



Alaska Department of Health and Social Services
Division of Behavioral Health

“Getting to the Bottom Line”

***Using Data To Enhance
Operations & Improve
Performance***

***State of Alaska Division of
Behavioral Health***

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OPEN MINDS**

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Agenda

- I. Best practices in metrics-based management and supervision
- II. How to incorporate performance metrics into your supervision, evaluation, and compensation processes
- III. Developing key performance indicators by using your EHR and current data

Session Goals: Today's Reality

Your management team already has great performance data

Learn to organize the data to support metrics-based management

Drive innovation, enhance care quality, and improve operational performance



I. Best Practices In Metrics-Based Management & Supervision

What is Metrics-Based Management?

- A performance management system
- Relies on 3 components (each must be expressed quantitatively and qualitatively):
 1. Current state: baseline measures of your organization's current performance
 2. Desired state: where your organization wants to be regarding key priorities
 3. Bridging the gaps: a definitive plan for moving your organization to achieve the desired performance

4 Cornerstones Of Metrics-Based Management

Routine Operational & Management Reports



Key Performance Indicators



Benchmarking & Performance Targets



Management Dashboards & Alerts

Cornerstone #1: Routine Operational & Management Reports

- $\approx 90\%$ of reporting needs are planned & predictable
- All staff need access to accurate, up-to-date information to do their jobs on a daily basis

Routine Report Needs Analysis

- *Internal* reports are used by agency staff to manage operations
- *External* reports are required periodically by outside parties (such as state agencies)
- Give reports a priority level by the management team:
 - *Priority One* – Essential reports that must be operational on the day the organization begins to use its new software application
 - *Priority Two* – Non-essential reports, but highly desired as soon as possible after the new software implementation
 - *Priority Three* – Non-essential reports, but anticipated as part of a longer term expansion of management reporting and enhanced operations

Sample Management & Operational Report List

Caseload Report

- Summarizes consumer caseload per clinician

Staff Productivity Report

- Summarizes total number of direct, indirect, billable, and non-billable hours for a time frame
- Also should include accompanying gross & net revenues for the billable time
- Purpose is to manage time spent on behalf of consumers (direct and indirect client care) as well as billable hours

Care Access Measures Reports

- Details average number of days between various metrics related to the care access process
- Example: number of days between initial call and diagnostic evaluation

Waiting List Report

- Details consumer waitlists for specific programs, services, funding sources, and/or individual clinicians

Closed Case Notification Report

- Details consumers who have not had a service within a specific time frame
- Purpose is to aid clinicians in identifying cases that may need to be closed

Care Provider & Program Admissions Report by Client

- Lists all internal and external care providers by consumer, as well as, admitted consumer programs

Sample Management & Operational Report List

External Referral Report

- Details & summarizes referrals received by the organization in a given time period
- Also should include basic consumer information, referral source, referral reason, and disposition information

Internal Referral Report

- Like External Referral Report, except used for referrals from one program to another within the organization

No-Show & Cancellation Report

- Details number of cancellations & no-shows for a given date range of services

Discharge Report

- Details & summarizes consumer discharges from the organization in a given time period.
- Also should include basic consumer information, discharge reason, and disposition information

Consumer Demographics Reports

- Identifies consumers with a broad range of specific demographics or combinations thereof
- Example: age group, gender, race, zip code, diagnosis, medication
- Should have a summary & detail format of this report

Mandated Treatment Monitoring Reports

- Supports compliance with various mandated treatment requirements
- Should have a summary & detail format of this report

Sample Management & Operational Report List

Medication Profile & Report

- Details the number & percentage of consumers receiving specific medications

Daily Census

- Details the names & basic information for consumers admitted to a per diem program on a specific date

Tickler Report

- Details all required, but not completed, medical record events and other requirements
- By consumer and by care provider

High Risk/Priority Consumer Report

- Details & summarizes consumers identified as high-risk and/or priority cases by program and overall

Crisis Call Tracking

- Details & summarizes crisis calls received by the organization in a given time period
- Should include basic consumer information, referral source, referral reason, and disposition information

Consumer Service History

- Details all services rendered to an individual consumer within a specific time period

Substance Use Report

- Details number & percentage of consumers using specific non-prescribed medications or substances

Sample Management & Operational Report List

Credentialing Warning Report

- Warns of clinician credentialing needs & other required events
- Examples: continuing education requirements or contract renewals

Aged Trial Balance Report

- Details & summarizes the current accounts receivable (A/R)
- Includes all billing, payment, contractual expense, and write-off data on an individual claim basis

General Ledger Posting Report

- Details the credit/debit entries by G/L account number for posting month

Pre-Billing Edit Report

- Detail all services entered into the system that encountered a billing edit
- Examples: missing diagnosis, missing authorization, etc.
- Purpose is to allow users to correct problems that may prevent payment prior to billing services

Deposit Reconciliation Report

- Details the bank deposits, including payers and check amounts, for a given date range

Collection Follow-Up Report

- Expanded Aged Trial Balance report with the addition of payer contact information and collection/follow-up notes

Bad Debt Write-Off Report

- Details & summarizes bad debt write-offs to A/R for a given date range
- Includes billing and service dates; consumer; payer; amount and write-off reason

Sample Management & Operational Report List

Missing Demographics Report

- Details consumers who are missing required demographic data elements (for billing, state reporting, etc.)

Missing Service Authorizations Report

- Details services entered into the system missing required service authorizations (primary clinician, consumer, date of service, and service)

Service Authorization Warning Report

- Warns clinicians of service authorizations pending expiration/exhaustion, based on expiration date or authorized services remaining

Appointment Schedule

- Details the scheduled appointments for service

Outcome Reports

- Details & summarizes consumer outcome information for selected metrics (functioning measures, hospitalizations, days in sobriety, maintained employment, etc.)

Average Length of Stay Report

- Summarizes the average length of stay by days or visits by clinical program or overall

Average Number of Services Report

- Summarizes the average number of services per consumer per organizational or clinical program admission

Dismissal Report

- Details consumers referred to a program but not admitted either due to non-acceptance or non-compliance

Service Plan Variance Reporting

- Details by consumers all services rendered that were not part of the service plan

Cornerstone #2: Key Performance Indicators

- A measure of performance – referred to as KPIs
- Identify KPIs by answering the question:
 - “What is really important to different stakeholders?”
- Effective KPI systems use financial & non-financial measures
 - Keeps focus on strategic & operational objectives
 - Defines & evaluates success in terms of making progress towards long-term organizational goals
 - Typically tied to organizational strategy using concepts or techniques such as the Balanced Scorecard (more on this soon!)

Ideal Performance Indicators

Are a key part of a measurable objective, which is made up of a direction, KPI, benchmark, target, and time frame

- Example: “Increase average revenue per customer from \$30 to \$50 by 2008.”
- In this case, ‘Average revenue per customer’ is the KPI

SMART Performance Indicators

- A KPI can follow the SMART criteria:
 - The measure has a Specific purpose for the business
 - It is Measurable to really get a value of the KPI
 - The defined norms have to be Achievable
 - The KPI has to be Relevant to measure (and thereby to manage)
 - It must be Time phased, which means the value or outcomes are shown for a predefined and relevant period

Brief Overview of the Balanced Scorecard Concept

Originated by Dr. Robert Kaplan & David Norton

- Defined as a performance measurement framework adding strategic non-financial performance measures to traditional financial metrics

Present day balanced scorecards are utilized as a strategic planning and management system

- Provides day-to-day “orders” for what should be done & measured

The Four Perspectives

- Assumes focusing on financial measures alone is path to failure

#1. Financial

- “How do we look to shareholders?”

#2. Customer

- “How do customers see us?”

#3. Internal Business

- “What must we excel at?”

#4. Learning & Growth

- “Can we continue to improve and create value?”

Why Implement A Balanced Scorecard?

Increase focus on strategy & results

Improve organizational performance by measuring what matters

Align organization strategy with work people do on a day-to-day basis

Focus on the drivers of future performance

Improve communication of the organization's vision & strategy

Prioritize projects/initiatives

Cornerstone #3: Benchmarking & Performance Targets

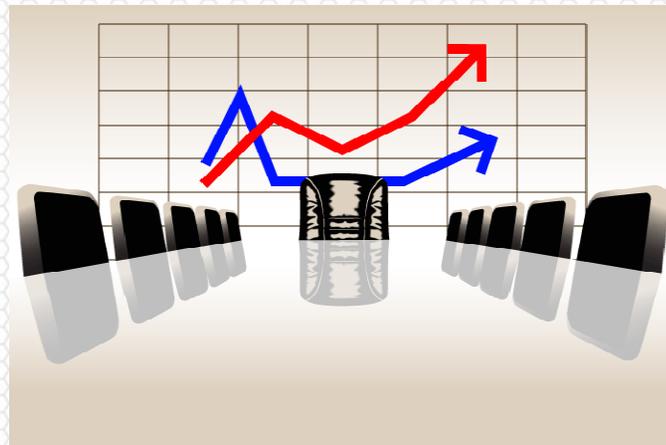
- Challenges & drives continuous improvement in service quality & operations
 - Compare with other firms in your industry
 - Develop cross-industry comparisons
 - Develop points of reference or standards of practice
 - Make best-in-class determinations
 - Create best practices

Benchmarking As A Collaborative Approach

- Develop group of organizations to initiate benchmarking process
- Agreement with organizations about process, goals, measures to benchmark
- Collect data and analyze
- Create data collection instrument
- Reality check and refinement
- Publish benchmarks

Purchasing Benchmarking Data

- Another option is to purchase or acquire benchmark data and compare it to your organization's measures



Cornerstone #4: Management Dashboards & Alerts

‘In-your-face’ daily data that managers receive to keep them abreast of key issues and routine operations

- Computer screen dashboards or widgets
- Smartphone and e-mail alerts

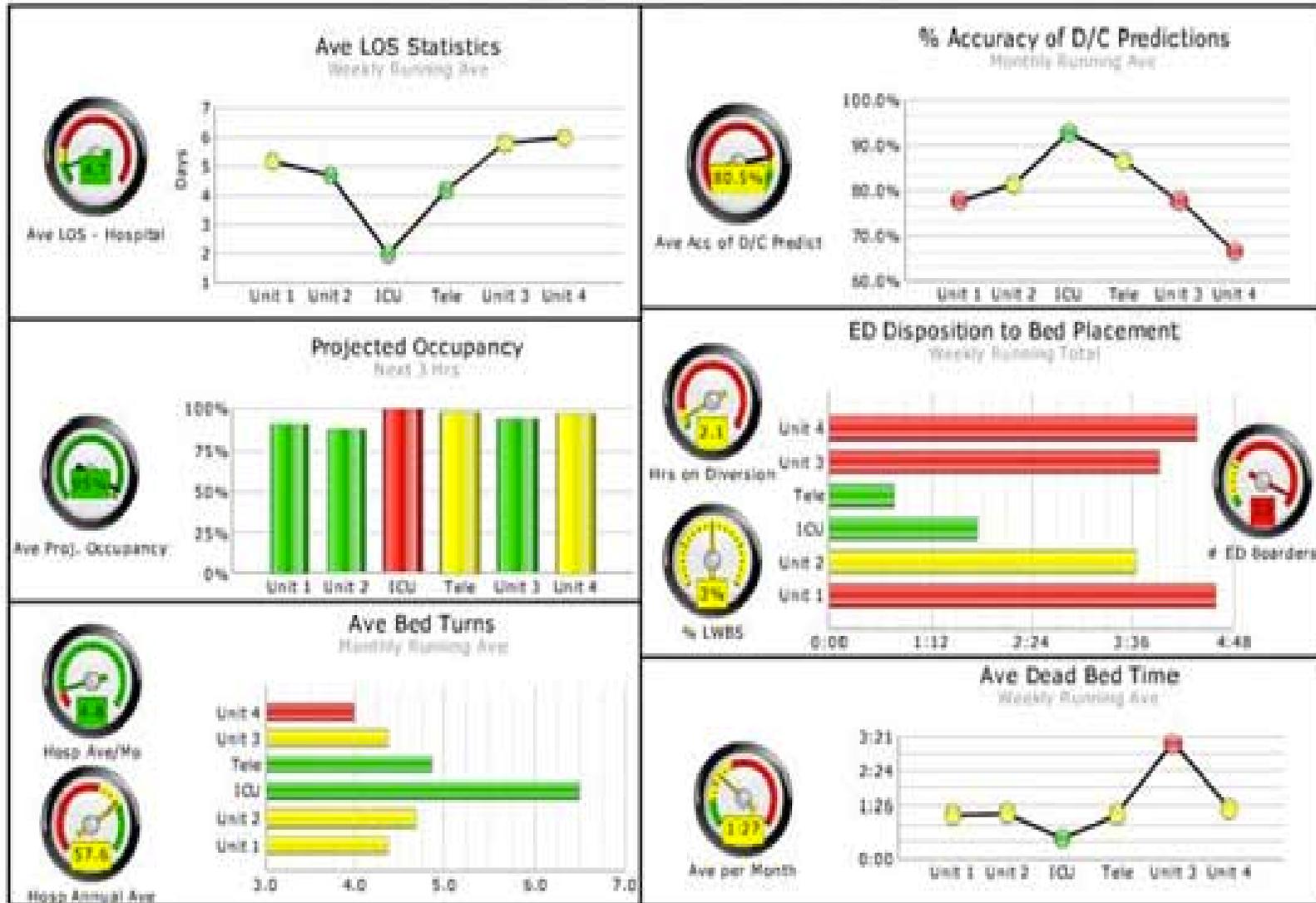
Examples

- Daily census vs. budget for inpatient, residential, and day program units
- Billable staff productivity month-to-date versus budget
- Hospitalizations and critical incidents in the last 24 hours

Effective Executive Dashboard Features

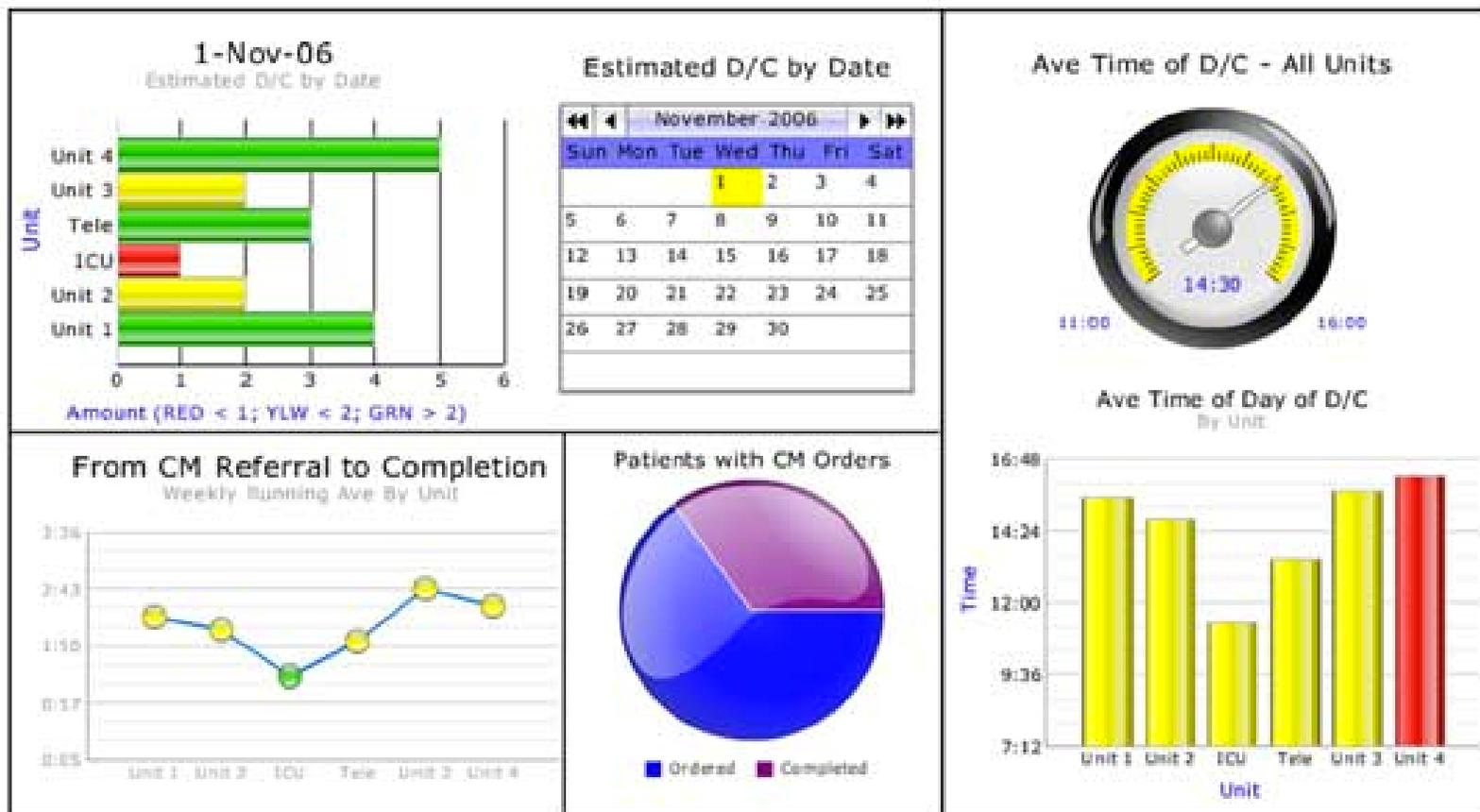
- Graphical display thoughtfully laid-out & easy to navigate
- Logical structure making information easily accessible
- Little or no user training is required
- Customizable by user
- Frequent updates for accuracy and relevance to current conditions
- Information from multiple sources, departments, or markets viewed simultaneously

Executive Dashboard





Case Management Dashboard



Human Resources Dashboard

Compliance Calendar

May 2009						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Vendor Billing Checklist

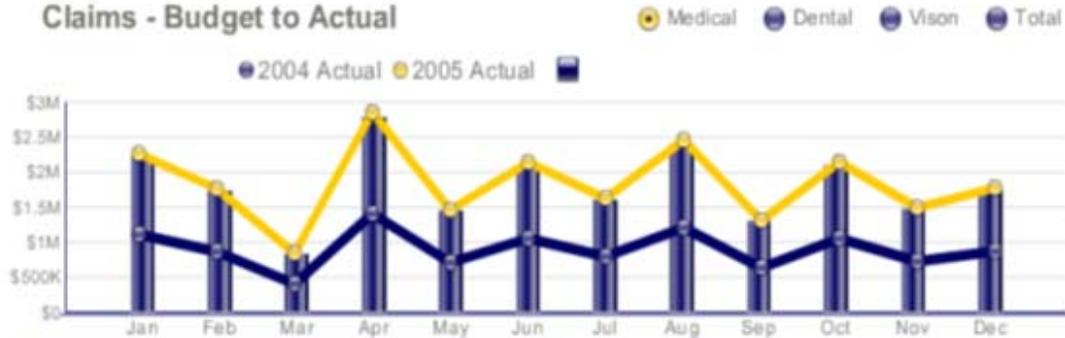
3/1/2006	\$60,000	Vision
3/15/2006	\$80,000	Medical
5/15/2006	\$8,715	401k
3/31/2006	\$11,500	401k
4/28/2006	\$40,000	Medical
4/19/2006	\$6,000	Dental
4/28/2006	\$52,550	Dental
3/31/2006	\$2,750	Vision

Vendor Payables



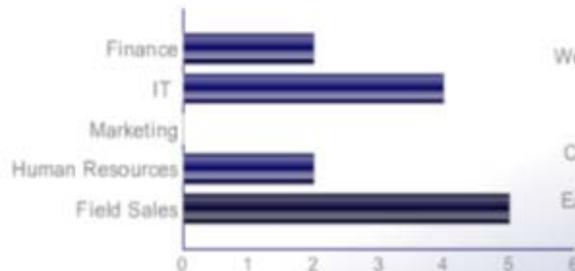
\$160,250

Claims - Budget to Actual



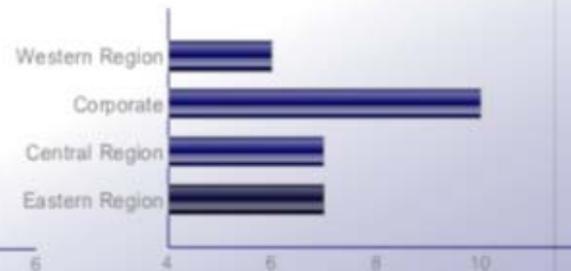
Leave of Absence

By Department



Workers Comp Claims

By Region



Leave of Absence

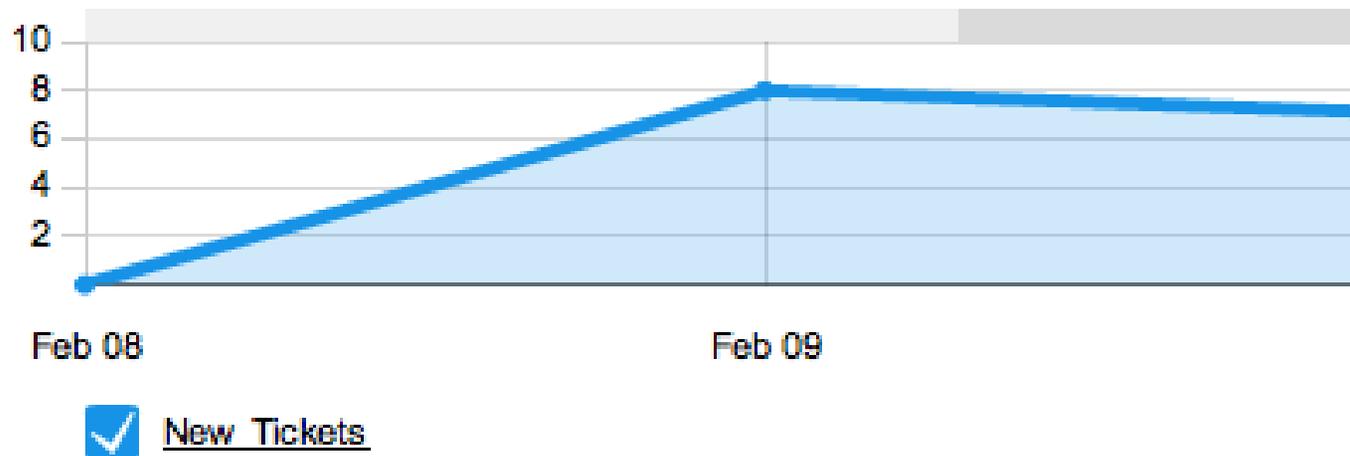
Name	Department	Region	Start Date	End Date	Leave Type
Thomas Brown	Field Sales	Eastern Region	10/6/2006	10/23/2006	Personal - V
Dave Angus	Development	Eastern Region	7/14/2006	7/26/2006	Personal - V
Hugo Douglas	IT	Eastern Region	5/25/2006	5/30/2006	Personal - V
Gordan Gibson	Field Sales	Eastern Region	6/21/2006	6/28/2006	Personal - V
Ryan Smith	Development	Eastern Region	7/5/2006	7/14/2006	Personal - V
Bob Smith	IT	Eastern Region	5/16/2006	5/18/2006	Personal - V

Tickets Overview

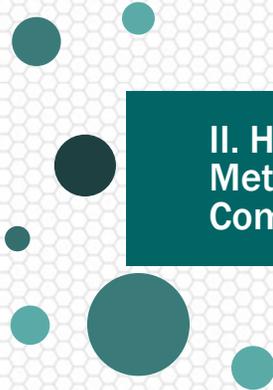
29 Pending tickets

10 Assigned tickets

Ticket Inflow



Outcome or Process (1)		Stretch Goal (2)	Target		Current Performance	
Safety						
O (M)	Patient Falls Per 1,000 Patient Days (NQF)	< 2.3	2.6	(6)	2.5	
O	Falls With Mod + Injury Per 1,000 Patient Days (NQF)	< 0.10	0.12	(12)	0.87	(11)
O (U)	Mislabeled Specimens Per 1,000 Patient Days	< 0.9	1.0	(7)	1.5	
O	Restraint Days Per 1,000 Patient Days (NQF)	< 14.0	15.6	(4)	9.0	
Satisfaction						
O (M)	Overall Rating Of Care	> 89.0	87.0	(18)	90.1	
O (M)	Standard Nursing Questions	> 90.0	87.0	(18)	85.6	
O (M)	Nurses Kept You Informed	> 86.0	84.5	(18)	82.6	
O (M)	How Well Your Pain Was Controlled	> 87.0	85.5	(18)	87.0	
Clinical						
O (U)	Hysterectomy Patients - ALOS	< 2.3	3.1	(5)	3.0	
O	Hysterectomy Patients - Readmit Rate	< 1.7%	1.9%	(5)	2.4%	
O	Average Length Of Stay (All Patients)	< 2.63	2.92	(10)	2.85	
O	Hysterectomy Patients - Wound Infection Rate	< 2.11%	2.34%	(14)	2.54%	(13)
O (M)	Pressure Ulcer Prevalence Per 1000 Patient Days	< 0	82	(19)	45	(20)
O (M)	Nursing Care Hours Per Patient Day (NQF)	=	8.50	(17)	8.58	(16)
O (M)	Skill Mix (RN%) (NQF)	> 73%	66%	(17)	73%	(16)
Financial						
O	Labor Cost Per Patient Day	< 222.684	247.427	(8)	\$299	
O	Supply Cost Per Patient Day	< 20.475	22.75	(8)	\$24	
Human Resources						
O	Turnover Rate (All Employees)	< 15%	20%	(9)	11.7%	(15)
O	Turnover Rate (Regular RNs)	< 10%	12%	(9)	10.0%	(15)
O	Vacancy Rate (RNs)	< 10%	13%	(9)	5.1%	



II. How To Incorporate Performance Metrics Into Your Supervision, Evaluation & Compensation Processes

A Metrics-Based Management Approach

- Manage daily operations and individual staff performance with routine and operational reports
- Select, report, and manage to key performance metrics for clinical programs and staff
- Set performance targets for programs and individual staff members

Building The Foundation Of Measurement

- Start your metrics management approach by ensuring that staff have access to data via routine reporting to manage day-to-day operations and supervise staff:
 - Accurate, timely and complete
 - Easily extracted and analyzed
 - Reportable
 - Easy to understand

Metrics In Supervision & HR Functions

- Benchmark program and individual performance with other programs and individuals
- Make performance reporting a key part of managerial and clinical supervision
- Use dashboards as a means to keep your staff's eyes on the performance targets
- Use performance-based job descriptions and evaluation processes
- Encourage performance through compensation and/or other incentives

Example Balanced Scorecard

- Based on assumption that focusing on financials alone is path to failure
- Balanced set of KPI reflect **four** key management perspectives
 - Financial performance
 - Customer performance
 - Organizational innovation
 - Learning and growth

Financial Evaluation Perspective

- Financial Reporting
 - Current ratio
 - Change in net assets to expense ratio
 - Working capital to monthly expense ratio
 - Long-term debt to equity ratio
 - Days in A/R
 - Days in A/P
 - Average Cash in the Bank



Financial Perspective Reports

- Revenue & Productivity Reporting
 - Revenue by line of business
 - Expense by line of business
 - Profit/loss by line of business
 - Units by service by site

Example Service Line Variance Report

	Service Line X		
	Reported	Billed	Variance
Jul-13	\$ 650,096.78	\$ 654,679.88	\$ 4,583.10
Aug-13	\$ 662,944.18	\$ 664,242.90	\$ 1,298.72
Sep-13	\$ 650,289.20	\$ 649,546.66	\$ (742.54)
Oct-13	\$ 149,259.44	\$ 314,792.00	\$ 165,532.56
Nov-13			\$ -
Dec-13			\$ -
Jan-14			\$ -
Feb-14			\$ -
Mar-14			\$ -
Apr-14			\$ -
May-14			\$ -
Jun-14			\$ -
	\$ 2,112,590	\$ 2,283,261	\$ 170,672

Customer Perspective

- Access To Care Reports
 - Number of referrals by category
 - Discharges by reason category
 - Number of complaints
 - Number of critical incidents
 - Return rate after intake by site

Tracking Internal Business Processes

- Number of new hires
- Number of terminations
- Average number of days positions vacant by site by category
- Percent claims denied
- Number of crisis responses, after hours
- Number of crisis responses, daytime
- Percent of crisis responses resulting in hospitalization

Tracking Internal Business Processes (cont.)

- No show rate for intake
- No show rate for MDs
- Percent of consumers served by “out of region” contract providers by line of business
- Percent of staff who met clinical productivity requirements by site
- Rolling turnover rate (3-month) by site by category
- Number of new positions
- Number of vacancies

Sample Internal Business Processes Report

	SUMMARY			
Summary	Jul	Aug	Sep	Oct
# Hours Scheduled	340.95	659.86	737.23	789.83
# Hours Clinical Consultation	13.50	16.00	22.50	9.32
# Clients Scheduled	847.00	1,726.00	1,520.00	1,686.00
# Clients Seen	512.00	1,111.00	1,065.00	1,153.00
Avg # clients scheduled/hour	2.48	2.62	2.06	2.13
Avg # clients seen/hour	1.50	1.68	1.44	1.46
# No Shows	136.00	267.00	234.00	252.00
# Cancellations	206.00	348.00	221.00	282.00
No. of Eval's Scheduled	116.00	284.00	254.00	340.00
No. of Follow Ups Scheduled	731.00	1,442.00	1,266.00	1,346.00
Number of Eval's seen	69.00	179.00	190.00	242.00
Number of follow up seen	443.00	932.00	875.00	911.00
% Evals seen/evals scheduled	59%	63%	75%	71%
% FU seen/FU scheduled	61%	65%	69%	68%
Adjusted No. of Clients Seen	581.00	1,290.00	1,255.00	1,395.00
Adjusted No. of Clients/Hr	1.70	1.95	1.70	1.77

Summary	
FY 13 Scheduled Appt	
15%	No Show
17%	Cancellation
68%	Productivity

Example Internal Business Processes Report

Month	Fingerprints Delivered to CYFD	Clearances Received back Eligible	Clearances Received back Denied	Clearances Pending	New Hires	Hired/ Eligible Clearance rec'd
April	38	26	2	41	27	103%
May	41	31	1	57	20	64%
June	38	36	1	55	17	47%
Total:	117	93	4	153	64	68%

Length of time it took eligible clearances to come in during the second quarter:

1 week	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks	7 weeks	8 weeks or more
2	15	36	21	5	2	2	10

Number of employees that have been hired each month and how many employees left TeamBuilders during the second quarter.

Month	Total Employees at the start of the month	New Hires	Resignation / Quit without notice	Terminations / lay offs	No longer with agency – unsure why	Total Employees End of Month
April	269	27	8	2	1	285
May	285	20	10	2	2	291
June	291	17	11	0	0	297

Learning & Growth

- Innovation Metrics
 - Number of linkages and new resources in community
 - Number of community education hours
 - Number of community education participants
 - Number of PR events
 - Number of staff development hours
 - Number staff development participants
 - Number of positive media mentions



II. Developing Key Performance Indicators By Using Your EHR & Current Data

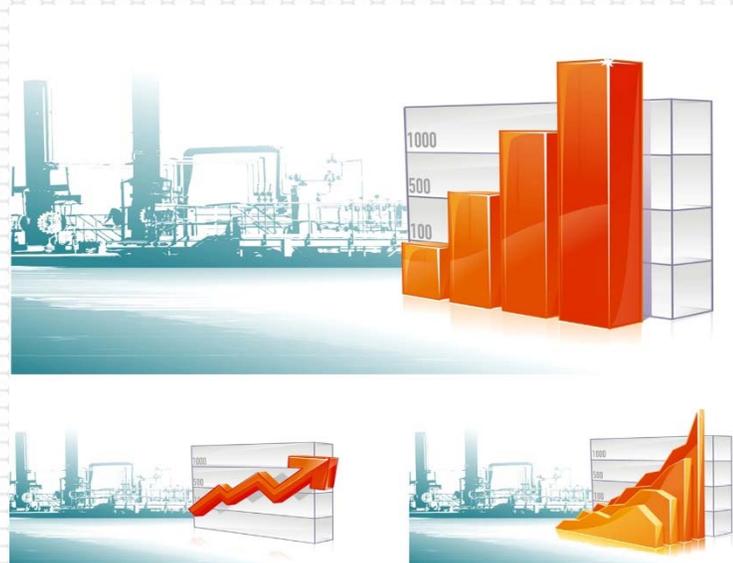
Commonly Used Performance Reporting Tools

- Spreadsheets
- Reporting and querying software -tools that extract, sort, summarize, and present selected data
- OLAP: Online analytical processing (roll-up, drill-down, slicing and dicing; using data cubes, etc.)
- Digital dashboards
- Data mining
- Data warehousing

Business Intelligence Tools

- Business intelligence tools are a type of application software designed to retrieve, analyze, and report data
- Often used to extract and analyze data from multiple data sets:
 - EHR
 - G/L & financial systems
 - CRM systems
 - HR systems
 - Outcomes data sets

Examples Of Reporting Used For Metrics-Based Management



Sample Strategic Metrics

- Income/revenue by source & service line
- Direct expenses by service line
- Allocated expenses by service line
- Allocated charitable income/revenue by service line
- Profit/loss by service line without charitable allocation
- Total profit/loss by service line
- Total number of clients served by service line and relevant demographics
- Total number of service units by service lines and relevant demographics
- Staff productivity by business unit
- Total direct cost per service unit by business unit
- Total indirect cost per service unit
- Total cost per service unit

Additional Sample Strategic Metrics

- Non-charitable income/revenue by service unit
- Charitable income/revenue per service unit (per unit subsidy)
- Total income/revenue by service unit
- Profit/loss per service unit
- Subsidy as percentage of total cost
- Consumer satisfaction/outcome by service line

The “Must-Have” Management Reports



Five Categories of Management Reporting You Cannot Live Without!

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The 5 “Must-Have” Management Reports

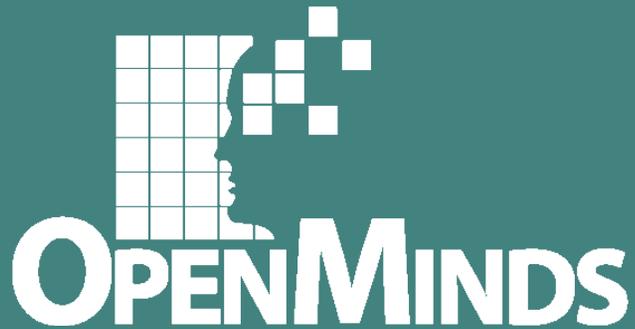
- #1 Access To Care Reports
 - # of referrals / % accepted for admission
 - # of admission denials by reason
 - Waitlist information
 - Time metrics for access to care
- #2 Revenue / Productivity Reports
 - Census to budget
 - Unit-fee productivity reports
- #3. Financial Reports
 - Averages days in A/R
 - Collection %
 - Bad debt percentage, dollars, by reason
 - Late charges
 - Income statement, budget to actual
- #4. Outcome & Satisfaction Reports
 - Outcomes
 - Successful discharges
- #5. Compliance Reports
 - Records compliance
 - Critical incidents





Questions & Discussion

The market intelligence to navigate.
The management expertise to succeed.



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