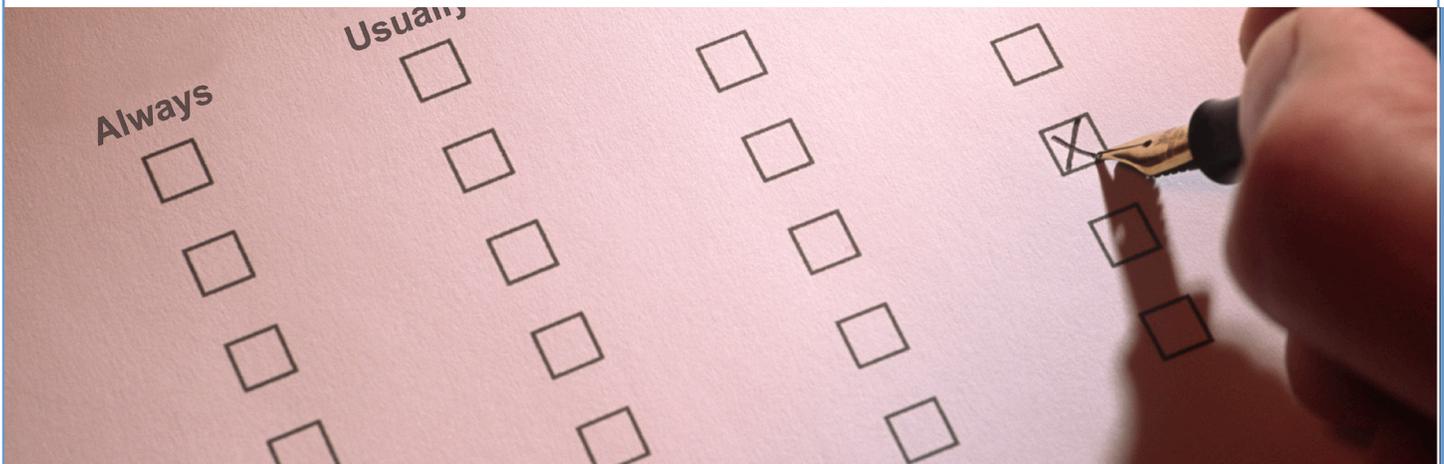


# Healthcare HR and the Bottom Line: 5 Focus Areas for Improving HCAHPS Scores

## White Paper



Hospitals across the United States are feeling the pressure associated with Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey.

**Public reporting of survey results allows consumers to compare the performance of hospitals in their area. HCAHPS will be a major component in the Centers for Medicare & Medicaid's Value-based Purchasing Program (VBP). Starting in October 2012, this program will affect Medicare and Medicaid reimbursement rates.**

VBP is an initiative that will incent hospitals to provide high quality care and reduce health care costs. The cost-neutral VBP program takes money from the worst performing hospitals and gives it to the best performers as a financial reward.<sup>1</sup> Once this program goes into effect, hospitals face an average revenue risk of \$6.67 million each over the first 5 years.<sup>2</sup>

Given this reality, hospitals need employees who understand the importance of patient centric care. Therefore, HR should play a significant role in hiring, cultivating, and retaining a team that puts customer service first. In order to understand exactly how HR can impact HCAHPS scores, we spoke with healthcare professionals from a range of organizations and share their experiences and advice in this white paper. We also review 5 areas where HR can develop initiatives to improve patient satisfaction and boost HCAHPS survey results, and we explore what HR needs to know about the survey.

## What Does HR Need to Know About HCAHPS?

The HCAHPS survey asks discharged patients 27 questions about their recent hospital stay. Of these questions, there are 18 core questions that relate to critical aspects of the patients' hospital experiences. Responses are compiled into 10 measures that are publicly reported. Six summary measures relate to how well nurses and doctors communicate with patients, how responsive hospital staff are to patients' needs, how well hospital staff help patients with pain management, how well the staff communicates with patients about medicines, and whether patients receive key information at time of discharge. Two individual measures focus on the cleanliness and quietness of the hospital room, and two global measures address the patients' overall rating of the hospital and whether they would recommend the institution to family and friends. Publicly available HCAHPS scores are used to **compare hospitals** locally, regionally, and nationally.<sup>3</sup>

One reason HCAHPS data is so important is because the scores are so closely linked with hospital financial performance. There is a clear tie between HCAHPS scores and profitability. Hospital CFOs are acutely aware that a portion of CMS reimbursements will be based on how well hospitals perform on 25 core measures, including HCAHPS scores, and it is estimated that under VBP, HCAHPS will count 30% toward a hospital's final score during the fiscal 2013 evaluation period.<sup>4</sup>

*Press Ganey's 2011 Pulse Report: Perspectives on American Health Care* found that the 25% of hospitals with the highest HCAHPS scores were also on average the most profitable. In addition, only hospitals that showed a positive profit margin were those institutions that were highly rated by patients.<sup>5</sup>

So what is a critical component that drives HCAHPS scores? Two words: patient satisfaction. The interaction a patient has

with every staff member or clinician during their hospital visit is an opportunity for a hospital's brand to be positively reinforced or undermined. The tricky part is that patients perceive quality care differently than health professionals. Most healthcare providers equate quality care with positive treatment outcomes. Patients, however, view quality healthcare as a satisfying in-hospital experience. To maximize HCAHPS scores, hospitals must educate every employee about how patients perceive quality and implement systems that help ensure patient expectations are exceeded. As Carol Statter, Employment Services Manager at Infirmary Health noted, "Every HCAHPS score is the patient's perception of what really happened."

Patient satisfaction is also connected to better patient outcomes. Individuals who have a positive hospital experience are more likely to comply with treatment and discharge instructions. To enhance patient perceptions about quality, hospitals need to focus on consistency in every aspect of a patient's stay, from interactions with staff members to care processes and handoffs across different disciplines within the hospital. Improvements in overall HCAHPS scores will be even more important after VBP is implemented. Organizations will need to stay above the 51st percentile to stay out of the penalty zone and receive higher levels of reimbursement.<sup>6</sup>

## HR's Role in Improving HCAHPS Scores

When it comes to HCAHPS scores, a patient centric culture must come first. Published HCAHPS scores use the "top box" format, which means that the percentage of patients who respond in the most positive way to each question is reported. As a result, for a hospital to get credit for high quality patient experiences, its patients must reply "always" to HCAHPS survey questions. Therefore, top performing hospitals put the patient at the center of everything they do.

Through a variety of best practices, HR can help establish a culture that demands patient and customer focused behaviors from every employee. A good first step is to

define core values that reflect the hospital's culture. All other HR activities should stem from those core values. Small improvements in responses to specific HCAHPS survey questions can also result in major increases in a hospital's overall HCAHPS scores.

Patricia Ellison, Recruitment Coordinator at Holy Cross Hospital, noted, "We keep working on small things to improve. Each unit has a committee and when their scores are low in a particular area, they focus on that, rather than trying to solve big problems in a larger group."

## 5 Areas HR should Focus on to Positively Influence HCAHPS scores

### 1. Hire the Right People

One of the best ways to get the right people into the right jobs is by hiring for fit. When employees reflect a hospital's commitment to patient-centered excellence, they are more likely to provide patients with outstanding care and a positive experience.

Incorporating core values into pre-qualifying questions, as well as interview questions, can help identify candidates who will not fit the organization's culture. Carol Statter from Infirmity Health commented, "You can train people on your culture, but if it's not in their heart, employees won't be a good fit. We are trying to ask the right questions and try to find the right people on the front end during recruiting."

Tyler Newton, Recruiter at Sonora Regional Medical Center, agrees. "Most anyone can learn how to perform a clinical function. But you cannot teach attitude. You cannot teach commitment. And you can't teach compassion."

HCAHPS scores will begin to affect the financial solvency of hospitals across the country. However, high turnover has always negatively influenced the bottom line. Lydia Ostermeier, Director of Nurse Recruitment & Resource Allocation at IU Health and **NAHCR** President notes, "Hiring absolutely impacts the financial status of an organization. If you get the right people by hiring for culture fit, those employees have a better chance of staying with the organization and not having a huge price tag on their head when they leave, contributing to the high cost of turnover."

To hire patient focused employees, an effective technique is to utilize **behavioral-based interview questions** that align with the organizational culture and to implement structured peer interviewing. Behavioral assessment software can help streamline this process. Miranda Maynard, Employment Supervisor at EMH Healthcare said, "We purchased a behavioral assessment tool that

### Healthcare HR Software from HealthcareSource

- **Position Manager<sup>®</sup>:**  
Applicant tracking and onboarding designed specifically for healthcare.
- **Performance Manager<sup>®</sup>:**  
Automates the workflow and content for appraisals, competencies, training and performance reporting.
- **Physician Recruitment Manager<sup>®</sup>:**  
Streamlines the physician recruitment and retention process.
- **Staff Assessment<sup>SM</sup>:**  
Proven behavioral-based, pre-employment assessments.
- **Leadership Assessment<sup>SM</sup>:**  
Proven behavioral-based assessments for healthcare leaders
- **Reference Assessment<sup>SM</sup>:**  
Automates the pre-employment reference checking process.
- **Sourcing Manager<sup>SM</sup>:**  
ROI metrics for online recruitment media sources.

aligned with our core values. Now, we're empowering hiring managers with the tools they need to not only hire the right fit for the organization, but to hire the best people for their individual department. We are really putting the right employees in the right places and that's going to equate to better patient experiences."

To improve the hiring process, it is often useful to correlate pre-employment assessment metrics with employee terminations. EMH Healthcare, for example, correlates its pre-employment assessment data with terminations which occur in less than 90 days and those that occur in less than a year. A termination within the first 90 days may indicate a failure in the HR selection process. Terminations that occur less than a year after hire, however, may reveal weaknesses in the orientation process, or problems with a manager or in a hiring unit. Data generated from behavioral assessment software makes this type of analysis easy to complete. Maynard noted, "As we continue to use our **behavioral assessment tool**, we should see a meaningful decrease in those terminations based on behaviors that are not in line with providing quality care for our patients and do not match the 'patient first' values of our organization."

## 2. Employee Education

Customer service training is another good way to improve a hospital's HCAHPS scores. Onboarding and new hire orientation that focuses on HCAHPS and service excellence sets the right tone for new employees. Automating the administrative aspects of **onboarding** can free up the time and resources needed for focusing on critical customer service training.

Educating employees is critical during orientation and new hire mentorship programs can bolster employee engagement. At Sonora Regional Medical Center, HR has shifted focus from merely reviewing compliance during orientation to speaking about their organization's mission and pairing new employees with a mentor. "At the end of a new employee's first day of orientation, we pair them with a mentor; being located near Yosemite National Park, we decided to call our mentors Trail Guides," said Newton. "It's a program designed by employees. And the nice thing is that a Trail Guide is a new employee's peer, not a supervisor. It's really designed to ease the anxiety of our new hire and make them feel welcome."

Training and scripting on customer service principles has been adopted by leading hospitals. Infirmity Health developed principles of performance that are directly related to HCAHPS scores. Daily email reminders with different patient scenarios and recommended responses are sent to managers and directors. This information is shared at staff meetings and is posted in units. When employees have a script for situations, such as discussing the side effects of medications, they are better equipped to deal with patients. At Infirmity Health, HCAHPS scores are posted so employees can see that their efforts affected the results.

Leaders, as well as frontline employees, must be educated about the importance of HCAHPS. Leadership development programs are a great, top-down approach for training managers about how HCAHPS affects practices like hiring and customer service. To make education initiatives easier for department leaders, consider implementing a **learning management system** where employees can easily access online training modules. For education initiatives related to HCAHPS, transparency and accessibility is imperative when it comes to gathering employee support and mobilizing efforts across all departments.

## The Who and How of HCAHPS

All short-term, acute care, non-specialty hospitals are invited to participate in HCAHPS and most choose to participate. Specialty hospitals, such as psychiatric and children's hospitals, are excluded. Ideally, each hospital will get at least 300 completed patient surveys each year. The more patients that respond to a hospital's survey, the more the published results reflect the experiences of patients who visited that hospital. HCAHPS data can only be collected by organizations that have been trained by the Federal government in HCAHPS survey data collection procedures. CMS handles data analysis and uses an independent contractor to analyze the HCAHPS data and to prepare it for reporting.<sup>7</sup>

### 3. Employee Satisfaction and Retention

Happy employees help make patients happy. Therefore, when institutions provide a satisfying and supportive workplace for employees, patients are more likely to have a positive in-hospital experience. Judy Gracia, Vice President of HR at St. Tammany's Parish Hospital has observed, "Happy employees result in happy patients and HCAHPS points go up." HR can play an active role in evaluating employee satisfaction and identifying areas for improvement.

One proven approach for improving **employee satisfaction** is to conduct regular employee surveys and then respond to the findings. Even if implementing a recommended change isn't possible, employees appreciate knowing that their feedback has been considered and understanding why a change may not be feasible. Statter said, "At Infirmity Health, we found through our employee survey that employees were interested in tuition reimbursement, so we added forms to our Intranet and we will offer a higher reimbursement rate for allied health professionals."

Another great way to gauge employee satisfaction is by engaging in employee rounding. Twice a year at EMH Healthcare, the HR department conducts employee rounding on three different shifts. The HR team visits three campuses, speaks with the employees, asks and answers questions. Maynard commented, "HR's role is not only to select the right individuals, but to provide support to employees who care for patients."

Creating special programs that target at-risk employee populations can also improve employee satisfaction and retention. Both EMH Healthcare and Holy Cross Hospital launched successful new graduate programs

targeted at RNs. Patricia Ellison, Recruitment Coordinator at Holy Cross Hospital remarked, "Our new graduate program has had a high success rate. We have lower turnover and better quality candidates."

### 4. Employee Accountability

Employee accountability is about creating a culture in which employees feel responsible for organizational goals, such as improving HCAHPS scores. Dr. Frederick Morgeson, Ph.D., Professor of Management at the Eli Broad Graduate School of Management at Michigan State University, has the following advice for healthcare organizations, "Instead of simply exhorting employees to take responsibility, organizations should put structures in place that encourage, enhance and enable their employees to be accountable."

Holy Cross Hospital has done just that to reinforce the importance of the HCAHPS survey. Employees participate in a gain sharing program that focuses on the organization's goals inclusive of HCAHPS scores. Ellison said, "Employees are rewarded financially if we meet our goals and that helps bring the importance of the survey home to everybody."

Establishing a culture of employee accountability also means employees and managers are fully aware of their responsibilities. Performance management software gives employees a platform to acknowledge and access their job description and provides managers with reminders on the tasks they need to complete with respect to performance appraisals – a critical component of employee accountability. Adrienne Cozart, Vice President of Human Resources at UMC Health System notes, "The performance management process is a way of how we effectively communicate

with our employees. Make sure **performance appraisals** are done on time by holding your managers accountable. These things make a big difference to your employees.”

When it comes to HCAHPS, HR must also hold themselves accountable for making an impact. “HR has to be a bit more proactive because we’re not a revenue generating department,” noted Newton. “We’re a saving department, so if we can find ways to save the organization money through reduced turnover, that’s where we can really become a partner with the rest of the hospital.”

### 5. Effective and Consistent Performance Management

Regular performance evaluations can be used to reinforce the importance of customer service. Infirmity Health requires nurse managers to complete a performance evaluation four times a year to enhance communication with employees. These evaluations give managers the opportunity to recognize nurses who provide excellent service, rather than waiting for an annual review meeting.

Automating the performance management process can also help organizations hold both employees and managers accountable for following the right processes. As quality expert W. Edwards Deming said, “94 percent

of problems can be traced to the process, but only 6 percent to the person. But often the person is measured, not the process. Start with the assumption that it is the process that is broken and most times you will be right.”

**Performance management tools** are used to automate feedback and to enable data transparency. They stimulate dialogue between employees and managers about process and support positive discipline programs. Kathie Pasquarella, Director of Training and Education at Trinity Health acknowledged, “Organizations who standardize processes improve worker efficiency and productivity. By **automating performance management**, we have really looked at how our processes are organized and improved it.”

## Performance Formula

### Hire For Fit – Job Performance is a Function of Three Basic Factors

Performance = Ability (can do) X Motivation (will do) X Experience (has done)

#### Ability

Basic nursing skills, accounting skills or pharmaceutical skills are all examples of the “can do” part of the equation.

#### Motivation

Motivation is the “will do” side of the equation. For example, the candidate may have good technical skills, but does he/she:

Come to work every day and on time?

Get along with co-workers?

Have innovative ideas for improving things?

Provide good customer service?

#### Experience

Experience is the “has done” part of the equation. This reflects what the candidate has done in the past that will influence their wisdom or judgment in a new position.

## Conclusion: Healthcare HR Plays an Important Role in HCAHPS Scores

HCAHPS serves as an important proxy of measuring your hospitals brand equity. By having an organization-wide resolute focus on improving patient experiences, you can boost HCAHPS scores – the HR team plays a critical important role in making this happen. Let's review the 5 HR focused initiatives for enhancing HCAHPS scores:

1. Hire the right cultural fit for your organization
2. Education employees about HCAHPS
3. Focus on initiatives to increase employee satisfaction
4. Improve employee accountability and link this to HCAHPS
5. Promote consistent performance management practices across all departments

The key to promoting patient centric behaviors is to educate employees, give them the tools they need to do their jobs, and then hold them accountable for outstanding service. Most importantly, by hiring for fit and retaining top performers, HR can have a significant impact on patient satisfaction, HCAHPS performance, and ultimately the hospital's bottom line.

To keep pace with the interviewing, hiring, and talent management changes in the healthcare HR field, subscribe to the [HealthcareSource blog](#), [Healthcare Talent Management](#), and join the conversation on [Facebook](#) and [Twitter](#).

### About HealthcareSource

With over 1,700 healthcare facilities as clients, HealthcareSource® is the leading provider of talent management software for the healthcare industry. Through its cloud-based solutions, HealthcareSource helps healthcare organizations source, hire, assess and develop and retain the best workforce possible in order to reduce costs and improve patient satisfaction and safety. The company's talent management solutions include applicant tracking, onboarding, performance management, behavioral assessments, reference checking, physician recruiting, candidate sourcing. A private corporation, HealthcareSource focuses exclusively on the healthcare industry and consistently earns high marks for client satisfaction and retention. HealthcareSource was named 2011 category leader for Talent Management by KLAS Research. [www.healthcaresource.com](http://www.healthcaresource.com)

#### HealthcareSource

400 TradeCenter, Suite 3900  
Woburn, MA 01801  
Phone: +1.781.368.1033  
Toll-Free +1.800.869.5200  
Fax +1.781.368.1096  
Toll-Free Fax +1.800.829.6600

[www.healthcaresource.com](http://www.healthcaresource.com)

### Contact HealthcareSource to learn more about our solutions

For more information, contact us at:  
1.800.869.5200 or [solutions@healthcaresource.com](mailto:solutions@healthcaresource.com)

- 1 "Value-Based Purchasing Raises the Stakes." [The Hospitalist](#).
- 2 "Medicare value-based purchasing: 75 percent of hospitals face losses." [Fierce Health Finance](#).
- 3 "Value-Based Purchasing Raises the Stakes." [The Hospitalist](#).
- 4 "Medicare value-based purchasing: 75 percent of hospitals face losses." [Fierce Health Finance](#).
- 5 HCAHPS Fact Sheet. [HCAHPS website](#).
- 4 "Value-Based Purchasing Raises the Stakes." [The Hospitalist](#).
- 5 2011 Pulse Report: Perspectives on American Health Care. [Press Ganey](#).
- 6 "Creating an Engaged Workforce in the Midst of Healthcare Reform." [Thunderbird Regional Consulting Presentation to the Healthcare Financial Management Association Lone Star Chapter's West Texas Regional Conference. September 2011](#).
- 7 "How was the survey of patients' hospital experiences feedback collected and analyzed for HCAHPS? [U.S. Department of Health and Human Services](#).



HealthcareSource®  
Quality Talent. Quality Care.™