/reporting system (a balanced scorecard or “dashboard” ).
- ▶ Key features
  - ▶ Easy-to-interpret interfaces that graphically present to business users the current status of some aspect of an organization’s operation or mission.
  - ▶ They often include representations, including trend charts, of key performance indicators, which allow users to rapidly make informed decisions.
  - ▶ They help users with situational awareness— know when things are or are not going directionally where they should be going.
  - ▶ They help organizations, particularly those faced with a flood of data, to be more efficient and effective and to respond rapidly to change.

# Market Scan Provides Context for the Balanced Scorecard

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- ▶ Maryland's all-payer rate setting system is unique in the nation. As a result, an exactly analogous set of regulatory responsibilities and associated reporting requirements and workflows which could be helpful in considering HSCRC's data management and visualizations needs does not exist.
- ▶ Initially, a market scan of different Scorecards was reviewed. The market scan focused on web resources from other states and health policy organizations.
- ▶ HSCRC is looking for something different than typical the typical, and there are few direct parallels.
- ▶ State Health Facts, produced by the Kaiser Foundation, provides the best example of a web resource that manages and displays a similarly complex amount of healthcare data.

# Balanced Scorecard Design

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- ▶ Identification of a small number of financial and non-financial measures and attaching targets to them, so that when they are reviewed it is possible to determine whether current performance 'meets expectations'.
- ▶ Measures encourage leaders (business, policy, etc.) to focus their attention on the specified areas, and hopefully as a result trigger improved performance where needed.
- ▶ Although it helps focus attention on strategic issues and the management of the implementation of strategy, the Balanced Scorecard itself is not a replacement for the formation of strategy.

# All-Payer Model Mission: A System that Achieves the Triple Aim

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## Better Care

- Enhance care transitions
- Sustain high physician participation
- Broaden engagement in innovative model of care
- Improve quality of care
- Increase patient satisfaction

## Better Health

- Reduce unnecessary admissions and ED visits
- Reduce health disparities
- Increase sharing of data through state HIE
- Improve health status

## Reduced Costs

- Reduce overuse of diagnostic testing
- Reduction in rate of growth of health care costs on a per capita basis
- Meaningful savings for all payers

# Better Care

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- ▶ **Improve Care Quality**
  - ▶ QBR Measures
    - ▶ Process
    - ▶ Outcome
    - ▶ Patient experience
  - ▶ Maryland Hospital Acquired Condition scores
- ▶ **Improve care transitions**
  - ▶ Readmissions and admission rates
  - ▶ Other?
- ▶ **Broaden engagement in innovative care models?**
- ▶ **Sustain high physician participation?**

# Better Health

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- ▶ Reduce unnecessary admissions and ED visits
  - ▶ AHRQ Prevention Quality Indicators
  - ▶ Other?
- ▶ Reduce health disparities
  - ▶ Hospital race, ethnicity, language mix, (including collection/capture of data)
- ▶ Increase sharing of data through HIE
  - ▶ Data in addition to ADT submitted to CRISP
  - ▶ Hospitals participating in the CRISP ENS
- ▶ Improve health status
  - ▶ State Health Improvement Measures (SHIP)
  - ▶ Community benefits report?



# Reduced Costs

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- ▶ Reduce overuse of diagnostics
  - ▶ Updated “reasonableness of charges” performance measure
- ▶ Reduce per capita rate healthcare costs
  - ▶ PMPM cost trends on various services and total
  - ▶ Utilization trends
  - ▶ Potentially avoidable utilization- composite or other?
- ▶ Achieve meaningful payer savings
  - ▶ See above
  - ▶ Other?