Executive Dashboards: An Effective Tool for Managing Enterprise Project Risk

Executive Summary

Executive dashboards are well-established as valuable senior management reporting and monitoring tools. Project management of major IT initiatives, particularly complex electronic health record (EHR) implementations, can also benefit from the use of executive dashboards that provide a current view of defined processes, and facilitate the identification and remediation of existing issues and potential risks. Executive dashboards can also help prioritize the resources, time, and work necessary to manage project issues/risks. This whitepaper provides concrete recommendations and steps for setting up and using executive dashboards to manage EHR implementation project issues or risks, and presents metrics for improved communication, prioritization, and remediation of project-related concerns.

Part I: Five Project Risks That Get the Attention of Healthcare Executives

Healthcare executives often have oversight responsibility for a large portfolio of projects, which may be running concurrently as part of an enterprise business implementation strategy. They are also often involved in a number of governance initiatives, and on steering and advisory committees overseeing the costs, results, and issues confronting the organization. An effective executive dashboard must be built and presented in a way that is meaningful to these executives, and allows them to quickly understand and proactively identify project risks, issues, and opportunities.
Healthcare executives respond strongly to project details impacting the following five high risk categories:

I. **Patient Care and Safety:** The ability to render care and ensure availability of safe, consistent, and properly administered and documented care to all patients. Patient risk represents a legal liability and the possible related loss of confidence and market share.

II. **Regulatory Compliance:** This category spans systems, financial, clinical, legal, and business risk management. Core measures to track include case and quality management, physical plant and equipment, medical testing and procedures, results, and documentation of all associated policies, procedures, and processes. Regulatory risk affects licensure and can adversely impact keeping the doors open for business.

III. **Financial Performance:** In the finance realm, several areas warrant consideration for a project management executive dashboard. These include the project’s impact on cash flow (accounts receivable (AR)/accounts payable (AP) management), central business office (CBO) accounting (income statement, consolidated balance sheet relating to overall revenues and expenses), and financial management measures of solvency and profitability (contractual, investment, and debt management), as well as implementing and maintaining specific controls for monitoring, evaluating, reporting, and auditing financial performance. Financial risk represents the ability of the hospital to continue as a “going concern,” and is a proxy for the overall health of the organization and financial management.

IV. **Retaining Physician and Patient Market Share:** Maintaining market share and competitive advantage by effectively using technology and service enhancements, informatics, data mining, and marketing intelligence and programs. Retention risk measures the relative strength of the hospital in garnering and retaining both patients and physicians in a competitive environment.

V. **Market and Enterprise Growth:** Managing risks and securing resources to leverage and grow the enterprise often involves employing regional or multi-state physician and patient strategies including merger, acquisition, divestiture, and licensing initiatives. Market growth risk related to the larger market changes can be dramatically affected by significant regulatory, financial, and governmental changes in the national/international marketplace.

In developing a user-friendly executive dashboard for project risk management (an enterprise-wide EHR implementation in this example), each issue/risk should tie to one of the five risk categories listed above with a risk level indication of high, medium or low:

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Color Code</th>
<th>Definition</th>
<th>Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>⬤</td>
<td>Highly likely to impact go-live; not remediated when previously rated</td>
<td>Triage required</td>
</tr>
<tr>
<td>Medium</td>
<td>⬤</td>
<td>Has worsened and must <strong>escalate</strong> from ⬤ to avoid adverse consequence</td>
<td>Remediation plan required</td>
</tr>
<tr>
<td>Low</td>
<td>⬤</td>
<td>Requires specific modest corrections for full implementation functionality</td>
<td>Identify specific steps</td>
</tr>
</tbody>
</table>

**Other Considerations**

- In addition to reporting current issues/risks with significant go-live implications on the executive dashboard, progress/status reports should also be updated regularly to clearly identify all successes, milestones, and deliverables accomplished during the period.
- Any issue significantly affecting project scope, budget, time, or resource milestones/deliverables should be included in the weekly executive dashboard and flagged in the weekly status report as a high, medium, or low risk item. Critical executive dashboard items
remediated for the current period should be reported as closed, removed from the subsequent executive dashboard updates, and noted as a closed item in the progress/status reports for the period. A log of remediated and closed issues should also be maintained for future reference.

**Part II: Setting Up Executive Dashboards to Link Critical Project Management Issues to Larger Strategic and Operational Concerns**

In the current health IT environment, for most provider organizations, enterprise-wide EHR implementation projects represent the largest investment in dollars and resources, and thereby pose the greatest financial and operational risk. As such, executive dashboards generally deliver the greatest value when used to manage risks for large EHR implementation projects.

Many times when an organization selects and implements a new EHR solution, the final result is a uniform electronic record across all facilities within a healthcare enterprise. However, prior to implementation, each facility may have had its own legal medical record (LMR) in hard copy, with relatively little concern for non-standardization across facilities related to format, documentation, or organization of healthcare data.

Furthermore, hospitals with multiple acquired, merged, or contracted entities may have allowed these entities to retain the accounting, billing, and coding standards of the original parent organization and to continue existing practices related to medical record documentation, record correction, identity management, and medical record release of information. There are a number of reasons for these types of decisions, the most frequent being:

- Differences were not deemed sufficient enough to warrant standardization since each acquired entity’s hard copy medical records (and supporting systems and processes) may have been acquired at the time of purchase; or,
- The hospital acquiring the entity may not have considered data governance requirements as a necessary part of due diligence for merger, acquisition, or divestiture.

The decision to implement an enterprise-wide EHR changes all of this. Many organizations hold the erroneous belief that the new “standardized application” being implemented will also bring standardization to the organization and its departments by default. Often, the organization is surprised by the large amount of time, effort, and consensus necessary to standardize LMR definitions and document types, and to align divergent policies, procedures, and practices, all of which are necessary to a successful enterprise-wide EHR implementation.

Non-standardization across the enterprise creates issues/risks that are ideal for inclusion on an EHR project’s executive dashboard for many reasons, including:

- An unanticipated risk discovered during the course of an EHR project implementation may have significant impact on multiple functional areas;
- Implementation of an enterprise EHR impacts the five high-profile risk areas previously mentioned: patient care and safety, regulatory compliance, financial performance, retaining physician and patient market share, and market and enterprise growth;
- Issues surrounding medical record standardization—if not immediately corrected—need to be sorted into root causes and possible consequences to the organization and project.

Therefore, it is important to define corrective action steps (time, scope, resources, and critical path) as part of the solution to remediate identified risks and associated issues.
The chart below shows how identified critical go-live risks, such as non-standardization of the organization’s LMR, move from project status reports to the project’s executive dashboard for communication, prioritization, and remediation:

<table>
<thead>
<tr>
<th>Reported on Status Report</th>
<th>To</th>
<th>Tracked on Executive Dashboard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified issue</td>
<td>→</td>
<td>Reported risk</td>
</tr>
<tr>
<td>Root cause</td>
<td>→</td>
<td>Documented impact</td>
</tr>
<tr>
<td>Recommendation</td>
<td>→</td>
<td>Action plan/priority</td>
</tr>
<tr>
<td>Managed</td>
<td>→</td>
<td>Resourced/remediated</td>
</tr>
</tbody>
</table>

Moreover, an EHR implementation often involves conversion of patient encounter records and the master patient index (MPI), and generates a host of statistics used by the board and executive/regulatory committees and for quality indicator reporting. Collection of all these statistics into an executive dashboard can provide a comprehensive picture of how care is provided and accounted for, and its direct impact on the organization’s financial remittances and revenue streams under the new EHR system.

When combined with comprehensive weekly progress/status reports, an effective executive dashboard provides a valuable tool and defined processes to facilitate the identification and remediation of existing issues and potential risks. It also helps to better prioritize resources, time, and effort needed to manage critical project issues/risks.

**Part III: The Critical Role of the Business Process Improvement Champion**

Executive dashboards for project management and reporting work best when supported by a dedicated business process improvement champion who is either a member of the C-suite, a representative of the PMO office, or a clinical, financial, or business leader of the organization. The role of the business process improvement champion should be defined during project initiation. It can be established as part of the project charter, defined within project governance, or specified within the scope of engagement initiation document.

The business process improvement champion should be a client-based executive high enough in the organization to see multiple perspectives and with enough authority to serve as the “referee.” This position should be a part of the issue/risk management chain of escalation, and serve as a point of contact for the implementation project manager’s staff and management. The person in this position should also have a firm understanding of, and respect for, the role of the systems and financial, clinical, and business participants in the project, and be able to mediate conflicting interests and internal cultural issues.

In summary, an executive dashboard provides clear visibility and rapid communication of any project implementation issue or risk in context of the organization’s larger strategic and operational concerns and priorities to executives, oversight committees, and high-level project managers. One note of caution: be sure you have the time and resources to set up and maintain dashboards; executives will not only like them, but will develop a keen appetite for regular and frequent updates in order to proactively manage projects to a successful conclusion.
Appendix 1: Recommended Components of an Effective Executive Dashboard

In this section of the whitepaper, additional dashboard component details are outlined.

It is important to note that projects worthy of executive sponsorship will require a quantified cost-benefit analysis with a net present value score that is greater than the current internal rate of return (i.e., greater than the current alternative use of investment dollars).

- Each project-related issue/risk reported in this executive dashboard will carry a severity index of high (red), medium (yellow), or low (green). The purpose of reporting issues/risks critical to executive sponsored projects is the speedy identification, escalation, and remediation of issues/risks impacting the go-live success of the project.

Note: The same item deemed non-critical at six months prior to go-live can be critical if incomplete at one month prior to go-live.

- Risks are categorized into the following five types:
  I. Patient care and safety
  II. Regulatory compliance
  III. Financial performance
  IV. Retaining physician and patient market share
  V. Market and enterprise growth

Some complex organizational issues or risks may impact more than one risk type.

- All critical issues/risks appearing on the executive dashboard will require the following accompanying documentation:
  - Root cause of the issue/risk;
  - Impact to business, clinical, financial, regulatory, or legal operations;
  - A specific plan of action for the remediation of the issue/risk, including timeframe, dollars, and resources required;
  - Impact of the remediation plan on current critical path of the project plan and associated priority of the recommended remediation.

The executive owner/sponsor of the project will review the recommended remediation plan for critical risks on the executive dashboard and sign-off on both the issue analysis and action plan for remediation as part of a bi-monthly executive dashboard review meeting. All items when documented as remediated will move off the executive dashboard and be logged on the project plan as remediated (on target for go-live).
Appendix 2: Representative Example of a Typical EHR Implementation Project Risk Dashboard

The focus of this executive dashboard example page is on documenting specific critical EHR project implementation issues/risks associated with bringing together multiple systems into one enterprise-wide EHR.
About CTG Health Solutions

CTG Health Solutions, the healthcare division of CTG, is a leading IT consulting firm dedicated solely to helping healthcare institutions, physician practices, payers, and related organizations achieve clinical and financial goals through effective technology and business solutions. In more than 25 years of operation, we have provided healthcare IT, operational, and strategic consulting support to over 600 healthcare organizations. CTG (NASDAQ: CTG) is a publicly owned IT services and solutions company that generated revenue of $424 million in 2012.

More information about CTG is available on the web at www.ctghs.com.