

Utilizing departmental budget as a financial incentive for the implementation of a QI process in a general hospital

Mushkat Y., Perelman L., Davidson E.

Objective:

To implement a process of quality improvement (QI) in the clinical departments of a general hospital by combining a quality survey with a process of departmental budget and creating a financial incentive for improvement.

Methods:

Meir Medical Center is a seven hundred bed public hospital, located in the central part of Israel. With an operational budget of one hundred and twenty million US dollars, the hospital operates twenty-eight departments and fourteen ambulatory units.

In Israel there is limited quality assurance action practiced by the government and the HMO's. This practice is performed by way of periodic surveys restricted to specific fields such as infection control or patients rights. These surveys are not conducted on a consistent basis and the departments' staff is not challenged to use these surveys as a QI measure.

For the last four years, Meir Medical Center has operated a QI process, based on a departmental quality survey. This process is comprised of fifty performance measures divided into seven categories: patient's rights, medical records, infection control, procedures and guidelines, human resources, pharmaceutical treatment and equipment maintenance. The survey includes an interview with the department's staff and with the patients and their families, revision of medical records, observations within the department and customer service reports.

Each department head receives its score and the mean score of all the hospital departments in each category. Departments with low scores receive consultation by teams of experts from within the hospital professional resources.

At the beginning of each year, the department management, composed of the department head and the head nurse introduce an annual working plan to the hospital management. Apart from financial and production objectives, this working plan must also include targets in the field of QI, based on the survey.

The hospital departments are running on a budget allocated to them by the hospital management. At the end of each year, a department with expenditure lower than its budget receives a grant, equal to twenty percent of the difference between the budget and the actual expenditure. In order to increase the motivation of the departments' staff towards QI, it was decided that the calculation of the grant would also take in account the score of the QI survey. Departments with maximal score will receive the whole grant, while those with lower scores will receive a reduced sum of money.

Results:

Thirty-three clinical departments and units have participated in the QI process for the last four years. The results of the survey became the fundamental component of the annual working plans of all the departments.

Departments' scores increased gradually from a mean of 80% in the year 2001 to 83% in 2002, 87% in 2003 and 88% in 2004 with maximal improvement in the fields of infection control, medical records and human resources.

For their achievements in QI, the departments received grants that varied between one thousand and ten thousand US dollars each.

Conclusions:

Motivation of departments' personnel is a crucial factor in the process of QI. By using a quality survey as a keystone in the working plan of the hospital clinical departments, and adding a financial incentive for improvement, we implemented a QI process throughout the hospital. This implementation resulted in a steady increase in the performance of the departments in the quality survey.