Report to the
House Appropriations Subcommittee on Health and Human Services, Senate Appropriations Subcommittee on Health and Human Services,
and the
Fiscal Research Division

Report on

Total Quality Management
Session Law 2009-451

Section 10.16

March 1, 2010

North Carolina Department of Health and Human Services
Division of State Operated Healthcare Facilities

Report on Total Quality Management
March 1, 2010

The Appropriations Bill, Session Law 2009-451, Section 10.16, calls for implementation of a Total Quality Management program in hospitals and other state facilities for the "purpose of providing a high level of customer service by well trained staff throughout the organization." Furthermore, the focus of this management approach shall provide the following:

1. Meeting customer needs by providing high quality services,
2. Involving staff at all levels of the organization by soliciting suggestions and input into decision making by managers and
3. Composing staff committees of a representative distribution of rank and file employees to evaluate policy changes and identify training opportunities and other necessary improvements.

The facilities under the Division of State Operated Healthcare Facilities have undertaken a systematic approach in developing a framework to continuously improve the quality of services offered to the populations they serve. A written plan for Performance Improvement (PI) exists in each facility and addresses a number of accrediting body requirements as well as problem prone, high risk, and high volume issues. The aspirations of our facilities, as expressed in their mission and vision statement, align with their Performance Improvement and strategic plans to include the areas of:

1. patient/resident safety and clinical care,
2. customer service,
3. workforce, and
4. financial management.

Under the direction and oversight of the Division of State Operated Healthcare Facilities, standardization of performance improvement objectives is occurring. Effective July 1, 2009, facilities began using uniform methods of defining, collecting, measuring and benchmark data. The data is used for tracking, trending and identifying opportunities for improved patient/resident care locally and Division wide.

Improvement efforts are in their infancy stage and facilities are sharing practices and procedures that are effecting positive change in each organization. Facility collaboration includes how to get work done, how to involve patients/residents in participating in their own care and how to involve employees at all levels of the organization in the process of quality improvement.

Customer (patient/resident/guardian) satisfaction surveys are reflective of the focus the facilities have on providing high quality services and continuous quality improvements. These surveys are conducted regularly and the information is utilized as improvement initiatives. Areas measured range from satisfaction with housekeeping and dietary issues to the quality of clinical care.

Involving staff at all levels of the organization is accomplished in various ways. Purposeful management rounds are conducted at the facilities in order to solicit suggestions from all levels of staff in the organization. Facilities involve multiple levels of staff on committees, workgroups, and forums. The information gathered from the employees on the committees, workgroups and forums influence the decisions made by management both administratively and clinically.

Performance Improvement is a work philosophy that encourages every member of the organization to find new and better ways of providing services to the individuals served. Achieving results through performance improvement in any organization requires top management to make a new way of working attractive and status quo uncomfortable. Performance Improvement requires new ideas about how work gets done, how relationships are built, and how patients/families participate in their care. All levels of employee throughout the facility, patients/families, and in some cases the community must have active involvement in the PI process. It is equally important to the quality management improvement process to promote and ensure quality training. In order to initiate and in some cases continue to keep up with "best practice" in aspects of organizational development and clinical practice, the facilities are in need of resources to invest in leadership and employee training and development efforts. With increased regulatory and accreditation requirements, dedicated resources and manpower are needed to support and implement the Performance Improvement plan once it is developed by leadership.

Core competencies and training efforts must be established around topics such as: how to apply a reliable design methodology, how to establish clear safety and improvement goals which align with strategic plans of organizations, improving clinical practice through performance measure, knowledge of measurement and financial literacy, putting monies where change results in improvement, ability to teach and coach staff on basic skills needed to engage in improvement efforts, and so on.

The Division of State Operated Healthcare Facilities strives to make quality improvements that keep in line with the industry standard. In order to actualize these improvement initiatives, the facilities must be brought into the 21st century technologically.

Computer based patient/resident incident reporting software would allow for completion and submission of incident reports at the time of the incident. The system would provide more detailed information regarding the specific incident and allow for documentation of follow up actions. The system would allow aggregation of data, analysis of trends, provide alerts to designated persons for follow up and drill downs to determine root causes, the system would provide reports to units and departments with "real time" data and information. Benchmark data from the computer based incident report system would use a common language, and share definitions for reporting incidents/occurrences across facilities and at the Division level.

A number of years ago, the NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) embarked upon a journey of obtaining an electronic health record. A product was identified and a Request for Proposal (RFP)

was posted in 2008. The complicated needs of North Carolina and its State operated facilities limited the responses to the RFP. As a result, significant revisions were made to the RFP in order to make the project more desirable and doable for potential vendors. In the meantime, the funding for this project was cut due to the economic issues facing North Carolina and the nation. The new RFP has been awaiting approval and the identification of new funds since Fall 2009.This project would improve patient care in a number of venues, including but not limited to, digital access to records, prevention of contraindicated co-occurring treatments and quality reviews of treatments. Clearly, implementation of an electronic record would take the Division into the 21st century, enabling improved communication related to patient care across facilities and across Divisional agencies.

A formal assessment has been conducted across the Division in order to identify current information technology needs. The needs vary greatly from facility to facility, but clearly almost every facility is lagging behind the technology curve, in both infrastructure and software. Many facilities do not have adequate resources to implement the most up-to-date electronic mail system and many facilities rely upon used machines from other State departments simply to have ample access for the employee base. This Division cannot continue to compete and implement best practices without this vital resource.

Currently, all of the State Operated Healthcare Facilities are using the NC Accounting System (NCAS) for budgeting. Although this system tracks expenditures and receipts, it is on a global level. A state of the art financial management system will allow the facility to assign personnel and operating costs at a more detailed level, including accurately re-assigning personnel costs when staff is temporarily moved to cover various units. Having this level of financial detail will allow facility directors to better manage their budgets by knowing overtime costs, agency staffing costs, material expenses etc. for each unit. The Division of State Operated Healthcare Facilities, Information Technology Services, and the Controllers Office are understanding how best to provide the essential information.

Realizing the obstacles set before us, the Division of State Operated Healthcare Facilities is committed to moving forward with the Performance Improvement initiatives and thereby anticipate that these efforts will positively impact the quality of care for the citizens of North Carolina that are served in the facilities.