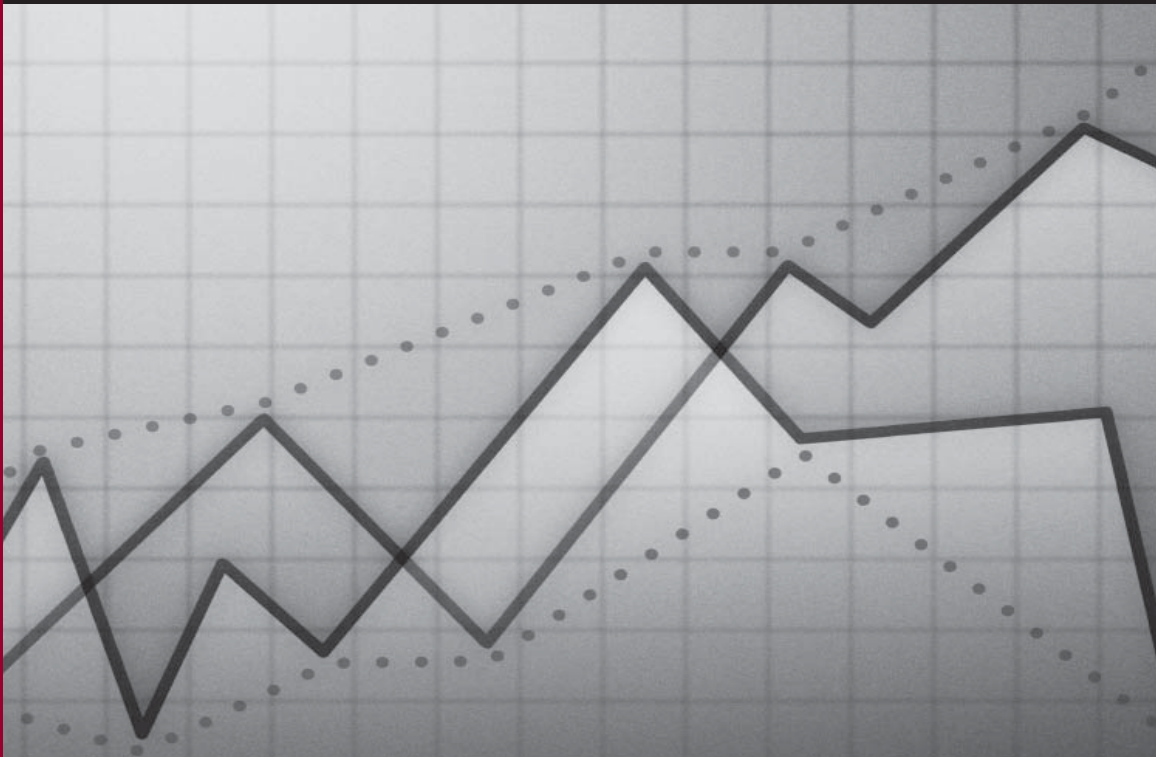


EXECUTIVE PAY AND QUALITY:
NEW INCENTIVE LINKS



NATIONAL SURVEY RESULTS

Quality and patient safety have become essential elements of the balanced score cards of high performance healthcare organizations. This survey indicates that aligning executive behavior to these quality imperatives can be enhanced with new forms of incentive pay arrangements.

James Rice, Ph.D., FACHE
Vice Chairman
The Governance Institute

Executive Vice President & Practice Leader
Integrated Healthcare Strategies
(Formerly Clark Consulting – Healthcare Group)
Minneapolis, Minnesota



EXECUTIVE PAY AND QUALITY:
NEW INCENTIVE LINKS

NATIONAL SURVEY RESULTS

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This study provides further evidence of the growing focus by hospitals, starting at their governing Boards, on quality and safety in patient care. One of the key findings from the Premier/CMS Hospital Quality Incentive Demonstration project was that financial incentives help to align focus on quality throughout the hospital. Moreover, we found that improved quality was associated with reduced complications, lengths of stay, readmissions, and mortality. This study indicates that this alignment of incentives around quality and safety is expanding and penetrating deeper into the hospital organization. This is a positive development for Americans and American healthcare.

Rick Norling
President & CEO
Premier, Inc.
San Diego, California

PREFACE

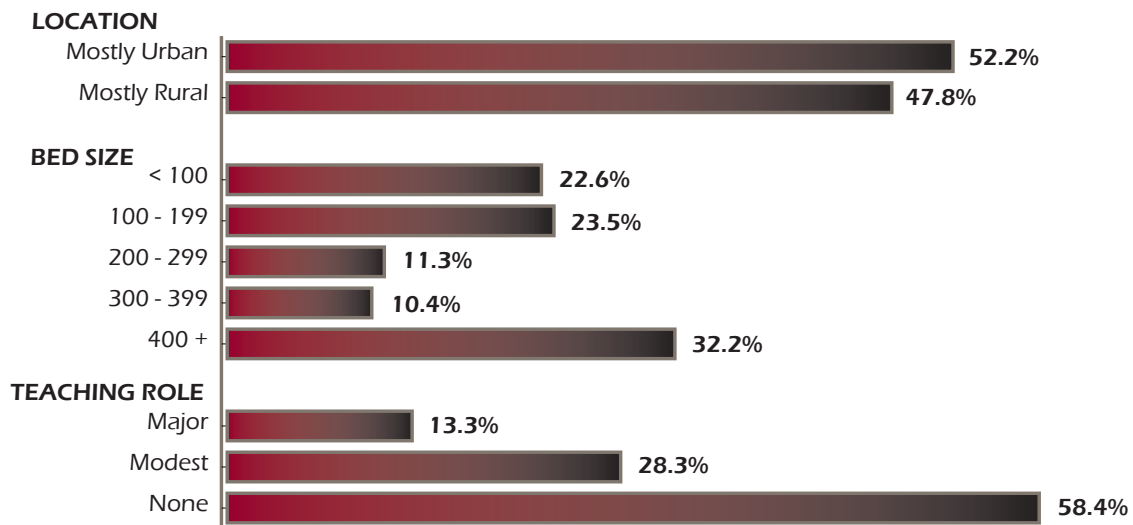
ARE HOSPITAL BOARDS AND EXECUTIVES PAYING MORE ATTENTION TO PATIENT QUALITY AND SAFETY?


A survey of hospital CEOs and senior human resource executives provides evidence that the national attention to improve the quality and safety of patient care has taken root in over 80% of the hospitals, and is growing. Boards and senior executives are building explicit measures for quality improvement into their incentive pay plans. This survey explores patterns in the motivations, levels, metrics, and methods of incentive pay for hospital physician and administrative leaders during the summer of 2007. A similar study is planned for an expanded sample in 2008.

Exhibit 1 indicates that collaboration in the survey came from 119 organizations with these characteristics: most are urban, from larger hospitals, and most do not have teaching programs.

EXHIBIT 1: SURVEY RESPONDENT PROFILE

PLEASE INDICATE THE PERSPECTIVE YOU
WILL BE RESPONDING FROM FOR THIS SURVEY.





As hospital and health system boards explore ways to celebrate and encourage continuous quality improvement, education about best practices will become ever more valuable. Collaborating with local, state, and national hospital and healthcare associations can offer exciting new resources to foster such education.

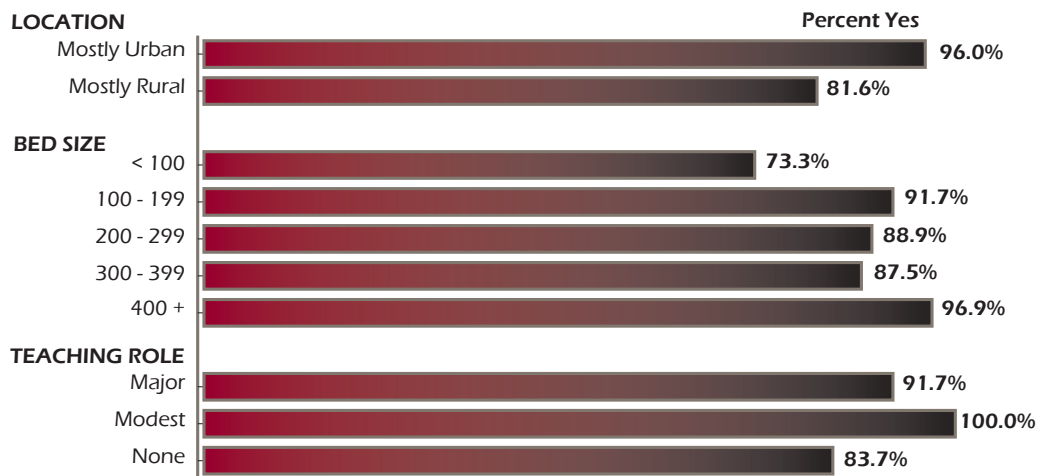
Jona Raasch
President
The Governance Institute
San Diego, California

INCENTIVE PAY PHILOSOPHY

Board and executive leaders in this survey have an established culture of incentive pay to influence leader behavior and performance. The survey found that over 82% of the organizations have an established, board-approved incentive compensation philosophy. (See Exhibit 2).

EXHIBIT 2: BOARD APPROVED INCENTIVE PHILOSOPHY

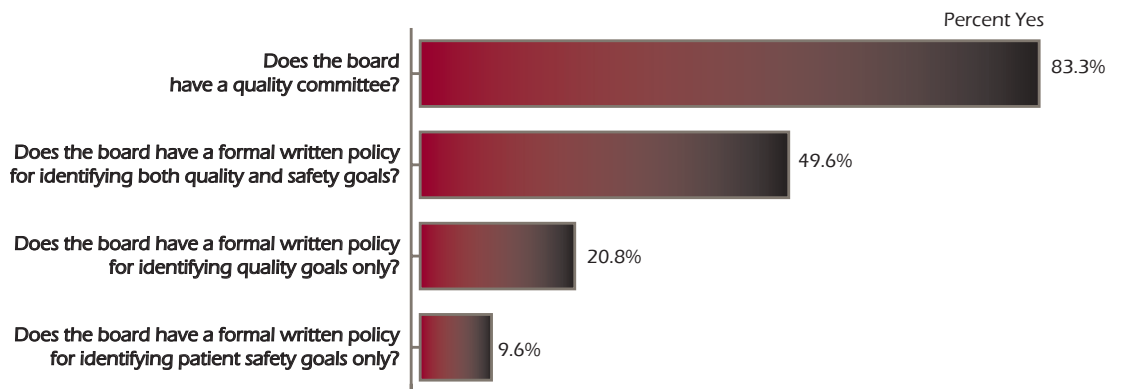
DOES YOUR ORGANIZATION HAVE A BOARD-APPROVED
INCENTIVE COMPENSATION PHILOSOPHY?



BOARD ROLE TO CHAMPION QUALITY

The patient quality-safety focus has been expanding for hospital boards. Most boards now have a quality committee (83.3%)*, but the translation of interest into formal written policies can still be improved. About half (49.6%) of the boards have a formal written policy for identifying both quality and safety, while some have just quality policies (20.8%) and only 9.6% have a safety only form. (See Exhibit 3)

**EXHIBIT 3:
BOARD INCENTIVE COMPENSATION PHILOSOPHY / POLICY**



* The Governance Institute's 2007 survey of hospitals and health systems found 64% of the respondents have board quality committees.

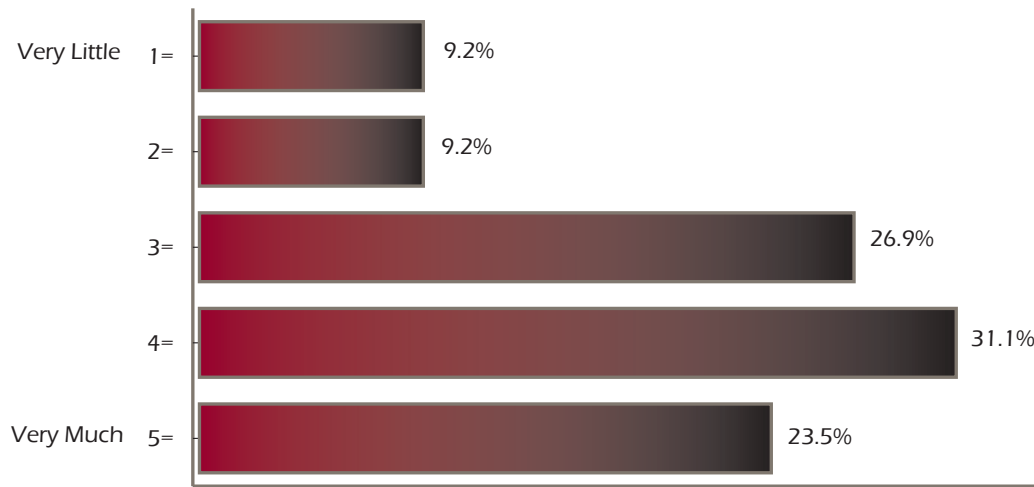
"It's tough to know what success looks like in the absence of an articulation of success. Boards and executive leaders must set the aim, the goals, the 'do what by when,' communicate them across the organization, position people for success, and hold them accountable."

Jim Conway
Senior Vice President
Institute for Healthcare Improvement (IHI)
Boston, Massachusetts

The board involvement is expected to expand as respondents indicated that 54.6% were already significantly involved in setting quality targets and expectations. (See Exhibit 4)

EXHIBIT 4

TO WHAT DEGREE IS THE BOARD INVOLVED
IN SETTING QUALITY TARGETS AND EXPECTATIONS?



“It is crucial that boards and trustees do the generative thinking that links quality and safety to strategy.”

Jim Conway
Senior Vice President
Institute for Healthcare Improvement (IHI)
Boston, Massachusetts

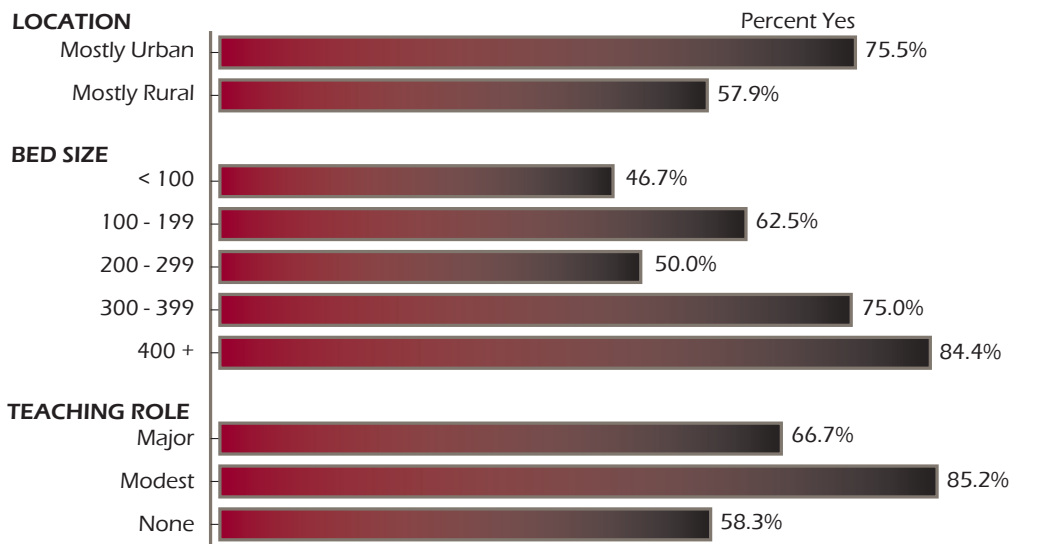
IMPORTANCE OF QUALITY INCENTIVES

Champions for improved safety and quality in U.S. hospitals will be encouraged that a majority of the boards of the survey sample have built in quality goals/targets (90.3%), but only 69.2% have a targeted priority for patient safety goals. (See Exhibit 5)

Over 75% of urban hospitals compared to only 57.9% of rural hospitals have included quality measures into their executive incentive plans. Larger hospitals are more likely to have included quality measures in their bonus plans (84.4%); and those with some teaching roles are also more likely to have quality metrics related to bonus pay.

EXHIBIT 5

DOES YOUR BOARD-APPROVED INCENTIVE COMPENSATION PHILOSOPHY
INCLUDE REFERENCES TO REWARDS FOR ACHIEVING QUALITY GOALS/TARGETS?



GROWING FOCUS ON QUALITY INCENTIVES

Respondents indicate a clear pattern of growing attention on internal pay-for-performance plans for their leaders. When asked if the emphasis on quality has increased, decreased, or stayed the same in the past year, 66.9% stated it had increased (Exhibit 6), and 61.9% indicate it will increase further in the coming year (Exhibit 7).

EXHIBIT 6

HAS THE EMPHASIS PLACED ON QUALITY INCREASED, DECREASED, OR STAYED THE SAME COMPARED TO LAST YEAR?

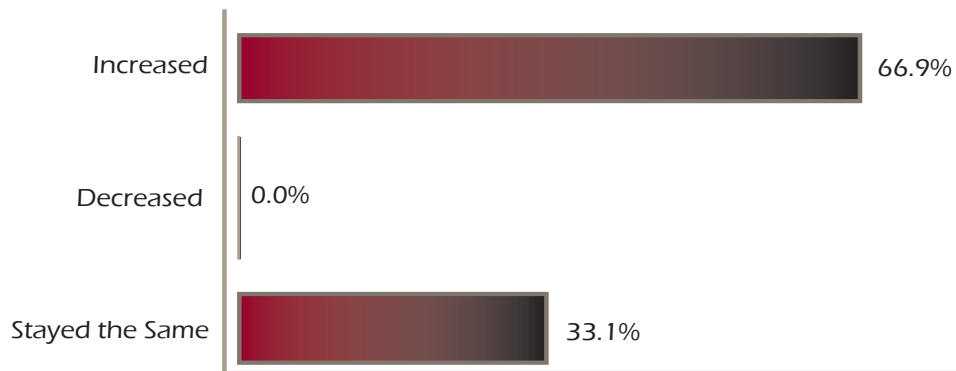
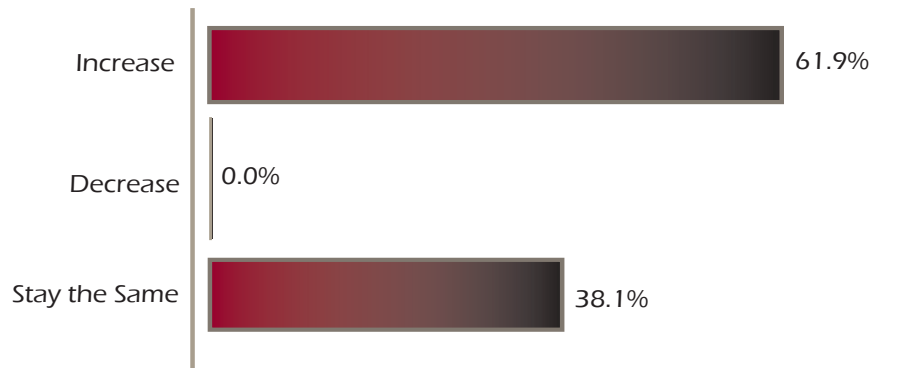


EXHIBIT 7

DO YOU ANTICIPATE THE EMPHASIS PLACED ON QUALITY
NEXT YEAR WILL INCREASE, DECREASE, OR STAY THE SAME?



"More than 30% of the respondents indicate there has been no change (stayed the same) – it is difficult to imagine that this is okay given the rapidly advancing accountability agenda."

Jim Conway
Senior Vice President
Institute for Healthcare Improvement (IHI)
Boston, Massachusetts

LEVEL OF INCENTIVE OPPORTUNITY

Boards in the survey have established a general CEO incentive pay plan in 82.5% of the organizations, and this incentive provides an opportunity to earn 30-35% of base pay if certain performance goals are achieved (median opportunity is 30% with range of 10-60%). *Of the incentive pool*, most boards have approved an emphasis on quality that is mean 22.2% and median 25%. (Maximum is 50% of bonus tied to quality in the overall incentive plan; range is from 4% to 50%.) (See Exhibit 8)

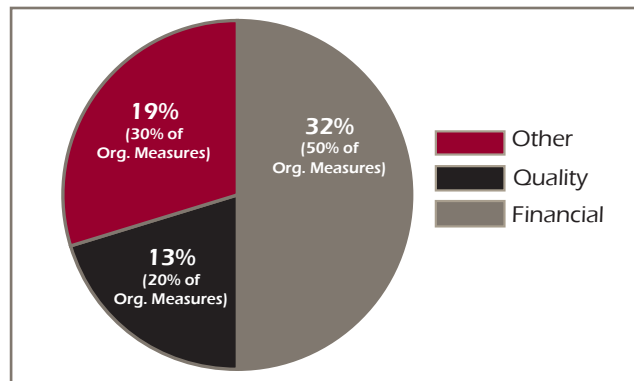
The survey indicates, therefore, that over 7% (25% of 30%) of an executive's pay is related to achieving good quality performance.

EXHIBIT 8

DOES YOUR CEO CURRENTLY HAVE A FORMAL INCENTIVE BONUS PLAN?

	General Executive Bonus Opportunity	Specific Quality Opportunity
Median	30.0%	25.0%
Mean	32.9%	22.2%
Maximum	60.0%	50.0%
Minimum	8.6%	0.0%

In a recent Integrated Healthcare Strategies study of short-term incentive plans in multi-hospital organizations, the average weighting of system-wide performance measures had 20% for quality compared to 50% for finance.

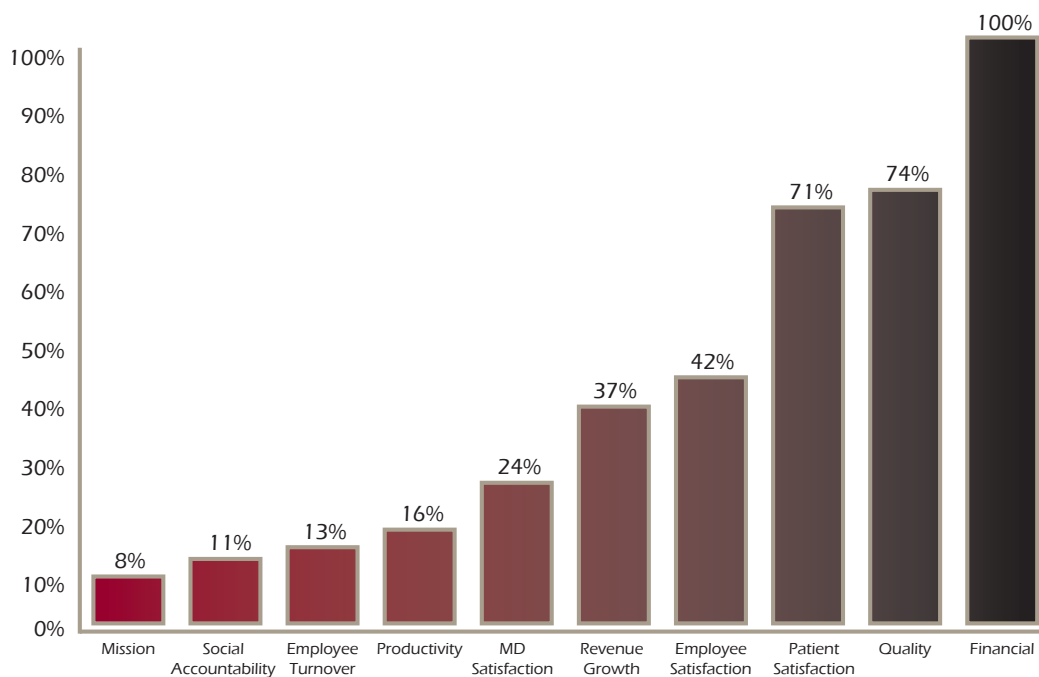


MULTI-HOSPITAL ORGANIZATIONS Performance Measure Prevalence

This section reports on prevalence of performance measure in MHOs' incentive plans. This section first reports prevalence for system-level performance measures, then reports prevalence for individual/operating unit performance measures.

System-Wide Performance Measures

The following chart presents the prevalence of system-wide performance measures as reported by the 44 MHOs with an incentive plan.



The 2006 survey of short-term incentive plans was conducted by Integrated Healthcare Strategies and sponsored by Swedish Health Services.

"It is striking how important patient satisfaction is, yet how less important staff satisfaction and physician satisfaction is. When you talk to organizations that have very high levels of patient satisfaction, you find they spend most of their time talking about what they did to bring back joy in work for the staff. Great staff satisfaction sets the framework for patient satisfaction."

Jim Conway
Senior Vice President
Institute for Healthcare Improvement (IHI)
Boston, Massachusetts

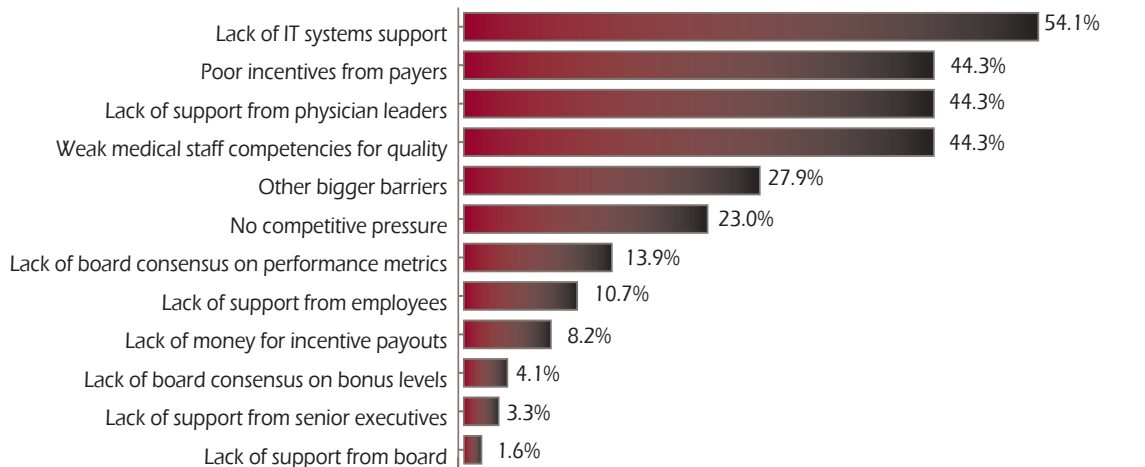
BARRIERS TO SUCCESS

As boards and executives prepare to enhance their progress toward a culture driven to patient quality, they will need to remove these barriers:

- Lack of IT systems support
- Poor incentives from payers
- Lack of physician leader support
- Weak medical staff competencies for quality

EXHIBIT 9

PLEASE PICK THE THREE MOST IMPORTANT BARRIERS TO THE SUCCESS OF YOUR EXECUTIVES TO ACHIEVE HIGHER LEVELS OF QUALITY/PATIENT SAFETY



LINK TO FRONTLINE EMPLOYEES

Most of the current focus on incentive pay for quality is focused among the most senior leaders. It is an open question if boards can truly establish a culture of quality without bolder opportunities for recognition and reward that occur deeper in the organization among all of the employee and medical staff communities.

Exhibits 10 and 11 show that 82.8% of the senior executive team (in addition to the CEO) have an incentive plan, and of those, 92.6% have some emphasis on quality. The participation percent drops substantially, however, deeper into the organization, with only 27% frontline employees having incentive plans (but 52% linked to quality). The deeper into the organization, the less one finds opportunities for incentive pay for quality.

EXHIBIT 10

DO ANY OF THE FOLLOWING EMPLOYEE GROUPS
HAVE AN ANNUAL INCENTIVE PLAN?

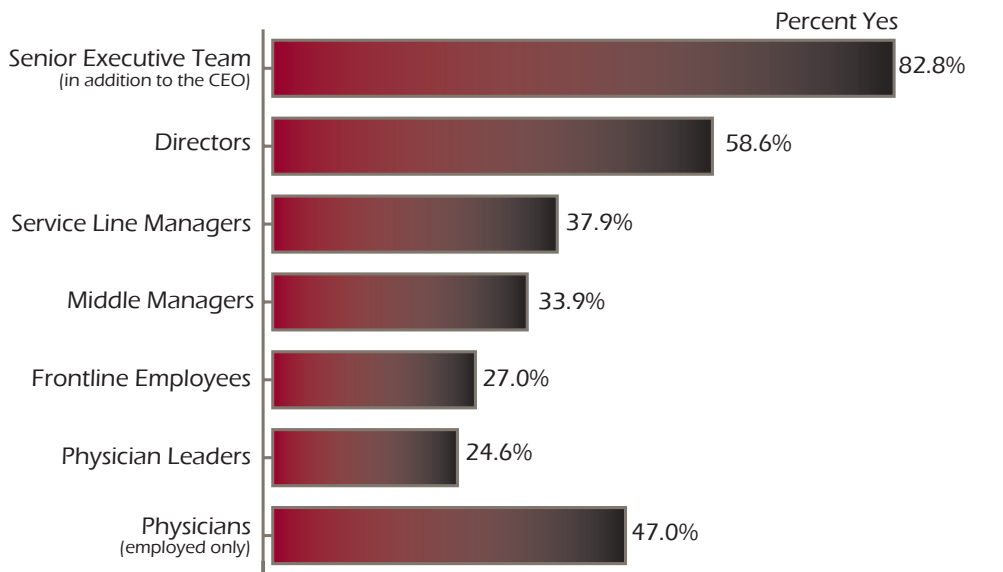
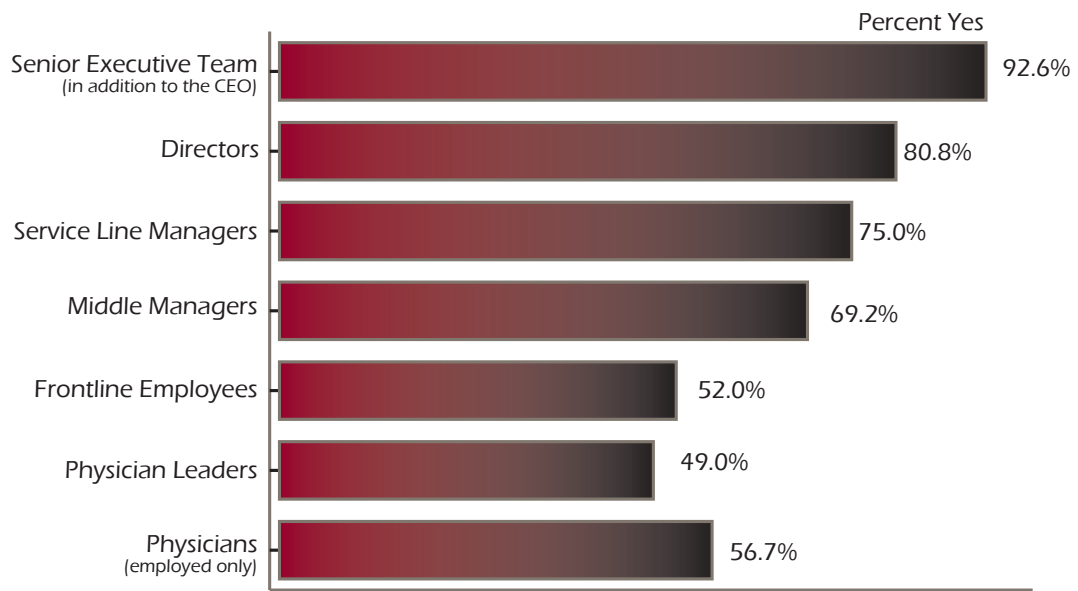


EXHIBIT 11

ARE QUALITY AND/OR PATIENT SAFETY GOALS INCLUDED
IN THE ANNUAL INCENTIVE PLAN AS ELEMENTS OF INCENTIVE-BASED REWARDS?

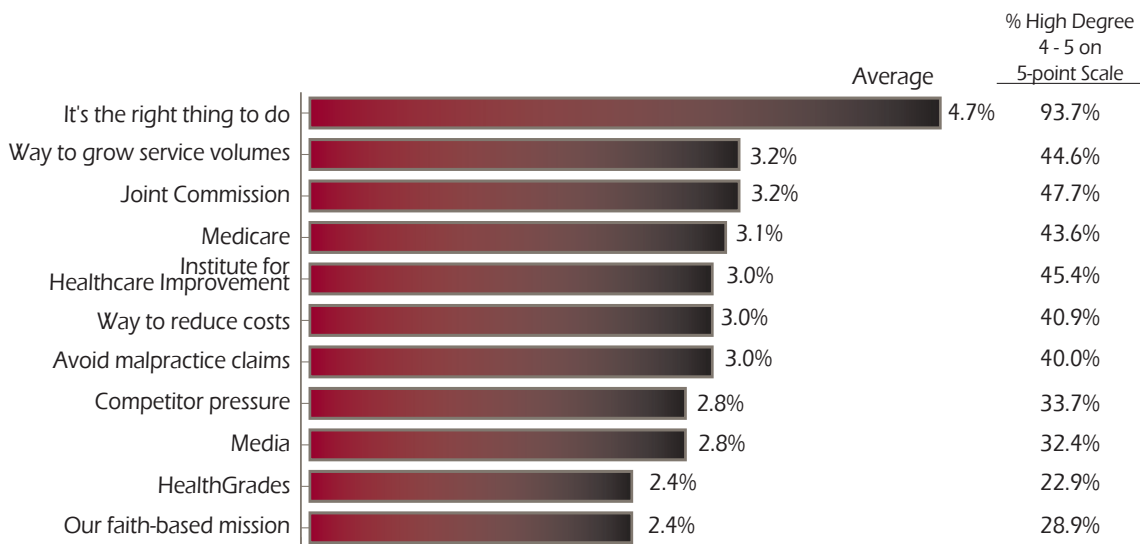


FACTORS ENCOURAGING QUALITY INCENTIVES

Many factors interact to drive a growing interest among boards for expanded incentive pay for quality improvement. The top ten stimulants to board attention to quality and safety bonus pay include the items of Exhibit 12.

EXHIBIT 12

TO WHAT DEGREE IS EACH OF THESE FACTORS STIMULATING YOUR BOARD TO
ASSURE THAT YOUR ANNUAL EXECUTIVE BONUSES INCLUDE QUALITY AND/OR PATIENT SAFETY?

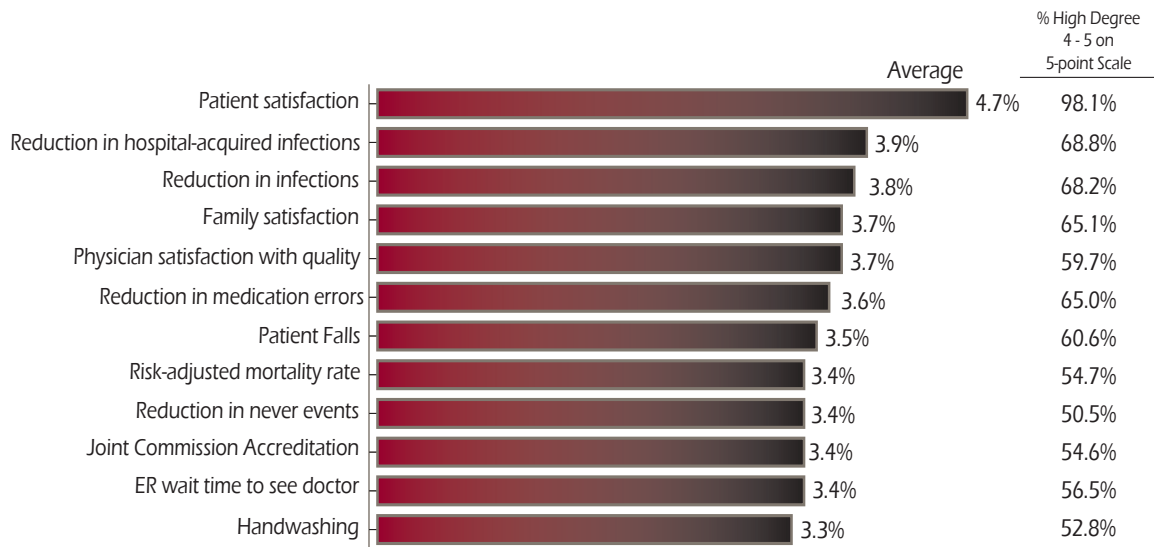


MEASURES CONSIDERED FOR INCENTIVES

Hospital boards have many quality and safety goals to consider in their leader incentive pay plans. The respondents indicate that the twelve most commonly cited measures are shown in Exhibit 13. Composite scores are expected to grow as a preferred target as boards, executives, and physicians become more assertive in their effort to raise the bar on quality performance.

EXHIBIT 13

FOR THE CEO INCENTIVE PLAN ONLY, PLEASE INDICATE THE DEGREE TO WHICH YOU BELIEVE EACH OF THESE POSSIBLE MEASURES OF QUALITY OR SAFETY COULD BE USED NEXT YEAR AS A USEFUL INDICATOR OF QUALITY FOR THE INCENTIVE PAY PLAN:



Other measures are shown in Appendix B.

"I love the fact that most of these are 'whole system measures' or 'big dots'."

Jim Conway
Senior Vice President
Institute for Healthcare Improvement (IHI)
Boston, Massachusetts

FUTURE INCENTIVES

A roundtable discussion of the survey results with sponsors suggest boards should pay attention to the six elements from IHI's Boards on Board intervention to build and nurture a culture of quality.

1. SETTING AIMS

Set a specific aim to reduce harm this year. Make an explicit, public commitment to quality improvement (e.g., reduction in unnecessary mortality and harm), establishing a clear aim for the facility or system.

2. GETTING DATA AND HEARING STORIES

Select and review progress toward safer care as the first agenda item at every board meeting, grounded in transparency and putting a “human face” on harm data.

3. ESTABLISHING AND MONITORING SYSTEM-LEVEL MEASURES

Identify a small group of organization-wide “roll-up” measures of patient safety (e.g., facility-wide harm, risk-adjusted mortality) that are continually updated and are made transparent to the entire organization and all of its customers.

4. CHANGING THE ENVIRONMENT, POLICIES, AND CULTURE

Commit to establish and maintain an environment that is respectful, fair, and just for all who experience the pain and loss as a result of avoidable harm and adverse outcomes: the patients, their families, and the staff at the sharp end of error.

5. LEARNING...STARTING WITH THE BOARD

Develop your capability as a board. Learn about how “best in the world” boards work with executive and MD leaders to reduce harm. Set an expectation for similar levels of education and training for all staff.

6. ESTABLISHING EXECUTIVE ACCOUNTABILITY

Oversee the effective execution of a plan to achieve your aims to reduce harm including executive team accountability for clear quality improvement goals.

APPENDIX A: SURVEY FORM

NATIONAL WEB SURVEY ON TRENDS IN QUALITY MEASURES IN CEO EXECUTIVE INCENTIVE COMPENSATION

Thank you for your interest in enhancing this nation's health system quality of patient care.

A collaboration among The Governance Institute, Institute for Healthcare Improvement, Premier Inc, and MSA | Clark Consulting – Healthcare Group (now Integrated Healthcare Strategies).

Driven by insurers that are introducing pay for performance programs, hospitals are determining how these new reimbursement strategies can impact their bottom line.

One development is the inclusion of quality & patient safety metrics into annual executive bonus programs. This survey seeks to define national trends in the development and use of such incentive program enhancements.

As sponsors for this survey, we share a commitment to identify and encourage performance metrics and incentive compensation that help nurture a “Culture of Quality” in U.S. hospitals and healthcare systems.

This web based survey is focused into three main areas:

- ~ Factors that drive the board and senior executive team to develop incentive pay for enhanced levels of quality and patient safety;
- ~ Factors that are most likely to be used in incentive pay programs for executives;
- ~ Methods and levels of bonus payments for these leaders linked to quality and patient safety metrics.

**NATIONAL WEB SURVEY ON TRENDS IN QUALITY MEASURES
IN CEO EXECUTIVE INCENTIVE COMPENSATION**

Please indicate the perspective you will be responding from for this survey:

- CEO or COO Human Resources Executive Other (please specify)

Does your organization have a board-approved incentive compensation philosophy?

If yes, does it include references to rewards for achieving quality goals/targets?

Does it include references to rewards for achieving patient safety goals/targets?

Does the board have a quality committee?

Does the board have a formal written policy for identifying both quality and safety goals?

To what degree is the board involved in setting quality targets & expectations?

1 2 3 4 5

GENERAL INCENTIVE PROGRAM

Does your CEO currently have a formal incentive bonus plan? Yes No

*If yes, what percent of the base pay may be earned in the bonus plan?
(Please type in percentage)*

QUALITY PERSPECTIVE

Does the CEO's current incentive plan include measures related to quality? Yes No

If yes, what is the percent or weight of bonus opportunity related to quality?

Has the emphasis placed on quality increased, decreased or stayed the same compared to last year?

- Increased Decreased Stayed the same

Do you anticipate the emphasis placed on quality next year will increase, decrease or stay the same?

- Increase Decrease Stay the same

PATIENT SAFETY PERSPECTIVE

Does the CEO's current incentive plan include measures related to patient safety?

- Yes No

If yes, what is the percent or weight of bonus opportunity related to patient safety?

NATIONAL WEB SURVEY ON TRENDS IN QUALITY MEASURES IN CEO EXECUTIVE INCENTIVE COMPENSATION

Has the emphasis placed on patient safety increased, decreased, or stayed the same compared to last year?

- Increased
 Decreased
 Stayed the same

Do you anticipate the emphasis placed on patient safety next year will increase, decrease, or stay the same?

- Increase
 Decrease
 Stay the same

To what degree is each of these factors stimulating your board to assure that your annual executive bonuses include quality and/or patient safety?

	<i>low degree</i>			<i>high degree</i>	
	1	2	3	4	5
Private health insurers	1	2	3	4	5
Joint Commission	1	2	3	4	5
Institute for Healthcare Improvement	1	2	3	4	5
LeapFrog	1	2	3	4	5
HealthGrades	1	2	3	4	5
American Hospital Association	1	2	3	4	5
Catholic Healthcare Association	1	2	3	4	5
State Hospital Associations	1	2	3	4	5
State attorneys general	1	2	3	4	5
State health department	1	2	3	4	5
Media	1	2	3	4	5
Medicare	1	2	3	4	5
Medicaid	1	2	3	4	5
Our faith-based mission	1	2	3	4	5
Competitor pressure	1	2	3	4	5
It's the right thing to do	1	2	3	4	5
Solucient 100 Top Hospitals recognition	1	2	3	4	5
Avoid malpractice claims	1	2	3	4	5
Way to reduce costs	1	2	3	4	5
Way to grow service volumes	1	2	3	4	5
Other?					

NATIONAL WEB SURVEY ON TRENDS IN QUALITY MEASURES IN CEO EXECUTIVE INCENTIVE COMPENSATION

Please pick the three most important barriers to the success of your executives to achieve higher levels of quality/patient safety:

Factors (Pick only three)

- Lack of IT systems support
- Lack of board consensus on performance metrics
- Lack of board consensus on bonus levels
- Lack of money for incentive payouts
- Lack of support from senior executives
- Lack of support from physician leaders
- Weak medical staff competencies for quality
- Lack of support from employees
- Lack of support from board
- No competitive pressure
- Poor incentives from payers
- Other bigger barriers (Please identify):

Do any of the following employee groups have an annual incentive plan?		
Senior Executive Team (in addition to the CEO)	<input type="radio"/> Yes	<input type="radio"/> No
Department Directors	<input type="radio"/> Yes	<input type="radio"/> No
Clinical Service	<input type="radio"/> Yes	<input type="radio"/> No
Middle Managers	<input type="radio"/> Yes	<input type="radio"/> No
Frontline Employees	<input type="radio"/> Yes	<input type="radio"/> No
Physician Leaders	<input type="radio"/> Yes	<input type="radio"/> No
Physicians (Employed Only)	<input type="radio"/> Yes	<input type="radio"/> No

**NATIONAL WEB SURVEY ON TRENDS IN QUALITY MEASURES
IN CEO EXECUTIVE INCENTIVE COMPENSATION**

Are quality and/or patient safety goals included in the annual incentive plan as elements of incentive-based rewards?		
Senior Executive Team (in addition to the CEO)	<input type="radio"/> Yes	<input type="radio"/> No
Department Directors	<input type="radio"/> Yes	<input type="radio"/> No
Clinical Service Line Managers	<input type="radio"/> Yes	<input type="radio"/> No
Middle Managers	<input type="radio"/> Yes	<input type="radio"/> No
Frontline Employees	<input type="radio"/> Yes	<input type="radio"/> No
Physician Leaders	<input type="radio"/> Yes	<input type="radio"/> No
Physicians (Employed Only)	<input type="radio"/> Yes	<input type="radio"/> No

If your organization provides an incentive plan payout for good performance, to what degree do you expect the board would be interested in the following methods of payout:

	<i>not very interested</i>			<i>very interested</i>	
Direct deposit into employee bank account:	1	2	3	4	5
Separate check distributed with letter of thanks by board or management:	1	2	3	4	5
Cash value on "gift card" or credit card:	1	2	3	4	5
Other method (Please specify):					

NATIONAL WEB SURVEY ON TRENDS IN QUALITY MEASURES IN CEO EXECUTIVE INCENTIVE COMPENSATION

For the CEO incentive plan only, please indicate the degree to which you believe each of these possible measures of quality or safety could be used next year as a useful indicator of quality for the incentive pay plan.

	<i>very unlikely</i>			<i>very likely</i>	
	1	2	3	4	5
Reduction in mortality rate	1	2	3	4	5
Risk-adjusted mortality rate	1	2	3	4	5
Reduction in medication errors	1	2	3	4	5
Reduction in hospital-acquired infections	1	2	3	4	5
Reduction in “never events”	1	2	3	4	5
Joint Commission Accreditation	1	2	3	4	5
High HealthGrades Score	1	2	3	4	5
Solucient Top 100 Hospitals Recognition	1	2	3	4	5
State Quality Recognition Award	1	2	3	4	5
Participation in the IHI 5 Million Lives Campaign	1	2	3	4	5
Malcolm Baldrige Quality Award	1	2	3	4	5
Discharged patients with formal post-acute care plan	1	2	3	4	5
Physician compliance with computer physician order entry	1	2	3	4	5
ER wait time to see doctor	1	2	3	4	5
Lab results turnaround time	1	2	3	4	5
Patient falls	1	2	3	4	5
Handwashing	1	2	3	4	5
60 day re-admission for same episode	1	2	3	4	5
Patient satisfaction	1	2	3	4	5
Family satisfaction	1	2	3	4	5
Physician satisfaction with quality	1	2	3	4	5
Employee satisfaction with quality	1	2	3	4	5
Other (Please describe)					

**NATIONAL WEB SURVEY ON TRENDS IN QUALITY MEASURES
IN CEO EXECUTIVE INCENTIVE COMPENSATION**

Thank you for your help thus far.

Please finish the survey below with a description of your unique organizational situation.

ORGANIZATIONAL TYPE

- Part of hospital system
- Mostly urban
- Mostly rural
- Major teaching programs
- Modest teaching programs
- Not a teaching hospital

NUMBER OF BEDS

- Less than 100 beds
- 100-199
- 200-299
- 300-399
- 400 +

If you would like a copy of the survey results, please provide your contact information here:

Name:

Title:

E-mail address:

Thank you again for your participation in this survey, and thank you for all you are doing to enhance this nation's health system quality and patient safety.



APPENDIX B: DATA SUMMARY TABLES

TRENDS IN QUALITY MEASURES IN CEO EXECUTIVE INCENTIVE COMPENSATION

To what degree is each of these factors stimulating your board to assure that your annual executive bonuses include quality and/or patient safety?

	MEAN & SD	LOW DEGREE 1	2	3	4	HIGH DEGREE 5	TOTAL
It's the right thing to do	4.7 0.8	2 1.8%	2 1.8%	3 2.7%	17 15.3%	87 78.4%	111 100.0%
Other	4.0 1.7	3 21.4%	0 0.0%	1 7.1%	0 0.0%	10 71.4%	14 100.0%
Way to grow service volumes	3.2 1.3	17 15.5%	9 8.2%	35 31.8%	30 27.3%	19 17.3%	110 100.0%
Joint Commission	3.2 1.5	24 21.6%	11 9.9%	23 20.7%	26 23.4%	27 24.3%	111 100.0%
Medicare	3.1 1.3	21 19.1%	11 10.0%	30 27.3%	32 29.1%	16 14.5%	110 100.0%
Institute for Healthcare Improvement	3.0 1.4	26 23.6%	9 8.2%	25 22.7%	34 30.9%	16 14.5%	110 100.0%
Way to reduce costs	3.0 1.3	22 20.0%	13 11.8%	30 27.3%	31 28.2%	14 12.7%	110 100.0%
Avoid malpractice claims	3.0 1.3	22 20.0%	13 11.8%	31 28.2%	29 26.4%	15 13.6%	110 100.0%
Competitor pressure	2.8 1.3	27 24.5%	11 10.0%	35 31.8%	29 26.4%	8 7.3%	110 100.0%
Media	2.8 1.2	23 20.7%	24 21.6%	28 25.2%	28 25.2%	8 7.2%	111 100.0%
HealthGrades	2.4 1.3	39 35.8%	21 19.3%	24 22.0%	19 17.4%	6 5.5%	109 100.0%
Our faith-based mission	2.4 1.6	55 51.4%	8 7.5%	13 12.1%	13 12.1%	18 16.8%	107 100.0%
Solucient 100 Top Hospitals recognition	2.2 1.2	43 39.4%	22 20.2%	23 21.1%	16 14.7%	5 4.6%	109 100.0%
LeapFrog	2.2 1.2	44 40.0%	23 20.9%	24 21.8%	14 12.7%	5 4.5%	110 100.0%
State Health Department	2.1 1.2	49 44.5%	26 23.6%	20 18.2%	8 7.3%	7 6.4%	110 100.0%

TRENDS IN QUALITY MEASURES IN CEO EXECUTIVE INCENTIVE COMPENSATION

For the CEO incentive plan only, please indicate the degree to which you believe each of these possible measures of quality or safety could be used next year as a useful indicator of quality for the incentive pay plan.

	MEAN & SD	VERY UNLIKELY 1	2	3	4	VERY LIKELY 5	TOTAL
Patient Satisfaction	4.7 0.6	1 0.9%	0 0.0%	1 0.9%	25 22.9%	82 75.2%	109 100.0%
Reduction in hospital-acquired infections	3.9 1.2	9 8.3%	6 5.5%	19 17.4%	32 29.4%	43 39.4%	109 100.0%
Reduction in infections	3.8 1.3	11 10.3%	7 6.5%	16 15.0%	35 32.7%	38 35.5%	107 100.0%
Family Satisfaction	3.7 1.4	15 14.2%	7 6.6%	15 14.2%	22 20.8%	47 44.3%	106 100.0%
Physician Satisfaction with Quality	3.7 1.3	10 9.2%	12 11.0%	22 20.2%	26 23.9%	39 35.8%	109 100.0%
Reduction in medication errors	3.6 1.3	11 10.4%	12 11.3%	14 13.2%	38 35.8%	31 29.2%	106 100.0%
Patient falls	3.5 1.3	13 11.9%	11 10.1%	19 17.4%	38 34.9%	28 25.7%	109 100.0%
Risk-adjusted mortality rate	3.4 1.4	16 15.1%	12 11.3%	20 18.9%	27 25.5%	31 29.2%	106 100.0%
Reduction in "never events"	3.4 1.4	17 15.9%	12 11.2%	24 22.4%	22 20.6%	32 29.9%	107 100.0%
Joint Commission Accreditation	3.4 1.5	24 22.2%	7 6.5%	18 16.7%	23 21.3%	36 33.3%	108 100.0%
ER wait time to see doctor	3.4 1.4	18 16.7%	11 10.2%	18 16.7%	35 32.4%	26 24.1%	108 100.0%
Handwashing	3.3 1.4	20 18.5%	11 10.2%	20 18.5%	29 26.9%	28 25.9%	108 100.0%
Participation in the IHI 5 Million Lives Campaign	3.1 1.4	24 22.0%	9 8.3%	25 22.9%	35 32.1%	16 14.7%	109 100.0%
60-day readmission for same episode	3.0 1.3	20 19.0%	15 14.3%	28 26.7%	28 26.7%	14 13.3%	105 100.0%
Reduction in mortality rate	3.0 1.3	20 19.0%	18 17.1%	30 28.6%	21 20.0%	16 15.2%	105 100.0%

TRENDS IN QUALITY MEASURES IN CEO EXECUTIVE INCENTIVE COMPENSATION

For the CEO incentive plan only, please indicate the degree to which you believe each of these possible measures of quality or safety could be used next year as a useful indicator of quality for the incentive pay plan.

	PERSPECTIVE		
	CEO or COO A	HR Exec B	Other C
Total	102 85.7%	14 11.8%	3 2.5%
Yes	78 78.8%	13 100.0%	3 100.0%
No	21 21.2%	0 0.00%	0 0.00%

	LOCATION	
	Mostly Urban A	Mostly Rural B
Total	60 52.2%	55 47.8%
Yes	52 91.2%	39 73.6%
No	5 8.8%	14 26.4%

	TEACHING		
	Major Teaching Programs A	Modest Teaching Programs B	Not a Teaching Hospital C
Total	15 13.3%	32 28.3%	66 58.4%
Yes	12 85.7%	29 90.6%	50 79.4%
No	2 14.3%	3 9.4%	13 20.6%

	NUMBER OF BEDS				
	Less than 100 A	100 - 199 B	200 - 299 C	300 - 399 D	400 + E
Total	26 22.6%	27 23.5%	13 11.3%	12 10.4%	37 32.2%
Yes	16 64.0%	24 96.0%	10 76.9%	8 66.7%	33 94.3%
No	9 36.0%	1 4.0%	3 23.1%	4 33.3%	2 5.7%

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