A GUIDE TO THE NEW MEXICO DEPARTMENT OF HEALTH (NMDOH) STRATEGIC PLANNING ROADMAP (SPR) AND PERFORMANCE MANAGEMENT SYSTEM (PMS)

THE NMDOH STRATEGIC PLANNING ROADMAP
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INTRODUCTION

Performance management is a time-tested approach to quality assurance of organizational goals that furthers budgetary accountability. Although different definitions exist, most definitions of performance management describe it as the systematic use of organizational performance data, within a structured planning framework, to inform management decisions and shape program actions to improve organizational effectiveness. Numerous attempts to mandate performance management for governmental agencies have been made, and frequently, these attempts have been linked to public budgeting. Performance budgeting, and later, program budgeting, were important phases in the evolution of public budgeting in the United States, both locally and at the federal level (Tyler and Willand, 1997). Over time, these budgetary approaches included an emphasis on what the government does, rather than on what the government purchases, and focused on what the government accomplishes, rather than the means of accomplishment. At the same time, and parallel to this evolution, program planning, program evaluation, and to a lesser degree, performance management were becoming closely associated through the development of program logic models, which were popularized in the 1990’s by the United Way and the Kellogg Foundation (Williams, 2014).

In 1993, during the “New” Performance Budgeting era (Tyler and Willand, 1997), the United States Congress passed the Government Performance and Results Act (GPRA), which was intended to improve governmental performance management, gain the trust of the American people, and hold the government accountable for program results. The GPRA requires federal agencies to develop strategic plans and long-term, results-oriented goals for each of their primary functions. In addition, agencies are required to develop annual performance goals, a plan for meeting the goals, and a plan for measuring the achievement of the goals. Finally, the GPRA requires agencies to report annually on their performance.

Around this same time, interest in performance budgeting permeated state and local government, and evidence of integrating performance measurement into government budgets proliferated (National Governors’ Association, 1993; Poister and Streib 1999). New Mexico was not immune to this interest, and in 1999, the Accountability in Government Act was signed into law. An analysis of the Act indicated that it “would use the state budget process to define outputs, outcomes and performance measures which would be evaluated annually to determine the performance of
state government programs and provide more cost-effective and responsive government services,” (Patel, 1999). Currently, state agencies in New Mexico are required to develop strategic plans annually, identify performance goals, and report on their performance. Since enactment of the AGA, the NMDOH has developed, monitored, and reported on numerous performance measures. The NMDOH Performance Management System began to develop around 2011, and matured with the Department’s efforts to attain voluntary national Public Health Accreditation. The NMDOH was accredited in 2015 by the national Public Health Accreditation Board, and simultaneously moved away from measuring and reporting on program performance strictly as a budgetary or compliance endeavor. Rather than viewing the measurement and reporting of performance as a required activity, the Department developed and adopted a comprehensive performance management approach. From the performance management perspective, developing, monitoring, and reporting on performance became a value-added enterprise that not only enabled the communication of the Department’s progress, but began to support progress itself.

**PURPOSE**

Performance management relies on the use of defined outcomes or outputs to cyclically evaluate and respond to performance. To systematically manage organizational performance, an organization regularly measures actual performance results and compares them to planned or intended results. Comparing actual results with intended results provides feedback on the effectiveness of program actions and processes. Using this feedback to adjust program actions and processes in response to past performance (ideally, through the principled application of quality
improvement strategies) is a definitive hallmark of performance management, and differentiates performance management from performance monitoring or performance reporting.

The Public Health Foundation describes the practices for achieving performance management as a Public Health Performance Management Framework. The framework identifies four core practices, supported by five structural components, that are necessary to sustain a culture of performance excellence.

A performance management system is the set of structures, resources, and processes dedicated to the consistent and intentional development, implementation, monitoring, evaluation, reporting, and improvement of organizational performance. The purpose of a performance management system is to foster organizational excellence and ensure accountability. An effective performance management system should be:

- Informative to decision makers, partners, and stakeholders
- Results-oriented
- Clear and concise
- Valid and reliable
- Economical
- Accessible
- Transparent

In addition, an effective performance management system will include measures of the inputs contributed by the organization (e.g., capabilities, resources, activities, and programs) and will allow tracking of actions, outputs, outcomes, and, ultimately, impact on population health. It will also create organizational alignment and support implementation of strategic priorities.
THE CULTURE BEHIND THE STRATEGIC PLANNING ROADMAP

The NMDOH is a centralized public health agency serving 33 counties and 23 federally recognized tribes, pueblos, and nations through 4 regional and 53 local public health offices. The Department also operates six direct care facilities, oversees three home and community-based Medicaid waiver programs for New Mexicans with developmental disabilities, and serves as the regulatory entity for certain licensed health care facilities.

The NMDOH vision is A Healthier New Mexico! This is a statement of the future we want to create for the population we serve.

Our mission is to promote health and wellness, improve health outcomes, and assure safety net services for all people in New Mexico. This mission is a statement of our intention to do the work necessary to turn our vision into a reality.

Our values are a statement of our belief that how we work is as important as the work we do. Our values define the way in which we carry out our mission in order to achieve our vision.

Our values are:
Accountability: Honesty, integrity, and honor commitments made.
Communication: Promote trust through mutual, honest, and open dialogue.
Teamwork: Share expertise and ideas through creative collaboration to work toward common goals.
Respect: Appreciation for the dignity, knowledge, and contributions of all persons.
Leadership: Promote growth and lead by example throughout the organization and in communities.
Customer service: Placing internal and external customers first, assure that their needs are met.
THE STRATEGIC PLANNING ROADMAP (SPR)

The Strategic Planning Roadmap is a framework that depicts the processes used by NMDOH to identify strategic priorities, develop and implement effective strategies, systematically review and evaluate on-going actions, outputs, and outcomes, and transparently report on the progress we are making toward a Healthier New Mexico.

NMDOH SPR

Figure 3 Image of the NMDOH Strategic Planning Roadmap
**The State Health Assessment (SHA)**

The process starts with the State Health Assessment, or, The State of Health in New Mexico, which is a periodic evaluation of New Mexico’s population health status. The State Health Assessment draws upon a variety of data sources to comprehensively describe population health status in New Mexico, factors that contribute to health status, and resources that can be used to address the health needs of New Mexico’s population.

**The State Health Improvement Plan**

The next step in the process is the State Health Improvement Plan, a long-term plan to address the health needs described in the State Health Assessment. At its essence, the State Health Improvement Plan is a strategic plan for the health system, as it identifies roles and responsibilities that span across all of the health system participants. The State Health Improvement Plan identifies the priority population health needs and issues in New Mexico and suggests system leaders for addressing those issues.

**The NMDOH Strategic Plan**

The Department’s contribution to implementing the State Health Improvement Plan is described in its Strategic Plan. The Strategic Plan has health equity as a guiding principle, and identifies goals and priorities that the entire workforce can contribute to in order to achieve improved population health. Each of these documents – The State Health Assessment, the State Health Improvement Plan, and the NMDOH Strategic Plan, are reviewed and updated on a three-year cycle.
THE NMDOH PERFORMANCE MANAGEMENT SYSTEM

To support implementation of the NMDOH Strategic Plan and achievement of the Department’s performance goals, the Strategic Planning Roadmap explicitly includes a Performance Management System (PMS). The NMDOH PMS is an agency-wide (and agency-specific) system that has its foundation in a commitment to excellence and a belief that actively managing performance is an effective way to ensure and improve performance. Further, the PMS conveys an essential linkage between program performance and population health status improvement.

To understand the PMS, it is important to differentiate between measures of health, which we call Indicators, and measures of performance on health, which we call Program Performance Measures, or simply Performance Measures. We next recognize two levels of performance accountability: population accountability and program accountability. At the population level, we use Results to identify the desired condition of well-being for the population, and we use Indicators to measure population health status. To achieve the desired condition of well-being for the population, the health system works collectively to improve population health status, as measured by the Indicators. At the program level, each member of the health system is accountable for program performance. When all of the members’ programmatic contributions are summed, the system as a whole will anticipate improvements in population health status. In other words, each member of the health system is accountable for their programmatic contribution, and the system as a whole is accountable for improving population health status.
The NMDOH PMS uses a software system, developed by Clear Impact, LLC, called the Clear Impact Scorecard. The system includes all of the Department’s annual performance measures as well as corresponding health status Indicators from the NMDOH Strategic Plan (which are themselves a sub-set of health status indicators in the State Health Improvement Plan).

The PMS uses visual aids, such as a scorecard, or dashboard, to display how performance gains occur over time and how New Mexico’s population health status changes as a result. Each object on a scorecard, including Indicators, Performance Measures, and Programs, can be expanded to show detailed information about that object. For example, each Performance Measure includes four or more years of baseline data, a forecast of the future “to be” should the current trend continue, and a target for changing this forecast. In addition, each Performance Measure includes: the Story Behind the Curve, which is contextual information about the measure; a list of health system partners that the NMDOH is working with to achieve the performance target; a list of strategies that Work to achieve the target; a list of Strategies the NMDOH is pursuing; a quarter-by-quarter Action Plan with measurable milestones; and, an annual summary of the progress made for this measure. Programs accountable for achieving performance goals develop annual action plans with quarterly milestones to implement strategies that work. These milestones serve as a visual management
tool that enables regular feedback on the progress NMDOH Programs are making toward the Department’s annual performance goals. On a quarterly and annual basis, the NMDOH reviews its performance. Where progress is not occurring as anticipated, the PMS incorporates the use of Quality Improvement to accelerate progress. The benefits of the system include:

- Opportunities to build upon existing systems, priorities, agency initiatives, and strategic goals.
- Transparency created by setting objectives and establishing metrics for those objectives.
- Improved decision-making for resource allocation.
- Prioritization around a common set of priorities and ways to measure progress.

IMPLEMENTATION OF THE NMDOH PERFORMANCE MANAGEMENT SYSTEM

The NMDOH Performance Management System begins with the development of the Department’s three-year Strategic Plan. The NMDOH identifies the priority population health status Indicators it will address in this plan. Accompanying each of these Indicators is a target, which represents the Department’s goal to be achieved for that Indicator. The target is the desired state to be achieved for the Indicator over the three-year cycle of the State Health Improvement Plan and the NMDOH Strategic Plan. For each annual cycle within the three-year Strategic Plan, the Department establishes a set of Performance Measures. These Performance Measures represent the Department’s contribution as a member of the health system working to improve population health status. In a similar manner to that used for Indicators, the Department identifies a performance target for each Performance Measure. Ideally, a Performance Measure is established at the beginning of the three-year Strategic Plan cycle and is used in repeated annual cycles for each of
the three years of the Strategic Plan cycle. At each repetition, the Department will demonstrate progress relative to previous cycles and will update the performance target. In practice, however, Performance Measures may be discontinued prior to the end of the three-year Strategic Plan cycle, and new Performance Measures may be initiated during the second or even third year of the cycle. These changes can occur due to advances in program planning, fluctuations in program resources, or successful implementation of data development agendas, which enable more effective performance management. This flexibility demonstrates the Department’s responsiveness to performance feedback provided by the Performance Management System.

Within each annual cycle, quarterly Milestones are developed to establish an expectation for continuous progress toward the annual Performance Measure target. Quarterly Milestones serve as a strategy execution visual management tool by providing real-time feedback on the program performance process. On a quarterly basis, the Department can examine whether we are achieving what we want and make immediate course corrections to maintain the necessary progress.

**OPERATION OF THE NMDOH PERFORMANCE MANAGEMENT SYSTEM**

The Department’s Office of Policy and Accountability (OPA) serves as administrative hub for the operation of the Department’s Performance Management System. OPA administers the Clear Impact Scorecard software and provides training and oversight in the development of performance measures and reporting on progress. Within each of the Department’s eight Divisions, Performance Management Coordinators organize their Division’s performance management work and help integrate and diffuse performance management throughout the Department.
EVALUATING FOR RESULTS

Measuring performance at NMDOH is guided by three simple questions:

1. How much did we do?
2. How well did we do it?
3. Is anyone better off?

To evaluate the benefits derived from the Performance Management System, the NMDOH has developed and is currently piloting a *Performance Accountability Score*. The Performance Accountability Score is a percentage score that represents the degree to which the Department is optimally using the Performance Management System and the performance benefits that accrue as a result.

The score is an average of scores across three determinants: Completeness, Quality, and Performance. Each determinant score is derived by calculating the percentage of positive responses to a series of yes or no questions and averaging the percentages across the questions that make up that determinant. The score for overall performance is a weighted average of the three determinant scores, with higher weight given to the Performance determinant. The NMDOH is piloting the measure in the same way and with the same intention as we use all of our Performance Measures: to strengthen agency performance through measurement, feedback, and responsive action.

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<td>OVERALL PERFORMANCE 64.5%</td>
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<th>Determinant</th>
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<tr>
<td>Completeness</td>
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<tr>
<td>Quality</td>
<td>56.9%</td>
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<tr>
<td>Performance</td>
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CONCLUSION

The NMDOH Performance Management System evidences the core practices, structural components, and key attributes of effective performance management systems and is easily recognizable as a framework to support and promote program performance through regular, recurring review and improvement. In a very practical way, achievement or completion of each quarterly milestone leads to the achievement of each annual Performance Measure target, which in turn reflect the necessary contributions from the health system in order to realize improvements in population health status.
BIBLIOGRAPHY


APPENDIX A

Health Status Indicators and Performance Measures Technical Documentation Form

APPENDIX B

Health Status Indicators and Performance Measures Planning/Reporting Template

APPENDIX C

Performance Management System Training Manual