



Adapting Baldrige from Health Care to Healthy Communities

by Lowell Kruse

“To the extent Baldrige succeeds at the community level anywhere close to how it performs in individual organizations, our country will be much stronger as we enter the next 250 years of our existence. To that successful end, Malcolm Baldrige will have reached into the very core of our society and ultimately left us all a very fitting legacy.”

In the summer of 1984, we moved our family from Rochester, New York, to St. Joseph, Missouri, when I became CEO of Heartland Health, a new health care organization created by the merger of Methodist Medical Center and St. Joseph Hospital. While the two hospitals had been long time competitors, the Boards of the two organizations realized that because of the changes going on in health care, the challenging educational, health, and economic demographics in St. Joseph and the larger regional service area, the needs of the hospitals and the region would be better served if the two hospitals came together.

While the legal, organizational and other related issues moved along on a reasonable course for a merger of this kind, the output of the new organization did not. After several years of experiencing clinical, financial, customer satisfaction, and other measures ranked in the bottom quartile of similar organizations, we knew we needed to make dramatic changes in the way we governed, led, and managed the organization. While we had introduced a variety of quality improvement strategies during those early years, none generated the results we needed.

In the early 1990s, the leader of our Organizational Development function approached me with the idea of asking the Excellence in Missouri Foundation, Missouri’s state-level Baldrige organization, to help with our overall quality improvement efforts. I was familiar with the work Baldrige was doing in the manufacturing sector because a friend of mine in Rochester worked for Xerox and had told me about the struggles Xerox and other similar organizations were facing with global competition from a quality, cost, and service perspective. I knew Xerox had invested a tremendous amount of time, energy, and resources to improve their quality and overall performance. It paid off handsomely as evidenced by Xerox’s recognition as a Malcolm Baldrige National Quality Award recipient in 1989 and its return to global competitiveness.

While Baldrige did not include health care as a specific sector at that time, I thought we might learn a good deal from the work being done in manufacturing. The good news was that hospitals were not that distinct from manufacturing when it came to process improvement, and Baldrige added health care as a specific sector in 1998. After a couple years of intense training and introducing the Baldrige Framework to our 2,500-plus leaders, employees, and medical staff members, we began to experience a rather significant improvement in performance in virtually all our key measures.

Those improvements led to state quality awards in 2000 and 2005, followed by the Malcolm Baldrige National Quality Award In 2009. During that same time, our overall performance improved from bottom quartile to top decile and Heartland Health became recognized as a quality focused, high-performing organization.



I retired at the end of 2009, after 25 years as CEO of Heartland Health, with the knowledge and belief that any organization that adopts and implements fully the Baldrige Framework as its management model will ultimately rise to levels of performance excellence, exceeding all their expectations.

The follow up story is that while I was exceedingly proud of Heartland Health, our employees, doctors, and others because of their remarkable journey to performance excellence, I along with other health care leaders, leaders from business, policy makers, and others were becoming more and more concerned about the overall performance of the health care sector in our country. The high cost of care, the poor health status of our citizens, and the continuing decline in all key measures of a healthy, productive society were becoming a major impediment to our country's overall competitiveness. Those of us leading health care organizations know there is a significant difference between the quality of care one receives in a hospital and the overall health of the population our hospitals serve.

While the use of quality tools of various kinds improves care inside a hospital the only way to improve the health of a population is to improve educational attainment, the quality of jobs, affluence, housing, safety, and other factors, all of which are community-based issues. To that end, in early 2010 Rick Norling, who during his tenure as CEO led Premier, Inc., to receive the Baldrige Award in 2006, and I began discussing the possibility of adapting the Baldrige Framework for use by communities. In any community, individual organizational performance is extremely important, but educating children, creating jobs, and improving health are all driven by the community itself. The question then became, could we use an adapted Baldrige Framework to help communities do what high-performing organizations have done to improve their overall performance?

From that early 2010 discussion, with the help of many similarly-minded, passionate people, an effort known as Communities of Excellence 2026 was created and is now working with communities to test and improve a Baldrige Framework, specifically adapted for communities, to see if we can create the same kind of dramatic improvements experienced in organizations that adopted Baldrige as their management model in all other sectors of our economy.

That story has yet to be written, but to the extent Baldrige succeeds at the community level anywhere close to how it performs in individual organizations, our country will be much stronger as we enter the next 250 years of our existence. To that successful end, Malcolm Baldrige will have reached into the very core of our society and ultimately left us all a very fitting legacy.



Lowell Kruse (from right) with Baldrige Performance Excellence Program Director Bob Fangmeyer, Performance Excellence Network President Brian Lassiter, and Dr. Joann Sternke, former Superintendent of the Pewaukee School District, winner of the Baldrige National Quality Award in 2013.

