Every Voice Matters: The Bottom Line on Employee and Physician Engagement

Research shows employees and physicians drive an organization’s patient experience and quality of care. Highly engaged employees and physicians lead to improved teamwork, coordination of care and outcomes—essential ingredients for success in every pay-for-performance program.

Focusing on employee and physician engagement can help your organization boost patient experience of care ratings, improve quality of care and optimize value-based payments.

Hospitals with highly engaged employees and physicians perform better on the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey and core measures, earn more points under the Centers for Medicare & Medicaid Service’s (CMS) Value-based Purchasing (VBP) program, and face lower readmissions penalties.

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The Different Faces of Engagement

Engaged employees are easy for patients to identify. They are energetic and enthusiastic about their work. They are loyal and act in ways that benefit organizational performance. Engaged employees take pride in the organization and recommend it to others as a place to work and to receive care.

Likewise, engaged physicians are committed, loyal, and take pride in and recommend the organization. They are less likely to refer patients to other hospitals or launch competing ventures.

Patients have front-row seats to an organization’s cultural successes and failures. They can tell whether employees and physicians are engaged or would rather be working somewhere else. Being surrounded by engaged caregivers reinforces to patients that they are in a safe place and affects how they evaluate their care.

Engagement Boosts HCAHPS and Value-Based Purchasing

Employee and physician engagement is critical to organizational success. Under the Affordable Care Act (ACA), CMS is required to implement several hospital payment reform programs to incentivize performance improvement and slow the rise in health care costs. At the heart of the initiatives is the
mandate to improve the patient experience. The VBP program, for example, sets aside a portion of hospital payment to fund an incentive pool to reward acute-care hospitals for the quality of care they provide, not just the quantity of procedures they perform. Under the program, CMS makes value-based incentive payments to hospitals based on how well the hospitals perform on patient experience (HCAHPS) and clinical process measures.

Organizations with high employee and physician engagement receive higher scores on every HCAHPS dimension. In fact, hospitals scoring in the top 10% of employee engagement average 61 percentile points higher on the HCAHPS Overall Hospital Rating item than hospitals in the bottom 10% (Figure 1). Hospitals in the top 10% of physician engagement score 51 percentile points higher.

Hospitals with highly engaged employees also perform better on core measures and earn more VBP points than hospitals with disengaged employees (Figure 2). Hospitals scoring in the top 10% of employee engagement average 38 VBP points higher on HCAHPS, 12 points higher on core measures, and 16 points higher on total performance than hospitals in the bottom 10%. During the course of a year, one hospital increased its percentage of “highly engaged” employees from 49% to 55%, increasing its VBP score from 61 to 69 and resulting in a 13% higher VBP payback.
For fiscal year 2013, hospitals with high employee engagement received $1.17 for every $1 at risk in VBP incentives payments, whereas hospitals with low employee engagement earned just $0.91 for every $1 at risk. In other words, hospitals with highly engaged employees came out 17% ahead on incentive payments—and 26% ahead of hospitals with low employee engagement (Figure 3). For top performers, engagement literally pays off.

Figure 3

Employee Engagement and VBP: Average FY2013 Incentive Payments
Physician engagement data tell a similar story. Hospitals with highly engaged physicians perform better on both HCAHPS and core measures (Figure 4). In fact, they score between 1.4 times and 2.7 times better on VBP metrics than hospitals with disengaged physicians.

Figure 4

The Impact of Physician Engagement

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<tr>
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<th>VBP Points</th>
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<tr>
<td>HCAHPS</td>
<td>High</td>
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<tr>
<td></td>
<td>Low</td>
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<tr>
<td>Core Measures</td>
<td>High</td>
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<td>Total Performance</td>
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High Performers
Low Performers
Engagement Reduces Preventable Readmissions

The ACA also established the Hospital Readmissions Reduction Program, which reduces payments to hospitals with higher-than-expected readmission rates for patients with heart attack, heart failure and pneumonia-specific conditions. More conditions are being added, and penalties will increase over time. Hospitals aim to have a zero penalty under the program. Unlike VBP programs where money is set aside and used as an incentive, the goal for the readmissions program is absolute: to ensure no penalty at all.

There is a demonstrated association between employee and physician engagement and readmission rates and penalties. Hospitals with high employee engagement receive considerably lower CMS readmission penalties on average than hospitals with disengaged employees (Figure 5). They are more successful at managing care through improved teamwork and coordination than hospitals with low employee engagement.

Figure 5

Engagement and Hospital Readmissions:
Average FY2013 Penalties

- Low Performers: -0.44%
- High Performers: -0.12%
The key to decreasing preventable readmissions is improving care coordination through discharge information. Hospitals in the top 10% of employee engagement average 37 percentile points higher on the HCAHPS Discharge Information composite measure, and hospitals in the top 10% of physician engagement average 28 percentile points higher (Figure 6).

**Engagement Is Linked to Lifesaving Care**

Engagement top performers also save lives. Hospitals in the top 10% of engagement score 95 on average for core measure AMI-8A, which measures whether patients received angioplasty within 90 minutes of being admitted after having suffered a heart attack. For top performers, this means that 95 out of every 100 patients received this lifesaving treatment. For hospitals in the bottom 10% of engagement, only 86 out of 100 received it.

The ideal state is for 100% of patients to receive the gold standard of care, and the top decile clients are moving on that mark. AMI-8A is a difficult indicator to manage well. Several core measures require just one person to do one thing, but AMI-8A requires cross-departmental collaboration and coordination of multiple steps to meet the 90-minute window. Success requires a highly engaged, competent hospital team working closely with multiple physicians. It makes sense that employee engagement is associated with the core measure that requires the involvement of so many employees and caregivers.
Following the Leaders

Employee and physician engagement have real financial implications. Engagement carries over to many patient outcome metrics including perceptions of care, readmission rates, and performance on core measures (such as AMI-8A). And these measures are directly tied to CMS reimbursement rates.

Clearly, health care is changing, and many aspects of quality are being measured. Successful organizations recognize the importance of giving every patient, physician and employee the opportunity to be heard. Only by capturing the voice of each stakeholder can the greatest insights be gleaned to improve the quality, safety and cost of care in an increasingly complex health care environment.

Organizations in the top 10% of engagement share common characteristics including employees and physicians who are confident in their job security and believe their organizations provide high-quality care and service (Table 1).

Table 1

<table>
<thead>
<tr>
<th>Employee Engagement</th>
<th>Physician Engagement</th>
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<tr>
<td>Employees are satisfied with their job security</td>
<td>Physicians believe the organization provides high-quality care and service</td>
</tr>
<tr>
<td>Organizations treat employees with respect</td>
<td>Physicians are satisfied with their job security</td>
</tr>
<tr>
<td>Employees have confidence in senior management’s leadership</td>
<td>Physicians report that work units in the organization work well together</td>
</tr>
<tr>
<td>Employees believe the organization provides high-quality care and service</td>
<td>Physicians have the tools and resources they need to provide the best care and service</td>
</tr>
<tr>
<td>Employees report the amount of job stress they feel is reasonable</td>
<td>Physicians believe senior management actions support the organization’s mission and values</td>
</tr>
<tr>
<td>Employees believe that the organization provides career development opportunities</td>
<td>Physicians have confidence in senior management’s leadership</td>
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Successful organizations survey frequently and are dedicated from the top down to improving employee and physician engagement. These organizations tie engagement outcomes to annual goals and executive compensation. They understand that all employees—from linen services, to surgical services, to lab technicians—need to be engaged in meaningful work in an organization they can commit to; to work in an inclusive, supportive culture; and to be recognized and rewarded for their efforts.
Successful health care organizations also understand the importance of maintaining strong, positive relationships with a staff of skilled physicians. They realize they need to understand physicians’ needs, expectations and perceptions in order to build physician engagement and loyalty. Patient, employee and physician satisfaction—as well as the quality of patient care—are all significantly impacted when physicians leave or when they are not aligned with the organization’s mission, vision and values. A hospital’s survival often depends on its ability to engage and retain physicians.

Conclusion
An organization’s relationships with its employees and physicians are critical to creating a culture that drives positive patient experiences, optimal clinical outcomes and solid financial performance. Simply put: Engagement matters. Engagement enables the collaboration necessary to improve patient outcomes. Whether in the context of HCAHPS, core measures or VBP performance, organizations with engaged employees and physicians perform better.

Fostering and maintaining high levels of engagement will become even more crucial as reform continues and as payment shifts from volume to value. The growing number of Americans seeking medical care and the rising enrollment in Medicare and Medicaid will put considerable pressure on hospitals and their staff—pressure to execute effectively and efficiently in the delivery of care. Organizations that meaningfully engage and collaborate with employees and physicians are on the most direct path to deliver exceptional outcomes. By listening to all perspectives and improving engagement, organizations will better understand and, ultimately, improve the entire patient experience.