

Performance management

is a life-saving and cost-saving management intervention to benefit the health of Americans.

By transforming public health systems to effectively manage and study performance, we can expect performance breakthroughs that will **save lives, cut costs,** and **reduce errors** similar to other industries. Performance management techniques—when used—save taxpayers, corporations, and health organizations billions of dollars each year. As examples:



Fairfax County, Virginia avoided \$1.454 million in costs for post-rabies exposure immunizations by delivering negative results for 727 tests within 24 hours. Achieving this rapid turnaround time saved approximately \$2,000 per immunization series averted.ⁱ

Motorola reports over \$15 billion in savings from improving routine processes. In one example, they managed to drive down the manufacturing time for pagers from 40 days to less than one hour.ⁱⁱ

Wellmark Blue Cross and Blue Shield of Iowa and South Dakota used replicable performance management techniques like Six Sigma to streamline processes, resulting in \$3.5 million in administrative savings and \$20 million in benefit savings. One project to improve distribution of post-enrollment materials (benefit certificates) saved the company \$342,000 alone and reduced defects by 66%.ⁱⁱⁱ

The stakes are high for under-performance in health.

Gaps in quality and performance take an enormous toll on Americans' health, strain the capacity of health systems, and waste billions in public and private dollars.

- In health care settings, the National Committee for Quality Assurance finds that "quality gaps" (failures to deliver "best practice" care) lead to more than 57,000 avoidable deaths, nearly 41 million sick days, and more than \$11 billion in lost productivity each year.^{iv}
- The Public Health Foundation projects more than two million excess deaths by the next decade if communities fail to achieve nine major Healthy People 2010 mortality objectives.^v

More Than 2 Million Excess Deaths This Decade Related to Not Achieving 9 Healthy People 2010 Objectives (Estimated excess deaths shown)

Chronic Heart Disease	866,000
Lung Cancer	393,000
Stroke	226,000
Colon Cancer	116,000
Breast Cancer	114,000
Motor Vehicle Accidents	106,000
Suicide	82,000
Homicide	75,000
Other Unintentional Injuries	23,000

Source: Community Health Status Indicator Reports, 2001

Public health performance breakthroughs will improve health.

Recent research shows that local health department performance accounts for an important portion (12-26%) of the variation in county health status, according to a Public Health Foundation (PHF) study. The explained contribution of local health department performance to county health status is comparable to that of traditional health services.^{vi} The PHF study was one of the first studies to examine the relationship between public health performance and health outcomes. Additional research is vital to determine the specific types of performance that are most influential.

"If this were a promising new drug or medical procedure, instead of a management technique, we would fast-track it through clinical trials and train thousands of health providers on it. Yet despite the evidence supporting its benefits, performance management is scarcely used by public health organizations."

— Ron Bialek, President, Public Health Foundation

ⁱ Source: Council for Excellence in Government, www.excelgov.org, 6/28/04.

ⁱⁱ Source: American Society for Quality, www.bestpracticedatabase.com, 6/28/04.

ⁱⁱⁱ Source: Institute for Healthcare Improvement, <http://www.ihf.org>, 6/28/04.

^{iv} Source: National Committee for Quality Assurance, 2003 <http://www.ncqa.org/communications/news/sohc2003.htm>, 6/28/04.

^v Public Health Foundation, June 2001, <http://www.phf.org>, 6/28/04.

^{vi} Source: N. Kanarek, J. Stanley, R. Bialek, and K. Mistry. "Local Public Health Agency Performance and Community Health Improvement." Presentation at the Public Health Services Affiliate Academy Health Second Annual Meeting, 2003.