

HealthStream Software Increases Healthcare Compliance

HealthStream

Best Advance in Learning Management

Technology for Compliance Training

February 2017



Company Background



Company At-a-Glance	
Headquarters	Nashville, TN
Year Founded	1990
Revenue	\$209 million
Employees	1,000
Global Scale	Primarily United States
Customers/Output, etc.	Healthcare Organizations and Professionals
Industry	Healthcare
Stock Symbol	HSTM
Website	www.healthstream.com

Value Proposition

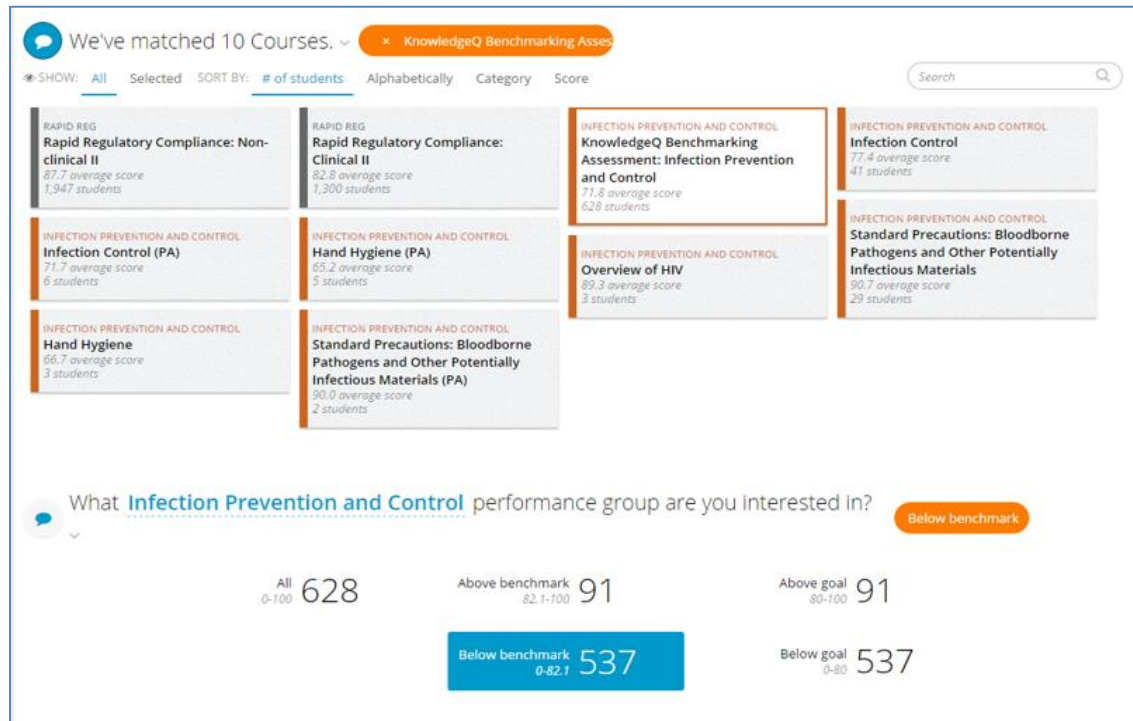
The KnowledgeQ® product, which addresses six key business needs in healthcare compliance, gives healthcare organizations the ability to:

- **Compare Effectiveness.** Compare their training approach and the knowledge of their employees to a national benchmark in a fast, simple, and recurring manner.
- **Set Specific Goals.** Based on those benchmark results and see how individuals score against those goals:

- **Quickly and Easily Drill Down.** To analyze any portion of the staff population and graphically determine the knowledge of that subset compared to the industry and to others within the same organization.
- **Make Real-Time Decisions on Training.** Base assignments on graphical information about staff knowledge on regulatory and accreditation topics, course completions and cost of training and obtain advice on how to modify a training program to reduce costs, increase compliance and save time.
- **Auto-assign Education.** Make targeted assignments to those who need them based on how they score so the organization can quickly improve compliance and reduce risk. Allow those who don't need additional education to have more time for patient care and/or revenue-generating activities.

For example, a health system using KnowledgeQ[®] determined that 537 or 85% of 628 users were below the national benchmark in their knowledge of infection prevention and control.

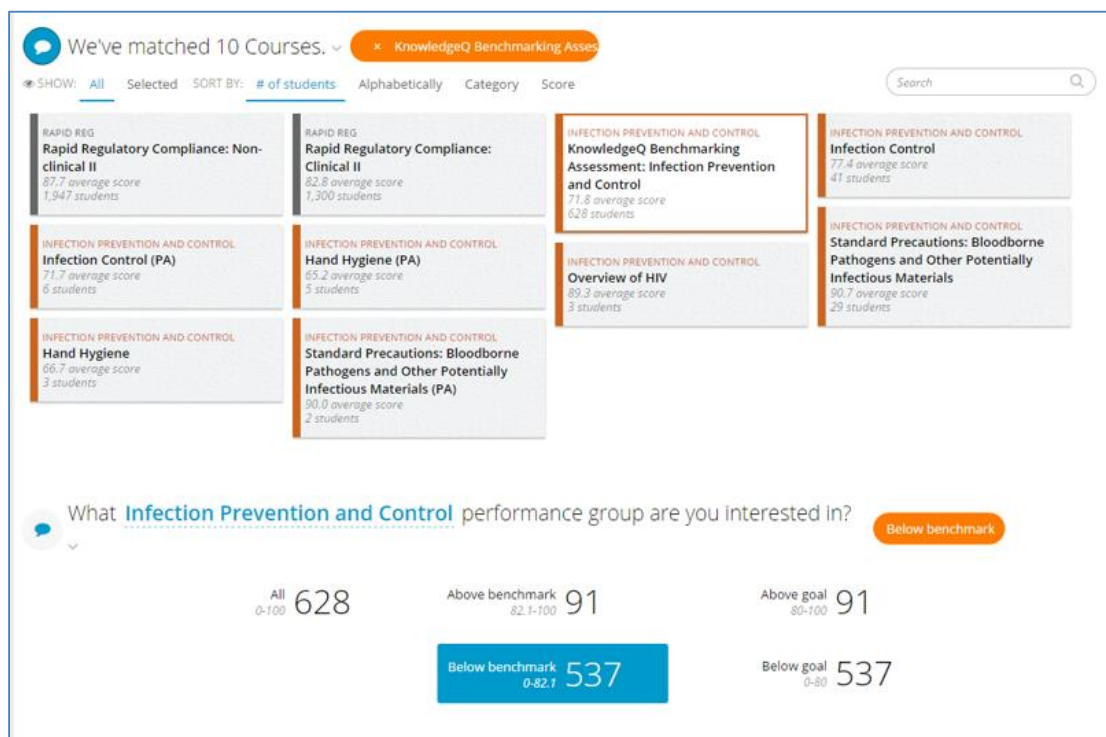
Figure 1: Matched Courses



Source: HealthStream 2017

Since Infection Prevention and Control is a critically important area of healthcare compliance, the system uncovered a hidden area of risk and liability for the organization. Leaders then used KnowledgeQ® to target specific students below a certain threshold and assign them additional education and work in the area of infection prevention and control. By having this ability, they were able to quickly raise compliance levels and reduce risks and liabilities.

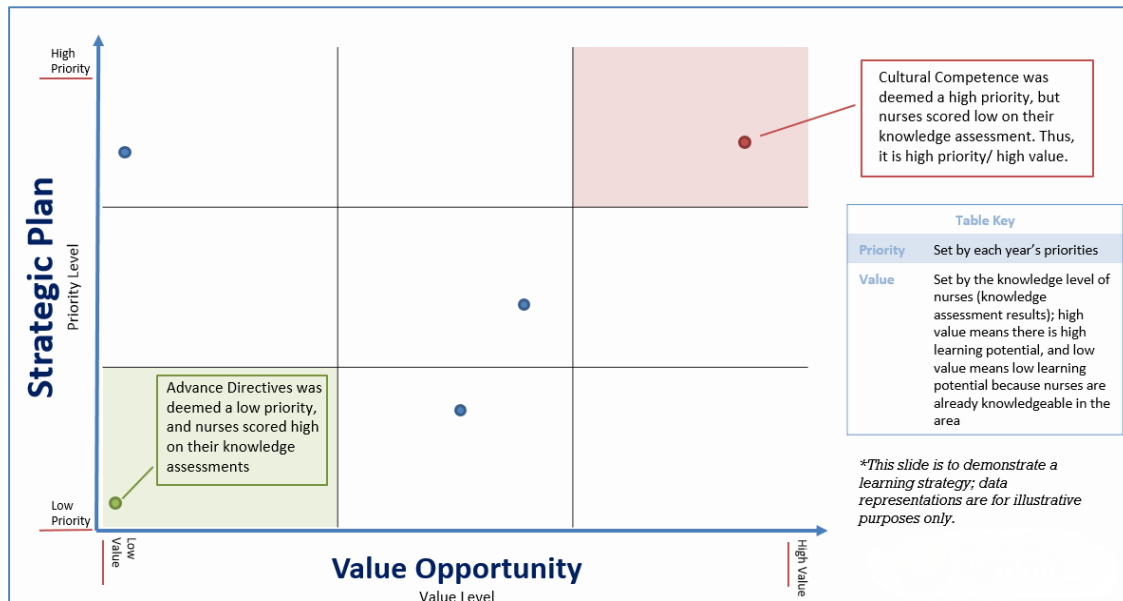
Figure 2: Infection Prevention and Control



Source: HealthStream 2017

In the past three years, HealthStream has collected more than 18 million annual mandatory-compliance course completions.

Figure 3: Comparative Data and Insight



Source: HealthStream 2017

With this approach to benchmarking and data insight, KnowledgeQ® has introduced a new paradigm for greater effectiveness for regulatory training requirements in healthcare.

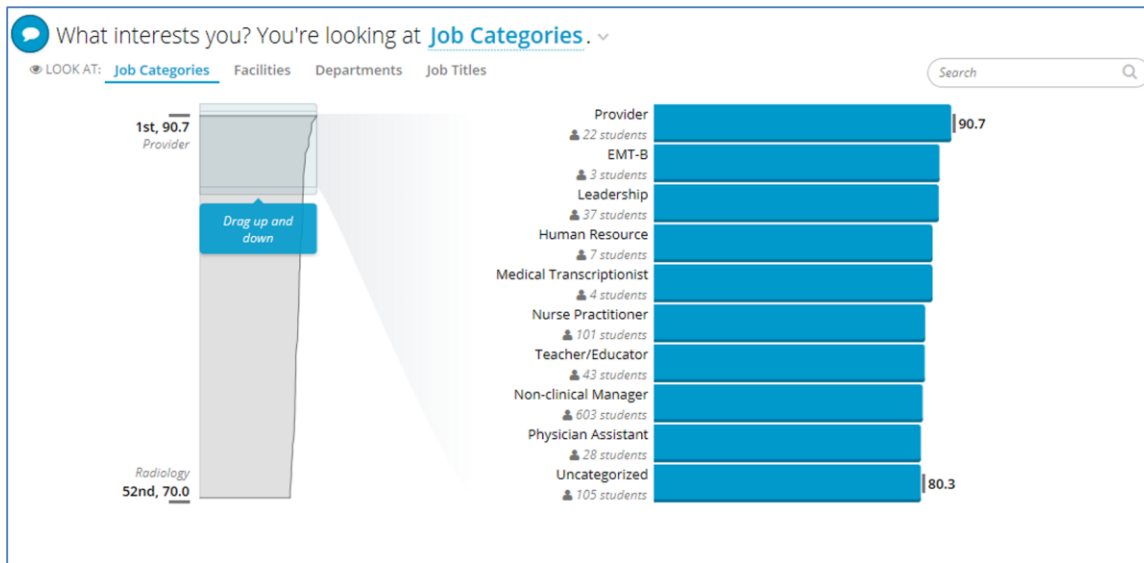
- **Control Center Component.** Gives executives a high-level overview of the organization's readiness and gives administrators the ability to drill down to identify areas that need attention.
- **Actionable Data.** Provides training administrators with data to make better assignment decisions, help staff remain proficient, and find cost efficiencies.
- **Smarter Training Investment.** Helps executives and administrators wisely invest training resources by measuring the performance levels and costs attributed to training initiatives.

In summary, HealthStream's KnowledgeQ® product moves healthcare organizations from a "check-the-box" approach to initiatives that support training for continuous readiness.

Product or Program Innovation

The key breakthrough for KnowledgeQ® is the ability of healthcare leaders to intelligently assess the effectiveness of compliance training by comparison with national benchmark data and take meaningful action based on that data. The platform provides healthcare organizations with the ability to instantly compare the progress of their workforce relative to other organizations and against internal goals.

Figure 4: Job Categories



Source: HealthStream 2017

Figure 5: Student Performance



Source: HealthStream 2017

More importantly, the national benchmarks allow healthcare organizations to learn how the best organizations are achieving results, effectively “raising the bar” for compliance across the entire industry.

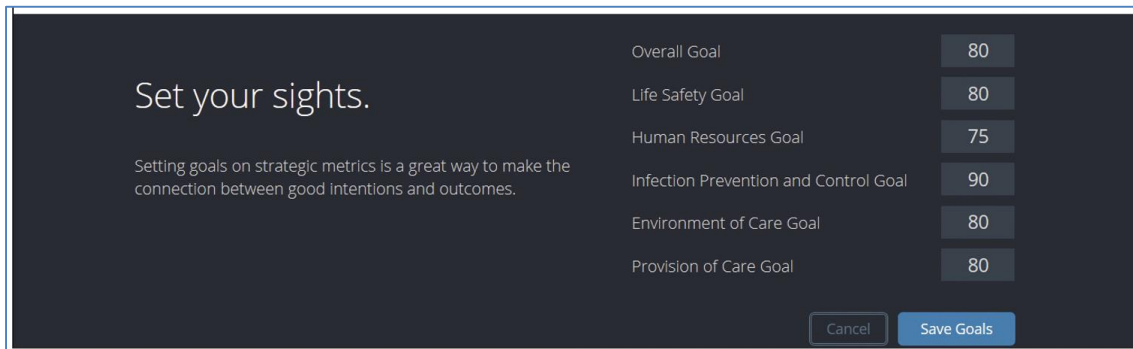
Unique Differentiators

KnowledgeQ® provides four unique differentiators over any other product or approach to mandatory healthcare compliance training.

1: Ability to Set Regulatory Training Goals

KnowledgeQ® provides the ability to set and manage goals for five compliance areas – life safety, human resources, infection prevention and control, environment of care, and provision of care.

Figure 6: Set Regulatory Training Goals



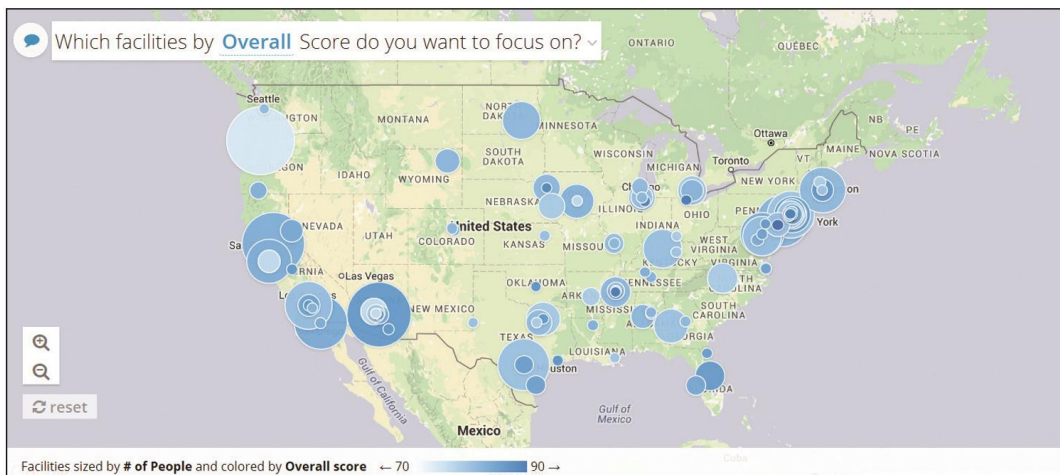
Goal Category	Target Score
Overall Goal	80
Life Safety Goal	80
Human Resources Goal	75
Infection Prevention and Control Goal	90
Environment of Care Goal	80
Provision of Care Goal	80

Source: HealthStream 2017

The program also provides dashboards of overall compliance and readiness. It is not necessary to wait on an email with multiple Excel attachments from another department in the organization. KnowledgeQ® gives the owners of the compliance program instant access to all aspects of compliance readiness. Through a completion report that shows progress on all training assignments, it is easy to check training progress by state, region, job title, role, and more.

#2: Ability to Compare Progress Against National Benchmark Data

Figure 7: Overall Score Facilitation



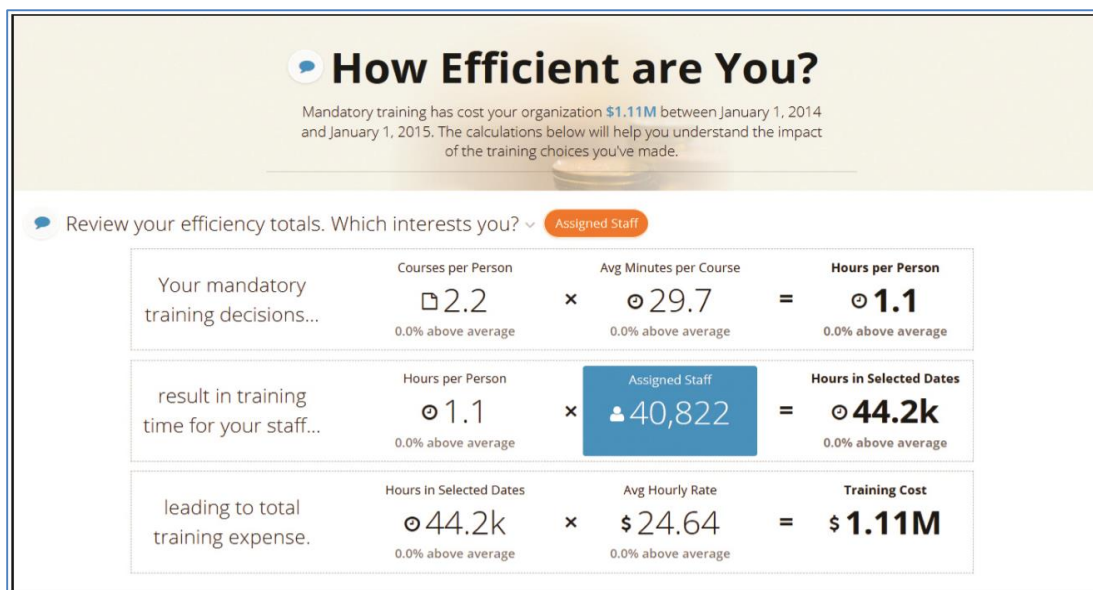
Source: HealthStream 2017

Measuring rates of training completion is important, but the real measure of success lies with safety and patient-care knowledge gained by the workforce. KnowledgeQ® includes a composite knowledge score of the five accreditation-aligned categories.

#3: Ability to Use Data Insights to Cut Costs, Save Time, and Collaborate

Compliance training is a mandatory expense for any healthcare organization. Where KnowledgeQ® is unique is the ability to provide tools and data that informs administrators of a realistic estimate of the actual cost of the program as well as how they can achieve the same or greater effectiveness while trimming the budget.

Figure 8: Efficient Data



Source: HealthStream 2017

The cost of a compliance training program extends beyond the purchase of software and content. KnowledgeQ® allows organizations and administrators to understand and accurately measure the amount of time staff takes to complete coursework and the estimated costs of the program to the organization.

Labor-rate data from the Bureau of Labor and Statistics is built into KnowledgeQ® by zip code, which provides an hourly rate for 40 job categories. Organizations can use the data to determine the true cost of their training programs and make comparisons with costs incurred by other healthcare organizations.

KnowledgeQ® also allows administrators to create online discussions about their findings with colleagues down the hall or across the nation. This feature allows them to collaborate with others and take actions on what they discover in the data.

#4: Ability to Increase Engagement and Improve Learning for Employees

Figure 9: Employee Engagement



In "Stop that Patient", correct answers help prevent a patient from leaving the facility prematurely.



In "Fire Drill", the learner must determine the proper order to evacuate patients during a fire.



Source: HealthStream 2017

Years of academic research and countless testimonies of education specialists support the conclusion that people learn best when engaged with content. When learning is required as it is for compliance, the effect of engagement may be more pronounced.

HealthStream's long-standing regulatory course library has been redesigned and updated with interactive exercises to engage students and reinforce learning and it includes several new and exciting learning video games designed to promote user engagement and content retention.

The regulatory library provides courses that are also mobile-ready, which allows users to complete assignments on iPads or tablets, whenever and wherever it is most convenient. Administrators can annotate the content to describe specific processes unique to their organizations.

In summary, KnowledgeQ® allows healthcare organizations to upgrade their mandatory compliance training programs.

Measureable Results

Two client case studies, one from a mid-size hospital and the other from a national health system, have reported measurable benefits. Names have been redacted by client requests.

Mid-Sized Hospital

By using KnowledgeQ®, this mid-sized healthcare organization reports cost savings of \$75,000 annually for 5,000 employees, largely due to cost of staff time to take required training. Across the organization, mandatory training takes nearly 120 hours annually and the average hourly salary is \$25 per hour.

While that figure only includes the cost of staff time to take required training, there are additional measurable results:

- Reduced replacement cost for staff while they are training.
- Reduced cost of instructors, facilities and other items associated with training.
- Increased patient-facing time for quality of care and continuity.
- Increased revenue from the additional time staff members have to spend on patient care.

National Health System

Calculations at this health system show cost savings of more than \$1 million for 50,000 employees. At an average hourly rate of \$23.65, the health system determined that the cost of staff training time was \$11,825,500. Using the targeted approach from KnowledgeQ®'s, the system was able to reduce mandatory training time by an average of one hour per person.

Reduced Liabilities

Additional savings can result from reduced liabilities. Examples from the news:

- Minnesota's Department of Human Services was fined \$63,000 by the state's OSHA branch for inadequate hospital security measures at a psychiatric hospital on Dec. 9, 2015.
- Family awarded nearly \$1 million in nursing home negligence case for medication error.
- In Hopkins County, a jury awarded a family \$42.5 million in another nursing home negligence case.

About Brandon Hall Group

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