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Performance Management Systems in State Health Agencies:
Guidance and Perspectives from Leaders to Their Peers

Performance Management Leadership Guide

Introduction

What is a Performance Management System?

Performance management (PM) is described by the Public Health Foundation as *"the practice of actively using performance data to improve the public's health.*

This practice involves strategic use of performance measures and standards to establish performance targets and goals. Performance management practices can also be used to prioritize and allocate resources; to inform managers about needed adjustments or changes in policy or program directions to meet goals; to frame reports on the success in meeting performance goals; and to improve the quality of public health practice."[1]

Simply put, a PM system is a set of measures that have targets with timelines and are monitored and published with regular frequency. PM is the nervous system of the organization while the strategic plan, state health assessment, and state health improvement plan are the brains.

ASTHO has developed a **PM position statement** that endorses a culture of quality and recommends that state and territorial health agencies integrate a performance management system into their agency practices, program, and interventions. Furthermore, PM is an important required element of the national standards established by the Public Health Accreditation Board (PHAB).

A PM system might seem esoteric; built properly, however, the system can become the engine driving your organization. The PM system, in advanced stages, regularly drives decisionmaking, influences the allocation of resources, and highlights the department's priorities.

What gets measured gets done.

PM systems are rapidly spreading in public health departments across the United States. Although a few departments have been doing this work for years, for many this is a new and misunderstood effort. A successful PM system requires executive level commitment and dedicated staff to create and maintain the system. Departments are hiring staff with PM and quality improvement (QI) expertise, but no public health experience. PM is the way of doing business in public health. These changes have significant implications for your role as a public health leader. PM has also grown in larger government agencies where health departments are located. Some governors and mayors are seeing PM as their answer to "good government" efforts. As a result, some health officials have been able to link their PM efforts to broader efforts among all government agencies in the jurisdiction.

When first building a PM system, staff might want to purchase the newest software system, but that is not necessary. PM is not a software program. Health departments often begin with a few programs that develop performance measures and targets and track them in an Excel spreadsheet. Performance measures are sometimes called metrics or indicators.

The system should ultimately align with your strategic plan, state health assessment plan, and state health improvement plan. In some cases, the system is aligned with existing statewide PM systems. Ultimately, the system identifies problem areas and generates QI projects.

An initial PM system would have few measures and might focus on internal health agency priorities such as the vacancy rate, hiring time, contract processing time, and annual percentage of completed employee evaluations. These measures are tracked and shared internally. As the system matures, additional population health outcomes measures, external to the agency but aligned with the work of the department, may be added. These measures, which could include obesity rates or childhood vaccination rates, are posted on an external site accessible to the public. Measures should be chosen in a thoughtful and strategic manner.

When change and improvements are needed, many start from scratch, which often yields incremental improvements. A benefit to a PM system is the opportunity to build upon existing systems, priorities, agency initiatives, and strategic goals. Performance management is a comprehensive approach that ties everything you do in one place to ensure all is in sync.

A typical system uses visual aids, such as a scorecard or dashboard, to display how the measures are changing over time. Some systems use dials with red, yellow, and green arrows to show how the measure is performing. Red means the measure is far off target, yellow means close to the target, and green means on target. The targets are chosen by the department and often use Healthy People 2020 or other national targets. The Vermont Department of Health uses a **dashboard** with colored arrows.

Although PM systems are not primarily meant to evaluate employees, some states assign responsibility for a performance measure to an employee or group of employees, and their evaluations are based on the activities related to, and the performance of, the measure.

Instituting a meaningful PM system requires significant departmental culture change in which data-driven decisionmaking becomes a way of life.

WHAT IS MY ROLE AS A LEADER?

Building a useful PM system requires a full commitment from the executive team. Your vision for the system should be clearly and frequently articulated. The message should set an expectation that the health department will be focused on performance, and the PM system will necessarily change the department's culture. Your message should be clear about the steps for creating this new way of doing business.

As a leader you should play a key role in facilitating a culture of quality that embraces performance management. This means encouraging your employees to change their perspectives so they are encouraged to find problems instead of hiding them, and then empowering them to identify answers and solutions. The system can be used to identify and celebrate strengths and you can be a cheerleader and showcase department improvements.

Although you do not need to be a PM expert, you should have a basic understanding of the PM system's structure and functions, and be actively engaged in PM priority setting, review, and evaluation. Not only should you play a role in supporting and understanding PM, it is imperative that you consistently use the PM system to make data-driven decisions and set the expectation that your senior staff do the same.

You might need to hire an expert in performance management and support staff training who should report to the highest possible level of management. Note: The expert does not require a public health background.

WE COULD DO THIS, BUT WHAT ARE THE BENEFITS?

The performance of a health department that creates and deploys a PM system will improve, often dramatically. Among the many benefits the department will experience are the following:

Transparency

A PM system sets objectives and establishes metrics for those objectives. By regularly reporting progress, the department allows internal, and sometimes external, audiences to see exactly where they have succeeded and where they have fallen short. Such transparency brings clarity and credibility to the department.

Prioritization

A PM system gives department staff a common set of priorities—everyone knows what needs to be worked on and how progress will be measured.

Decisionmaking

Monitoring the progress of a PM plan means resources can be allocated where they are most needed. Changes can be made strategically and quickly, and all staff understand why decisions are made. A PM system also empowers staff at all levels to be active participants in finding ways to improve performance. Staff learn to read data, trust data, and use data to make improvements.

Ultimately, you as a leader can use the PM system as a communication and education tool. The PM system allows you to keep a regular pulse on the progress of the department in priority areas.
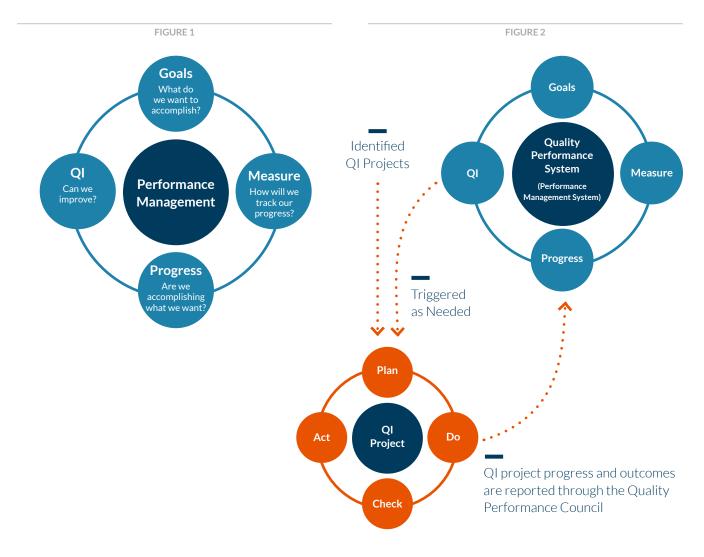
PERFORMANCE MANAGEMENT AND QUALITY IMPROVEMENT, WHAT IS IT ANYWAY?

Performance management and quality improvement (QI) are both needed for a comprehensive system. PM and QI are not the same. As described above, PM is a system for decisionmaking and prioritizing departmental resources based upon the monitoring of measures with set targets and timelines. QI is a set of skills and tools used to make system and process improvements. There are many QI models such as Plan, Do, Check, Act (PDCA); Lean; Six Sigma; and Total Quality Management (TQM). These models were initially developed to improve manufacturing production systems, but the core concepts of performance management and practice of implementing quality improvement toward improving organizations, systems, and processes has expanded to other sectors such as healthcare and public health.

QI can be used to improve measures which are found to be deficient in the PM system. QI projects can spin off from PM meetings. QI teams are generally multi-disciplinary and require a set of (1) skills, (2) tools, and (3) organizational commitment to empower staff to solve problems.

FIGURE 1 shows the California Department of Public Health's schematic for a quality performance system that integrates PM and QI.

FIGURE 2 shows the California Department of Public Health's illustration of the relationship between PM and QI. In this case, the department is using PDCA and established a Quality Performance Council to monitor the system and make policy decisions as needed.

FIGURE 1

Goals
What do we want to accomplish?

QI
Can we improve?

Performance Management

Measure
How will we track our progress?

Progress
Are we accomplishing what we want?

FIGURE 2

Goals

Quality Performance System
(Performance Management System)

QI

Measure

Progress

Identified QI Projects

Triggered as Needed

Plan

Act

QI Project

Do

Check

QI project progress and outcomes are reported through the Quality Performance Council

I'M DEDICATED TO BUILDING A PM SYSTEM. WHAT ARE SOME WAYS TO APPROACH THIS PROCESS?

Once the department leadership is committed to a PM system, the following steps can guide a health department in developing the system:

- ✔ Appoint a workgroup that includes, from the beginning, the end users from department programs. Be sure to include analysts, evaluators, epidemiologists, and others who routinely work with data because they will be important as the group tries to develop metrics to track progress.

- ✔ Consider consulting with knowledgeable peers or perhaps even hiring a consultant to assist in guiding your initial steps. This can be especially valuable if your department has no experience with a PM system. Consultants are available from the public health field and outside of public health.

- ✔ Involve the executive team as much as possible through frequent updates and meetings.

- ✔ Discuss how the measures will be developed and chosen.

- ✔ Identify criteria for choosing the measures such as the validity of the data, importance to the department, viable targets, and reasonable timelines to meet targets.

- ✔ Assess some of the PM tools available – such as those on the Public Health Foundation's **website** – to help steer you in the right direction.

- ✔ Look for the elements of PM that already exist in your department. For example, some programs or divisions might already be doing a good job of monitoring key metrics or reporting on progress against benchmarks.

- ✔ Align performance targets with national standards if available and applicable.

- ✔ Be flexible and recognize that measures will change over time. Some will be deleted and new measures will be added to the system. Regarding PM measures, static is not beneficial.

- ✔ Identify how the measures will be displayed. Start with a simple system and be prepared to grow.

- ✔ Start with a few measures and do a beta-test to understand the system and allow time for the system to mature.

Being overwhelmed by options

Generating meaningful measures takes time and critical thinking. The selection and prioritization of measures should be a group process that initially focuses on a limited number of measures. Your state health improvement plan can be used as a starting point to select measures. Sometimes you just have to start somewhere, and you could select your state's worst health outcomes and build the PM system around them.

Developing a PM approach

Most department staff have no experience with performance management and are trained instead on program evaluation. This lack of understanding can be addressed through webinars, peer networks, videos, and live trainings.

Perception of additional work

Staff might feel that the PM system is an added burden and some will resist the change. Focus on supporting the early adopters and frequently share the stories of the progress and benefits of the PM system. Early adopters are often staff who appreciate data and tracking systems. Often program managers embrace the PM system because they realize the entire health department is working to help improve their program.

Roles, responsibilities, and expectations

Responsibility for a particular measure may not be clear. Leadership should be clear about expectations and responsibilities and assign appropriate staff to monitor, track, and improve each measure in the PM system.

State and local coordination

Local health departments might not understand the benefits of a state health department PM system. The development of a PM and QI learning collaborative will help state and local partners. The California Department of Public Health **Performance Improvement Managers Network** is a great example. The network organizes phone conferences and posts local PM-QI work to share among the state's counties.

READY, SET, GO!

Examples from the Field

WASHINGTON

VERMONT

The Washington State Department of Health developed its first PM system in 2004 and has continued to make refinements and updates to reflect the comprehensive system that it uses today. The agency performance measures are tied to the strategic plan. Metrics and strategies are reviewed in monthly meetings. The department uses SharePoint to display measures and high-level milestones. The system is used to annually review the department's entire strategic plan and evaluate how the department is performing. The system is based on a model from the Washington State governor's office.

The Vermont Department of Health's PM system is based on Healthy People 2020. Program managers submitted performance measures to create a dashboard. The process of creating and understanding useful program measures took 12 months. The dashboard, once created, was widely promoted throughout the agency and designed to feature visuals at the top linked to outcomes and employee evaluations.

The Vermont Department of Health performance dashboard is used at senior director meetings every two weeks. The meeting begins by randomly selecting a program. The program director must describe program goals and outcomes. If the group does not understand the measure, then changes to the metrics are made. This practice has ensured that program directors understand the measures and created a bit of healthy competition. Annually the department chooses six topics for an in-depth review of data, performance, resources, and staffing. Leaders are involved in this review process and appropriate changes are made when needed. Among other successes for the department, the state legislature has praised the dashboard. Vermont has assigned a full-time manager to be responsible for the system and process.

OKLAHOMA

The Oklahoma State Department of Health had an electronic performance system and manager long before National Public Health Improvement Initiative (NPHII) funding was available. The CDC NPHII program provided funding to state, local, and territorial health agencies from 2010 to 2013 to support activities that accelerate accreditation, implement performance management and improvement, and share evidence-based practices. The electronic PM system is called "Step Up" and has goals, objectives, measures, and timelines, and identifies who is responsible for them. The majority of the objectives are health oriented. The system has dozens of measures and has recently added business processes and QI projects. The dashboard is prominently displayed for staff to view in common public areas of the health department.

Oklahoma has cross-agency Strategic Targeted Action Teams (STAT) that meet regularly to discuss prioritized topics. There are quarterly leader STAT meetings. Concrete business plans are developed for these prioritized topics. The strategic plan, state health improvement plan, and business plans set performance benchmarks and resources needed to meet five-year targets. Employee performance plans include department performance measures that identify what employees need to accomplish to be successful. Every local county department uses the same system.

The Oklahoma governor's office sets global core statewide measures through a system called "OK State Stat." These statewide measures are then mirrored in the department's strategic map and show up as core department measures.

Oklahoma continues to refine the system. The department has adopted QI strategies and is seeing dramatic improvements.

The image to the right illustrates how performance management works in the agency. In this case, national, state, agency, community, and individual plans and performance are aligned to achieve agency goals. Quality improvement, the structure of which is described in the agency's QI plan, serves as the link and feedback loop for all performance improvement efforts in the agency. Agency-wide, continuous quality improvement is essential for the department to achieve its national, state, agency, community, and individual employee goals.

OSDH PERFORMANCE MANAGEMENT MODEL

← Quality Improvement →

National

- Healthy People 2010 / 2020
- 3 Core Functions & 10 Essential Public Health Services
- Turning Point PM Framework & NPHPSP
- Accreditation
- United Health Foundation & Commonwealth Fund Reports

State

Oklahoma Health Improvement Plan

TOOL
State of the State's Health Report

Agency

Strategic Plan

TOOL
Strategic Map

Strategic Targeted Action Teams/Plans

TOOL
Step UP

Core Public Health Priorities Document

TOOL
Business Plan

Service Area and County Health Department

Service Area / CHO Strategic Plans

TOOL
Step UP

Community

Community Health Improvement Plans

TOOL
Mobilizing for Action through Planning and Partnerships (MAPP) Turning Point & Step UP

Individual Employee

Individual Contribution

TOOL
Agency Individual Performance Management Process (PMP) Evaluations

ADDITIONAL RESOURCES

Association of State and Territorial Health Officials: Accreditation and Performance Improvement Homepage

http://www.astho.org/Programs/Accreditation-and-Performance/

Public Health Foundation Performance Management and Quality Improvement Webpages

http://www.phf.org/focusareas/performancemanagement/Pages/Performance_Management.aspx

http://www.phf.org/focusareas/qualityimprovement/Pages/Quality_Improvement.aspx

Centers for Disease Control and Prevention: National Voluntary Accreditation for Public Health Departments: Performance Management and Quality Improvement

http://www.cdc.gov/stltpublichealth/performance

REFERENCE

1. Public Health Foundation. From Silos to Systems: Using Performance Management to Improve the Public's Health. 2003. Available at: www.phf.org/resourcestools/Documents/silossystems.pdf. Accessed 1-11-2017.