



Sharp HealthCare

THE BEST PLACE TO WORK, PRACTICE MEDICINE, AND RECEIVE CARE



2007

MALCOLM BALDRIGE NATIONAL QUALITY AWARD APPLICATION
HEALTH CARE CATEGORY

8695 Spectrum Center Blvd., San Diego, CA 92123

Confidential • May 24, 2007 Submission



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GLOSSARY OF TERMS AND ABBREVIATIONS

82-Sharp

Customer service specialists available Monday through Friday at Sharp's Consumer Contact Center, 1-800-82-SHARP (1-800-827-4277) phone number.

90-Day Action Plan

Quarterly report summarizing progress on action plans and respective Report Card targets or Dashboard Indicators.

A

AAHC

Accreditation Association for Ambulatory Health Care

AACE

American Association of Clinical Endocrinologists

ABx

Antibiotics

ACC

American College of Cardiology

ACCME

Accreditation Council for Continuing Medical Education

Accountability Grid

A tool used to report accomplishment of specific tasks or new learning from The Sharp University for the previous 90 days associated with hardwiring new behaviors and strategies targeted for improvement.

Accountability Team

A Sharp action team comprised of a subset of leaders from Executive Steering, as well as other key leaders throughout Sharp, who ensure the sustainability and forward progress of The Sharp Experience. The Accountability Team is responsible for setting System Report Card objectives and annual targets, and developing management and staff performance evaluation systems that hold employees accountable for Behavior Standards, Five "Must Haves," and progress on meeting Sharp's goals and Pillar objectives.

ACPE

Accreditation Council for Pharmacy Education

Action Teams

Teams consisting of numerous members dedicated to enhancing work relationships, environments, systems and processes, quality, and service.

ACTT

A tool for employees to address and resolve customer complaints, Sharp developed a four-step service recovery process called ACTT: **A**pologize, **C**orrect the situation, **T**rack, and **T**ake action.

Acute Care

A type of health care in which a patient is treated for an acute (immediate and severe) episode of illness, injuries

related to an accident or other trauma, or after surgery. Acute care is usually given in a hospital by specialized personnel, using complex and sophisticated technical equipment and materials.

Advanced Clinicians

Registered nurses who have the experience, skills and education to function as a resource to other clinical staff.

Affiliated Medical Groups

Refers to Sharp Community Medical Group, Sharp Mission Park Medical Group and Sharp Rees-Stealy Medical Group. These medical groups are owned by each respective group's physicians but affiliated with Sharp for operations management, administrative and/or contracting functions.

A-Fib

Atrial Fibrillation – abnormal heart rhythm involving the upper two heart chambers; a leading cause of stroke and blood clots.

AHA

American Heart Association

A.H.A.

American Hospital Association

AHRQ

Agency for Healthcare Research and Quality

AIDET

Acknowledge, **I**ntroduce, **D**uration, **E**xplanation, and **T**hank You are the Five Fundamentals of Service that staff members use to shape positive experiences for Sharp's patients.

All-Staff Assembly(ies)

Annual meetings for all Sharp employees to provide inspiration, education, and celebration. Three three-hour sessions are offered over two days to allow all Sharp employees to attend. The sessions' content includes a state of Sharp address, the annual Pillars of Excellence Awards, a preview of Sharp's television documentary, a keynote address, and specific Sharp Experience learnings.

AMI

Acute Myocardial Infarction – heart attack

ANCC

American Nurses Credentialing Center

AR

Accounts Receivable

ART

Accident Reporting and Treatment form

ASA

Average Speed to Answer

ASBS

American Society for Bariatric Surgery

ASHP

American Society of Health-System Pharmacists – Residency Accreditation Program

ASTD

American Society for Training and Development

Awareness, Perception and Utilization Study

A research study fielded by the Jackson Organization on Sharp's behalf to compare key health care delivery attributes among San Diego's health care providers, to measure consumer awareness, perception and utilization.

B**B**

Broker

Badge Guard

Laminated cards that accompany each employee's staff identification/security badge, listing the Five "Must Haves," 12 Behavior Standards, Core Values, Five Fundamentals of Service, the Vision Statement and Six Pillars of Excellence.

Behavior Standards

The 12 standards and expectations that Sharp HealthCare staff are expected to follow to develop and foster a common culture of respect and excellence among customers/partners/employees throughout the system.

BidShift

A Web-based staffing program that makes shift coverage available to employees before going to outside registry.

Biohazards

A biological agent or condition that constitutes a hazard to humans or the environment.

BNA

Bureau of National Affairs

Board

The governing board of directors of the Sharp HealthCare System or a Sharp entity.

BSN

Bachelor of Science degree in Nursing

C**CA**

California

CABG

Coronary Artery Bypass Graft

CAHPS

Consumer Assessment of Health Providers and Systems

Call Centers

see 82-Sharp and Sharp Nurse Connection®. There are other call centers throughout Sharp, including the PFS billing call center and SRS patient scheduling call center.

CaINOC

California Nursing Outcomes Coalition

CalPERS

California Public Employees' Retirement System

C.A.P.

Change Acceleration Process, an organizational change model consisting of seven elements and a set of 40 tools to optimize change effectiveness

CAP

Community-Acquired Pneumonia

CARF

Commission on Accreditation of Rehabilitation Facilities

CDS

Clinical Decision Support

CEO

Chief Executive Officer

CEO Council

A weekly meeting of Sharp's hospital CEOs and executive vice president to facilitate integration and problem-solve.

CEU

Continuing Education Unit

CFO

Chief Financial Officer

Change Agents

Leaders who facilitate C.A.P. and Work-Out™ by instilling new tools and techniques across the system and coaching other leaders on change facilitation.

CHART

California Hospitals Assessment and Reporting Taskforce – quality and patient safety measures

CHMR

Center for Health Management Research

Citrix

Sharp's remote access software program

CHA

California Healthcare Association

Champions

Key individuals assigned to strategic initiatives to ensure accountability.

CHF

Congestive Heart Failure

Climate Dimensions

Measurement of employee motivation and satisfaction through the EOS: Department Effectiveness, Sense of Purpose, Company Pride, Management, Interdepartmental Cooperation, Information Sharing, Compensation and Benefits, and Overall Evaluation.

CME

Continuing Medical Education

CMS

Centers for Medicare and Medicaid Services

Commercial Insurance

Non-government sponsored health insurance

Communication Expos

An Employee Forum format used by some entities, designed to enhance communication to employees/physicians/partners by providing visual information booths and management interactions for optimal attendance and satisfaction. Communication Expos are held quarterly during all shifts.

Community Benefits Plan

An annual report submitted to the IRS providing the unreimbursed cost of community benefit programs provided by Sharp, such as charity care, under-compensated care, staff volunteer hours, and community-focused programs.

Continuous Readiness

Continuous compliance with Joint Commission standards

Continuum of Care

Levels of service from home care through ambulatory, outpatient, inpatient, hospice, and home health care.

COPIS/SIPOC

Acronym for Customers, Outputs, Process, Inputs, Suppliers (Suppliers, Inputs, Process, Outputs, Customers); a tool for designing processes.

C.O.R.E. Award

Center of Recognized Excellence Award given annually to outstanding individuals, action teams, and departments at each Sharp entity that demonstrate superior performance under one of Sharp's Six Pillars of Excellence.

Core Measures

Joint Commission measures of quality and patient safety.

Core Values

Excellence, Integrity, Caring, Innovation

CPOE

Computerized Physician Order Entry

CQIC

Continuous Quality Insurance Company, Ltd

CRM

Customer Relationship Marketing – methodologies and tools that help businesses manage customer relationships in an organized way.

CSFs

Critical Success Factors

Customer Contact Centers

82-Sharp, call centers, Sharp Nurse Connection®

Customers/Partners

Sharp's customers/partners include patients, employees, physicians, payors, brokers, and suppliers.

CVUC

Sharp Rees-Stealy Chula Vista Urgent Care

D**Dashboard or Dashboard Indicators**

Performance measures under each Pillar of Excellence.

DC

Discharge

D/C

Discontinued

DHS

Department of Health Services

DEH

Department of Environmental Health

DMAIC

An acronym for Define, Measure, Analyze, Improve, and Control. DMAIC is a problem-solving approach for performance improvement.

DTUC

Sharp Rees-Stealy Downtown Urgent Care

DVT

Deep Vein Thrombosis – blood clot in a deep vein that may interfere with circulation and lodge in the brain, heart, lungs or other area, causing severe damage to the organ.

Dx

Diagnosis

E**E&Y**

Ernst & Young

EBITDA

Earnings Before Interest, Taxes, Depreciation, and Amortization

ECF

Environmental Compliance Form

ED

Emergency Department

EDI

Electronic Data Interchange

EDPS

Emergency Disaster Preparedness Subcommittee

EHR

Electronic Health Record

Employee Forums

Quarterly employee meetings held at Sharp entities to provide Report Card updates, communicate Sharp's business results, and educate staff on specific Sharp Experience learnings. Communication Expos are a form of Employee Forums.

Employee Group

A category of individuals engaged to provide services for Sharp for wages in one of the following categories: introductory, temporary, per-diem, part-time, or full-time.

EMR

Electronic Medical Record

Entity

An organizational unit (a partnership or corporation, such as a hospital or medical group) for which accounting records are kept and about which accounting reports are prepared.

EOS

Employee Opinion Survey

Ergonomics

The study of workplace equipment design or how to arrange and design devices, machines, or the workspace so that people interact with equipment safely and efficiently.

Executive Steering

Executive Steering consists of 17 senior leaders including the system CEO/President, the executive vice president, the CEOs of all entities, all senior vice presidents, and the system medical director.

F**FDA**

Food and Drug Administration

FES

Facilities and Environmental Subcommittee

Firestarters

Volunteer leaders who provide enthusiastic leadership within their entity to implement The Sharp Experience.

Five "Must Haves"

Behaviors designed for leaders and staff members to model, to positively impact customer, physician, supplier, and employee satisfaction.

FMEA

Failure Mode Effects Analysis; a tool for identifying potential failure modes when developing a solution.

FTE

Full-Time Employee

FY

Fiscal Year

G**GE**

General Electric

GPO

Group Purchasing Organization

H**Hazardous Materials**

Any materials, including substances and wastes, that may pose an unreasonable risk to health, safety, property, or the environment, when they exist in specific quantities and forms.

HCAHPS

Hospital Consumer Assessment of Health Providers and Systems

Health Plan Broker

A health insurance professional trained to assist companies or individuals with the design, selection, and performance monitoring of a health plan.

HEICS

Hospital Emergency Incident Command System

HF

Heart Failure

HIPAA

Health Insurance Portability and Accountability Act, a federal law implemented in 1996 requiring hospitals, physicians, and managed care companies to adopt medical information security, privacy, and data standards.

HMO

Health Maintenance Organization

HR

Human Resources

HR Solutions

A company providing benchmarks for employee satisfaction.

HVA

Hazard Vulnerability Analysis

I**ICS**

Incident Command System

ICU

Intensive Care Unit

ID

Identification

IDS

Integrated Health Care Delivery System

IHA

Integrated Healthcare Association

IMQ

Institute for Medical Quality

IP

Inpatient

IRB

Institutional Review Board

IRS

Internal Revenue Service

IT

Information Technology

IT Executive Committee

The IT Executive Committee is a subset of Executive Steering that reviews IT initiatives and is responsible for establishing IT priorities and goals.

J**JC**

Joint Commission – a national organization whose mission is to improve the safety and quality of care provided to the public through the provisions of health care accreditation and related services that support performance improvement in health care organizations.

K**Kaizen Burst**

A project management method that involves intense improvement, usually over several weeks of planning, and a week of intense improvement and follow-up actions.

Key Words at Key Times

Key Words at Key Times are phrases or scripts developed by staff to “connect the dots” and help patients, families, and visitors better understand what Sharp employees are doing. Key Words at Key Times align words with actions to give a consistent experience and message, reduce anxiety, and ensure patient, family and visitor comfort.

L**Lawson**

Sharp’s provider of enterprise resource planning software (e.g., materiel management, finance, payroll, human resources)

LDL

Low-density lipoprotein

LDS

Leadership Development Sessions

Lead

A person responsible for leading and guiding a team of workers

Leadership Development Session

An educational session held four times a year (the fourth is in conjunction with the All-Staff Assembly) for Sharp leadership, providing career development opportunities to gain depth of experience and insight from peers, outside experts, improvement projects, and Action Teams across multiple assignments and entities.

Levels of Care

- Emergency Care
- Home Care
- Hospice Care
- Inpatient Care
- Long-term Care
- Mental Health Care
- Outpatient Care
- Primary and Specialty Care
- Rehabilitation
- Urgent Care

LMUC

Sharp Rees-Stealy La Mesa Urgent Care

LS

Leadership System, as depicted in Figure 1.1-1

LSS

Lean Six Sigma. Lean is a set of tools that helps identify and eliminate waste in a process in order to achieve a high level of efficiency. Six Sigma is a performance improvement methodology that involves a focus on the customer and rigorous measurement to identify the vital causes in order to reduce process variation.

LVF

Left Ventricular Function

LVN

Licensed Vocational Nurse

M**Managed Care**

A health care system under which physicians, hospitals, and other health care professionals are organized into a group or “network” in order to manage cost, quality, and access to health care.

MD

Medical Doctor; Physician

MedAI

A leading health information company, offering solutions to the payor and provider markets that incorporate disease-focused severity adjustment, benchmarking, and evidence-based processes of care to improve outcomes in a hospital-based setting.

Medi-Cal

California's Medicaid program

Medical Director

Physician responsible for bridging health care delivery between providers and administration, maintaining a provider network for necessary contracted services, and directing utilization and quality management programs.

Medicare

The federal health insurance program for people age 65 and older, the disabled, and people with end-stage renal disease

MMUC

Sharp Rees-Stealy Mira Mesa Urgent Care

N

Nat'l

National

NCI

National Cancer Institute

NCQA

National Committee for Quality Assurance

NEO

see New Employee Orientation

New Employee Orientation

An all-day education session for new employees designed to initiate staff to The Sharp Experience, as well as provide learnings regarding employee benefits and Sharp's regulatory requirements for safety, fire, infection control, and corporate compliance.

New Leader Orientation

A one-on-one education session with the Sharp University team for each new Sharp leader, to provide learnings regarding Sharp's management practices, reporting, employee interactions, and The Sharp Experience.

NHSN

National Healthcare Safety Network

NPSG

National Patient Safety Goals

O

O2

Oxygen

O&M

Owens & Minor

OIG

Office of Inspector General

OP

Outpatient

OSHA

Occupational Safety and Health Administration

OSHPD

Office of Statewide Health Planning and Development

OU

University of Oklahoma

P

P

Payors

P&P

Policies & Procedures

Partner

An individual or business entity involved in a mutually beneficial business relationship with potential revenue-sharing possibilities.

Patient Safety Plan

A strategic plan guiding the patient safety activities of Sharp

Patient Safety Symposium

An annual, all-day session for physicians and employees to identify and apply tools to improve patient outcomes and patient safety. Quality improvement projects are showcased highlighting data and tools use based on clinical studies conducted within Sharp HealthCare.

Payor

The person, company, or government entity that is responsible for making payments on an income stream.

Perceptyx

A research company that conducts, compiles, and reports the employee opinion survey and results.

PFS

Patient Financial Services

PG

see Press Ganey

Physician

A licensed medical practitioner who is contracted with Sharp to provide medical care in one of the following capacities:

- Affiliated Medical Groups
- Independent Practitioner
- Hospital Medical Staff

Physician Leadership Development

Training and education efforts focused on empowering and equipping physician leaders.

PI

Performance Improvement

Pillar or Pillars of Excellence

The Six Pillars of Excellence—Quality, Service, People, Finance, Growth, and Community—embody Sharp’s strategic goals.

Pillar of Excellence Awards

Annual system awards to outstanding individuals, action teams, and departments that demonstrate superior performance under one of Sharp’s Six Pillars of Excellence. Pillar Award winners are selected from each entity’s C.O.R.E. Award winners.

PO

Purchase Order

POE

Physician Order Entry

Premier, Inc.

An alliance of not-for-profit hospitals and health care systems achieving high levels of clinical quality and financial performance. Members share knowledge and needs to create powerful solutions to everyday challenges.

Premier Supply Chain Breakthrough Series

A learning session offered by Premier focused on improving the effectiveness and efficiency of the health care supply chain.

Premier Supply Focus Scorecard

The industry’s largest comparative database of operational and supply chain cost information for acute care hospitals.

Pre-Op

Pre-operative

Press Ganey or PG

Sharp’s patient and physician satisfaction research vendor.

Priority Index or Indices

A prioritization of importance of ratings resulting from satisfaction surveys, representing customer-desired behaviors and expectations.

PSC

Patient Safety Consortium

Pts

Patients

Q

Q&A

Question and Answer document or session

Qtr

Quarter

Quality Pillar Dashboard Report

Sharp’s internal, continuous monitoring of 16 different indicators across 35 different disease states with control charts.

QVR

Quality Variance Report

R

Rapid Action Project

A project management method of performance improvement using DMAIC for problems that can be solved in 30-90 days.

RBUC

Sharp Rees-Stealy Rancho Bernardo Urgent Care

RCA

Root Cause Analysis; a tool that is used to discover the root causes of errors.

Registry – outside staffing resource

Report Card

The monthly system Report Card and entity Report Cards provide summary measurements of key Pillar performance objectives.

Report Out

Scheduled review of Six Sigma projects along the DMAIC process with presentation to Executive Steering.

RoMACC

Reconciliation of Medications Across the Continuum of Care

Rounding with Reason (or Rounding)

Sharp leaders regularly walk around in their functional area to visit and communicate with employees/customers/partners, including suppliers/partners, to connect on a personal level, validate values/direction, solicit upward communication, identify needs for tools and equipment, provide recognition, and ensure satisfaction.

Rounding Logs

Sharp leaders keep detailed logs when rounding.

RN

Registered Nurse

ROI

Return on Investment

Rqmts

Requirements

S

S&P

Standard and Poor's

SCHHC

Sharp Coronado Hospital and Healthcare Center

SCMG

Sharp Community Medical Group

Scottsdale Institute

A non-profit organization dedicated to improving health care performance through information management, process improvement, and networking.

SCVMC

Sharp Chula Vista Medical Center

SD

San Diego

SDBBB

San Diego Better Business Bureau

SDSU

San Diego State University

Senior Leaders or Senior Leadership

Consists of Executive Steering, entity senior leadership teams, and system services senior leadership teams, including entity and system vice presidents and physician executives

SEOC Committee

System Environment of Care Committee

Service Basics

Service Basics teaches the fundamental elements of providing exceptional customer service at Sharp HealthCare. From the Five Fundamentals of Service and Key Words at Key Times, to patient satisfaction assessment and service recovery techniques, participants gain a broad knowledge of the keys to creating a positively memorable customer experience.

Service Lines

Key lines of service. At Sharp, these are: cardiology, diabetes, oncology, orthopaedics/neurology, and women's services.

SG2

A forward-thinking health care research, consulting, and education company that analyzes emerging clinical developments, technological advances, and market trends.

SGH

Sharp Grossmont Hospital

Sharp

Sharp HealthCare, a California not-for-profit public benefit corporation

Sharp.com

Sharp's external Web site

SharpNET

Sharp's Intranet

Sharp Leaders or Sharp Leadership

Consists of Sharp's leads, supervisors, managers, directors, vice presidents, senior vice presidents, entity CEOs, executive vice president, and the system CEO/president.

Sharp Nurse Connection®

San Diego's first and only 24-hour nurse advice service

Sharp University

A Sharp-sponsored program chartered with providing a formal, systemwide training and development plan and curriculum guidance to meet Sharp's desire to be a learning organization.

SharpWiki

Sharp's internal Web-based, content repository written collaboratively by staff (modeled after Wikipedia.com).

SHC

Sharp HealthCare, a California not-for-profit public benefit corporation

SHCC

Sharp HealthCare Corporate Offices

SHF

Sharp Healthcare Foundation

SHP

Sharp Health Plan

SICU

Surgical Intensive Care Unit

SIPOC / COPIS

Acronym for Suppliers, Inputs, Process, Outputs, Customers (Customers, Outputs, Process, Inputs, Suppliers); a tool for designing processes.

Six Pillars or Six Pillars of Excellence

The Six Pillars of Excellence – Quality, Service, People, Finance, Growth, and Community – embody Sharp's strategic goals.

Six Sigma

see Lean Six Sigma

SMBHW

Sharp Mary Birch Hospital for Women

SMH

Sharp Memorial Hospital

SMMC

Sharp Metropolitan Medical Campus including Sharp Memorial Hospital, Sharp Mary Birch Hospital for Women, Sharp Mesa Vista Hospital, Sharp Vista Pacifica Hospital,

Sharp Cabrillo Skilled Nursing Facility, and the Sharp Memorial Outpatient Pavilion.

SMP

Sharp Mission Park Medical Clinics

SMPMG

Sharp Mission Park Medical Group

SMV

Sharp Mesa Vista Hospital

Solucient

The market leader in providing tools and vital insights for health care managers' use to improve the performance of their organizations. By integrating, standardizing, and enhancing health care information, Solucient provides comparative measures of cost, quality, and market performance of more than 22.6 million discharges per year from 2,900 hospitals.

SRN

Staffing Resource Network, an in-house staffing network providing supplemental staffing to Sharp entities

SRS

Sharp Rees-Stealy Medical Clinics

SRSMG

Sharp Rees-Stealy Medical Group

STEMI

ST Segment Elevation Myocardial Infarction – a specific type of heart attack.

STS

Society of Thoracic Surgeons

Supervisors

Persons responsible directly for overseeing the work in an organizational unit

Suppliers/Partners

Persons or businesses that sell materials, goods, or other resources to Sharp for health care and business services

SWOT

Strengths, Weaknesses, Opportunities, and Threats analysis

T

TB

Tuberculosis

Team Resource Management

A training program derived from the airline industry for crew resource management. The course trains people to communicate as team members to prevent adverse incidents and errors.

Teams

Typically, teams consist of multidisciplinary individuals from across the Sharp HealthCare system's operational functions.

The Advisory Board or Advisory Board

A membership of 2,100 of the country's largest and most progressive health systems and medical centers. The Advisory Board provides best practices research and analysis to the health care industry, focusing on business strategy, operations, and general management issues.

The Five-Year Plan

The Five-Year Operating, Cash, and Capital Plan forecasts the financial impact of operations and strategic initiatives over Sharp's long-term planning horizon for each entity and the system as a whole.

The Jackson Organization

See Awareness, Perception and Utilization Study

The Sharp Experience

A performance improvement initiative launched in 2001 to transform the healthcare experience and make Sharp HealthCare the best place for employees to work, the best place for physicians to practice medicine, and the best place for patients to receive care.

t-PA

Tissue Plasminogen Activator; clot-busting drug used in certain patients having a heart attack or stroke to reduce the damage caused by the clot.

Trailblazers of Excellence

Best-practice units, departments, or functional areas within Sharp HealthCare.

U

UCSD

University of California, San Diego

V

Vermont Oxford

A voluntary collaboration of health care professionals dedicated to improving the quality and safety of medical care for newborn infants and their families.

Volunteer

A non-Sharp HealthCare employee performing non-employee, non-patient care activities without wages and of his or her own free will, as a member of the auxiliary of a Sharp entity.

VTE

Venous Thromboembolism – the process by which blood clots occur and travel through the veins.

W

Wave Five

The fifth wave in Sharp's roll-out of LSS throughout the Sharp system.

Web Center

Department supporting and developing Sharp.com, Sharp's Internet site; SharpNET, Sharp's intranet site.

WISH

Worker Identified Safety Hazards

Work-Out™

An improvement method that uses a concentrated four-to-six hour decision-making session involving the people who do the work to solve the problem.

WWW

Action plan including "who, what, and when" for each task.

Y

YTD

Year-to-date

PREFACE: ORGANIZATIONAL PROFILE

P.1 ORGANIZATION DESCRIPTION

P.1a Organizational Environment

P.1a(1) Sharp is the largest IDS in San Diego County and the parent company of all Sharp entities. In 1953, with a donation of land from the Philip L. Gildred family and \$500,000 from rancher Thomas E. Sharp, ground was broken for Donald N. Sharp Memorial Community Hospital, which opened in 1955 to provide general hospital care for San Diego residents. In response to the changing landscape of health care delivery in the early 1980s, Sharp embarked on a strategy to develop a vertically integrated network of health care facilities and providers.

Today, the Sharp system consists of four acute-care hospitals, three specialty hospitals, three affiliated medical groups, a health plan, four long-term care facilities, a liability insurance company, and two philanthropic foundations.

Sharp offers a full continuum of care, including:

- Emergency Care
- Home Care
- Hospice Care
- Inpatient Care
- Long-term Care
- Mental Health Care
- Outpatient Care
- Primary and Specialty Care*
- Rehabilitation
- Urgent Care

* Physician office visits

With over 23 sub-specialties of medicine and surgery, Sharp also offers state-of-the-art treatment for multi-organ transplantation, hyperbaric medicine, and a level two trauma center.

Licensed to operate 1,870 beds, Sharp provides care to approximately 785,000 individuals annually, including more than 350,000 health maintenance organization enrollees.

At the end of the 2006 fiscal year, Sharp reported \$1.3 billion in assets and \$1.8 billion in net revenues. Approximately 35.7 percent of Sharp’s revenue is derived from senior and commercial capitated managed care contracts (premium revenues). Fee-for-service and managed care government-sponsored reimbursement (Medicare and Medi-Cal) account for approximately 41.8 percent of Sharp’s gross patient charges.

P.1a(2) In September 2001, Sharp launched The Sharp Experience, a performance-improvement initiative designed to transform the health care experience and make Sharp *the best place to work, the best place to practice medicine, and the best place to receive care*. Today, everything at Sharp, from strategic planning to performance evaluations to meeting agendas, is aligned with Six Pillars of Excellence: Quality, Service, People, Finance, Growth, and Community (Fig. P.1-1).



The Sharp Experience infuses Sharp’s Mission (Fig. P.1-1) by reconnecting the hearts, minds, and attitudes of its almost 14,000 team members, 2,000 volunteers, and 2,600 affiliated

physicians to purpose, worthwhile work, and making a difference. Sharp is creating the culture and discipline necessary to provide outstanding care and service.

Sharp HealthCare Mission Statement
To improve the health of those we serve with a commitment to excellence in all that we do. Sharp’s goal is to offer quality care and services that set community standards, exceed patients’ expectations, and are provided in a caring, convenient, cost-effective, and accessible manner.

Sharp HealthCare Vision Statement
*Sharp will **redefine the health care experience** through a culture of caring, quality, service, innovation, and excellence. Sharp will be recognized by employees, physicians, patients, volunteers, and the community as: *the best place to work, the best place to practice medicine, and the best place to receive care*. Sharp will be known as an excellent community citizen embodying an organization of people working together to do the right thing every day to improve the health and well-being of those we serve. Sharp will become the best health system in the universe.*

Sharp HealthCare Core Values
Integrity, Caring, Innovation, Excellence

Sharp HealthCare Six Pillars of Excellence
Quality, Service, People, Finance, Growth, Community

Sharp HealthCare Core Competency
Transforming the health care experience through The Sharp Experience (as symbolized by the flame)

Figure P.1-1: Sharp HealthCare Mission Statement (including Goal/Purpose), Vision Statement, Core Values, Six Pillars of Excellence, and Core Competency

At the inception of The Sharp Experience, more than 1,000 cross-functional employees voluntarily participated on 100 Action Teams. One team, the system’s Standards Action Team, created 12 Employee Behavior Standards to which all Sharp staff are held accountable (Fig. P.1-2).

<p>It’s a Private Matter Maintain Confidentiality To “E” or Not to “E” Use E-mail Manners Vive La Différence! Celebrate Diversity Get Smart Increase Skills and Competence Attitude is Everything Create a Lasting Impression Thank Somebody Reward and Recognition</p>	<p>Make Words Work Talk, Listen, and Learn All For One, One For All Teamwork Make It Better Service Recovery Think Safe, Be Safe Safety At Work Look Sharp, Be Sharp Appearance Speaks Keep In Touch Ease Waiting Times</p>
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Figure P.1-2: Employee Behavior Standards

To further define expectations, Sharp implemented the Five “Must Haves,” which are behaviors designed to positively impact customer, physician, supplier, and employee satisfaction (Fig. P.1-3).

1. Greet people with a smile and “hello,” using their name.
2. Take people where they are going.
3. Use key words at key times: “Is there anything else I can do for you? I have the time.”
4. Foster an attitude of gratitude.
5. Round with reason.

Figure P.1-3: Sharp’s Five “Must Haves” Reinforce Behaviors in all Interactions

Additionally, Sharp instituted Five Fundamentals of Service (AIDET) to shape positive experiences for its patients (Fig. P.1-4).

A	Acknowledge <i>Acknowledge people with a smile and use their names.</i>
I	Introduce <i>Introduce yourself to others politely.</i>
D	Duration <i>Keep in touch to ease waiting times.</i>
E	Explanation <i>Explain how procedures work and who to contact if they need assistance.</i>
T	Thank You <i>Thank people for using Sharp HealthCare.</i>

Figure P.1-4: Five Fundamentals of Service (AIDET) for Patient Interactions

Additionally, as a tool for employees to address and resolve customer complaints, Sharp developed a four-step service recovery process called **ACTT**: **A**pologize, **C**orrect the situation, **T**rack, and **T**ake action.

P.1a(3) Sharp’s work force includes almost 14,000 front-line clinical and support professionals and leaders in nine key workforce groups:

- Ambulatory
- Behavioral Health
- Home Care/Home Infusion
- Hospice Care
- Integrated System Support Services
- Inpatient
- Long-Term Care
- Partners/Suppliers
- Volunteers

Staff gender and ethnic diversity matches or exceeds that of San Diego County, as shown in Figure P.1-5.

Employees	% Women	% Minority
San Diego County	50%	49%
Sharp HealthCare	80%	49%

Figure P.1-5: Employee Diversity

More than 2,000 volunteers, primarily retirees, contribute throughout Sharp. They provide “meet and greet” services and assist in fundraising and the gift shops.

Approximately 2,600 physicians have privileges at Sharp hospitals, with more than 1,500 of these physicians providing ambulatory care through Sharp’s three affiliated medical practices.

Key requirements, expectations, and education levels by workforce group/segment, along with minimum required competencies and education, are detailed in employee job descriptions. They are reviewed and confirmed during the interview/recruitment process, at NEO upon a new employee’s arrival and during the employee’s annual evaluation.

Sharp employs more than 3,400 registered nurses who voluntarily participate in and are represented through a collective bargaining agreement. Sharp ensures a safe environment for customers, partners, suppliers, family members, and visitors through the deployment of health and safety standards (5.2b(1)). These requirements include department, entity, and system safe work-environment procedures, ergonomics, safety behavior standards, and safety committees, in addition to the employee assistance program, hazardous and biohazards material procedures, and the HEICS program that follows the principles of the ICS used by county, state, and local emergency responders.

P.1a(4) Sharp’s IT strategy deploys common, system-wide platforms for patient care, financial, and administrative excellence. This integrated infrastructure is aligned to support data collection and decision-making by employees, partners, suppliers, and patients. Over the past five years, Sharp has invested \$483 million in capital acquisitions and improvements to its health care facilities and technology, exceeding its depreciation and amortization for the period by \$193 million. In the next five years, Sharp plans to invest another \$519 million in facility and technology enhancements.

P.1a(5) Each Sharp entity complies with appropriate local, state, and national legal and regulatory requirements. Examples are shown in Figure P.1-6.

Entity/Service Type	Legal and Regulatory Requirements	Regulatory Level
Acute Care and Specialty Hospitals	State of California Department of Health Licensure and Certification	State
	CMS	Federal
	OIG	Federal
	OSHA	Federal
	FDA	Federal
	ACCME	Federal
	College of American Pathologists	Federal
	CARF	Federal
Affiliated Medical Groups	IRS	Federal
	California Department of Managed Care and AAAHC	State, Federal
Health Plan	Provider Organization Requirements by Contracted Health Plans	National, Regional, Local
	Approval of Commercial Insurance Companies	State
Long-Term Care Facilities	JC	Federal

Figure P.1-6: Legal and Regulatory Requirements

In 1998, Sharp established its Corporate Compliance Department to manage system-wide ethical standards required of employees, physicians, suppliers, and collaborators in compliance with the OIG and other state and federal agencies.

In fulfillment of its mission and not-for-profit status, Sharp provided nearly \$182 million in community benefit in fiscal 2006, including charity care, uncompensated care, under-compensated care, staff volunteer hours, and community-focused programs. Sharp submits an annual community benefit report summarizing these activities to the IRS and the state of California.

P.1b Organizational Relationships

P.1b(1) Sharp has incorporated its operations into separate, not-for-profit organizations. The parent company is the member or shareholder of the eight other corporations comprising Sharp. Sharp is governed by a 25-member board (1.2), including two ex-officio members and seven “Designated Directors,” who are on boards of Sharp entities or are physicians designated by the three Sharp-affiliated medical groups. Physicians comprise up to one-third of board membership. The Board has several active committees ranging from audit, compliance, executive, finance, IT, and marketing and communications to construction, quality, and nominating. The Board elects the 150 members of the eight Sharp entity boards, which oversee executive management teams responsible for operations, strategic initiatives, budget preparation, and capital expenditures of the respective entities.

P.1b(2) Sharp provides a wide range of health care services to more than 27 percent of the San Diego market (P.2). To enable Sharp to continue its mission of providing excellent, accessible care to all, Sharp focuses its efforts on attracting key market segment customers, identified through research to be vital to sustaining Sharp’s presence as the market leader. Target audiences include insured women between the ages of 25 and 54, who make the majority of health care decisions for themselves and their extended families; seniors age 65 and over, who are covered by traditional Medicare or a Medicare managed-care health plan; and the Hispanic population, which currently represents 29.6 percent of the San Diego market and is expected to grow to 35.7 percent by 2020. Sharp strives to build relationships with businesses, payors, brokers, and legislators.

To stay abreast of customer needs, Sharp conducts ongoing patient satisfaction surveys segmented by inpatient, outpatient, skilled nursing, emergency, medical group office visit, medical group urgent care, mental health, hospice, and home care (Fig. P.1-7).

Through an Intranet-based priority index provided by Press Ganey, Sharp’s satisfaction survey partner, team members

can identify top elements of dissatisfaction. Leaders use the priority index to educate and mentor staff regarding customer-desired behaviors and expectations.

Sharp identifies other requirements and expectations through a variety of listening and learning tools (Fig. 3.1-2). To evaluate its ability to meet employees’ needs and potential, Sharp conducts annual employee opinion surveys. Sharp measures its ability to exceed physicians’ expectations through annual physician satisfaction surveys mailed from Press Ganey. The Press Ganey database includes almost 1,500 facilities nationwide and almost 290 medical practices. The 2007 physician survey will be available online in Summer 2007 per medical staff request.

Customer Segment	Customer Requirements	Performance vs. Customer Requirements	Patient-Centered/Satisfaction	Patient-Centered Loyalty
Inpatient (IP)	Safe	7.1-6, 7.1-7, 7.1-10, 7.1-13, 7.1-14, 7.1-15	7.2-1, 7.2-4 to -10, 7.2-12, 7.2-13	7.2-16, 7.2-17, 7.2-18
	Evidenced-based	7.1-1 to 7.1-5, 7.1-16		
	Timely	7.5-16, 7.5-20, 7.1-23		
	Efficient	7.3-7, 7.5-8, 7.5-23		
	Equitable	7.5-26		
Outpatient (OP)	Safe	7.1-7, 7.1-8	7.2-1, 7.2-2, 7.2-4	7.2-16, 7.2-17
	Evidenced-based	7.1-11, 7.1-17, 7.1-18 to -21		
	Timely	7.1-23, 7.5-16, 7.5-19, 7.5-20,		
	Efficient	7.3-7		
	Equitable	7.5-26		
Emergency Department (ED)	Safe	7.1-7, 7.1-6	7.2-1, 7.2-2, 7.2-13	7.2-16, 7.2-17
	Evidenced-based	7.1-16		
	Timely	7.1-16, 7.5-14, 7.5-16, 7.5-19, 7.5-20		
	Efficient	7.3-3, 7.3-7, 7.5-21		
	Equitable	7.5-26		
Stakeholder Broker (B), Payor (P), Supplier (S)	Accurate	7.5-9	7.2-14, 7.2-20	7.2-21
	Timely	7.3-6, 7.5-21, 7.5-24		

Figure P.1-7: Key Customer Requirements

P.1b (3) Because of their vital role in providing and supporting quality clinical care to patients, suppliers are viewed as both partners *and* customers. Sharp makes 36 percent of its total controllable procurements and purchases from ten key partners/vendors and key suppliers, including:

Key Partner/Vendors:

- Rich Badami & Assoc.
- Cardinal Health
- Cerner
- GE
- Owens & Minor
- Premier
- Sodexo
- SRSMG/SMPMG

Key Suppliers:

- Bard
- Corporate Express
- Kimberly Clark
- Standard Register

Sharp’s supply chain supports the continuum of care by providing medical and non-medical products and equipment, pharmaceuticals, food, linen, and services. Sourcing and contracting are strategic to managing Sharp’s supply chain. Sharp leverages its Premier GPO relationship to achieve cost management goals. Additionally, Sharp partners with industry leaders for medical/surgical, office, laboratory, radiology, and pharmaceuticals/automation products. Supplier management includes business reviews, supplier certification, adherence to Sharp’s *Commitment to Principles*, and objective performance measures. Safety, timeliness, efficiency, and accuracy are Sharp’s most important supply chain requirements (Fig. 6.1-4).

Major health plans, including Blue Cross, HealthNet, PacificCare, and Secure Horizons, supply another critical component of Sharp’s health care delivery. From commercial and senior plans, they provide approximately 79 percent of Sharp’s capitated revenue (fixed amount of money per member paid in advance for care delivery). Additionally, the Sharp organization includes SHP, which focuses primarily on providing health care coverage to small businesses and Sharp employees. SHP provides 11 percent of Sharp’s total capitated revenue.

P.1b(4) Sharp considers its physicians as partners. With two of its affiliated medical groups, Sharp supplies facilities and staff to support the medical practices and contracts with the physicians in risk-sharing arrangements. Additionally, Sharp has a contract relationship with its independent practice association, SCMG. Additionally, Sharp is affiliated with numerous independent private practice physicians who practice at Sharp hospitals.

Sharp has other supplier and partnering relationships with many manufacturers, distributors, contractors, and service providers. Scheduled two-way and ad hoc communications are frequent and collaborative by meetings, email, telephone, pager, fax, EDI, and written correspondence; at face-to-face or group meetings; and via industry communication opportunities (e.g., conferences, trade shows, educational forums). Communication with Sharp-affiliated physicians occurs through bi-monthly, system-wide medical staff leadership meetings, entity medical executive and committee meetings, physician newsletters, department Six Pillars bulletin boards, Intranet, email, and traditional mail. Time-sensitive information is communicated through fax “blast.” System and entity communication action teams meet monthly to determine what messages need to be communicated to physicians, employees, and volunteers. Medical staff leaders are invited to participate in All-Staff Assemblies and quarterly Leadership Development Sessions.

For payors, brokers, and legislators, Sharp hosts a dedicated page within Sharp.com, sponsors special luncheons and after-hours updates, and distributes monthly legislative notices. In three of the past five years, Sharp has hosted a luncheon for business and community leaders to share system performance improvement learning and The Sharp Experience. Sharp executives also teach and make presentations to universities, professional organizations, and community groups.

P.2 ORGANIZATIONAL CHALLENGES

P.2a Competitive Environment

P.2a(1) San Diego County, with a population of almost three million, is a highly competitive marketplace for quality health care. Sharp is San Diego’s largest IDS, serving more than 27 percent of the marketplace. The closest competitor is Scripps Health with 22 percent market share (Fig. P.2-1).

Health System	2002	2003	2004	2005
Sharp HealthCare	25.01	25.94	26.99	27.27
Scripps Health	23.07	22.93	21.98	22.18
Palomar-Pomerado Health	10.23	10.45	10.69	10.68
UCSD Healthcare	6.78	6.71	6.84	6.51
Kaiser Foundation Hospital	10.30	9.94	9.69	9.62
All Others	24.61	24.03	23.81	23.74

Figure P.2-1: Key Competitor/Market Share Comparison

Sharp collaborates with other leading organizations in a number of ventures and activities, including:

- AHA
- American Stroke Association
- Grossmont College
- Institute for Healthcare Improvement
- San Diego Patient Safety Consortium
- SDSU
- University of San Diego
- UCSD

P.2a(2) As part of the Strategic Planning Process, Sharp identified seven key Critical Success Factors (Fig. P.2-2).

- CSF 1:** Vigorously define, measure, and communicate clinical and service excellence.
- CSF 2:** Build lasting relationships with/among physicians and affiliated medical groups.
- CSF 3:** Increase patient and community loyalty.
- CSF 4:** Attract, motivate, maintain, and promote the best and brightest health care work force in San Diego.
- CSF 5:** Pursue innovation in clinical programs, information/support services, and products.
- CSF 6:** Balance long-term capital availability and capital requirements.
- CSF 7:** Enhance the organization’s ability to make timely, collaborative decisions to ensure progress on system goals.

Figure P.2-2: Critical Success Factors (CSFs)

These CSFs serve as the foundation for the system's Goals and Vision and the entities' strategy development under the Six Pillars of Excellence.

Sharp enjoys a strong community presence in San Diego with a centrally-located hospital, other hospitals located in some of the fastest-growing areas of San Diego County, hundreds of physician offices spread throughout the region, and conveniently located outpatient and urgent care facilities.

As part of Sharp's goal for an outstanding environment in which to practice medicine through a focus on service, quality, safety, and technology, Sharp is implementing a system-wide hospital EMR with CPOE and an ambulatory EMR. Additionally, Sharp-affiliated medical groups have employed various strategies to enhance the patient experience, such as establishing cross-functional physician/staff action teams, recognizing physician leaders who share best practices among their peers, engaging organizational change and service excellence experts, and embracing suggestions for change.

Sharp has faced a number of key industry changes and government mandates and has made significant organizational and operational changes to ensure its compliance and leadership position (Fig. P.2-3).

- State-mandated nurse-to-patient staffing ratios
- California seismic safety standards
- Public reporting of quality and safety indicators
- Federal and state funding reductions in Medicare/Medicaid (Medi-Cal)
- Proposed universal care legislation for the state of California
- Patient charge transparency and charity care
- Consumer-driven health care

Figure P.2-3: Key Industry Changes and Mandates

P.2a(3) Sharp incorporates available health care and other industry data into its strategic planning and benchmarks. These are described in depth in Category 2.

P.2b Strategic Challenges and Advantages

Sharp faces many of the same challenges as other health care organizations:

1. Capacity issues/patient access
2. Limited capital depth and margins (capital constraints)
3. Operational costs
4. Aging infrastructure
5. Workforce shortages
6. Ability to create a culture of service excellence

Advantages that Sharp can leverage include:

1. Core competency—The Sharp Experience, Sharp's initiative to transform the health care experience
2. Innovation—see Sharp Pioneering "Firsts" (available onsite)
3. Market strengths—see market share results in 7.3a(2)
4. Employer of choice—see EOS survey results in 7.4

5. Community support—see community benefits in 7.6a(5)
6. Clinical excellence—see health care results in 7.1a(1)
7. Operational success—see financial performance in 7.3a(1)

These advantages help Sharp sustain its facilities, equipment, people, finances, data, and supplies to, in turn, support Sharp's delivery of health care services to its patients.

P.2c Performance Improvement System

In 2004, Sharp committed to evidence-based performance improvement using DMAIC as the performance improvement process (Fig. 6.2-1). The organization has enrolled employees, customers, partners, suppliers, and collaborators in a culture of performance improvement to enhance patient safety,

quality outcomes, and service excellence. Project teams analyze operational and financial data to meet goals under each Pillar.

When you see the following symbol throughout this application, it signifies the use of DMAIC:

- D – Define
- M – Measure
- A – Analyze
- I – Improve
- C – Control



Over the past four years, Sharp has employed LSS, and is now in Wave Five of a system-wide implementation. Sharp also uses tools such as Rapid Action Project method, Kaizen Bursts, C.A.P. and Work-Out™ to eliminate waste in processes, manage change effectiveness, and improve operations. Success toward Sharp's Vision is executed through the LS (Fig. 1.1-1) and measured through goals and targets approved by leadership and the governance boards.

Performance data and results are systematically aggregated and analyzed through the Performance Measurement System (Fig. 4.1-1). The Report Card indicators provide a common focus for leaders, employees, suppliers, collaborators, and partners. Goals use targets derived from national, state, and regional benchmarks, or internal benchmarks when external comparisons do not exist or are not available. The Report Card is a subset of a broad number of measures contained in Pillar and departmental dashboards used for process management. This systematic review of performance provides for integrated effort and repeated cycles of improvement as gaps in performance are noted. The frequency of these reviews and improvement cycles provide for organizational agility.

CATEGORY 1: LEADERSHIP

1.1 SENIOR LEADERSHIP

1.1a Vision and Values

1.1a(1) Through the Strategic Planning Process, Sharp leadership translates its Mission and Vision into strategic goals organized by the Six Pillars of Excellence (P.1). Establishing goals by Pillar ensures a balanced focus for patients, employees, physicians, volunteers, supplier partners, and the public. Sharp's Core Values define expectations of character from all employees, volunteers, and business partners. Sharp's Five "Must Haves" and Behavior Standards set the baseline for a common culture of respect and excellence among employees, volunteers, and partners throughout the system.

During the Strategic Planning Process, Senior Leaders define strategic goals and targets by Pillar, including The Five-Year Plan development (2.1). Senior Leaders update key strategies on an annual basis. The translation of strategic goals into annual performance goals is recommended by the Accountability Team and approved by Executive Steering. Senior Leaders are the primary drivers of strategic goals, annual performance objectives, and organizational priorities. Senior Leaders, managers, and employees participate in the process, translating annual system and entity goals into departmental Pillar goals. Sharp's Performance Measurement System (4.1) measures monthly and quarterly performance via system and entity Report Cards and Dashboards (2.1). Each Senior Leader's personal performance appraisal is aligned with system goals and respective entity annual goals. Furthermore, Senior Leaders are expected to exhibit the Core Values, Behavior Standards, and Five "Must Haves," and serve as role models for employees, volunteers, physicians, suppliers, and partners.

1.1a(2) Integrity is one of Sharp's Core Values. Senior Leaders communicate the expectation of ethical behavior in every interaction with staff. Senior Leaders require every employee to review the *Commitment to Principles* handbook annually and to certify by signature that they understand and will comply with Sharp's Commitment to Principles. Compliance of all regulations and requirements is communicated through policies, procedures, and training; tested through audits, feedback mechanisms, and contracts and agreements; and reinforced through appropriate corrective actions and with required computer-based training by all staff on ethics, compliance, safety, and patient privacy. Senior Leaders remind staff of the availability of the Compliance Hotline and encourage reporting concerns of non-compliant activities by providing a safe and confidential environment. The Compliance Officer

reports directly to the Audit and Compliance Committee of the Board, monitors the hotline, and reports activity to Senior Leaders. These reports result in action plans that are followed up by Compliance and Internal Audit officers (7.6-5). Additionally, audit outcomes are shared across the system to propagate learning and best practices.

Senior Leaders expect a commitment to ethical behavior from every supplier/partner and collaborator. They are required to support the culture of excellence by signing the *Commitment to Principles* handbook. The *Guide for Suppliers* reinforces the Mission, Vision, and Core Values of Sharp. Suppliers/partners routinely share organizational best practices with Sharp Leadership during day-to-day interactions and business-review sessions. To ensure contracts are executed ethically and based on standards, Senior Leaders require major contracts with external companies be processed and reviewed through the contracts/legal department. Additionally, ethical contracts are facilitated by standardized terms and conditions. A system contracts legal committee meets to review issues identified, discuss options to address the issues, and integrate the learning throughout the system. Senior Leaders support the accomplishment of Sharp's Mission, Vision, strategic objectives, and organizational performance improvement through the Leadership System (Fig. 1.1-1).

1.1a(3) Executive Steering and CEO Council meet weekly to review and update performance by Pillar, act on new initiatives and innovative ideas, and swiftly address issues with a consistent message and direction. Following this system meeting, Senior Leaders meet weekly at each entity to share strategic objectives, innovation, and learning from the Executive Steering and CEO Council meetings, review entity-specific performance by Pillar, and address issues critical to performance. Although the medical staff has its



Figure 1.1-1: Leadership System (LS)

own governance model, chiefs of staff and medical directors are engaged by the entity's CEO for medical staff leadership and are involved members of the entity's leadership team. Quarterly, chiefs of staff meet with CEOs to share system issues and integration opportunities.

Senior Leadership establishes and promotes extensive formal and informal educational opportunities to encourage organizational agility and learning at the entity and system levels (Fig. 5.1-2). Organizational learning is facilitated through the Sharp University, including quarterly LDS, annual All-Staff Assemblies, NEO, New Leader Orientation, Service Basics, and Physician Leadership Development. Executive Steering uses quality tools to determine and approve content for quarterly LDS to ensure organizational values, direction, and expectations are consistently deployed. Sharp Leaders are active participants and presenters at these sessions. Prior to each LDS, learning goals and objectives are communicated to all staff. After each session, upward and downward communication is promoted by asking staff to talk to their respective Sharp Leaders about session learnings and providing Sharp Leaders with talking points, available on the Intranet, to share with their staff. Sharp Leaders leave each session charged to complete two session learnings included on an Accountability Grid. This "homework" ensures new practices are aligned and integrated throughout the system.

Sharp sponsors the Nursing Leadership Academy for nursing leadership education, physician and staff continuing education offerings, and an annual \$1,000 educational fund per employee for external education. The system's annual Patient Safety Symposium is designed to share best practices and foster learning of quality improvement tools. The CME department sponsors educational activities for physician partners, vendor partners, and all professional staff. Finally, employee-led Action Teams present tested solutions at Executive Steering meetings, LDS, and Employee Forums (held regularly at each entity for all staff). These teams share different approaches to achieve Pillar goals with Trailblazer of Excellence presentations. Action Teams deploy monthly Behavior Standard tool kits to facilitate teaching and learning among staff and tackle PI initiatives.

Sharp and its Senior Leaders actively participate with focused learning organizations, such as The Advisory Board, Premier Supply Chain Breakthrough Series, the Scottsdale Institute, CHMR, and SG2 to spark innovation. Sharp's IRB supports and manages more than 320 research studies through which physicians and clinicians advance patient care. Additionally, Sharp Leaders personally participate in succession planning through system and entity steering committees (5.1b(4)).

1.1a(4) Senior Leaders create and promote a culture of patient safety through the Patient Safety Plan under the Quality pillar. Through this plan, Senior Leaders have created an environment of transparency and cross-system information sharing, anonymous and blame-free error reporting, and disclosure and transparency for patients and families. They set safety goals annually as part of the system Report Card, tying leader financial incentives to safety practices and outcomes. Importantly, Senior Leaders created and lead the

system safety steering committee, which is charged with executing the strategic plan for patient safety.

1.1b Communication and Organizational Performance

1.1b(1) Sharp's Vision, Values, and Goals are formally documented and conveyed per the Communication Plan (Fig. 1.1-2). Communication follows a standard format with a consistent message. Meetings start with a reflection (an inspirational quote) to set the tone and reinforce a culture of excellence. Quarterly LDS, Employee Forums, and monthly department/unit staff meetings afford leaders the opportunity to compare progress to system and entity goals and reinforce strategies to drive results.

Sharp Leaders use consistent talking points to ensure a cohesive message (Fig. 1.1-2). Employees, volunteers, and physicians celebrate their success at the annual All-Staff Assembly and renew their commitment to Sharp's Mission, Vision, and Core Values. Intranet postings, communication bulletin boards, emails, internal newsletters, and letters from the CEO reinforce the message of excellence. Upward communication and the evaluation of methods are fostered through ad hoc focus groups, annual opinion surveys, leadership sessions and employee forum evaluations, suggestion boxes, formal meeting evaluations, email to CEOs, and department/unit level staff meetings. The "Ask Mike" box located within the corporate office enables staff to submit questions they would like answered by the system's CEO or other Senior Leaders via entity newsletters or Employee Forums.

A comprehensive reward and recognition program is in place throughout the organization. All Sharp Leaders have a commitment to write and send personal thank-you notes to employees' homes to acknowledge when great efforts are exhibited. Annually, Senior Leaders identify and award the individuals, departments, and teams that exemplify The Sharp Experience by Pillar with C.O.R.E. Awards. From entity C.O.R.E. Award winners, a system team selects the annual Pillar of Excellence Award winners. These awards are given by the Senior Leaders at the All-Staff Assembly.

1.1b(2) Senior Leaders use leadership goal-setting activities, as well as the annual performance evaluation process, to communicate and reinforce Sharp's goals. Annually, each manager must identify "stretch" goals driven from entity and system goals by Pillar. Quarterly, managers complete a 90-day Action Plan to report accomplishment of specific tasks for the previous 90 days associated with hardwiring new behaviors and strategies targeted for improvement. Sharp Leaders perform Rounding With Reason to validate values and direction, solicit two-way communication, provide recognition, build personal relationships, and ensure customer/partner satisfaction (Fig. 1.1-2). Finally, Sharp Leaders round with staff, volunteers, suppliers, and partners for problem-solving, cost reduction assistance, process improvements, and recognition of staff exceeding patient expectations.

Sharp employs a well-defined Leadership System (Fig. 1.1-1) to ensure accomplishment of organizational objectives. This

When	How (↑↓ Communication)	Audience	Message Points
Every Year	Off-site Planning ↑↓	Senior Leaders, Board	Strategic planning assessment and direction
	All-Staff Assembly ↑↓	Employees, Physicians, Suppliers, Partners	CEO end-of-year Report Card update; best practice learning; Pillar of Excellence Awards
	Employee Satisfaction Survey ↑	All Employees	Employees communicate likes/dislikes to leadership in a safe, anonymous environment; recommendation for change
	Physician Opinion Survey ↑	All Physicians on Medical Staff	Physicians communicate likes/dislikes to leadership in a safe, anonymous environment; recommendation for change
Every Quarter	LDS ↑↓	Sharp Leaders	Performance update; best practice sharing; education; reward and recognition
	Supplier/Partner Review ↑↓	Suppliers, Partners	Performance update; best practice sharing
	Employee Forums/ Communication Expos ↑↓	Employees	Performance update; best practice sharing; education; reward and recognition
Every Month	Dept. Meetings ↑↓	Employees	Performance update; best practice sharing; education; reward and recognition
	Quality Councils ↑↓	Employees, Physicians	Performance improvement activities, progress on goals and action plans
	Report-Out ↑↓	Leaders, Teams	Performance update; best practice sharing; education
	Action Teams ↑↓	Employees	Plan updates, education initiatives, organizational improvement
	Med. Staff Leaders ↑↓	Physicians	Performance updates; operational issues, clinical issues
	Operations Meeting ↑↓	Leaders, Physicians	Best practice sharing and process improvements; coordination of tactics
	Medical Executives ↓	Physicians	Governance of medical staff, peer review, and strategies coordination
	Board Meetings ↑↓	Board Members	Business of the health system; Pillar performance
Bi-Monthly	Entity Newsletters ↓	Employees, Physicians	Breaking news; performance updates; education
	<i>Experience Sharp</i> Newsletter ↑↓	Employees, Physicians	System and entity feature stories and news; employee of the month recognition; employee pulse survey on interesting topics
Regular	Chiefs of Staff ↑↓	Physicians	System initiatives, best practices, and planning
	CEO Letters ↓	Employees	Company news and happenings
	Newsletters, News Articles ↓	Employees	Breaking news; event and class information; links to Sharp mentions in the news; new policies and procedures; recognition
	Global Emails ↓	Employees	Major announcements (re: clinical/operational updates, critical issues, etc.)
	Sharp Intranet, Web-based Tools ↑↓	Employees	Regularly updated information and resources (e.g., Policies and Procedures, Dashboards, benefits and payroll, and training)
Every Day	Thank You Notes ↑↓	Employees	Regularly communicate appreciation to team members
	Rounding With Reason ↑↓	Customers, Partners, Employees	Walk units and connect with customers/partners; identify successes/concerns; reward and recognition

Figure: 1.1-2: Organization Communication Plan

(Shading denotes validated two-way communication)

process is complementary, yet different, from the PI model used for specific quality improvement endeavors (Fig. 6.2-1). Sharp’s organizational performance process focuses on action and ensures performance expectations are achieved. This process emanates from key stakeholders who live the organizational Core Values. A framework of continuous action begins with Senior Leaders setting organizational direction derived from the outcome of the Strategic Planning Process (Fig. 2.1-1). Action plans are developed and aligned with key constituents within the organization. Performance achievement is a result of successful plan implementation and results in employee development, reward, and recognition. The ultimate outcome is improved organizational performance. Essential to this continuous process is communicating and building commitment to organizational

goals and objectives, deploying of resources to support action plans, conducting periodic progress reviews coupled with mid-course corrections as necessary, acknowledging individual and collective successes, and continuous elevation of organizational performance standards through inspiration and leadership.

Sharp’s fostering of risk-taking and innovation, combined with the desire for excellence, provides a foundation for the commitment to become the best place to work, practice medicine, and receive care. This culture of innovation advances the system toward its goals. Historically, Sharp has been the first in the region to adopt new health care technology, such as the mechanical heart, stereotactic radiosurgery, and robotic surgery. Sharp pioneered a point-of-care EMR in 1985, virtually unheard of at that time, and

still rare. Using LSS, DMAIC, C.A.P., and Work-Out™, Sharp is improving performance in complex and multi-faceted areas. Additionally, Sharp publishes patient safety performance to serve as a baseline for improvement. System and entity dashboard performance measures are released monthly and quarterly across the organization.

Senior Leaders through the LS build and balance value for all Sharp’s customers within an environment of transparency, empowerment, innovation, agility, and ethical behavior by:

- Collaborating with suppliers and partners, including start-up companies and joint ventures, providing opportunities for innovation both in products and service.
- Setting and maintaining a culture of openness for innovation and an infrastructure of staff empowerment and learning, fostering continuous system agility and risk taking (e.g., LSS deployment). Improvement goals are driven internally and externally (e.g., supplier opportunities, market and workforce changes, regulatory agencies, and customer satisfaction). Entity quality councils originate clinical quality improvement changes and system leadership originates business practice changes as part of the Strategic Planning Process. Quality Council membership includes physician partners/executive leaders and entity/system clinical leaders.
- Establishing and supporting cross-functional teams involving a significant percentage of the system/entity employees’ and physicians’ regular participation. Each team’s charter is to generate and implement creative solutions for targeted results, which are reviewed annually for alignment and integration with system goals.
- Establishing system goals to balance value for employees, customers, partners, physicians, volunteers, and other stakeholders (Quality, Service, and People Pillars) with the organization’s performance expectation (Finance, Growth, and Community Pillars).
- Empowering financial decision-making within a decentralized environment, enabling leaders to take financial risks to test and invest in innovative solutions. When successful, these inventive solutions are shared and propagated across the system.

1.2 GOVERNANCE AND SOCIAL RESPONSIBILITIES

1.2a Organizational Governance

1.2a(1) Sharp is governed by a 25-member Board, including two *ex officio* members. *Ex officio* members of the Board serve by virtue of their positions within Sharp and include the President and CEO of SHC and the Chairman of the SHF. All Board members vote on matters considered by the Board subject to conflict of interest policies. Regular meetings of the Board are held monthly. In addition to the *ex officio* members, one board member from each of the acute-care hospital entities is designated by their respective boards. Additionally, a physician member is appointed by each of the three affiliated medical groups. The remaining members are elected by the Board for three-year terms from a slate of nominees presented. Up to one-third of the members of the Board may be physicians. At present, seven members of the Board are physicians.

The Board approves Sharp’s strategic plan and continuously monitors management performance against the plan including fiscal accountability, regulatory and legal compliance, and accreditation. The Board has created key committees that use the LS to ensure accountability for critical responsibility areas and drive results (Fig. 1.2-1). Each operating entity has a board of directors made up of lay leaders in the community and physician providers. These community boards serve as stewards of the public asset and ensure the needs and concerns of the community are addressed, including reviewing and granting privileges of medical staff commensurate with qualifications. Additionally, the community boards require their medical staff provide mechanisms designed to achieve transparency and maintain high standards of medical practice, ethics, safety, and patient care.

Using the Leadership System (Fig. 1.1-1)		
Committee	Responsibility	Timing
Audit and Compliance	Transparency, Independence in Audits, Ethical Oversight	Quarterly
Construction	Management Accountability, Fiscal Accountability	Quarterly
Finance	Management Accountability, Fiscal Accountability	Monthly
IT	Management Accountability, Fiscal Accountability	Quarterly
Litigation	Transparency, Management Accountability, Litigation Oversight	Quarterly
Nominating and Bylaws, Personnel and Executive	Governance, Transparency in Operations, Disclosure, Management Accountability	At Least Annually
Marketing	Management Accountability	Bi-Monthly
Quality	Protection of Stakeholder Interests	Quarterly

Figure 1.2-1: Management Accountability

1.2a(2) Formal performance management reviews occur annually for all leaders against the annual strategic performance goals approved by the Board. The Board evaluates and provides input to future development plans of Senior Leaders. Peers also are asked for input during management review of Senior Leaders. In addition to annual reviews, Senior Leaders regularly share their performance against annual targets at board meetings and staff meetings.

Recognizing governance quality depends on Board members’ practices and behaviors, Board members undergo an annual self-assessment. This self-assessment measures each member’s individual and overall Board performance regarding attendance, privacy and conflicts of interest understanding, industry knowledge, continued education participation, succession planning, and commitment to and involvement in leadership oversight. Results are systematically used to improve and change Board performance.

1.2b Legal and Ethical Behavior

1.2b(1) Numerous indicators are measured consistently to meet or surpass all requirements for regulatory, legal, and accreditation (Fig. 1.2-2). Furthermore, community assessment and proactive thinking are integral to Sharp’s system and entity strategic planning (Fig. 2.1-2). When faced with the regulatory requirement to provide seismic retrofit at each acute-care hospital, Sharp expanded this effort to include a comprehensive strategic master plan. This plan consists of a needs assessment for present and future health care, which has provided direction for facility modernization and service delivery.

Process	Measure	Goal
Compliance Training	Compliance Indicators (7.6-5), Training and evaluations timeliness (7.6-5, 7.6-6)	100 percent employee training completed annually
Disaster Recovery	Semi-annual disasters simulations	Minimal recovery time post disaster
Environment of Care Safety Survey	Environmental care rounds	100 percent compliance to indicators
External Audits	Audit opinion letter	Clean audit opinion
Infection Control	Number of bloodstream infections (7.1-13), Employee compliance with annual TB screening, Appropriate handling of medical waste	Reduced bloodstream infections and ventilator associated pneumonia, Reduced spread of TB, 100 percent compliance handling of waste
Internal Audit	Internal Audit reports	Effective process controls
Patient Privacy	HIPAA Violations (7.6-7)	No HIPAA Violations
Patient Safety Monitoring	RoMACC (7.1-7)	Exceptional regulatory reviews (e.g., JC), AHRQ Patient Safety (7.1-15)
Quality	Public reporting of quality data (7.1, 7.5)	Continuous improved outcomes
	Denials (7.5-9)	Timely reports/billing records

Figure 1.2-2: Key Compliance Processes

1.2b(2) From patient interactions to business transactions, ethical behavior is an imperative standard discussed in the *Commitment to Principles* handbook and managed by the Compliance Department. Compliance is communicated through policies, procedures, and staff training; achieved through audits, feedback mechanisms, and contracts and agreements; and reinforced through appropriate corrective actions and annually with all employees through computer-based training on ethics, compliance, and patient privacy. All ethics and compliance education and training include how and when to refer issues to the Compliance Department or Legal Department, a review of what constitutes a conflict or violation, mechanisms for reporting issues, abuses, and fraud, and expectations of individual responsibility. The process for managing ethical behavior is as follows:

1. Identify areas at risk.
2. Implement appropriate training and/or process

improvement actions and controls to mitigate risks.

3. Monitor and evaluate results through internal audits and the activities of safety and compliance officers.
4. Respond to breaches with immediate corrective action, re-evaluate the process, and monitor training.

Entity ethics committees actively participate with families/ caregivers to address clinical ethics issues and patients’ rights. Members educate and serve as a resource for clinical decision-making by patients/families and health care providers. The Audit and Compliance Committee systematically analyzes internal and external ethics and compliance behavior, including those relating to fundraising and lobbying activities. The IRB ensures the safety of human subjects for any research conducted at Sharp hospitals. Sharp exceeds required regulatory and legal compliance to attain a level of integrity-driven performance by evolving its business culture, embedding compliance into core processes, deploying performance measures, and leveraging technology.

1.2c Support Key Communities/Community Health

Through the Strategic Planning Process, Sharp identifies key communities in San Diego (3.1) and key services important to health maintenance within these communities (P.1a(1)). Supportive data for these analyses include demographic data and disease indices. Assessments are scientific and rigorous in their approach. Most methods include prioritization among competing health issues using objective rating scales corresponding to the seriousness, size, and level of community concern about the health issue. Outcome of Sharp’s community health needs assessment is documented in the Community Benefit Plan report submitted annually to OSHPD. This report reflects the economic value of services provided to the community in areas of: cost of medical care services for un/under-insured patients, cost of support provided to vulnerable populations, cost of service provided to the broader community, and health research, education, and training programs. Year over year, there is consistent growth in the economic value of services provided by Sharp to the community (7.6-15).

Sharp Leaders actively participate in for-profit and not-for-profit organizations that represent the needs of Sharp’s key communities and customers. This participation provides valuable access to health-needs assessment information while offering Sharp the opportunity to support and strengthen its community. The process to support key communities uses input from listening and learning posts and applies a decision-making process to determine whether Sharp’s participation: a.) aligns with Sharp’s Mission and Goals, b.) makes a difference, c.) is affordable, and d.) is consistent with stakeholder needs. Support is then deployed in alignment with the Community Pillar and results are measured through the Community Benefits Report. Additionally, Sharp offers ongoing education to elected officials, insurance brokers, and key community leaders. This involves the development, deployment, and coordination of internal, legislative, and community initiatives that improve health care delivery.

To underscore the importance of community citizenship and to represent employees’ responsibility in strengthening the

health of key communities, Sharp established the Community Pillar.

Sharp’s involvement in San Diego’s well-being is comprehensive:

- When key community health issues or new health threats are identified, Sharp collaborates with appropriate public officials for safe, evidence-based, patient-centered, timely, efficient, and equitable resolution.
- Sharp’s leaders serve as board members on many community organizations.
- Sharp’s comprehensive environmental, health, and safety management program, including emergency/disaster management (5.2b(1)), ensures a safe and secure environment for customers/partners.
- Staff and leaders present a strong showing of support and participation each year in community fundraisers.
- Sharp hosts many free community preventive health offerings, such as flu shots, lectures, and screenings.
- Sharp offers the Weight Management Health Education program providing health maintenance to employers and employees and free, weekly programs to the community.

Additionally, managers are encouraged to donate a minimum of 22,000 collective hours annually to community service.

CATEGORY 2: STRATEGIC PLANNING

2.1 STRATEGY DEVELOPMENT

2.1a Strategy Development Process

2.1a(1-2) Executive Steering initiated a strategic planning effort in 1999 to refocus Sharp’s direction, and maintain and enhance its position as San Diego’s health care leader. The Board and senior management sought input from national

health care and other best-practice service organizations to transform Sharp from a *good* health care system to a *great* one. This good-to-great focus became the cornerstone of Sharp’s Strategic Planning Process.

The comprehensive, system-wide Strategic Planning initiative involved system and entity management, physicians, volunteers, and Board leadership. The process focused first at the system level, with a reassessment of Sharp’s Mission and Values. Next, the forces that impact Sharp’s success were evaluated through an extensive internal and external market assessment. The market assessment led to a SWOT at the system level. The system SWOT became the basis for developing Sharp’s seven CSFs (Fig. P.2-2), and led to development of six Goal Statements and a Vision Statement. Upon completion of system Goals, corporate and operating entities initiated development of specific strategies and action plans to support Sharp’s Vision. Each organization performed an entity-specific market assessment and SWOT, which became the basis for the organization’s strategies and action plans. Additionally, the hospital entities began a coordinated Master Site Planning process to determine the long-range health care needs of their local communities. Entity planning teams also reviewed and provided input into the system’s Mission, Vision, Values, CSFs, and Goals, ensuring a shared and supported strategic direction. Entity planning teams included management, physicians, volunteers, and boards.

This Strategic Planning Process resulted in “top-down” direction-setting and identification of system Goals, as well as “bottom-up” planning founded on the environmental analysis and identification of issues and opportunities for each entity. Today, Sharp’s annual Strategic Planning Process

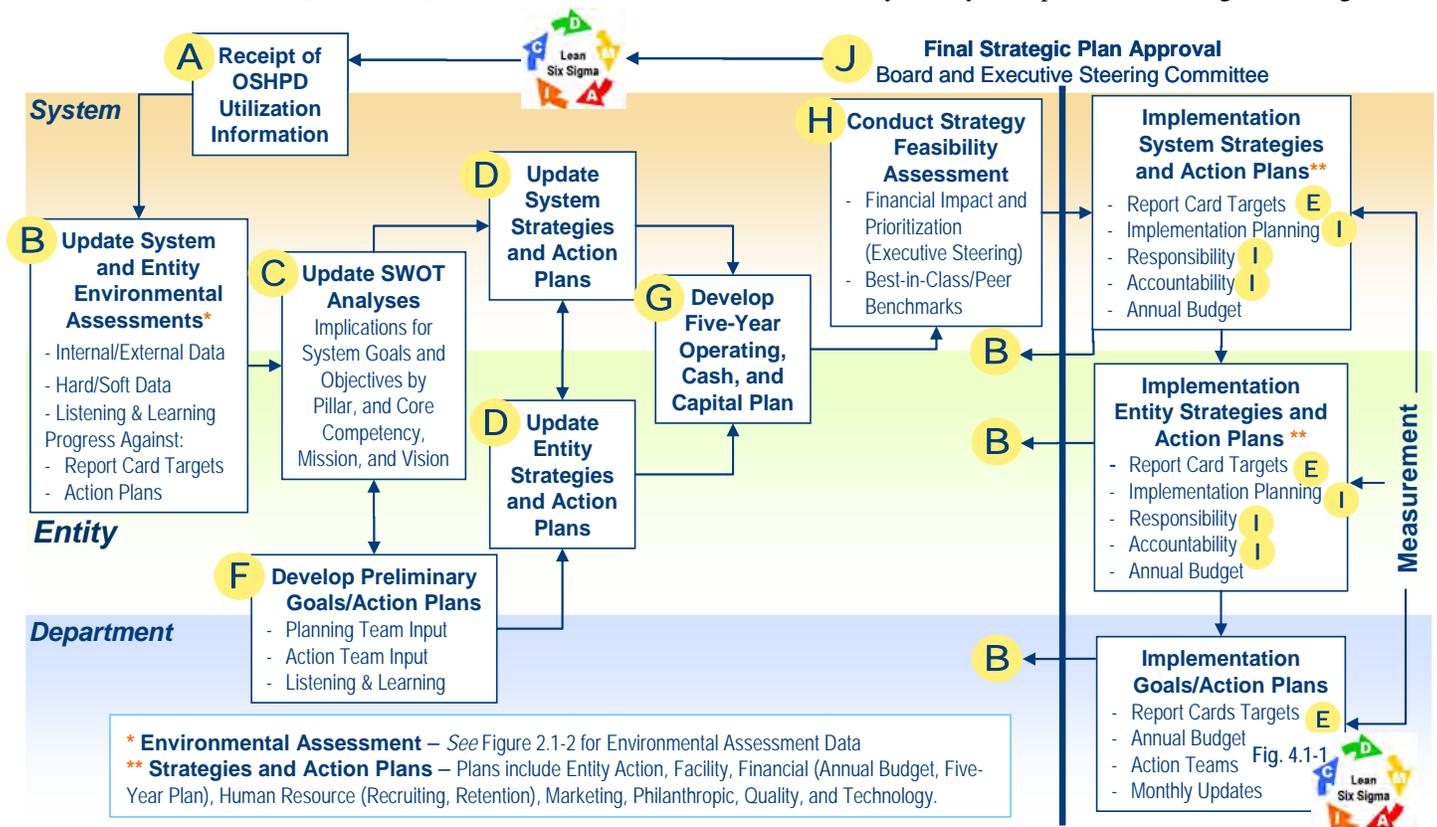


Figure 2.1-1: Strategic Planning Process

(Fig. 2.1-1) is founded on the Mission, Vision, Values, and Goals determined in the good-to-great effort started in 1999. This process incorporates strategic, financial, technology, human resource, philanthropic, marketing, facility, and quality planning to ensure Sharp's strength and viability and enhance its position as San Diego's health care leader. Over the 12-month planning cycle, departments, entities, and the system prepare integrated plans, which include a five-year (long-term) horizon and an annual (short-term) focus. Executive Steering selected the five-year horizon as its long-term planning period, as the industry is one of rapid change. A one-year planning period was chosen as Sharp's short-term planning horizon to coincide with annual budget process.

To effectively align the organization with Sharp's Goals, the six Goal Statements were transformed into the Six Pillars of Excellence. Measurable objectives are established within each Pillar for each year of the five-year long-term planning horizon. Year One targets are defined and published in a System Report Card (Fig. 2.1-4). Results are measured and analyzed monthly, quarterly, or annually, as applicable. Progress is presented against the target and successes are recognized and celebrated. For areas not improving, action plans are developed.

The annual Strategic Planning Process begins in June upon the release of OSHPD hospital utilization information (A). The system Strategic Planning department updates the system and entity environmental assessments with OSHPD data, as well as other surveillance information (Fig. 2.1-2), including an evaluation of Sharp's progress toward reaching short-term

and long-term Report Card targets and customer and partner input from listening and learning tools (Fig. 3.1-2) (B). Competitor assessments are made through publicly reported information and other reliable sources, including market evaluations, future growth plans, and operational reviews, to understand the five-year competitive market environment.

The results of the environmental assessments are shared with system and entity leadership, who use the information to update their respective SWOT analyses (C). SWOTs address each Pillar to ensure the organization considers all aspects of the internal and external environments (Fig. 2.1-2), including the identification of potential blind spots. From the SWOTs, planning teams update system and entity strategies and action plans (D). Short-term and long-term Report Card targets are systematically evaluated and set annually by the Accountability Team to ensure progress is measured in meeting system and entity goals by Pillar (E). Entity and system strategies and action plans are completed in draft form by January (F).

Beginning in January, the capital and operating impact of each entity's strategies and action plans is forecasted in The Five-Year Plan, which is developed for each entity and consolidated for the system (G). The Five-Year Plan balances long-term capital availability with capital requirements, and determines the financial feasibility of Sharp's strategic initiatives. The Five-Year Plan includes an extensive capital planning process. Routine capital is allocated to each entity based on historic needs, as adjusted for expected equipment, facility, or IT replacements. Strategic capital requests, resulting from each entity's action plan development, are evaluated by Executive Steering through a quantitative process that measures a project's financial benefit, quality results, and service excellence.

Executive Steering evaluates strategic capital requests in excess of \$100,000 in an annual two-day planning session. In this session, the consolidated, forecasted operating results for the system from The Five-Year Plan are presented to Executive Steering for review and approval. Operations are forecasted with realistic inflationary and volume assumptions based upon current results and the expected business and legislative environment. Through agreed-upon operating, fundraising, and debt projections, Executive Steering develops an annual allocation of funds to its cash reserves over the five-year period. The remaining funds in The Five-Year Plan become Sharp's annual capital constraints.

Executive Steering's quantitative Capital Evaluation Process provides Sharp with the best strategic capital initiatives that meet the goals of the organization and the needs of the community. The process is collaborative and includes representatives from each entity and corporate functional area, to ensure community resources are directed to initiatives based on Sharp's strategic imperatives under the Six Pillars of Excellence (Fig. 2.1-3).

The Five-Year Plan includes an evaluation of Sharp's financial ratios compared to its peers and the best-in-class, thereby determining the feasibility of the strategic direction and ensuring Sharp's ability to execute its strategic plan (H).

External Data	Internal Data
Policy, Regulatory, Legislative JC, Federal/State/Local Legal and Regulatory Mandates, Publicly Reported Data Economic Indicators Interest Rates, Bond Rates, Reimbursement Trends, Labor Supply/Demand Consumer Information/Trends Patient Satisfaction, Market Research/Share, Awareness/Perception/Utilization (3.1) Competitor/Collaborator Market Position, Out migration, Marketing, Community Awareness/Perception/Utilization, Strategic Alliances (Physicians, Suppliers, Payors) Payor/Broker/Analysis Payor Trends, Rates, Satisfaction, Other Issues Emerging Technologies, Opportunities Secondary Research, Industry Conferences, Market Analysis, Best Practices	Physicians Physician Supply, Specialty, Distribution, Discharges, Satisfaction, Loyalty, Age Quality/Safety QVRs, Service Line Analyses, Report Card and Dashboard, Best Practices, Six Sigma Data, Disaster Preparedness, Business Continuity Plans Human Resources Recruitment, Safety, Salary and Benefit Analyses, Equity, Retention/Turnover, Registry Usage, Labor Supply, Satisfaction Infrastructure Capital Requirements (Facilities and Equipment), Age of Plant, Market Growth and Needs Financial Analysis Service Line and Department, Contract Profit, Net Revenue, Expense/Margin, Payor Mix, Profitability

Figure 2.1-2: Environmental Assessment Data

Pillar	Fiscal 2007 - 2012 Strategies
 Quality	<ul style="list-style-type: none"> Enhance patient outcomes and safety (including enterprise-wide implementation of Six Sigma) Team training to create a culture of safety Enterprise-wide EMR, POE, and Ambulatory EHR
 Service	<ul style="list-style-type: none"> Focus on top patient satisfiers as identified by Press Ganey patient surveys Hospitals, Medical Groups, and SHP satisfaction Physician leadership development and satisfaction
 People	<ul style="list-style-type: none"> Sharp Experience Action Team initiatives EOS action plans by department New EOS tool to provide best-in-class benchmarking Recruiting initiatives for nurses and hard-to-fill positions
 Finance	<ul style="list-style-type: none"> Cash generated by operations improvement Employee safety improvement Initiatives to enhance Sharp's capital structure
 GROWTH	<ul style="list-style-type: none"> Six Sigma throughput projects Hospital and Medical Group expansion plans Contracting initiatives SHP revenue and profitability growth initiatives
 Community	<ul style="list-style-type: none"> Legislative initiatives Fundraising campaigns SHC community benefit initiatives Board discussion forums

Figure 2.1-3: Sharp's Key Strategies by Pillar

Additionally, the plan provides five-year targets that focus on advancing the organization toward meeting its Vision, while maintaining a strong competitive position and ensuring organizational sustainability.

The Five-Year Plan is completed and presented to the Board in the Spring. The plan's year one financial results become the targets for the annual budget process, which begins in May. In addition, Sharp includes a \$65-million strategic capital funding pool in The Five-Year Plan to provide agility to allow for new initiatives and investing activities based on significant market changes, health care innovations, and customer needs and preferences.

Sharp's boards approve all budgeted capital expenditures prior to purchase, including separate review of items in excess of \$750,000, ensuring appropriate capital expenditures are made to support community needs. For new projects or services, boards review relevant industry and market information, financial and feasibility analyses, and implementation and monitoring plans in accordance with Sharp's business planning requirements, to ensure new initiatives are feasible and executable, and include measurable expected outcomes.

Strategic Planning management performs internal surveys of The Five-Year Plan and Strategic Planning Processes to ensure continual process improvement. From the survey results, action plans are developed and implemented. In addition, learnings from best-practice site visits and The Advisory Board research provide further opportunities for refinement of the Strategic Planning Process.

2.1b Strategic Objectives

2.1b(1) As a component of Sharp's annual Strategic Planning Process, the Accountability Team develops short-term, annual targets to measure Sharp's progress in meeting its Pillar Goals, as well as annual five-year targets to monitor Sharp's advancement towards attaining its Vision (E). Monthly reporting on Sharp's annual progress is performed through the Report Card, which is disseminated throughout the system (Fig. 2.1-4). Entity and system Report Card targets measure the key indicators for each Pillar to quantify the success of Sharp's strategic objectives.

2.1b(2) Sharp's strategic challenges and advantages (P.2b) are addressed by strategies and action plans within each Pillar. Strategic challenges are included in the following Pillars: capacity issues and patient access (Growth); limited capital depth and margins (Finance); operational costs (Finance); aging infrastructure (Growth); workforce shortages (People); and ability to create a culture of service excellence (Service) (D). Sharp's advantages are leveraged and improved upon through strategies and action plans under the following Pillars: innovation (Growth); transforming the health care experience (Service); market strength (Growth); employer of choice (People); clinical excellence (Quality); community support (Community); and operational success (Finance) (D). Sharp's strategies and action plans support and further Sharp's business model by enhancing its position within each Pillar. Progress toward improvement is monitored through Report Cards and Dashboard Indicators. Sharp's strategic plan, which provides detailed action plans by strategic initiative, is available onsite.

The short- and long-term Report Card targets are integrated throughout the system and are a balanced evaluation of Sharp's strategic planning success, where Quality and Service targets are each weighted 25 percent, People and Finance are each weighted 20 percent, and Growth and Community are each weighted five percent. The Pillars were designed to address challenges and opportunities of the organization based on its patient, community, and stakeholder needs. To achieve Sharp's Vision, Report Card targets are assessed annually to ensure ongoing relevance and continual improvement under each Pillar.

2.2 STRATEGY DEPLOYMENT

2.2a Action Plan Development and Deployment

Figure 2.2-2 depicts Sharp's Strategy Deployment Process and the alignment and integration of Goals across all levels of the system from staff member to Sharp Leader, department to entity, Senior Leader to entity, and entity to system.

2.2a(1) Using the results of the annual environmental assessment and SWOT, entity and corporate planning teams develop strategies and action plans to support Sharp's Goals by Pillar. Champions are assigned to each action plan by entity and corporate leadership teams to ensure progress towards Goals. Champions and leadership teams develop action plans that include completion dates, results-driven targets, and, if appropriate, market share goals, volume projections, capital requirements, and human resource needs.

Figure 2.1-4 System Report Card

Sharp HealthCare System Report Card										
System Targets Sharp HealthCare - All Entities	Five-Year Plan					Vision Attainment		Benchmark		
	Weight	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Value	Value	Source
Pillar of Excellence Quality (25%)										
Surgical Infection Prevention Composite Score (Prophylactic antibiotic received within 1 hour prior to surgery time (Baseline: 83%))	10%	94%	96%	97%	98%	99%	99%	100%	95%	Joint Commission (Top Decile)
Surgical Infection Prevention Composite Score (Prophylactic antibiotic discontinued within 24 hours after surgery end time (Baseline: 71%))	5%	94%	96%	97%	98%	99%	99%	100%	95%	Joint Commission (Top Decile)
Reconciliation of Medications on Discharge (Baseline: 30%)	5%	75%	88%	94%	97%	99%	99%	100%	100%	Joint Commission
Achieve a 20% reduction in the number of medical group patients and the number of health plan members with Low Density Lipoprotein greater than 100 (Baseline: 49.6%)	5%	40%	32%	25%	20%	16%	13%	0%	30%	Integrated Healthcare Association (Top Decile)
Service (25%)										
Overall hospital inpatient satisfaction (Baseline: 72nd)	10%	80%	84%	87%	90%	92%	93%	99%	99%	Press Ganey
Overall medical group patient satisfaction (Baseline: 50th)	10%	70%	76%	81%	85%	88%	90%	99%	99%	Press Ganey
Overall hospital physician satisfaction (Baseline: 80th)	5%	80%	84%	87%	90%	92%	93%	99%	99%	Press Ganey
People (20%)										
Improve overall employee participation in the annual Employee Opinion Survey (Baseline: 54%)	10%	70%	-	-	-	-	-	-	-	-
Improve overall employee satisfaction in the annual Employee Opinion Survey (Baseline unknown due to new survey product)	10%	-	75%	79%	82%	86%	90%	99%	99%	Gallop, HR Solutions, or Kenexa
Employee turnover does not exceed 12% (Baseline: 12%)	10%	12%	12%	11%	11%	11%	10%	8%	15%	California Healthcare Association (San Diego Composite)
Finance (20%)										
EBITDA (in \$000's) (Baseline: \$145,779)	20%	\$ 149,517	\$ 144,869	\$ 155,670	\$ 178,995	\$ 201,299	\$ 229,260	\$ 350,158	\$ 350,158	Standard & Poor's A Rated Facilities (12.6% EBITDA Margin)
Growth (5%)										
Total net revenue (in \$000's) (Baseline: \$1,790,688)	5%	\$ 2,008,807	\$ 2,028,617	\$ 2,178,159	\$ 2,333,978	\$ 2,510,506	\$ 2,696,605	\$ 2,779,032	\$ 2,779,032	Moody's A Rated Annual Net Revenue Growth (7.6% 2005)
Community (5%)										
Provide 40 hours of community service per manager (Baseline: 22,332)	5%	17,640	18,522	19,448	20,421	21,442	22,514	-	-	-

Figure 2.1-4 System Report Card

Each champion develops operational implementation and monitoring plans and mobilizes necessary resources and knowledge to ensure strategic objectives are achieved and sustained. The targets associated with action plan items provide the tool to monitor success and make rapid corrections when needed. Champions report progress on action plans to respective entity or corporate leaders. Quarterly, 90-day plans are developed and reviewed to ensure progress. Success and sustainability are monitored through ongoing measurement of key Dashboard Indicators. (I)

2.2a(2) Sharp ensures that resources are available to support its action plans through The Five-Year Plan (G). The Five-Year Plan includes the operating and capital financial impact of each entity's strategies and action plans, as well as human resource needs. Operating initiatives and the operating impact of any strategic capital initiatives are evaluated in terms of the impact on Sharp's five-year financial statements and the expected Pillar and strategic challenges progress. Strategic capital needs stemming from entity strategies and action plans are included in The Five-Year Plan capital forecast for evaluation by Executive Steering.

During The Five-Year Plan process, the system CEO and CFO, including strategic planning and finance management representatives, meet with each entity's CEO and CFO to evaluate the entity's Five-Year Plan forecast, refine its projections, and ensure the system's ability to meet its five-year planning targets and operational obligations. Upon finalization of the entity Five-Year Plans and consolidation of the system's plan, a two-day Executive Steering session is held to review and refine The Five-Year Plan projections and evaluate and approve entity strategic capital initiatives. In this session, Executive Steering evaluates Sharp's strategic capital projects stemming from each entity's strategies and action plan development. The capital evaluation process is quantitative and based upon equally weighted scoring criteria designed to target resources to strategies and actions that provide the most benefit for the community, as measured by the impact on Sharp's Pillars (Fig. 2.2-1). Financial and other risks are assessed through the capital evaluation process, as champions provide Executive Steering with a qualitative assessment of integration requirements, expected outcomes, regulatory issues, risk factors, and stakeholder satisfaction for each capital proposal.

Pillar	Evaluation Criteria
Scoring Criteria Impact <i>100=Maximum; 75 =Large; 50=Moderate; 25=Small; 0=None</i>	
Quality	Improves patient outcomes, patient safety, reliability, process, or regulatory compliance
Service, People	Improves patients, family members, employees, and/or physicians service experience
Finance, Growth, Community	Results in positive ROI, operating efficiency, employee productivity, use of materials, cost effectiveness, or enhances market share

Figure 2.2-1: Five-Year Plan Capital Evaluation Criteria

After reviewing each proposal, Executive Steering members score each strategic capital project. The collective scores are used to rank strategic capital initiatives based upon Sharp's available capital funding for the five-year projection. The result of the two-day session is a completed Five-Year Plan, which includes only those operating and strategic initiatives identified as providing the most value to the organization and the community it serves. Once The Five-Year Plan is approved by the Board in the Spring, entity strategies and action plans are finalized and presented to the Board at its annual strategic planning retreat. (J)

2.2a(3) Action plan modification occurs at the entity level, when rapid corrections become necessary based on shifts in customer needs, new market conditions, or other unforeseen factors. Report Card measurement, quarterly action plan reviews, and Sharp's listening and learning tools (Fig. 3.1-2) provide the input to make course corrections. In order to provide agility, leaders may reprioritize action items and related capital needs within their overall budget constraints to rapidly respond to market issues or opportunities, provided the change represents positive movement in achieving Sharp's Vision. Deployment and modifications of entity action plans occur at the entity level through leader communications.

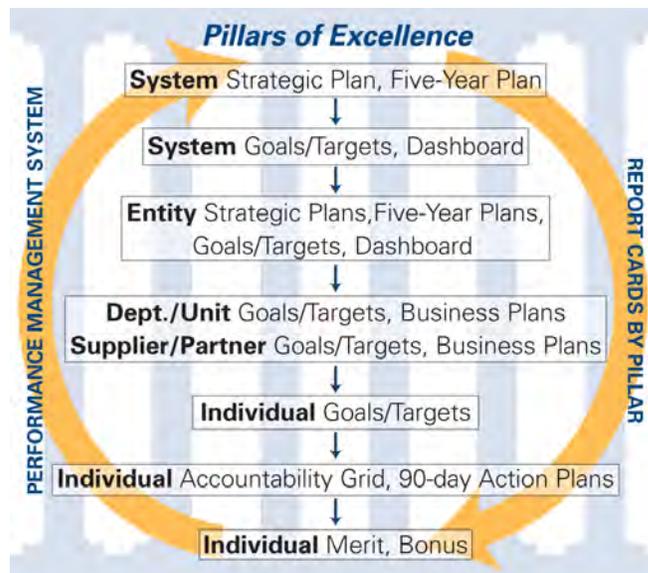


Figure 2.2-2: Strategy Deployment Process

Capital requirements in excess of the pre-established levels (2.1a(1-2)) are approved by entity and system boards, where the market dynamics for such substitutions are considered and evaluated, and new plans approved. Additionally, Sharp includes the undesignated strategic capital funding pool to provide for investing activities or shifting circumstances that arise requiring rapid execution. When new opportunities are identified, business plans are developed by project Champions and presented to leadership teams, as well as the boards, if associated capital requirements exceed \$400,000.

2.2a(4) Short- and long-term action plans are summarized in Figure 2.1-3 for key strategies included in Sharp's Strategic Plan. Sharp expects to transform the health care experience

through innovation, improvements in clinical outcomes and patient safety, service excellence, expanded and modernized facilities, and operational success. Sharp will expand its presence in the north inland market of San Diego County through the addition of an 80,000 square foot medical office building, and provide much-needed inpatient capacity in the metro central, east county, and south bay regions. The way health care is delivered will be enhanced through the enterprise-wide EMR and EHR, by improving patient outcomes and the overall patient and physician-partner experience. These key planned changes will have a favorable impact on Sharp's Report Card targets, as projected for the five-year planning period (Fig. 2.1-4).

2.2a(5) Human resource planning is an integrated part of the Strategic Planning Process. During the environmental assessment, staff positions are evaluated by entity and system planning teams to determine equity adjustment needs, as well as areas where Sharp expects to experience workforce shortages or areas where additional workforce needs exist.

(B) Human resource action plans are based on Sharp's Mission, Vision, Values, and SWOT analyses, and from these action plans, human resource operating and capital needs are included in The Five-Year Plan.

Human resources' action plans, available onsite, focus on retention, recruitment, and expansion of the local employee market for hard-to-fill positions (D). Key human resource plans include the following:

- Employee Safety
- Enhanced Manager/ Staff Training
- Enhanced Pay/Benefits
- EOS Nationally Benchmarked
- EOS Departmental Action Plans
- LDS Management Skills
- Local BSN Programs
- Local Employer and Colleges Collaboration
- OU Nursing Education
- Pharmacy Doctorate
- Pharmacy Residency
- Succession Planning
- The Sharp Experience
- Training Facilities

Compensation enhancements are determined based on review of Sharp's salary and benefit position within its marketplace, as compared to peers. An annual Executive Steering evaluation is held to review Sharp's position and prioritize compensation enhancements based on available funding and organizational need. Additionally, annual EOS results are assessed and strategies are developed by department managers in concert with their employees, targeting areas that employees rated low, but of high importance to them. Finally, as action plans are developed at the entity level, Human Resources works with champions to develop staffing and training plans to ensure adequate time to recruit, hire, and train prior to the initiation of a new or expanded service line.

2.2a(6) Sharp's Report Cards and Dashboard Indicators measure and track monthly progress in achieving action plan goals (Fig. 2.1-4). Entity Report Cards are aligned with the system's Report Card targets, while taking into account the unique aspects of each operating entity. (E)

Managers incorporate the entity and system Report Card and Dashboard Indicator targets into their annual management

goal-setting process by establishing department-specific targets in concert with their supervisors. (E) These targets are incorporated in managers' job performance goals for the year. Annual management evaluations occur in November and are fully aligned with Sharp's Pillars. The management merit system is results-driven, in that 100% of a manager's merit pay is based on goal attainment. Additionally, management is held accountable to entity and system Report Card results through Sharp's annual incentive system. Quarterly, managers develop 90-day Action Plans in support of department, entity, and system Goals.

Staff is held accountable to Report Card and Dashboard Indicator targets that relate to its respective area of responsibility. Annual goals, which align with department, entity, and system targets, are established for all staff members by the employee and his/her supervisor. Goal attainment represents 33 percent of an employee's annual merit raise. Staff also is evaluated on performance relative to Sharp's 12 Behavior Standards, which also comprise 33 percent of an employee's annual merit raise. Key vendors are held accountable to Report Card and Dashboard Indicators, as applicable to the services provided.

2.2b Performance Projection

Sharp's projections of the key performance measures for the system are provided in the System Report Card (Fig. 2.1-4). This figure identifies Sharp's short- and long-term performance projections, as well as benchmarks and goals. These projections are forecasted by the Accountability Team in October upon the completion of the Strategic Planning Process. Annual targets are set based on Sharp's performance as compared to benchmarks, peers and competitors, while considering the unique aspects of the organizations within Sharp's market (Fig. 4.1-1). When available, Sharp sets targets based upon a percentile ranking to ensure continual improvement to best-in-class levels. If percentile rankings do not exist, targets are set to applicable benchmarks, with specific thought to competitor positions. Sharp has defined Report Card targets for the fiscal 2007 year-end at the system and entity level, as well as five-year and vision attainment targets for the system. Best-of-class comparison information is shown for each Report Card indicator where available, as well as a description of the benchmark source.

Sharp's historical Report Card performance for fiscal 2002 through 2006 compared to baseline and Sharp's annual Goals under each Pillar are available for review onsite, as are competitor assessments. Sharp has made significant improvements in all of its Pillar Goals. As performance gaps are identified, Sharp Leaders prepare strategies and action plans to improve Sharp's position and further its journey to become the best place to work, best place to practice medicine, and best place to receive care.

CATEGORY 3: FOCUS ON PATIENTS, OTHER CUSTOMERS, AND MARKETS

3.1 PATIENT, OTHER CUSTOMER, AND HEALTH CARE MARKET KNOWLEDGE

3.1a(1) During the Strategic Planning Process, a customer/partner-driven environmental analysis is produced. As

described in Figure 3.1-1, on an annual and ad hoc basis, Sharp assesses key customer groups, competitor activities, market share distribution, population health indicators, demographic data, customer group feedback, and industry trends data (x). This assessment provides the foundation for system and entity marketing plans that delineate customer-focused key business and marketing strategies, which are deployed to achieve the organization's short- and long-term goals. Sharp's marketing plans incorporate situational and SWOT analyses; focus group, and Awareness/Perception/Utilization research; and Solucient's Household View™ life-stage segmentation system. Customer satisfaction priorities also are assessed annually and integrated into the planning process, from which goals, strategies, and action plans are developed.

Analyses of employer, demographic, discharge, and marketing data identify Sharp's primary target segments:

- **Women (age 25-54)**, who make an estimated 80 percent of the buying decisions in health care,
- **Seniors (age 65+)**, who currently represent 31 percent of Sharp's discharges and are forecasted to represent 40.4 percent of Sharp's discharges by the year 2020, and
- **Hispanics**, who are forecasted to grow from a current 29.6 percent to 35.7 percent of the San Diego County population by 2020.

Entity and system leadership collaborate with the Marketing and Communications Division to develop annual marketing and communication plans for Sharp as a system, as well as the entities, through the Strategic Planning Process (Fig. 2.1-1). These plans are aligned by Pillar and guide all marketing efforts, and are designed to attract and retain key market segments and strengthen relationships with key constituents. Using competitor information and SWOT analyses, the marketing plans identify targeted customer and market segments, goals, objectives, strategies, tactics, budgets, timelines, and measurements. Results are reported by key customer segment (7.2). The learnings from the results are used as inputs to the process. ROI analyses are components of the marketing and budgeting processes. Marketing resources are allocated based on goals for revenue maximization. Marketing management performance evaluations are aligned with and tied to the goals in the marketing and communication plans.

3.1a(2) The Sharp Experience's customer focus facilitates an infrastructure of educating and mentoring Sharp's leaders to use a wide range of methodically selected listening and learning tools (Fig. 3.1-2). These tools empower employees to identify needs, expectations, and preferences of former,

current, and potential customers/partners at the system, entity, department, and individual levels. The resulting data is integrated into the Strategic Planning Process, organizational goal-setting, program development, work processes redesign, technology selections, and consumer marketing.

Sharp collaborates with health plans and brokers to determine key customer requirements (Fig. P.1-7). For example, Sharp worked with PacifiCare to develop the Secure Horizons Value Plan featuring benefits of greatest value to seniors as defined in focus group research.

Sharp also evaluates managed care membership retention/loss data to discover reasons patients disenroll from Sharp's medical groups and develop strategies to counter identified issues.

Employees are provided data, training, and tools to respond to customer/partner likes, needs, desires, and complaints with prescribed process improvement tools, service recovery methods, service experience mapping and design, and new product/service development. At LDS, leaders learn to analyze patient/customer satisfaction data, develop and implement process improvement initiatives, hardwire service and experience elements, and develop new product and service offerings. Additionally, innovative strategies to attract and retain customers are shared across the system. Sharp uses marketing methods tailored to the diverse needs of Sharp's target segments, including language, gender, age, race, and disease-specific needs. Sharp differentiates its services from competitors by responding to patient contact requirements, such as allowing patients to pay their bill and request an appointment online, and providing same-day and next-day access to their primary care physician.

3.1a(3& 4) Listening and learning methods are kept current by ensuring accuracy of data, improving efficiency, cross-validating data sources (4.2), comparing past predictions to actual performance, validating against industry benchmarks, conducting annual Executive Steering assessments of key strategic challenges, and performing industry analyses and out migration studies by the Strategic Planning Department. Analyses are made available to employees via presentations, administrative teams, and Sharp's Strategic Planning Intranet site, which links to community/industry resources, research studies, and over 500 data reports. Sharp's Intranet usage is monitored monthly, and coupled with online feedback, site changes are performed to improve user satisfaction. Sharp uses LSS and other tools (6.2(b)) to analyze and execute change and evaluate outcomes to ensure alignment and success of system strategies.

Sharp's patient and physician satisfaction/dissatisfaction survey vendor, Press Ganey, annually reviews its content to ensure its relevance and applicability. Press Ganey conducts



Figure 3.1-1: Customer Knowledge System

statistical analyses to assess reliability and validity of questions. Its extensive client relationships allow Sharp to measure its performance against a robust national database.

San Diego competitors and customers of competitors are assessed through focus groups and awareness/perception/utilization research. Sharp monitors competitors and researches best practices through feedback from callers,

Internet site visitors, online research, participation in numerous local and national professional organizations, and the hiring of leading-edge consultants and educators as faculty for quarterly LDS.

3.2 PATIENT AND OTHER CUSTOMER RELATIONSHIPS AND SATISFACTION

3.2a Patient/Customer Relationship Building

Listening and Learning Tools (Including Processes)	Rate	Primary Users	Use	Customer		
				IP	OP	ED
Former and Current Patients and Families						
Patient Satisfaction Surveys (Press Ganey) for IP, OP, ED, urgent care, home health, hospice, skilled nursing, mental health, rehabilitation, and physician office visits. (7.2)	Real-time surveys monthly	Hospital/ Medical Group, PFS, Managers, Staff	IP, OP, ED/ PI	▲	▲	▲
Primary/Secondary Market Research. (Includes awareness/perception/utilization research, focus groups, mystery shopping, predictive health care segmentation) Secondary data: OSHPD, Solucient, JC. Primary data collected by Sharp agents and employees via interviews (available for analysis at any time).	Annually, Quarterly, Ad Hoc	Strategic Planning and Business Development, Marketing and Communications	IP, OP, ED/ Planning Services, Marketing	▲	▲	▲
Encounter and Enrollment Data. Data from ambulatory, inpatient, and outpatient electronic records are uploaded to the CRM database. (7.2)	Monthly	Finance, IT, System Marketing, Business Dev.	IP, OP, ED, P/ Business/ Planning Services	▲	▲	▲
Customer Contact Centers (82-Sharp, Sharp Nurse Connection®, Web Center). Call Center and Web Center data are uploaded monthly into the CRM database. Demographics are collected for target marketing and campaign effectiveness measurement. (7.5)	Monthly	Call and Web Center, Marketing and Communications	All Customers/ Planning Services, Marketing	▲	▲	▲
Other key elements include: AIDET, 12 Behavior Standards, Five "Must-Haves," and Key Words At Key Times	Ongoing	Leaders, Staff	IP, OP, ED 	▲	▲	▲
Rounding with Reason/Rounding Logs. Managers are trained and accountable via performance standards, action plans, Accountability Grids, and Rounding Logs. Information is shared at LDS and Employee Forums or Communication Expos.	Ongoing	Leaders	IP, OP, ED PI	▲	▲	▲
Comment Cards and Interdepartmental Surveys. Data are aggregated by unit managers and shared at staff meetings.	Ongoing	Leaders, Staff	All Customers/ PI	▲	▲	▲
Complaint System and Informal Feedback. Most complaints are responded to immediately at point of service with empowered staff performing service recovery. Information is shared at unit meetings. Data are rolled up across the system for trending and action. (7.2)	Ongoing	Leaders	IP, OP, ED/ Planning Services, PI	▲	▲	▲
Selected Patient Follow-up Calls. Post-discharge and post-office visit telephone calls are made to assess outcomes and satisfaction.	Ongoing	Leaders, Staff	IP, OP, ED/ PI	▲	▲	▲
SHP Member Surveys. Consumer Assessment Health Plan Surveys mailed to random member sample to assess satisfaction/needs. Brokers and employer groups are surveyed (Fig. 3.2-2). (7.2)	Annually	SHP Leaders, Risk/ Quality Mgmt., SHP Staff	B, P / Planning Services, Marketing, PI		B, P	
Potential Patients and Future Markets						
Primary/Secondary Market Research (awareness, perception, and utilization research, quantitative/qualitative/predictive health care segmentation). Sharp applies Solucient's Household View™ life-stage segmentation system and other research methods when planning marketing campaigns. Primary data are collected by Sharp employees and agents via interviews.	Annually and focused, Ongoing	Marketing/ Communications, Business Dev, Sharp Leaders	IP, OP, ED/ Business/ Planning Services	▲	▲	▲
Customer Contact Centers (e.g., 82-Sharp, Sharp Nurse Connection®) Data uploaded monthly into the CRM database. (7.5)	Ongoing	Call/Web Center, Marketing and Communications	IP, OP, ED/ Business/Planning Services	▲	▲	▲
Brokers/Payors. Dedicated Web page and annual meetings. (7.2)	Ongoing	Medical Groups and Contracts	B, P/ Business/ Planning Services		B, P	

Figure 3.1-2: Listening and Learning Tools

3.2a(1) Strategically, Sharp is committed to creating long-term loyalty from its customers/partners across the continuum of care. In support of this strategy, Sharp provides extensive education and tools to its leaders and staff on the fundamentals of service excellence. All leaders and staff are held accountable to living and demonstrating the Behavior Standards, the Five “Must-Haves,” the Five Fundamentals of Service (AIDET) (P.1), and service recovery (3.2a(3)). Sharp uses patient satisfaction survey data and accompanying Priority Indices to focus satisfaction and loyalty improvement efforts.

Key mechanisms for relationship building with customer/partners who are seeking information; receiving, providing, or supporting care; making complaints; or obtaining other services include:

- Branding Efforts,
- Broker/Payor Meetings,
- Community Events,
- Community Health Collaboratives and Programs,
- CRM Database,
- Customer Contact Centers,
- Multicultural Services,
- Sharp Experience Action Teams,
- Senior Resource and Information Centers, and
- Web Center.

3.2a(2) Sharp Leaders determine key contact requirements for patient and customer access through the Strategic Planning Process (2.1). Key customer access mechanisms include:

- Face-to-Face contact
- Customer Contact Centers
- 82-SHARP
- Sharp.com (Web)
- SharpEnEspañol.com (Web)
- SRS Call Center (physician appointment scheduling)
- Sharp Nurse Connection® (offering 24-hour telephone medical triage)
- Health Fairs
- Community Events
- Written Materials
- Letter/Fax/Email
- Conferences
- Community Education Classes

Sharp stays abreast of customer needs through the use of listening and learning tools, trade journals, best practice research, and industry trends monitoring. Customer Contact Centers exist as the “answer place” for customers/partners. These Customer Contact Centers provide information by phone about 13,000 times per month and online over 275,000 times per month. Customer Contact Centers track customers by gender and age to determine how Sharp is serving its target segments. Sharp tracks online comment topics.

3.2a(3) Sharp empowers its employees to resolve complaints at the point of service through resolution and service recovery programs and by monitoring unit-level patient satisfaction data. Sharp’s comprehensive patient relationship system includes organizational beliefs and proactive input, and a

feedback/complaint process (Fig. 3.2-1). Sharp believes in ongoing learning for continuous improvement, and uses a variety of proactive tools to solicit formal and informal feedback. The process includes aggregating feedback/complaints by type, analyzing the learning, and instituting process change if necessary. Learning is then integrated into the patient relationship system. Key outputs from this process include creating same-day/next-day appointment availability and creating an online physician appointment request feature for Sharp medical groups.

Employees are trained to use a four-step service recovery

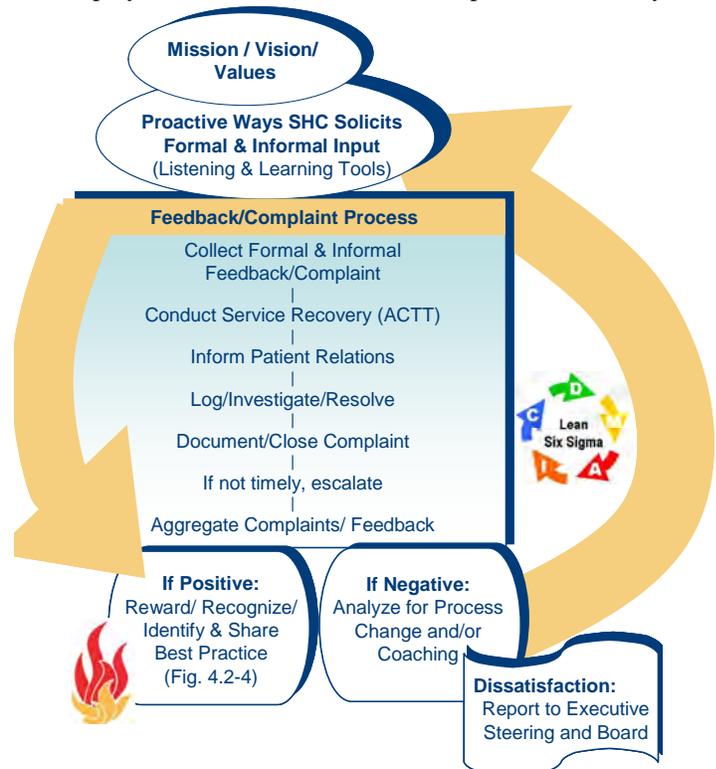


Figure 3.2-1: Patient Relationship System

process immediately upon identifying a service gap to ensure the customer service issue does not happen again: Apologize, Correct the situation, Track, and Take action (ACTT).

3.2a(4) As a means to continuously evaluate its approach and remain agile in building relationships and providing customer/partner access, Sharp employs the following key methods:

- Ad hoc focus groups,
- Best practice research,
- Consumer awareness/perception/utilization research,
- CRM,
- Discharge phone calls,
- Disenrollment surveys,
- Employer and broker relations, and
- Managed care retention data.

Data from these methods are used for changes in patient/customer access and relationship building.

3.2b Patient/Customer Satisfaction Determination

3.2b(1) Processes used to determine patient and other customer satisfaction and dissatisfaction are described in Figure 3.2-2. Generally, patient satisfaction surveys are mailed to patients one week after hospital discharge or physician visit. Several service-specific types of patient satisfaction surveys are used across Sharp and respondent comments are shared across the system. Mean scores and percentile rankings are posted monthly on Sharp’s “Patient Satisfaction” Intranet site and Press Ganey’s Internet site. Sharp’s Intranet site enables employees to view monthly survey results and trend data for the prior four years, and to conduct custom analyses by drilling down by key customer groups, age, gender, payor mix, and unit (7.2).

Staff is trained through various mechanisms using consistent behaviors and practices to provide a quality experience for every patient, every time. Continuous measurement and report analysis allows the opportunity to revise education, process, and implementation. A process flow for patient/customer satisfaction is available onsite. Patient comments are shared frequently at staff meetings and used as mechanisms for reward and recognition, as well as learning tools for improvement. Press Ganey’s detailed quarterly reports feature key drivers of patient satisfaction through a correlation analysis. The resulting Priority Index identifies actionable areas that have a strong impact on overall satisfaction and areas that are low scoring. This index allows leaders and staff to know exactly where to focus improved

service efforts. This priority index is commonly used in development of 90-day Action Plans, which are aligned by Pillar.

To further understand patient needs, Sharp employs focus groups and other tools. Corporate marketing staff conduct and analyze focus group findings on behalf of departments or entities. Marketing staff also employ mystery shopping (e.g., “first impressions audits” and “sensory assessments”) to further identify areas for performance improvement. On a more personal and immediate basis, leaders frequently visit with staff, patients, and patient families through Rounding.

Every fall, physician partners are surveyed to determine their needs, wants, and sensitivities, and to measure satisfaction with their experience at Sharp. Press Ganey conducts the physician satisfaction survey, and the results are compared with those of 290 other Press Ganey clients (7.2). Survey results are shared in a timely manner throughout the system. Each manager is held accountable for reviewing department-level survey results with his/her staff, developing an action plan based on the survey results, and improving scores.

3.2b(2) In addition to a robust patient/customer satisfaction and dissatisfaction assessment process, Sharp is dedicated to gaining learning from patients and staff at numerous touch points throughout the relationship continuum. All 1,300 Sharp leaders have received in-depth training on the practice of Rounding. This practice ensures that, on a daily basis, leaders are connecting both with patients and staff to exceed

expectations. Sharp hospitals and facilities also employ the use of rapid-feedback comment cards, post-discharge patient phone calls, Web site comments, patient interactions, telephone-based clinical outcomes tracking, and 1:1 consultation with risk management for difficult issues.

3.2b(3) Through Press Ganey, Sharp compares its patient and physician satisfaction scores to almost 1,500 facilities nationwide and

	Patients	Physicians	Employers, Brokers, Payors	Key Community Segments
Key Business Strategy	Increase overall market share across profitable service lines	Recruit and retain affiliated physicians	Increase referrals from brokers and retain employer clients	Increase overall market share and utilization across profitable service lines
Key Marketing Strategy	Increase physician-referral transactions	Achieve target physician satisfaction score	Maintain and enhance broker and employer relations	Sharp.com, 82-Sharp, Call Center, Sharp Nurse Connection®
Listening and Learning Methods	Press Ganey patient satisfaction survey, comment cards, mystery shopping and feedback from rounding logs, 82-Sharp calls, and email via Sharp.com	Press Ganey physician satisfaction survey and Annual All-Staff Assembly	Interactive meetings, issues/feedback, surveys, Sharp.com content survey, and informal polling	Community-based interactions, focus groups, evaluations, community forums, and awareness, perception and utilization research
Satisfaction/Dissatisfaction Metrics	Press Ganey patient satisfaction mean score and percentile ranking, reduce dissatisfiers	Physician satisfaction mean score and percentile ranking, reduce dissatisfiers	Attendance at broker meetings, hits to Sharp.com, and payor feedback on written survey	Awareness, perception, and utilization scores, Press Ganey Survey and focus group results, and 82-Sharp usage
How Deployed	Surveys mailed after service encounters	Surveys mailed to physicians during the months of July and August each year	Broker reception, two smaller broker meetings, surveys, and 1:1 informal polling	Awareness, perception, and utilization research fielded by phone, Sharp leader reports on community activities

Figure 3.2-2: Patient and Other Customer Satisfaction and Loyalty Processes

almost 290 medical practices. Sharp commissioned The Jackson Organization to conduct consumer awareness, perception and utilization research to learn about top-of-mind awareness, perception, and utilization of Sharp and other health care organizations in San Diego County. Additionally, the survey investigated consumers' provider preferences for health care delivery.

Sharp obtains benchmark satisfaction data from other sources, such as the National HealthView Plus Survey, which focuses on health care attitudes, preferences, and how people make health care decisions. This study includes more than 22,000 households.

3.2b(4) Several methods are used to ensure Sharp's agility in determining customer/partner satisfaction (Fig. 3.2-2):

- Patient satisfaction survey forms are evaluated internally at least annually to ensure content is appropriate, up-to-date, and useful. The Patient Satisfaction and Measurement Action Teams participate in this review process.
- Press Ganey conducts extensive factor analyses annually to assess reliability and validity of survey questions.
- Sharp benchmarks against other organizations, such as Press Ganey's national database and local competitors (assessed through awareness/perception/utilization research).
- Best practice research is used, including literature reviews, industry consultants, conferences, seminars, and onsite visits.
- Sharp uses HCAHPS, the CMS patient satisfaction survey, which was launched in California in 2006.

Sharp devotes an Intranet site entirely to patient satisfaction; more information is available onsite.

CATEGORY 4: MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT

4.1 MEASUREMENT, ANALYSIS, AND REVIEW OF ORGANIZATIONAL PERFORMANCE

4.1a Performance Measurement

4.1a(1) Sharp continuously improves the IT infrastructure and processes to measure performance and manage knowledge. Sharp has a single network and standardized IT products across the system. Sharp is recognized as one of only nine health care organizations to receive the *100 Most Wired* award for nine consecutive years. Sharp was a pioneer of bedside clinical documentation systems in the 1980s and continues to implement a system-wide fully integrated hospital EMR and ambulatory EMR, which will provide the essential resource for sustaining a single, accessible health care record, supporting appropriate clinical decision making, and adding value to both care providers and patients. Sharp recently contracted with Cerner to design and implement a new EMR including CPOE with installation starting October 2006 and continuing through 2010.

The Strategic Planning Development and Deployment Processes **K** determine key performance measures **D** within the Performance Measurement System (Fig. 4.1-1). Performance measures that monitor operations and other priorities are identified by breaking down key work processes

(Fig. 6.1-1) into sub-processes and then associating indicators that reflect the process' performance. For example, the reconciliation completion indicator is associated with the medication reconciliation sub-process within the Discharge work process.

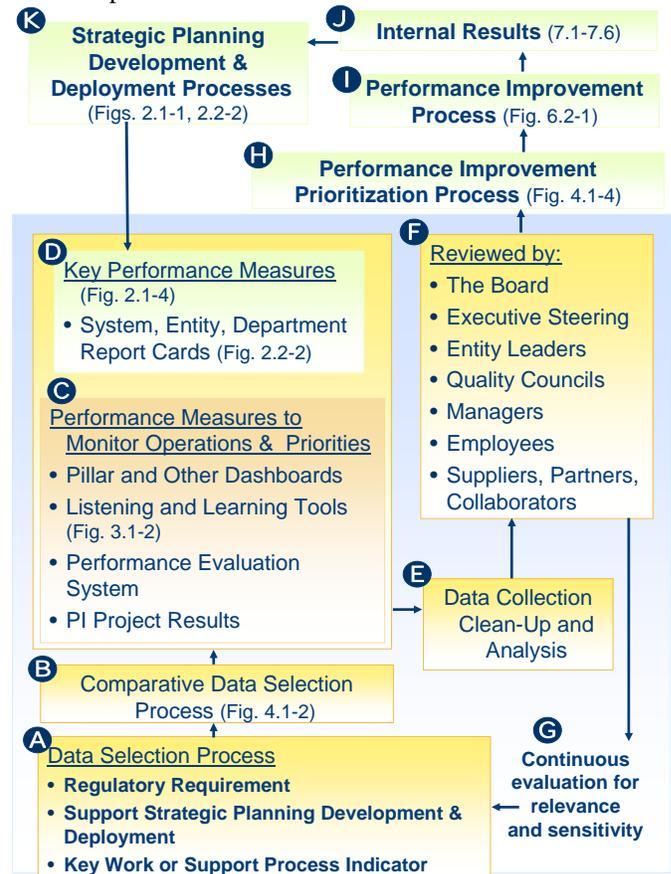


Figure 4.1-1: Performance Measurement System

Indicators for key processes are aligned by Pillar and tracked and trended on Pillar-specific dashboards. **C** Dashboard Indicators are reviewed weekly, monthly, quarterly, or annually depending upon the nature of the data and the need for an agile response **G**. In addition to system and entity Dashboards, individual department, service line, and discipline Dashboards are used to evaluate processes. For example, the EDs track several cycle-time measures to evaluate timeliness of care, nursing tracks specific outcomes related to safe nursing care, and the physician peer-review process measures effectiveness of medical care.

Gaps in performance measures drive decisions about where to focus PI efforts through the PI Process **I**. In this process, finding innovative solutions is a top priority and systematically achieved through Step 7 of the DMAIC Problem Solving Process (Fig. 6.2-1).

Common enterprise information systems including clinical, financial, human resource, and supply chain systems enable the collection of data and information to support daily operations and organizational decision-making. Electronic data collection is used whenever available. However, if specific process inputs or in-process metrics are not available electronically, that data may be collected manually through

chart review, check sheets, or direct observation. Data are aggregated at the unit, department, entity, and system level. Data are segmented according to factors determined to be contributing to variation in the process. The Clinical Decision Support and Financial Decision Support Departments clean-up, aggregate, segment, statistically analyze, and evaluate data against targets on a monthly, quarterly, and annual basis (Fig. 4.1-1) **E**. Results are presented in easy-to-read, color-coded formats, highlighting key findings and significant variances. Results are regularly published on SharpNet and disseminated in multiple formats via Sharp’s Communication Plan (Fig. 1.1-2). Progress is tracked and shared, and achievements and learnings are recognized and deployed across the system. The boards, Executive Steering, entity leadership, quality councils, managers, suppliers, partners, and collaborators review the Report Cards and other pertinent dashboards **F**, which provide a common, measurable focus to monitor action plan progress, gauge success, and empower decision-making for continued alignment with strategic Goals, the Mission, and the Vision.

4.1a(2) Sharp uses a systematic approach in selecting comparative data sources (Fig. 4.1-2) to determine the appropriate targets for Report Card indicators and other performance indicators (Fig. 4.1-1). When a performance measure is identified, evidence-based literature, regulatory organizations, health care and non-health care organizations, competitors, and Baldrige winners are examined. If an optimal comparative database exists, it is evaluated for size, validity, reliability, organization/service type, usability, and cost. When no relevant comparative data exist, comparison is made between Sharp entities and departments and/or between historical and current performance. Common comparative data sources for each Pillar are listed in Fig. 4.1-3.

Executive Steering and the Accountability Team collaborate to determine aggressive targets. Targets are set at the top comparable performance metric, as applicable and available, to achieve Sharp’s Vision of becoming the best. Comparative analyses by disease states are accomplished through Sharp’s MedAI subscription, which uses inferential statistics to compare clinical outcomes with national benchmarks. Evidence-based standards of care are used to set clinical targets.

Sharp has a culture of innovation and continuous improvement that is systematically supported by the DMAIC process (Fig. 6.2-1). Other industries are often examined to find translatable solutions; for example, Team Resource Management curriculum was adopted from the aviation industry and the LSS performance improvement strategy and tool set was adopted from the automotive manufacturing industry. Sharp also engages its suppliers, collaborators, legislators, brokers, and payors on the challenges and opportunities in the health care industry and collaborates on innovative solutions by hosting semi-annual educational sessions. Additionally, innovative solutions are discovered through the attendance of local and national conferences by Sharp employees (enabled through the educational funds benefit).

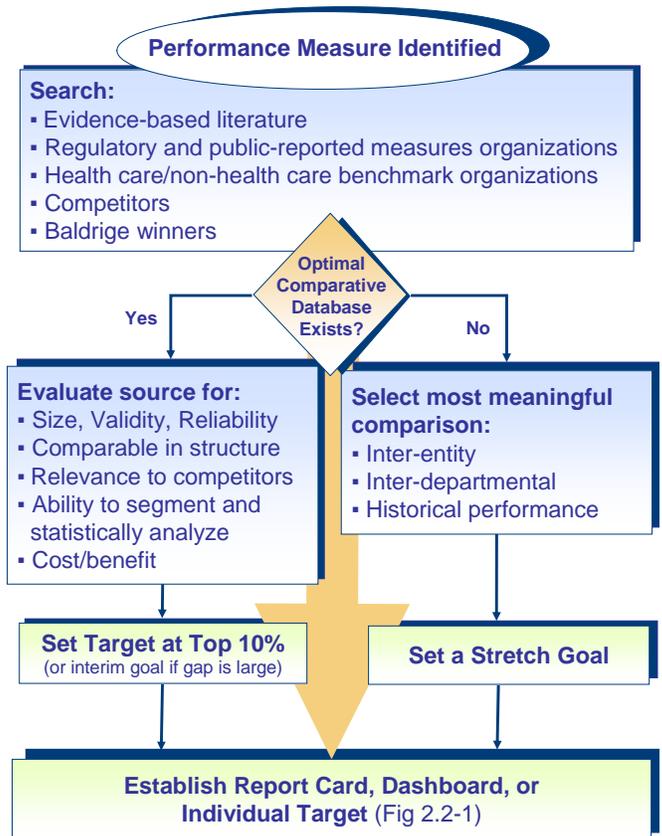


Figure 4.1-2 Comparative Data Selection Process

Pillar	External Benchmark Sources
Quality	AHRO, CHART, CMS, JC, NCI, STS, Vermont Oxford
Service	Press Ganey
People	HR Solutions
Finance	S&P's, BBB+ Rated Facilities
Growth	Region Public Data
Community	Region Government Data

Figure 4.1-3 External Benchmark Sources

4.1a(3) The Board, Executive Steering, entity leaders, suppliers, partners, and collaborators assist in the continuous evaluation of the performance measures for relevance and sensitivity (Fig. 4.1-1) **G**. When metrics are no longer relevant, they are retired. The sensitivity of the Performance Measurement System is achieved by using a combination of leading, real-time, and lagging indicators. For example, real-time status of medication reconciliation was determined to be a patient safety priority by Sharp Leaders; therefore, an electronic data entry system was developed collaboratively with nursing, physicians, CDS, and LSS. Now, users have real-time feedback to support their decision-making.

Relevance with health care service needs is achieved by using Listening and Learning Tools (Fig. 3.1-2). Additionally, as a component of Sharp’s Strategic Planning Process, the team evaluates the current regulatory requirements, health care legislative requirements, and public reporting requirements to

determine the need for revising performance measures. Further, on an annual basis, the Accountability Team obtains examples of dashboard reports from recognized health care systems and uses best practice findings (such as those published by The Advisory Board) to review the continued relevance and strength of Sharp's Report Card measures. Sharp frequently participates in demonstration projects and collects public reported data well before the measure is required. Lastly, Sharp receives ongoing learning through continuous review of industry information and competitor, customer, and supplier data. National organizations, suppliers, partners, and collaborators provide a regular infusion of information, which keeps the organization alerted to industry trends and changes.

4.1b Performance Analysis and Review

4.1b(1) The Performance Measurement System (Fig. 4.1-1) describes the process for reviewing organizational performance and capabilities. As described in 2.2, the Strategic Deployment Process determines the structure so that key performance measures and progress relative to report cards and action plans are systematically reviewed throughout the organization by the Board, Executive Steering, entity leaders, employees, suppliers, partners and collaborators, and integrated across the system. Numerous forums including Board meetings, LDS, quality councils, and employee forums support the propagation of these performance measures via Sharp's Communication Plan (Fig. 1.1-2). Talking points are created for managers for further consistent sharing with staff in department meetings. The review of key performance measures and other performance measures, to monitor operations and priorities at all levels of the organization, creates alignment of priorities and drives decision-making about resource management and prioritization of process improvement efforts. Senior Leaders respond promptly to performance reviews and ask tough questions at Board meetings, Executive Steering meetings, entity leadership meetings and other forums, such as quality councils and LSS Report Outs about the organization's ability to respond rapidly to identified gaps and changing organizational needs and challenges. When organizational needs change or performance trends demand mid-course correction, priorities are continuously reevaluated by Senior Leaders. When targets are exceeded, results are celebrated to ensure changes endure.

Descriptive and inferential statistical analyses are performed to ensure appropriate interpretation of performance measurement data to support decision-making. Performance relative to competitors and benchmarks are conducted. The following are examples of analyses performed for each Pillar:

Quality Pillar

- Cause and effect between treatment and outcome, and severity adjusted outcome comparisons within MedAI's 39 Disease States
- CalNOC Core Unit Level Indicators
- Core Measures
- Patient safety variance data trends and themes

Service Pillar

- Trends and drivers of patient and physician satisfaction

People Pillar

- Drivers of employee satisfaction

Finance Pillar

- Cost and revenue implications of performance gaps (e.g., budget targets)
- Revenue analyses (e.g., net earnings derived from new strategies)
- Cost analyses (e.g., supply expenses to patient activity)

Growth Pillar

- Relationship between services offered and market share
- Cause and effect between demographics, development, and disenrollment
- Capacity trends

Community Pillar

- Trends in community hours provided by Sharp Leaders
- Population health changes

4.1b(2) The process for translating performance review findings into continuous and breakthrough improvement and innovation is accomplished through the PI Prioritization Process (Fig. 4.1-4). The performance measures (Fig. 4.1-1) are regularly reviewed and the Accountability Team sets the annual Report Card targets. When performance gaps are noted throughout the year, Executive Steering, CEO Council, and quality councils determine the need for mid-course corrections and propose LSS projects. The LSS Department scopes projects and places them into the project funnel.

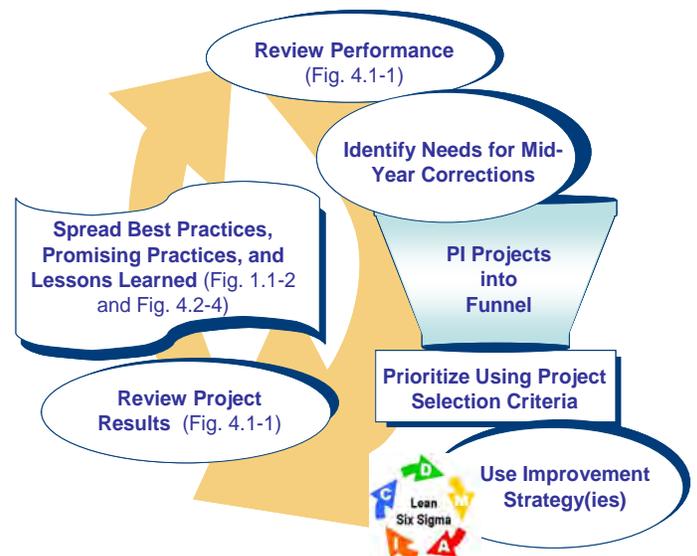


Figure 4.1-4 PI Prioritization Process

When resources are available, Executive Steering scores PI projects using the weighted Project Selection Criteria (i.e., alignment with strategy, resource availability, data complexity, scope/change management complexity). Projects that are not selected for LSS are analyzed for other PI methods, and monitored for reconsideration in the next project selection round. The Project Selection Criteria incorporate evaluation of suppliers and partners priorities and

level of engagement needed to drive improvement. Other methods for addressing opportunities for improvement not classified as a LSS PI project include LDS topics, centralized training through Lawson, departmental training, and revision of standard orders and job competencies.

To emphasize the importance of management by fact to drive improvement, Sharp committed in 2004 to data-driven performance improvement using the LSS approach enterprise-wide. The LSS methodology uses the 12-Step DMAIC Problem Solving Process (Fig. 6.2-1). Sharp also uses C.A.P., a model for managing change; SIPOC/COPIS (Fig. 4.2-3), a method for designing processes; and RCA. Depending upon problem complexity and the amount and type of engagement needed, projects are managed using the rigorous measurement of Six Sigma method (usually six-eight months) or a Rapid Action Project method (usually 30-90 days). Other strategies that are used as appropriate include Kaizen Bursts and Work-Out™. When Senior Leaders determine that strategy demands breakthrough change, a combination of approaches is used and often multiple project teams are structured.

Sharp's partners are engaged as appropriate when changes affect them. For example, the Physician Design Group, made up of 20 cross-specialty physicians from all Sharp entities, is leading the design and implementation of CPOE in collaboration with the IT and LSS departments. Supplier relationships are systematically examined through the DMAIC process using SIPOC/COPIS. Process requirements determine needed inputs from suppliers, and when appropriate, suppliers are either added to PI project teams or engaged as resources. For example, there are numerous structures and processes set up to collaborate with IT vendors when changes in IT functionality are needed.

Additionally, C.A.P. and PI training, provided by LSS experts, are provided to equip and empower Sharp Leaders to solve everyday problems and inspire a culture of continuous improvement.

4.1b(3) The Performance Measurement System (Fig. 4.1-1) includes indicators of key organizational processes for all Pillars, which enables systematic evaluation of key work and support processes. The PI Prioritization Process (Fig. 4.1-4) identifies opportunities for improving key processes. The DMAIC problem-solving process (Fig. 6.2-1) is then employed through the appropriate change method (e.g., Six Sigma or Rapid Action Project).

4.2 INFORMATION AND KNOWLEDGE MANAGEMENT

4.2a Data and Information Availability

4.2a(1) In order to accomplish Sharp's Mission, Sharp Leaders recognize the importance of thoroughly understanding the user's needs when making data and information available. It is a priority to provide accurate and timely data and information in the method or form preferred by patients, clinicians, staff, suppliers, partners, collaborators

or other information users. Data and information transfer is enabled through a centralized IT function, standardized IT products and software, common enterprise information systems, hard copy reports, formal publications, meetings, educational sessions, and bulletin boards. Information systems include software, hardware, and supplier/partner/collaborator EDI. Data and information are collected, integrated, and transferred at the most appropriate level (system/entity/department/unit/patient) to empower fact-based decision-making. Capabilities exist to make information and data available by request and proactively via email and Intranet.

Sharp's employees, suppliers, partners, collaborators, patients, volunteers, and other customers access needed data and information from Sharp's Intranet/Internet/Extranet, secure EDI connections, 82-Sharp, Sharp Nurse Connection®, remote access through Citrix, education presentations, and board postings in targeted locations. Access is available using standard passwords and single sign-ons across the system. Access to clinical and administrative systems is available based on job requirements and state and federal privacy regulations. Suppliers and partners access needed data and information from SharpNet. Patients and other customers access needed data and information from Sharp's external Web site, Sharp.com (and Sharp.com in Spanish), to learn about services, make appointments, pay bills, and provide feedback.

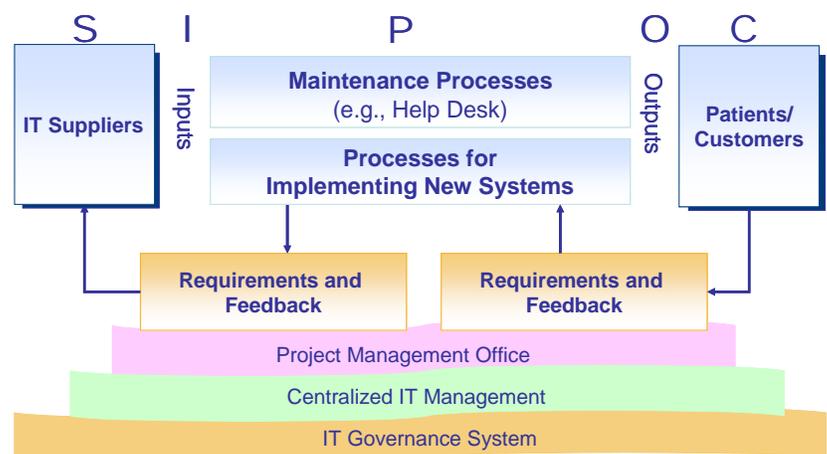


Figure 4.2-1: IT Service Process

4.2a(2) Sharp ensures hardware and software are reliable, secure, and user-friendly through the IT Service Process (Fig. 4.2-1). IT governance, centralized IT management, and the Project Management Office are aligned to provide maintenance of current systems and design and implement new systems driven by customer needs. Sharp's major IT systems are located in a secure data center, with reliable backup, redundancy, and failover capabilities. Additionally, physicians, clinicians, and lab technicians are employed to centrally manage IT systems and ensure data and information are reliable and accurate, as well as available within a secure, user-friendly interface.

IT governance committees direct and optimize the hardware and software deployed across the system through oversight and leadership. Operations leaders chair these committees along with IT leader liaisons. These committees ensure users are collaboratively involved in decision-making and prioritization, while increasing executive involvement for strategic integration of IT investments. This IT governance model has been in place for over two years and builds upon learnings from previous governance models.

From system selection to implementation and maintenance, projects are formally managed through the IT Project Management Office. When acquiring a new system, a project committee consisting of key users and a project sponsor is formed to collect requirements and select the best system. Selection factors include functionality, usability, reliability, vendor’s financial stability and vision, regulatory compliance (as needed), compatibility with existing applications and infrastructure, cost, and risk. The recommended system is presented to the IT Executive Committee for approval and the selected system is implemented by the project committee. During and after implementation and adoption, operational systems are monitored for reliability, usability, and security.

Sharp conducts an annual, system-wide IT satisfaction survey to solicit feedback from physicians, managers, and staff regarding the effectiveness and efficiency of, and satisfaction with, Sharp’s IT systems and services (7.5-17). Results are analyzed and shared with the Board and Sharp Leaders.

4.2a(3) Sharp’s IT Disaster Recovery Plan ensures the continued availability of data and information, including the availability of hardware and software systems, in the event of an emergency. The System Disaster Plan documents priorities and procedures for restoring facilities, systems, and services in an emergency (Fig. 5.2-3). Full disaster recovery drills are conducted at least annually to practice and refine emergency response. Targeted drills are performed more frequently. Post-exercise debriefings are conducted with Sharp leadership. Approved recommendations are implemented and tested in subsequent drills. These plans are reviewed quarterly and updated by management. Disaster recovery is further enhanced by locating systems in a secure data center, with reliable offsite backup storage, redundancy, and failover capabilities.

4.2a(4) Sharp’s IT governance decision-making is directed by Sharp’s Mission, Vision, Core Values, and strategic Goals, ensuring software and hardware systems are current with health care service needs, directions, and technological changes. Sharp Leaders listen and learn from internal and external sources to ascertain and ensure IT systems support the organization. Additionally, they hold key positions in industry groups to gain insight into upcoming industry and technology advances. IT suppliers complement this process by upgrading their products to meet industry and regulatory demands. Sharp Leadership collaborates with IT suppliers to understand and influence system development road maps, as well as features and functionality of planned systems.

Requests for new systems are submitted as part of The Five-Year planning process (2.1) and the new system request

process. IT governance committees provide agility outside long-term capital planning by reviewing, discussing, and prioritizing initiatives, and providing recommendations to the IT Executive Committee for approval.

Sharp’s innovative and agile use of IT for patient care is demonstrated by balancing risk-taking initiatives, such as small prototype installations, with larger, scaleable implementations, such as the EMR, EHR, and wireless infusion pumps.

4.2b(1) Data, Information, and Knowledge

In support of patient-focused excellence, Sharp ensures data, information, and knowledge quality through centralized responsibilities and technologies, and defined system and technical standards. To ensure confidentiality and security, Sharp assigns leadership responsibilities for these functions, requires workforce training, and implements technical tools. A full-time privacy officer, with the support of a cross-representative Privacy Committee, leads patient confidentiality efforts. A full-time information security manager and team lead the protection of patient data and are supported by a cross-representative Information Security Committee. Sharp performs an annual third-party security review of its systems and data from which findings are shared with IT Executive, Board IT, Audit, and Information Security committees (available onsite). From these findings, action plans are developed, implemented, and evaluated for continuous improvement. Confidentiality and security are enhanced through mandatory annual online training of all employees on confidentiality and security policies (7.6-5).

During IT selection, systems are assessed against security and technical standards. This prevents the implementation of new systems that may disrupt the reliability and timeliness of existing systems or network traffic. Sharp has deployed security tools on the network, servers, computers, and wireless devices to safeguard IT assets.

Pillar	Knowledge Regarding
Quality	Patient information processes (e.g., Information systems) How care is delivered (e.g., P&Ps, Standard Orders) How we are doing (e.g., Clinical Outcomes)
Service	How we treat customers (e.g., AIDET, ACTT, Patient Satisfaction Surveys)
People	How I do my job, lead, and grow (e.g., Performance Evaluation System, LDS, Training, EOS)
Finance	How operations run (e.g. P&Ps, Financial Outcomes)
Growth	How are we progressing (e.g., market knowledge)
Community	How are we are improving community health (e.g., Listening and Learning Tools)

Fig 4.2-2: Workforce Knowledge Management Processes

Sharp maintains current virus protection software through regular updates and “push” technology. Physical security is maintained by card reader access to the data center, locked computer equipment closets, and secure work areas. Reliability and timeliness are ensured with a centralized secure data center and help desk (7.5-17 and 7.5-24), real-time monitoring tools, technology redundancy, upgrades, and standards. Capacity planning keeps the data center’s capabilities current. An analysis is performed to determine the cause of common help desk calls and unscheduled downtimes. Appropriate corrective action plans are implemented when thresholds are exceeded. Redundancy occurs at the database, system, and network levels. Server clusters provide redundancy for enterprise-wide systems. Needed technology is recommended and approved as part of The Five-Year Plan process (2.1).

Accuracy and integrity are ensured through the use of controls, such as error and audit logs, application “check-outs,” and internal audits. Logs are monitored by IT staff and suspicious activities are promptly investigated.

4.2b(2) Organizational Knowledge Management

Sharp has identified key Workforce Knowledge Management Processes aligned with the Pillars (Fig. 4.2-2). Senior Leaders inspire a culture of inquiry, innovation, and knowledge sharing through the Customer Knowledge System (Fig. 3.1-1) and design knowledge transfer processes using SIPOC/ COPIS (Fig. 4.2-3), and systematically evaluate the effectiveness of processes in meeting customer requirements via listening and learning tools, and feedback from leaders, employees, suppliers, partners, and collaborators.

Sharp’s information system, provide the infrastructure for the successful transfer of relevant knowledge from and to patients and other customers, suppliers, partners, and collaborators. Listening and learning methods are conducted to understand what the relevant and appropriate knowledge requirements are based on role responsibilities, privacy standards, and contractual agreements. Then processes are designed, implemented, and evaluated for effectiveness. Specific details and examples of knowledge management processes including customers, outputs, sub-processes, inputs, and suppliers are available onsite.

Sharp systematically promotes the rapid identification, sharing, and implementation of best practices, promising practices, and lessons learned throughout the system (Fig. 4.2-4). Each senior vice president owns the process of best practice sharing, and there are several methods to identify, verify and share the practice or lesson learned. The method of sharing depends upon the target audience and the sense of urgency to spread the practice. Projects charted with spreading best practices across the system are tracked and opportunities are continuously identified and monitored. In

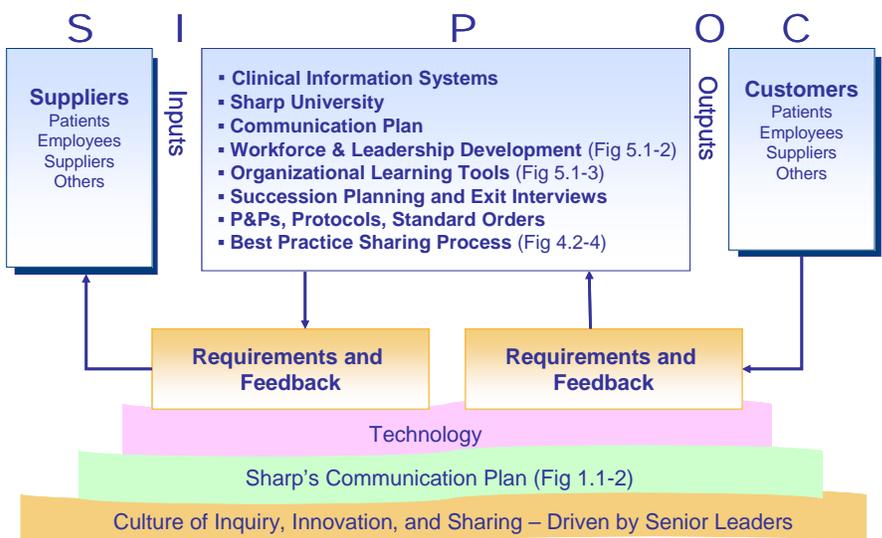


Figure 4.2-3: Knowledge Transfer Processes

order to systematically scan for best practice sharing opportunities, the 12th step of DMAIC is spreading the solution through the verification of a best or promising practice and then using C.A.P. to translate the improvement strategy (Fig. 6.2-1).



Figure 4.2-4: Process for Sharing Best Practices, Promising Practices, and Lessons Learned

Sharp has a systematic process for collecting and transferring all relevant knowledge to use in the Strategic Planning Process. Each organization performs an entity-specific market assessment and SWOT analysis, which becomes the basis for the organization’s strategies and action plans (2.1). Sharp manages organizational knowledge to accomplish transfer of relevant knowledge for use in the Strategic Planning Process via reviews of internal results (Fig. 4.1-1) (K).

CATEGORY 5: WORKFORCE FOCUS

5.1 WORKFORCE ENGAGEMENT

5.1a. Workforce Enrichment

5.1a(1) Sharp employs a systematic approach to determine the key factors that affect workforce satisfaction and engagement (Fig. 5.1-1 (A)). The process begins with input of specific current health care and business data, as well as an analysis of annual EOS results. A variety of tools is available to analyze and identify key factors and driving forces of satisfaction and engagement.

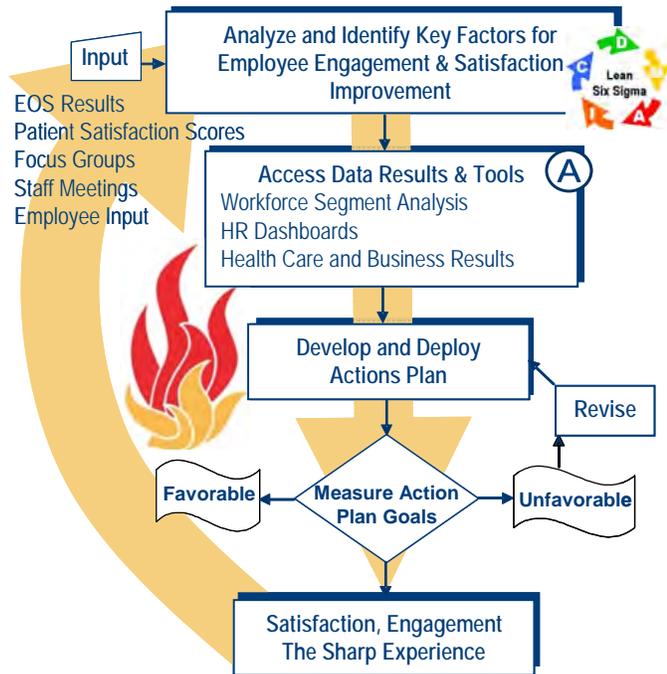


Figure 5.1-1: Workforce Engagement and Enrichment

Satisfaction and engagement factors are identified through statistically evaluating data at the system, entity, and department levels, and by segments of the workforce (Fig. 5.2-3). This process allows Sharp to align and integrate appropriate improvements that respond to the needs of workforce segments throughout the system.

5.1a(2) Sharp fosters workforce motivation and an organizational culture conducive to high performance through the LS (Fig. 1.1-1). Leaders acknowledge success, inspire, and raise the standards to continuously drive a high-performance workforce. In creating this culture through education initiatives, knowledge management process (4.2), performance management, transparency, collaborative learning, and communication, employees are empowered to participate, innovate, and drive solutions.

Sharp fosters an organizational culture of transparency conducive to effective information flow and two-way communication with leadership via Sharp's Communication Plan (1.1) and listening and learning tools (3.1). Sharp's Performance Evaluation System requires individual goal-setting and initiative (process is available onsite). The performance evaluation process, performance incentives, and other reward and recognition systems provide the opportunity

for personal initiative to accomplish skill improvement and career advancement.

At the system and entity levels, Action Teams, LSS teams, and PI teams drive and enable employee-driven change. Multidisciplinary work teams are empowered to set goals, deliver patient care, problem-solve, identify performance improvements, make decisions, and effect change. Using DMAIC, employees on these teams drive cycles of improvement aimed at organizational goals. A consistent approach using the LS (Fig. 1.1-1) provides integration across the system.

To capitalize on the cultures and ideas of employees, Sharp recruits and retains an ethnically diverse employee population through applicant sourcing from all San Diego communities and cultures (P.1a(3)). Diversity training is provided to patient care teams to enhance communication and decision making and promote a culture of sensitivity and acceptance.

5.1a(3) Sharp's Performance Evaluation System supports high-performance work and engagement using strategies that provide recognition and incentives. The goal-setting and merit evaluation process provides employees the opportunity to pursue higher personal performance and levels of compensation. The approximately 3,400 hospital-based nurses covered by the collective bargaining unit participate in an experience-based, step compensation system. Bargaining unit staff have the same competency requirements, Behavior Standards, and annual performance review process as non-bargaining unit employees.

5.1b Workforce and Leader Development

5.1b(1) Educational curriculum and training tools are developed and implemented as shown in Figure 5.1-2.

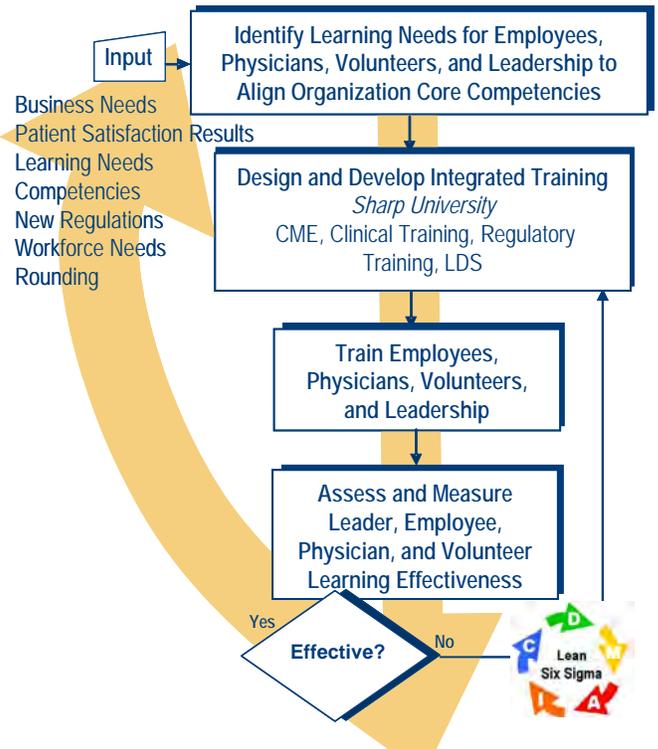


Figure 5.1-2: Workforce and Leadership Development

Assessment and measurement are completed using such mechanisms as formal assessment competencies, system performance measures, and patient satisfaction. Sharp's workforce development and learning system addresses needs and desires for learning and development identified by the workforce by providing a process to collect and aggregate learning needs annually or as needed. Identifying staff licensure and re-credentialing requirements, and the skills/competencies needed to meet strategic challenges, accomplish action plans, and implement system process improvements and new technologies are also part of the overall annual educational evaluation process.

Sharp's organizational learning system consists of clinical education and The Sharp University (Fig. 5.1-3). Staff have opportunities for coaching, mentoring, and work-related experiences, which are reinforced through skill-based competency assessments, evaluations, and return demonstrations. Education around the core competency of The Sharp Experience is provided through the tools listed in Figure 5.1-3. In clinical areas, all units have a specialist or educator responsible for competency-based education, coaching staff, mentoring, and providing opportunities to learn new skills. To ensure the transfer of knowledge from departing workers (Fig. 4.2-3), each department uses formalized methods, including defined protocols, well-documented policies and procedures, operating manuals, information systems, Intranet/Internet, communications tools, meeting minutes, EMR documentation, and trained replacement staff.

Training	Resource	Tool/Method	Focus
Leaders, Physicians	Sharp Leaders, Subject Experts, Change Agents	Mandatory Quarterly Meetings, Quarterly Offsite Sessions, 1-Day Sessions / Evening	Strategic Direction, Action Plans, Best Practices, Core Leadership Skills
Leaders	Sharp Leaders, Internal and External Material Experts, SDSU	Formal Classrooms, Committee In-services, Rounding, Demonstrations, Mentoring, Web-based Learning, Peer Coaching, Required Annual Training, Quarterly LDS	Best Practices, Core Curriculum, LSS Training, C.A.P., Work-Out™, Management
Staff and Physician Leaders	Sharp Leaders, Internal and External Material Experts,	Follow-up, All-Staff Assemblies, NEO, Staff In-Services	Strategic Direction, Leadership, The Sharp Experience, Career Development and Progression
Staff and Physicians (Clinical Education and Training)	Colleges, Universities		Best Practices, Clinical Practice, CEUs, Leadership, Technology, Patient Care, Behavior, Continuing Development

Figure 5.1-3: Organizational Learning

To reinforce new knowledge and skills, competency assessment begins at new hire orientation and is conducted regularly thereafter by educators to teach new procedures, equipment, and technology. Employees attest to their proficiency through demonstrations, written tests, chart audits, and competency evaluations.

Staff clinical education is provided by internal and external resources/material experts. Sharp educators offer multiple classes for all classifications of employees with hundreds of CEU credits for clinical practice to ensure that employees stay abreast of clinical, regulatory, licensure, technological, and business changes through continual learning.

5.1b(2) The Sharp University provides curriculum for organizational learning, system-wide process improvement training aligned with Pillar goals, and formal training for Sharp Leaders. The LDS track includes innovative coursework for leaders to develop personal leadership attributes, increase organizational knowledge, and ensure ethical health care and business practices. Key learning is integrated throughout the system using Accountability Grids. Leaders are equipped with a tool kit to deliver the information to staff in a consistent fashion. At each session, Sharp's CEO presents a system update, covering strategic direction, priority projects, system financials, and progress toward performance goals in the system Report Card. Key learning is summarized for managers to take back to staff and apply to work-related experiences.

5.1b(3) Figure 5.1-2 outlines the process for determining the effectiveness of workforce and leadership development. The effectiveness of workforce and leader development learning systems is assessed through evaluations, clinical data, outcomes, statistical analysis, and financial results. Final results are rolled-up by entity and system to evaluate efficacy of the educational strategy. Post-tests are used to demonstrate skills and outcome/variance data is analyzed to determine progress on action plans and goal achievement.

5.1b(4) To manage effective career progression for the entire workforce, Sharp uses a three-tiered approach providing: (1) advancement and growth opportunities, (2) training and education for certification and licensure, and (3) educational assistance and professional development. Entity and system leaders regularly identify growth opportunities and give priority to current employees for assignments and advancements. Employees are supported with educational reimbursement (7.4) and promotional opportunities upon completion of training/education programs. Both technical and leadership career paths exist in all clinical areas. Preceptor programs offer preceptor candidates experience in performing clinical competency evaluation. Managers assist employees in identifying projects for needed experience and creating professional development plans as part of the annual performance and competency evaluation process.

Succession planning for management, administrative, occupational, and health care leadership positions is

accomplished through formal and informal methods at the system and entity level to ensure present and the future leaders. The Board has defined succession plans for the system CEO and a system steering committee comprised of Senior Leaders develops overall succession planning strategies. At the system and entity levels, key positions and potential candidates are identified through applicant sourcing. Once candidates are identified, career development plans, growth opportunities, and key assignments are established. An example is the nursing leadership professional development and preceptor program that provides opportunities for mentoring, overseeing and evaluating nurse competency, and career progression.

5.1c Assessment of Workforce Engagement

5.1c(1) Workforce engagement is assessed through the EOS, department-specific surveys, turnover reports, grievance procedures, Rounding, suggestion boxes, and employee forums. The method and measures of data collection vary by entity, work group, and work segment to address requirements of different workforce groups. EOS data is segmented to recognize areas where trend data has improved or to identify areas for opportunity. Other indicators (Figure 5.1-4) are used to determine trends, priorities, and changes in action plans to improve the work environment, initiate changes in behavior, identify safety issues, assess training needs, and create programs.

Indicator	Listening/Learning Method	Measures/Results
Turnover	Exit Interviews, Transfer Requests, Peer Feedback	Turnover Rates (7.4), Tenure, Internal Promotions (7.4)
Safety	Incidents/Injuries, WISH Reports, Safety Officer Committees	Workers' Compensation Claims (7.4), Loss Time (7.4), Safety Training (7.6)
Satisfaction	EOS Survey, Rounding, Employee Forums, Staff Meetings	Absenteeism (7.4), All-Staff Assembly Attendance/ Ratings, EOS Scores (7.4), Leaves of Absence, Grievances, Performance Appraisals (7.4), Charitable Gifts
Education/ Training	Formal Evaluations, Verbal Feedback	Training Hours, CEUs, CME Hours, Education Reimbursement Use

Figure 5.1-4: Well-Being, Satisfaction, and Motivation

5.1c(2) Assessment findings are compared at the system and entity levels in the context of strategic goals and action plans. Employee well-being, satisfaction, and motivation measures are incorporated into Pillar and manager performance objectives, because of their significant impact on overall organizational performance. EOS results are statistically evaluated relative to health care and business results, such as patient satisfaction, physician satisfaction, and financial performance, to further understand the impact of employee engagement on organizational performance, and to identify

those factors that drive it. This information provides inputs to the LS (Figure 1.1-1) to drive changes for further workforce engagement.

5.2 WORKFORCE ENVIRONMENT

5.2a. Workforce Capability and Capacity

5.2a(1) Workforce capability and capacity are assessed through a systematic workforce planning and development process depicted in Figure 5.2-1. In direct response to business need, the workforce characteristics and skills required to meet those needs are analyzed and clearly identified through the development of competency-based job



Figure 5.2-1: Workforce Planning and Development Process

descriptions maintained through a Web-based job library. Workforce capacity is assessed through the development of specific staffing plans with timelines considering expected and contingency demand levels and determining the need for supplemental staff, such as SRN's per-diem employees, to fill immediate or unexpected demand on a temporary basis. Positions are posted and candidates are sourced internally and externally through a skills match and referral process.

Candidate clinical and behavioral profiles are developed and questions are crafted for use in conducting structured job interviews to assess prior work experiences, skills, technical strengths, values, and perceptions. Candidates are hired or promoted from within, skills and performance are evaluated within the first 90 days, and if successful, employees are moved into regular positions. As employees acquire new skills through job performance and formal training and development, they are sourced to fill future position openings.

5.2a(2) Recruitment, hiring, placement, and retention of new staff are part of Sharp's Workforce Capability and Capacity

(Figure 5.2-1). The recruitment phase consists of applicant sourcing, screening, referencing, search, and selection **A**. Strategically aligned multimedia sourcing plans identify diverse workforce groups and segments to guide the scope of each recruitment effort and identify the specific solicitation strategies such as referrals, job fairs, conferences, and open houses. Once candidates are identified, behavioral-based selection and peer interviewing techniques guide the selection and placement process. Periodically, workforce diversity is compared to community diversity demographics. To ensure that the workforce represents the diverse cultures of the community, Sharp has implemented specific, long-term, workforce development strategies that extend across gender, age group, cultures, and local communities to:

- Partner with local schools and universities to create future applicant pools and improve public perception of health care professions,
- Sponsor clinical affiliations at local colleges and universities and establish a presence of Sharp Leaders,
- Mentor new nursing graduates through a progression of learning covering technical, critical thinking, and relationship skills, and
- Affiliate with OU to sponsor a local nursing program to develop future applicant pools.



Figure 5.2-2: Workforce Environment

5.2a(3) Sharp’s workforce is managed and organized through an entity-based operational structure segment by the key workforce groups (P.1.a(3)), and aligned with the overall work systems (Fig. 6.1-1) for patient care delivery and a centralized organizational structure for support services across the system. The centralized support services structure provides consistent, high-quality services across the system while realizing economies of scale and the ability to capitalize on and implement best practices in every entity

Objective	Performance Measures - All Facilities (H = Hospital only)		Evaluation Mechanisms
Safety Detect and prevent injuries or at risk behaviors	Injury case rates, Lost work rates, Accident report and care lag time	Compliance: TB, Safety Education, Orientation	Safety Committees, Officers, Associates, Fairs, Interviews, Hotline, QVRs, RCA, FMEA, WISH Reports, Web site, ECF
Security Minimize risk of personal injury and property loss due to criminal activity	Code Green ^H (security) Code Purple ^H (OB/infant) Code Yellow ^H (intruder)	Patient watches ^H Total # of visitors ^H ID badge discrepancies	Safety Committee, Security Managers, Security Reports, Hotline, Incident Analysis, Surveillance Cameras, Card Readers for Access
Emergency Management Respond to emergent situations disrupting operations using ICS	HEICS Analysis ^H FES and EDPS ^H Analysis	Code Triage (disaster) Sentinel events Drill performance	EDPS, Safety Committee, Disaster Drill Debriefs, Incident Analysis, County Meetings, Disaster Manual
Fire Safety Protect persons and property from fire	Code Red (fire) Response Times Drills Evacuation Times Drills	Adverse drill events Fire Prevention Activities	SEOC Committee, FES, Fire Drill Debriefs, Incident Analysis
Medical Equipment Safe environment for clinical equipment use	Inspections ^H results Fire equipment ^H test results QVRs ^H	Equipment failures Use errors Performance testing	FES, Safety Committee, QVRs, RCA, FMEA
Hazardous Materials Safe environment with hazardous materials use	WISH reports ^H ECF Forms ^H ART Forms	Hazardous materials Exposures Waste spills	SEOC Committee and Subcommittees, Safety Officers, ART, WISH Reports
Utility Management Prevent utility failures	Failure reports ^H Malfunctions ^H Inspection Results ^H	Testing results ^H Repairs ^H Operator/maintainer training compliance	FES, Reported Critical Utility Failures, Reported Emergency Power System Tests

Figure 5.2-3: Key Workplace Factors

with precision and agility. Senior Leaders provide system oversight and strategic direction via LS (Fig. 1.1-1). The entity-based structure leverages The Sharp Experience for point-of-service patient care customized to patient need. Entity leaders serve as catalysts for the planning and delivery of health care and achievement of action plans via the LS. Work groups organized in cross-functional or multi-disciplinary teams deliver care with the patient as the primary focus.

5.2a(4) Workforce environment is addressed through workforce capability and capacity process (Figure 5.2-2). Sharp staffing plans provide the opportunity to ensure continuity through using supplemental staff including SRN per-diem's, contracted labor, or incentive programs such as BidShift to minimize the impact of reductions in workforce.

5.2b(1) To ensure and improve the health, safety, and security of the workplace, Sharp uses a proactive, comprehensive and multi-faceted process that begins with developing and maintaining management plans. The plans depicted in Figure 5.2-3 define key goals, objectives, processes, responsibilities, process improvement plans, and performance measures at the system and entity levels. Evaluation of the plans, objectives, and goals occur annually for effectiveness, and goals and objectives are assessed to determine future strategies. Safety training related to the plans occurs annually and includes such factors as disaster preparedness and evacuation plans. Annual results are reported at the system and entity safety committees and quality councils (7.5 & 7.6). The plan environments include access control (e.g., hospital, clinic, home health) or business setting, occupation (e.g., nursing, lab, radiology, rehab,) or function. Involvement spans from Senior Leaders to staff, and targets patients, visitors, volunteers, employees, and physicians. Entity Safety Officers and unit-based Safety Associates assist in identifying and addressing safety concerns, meeting injury prevention goals, and disseminating safety information. Employee participation includes involvement in policies, equipment, work method processes, injury prevention, and work hazards using the WISH reports. Ergonomic assessments and training are proactively initiated to prevent employee injury. Findings from injury prevention initiatives, safety improvement processes, and Ergonomic evaluations are analyzed and used to determine process improvements. A safety Intranet site provides information on employee safety including a self-guided computer ergonomics tutorial.

5.2b(2) Sharp employees are supported through meaningful work, a sense of purpose, a culture of empowerment, competitive compensation and benefits, and career progression opportunities (7.4). Compensation programs (e.g., pay ranges, shift pay, on-call) are differentiated by work system (Fig. 6.1-1) to ensure market competitiveness. Benefit offerings are consistent across the system to facilitate promotions through transfers among entities. Specific programs are developed to meet the needs of the diverse employee groups represented within the workforce, such as those driven by age, gender, tenure, marital/family status, and work/pay status. Needs are assessed through multiple sources including EOS comments and the use of focus groups in the design of specific programs and enhancements. EOS results are analyzed for overall satisfaction in addition to the particular importance of each question. Favorability reports are used to focus on areas that are unsatisfactory but high in importance.

CATEGORY 6: PROCESS MANAGEMENT

6.1A WORK SYSTEMS DESIGN

6.1a(1) Sharp's core competency is transforming the health care experience through The Sharp Experience, which drives the activities of the organization from strategic planning down to individual goal-setting along the Six Pillars. The core competency is determined and critically evaluated through the SWOT analysis during the Strategic Planning Process (Fig. 2.1-1). Directly related to Sharp's Vision, the core competency is the enabling strategy for Sharp to be the best place to work, practice medicine, and receive care. It is this cultural transformation that has delivered success across

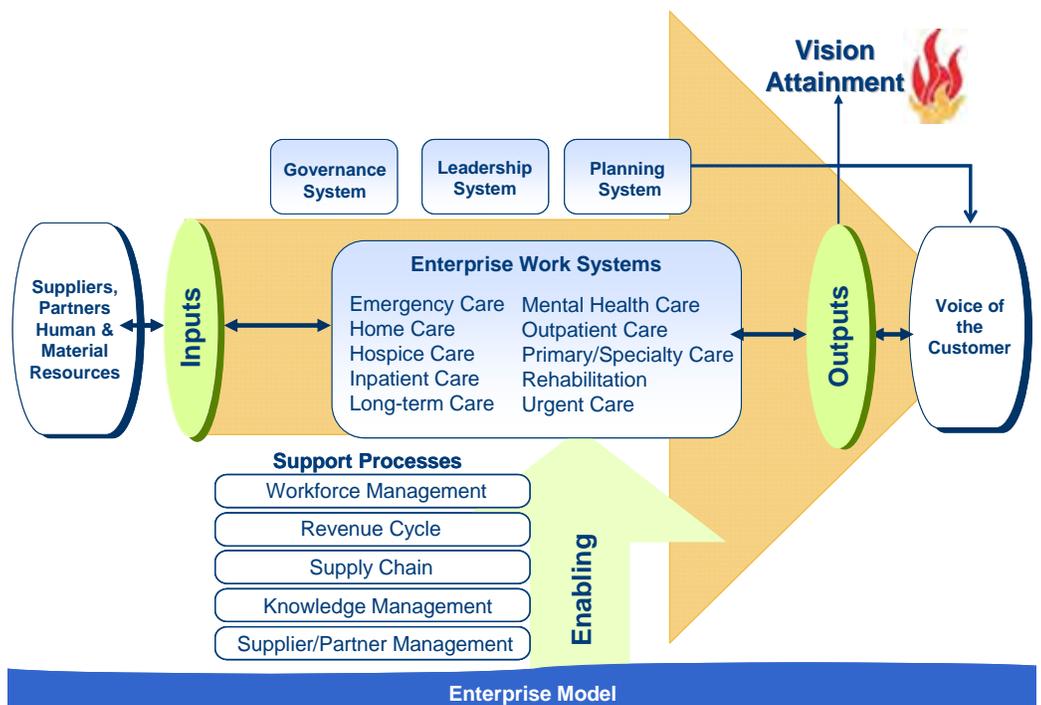
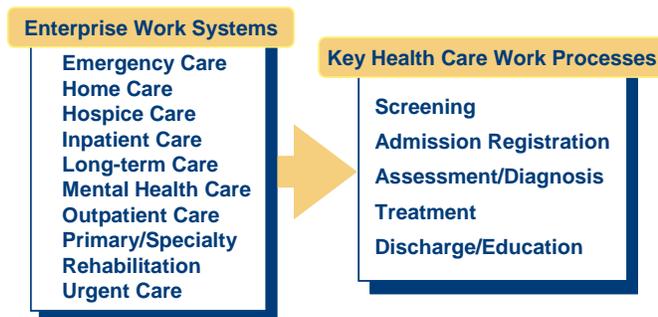


Figure 6.1-1: Value Creation Process

the Pillars and differentiated Sharp from its competitors. It also has driven the gains in market share Sharp has enjoyed for the past three years (7.3-8).

6.1a(2) Sharp designs and innovates its work systems through the Value Creation Process (Figure 6.1-1). Sharp's work systems connect the health care services delivered and the management and support processes, providing the resources, supplies, and support to enable successful health care delivery. The design process begins with the identification of a health care service need, business opportunity, or support process need, through the Strategic Planning Process using listening and learning tools (Figure 3.1-2). With a need identified, customer/stakeholder requirements are solicited, outputs determined, a work system is mapped, inputs identified, and suppliers/partners and resources determined. Evidence of this systematic work system design is seen in joint venture initiatives, new clinical program, such as Bariatric care, and other examples available onsite.

Work systems link to key work processes as shown in Figure 6.1-2. Each work system contains all of the key work processes. Performance of the sub-processes for these key work processes is measured per Figure 4.1-1. Example metrics are summarized in Figure 6.1-4.



Each work system is comprised of each key work process.

Figure 6.1-2 Work System/Process Linkage

Key work processes that are central to Sharp's core competency are determined and re-evaluated during the Strategic Planning Process. The decision-making regarding the use of internal systems versus external resources is made through the Strategic Planning Process using the Outsource Decision Process (Figure 6.1-3).

6.1b(1) Sharp's key work processes are listed in Figure 6.1-4. The key work processes comprise the essential elements of the product Sharp delivers, health care, along with business and support processes required to provide health care. How Sharp delivers this product is determined by our core competency. The Sharp Experience drives the cultural environment, priority setting, strategic execution, and structure for evaluation of success across the Pillars. Integration across the

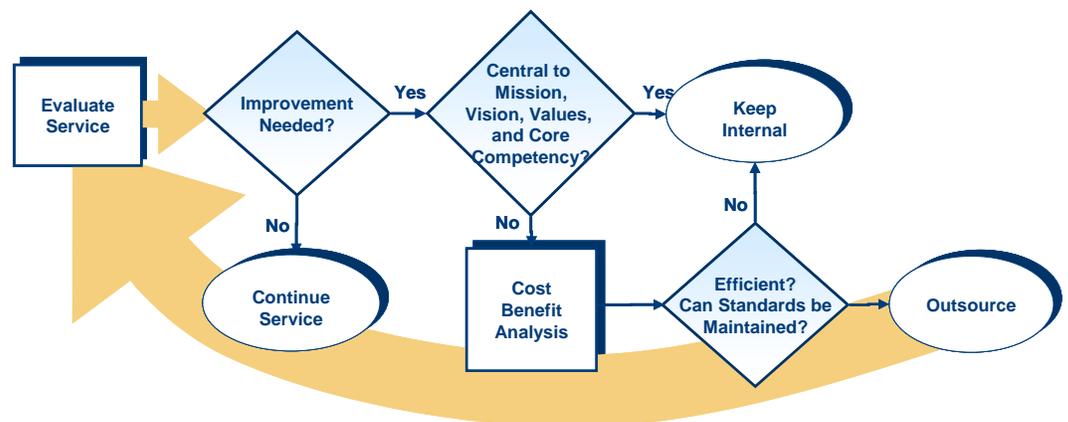


Figure 6.1-3: Outsource Decision Process

Pillars ensures strategic customer-focused performance improvement. Key work processes are based on patients' and stakeholders' satisfaction and positive patient outcomes, managed using the performance measurement system (Figure 4.1-1), and improved using the quality improvement methodology of DMAIC (Figure 6.2-1), and PI tools include LSS, C.A.P., Work-Out™ and others. These tools enable continuous performance improvement driven by rapid responsiveness, rigorous data analysis, and reduction in variation and waste across the system. Ongoing assessments along with continuous performance improvement efforts assure the following:

- Current service offerings are aligned by Pillar with Sharp's Mission and Vision;
- New customer needs are identified;
- Key customer assessments based on Press Ganey surveys, including verbatims and focus groups, along with employee input, and performance monitoring validate that services provided are safe, evidenced-based, patient-centered, timely, efficient, and equitable; and
- Existing service lines use evidence-based guidelines and in-process metrics, outcomes analyses, and listening and learning tools to drive improvements.

Sharp's key work processes span the continuum of care, providing all basic patient care services, and focus on a patient-centered experience. These processes contribute to:

- Improved health care service outcomes through ongoing performance improvement efforts using DMAIC;
- Value and satisfaction for patients based on improved health outcomes;
- Financial growth and efficiencies to continue organizational infrastructure investment; and
- Business growth for partners/brokers/payors/suppliers.

6.1b(2) The key requirements of Sharp's work processes are: safe, evidenced-based, accurate, patient/customer-centered, timely, efficient, and equitable (Figure 6.1-4). These requirements are identified through the Strategic Planning Process and derived from incorporating customer, supplier,

partner, and regulatory feedback using listening and learning tools (Figure 3.1-2), as well as best practices and benchmark performance.

Clinical Product Standards Committees meet monthly to collaborate on new and ongoing product and equipment requirements, ensuring innovation, staff input into supply acquisition, and agile decision-making. Additionally, input is gathered from key customer, partners, and suppliers during annual updates to the Materiel Management Strategic Plan and on an ongoing basis as contracts are reviewed. Physician input is actively solicited via medical staff committees and advisory groups formed to assess changes in clinical products, equipment, and related technology.

Multi-disciplinary, cross-functional teams identify and analyze these needs through interdepartmental surveys, satisfaction surveys, system/entity/department/unit leadership input, community focus groups, industry research and benchmarks, internal and external audits, and regulatory and legislative requirements. Actions on customer/partner needs are defined through the Strategic Planning Process and cascade to entity strategic and action plans, Action Team plans, and system/entity/individual targets.

6.1b(3) The systematic design, innovation and deployment of Sharp’s work processes is described in Figure 6.1-5. Work process design stems from strategic planning inputs (Figure 2.1-1) and customer/partner requirements identified via listening and learning tools (Figure 3.1-2). The design process uses COPIS (right to left on Figure 6.1-5) and process management uses SIPOC (left to right on Figure 6.1-5). Process requirements are communicated to multi-disciplinary, cross-functional teams for review and compliance including:

- Available/new technology
- Regulatory issues
- Patient safety
- Coordination of care
- Anticipated legislative, regulatory, business, or technology changes.
- Equipment needs
- Reimbursement
- Accreditation
- Payor restrictions

Outputs based on customer requirements are determined. A process flow is mapped from which inputs and suppliers are determined. A process pilot is launched (Step 9 of DMAIC) and measured against metrics to evaluate the effectiveness and efficiency of the process and its results (Figure 6.1-4). Feedback is solicited from customers and partners and incorporated in final design and implementation. Throughout the design, customer/partner requirements are communicated and examined by the project team to ensure quality and compliance outcomes. The design process, including the use of multi-disciplinary, cross-functional teams for designing, deploying, evaluating, and improving a process, is applied across the system for new services and technologies (e.g., Diabetes Data Mart). Once fully launched, processes are systematically monitored through in-process metrics and evaluation of results, as described in Figure 4.1-1.

Sharp employs a shared technology platform and common dictionaries across the system for use in collecting and aggregating performance data (4.1). LSS techniques and other quality improvement tools are used to define, measure, analyze, improve, control, and explain these results. Process improvement efforts, in turn, incorporate these data into the

Process	Key Rqmts	Process Measures
Manage Health Care		
Screening	Safe, Timely	Blood sugar (7.1-20), Cholesterol (7.1-21), Cancer screening (7.1-18 and 7.1-19), Glucose levels (7.1-1)
Admission/Registration	Safe, Timely	Patient satisfaction (7.2-5), Accredited (7.6-10), Privacy (7.6-7), Door to Doctor (7.5-18)
Assessment and Diagnosis	Safe, Evidenced-based, Efficient, Timely	Patient satisfaction (7.2-9), Skin care (7.1-10), Stroke care (7.1-16), LVF (7.5-13), CAP O2 (7.5-14)
Treatment	Safe, Evidence-based, Efficient, Timely, Patient-centered, Equitable	Glycemic control (7.1-2, 7.1-3), AMI Beta Blockers (7.1-4), CAP antibiotics (7.1-5), Cancer (7.1-8), Treatment measures (7.1-9 to 17)
Discharge/Education	Safe, Patient-centered, Timely	AHRO Patient Safety (7.1-15), AMI mortality (7.1-6), Bariatric program (7.1-9) Smoking cessation (7.5-12)
Manage Business & Support		
Revenue Cycle	Timely Accurate	EBITDA (7.3-4), Days in AR (7.3-2), Billing Cost (7.3-3), Payment (7.3-6)
Strategic Planning	Timely Accurate	Net Revenue (7.3-1), Market Share (7.3-8 through 14), Growth (7.6-1 and 7.6-2)
Key Suppliers and Partners Management	Efficient Accurate Timely Satisfaction	Provider Survey (7.5-3) Denials (7.5-9)
Supply Chain Management	Timely Accurate Efficient Safe	Pharmacy Turnaround (7.5-20), Sales Outstanding (7.5-5), Automated Orders (7.5-7)
Work Force Management	Timely Accurate Customer-centered Safe	Annual retention (7.4-12), EOS (7.4-1 to 5), Nursing satisfaction (7.4-6), Timely performance appraisal (7.4-11), Overall turnover (7.4-13), Vacancy (7.4-14)
Knowledge Management	Timely Safe Accurate	Internal promotion (7.4-10), Training expenditure (7.4-15), Out of network (7.5-10), Critical Values (7.5-16)

Figure 6.1-4: Key Processes

design of solutions. Sharp integrates the use of technology for improved communication, cycle time, and process effectiveness. At regular meetings throughout process implementation, Action Teams, cross-functional committees, and entity quality councils validate and adjust improvement actions to ensure design compliance and success. Cost controls and productivity learning are shared across the system through data sharing, site visits, service line

facilitation of best practices, and other knowledge management tools (Figure 4.2-3).

Physicians are key partners for clinical excellence and growth, and are actively involved in product/technology reviews. Similarly, suppliers/partners are critical in meeting customer and physician partner requirements for timeliness and service levels. Sharp has established standards for measurement of supplier performance. The system's supplier partnerships and corresponding performance measures are based on measurable, objective requirements developed during the contracting process.

Suppliers and their field representatives are expected to follow clearly delineated standards in their business dealings with Sharp. Representatives are individually oriented to these expectations before staff contact in Sharp facilities. Sharp's materiel management process is designed to leverage strategic partnerships with internal competencies to achieve operational efficiency and supply cost reduction. Goal alignment is achieved through the consolidation of purchasing, contracting, logistics, distribution, and payment processes. For example, Sharp is an active member of Premier, one of the two largest health care GPOs in the nation. This relationship ensures economic benefit from savings on purchases. Sharp provides direct clinical and business input to Premier via participation on numerous Premier contracting and advisory committees, and ensuring that products purchased meet clinical, quality, and total cost requirements.

Sharp has formal corporate agreements defining distribution partnerships with Owens & Minor, Cardinal Health, and Corporate Express. These companies are primary sources of supplies and are accessed consistently through e-commerce ordering. Mutual goals have been developed for each partnership, representing customer/partner and business requirements. These goals include expectations for the quality of products and processes, improved patient outcomes, increased customer/partner satisfaction, and cost effectiveness. Periodic business reviews are conducted to manage and improve performance and plan new objectives. An annual service survey of internal materiel management customers and outside suppliers is conducted for feedback on services and potential process improvements. An end-user survey for staff using the Lawson ordering system is also conducted annually. Business partner performance metrics are included in 7.5 and available onsite. Action plans are developed to improve processes and services with progress and best practices disseminated to users.

6.1c Sharp's Emergency Management Plan provides procedures for emergent situations most likely to disrupt normal operations, and is based on the principles of the HEICS used by emergency responders. Each response is designed to ensure resource availability for continuation of patient care. The plan addresses the medical needs of victims

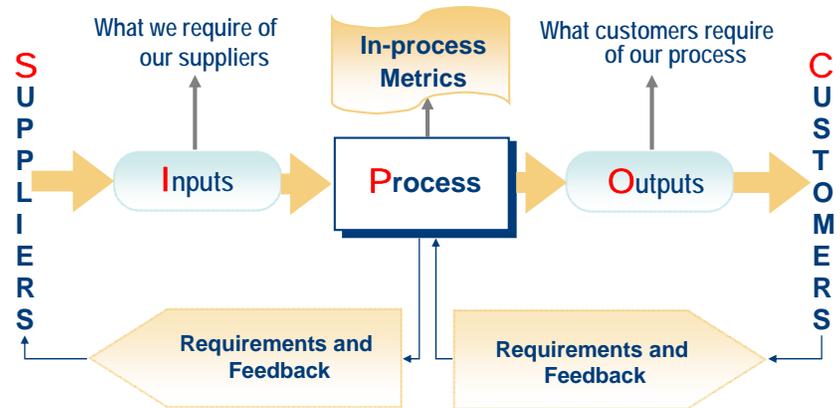


Figure 6.1-5: SIPOC (forward) and COPIS (backward)

and outlines expected levels of performance, space and resource usage, collective and individual responsibilities, and contingency planning. Processes are in place to exercise readiness and evaluate plan performance. In preparation for such an event, an HVA of the operations and environment of all Sharp entities is developed and maintained. The analysis is used to determine conditions or events likely to have a significant adverse impact on customer/partners' health and safety, and the likely impact on the entity's ability to conduct normal patient care and business activities. All Sharp entities, in conjunction with government agencies, establish their roles in the provision of care during disasters, perform large-scale drills two times a year, and conduct post-drill critiques. Sharp participates in community forums to support prevention efforts, establish notification procedures, maintain volunteer organization relationships, provide public agencies access, and develop plans/agreements with community and other health care organizations. Sharp ensures the continuity of operations in the event of an emergency through the following process:

1. Conducts an HVA and develops contingency plans.
2. Identifies and purchases critical supply requirements.
3. Trains on the use and management of equipment and supplies for chemical, biological, and radioactive events.
4. Plans and trains for surge capacity and evacuations.
5. Retrofits existing facilities and/or provides new construction to decrease impact of earthquakes.
6. Conducts drills two times a year (Home Care is done annually).
7. Conducts post-drill critiques and shares with County.
8. Corrects and re-drills.

6.2 WORK PROCESS MANAGEMENT AND IMPROVEMENT

6.2a Work Process Management

6.2a(1) Sharp's customers, partners, leaders, and the community demand effective and efficient work processes to ensure continued attainment of Sharp's Mission and Vision. Sharp's key work processes are determined based on these needs, aligned with system goals through the annual Strategic Planning Process (Fig. 2.1-1), and reviewed through the performance measurement system (Figure 4.1-1) and system quality improvement efforts (Figure 6.2-1).

Design and implementation requirements are ensured through the use of COPIS (Figure 6.1-5) and the 12-step DMAIC process (Figure 6.2-1). During the pilot phase of DMAIC (i.e., step 9), process design requirements are validated and modifications made, if needed. Customer requirements used in DMAIC are from patients, partners, suppliers, or collaborators as determined by the customer of the process under consideration.

Key performance measures include those listed in Figure 6.1-4. Additional day-to-day process metrics used for the control and improvement of work processes are listed in each Pillar Dashboard available onsite. Measurement and control of day-to-day operations and key work processes are accomplished through the performance measurement system (Figure 4.1-1). Action Teams and quality councils are charged with designing performance improvement plans using DMAIC to address each goal. These plans are reviewed at least monthly and identify the day-to-day changes needed to improve a process not meeting requirements.

Key supplier performance metrics and supply chain benchmarking is conducted via the Premier Supply Focus Scorecard, which provides performance indicator comparisons hundreds of peer hospitals. As outlier indicators are identified, research is conducted to isolate and reduce variability. Results are discussed with each entity's CFO and Materiel Manager, and action plans are developed.

Annual executive review sessions of each business suppliers' and partners' performance provide strategic direction and consensus for mutual corporate goals. Business partners also conduct annual customer/partner satisfaction surveys and incorporate Sharp's input into their process improvement plans.

Sharp considers the JC a key collaborator and is committed to the JC Continuous Readiness model to meet day-to-day compliance with regulatory requirements. Accordingly, each entity has identified leaders in focus areas for accreditation and licensure. Self-assessments and action plans are completed in conjunction with staff and physicians to identify areas for improvement. Staff are engaged in proactive evaluations and mock surveys to ensure day-to-day compliance. Additionally, each department is required to identify opportunities to improve care or services, and report their action plans and improvement results through department quality improvement reports or department

service response reports. Key accomplishments and learning in quality improvement, patient safety, and LSS are shared throughout the system via knowledge management tools (Figure 4.2-3).

6.2a(2) Patient expectations are managed through the service tools of The Sharp Experience (P.1). Patient expectations are identified through surveys, focus group research, benchmark analyses, and national research, and incorporated into work process design and improvement efforts. These expectations are validated through the routine and systematic evaluation of detailed patient and physician satisfaction results (3.2). These results, including comments, are disseminated via a Web application daily throughout the system to frontline managers for action. Sharp employees are trained and mentored to use Key Words at Key Times to help set realistic patient expectations, as well as obtain immediate feedback on care delivery. In addition to using the Five "Must Haves," employees are educated to use a standard communication method with patients (i.e., AIDET) to listen, establish rapport, and set expectations. Plus, in-room white boards are used in hospitals to post individual patient preferences and requirements and communicate them to all caregivers who interact with the patient. Employees are encouraged and recognized for using listening and learning tools to validate their performance.

Patient education brochures, in-room television shows, and Web sites are available to inform and educate patients/families on specific procedures. Patient preferences and decision-making are incorporated into health care service delivery through patient and family care conferences and one-on-one discussions with the physician, nurse, and health care team. In addition, Sharp has many services designed to

solicit patient preferences such as "Opt-In" health information services, 82- Sharp, and complementary therapies.

6.2a(3) Sharp is dedicated to a culture of safety and quality guided by the Patient Safety Plan under the Quality Pillar. This plan is a working document guiding patient safety activities of the organization and flows from the System Strategic Plan. In addition to fostering a culture of safety, a preventive approach is used to minimize overall costs associated with inspections and audits, avoiding failures in key work processes and medical errors by:

- Leveraging IT in process surveillance and improvement such as smart pumps, bar coding, and *On Watch*. *On Watch* generates a list of patient care safety issues in real-time on

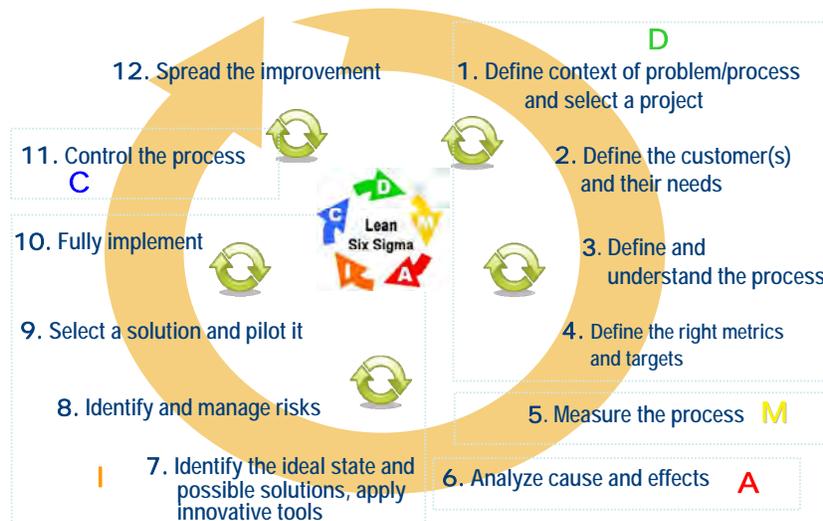


Figure 6.2-1: DMAIC 12-Step Problem-Solving Process

the EMR for caregiver action.

- Monitoring with control charts, the quarterly report by MedAI that identifies statistically significant variables across 35 disease states and 1,500 measures (4.1).
- Establishing and disseminating system-wide internal and external benchmarked process measurements, and conducting regular process reviews and random analyses of readiness/safety.
- Fostering a culture of safety at the unit level through Team Resource Management and open communication to avoid costly and dangerous errors.
- Establishing a non-punitive reporting policy and culture, staff education, and leader role modeling and mentoring.
- Providing a confidential reporting process for employees to submit quality concerns and patient safety near-misses.
- Deploying quality improvement methodologies, tools, and projects across the system including FMEA, Team Resource Management, and LSS, which anticipate failure modes and reduce errors and defects.
- Routinely evaluating suppliers/partners and contractual requirements.
- Ongoing focus on leader/staff training and education.
- Timely RCA with resultant action plans.
- Safety steering committee actions for system-wide prevention based on industry alerts, anticipated errors, or entity experience (e.g., removal of risk-related supplies/equipment).

QVRs are electronically delivered to the appropriate managers and quality departments. Trended quality reports with recommendations are reviewed regularly with entity quality directors in the Clinical Effectiveness Department and at entity quality councils for organizational learning. Intervention or prevention steps are outlined and shared with managers for collaboration and implementation.

Costs associated with inspections, tests, and audits also are minimized by consolidating suppliers across the system, decreasing variability of products offered, and employing electronic surveillance to reduce the manpower necessary for the audit process. Supply chain management processes have been standardized concurrently with products and equipment to achieve operational leverage across the continuum of care. The benefits of consistent distribution processes include streamlined order processing, high fill rates/product availability, consolidated deliveries, volume discounts, and access to value-added services (7.5).

6.2b Work Process Improvement

Sharp uses DMAIC (Figure 6.2-1) and the performance improvement process, employing tools such as LSS, C.A.P., and Work-Out™ to achieve better performance, reduce variability, improve health care services and outcomes, and keep processes current. The tools used are those that best fit the process needing improvement. The creative nature of the improvement tools and the process engage employees on project teams and facilitate innovative solutions. PI recommendations stem from customer requirements; partner, supplier, and collaborator feedback; employee suggestions; and analyses of critical data variables (Figure 4.1-1), strategic

targets, and national benchmarks. Senior Leadership, quality councils, and medical staff leaders determine an improvement project's priority (Figure 4.1-4). Project results are monitored through the performance measurement system (Figure 4.1-1). It is the frequency of monitoring and measurement, as well as listening and learning, that provides the organization with the ability to keep processes current with service and business needs.

Results are shared across the system through the use of knowledge management tools (Figure 4.2-3), such as newsletters, SharpNet, service line and division meetings, employee forums, LDS, quality and safety councils, supplier reviews, CME sessions, system regulatory and safety committees, and the Patient Safety Symposium. Learning is cross-pollinated across the system through the Knowledge Management Process (Figure 4.2-3) and best practice spread (Figure 4.2-4). Additionally, one of the fundamental roles of the Clinical Effectiveness Division is to propagate best practices across the organization.



CATEGORY 7: RESULTS

7.1 HEALTH CARE OUTCOMES

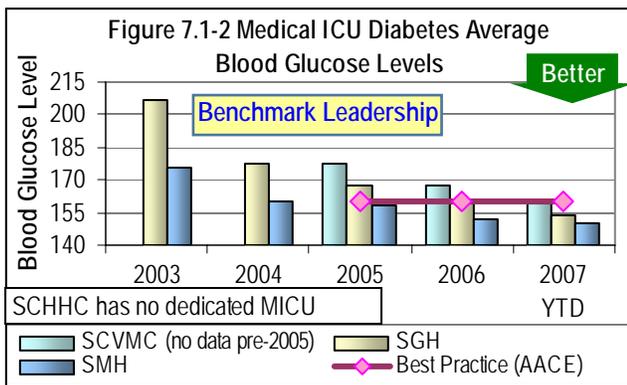
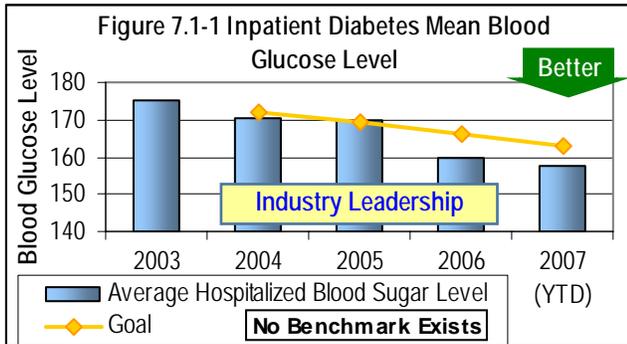
Sharp is on a journey to become the best place to work, practice medicine, and receive care. It is through leveraging the Six Pillars of Excellence of The Sharp Experience that Sharp is delivering on this journey. Performance improvement is a central strategy at Sharp and is delivering results that meet or exceed national benchmarks. Numerous metrics are monitored in Sharp's Report Card and Dashboards. Where Sharp results are listed, this represents an aggregation of all entities' performance. Segmentation by entity, key customer groups, demographic factors, different time intervals, etc., is available onsite. Some examples are contained herein. However, given the size, scope, and complexity of the organization and the application space constraint, there is limited ability to present all of Sharp's performance. Sharp uses the MedAI database for national severity-adjusted clinical comparisons. Additionally, Sharp uses national clinical databases such as the STS, ACC, JC, and state comparisons.

Ⓡ = Regulatory Requirement

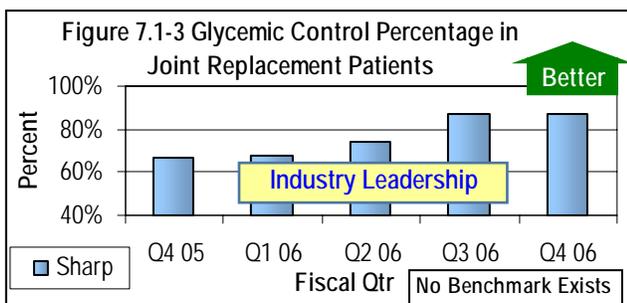
Ⓟ = Payor Requirement

7.1a(1) Health Care Results

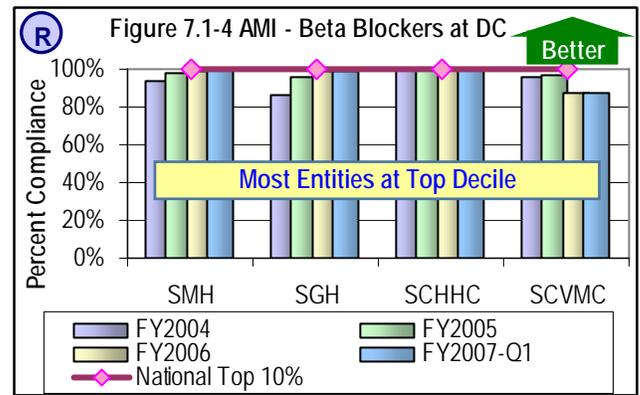
Sharp has been driving a system-wide initiative for the past four years to improve the acute care management of patients with a secondary diagnosis of diabetes (Figure 7.1-1). Sharp's wealth of electronic data sources enables diabetes measurement with depth and timeliness. There is no national benchmark for this as of yet, but best practice for ICUs is noted in Fig.7.1-2 with Sharp setting the bar for excellence.



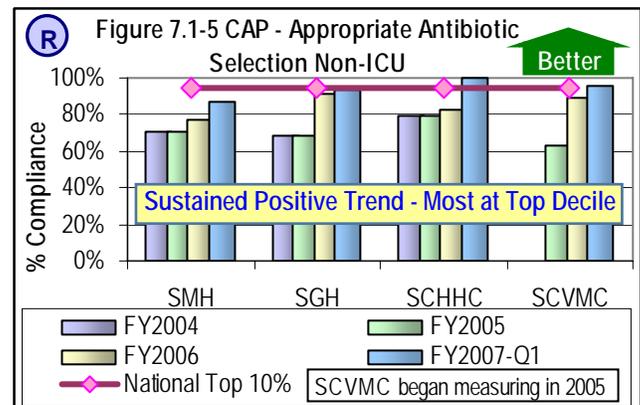
The aggressive control of blood sugar has been extended to the preoperative phase for elective orthopedic surgery patients to reduce their risk of infection (Fig.7.1-3). While there is not yet a national benchmark, it is an evidence-based intervention.



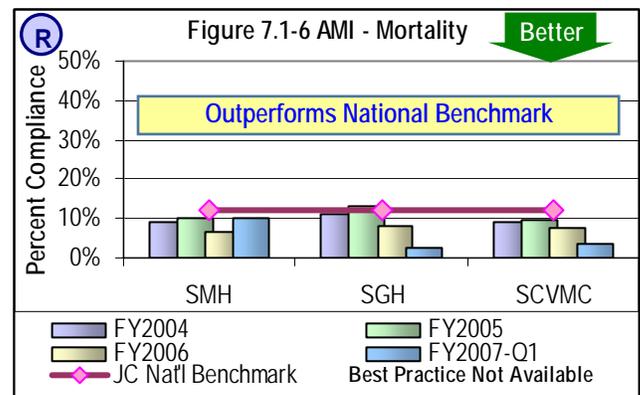
In keeping with its culture of openness and accountability, Sharp led the way on public reporting by volunteering to publish its health care performance. The measures of the CMS voluntary reporting program match JC Core Measures. Sharp also posted quality data on calhospitalcompare.org and Sharp.com to facilitate accurate and open disclosure to its community (Fig. 7.1-4, 7.1-5, and 7.1-6). Most of Sharp's hospitals are at top decile performance. SCVMC has an action plan in place to return to top performance.



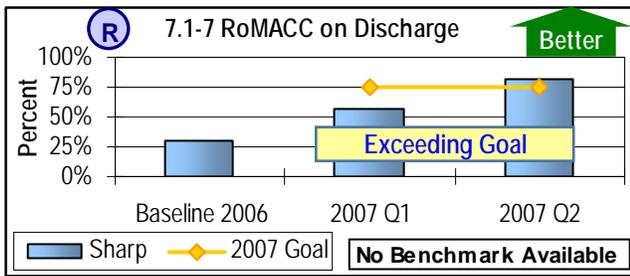
Sharp hospitals are at or approaching top decile performance on appropriate antibiotics for non-ICU community acquired pneumonia patients, with sustained improvement year over year (Fig.7.1-5).



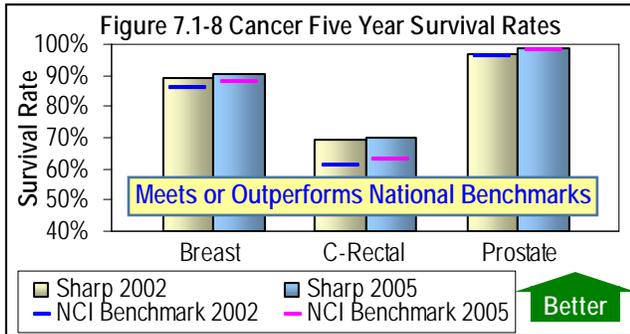
All of Sharp's hospitals that treat STEMI through the San Diego county designation program outperform the JC national benchmark for mortality. These are the Sharp hospitals with catheterization labs (Fig. 7.1-6).



Sharp's commitment to patient safety is demonstrated by tying safety performance to compensation on the system Report Card. RoMACC is a new requirement drawn from JC NPSGs and represents an annual Report Card goal for 2007 under the Quality Pillar (Fig. 7.1-7). This and other patient safety measures, such as medication events, are evaluated at the entity and department levels and are available onsite in segmented form.



Sharp benchmarks with the NCI for survival rates of cancer (Fig.7.1-8) in all of Sharp's cancer programs. Sharp meets or exceeds the five-year survival rate of all the major cancers listed. This has been accomplished by aggressive screening, a rapid diagnostic process, state-of-the-art research, patient education, technology, and pharmacotherapeutics.

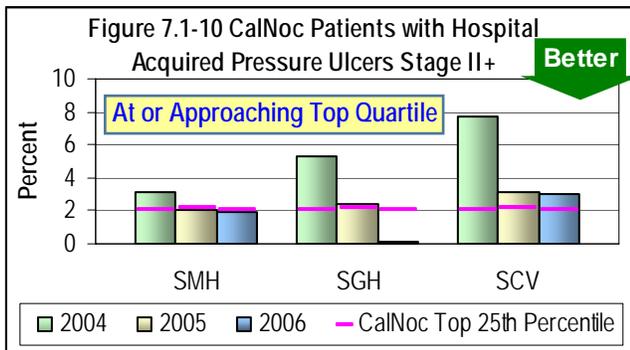


In Sharp's Bariatric program, patients have had neither emboli nor pneumonia for the past two years (Fig.7.1-9). There has been no mortality for the life of the program. The commitment to quality, patient preparation, and careful follow-up has made this program a leader in the nation. The national benchmarks are derived from the ASBS.

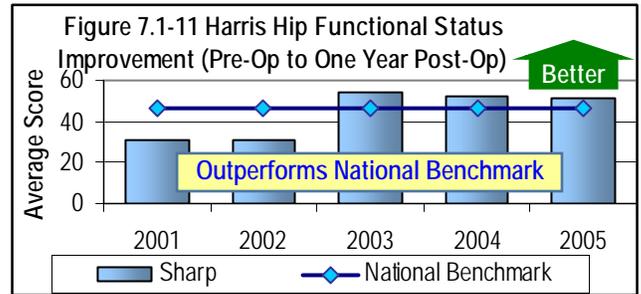
Complication Type	2002	2003	2004	2005	2006	National Benchmark
Emboli	0%	0%	0%	0%	0%	1%
Pneumonia	0%	1%	0%	0%	0.5%	3%
Leaks	1%	0%	1%	1%	1%	8%
Mortality	0%	0%	0%	0%	0%	1%

Benchmark Leadership

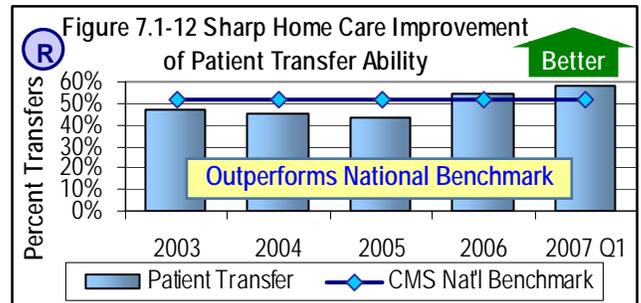
Skin care is a system-wide nursing sensitive indicator that has been the subject of PI strategies across Sharp, leading to top quartile performance across the system (Fig 7.1-10).



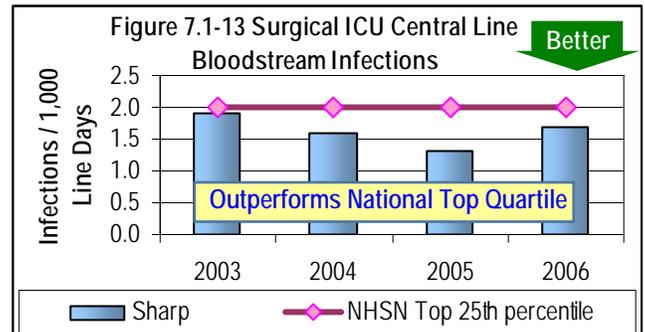
Sharp's Joint Replacement program tracks outcomes evaluating pain, function, deformity, and range of motion for ten years following surgery. The Harris Hip Functional Status is a measure of first year functional improvement. Sharp exceeds the national benchmark (Fig.7.1-11).



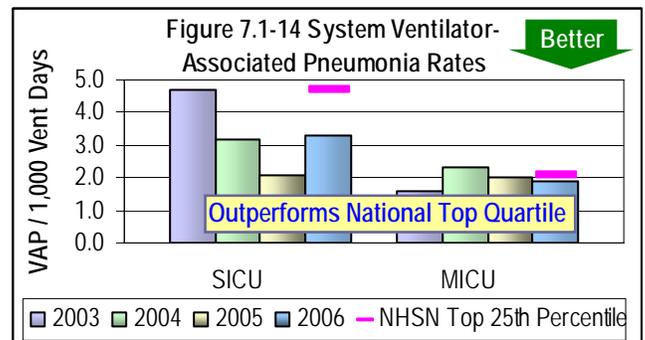
Improving patient mobility is a key success factor in home care. Sharp Home Care has driven PI strategies around this outcome and surpassed the CMS benchmark (Fig. 7.1-12).



Bloodstream infections from central lines in the Surgical ICU are a major patient safety measure. Infection prevention is top of mind at Sharp, with the surgical ICUs across the system outperforming the top quartile of NHSN (Fig. 7.1-13).



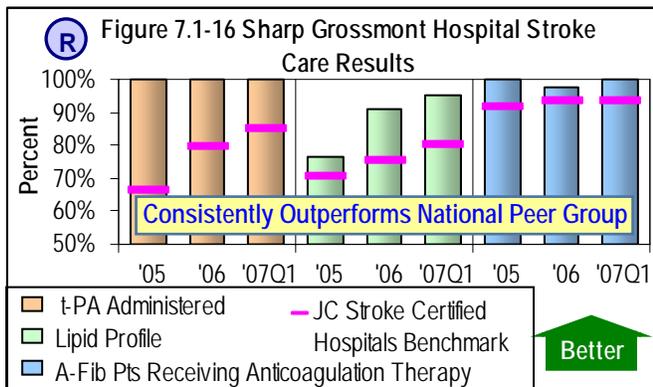
Ventilator-associated pneumonia rates also represent a significant patient safety measure. The ICUs at Sharp outperform the top quartile of NHSN (Fig. 7.1-14).



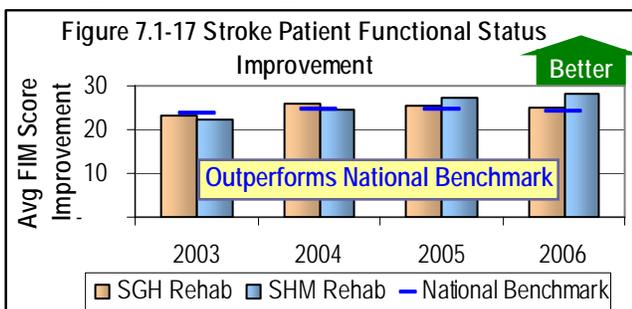
The strategic plan for patient safety drives organizational efforts to prevent harm. In addition to addressing culture and using technology and human factors in design change, Sharp measures results. Sharp Hospitals exceed AHRQ patient safety indicators for inpatient care (Fig. 7.1-15).

Fig.7.1- 15 AHRQ Patient Safety Indicators		
Indicator Description (rates shown per 1,000 cases)	AHRQ Population Rate	Sharp 2006 Rate
Death in Low Mortality DRGs	0.66	0.10
Decubitus Ulcer	22.71	17.70
Iatrogenic Pneumothorax, Secondary Dx	0.83	0.60
Selected Infections Due to Medical Care	1.99	1.50
Postoperative Hip Fracture	0.30	0.10
Postoperative Hemorrhage or Hematoma	2.03	1.90
Transfusion Reaction, Secondary Dx	0.01	0.00
Birth Trauma – Injury to Neonate	6.34	0.70
OB Trauma - Vaginal Delivery w/ Instrument	217.09	172.00
OB Trauma - Vaginal Delivery w/o Instrument	81.98	38.30
OB Trauma - Cesarean Section	5.93	2.70
Outperforms National Benchmark		

Only 320 out of 4,000 hospitals across the country are JC stroke certified. SGH earned JC certification and, in its first two years of certification, outperformed the benchmark for proper anticoagulation, screening for hyperlipidemia, and administering clot-busting drugs (Fig.7.1-16).

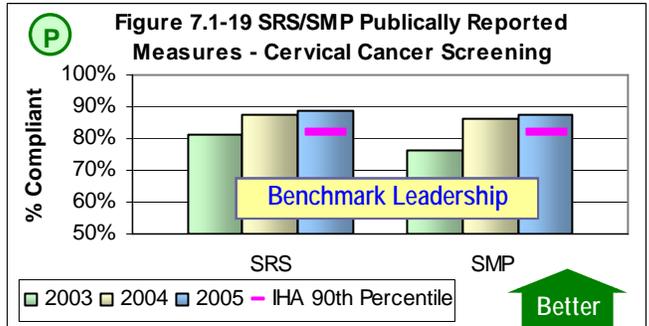
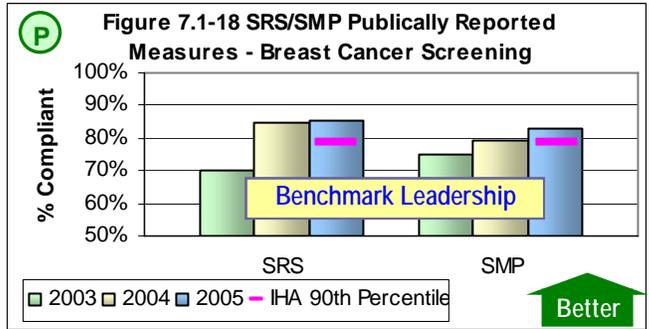


The FIM™ instrument measures severity of disability and incorporates both motor and cognitive measures. Sharp is exceeding the national benchmark for improved functional status for patients recovering from stroke (Fig.7.1- 17).

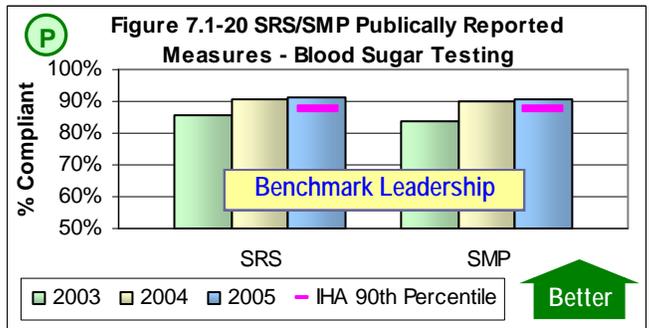


Sharp medical groups have steadily improved breast and cervical cancer screening as shown in Fig.7.1-18 & Fig.7.1-19

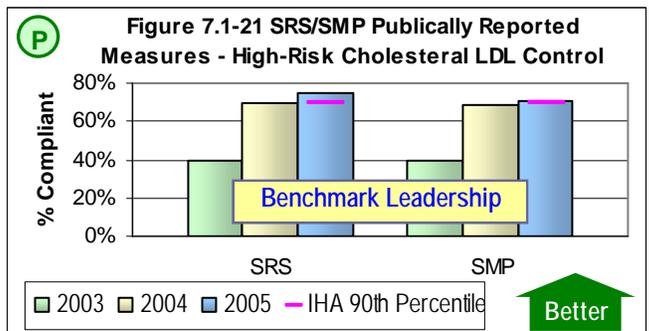
and outperform the top decile in the state publicly reported database.

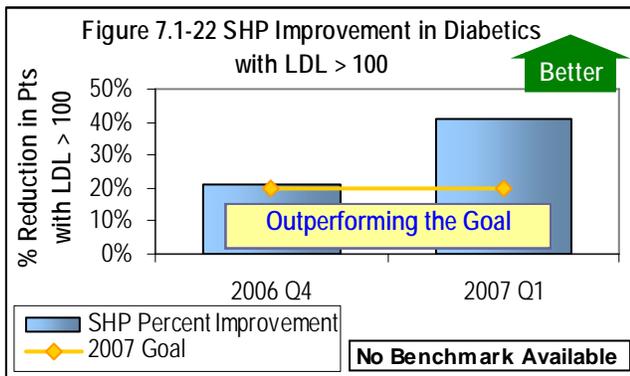


Improvement in outpatient diabetes care is a statewide initiative and was set as a system target (Fig.7.1-20). Sharp’s medical groups are accelerating the rate of improvement year-over-year and, as a result, less than 8 percent of their patients need intensive management for diabetes. Sharp’s medical groups lead the community in diabetes management.

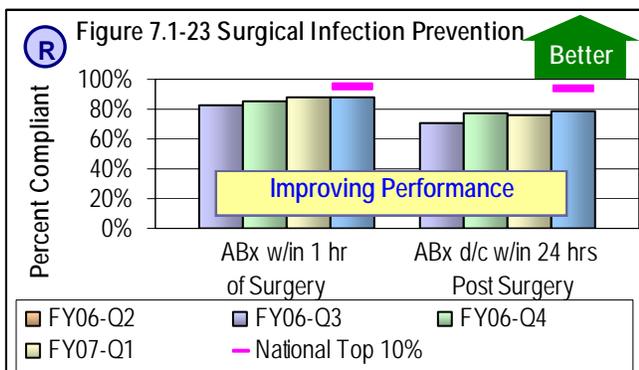


Reducing LDL cholesterol is a community health goal for the prevention of heart disease. Sharp’s medical groups have reduced the number of their patients with LDL greater than 100 (Fig. 7.1-21). SHP successfully reduced the number of patients with elevated “bad” cholesterol by 40% year-to-date 2007, doubling their expected performance (Fig. 7.1-22).





Improved processes of care to prevent infection are a system Dashboard Indicator. While not at the top decile yet, there are aggressive PI processes underway at each entity to address these indicators (Fig. 7.1-23).

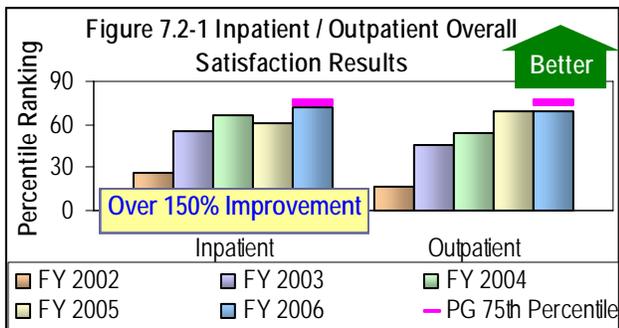


7.2 PATIENT AND OTHER CUSTOMER-FOCUSED OUTCOMES

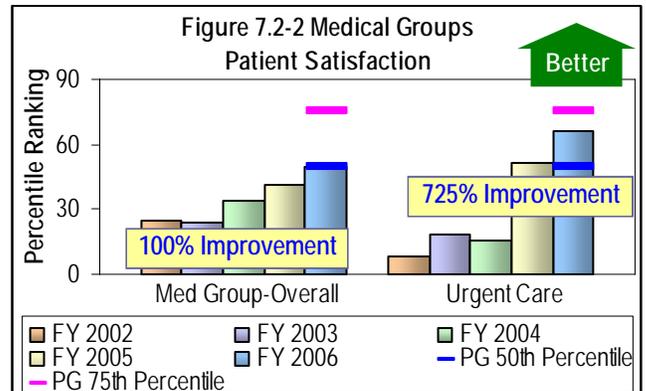
7.2a(1) Key Measures of Patient & Customer Satisfaction

All of Sharp's patient satisfaction scores are evaluated at the system, entity, department, and unit levels. This data is updated on a weekly basis for managers and reviewed at all levels of the organization on a monthly basis to drive improvement. Segmentation is reviewed by survey type and demographic characteristics and sorted by items of importance to patients. These additional segments are available onsite.

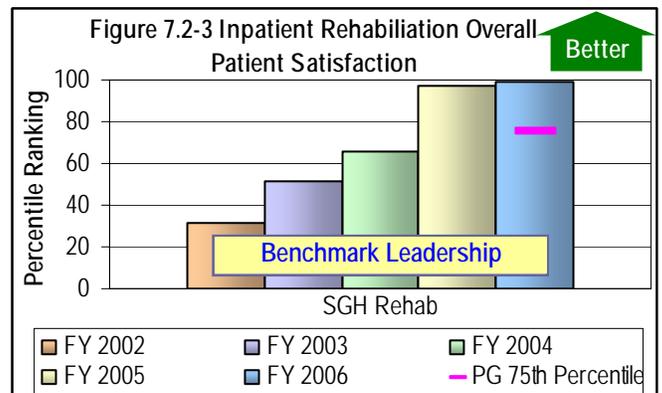
Inpatient satisfaction is one of the system's Report Card goals. There is significant year-over-year improvement in inpatient and outpatient satisfaction with scores approaching the top quartile in Press Ganey rankings (Fig.7.2-1).



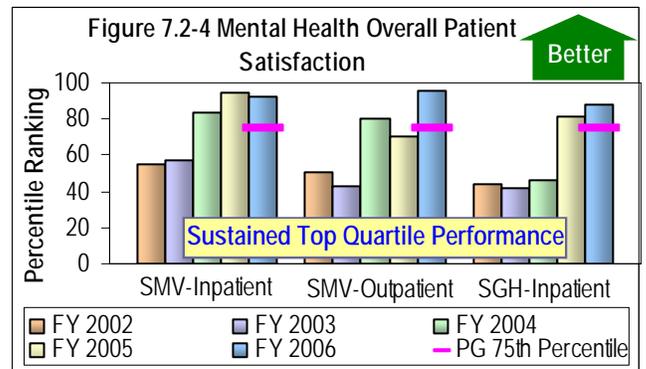
Medical group offices are showing a consistent positive trend in patient satisfaction. While not yet achieving their percentile goal, Sharp's medical groups are receiving high scores for office visits (consistently in the 90s), which continue to climb every quarter. Percentiles are at or exceed the 50th percentile among organizations with a commitment to patient satisfaction strategies (Fig.7.2-2).



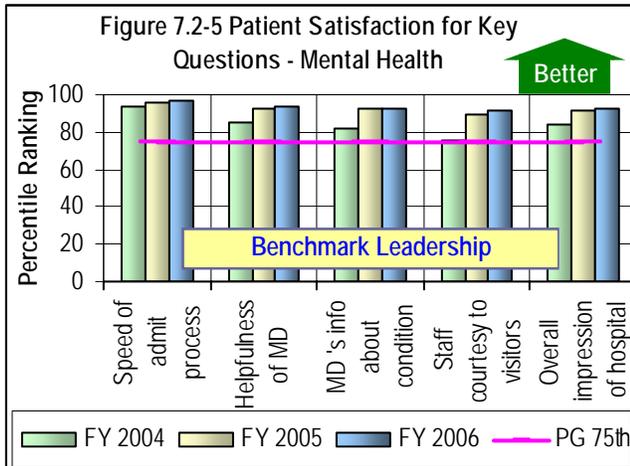
SGH Inpatient rehabilitation patient satisfaction has improved and has been at the national top quartile for the past two years (Fig. 7.2-3).



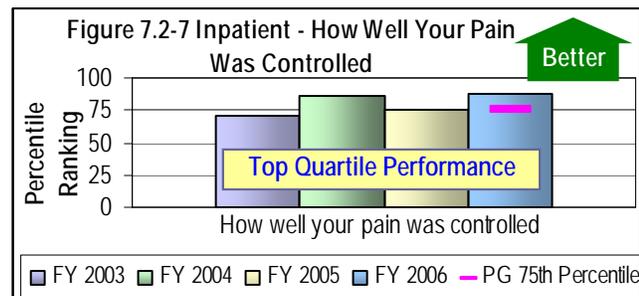
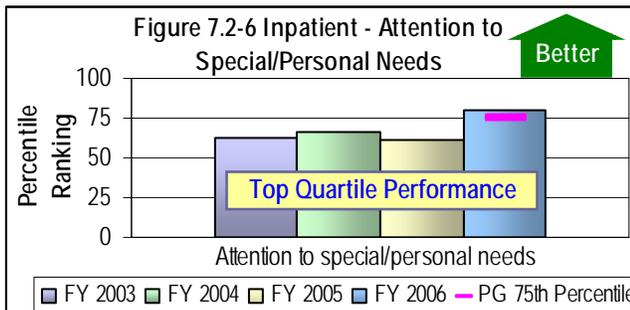
Sharp inpatient and outpatient mental health services have shown significant improvements over the past four years in patient satisfaction and are all performing in the top quartile (Fig.7.2-4).



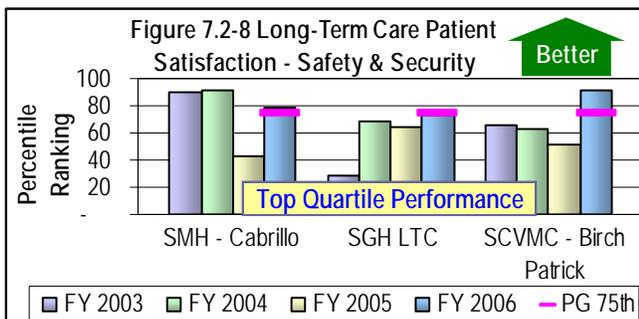
Segmentation by question shows sustained improvement and top quartile performance (Figure 7.2-5).



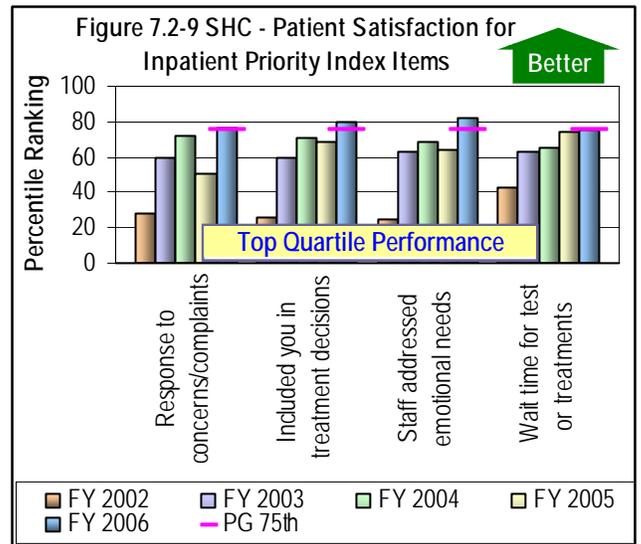
Inpatient attention to personal needs and pain control are two of the questions patients identified as not only important to their care and satisfaction, but areas where Sharp staff performed exceedingly well (Fig. 7.2-6 & 7.2-7).



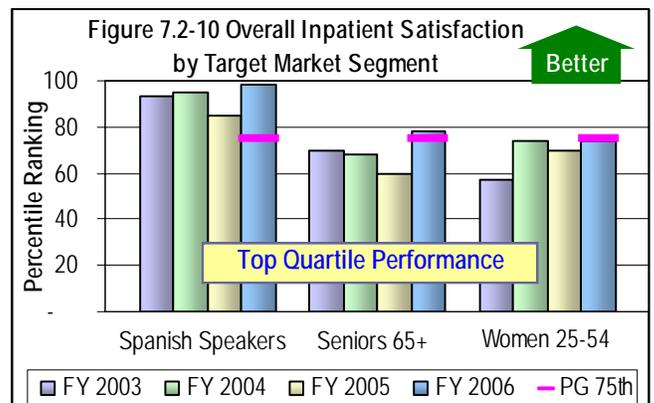
Long-term care patients have rated Sharp's long-term care facilities in the top quartile nationally (Fig. 7.2-8).



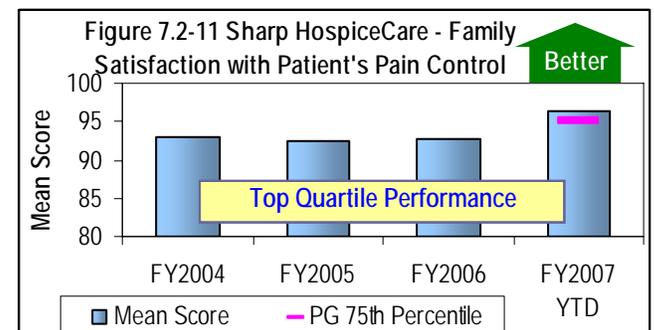
Priority index items for inpatient satisfaction give evidence of why Sharp's market share has grown for consecutive years, as patient satisfaction rankings show increasing results year-over-year. Sharp exceeds the Press Ganey top quartile in all priority index items, as shown in Fig.7.2-9.



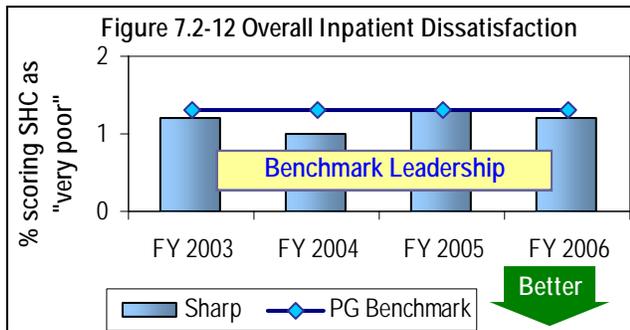
Sharp's patient satisfaction strategies are working across its target market segments (Fig. 7.2-10). Strategies have been implemented to address Spanish-speaking patients (e.g., Spanish version of Sharp.com). Sharp performs at the top quartile in all three target market segments.



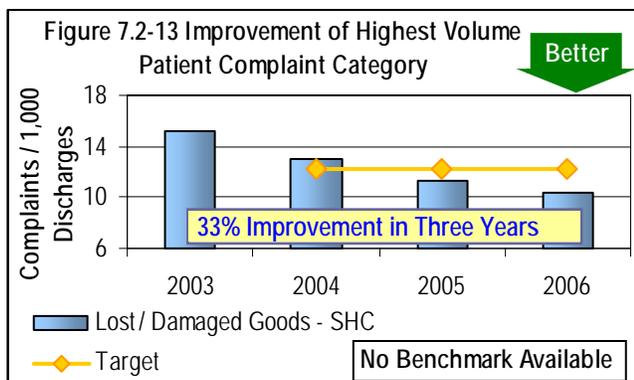
Pain management is a top priority at Sharp HospiceCare based on patient and family listening and learning. Performance improvement efforts yielded an increase into the top quartile (Fig. 7.2-11).



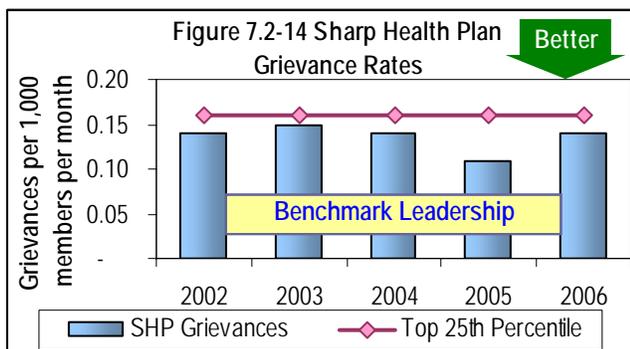
Sharp measures inpatient dissatisfaction scores by evaluating those patients that indicate “very poor” for overall satisfaction, and remains ahead of the Press Ganey benchmark (Fig.7.2-12).



Increased focus on patient satisfaction has kept the number of patient complaints trending down. Lost and damaged goods remains the highest volume issue but has declined by over 30 percent over the past three years (Fig.7.2-13).

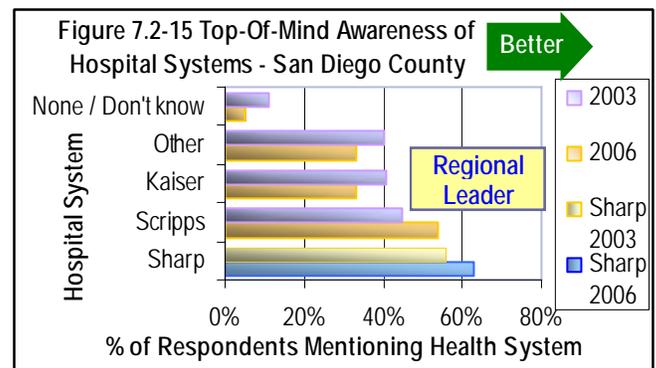


Low grievance rates reflect well on the work being done by SHP (Fig.7.2-14), which has consistently performed in the top quartile for the past five years. The sale of a significant portion of the health plan has changed the underlying population being measured in 2006, but performance is tightly managed on this measure and remains in the top quartile according to E&Y’s Managed Care Benchmarking Study.

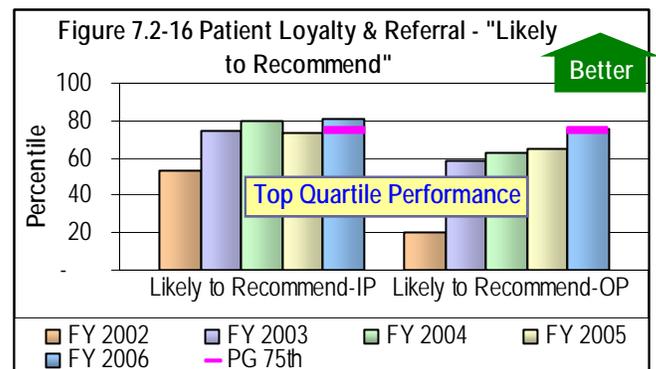


7.2a(2) Loyalty and Retention

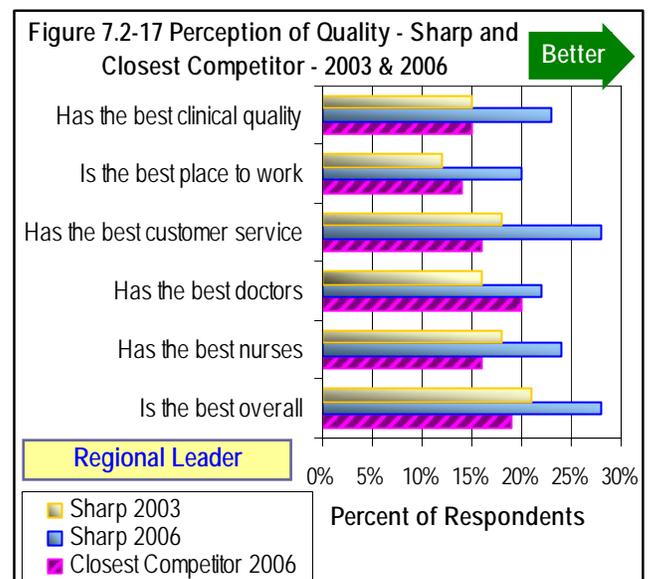
Top-of-mind awareness of hospital systems was evaluated by asking San Diego consumers to name up to three systems in the area on an open-ended basis. Sharp is mentioned more often than any other hospital system on a top-of-mind basis (Fig. 7.2-15) and has remained so for the past three years.

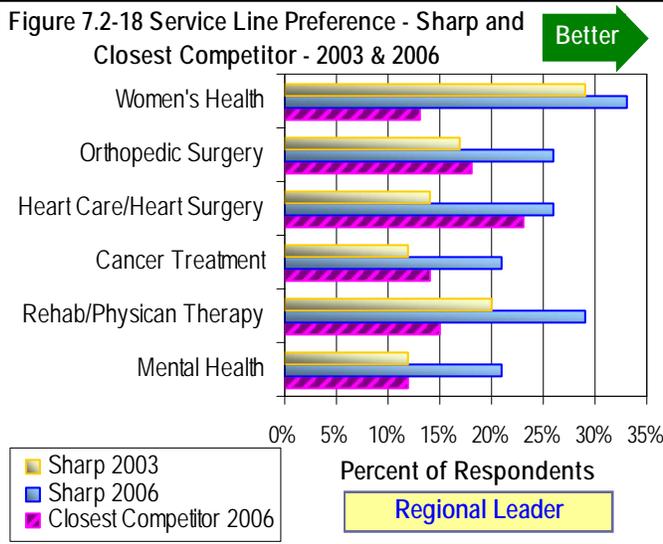


The patient loyalty index, as measured by the likelihood to recommend Sharp (Fig.7.2-16), demonstrates top quartile performance and gives evidence of patients’ positive response to The Sharp Experience.

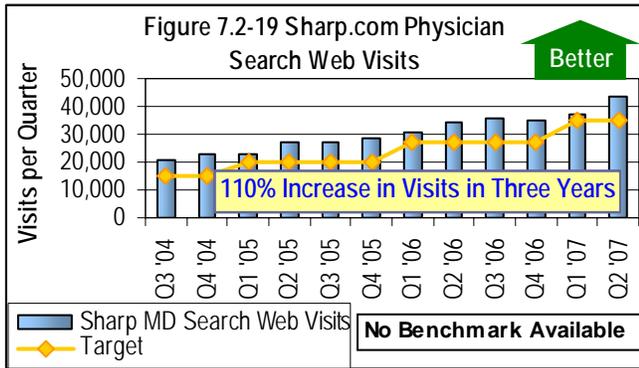


San Diego consumers rated Sharp the highest on quality measures (Fig.7.2-17) and preference for health care services across all of the major service lines (Fig.7.2-18). Every measure increased over the past three years. The community continues to confirm the success of Sharp’s strategy to transform the health care experience.

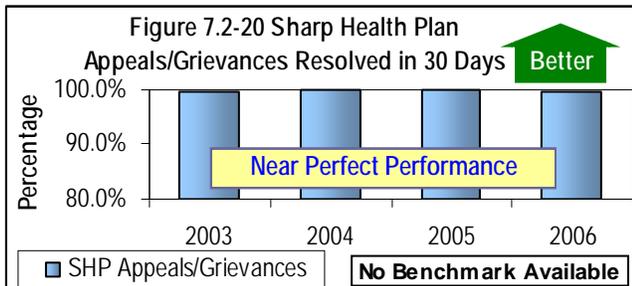




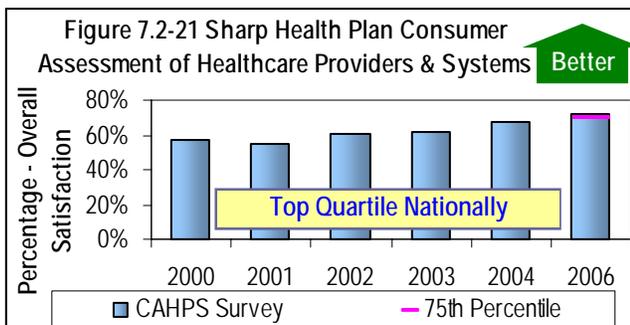
Increasing visits to Sharp.com (Fig. 7.2-19), along with increasing patient volume, demonstrate the effectiveness of this access mechanism as a strategy for growth.



SHP has near flawless performance in the resolution of appeals and grievances within 30 days (Fig. 7.2-20).



Consumer satisfaction rates place SHP in the top quartile across the nation (Fig. 7.2-21).

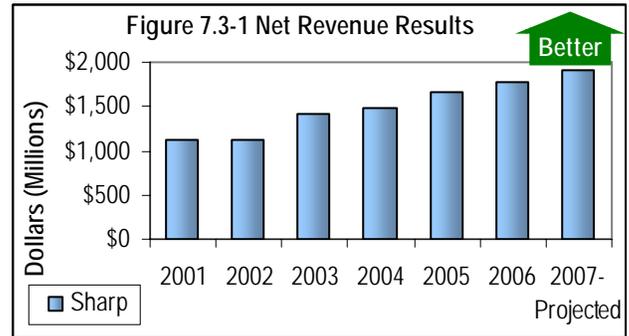


7.3 FINANCIAL AND MARKET RESULTS

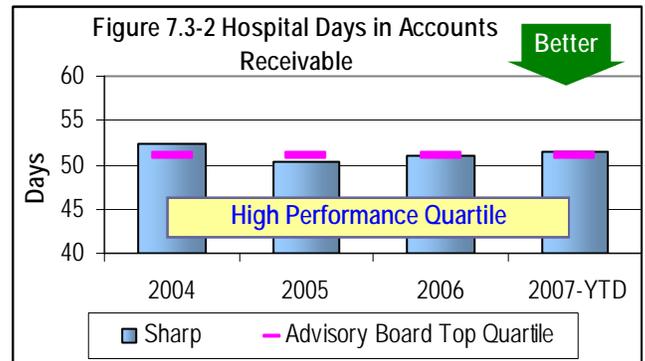
7.3a(1) Financial Performance

All of Sharp's financial data is budgeted, measured, reported, and analyzed at the system, entity, department, and unit/cost center level. These segmented data are available onsite.

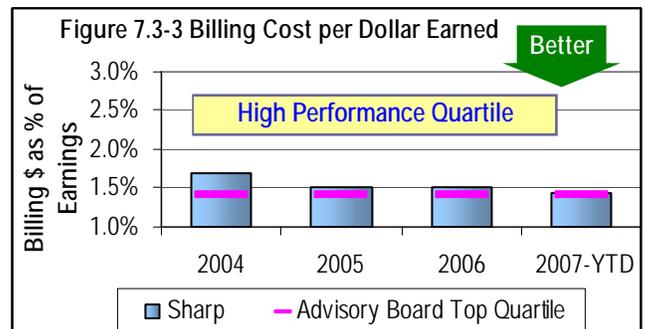
Sharp measures net revenue as a growth indicator on the Report Card. Total operating revenue has grown 56 percent from fiscal 2001 to 2006, an annual average growth rate of over 11 percent (Fig. 7.3-1).



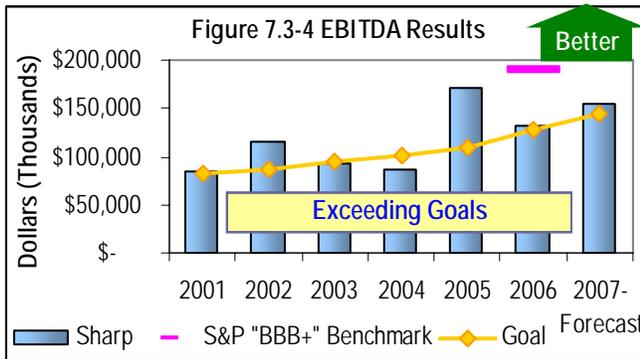
In September 2006, Medicare held all payments for the last nine days of the month, negatively impacting Sharp's year-end days in AR calculation by 2.0 days. Despite this setback, Sharp performs at The Advisory Board Financial Leadership Council's High Performance Quartile for days in AR (Fig. 7.3-2).



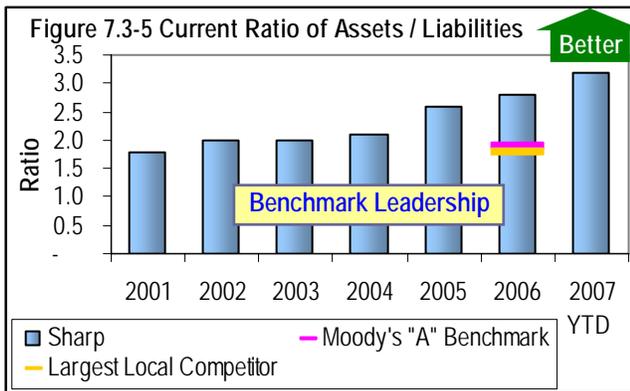
Sharp performs at The Advisory Board Financial Leadership Council's High Performance Quartile in Total Cost to Collect (Fig. 7.3-3). This reflects positively on revenue cycle PIs to build accurate bills, eliminate rework, and create economies of scale at the system level.



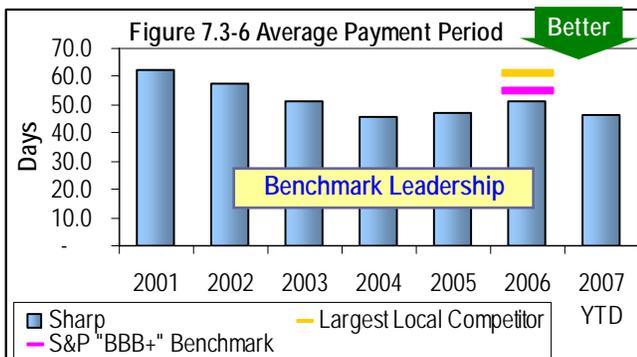
Shown in Fig. 7.3-4, EBITDA results have shown consistent, favorable performance in comparison to Sharp's goal, while not yet performing to the S&P benchmark. This is due to carefully considered spending to invest in infrastructure and legislative mandates including nurse/patient ratios. Fiscal 2002 includes a \$13.3 million gain on the sale of Sharp Cabrillo, a hospital building. Fiscal 2005 includes a \$23.2 million gain on the sale of SHP's government line of business. Sharp is on-pace to exceed its 2007 budget due to increases in market share, good expense management, and positive payor mix.



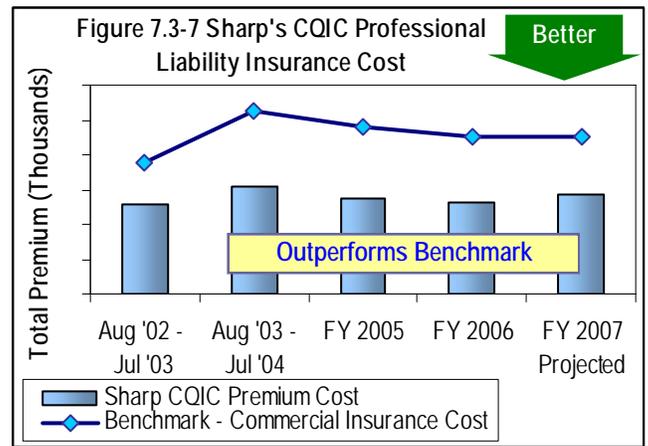
Moody's "A" rated facilities have a ratio of current assets to current liabilities of 2.0, compared to 3.2 for Sharp. (Fig.7.3-5)



Sharp's average payment period decreased from 62.4 days in fiscal 2001 to 43.1 days in fiscal 2006, reflective of Sharp's emphasis on vendor/partner relationships (Fig.7.3-6).

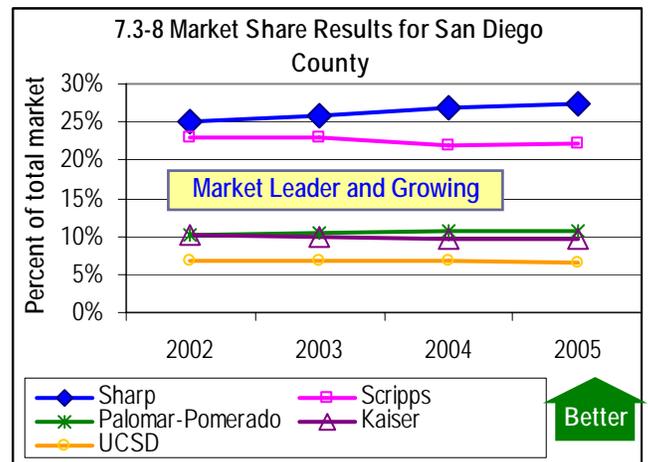


Sharp's professional liability insurance entity, CQIC, substantially reduces expenses over commercial rates (Fig. 7.3-7). A major contributor to its performance is progressive claims' management and aggressive risk management.

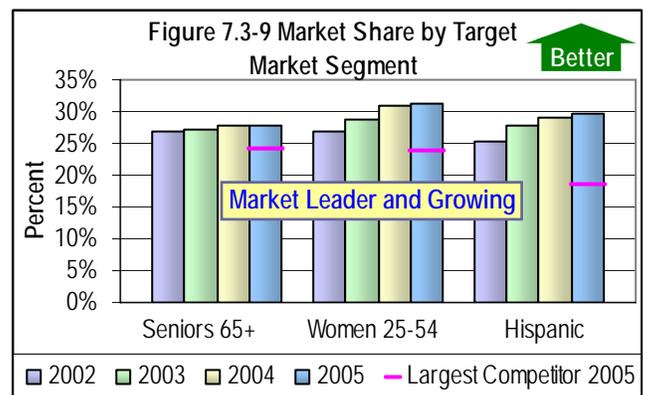


7.3a(2) Healthcare Marketplace Performance

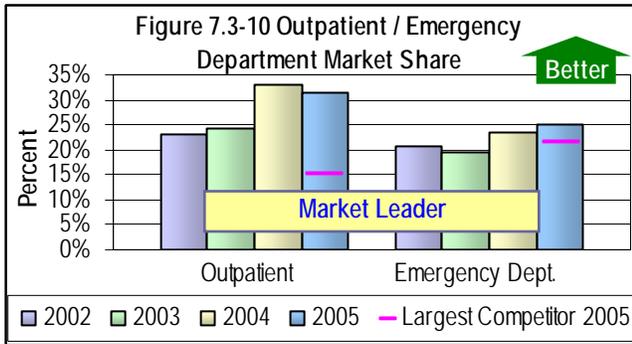
By leveraging The Sharp Experience and driving performance excellence across the Pillars, Sharp has gained over two percentage points in market share over the past three years, an unprecedented gain in a mature health care marketplace such as San Diego (Fig. 7.3-8).



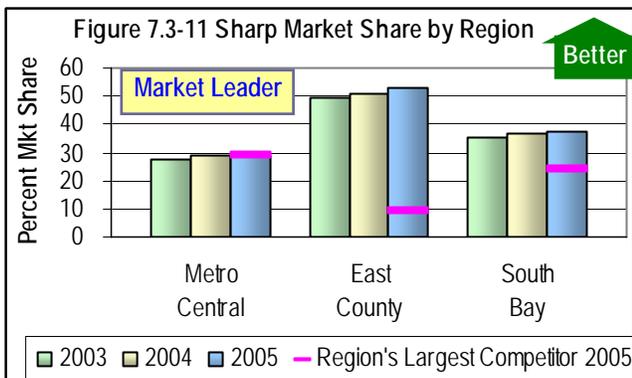
Sharp has experienced noticeable and sustained market growth in all key market segments (Fig. 7.3-9).



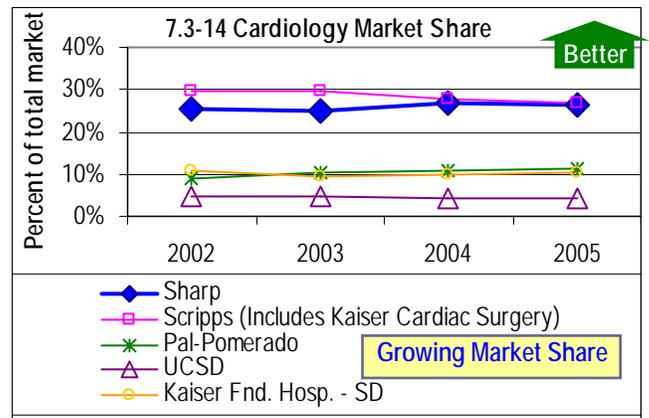
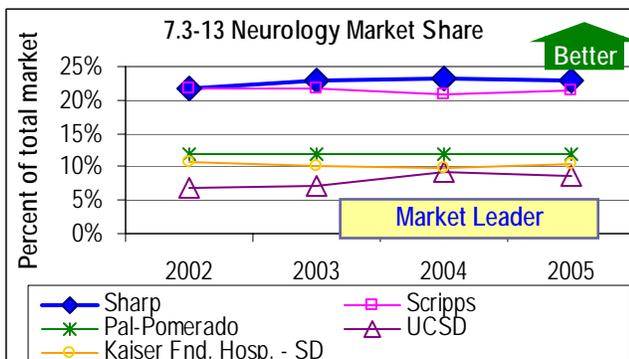
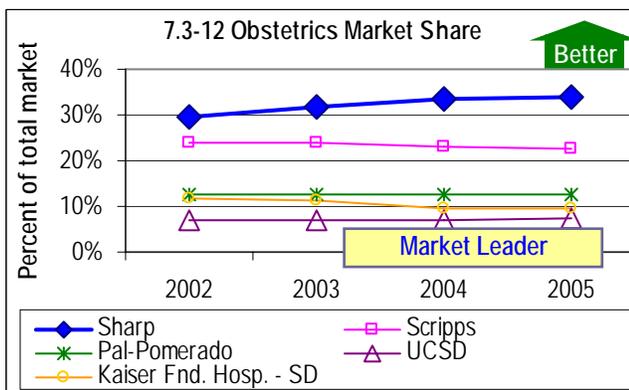
In 2004, Sharp became the market share leader in San Diego ED care, as shown in Fig. 7.3-10.



Sharp holds a strong position in all of its San Diego County regions and is the dominant provider in the geographic areas of the city where Sharp hospitals are located: Metro Central (SMH and SCHHC), East County (SGH) and the South Bay (SCVMC). (Fig.7.3-11).



Each of the major services lines is growing in market share, as depicted in Fig. 7.3-12 through Fig. 7.3-14.

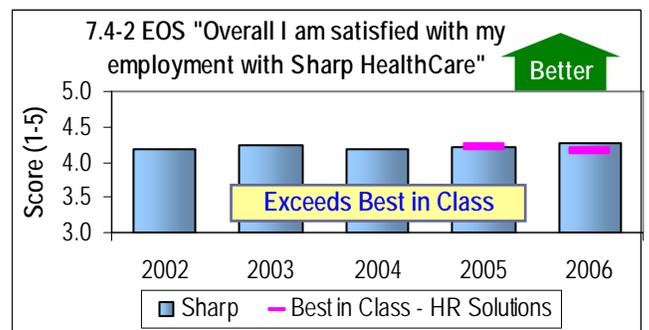
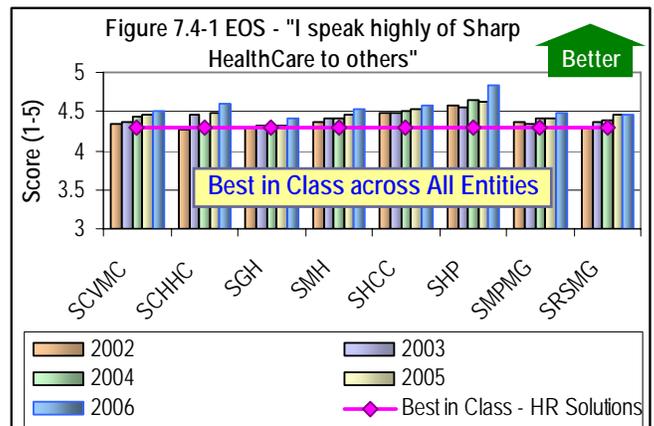


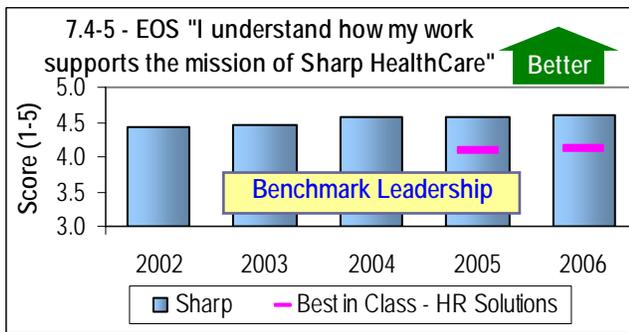
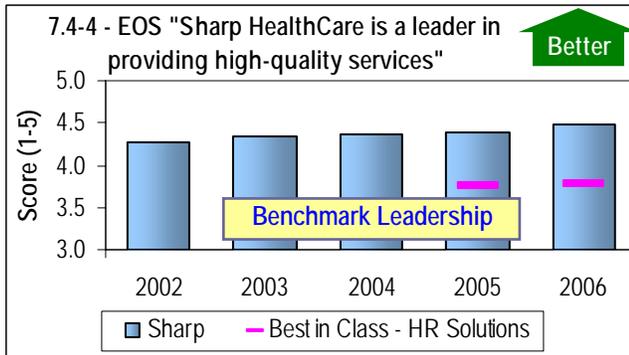
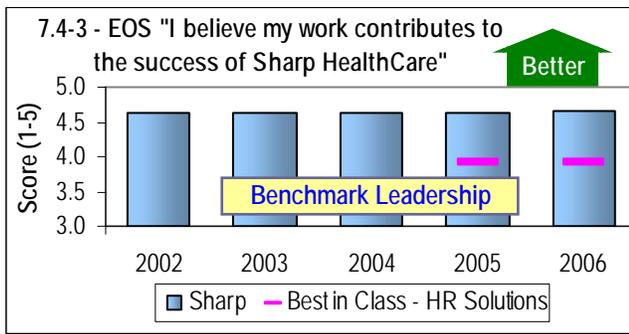
7.4 WORKFORCE-FOCUSED RESULTS

7.4a(1) Workforce Engagement and Satisfaction

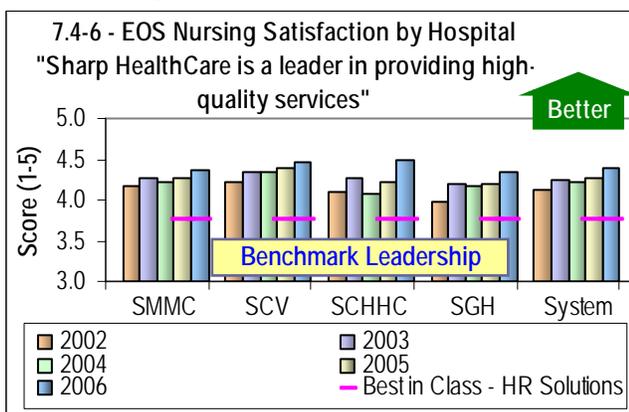
Over the past five years, Sharp has invested heavily in its people and seen significant gains in EOS results along with solid retention of staff.

The key questions listed in Fig. 7.4-1 through Fig. 7.4-6 have shown to be some of the best measures of employee satisfaction, per Perceptyx. There are positive trends across all of these critical measures, and all exceed best in class benchmarks, suggesting Sharp's strategy to engage the hearts and minds of its staff in The Sharp Experience is successful. EOS data is measured and evaluated at the system, entity, department, and unit/cost center levels. Segmentation on all of these parameters, as well as job class and demographics, is evaluated and acted upon in the EOS roll out. This data and the individual questions, as well as comments written by employees on the survey, are available onsite.





Nursing satisfaction with Sharp's high quality services is also above the best practice benchmark (Fig. 7.4-6).



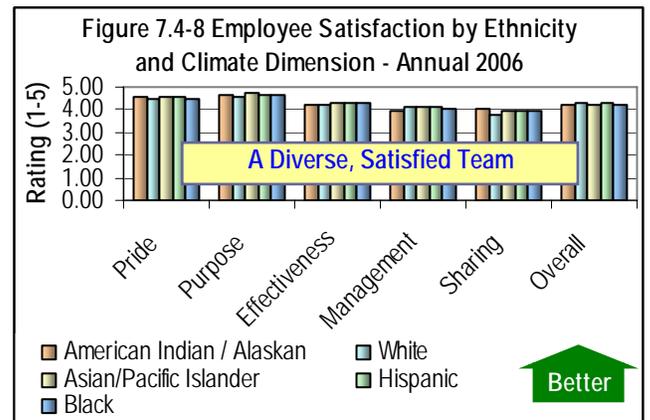
The pilot mentor program at SMBHW to address nursing retention has had great success in both employee satisfaction and cost savings (Fig.7.4-7).

Figure 7.4-7 SMBHW Nursing Mentor Program

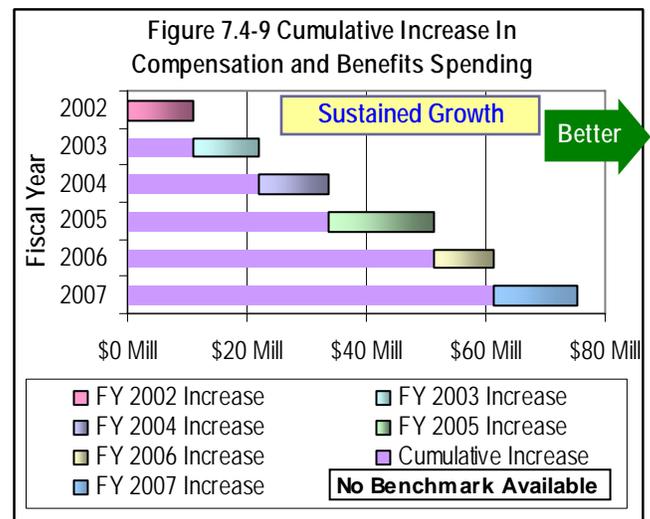
	Baseline 2004	2005	2006	Better
New Grad Turnover	20%	7%	9%	Better
Employee Satisfaction Scores	4.08	4.11	4.24	Better
Physician Satisfaction with Nursing	87.1	87.8	89.5	Better
Patient Satisfaction with Nursing	85.4	88.2	89.3	Better

Decrease in Training Costs: \$424,600 after First Year

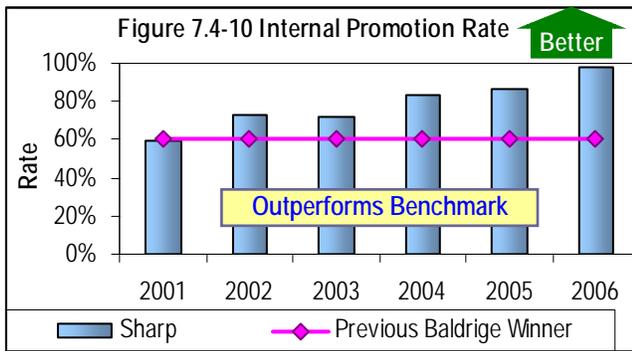
The EOS items listed in Fig.7.4-8 measure the satisfaction climate dimensions (5.3b(1)) by ethnicity.



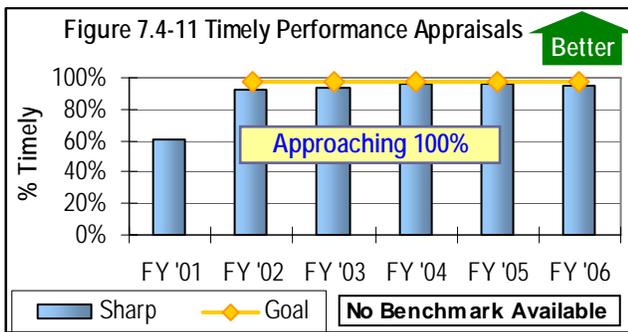
Sharp has shown its commitment to employee health and satisfaction by investing in benefit programs over the last five years, with year-over-year increases totaling \$75 million (Fig.7.4-9).



For open positions at Sharp, including non-professional, professional, and leadership, internal candidates are developed and promoted, evidence of successful succession planning (Fig.7.4-10).



Conducting timely performance appraisals is a commitment Sharp Leaders make to staff. Sharp has achieved consistent improvement in this measure as shown in Fig. 7.4-11. This data is also evaluated and available by entity, department, and unit/cost center.



7.4a(2) Workforce Capability and Capacity

Sharp maintains much lower vacancy rates than the benchmark in California. This is significant given the tremendous competition for qualified staff in an under-supplied market with a recently implemented state law on nurse-to-patient ratios.

Sharp has retained leaders and clinical staff well above the benchmark as shown in Fig. 7.4-12. This data is also measured and evaluated at the entity level.

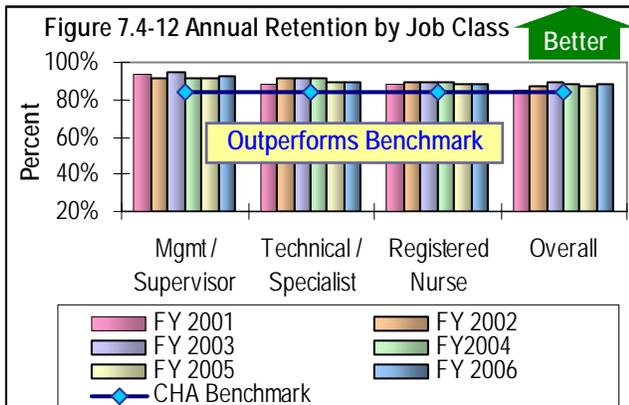
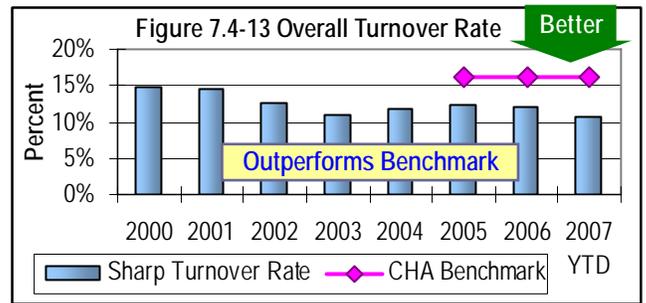


Fig. 7.4-13 illustrates the annual turnover rate for the system. Sharp has consistently performed better than the California benchmark in this measure. Segmented data is available onsite.



Sharp's vacancy rates, while increasing with the roll out of state mandated staffing ratios, outperform the benchmark across all job classes due to factors such as The Sharp Experience and workforce management (Fig. 7.4-14).

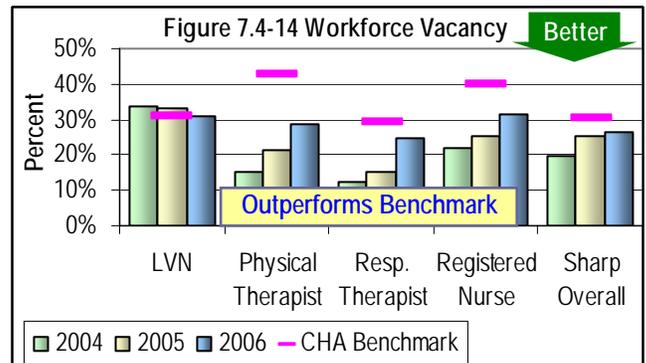
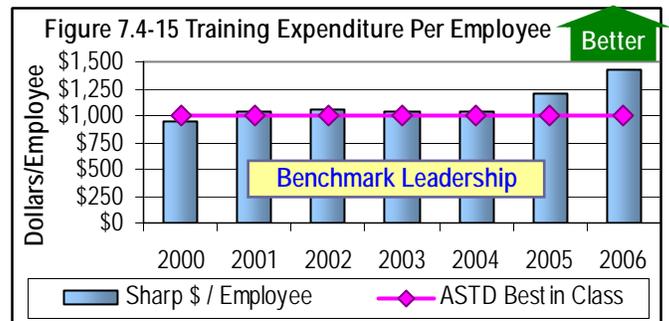
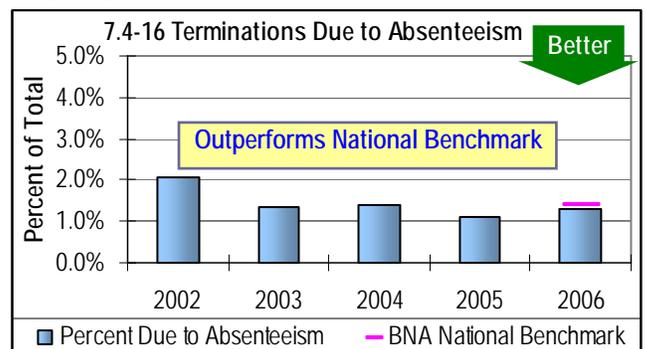


Fig. 7.4-15 presents the training expenditure per employee for the past four years as compared to the ASTD best in class. Sharp has steadily improved and exceeds all benchmarks, evidence of Sharp's commitment to its employees.

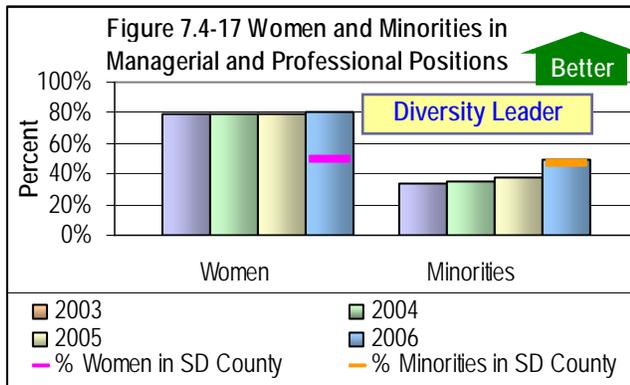


Terminations due to absenteeism are reviewed to identify trends that impact employee dissatisfaction (Fig. 7.4-16). Sharp outperforms the national benchmark in this area.

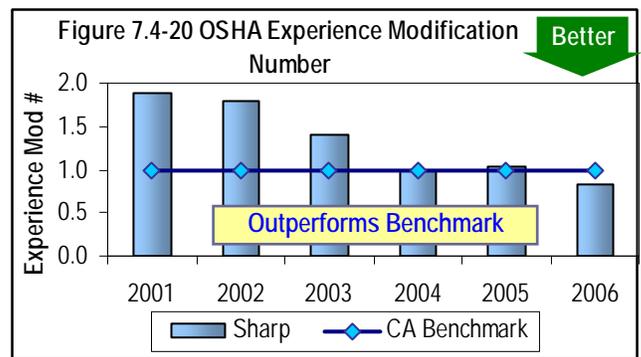
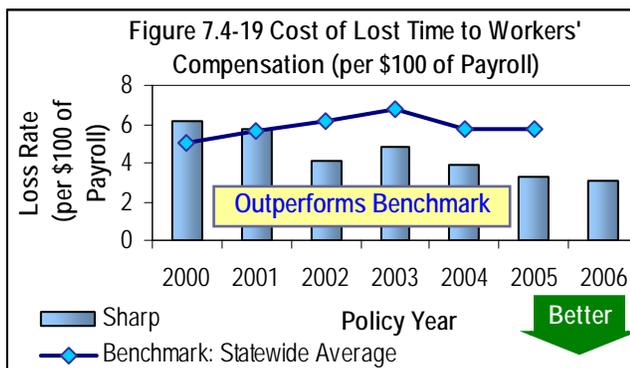
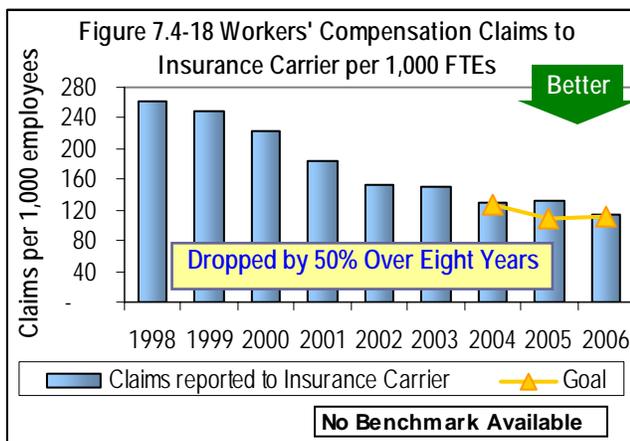


7.4a(3) Workforce Climate

Sharp is committed to a diverse leadership that is representative of the community (Fig. 7.4-17). A benchmark of professionals in the community who are minorities or females was unavailable, so the total percent of women and minorities are represented as a guidepost.



Sharp has consistently decreased the number of workers' compensation claims over the past eight years by a focus on safety and continuous improvement on the most common injuries. These monthly updates are pushed electronically to all managers and have had a significantly positive effect on Sharp employees due to fewer injuries, better ergonomics, and a safer work environment. They also have had a positive effect on the financial consequence of workplace injuries (Fig. 7.4-18 to 7.4-20).



7.5 PROCESS EFFECTIVENESS OUTCOMES

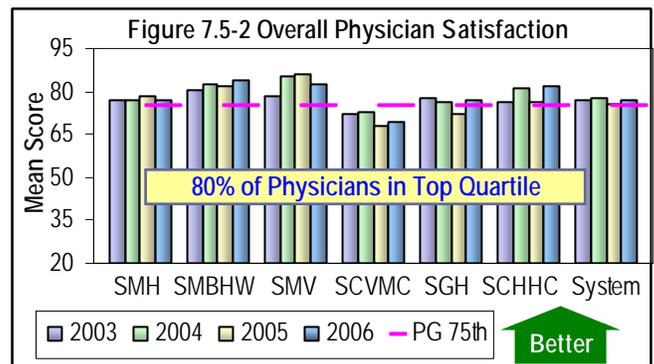
7.5a(1) Work System Performance

Figure 7.5-1 contains figure references for results of the work systems described in Figure 6.1-1.

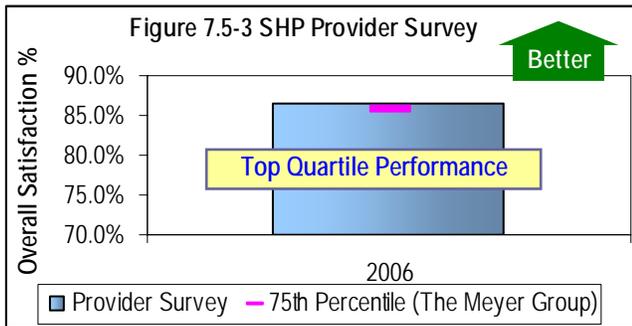
Work System	Figure References
Primary/Specialty Care	7.1-18 - 7.1-21, 7.2-2, 7.2-14, 7.2-19
Urgent Care	7.5-18
Home Health	7.1-12
Inpatient Care	7.1-1 - 7.1-7, 7.1-9, 7.1-10, 7.1-13 - 7.1-16, 7.1-23, 7.2-2, 7.2-6, 7.2-7, 7.2-9, 7.2-10, 7.3-11, 7.5-12 - 7.5-16, 7.6-1
Outpatient Care	7.1-8, 7.2-1, 7.3-10, 7.3-13, 7.5-16
Emergency Care	7.3-10, 7.5-10, 7.5-14, 7.5-16
Long-Term Care	7.2-8, 7.5-16
Hospice	7.2-11, 7.5-16
Rehabilitation	7.1-17, 7.2-3
Mental Health	7.2-4, 7.2-5, 7.5-16, 7.5-25

Evidence of Strategic Success

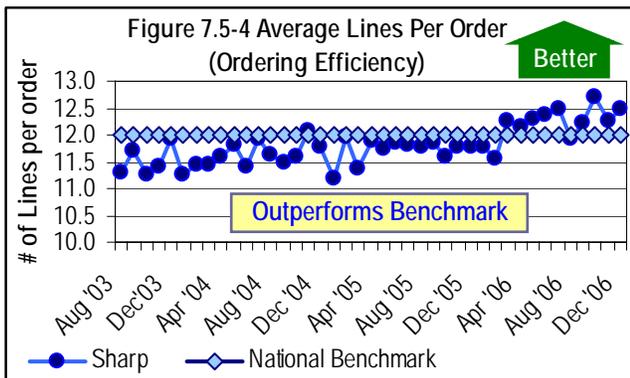
Physicians continue to tell Sharp it is the best place to practice medicine through Sharp's physician satisfaction survey. While some of the hospitals' scores have declined, Sharp is driving physician satisfaction initiatives to ensure continued growth in physician partner opinions. Sharp's physician satisfaction scores exceed Press Ganey benchmarks at almost every entity in the system (Fig. 7.5-2).



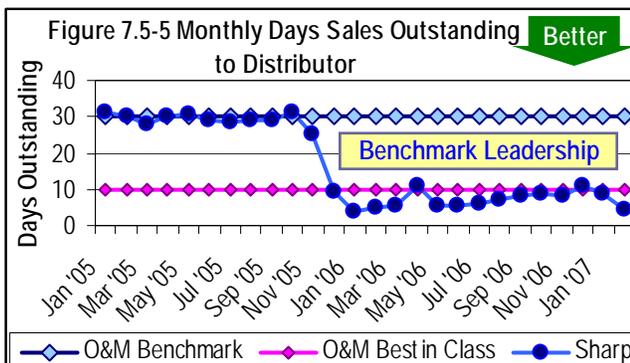
SHP provider satisfaction is at top quartile performance as a result of its continued focus on service (Fig. 7.5-3). This is the first year for the use of this measurement system to provide external benchmarking.



Ordering efficiency is a measure of all end users (about 800) who order supplies from Sharp's warehouse (Fig. 7.5-4). This measure tracks lines per order. Sharp consistently performs better than the benchmark (derived from Owens & Minor's national performance). The results are based on more than 400,000 lines ordered per year.



The huge decline in DSO (Days Sales Outstanding) in Fig. 7.5-5 has been a carefully managed outcome. By reducing this number, essentially the time it takes Sharp to pay Owens & Minor for products to five-to-seven days DSO, \$14,500 a month in distribution fees were saved.



Invoicing accuracy is consistently lower than the benchmark as shown in Fig. 7.5-6.

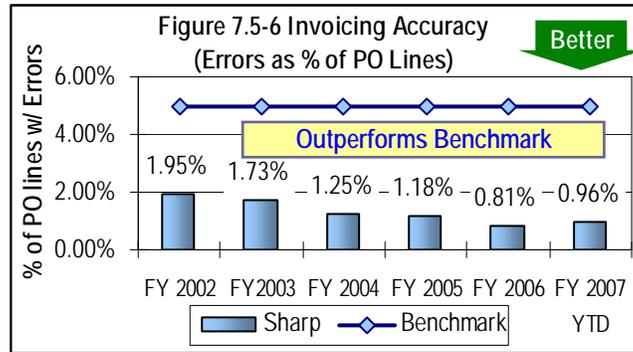
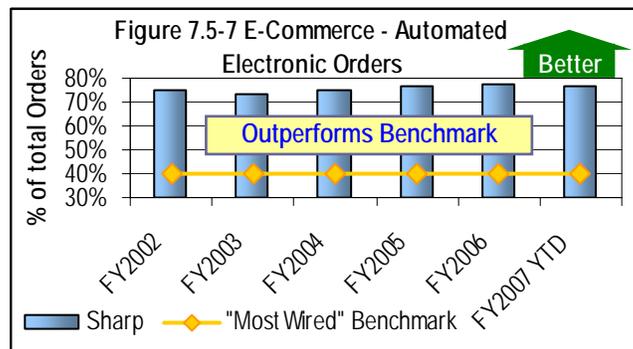
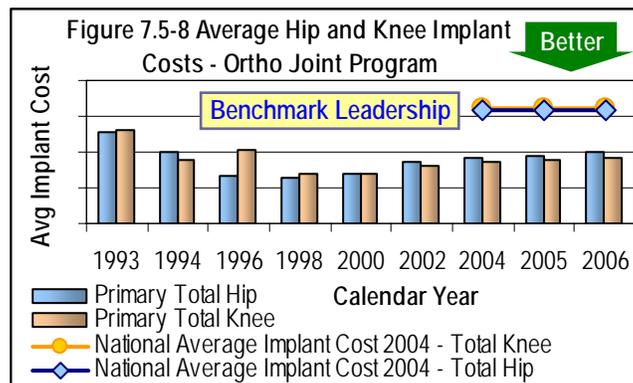


Fig. 7.5-7 represents Sharp's commitment to leveraging technology to improve efficiency wherever possible. Sharp is significantly better than industry norms, as reflected in Hospital and Health Networks' "Most Wired Benchmarking Survey." The "Most Wired" norm for EDI is 21-40 percent, which represents input from 1,128 hospitals. The cost savings from using EDI rather than fax orders amounts to over \$100,000 per year, and has saved Sharp almost \$300,000 over the past two-and-a-half fiscal years.

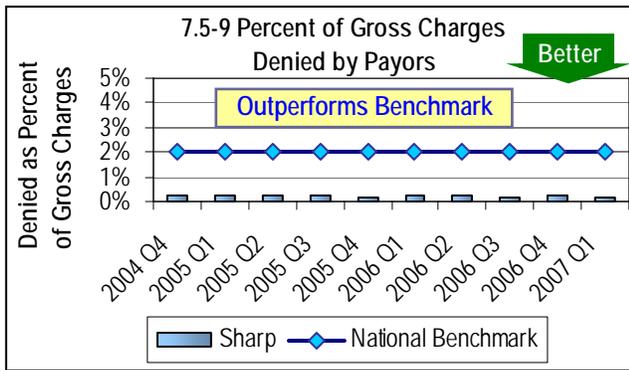


Failure to control implant costs is a common reason for profit shortfalls in orthopedics. Fig. 7.5-8 illustrates improvement in joint prosthetic costs through standardization of implants used and effective contracting with suppliers. This provides for efficient supply chain management. Sharp has met this challenge by collaborating with the orthopedic surgeons to contract effectively with suppliers. This data is analyzed at the system, entity, surgeon, and patient level.

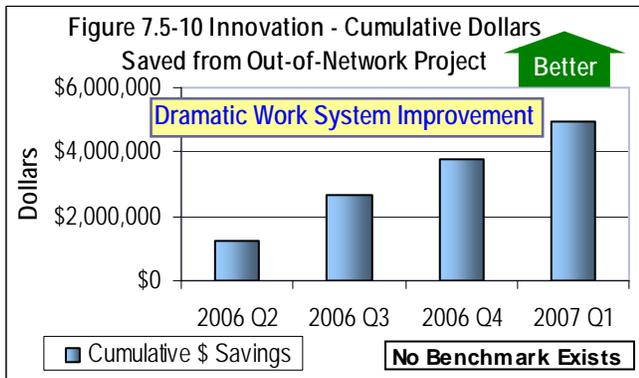


Sharp monitors denials as a measure of accuracy and timeliness for the revenue cycle process. The most common reasons for denials are late bill submission and failure to

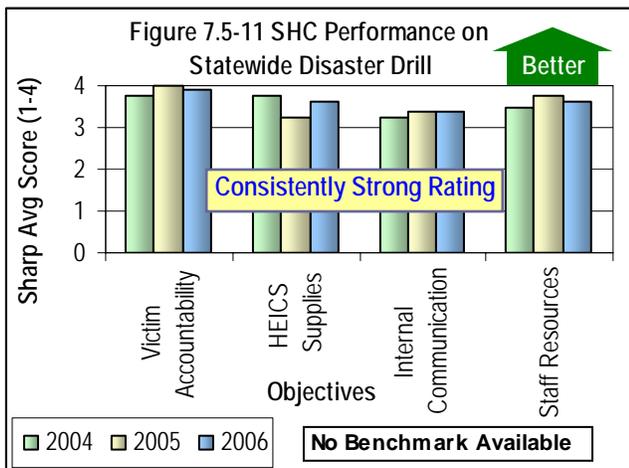
preauthorize a procedure or admission. This process performs at better than a 4 Sigma level, and significantly outperforms the national benchmark (Fig.7.5-9).



Bringing Sharp patients back to Sharp from other hospitals has saved the system an estimated \$4.9 million since the inception of this innovative Web-based solution (Fig. 7.5-10).

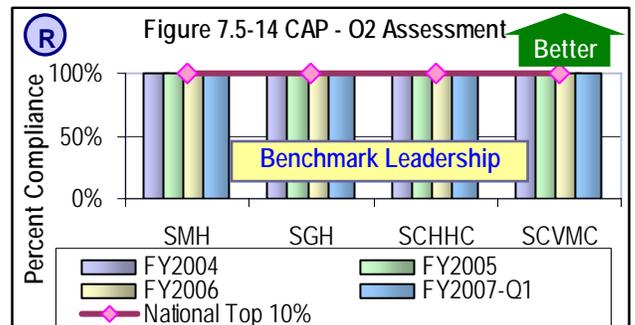
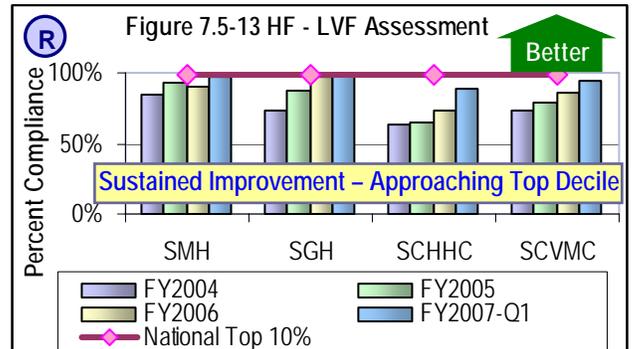
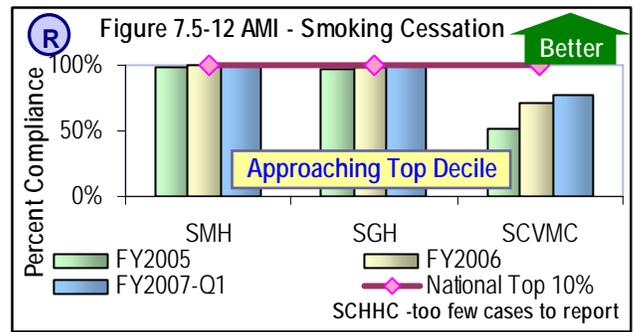


Disaster drills are held a minimum of twice each year throughout the system with at least one being community-wide. Individual entities may participate in additional drills. Indicators used for the 2004 through 2006 statewide disaster drill for acute care hospitals are shown in Fig.7.5-11 with Sharp's performance. Benchmark data is not available.

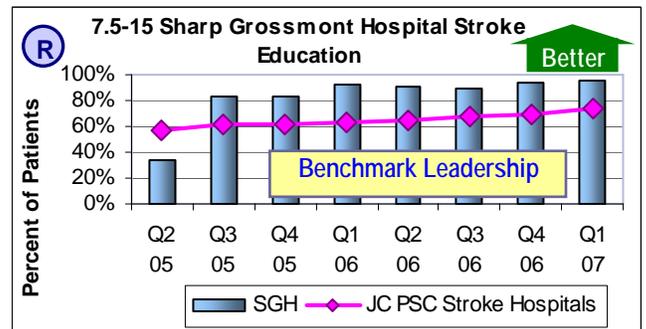


7.5a(2) Key Work Process Performance

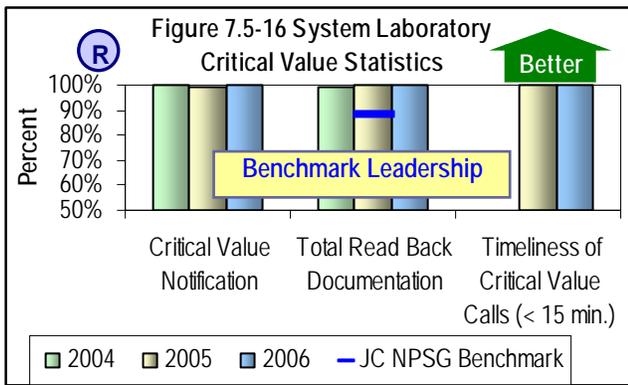
Sharp hospitals are at or approaching top decile performance for patient education on smoking cessation (Fig. 7.5-12) and evidence-based assessment for CHF and Pneumonia (Fig. 7.5-13 and 7.5-14).



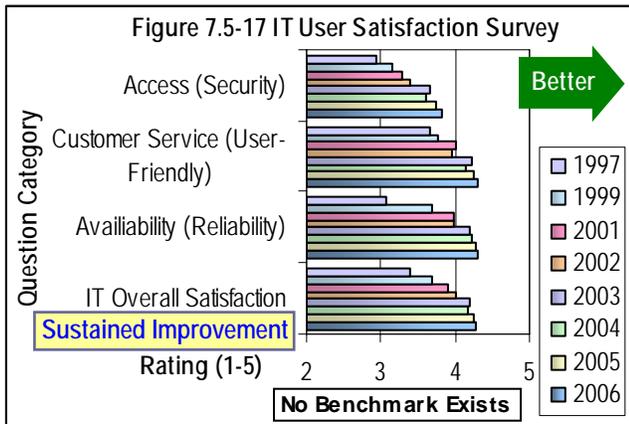
Patient education is an important strategy in stroke prevention as it influences patients' timely decision to seek medical care. Clot dissolving drugs can only be given if patients arrive in the ED within three hours of symptom onset. SGH outperforms the JC Stroke Certified hospitals across the country (Fig. 7.5-15).



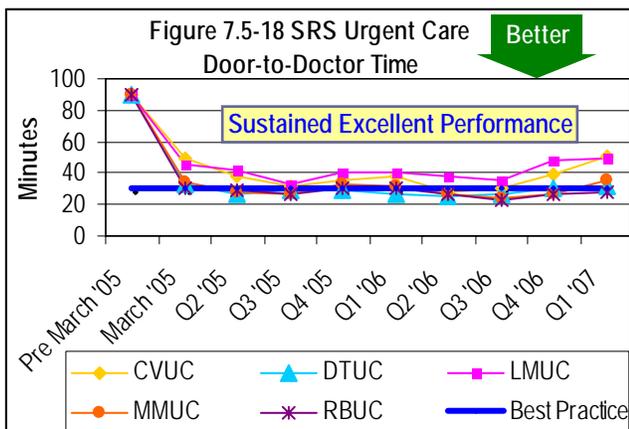
Notification of critical lab results on a timely and accurate basis is required for safe patient care (Fig.7.5-16). Sharp outperforms the JC benchmark.



IT user satisfaction has improved year over year demonstrating Sharp's care and commitment to its internal customers (Fig.7.5-17).



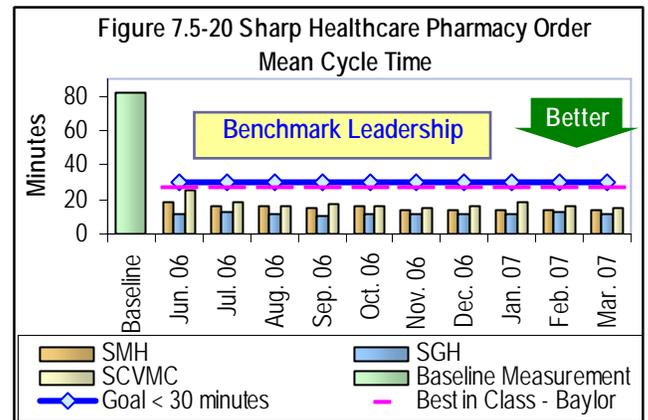
Timeliness has been a major focus at SRS Urgent Care (Fig.7.5-18). The increased time in the last two quarters was associated with a 30% rise in volume. Patient flow strategies have already been undertaken to adjust the process to bring performance back down to the best practice level. The modifications implemented were so successful they have been rolled out across all of Sharp's urgent care centers.



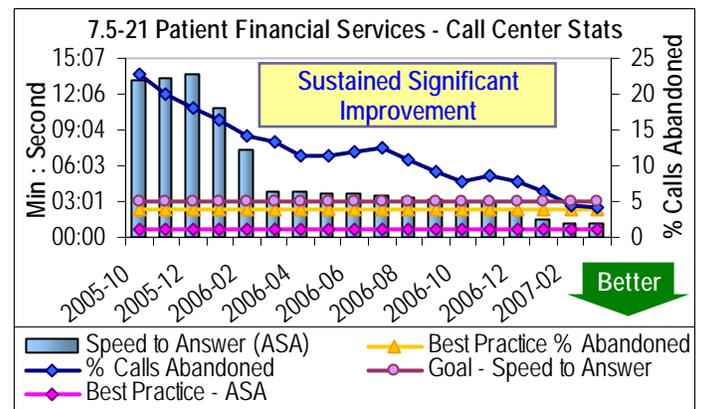
Improved performance on customer service (Fig.7.5-19) for the call center at 82 Sharp was initiated as a result of listening and learning. Substantial improvement have been accomplished, evidencing timeliness and quality in this patient service.

	2005	2006	2007 YTD Projected	Bench -mark
Service Referrals	92,530	93,661	97,874	N/A
Average Time to Answer Call (min:sec)	1:17	0:35	0:30	0:40
Percent Calls Abandoned	8.45%	3.48%	2.85%	4-8%

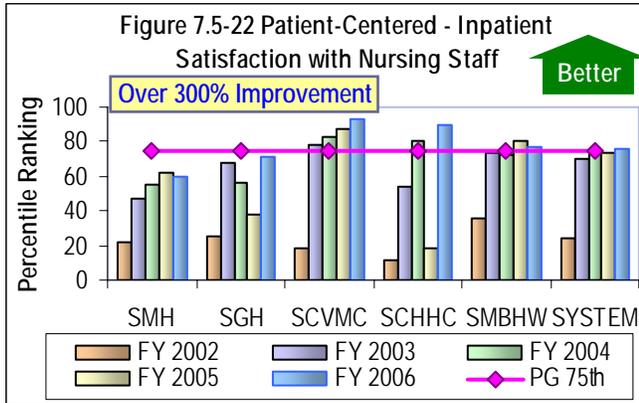
A turnaround time project for pharmacy drug delivery began in the SMH SICU using LSS (Fig.7.5-20). The focus of the project was the pharmacy drug turnaround: the time from faxing an order to verification by a pharmacist (fax to verification time). A statistically significant improvement (P=.0001) was obtained by reconfiguring the physical workspace, changing the staffing coverage to match the peak drug ordering times, and installing a fax server. This enabled the SICU to reduce its turnaround time by over 50 percent, and supported safe treatment by getting ICU patients their medications promptly. The success of the fax server was translated to the other Sharp inpatient pharmacies with tremendous and sustained cycle time results.



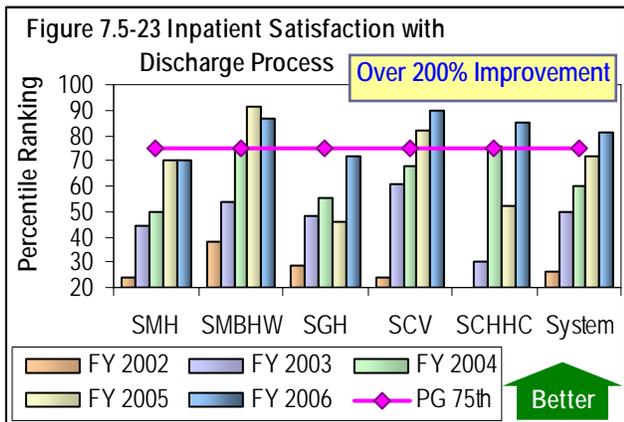
Improving customer service drove the LSS project at the PFS Call Center (Fig.7.5-21) with measurement, standard work, and department structure the focus of the improvements. The results outperform best practice on abandonment rate and are nearing best practice for speed to answer.



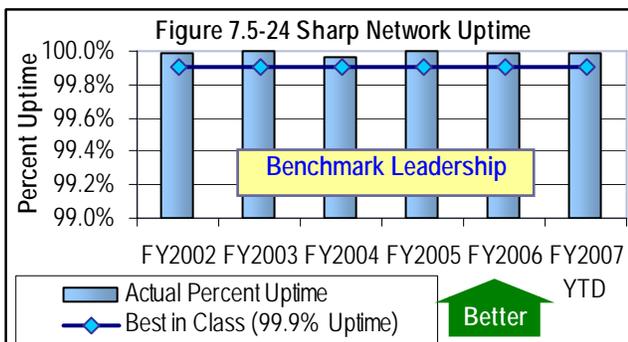
A key requirement for treatment is patient-centered care, measured by inpatient satisfaction with nursing staff (Fig. 7.5-22). Sharp hospitals show performance at or above the top quartile nationally. The slippage in 2005 was noted and responded to with leadership changes on inpatient units, and quarterly scores have rebounded in 2006.



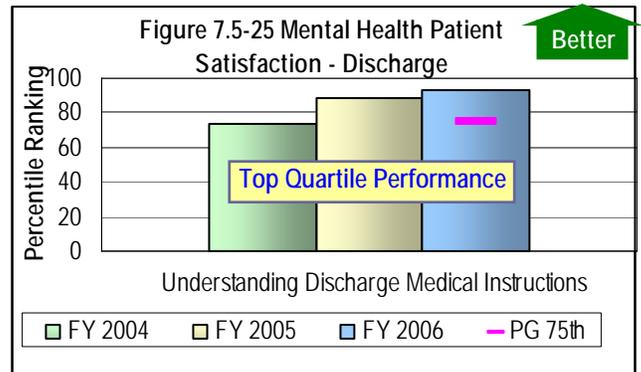
Most Sharp hospitals exceed the top quartile of the Press Ganey benchmark in discharge satisfaction (Fig. 7.5-23). Based on the capacity issues affecting satisfaction with the discharge process at Sharp's two largest hospitals, Sharp has "expediting discharge" Six Sigma projects underway at those locations.



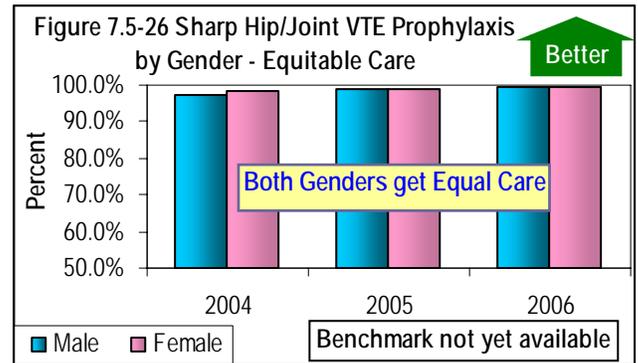
Sharp has maintained almost flawless network availability (Fig. 7.5-24), providing timely access to knowledge management resources, such as P&Ps and the Intranet. The small dip in uptime in the first quarter of 2004 was due to a telecommunications equipment failure from a power surge.



Sharp mental health services show significant improvements in patient satisfaction on the discharge process exceeding the Press Ganey 90th percentile (Fig. 7.5-25).



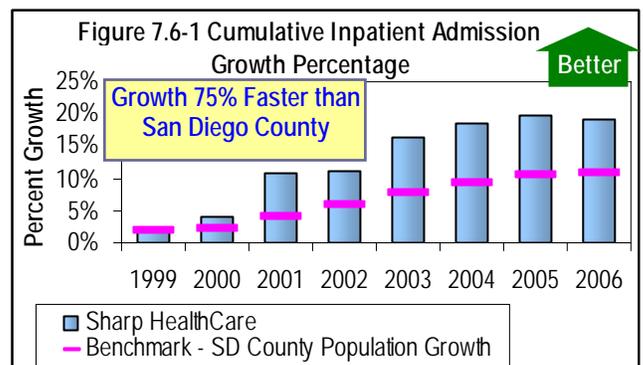
Equitable treatment is regularly evaluated across many dimensions, including age, gender, race, ethnicity, payor type, etc. Fig. 7.5-26 shows the comparison of gender equity in treatment. There were no differences, demonstrating equitable care across gender.

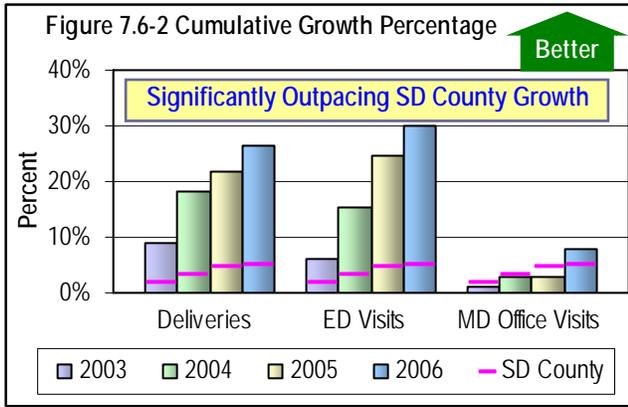


7.6 LEADERSHIP AND SOCIAL RESPONSIBILITY OUTCOMES

7.6a(1) Organizational Strategy and Action Plans

Evidence of Sharp's operational success despite the current capacity constraints are noted in Figures 7.6-1 and 7.6-2, which demonstrate volume growth well in excess of San Diego County's population growth.



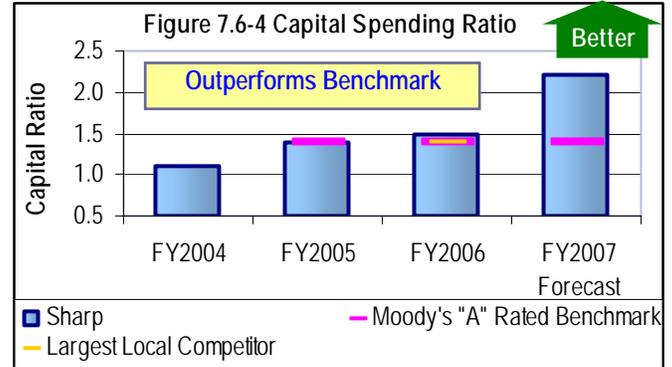


Sharp's Report Card is used to monitor the success of strategic initiatives (P.2b). With the exception of quality measures that change from year to year to stimulate breakthrough improvement, the targets are broad measures of Pillar success. Accomplishment of Sharp's organizational strategy is demonstrated in the year-over-year success of the system Report Card measures listed in Fig. 7.6-3.

Figure 7.6-3 Summary Report Card Performance		
Measure Description	Figure Reference	Improvement % / Measure of Success
Quality Pillar (FY2007 Q1 & Q2)		
Surgical Infection Prevention	7.1-23	9%
ROMACC	7.1-7	170%
Service Pillar (2002 - 2006)		
Inpatient Satisfaction	7.2-1	>150%
Medical Group Patient Satisfaction	7.2-2	>100%
Physician Satisfaction (from 2003)	7.5-2	Approaching top Quartile System-wide
People Pillar (2002 - 2006)		
Employee Satisfaction	7.4-2	Exceeds Best in Class
Employee Turnover (from 2001)	7.4-13	36%
Finance Pillar (2001 - 2007 Q2)		
EBITDA	7.3-4	80%
Growth Pillar (2001 - 2007 Q2)		
Net Revenue	7.3-1	68%
Community Pillar (2003-2006)		
Manager Hours of Community Service	7.6-13	>400%
Evidence of Strategic Success		

Sharp also has identified aging infrastructure as a strategic challenge to be addressed by its growth strategies and monitored by measures such as the capital spending ratio (Fig. 7.6-4). Sharp's capital spending ratio averaged 1.7 for the past five years, reflective of Sharp's significant infrastructure improvements and in excess of its best practice comparison of 1.4 for Moody's "A" rated facilities. Capital spending is a dynamic indicator due to planning and approval

cycles for infrastructure projects. Sharp monitors its capital spending ratio over rolling five-year periods.

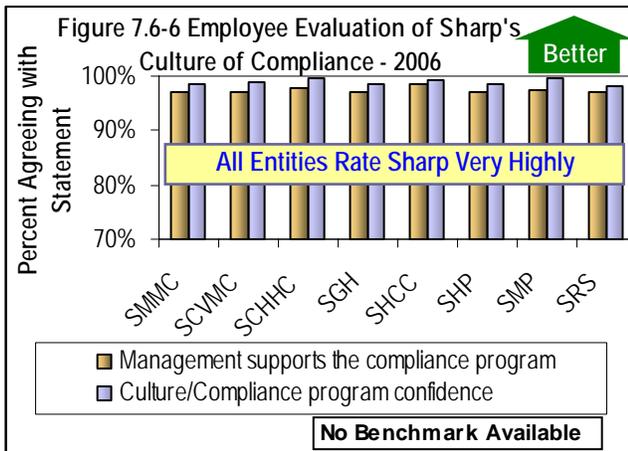


7.6a(2) Ethical Behavior and Stakeholder Trust

Compliance and Privacy issues are investigated, resolved, and reported to the Board. Actions are summarized in Fig.7.6-5.

Score	Fig.7.6-5 Indicators of Corporate Compliance and Ethics Program Effectiveness	Results / Timeframe
+	% of employees completing "Certificate of Understanding" of ethical behavior	100%
+	% of staff trained on corporate compliance	99.3%
+	% of employees trained on ethical behavior	99.3%
++	Additional compliance education offered	49 courses
+	Compliance investigations (intentional or improper behavior)	4
++	Independent auditor results (consolidated financial statements)	0 Irregularities
+	OIG Work Plan audits performed	8
++	# of ethics violations	0
+	Employees denied employment due to exclusions/ sanctions	2
++	# of compliance concerns from EOS Survey	0
+	External assessment of program	Annually
+	Compliance and Ethics Effectiveness Survey	Annually
+	Culture of Ethics Survey	Annually
++	% of employees that believe "Management supports the goal and objectives of the Compliance Program and the Code of Conduct"	98% (7.6-6)
++	% of employees expressing confidence in Sharp's Compliance program and specifically Sharp's culture "to do the right thing"	99% (7.6-6)
Numerous Ethics Process Reviews		

Employees across the system express confidence in management's support of the Compliance Program and Sharp's culture of compliance (Fig.7.6-6).

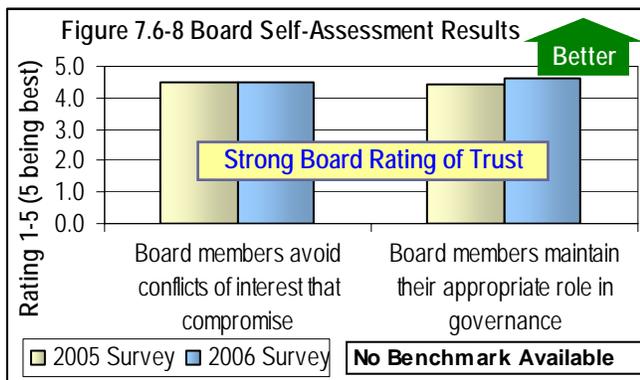


Figures 7.6-7 includes Sharp's results in identifying potential compliance issues and privacy concerns. Sharp has proactively encouraged staff to report any suspected violations but official sanctions remain zero as shown below.

Year	2002	2003	2004	2005	2006
HIPAA Sanctions	0	0	0	0	0

Perfect Performance

The Board self-assessment is an indicator of trust, as each member rates the Board on 28 items including conflicts of interest (Fig.7.6-8). The scores demonstrate strong confidence and trust, whereby a "4" is "agree" and a "5" is "strongly agree."



7.6a(3) Fiscal Accountability

Fiscal accountability is measured and managed through internal and external audits (Fig.7.6-9), resulting in action plans and reports to the independent Audit Committee of the Board.

Financial Audits	Rating		
	2004	2005	2006
A-133	Pass	Pass	Pass
Aetna	Pass	Pass	Pass
Blue Cross	Pass	Pass	Pass
Cigna	Pass	Pass	Pass
Coronado Retirement Plan	Pass	Pass	Pass
Financial Statement (E & Y)	Pass	Pass	Pass
Grossmont Retirement Plan	Pass	Pass	Pass
PacifiCare	Pass	Pass	Pass
Property Tax	Pass	Pass	Pass
Property Tax Audit	Pass	Pass	Pass
Sharp Health Plan	Pass	Pass	Pass
Sharp Saver Defined Benefit Plan	Pass	Pass	Pass
Sharp Saver Retirement	Pass	Pass	Pass
United Government Services Medicare Cost Report	Pass	Pass	Pass
Voluntary Employees' Benefits Association	Pass	Pass	Pass

Excellent Fiscal Accountability

7.6a(4) Organizational Accreditation, Assessment, Regulatory and Legal Compliance

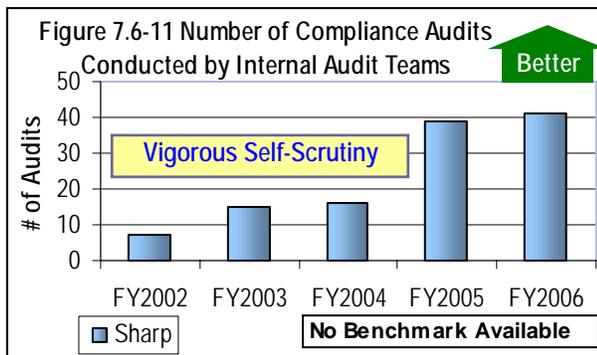
All Sharp hospitals have received JCs "Gold Seal of Approval" for compliance with standards as evidenced by figures throughout Category 7.6.



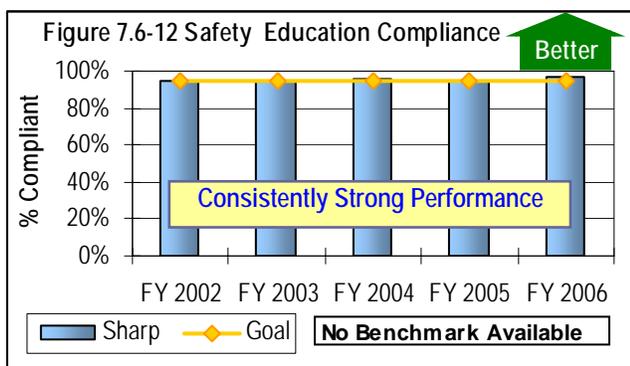
Regulatory Agency Visits	Rating		
	2004	2005	2006
Accreditation Association for Ambulatory Health Care (3 yrs)	Pass	Pass	Pass
American College of Surgeons: Oncology (3 yrs)	Pass	Pass	Pass
American College of Radiology (3 yrs)	Pass	Pass	Pass
ACCME (4 yrs)	Pass	Pass	Pass
ACPE (6 yrs)	Pass	Pass	Pass
ASHP (3 yrs)	Pass	Pass	Pass
College of American Pathologists (2 yrs)	Pass	Pass	Pass
CARF (Rehabilitation) (3 yrs)	Pass	Pass	Pass
DEH County of San Diego - Hazardous Materials Division (HMD)	Pass	Pass	Pass
Department of Managed HealthCare Financial (3 yrs)	Pass	Pass	Pass
FDA Mammography	Pass	Pass	Pass
JC/DHS/IMQ (3 yrs)	Pass	Pass	Pass
NCQA (3 yrs)	Pass	Pass	Pass
Physicist Survey	Pass	Pass	Pass
Radioactive Material License	Pass	Pass	Pass

Excellent Regulatory Compliance

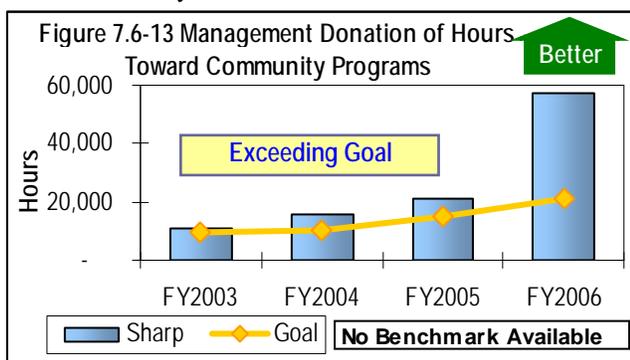
Sharp has substantially increased its participation in internal audits over the past four years by increasing the work force of internal auditors as a method to monitor internal business controls (Fig.7.6-11). The Internal Audit department plans and conducts audits independent of management, under the direction of the Audit Committee of the Board.



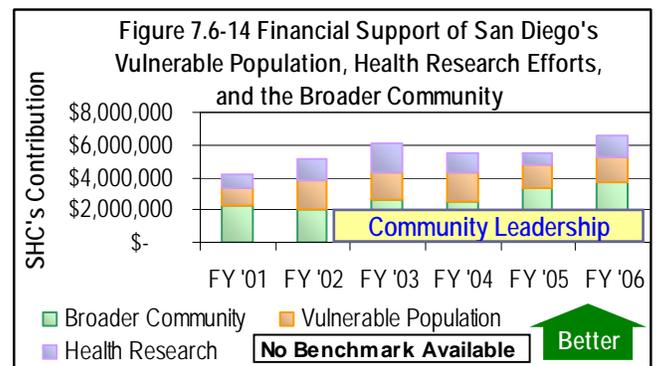
7.6a(5) Organizational Citizenship and Community Support
Safety training is an annual event including TB testing and other regulatory activities. This data is analyzed by system, entity, department, and unit/cost center levels and are available onsite. (Fig.7.6-12)



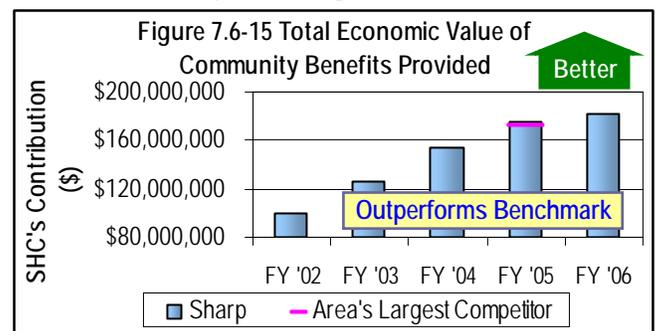
Sharp encourages its Leaders to be involved in the community through volunteer work, and has consistently exceeded this expectation (Fig.7.6-13), demonstrating Sharp's commitment to the Community Pillar.



As a community citizen and not-for-profit organization, Sharp provides substantial value to the community through the care of vulnerable populations, education and outreach, research, and uninsured patient care (Fig. 7.6-14 & 7.6-15). Sharp employees contribute to this work by embracing community support and following the role-modeling of Sharp Leaders.



Sharp provides in excess of \$181 million in under and uncompensated care, measured in terms of the unreimbursed cost of care. Since fiscal 2001, Sharp's community benefits have increased 73 percent (Fig.7.6-15), reflective of Sharp's excellent community citizenship.



Sharp has been recognized many times by local, regional, state, and national organizations. Listed below are just a few of those awards not already mentioned in the application that recognize the discipline, perseverance, and commitment that Sharp Leaders, employees, and partners have demonstrated in the unending journey of The Sharp Experience (Fig. 7.6-16).

Fig.7.6-16 Sharp HealthCare Awards and Honors	
Awards and Honors	Year
National Malcolm Baldrige Quality Program Site Visit	2006
California CAPE Eureka Gold SHC	2006
California CAPE Eureka Silver SHC	2005
California CAPE Eureka Bronze SHC	2004
ANCC Magnet Designation SGH	2006
Excellence in Patient Safety and Health Care Quality based on Leapfrog Survey SMH, SGH	2006
50 Exceptional US Hospitals based on Leapfrog Survey SMH	2005
Press Ganey Summit Award SCHHC (For top 5 percentile in Patient Satisfaction for three consecutive years)	2006
SDBBB Torch Award for Marketplace Ethics SHC	2004
Verispan/Modern Healthcare Top 100 Integrated Healthcare Networks	2005-2007
San Diego Society for Human Resources Management, Workplace Excellence Grand Prize	2004
AHA GWTG Sustained Performance Achievement, SMH	2006
AHA GWTG Performance Achievement, SGH	2006
Evidence of Strategic Success	