



2007 Award Recipient

Sharp HealthCare

Sharp HealthCare is San Diego County's largest integrated health care delivery system, serving greater than 27 percent of the county's 3 million plus residents—some 785,000 people—each year. A not-for-profit organization, Sharp has an annual net revenue of greater than \$1.9 billion; employs a workforce of greater than 14,000 staff members and 2,600 affiliated physicians; operates four acute care hospitals, three specialty hospitals, three affiliated medical groups, and 19 outpatient medical clinics; and manages its own health insurance plan. This vertical integration enables Sharp to offer a full spectrum of health care services, from emergency, hospice, and mental health services to multi-organ transplants and hyperbaric treatment.

Continuous Improvement Yields Quality Care, Financial Health

In September 2001, the organization launched The Sharp Experience, a performance improvement initiative aimed at transforming the health care experience for caregivers, patients, and their families by reconnecting to purpose, worthwhile work, and making a difference. Today, all operations and activities are aligned under Sharp's Six Pillars of Excellence—Quality, Service, People, Finance, Growth, and Community. Simply put, The Sharp Experience is the organization's core competency and means for Sharp to achieve its vision to become "the best place for employees to work, the best place for physicians to practice medicine, and the best place for patients to receive care."

As a result of these efforts and the people of Sharp, the organization is thriving. For example, consider these key financial measures:

- Between 2001 and 2006, Sharp HealthCare's net revenue increased by 56 percent.
- Between 1999 and 2005, Sharp gained more than four percentage points in market share, an unprecedented achievement in a mature health care marketplace.



What is the Malcolm Baldrige National Quality Award?

Named after the 26th Secretary of Commerce, the Malcolm Baldrige National Quality Award was established by Congress in 1987 to promote excellence in organizational performance, recognize the achievements and results of U.S. organizations, and publicize successful performance strategies. For more information, see <http://baldrige.nist.gov>.

Baldrige 20th Anniversary Highlight: The Application Process

To apply for the Baldrige Award, organizations must submit details showing their achievements and improvements in seven key areas: leadership; strategic planning; customer and market focus; measurement, analysis, and knowledge management; workforce focus; process management; and results.

Applicants receive 300 to 1,000 hours of review and a detailed report on the organization's strengths and opportunities for improvement by an independent board of examiners.

"The application and review process for the award is the best, most cost-effective, and comprehensive business health audit you can get," says Arnold Weimerskirch, former Baldrige Award judge and vice president of quality, Honeywell, Inc.

- Sharp's market share in its target segments—women between 25 and 54 years of age, seniors ages 65 or older, and Hispanics—increased by 1.5 percent, 5 percent, and 5 percent, respectively, between 2002 and 2006.

Sharp's improved performance enhances not only its financial health but the breadth and quality of its health care services:

- The number of Sharp Health Plan patients with diabetes who have levels of low-density lipoprotein (LDL) cholesterol—the so-called "bad cholesterol"—above 100 dropped by 44 percent in 2007.
- Acute myocardial infarction (heart attack) mortality at the three Sharp hospitals with heart programs has met or been lower than the national benchmark since 2004.
- The incidence of breast and cervical cancer screening and blood sugar testing among members of Sharp's medical groups has increased steadily since 2003 and outperforms the top decile in the state of California's publicly reported database.
- Sharp exceeds the national benchmark for first-year functional improvement following joint replacement, the

result of a program that tracks parameters such as pain, function, deformity, and range of motion for 10 years following surgery.

Customer Focus Yields Satisfaction

Sharp HealthCare strives to exceed the expectations of patients by providing high-quality care and services in a caring, convenient, cost-effective, and accessible manner. Recent metrics show how Sharp is successfully meeting this goal. For example:

- San Diego consumers have named Sharp as the best health care provider in the region, with top rankings for clinical quality, customer service, doctors, and nurses.
- In-patient satisfaction with the nursing staff has improved more than 300 percent system-wide since 2002, while satisfaction with the discharge process has grown 200 percent during the same time span.
- Sharp Health Plan's grievance rates have been consistently low—fewer than 0.15 grievances per 1,000 members per month—since 2002, a measure that puts Sharp in the top quartile nationally for the entire period.

Sharp HealthCare devotes significant time and energy to building relationships with patients and their communities through community events, collaborative health programs, multicultural services, customer contact centers, and attention to customer feedback.

Sharp conducts ongoing patient satisfaction surveys, updating customer data in real time on a daily basis for all staff members. Managers review the data monthly on an organization-wide basis. Sharp uses an awareness/perception/utilization quantitative study as well as focus groups and mystery shopping to identify areas for performance improvement, and leaders regularly visit patients and their families as part of their routine rounds.

Great Place to Work, Practice Medicine

Sharp's dedicated investment in its staff—in time, effort, and financial support—has paid off in a highly satisfied and productive workforce. Employee satisfaction rates best in class by national standards and the organization's annual turnover rate consistently outperforms the state benchmark—a significant achievement considering the intense competition for qualified staff in an undersupplied market.

Physician satisfaction surveys show that the majority of the organization's 2,600 affiliated physicians consistently feel Sharp is the best place to practice medicine. Sharp's physician satisfaction scores exceed industry benchmarks at almost every hospital in the system. Eighty percent of those ratings are in the top quartile.

For all staff, Sharp fosters a culture of transparency that encourages effective information flow and two-way communication between staff and leaders. Workforce views and attitudes are collected and assessed through surveys, turnover reports, grievance procedures, rounding, suggestion boxes, and employee forums. Action Teams, Lean/Six Sigma Teams, and Performance Improvement Teams encourage worker participation in fostering change and improving organizational performance.

Effective communication also helps staff better understand leadership's expectations and gives them a voice in developing, establishing, and using performance metrics. For example, more than 1,000 employees voluntarily participated in action teams when The Sharp Experience was launched in 2001. One of these teams developed a set of 12 Employee Behavior Standards, covering areas such as teamwork, safety, patient confidentiality, competence levels, employee appearance, and e-mail manners. Subsequent action teams continued the organization's charge to engage employees as "architects of change."

Sharp's training expenditure per employee exceeds the best-in-class benchmarks for organizations evaluated by the American Society for Training and Development (ASTD). "The Sharp University"—the in-house corporate university—offers a curriculum aimed at educating and developing Sharp's present and future leaders to drive process improvement and advance the organization's mission and vision.

Additionally, Sharp sponsors a Nursing Leadership Academy, supports continuing education programs for physicians, and provides each employee with a \$1,000 fund annually to take advantage of external education opportunities.

Better Health for the Entire Community

Sharp HealthCare strives to do more than just transform the health care experience. Equally important to the organization is its role as an excellent community citizen. For example:

- The economic value of Sharp's services to the San Diego community—including charity care, uncompensated and under-compensated care, staff volunteer hours, and free preventive health offerings such as flu shots, lectures, and screenings—increased from \$100 million in 2001 to more than \$180 million in 2006.
- During the same period, the organization's financial support for San Diego's vulnerable population, health research efforts, and the broader community increased from \$4 million to approximately \$6.5 million.
- Between 2003 and 2006, the number of hours donated by Sharp management to community programs grew from 10,000 to almost 60,000.
- Sharp targets community health efforts through its Strategic Planning Process. When community health issues or new health threats are identified, Sharp collaborates with public officials to implement safe, evidence-based, and equitable solutions.

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