

Appendix A: Approaches to Setting Targets for Quality Improvement Plans

One of the most common requests Health Quality Ontario (HQO) receives from the field is for more information on setting and justifying quality improvement plan (QIP) targets. In response, HQO is pleased to provide high-level guidance about setting improvement targets for your annual QIP.

Setting aspirational yet realistic quality improvement targets can be difficult and confusing, especially when you consider the many approaches to setting such targets. There are a variety of ways to set targets, and your approach(es) will vary depending on your organization's current performance on an indicator, whether current benchmarks are available and careful assessment of what is feasible, given your local and the broader health care environment. Often, interim targets can and should be set on a multi-year basis, especially when marked gaps exist between current performance and benchmarks.

Benchmarks

There are many definitions and approaches for applying benchmarks for improvement. In the context of quality improvement, benchmarking can be described as an ongoing activity of comparing your organization's processes, services and products (e.g., disease-specific care, discharge, appointments) against **best known** similar processes and services so that challenging yet achievable goals can be set, and improvement can be implemented to efficiently become and stay best in class in a reasonable time.¹

It is important to note that benchmarks are markers of excellence to which your organization can aspire. Without a standard against which to compare, there is no way to determine whether your organization's performance on an indicator is excellent, just average or poor.

Benchmarks also present an opportunity for organizations that excel in certain areas to share their innovative practices and processes with others who are working toward improvement in similar areas.²

Setting a target to match an established benchmark for an indicator is appropriate for most organizations. For situations in which the gap between current performance and the established benchmark is large, one approach is to set a goal to match the established benchmark in the next 2 – 3 years, setting realistic interim annual targets to help get you there.

To assist health care organizations with setting targets, HQO and other organizations (such as the Canadian Institute for Healthcare Improvement [CIHI]) have identified benchmarks for many indicators. Where available, benchmarks are provided via [HQO's QIP webpage](#), QIP Navigator Resource Tab, or hover help in the QIP Navigator.

Note: For more information about using risk-adjusted benchmarks, unadjusted and risk-adjusted data, please refer to QIP's Frequently Asked Questions on HQO's [website](#).

¹ Ettorchi-Tardy A, Levif M, Michel P. Benchmarking: a method for continuous quality improvement in health. *Healthc Pol.* May 2012;7(4):e101-e119.

² Health Quality Ontario. Long Term Care Benchmarking Guide. Toronto, ON: Health Quality Ontario; 2013.

Provincial Average

Average performance is somewhere in the middle — between excellent and poor — and often well below established benchmarks of excellence. Provincial averages are provided to organizations to identify the typical or central value on an indicator and do not denote a high standard. **Provincial averages are not substitutes for benchmarks.** By choosing to set a target to achieve or maintain average performance, the care and experiences of your patients, clients or residents will be average at best, and not the result of excellence or greatness.

Setting a target to match the provincial average is appropriate if your organization's performance on an indicator is currently below average and considered poor by comparison with the provincial average and existing benchmarks.

In this case, setting an interim target to match the provincial average is the first step in target setting with a view to moving beyond average in subsequent years.

Percentiles

Percentiles represent the percentage of organizations (e.g., hospitals, long-term-care homes) that are at, or lower than, the stated value.³ For example, the 90th percentile for emergency department (ED) wait times for admitted patients is 33.1 hours (for October to December 2014). This means that 90% of organizations have ED wait times for admitted patients that are shorter than 33.1 hours, and 10% have ED wait times for admitted patients that are longer than 33.1 hours.

Setting a target to meet or exceed the 90th percentile should be considered only if your organization is in the 10% with current performance that is worse than the 90th percentile.

For example:

Organization A's current performance on ED wait times for admitted patients is 38.1 hours. It would be appropriate for this organization to set their QIP target to meet or exceed the 90th percentile of 33.1 hours (for patients, this means an average wait time that is shortened by 5 hours).

Organization B's current performance on ED wait times for admitted patients is 29.1 hours. It would NOT be appropriate for this organization to set their QIP target to meet the 90th percentile of 33.1 hours (for patients, this means a longer average wait time of 2 hours).

If your organization's performance is better than the 90th percentile, set improvement targets using relative improvement over last year, benchmarks or best achieved elsewhere to better your organization's performance over time.

Best Achieved Elsewhere

Best achieved elsewhere involves comparing your organization to similar organizations that have achieved the highest current performance on an indicator or area of focus. Their performance can be considered the 'best in class' benchmark to be equaled or exceeded.

Setting QIP targets to meet or exceed best achieved elsewhere is appropriate for most health care organizations. The exception, of course, is if your organization IS considered best in class; in this case, set a target to maintain or better your performance.

³ Health Quality Ontario. Long term care benchmarking guide. Toronto, ON: Health Quality Ontario; 2013.

Theoretical Best

In theory, many quality issues can be eliminated or the frequency of occurrence drastically reduced. This is considered the best possible result, or theoretical best. For example, in theory, it is possible to reduce medication errors to zero. Similarly, theoretical best for the incidence of pressure ulcers or *Clostridium difficile* bacterial infections is also zero. There are many evidence-informed best practices about preventing these problems from happening at all. While certainly possible, it can be very difficult to achieve theoretical best because complex processes are breeding grounds for errors. Nevertheless, many organizations have demonstrated the ability to achieve and maintain theoretical best.

Matching theoretical best involves adopting a mantra that current performance is never good enough and harnessing the skills and experience of everyone at your organization in the relentless pursuit of excellence.

Setting QIP targets to meet theoretical best is appropriate for most health care organizations. One approach is to set a goal to achieve theoretical best in the next 2 to 3 years, setting realistic interim annual targets to help get you there.

Percent Improvement Over Last Year

For many organizations, attaining a benchmark, theoretical best or best achieved elsewhere will require concerted efforts over a few years. Your organization may aspire to reach the summit of Mount Everest and, to do so, will first have to set reasonable targets to help get you there.

There are a couple ways to set improvement targets that will help your organization to meet or exceed the high-quality–performance standards you have set (e.g., benchmarks, best achieved elsewhere) over time.

Consider, for example, your organization’s current performance on Indicator “X” is 58% and the established benchmark of excellence is 85%. Your goal, over the next three years, is to meet (and ideally exceed) the benchmark of 85%.

There are a couple ways to accomplish this:

- 1. Setting an annual target to improve by a certain percentage, each year, for the next three years**

For example, setting a target of 15% improvement for each year:

Year 1: Starting with current performance of 58%, an improvement of 15% will yield future performance of 66.7%.

Year 2: Starting with a current performance of 66.7%, an improvement of 15% will yield a future performance of 76.7%.

Year 3: Starting with a current performance of 76.7%, an improvement of 15% will yield a future performance of 88.2%.

- 2. Setting an annual target to achieve defined performance (e.g., rate, frequency), each year, for the next three years**

Consider, for example:

Year 1: Starting at current performance of 58%, your absolute target is 65% performance on the indicator by year end. This is a relative improvement of 12%.

Year 2: Starting with a new current performance of 65%, your absolute target is 76% performance by year end. This is a relative improvement of 17%.

Year 3: Starting with a new current performance of 76%, your absolute target is 85% performance by year end. This is a relative improvement of 11.8%.

Note: The QIP Navigator provides support for calculating absolute and relative improvement targets for the above approaches.

QIP Targets and Service Accountability Agreements

Recommended QIP indicators and SAA indicators are aligned (where appropriate) yet may not be identical.

With respect to target setting, organizations performing below the SAA target corridor are encouraged to use their QIP to help them meet or exceed the expectations set forth in their SAA corridor target, after which they could use the QIP to identify further improvements.

Organizations performing better than the SAA target corridor are encouraged to use the QIP to set aspirational targets (e.g., benchmark, theoretical best, best achieved elsewhere). Once these improvements have been sustained, the organizations could move this indicator off of their QIP and monitor via the SAA. For more information, click [here](#).