Benchmarking: How Does Your Organization Measure Up?

2010 FADAA /FCCMH Joint Conference

Paul M. Lefkovitz, Ph.D.
August 13, 2010
The Current Context for Benchmarking

• Current economic conditions pose a grave threat to behavioral health, alcohol and drug, and human services providers throughout the United States
• All organizations need to deliver optimal financial, operational, and clinical performance to survive and thrive
• Benchmarking is one of the most potent and under-utilized management tools available
Why Benchmark?

- Performance is measured in all organizations
- Clinical, operational and financial dimensions
- How helpful is performance data?
- Does data drive organizational decision-making?
- Does data drive organizational vision?
The Limitations of Performance Data

- A thermometer reading would have little value as a measure of your health…
- *If you didn't know that 98.6 is the “normal” temperature!*
The Limitations of Your Performance Data

- Similarly, knowing that your no-show rate is 17% is of limited value in evaluating the health of your organization... if you don’t know how others are performing.
Data without Meaning

- We are deluged with data without meaning
- Data without a context may feel like a bunch of numbers
- What is the answer?
The Role of Benchmarking

- Benchmarking provides the vital external context for understanding your measured organizational performance.
- Identifies organizational strengths and opportunities for improvement.
Importance of Formal Comparative Benchmarks

<table>
<thead>
<tr>
<th></th>
<th>Raw Scores</th>
<th>Scenario A</th>
<th>Scenario B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Average</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Your Organization</td>
<td>65</td>
<td>51</td>
<td>99</td>
</tr>
</tbody>
</table>
Process Benchmarking

- Process benchmarking draws upon benchmarking data to identify potential best practices
- Achieved by comparing the practices of top performers with others
- Methods that distinguish top performers from others may be potential best practices
Process Benchmarking Insights: Outpatient Productivity

- Productivity is vital to financial survival
- Potential best practices identified include:
  - Centralized scheduling
  - Scheduling 30 hours per week per clinician
  - Regular, written productivity feedback
  - Providing incentives to do groups
  - Private-practice compensation model
  - Having clinicians call clients that no-show
  - Making reminder calls to reduce no-shows
Benchmarking and Performance Improvement

- How does benchmarking improve organizational performance?
- Human nature gives benchmarked data its power
- Nobody wants to “bring up the rear”
- Benchmarked data prompts action
- Helps identify and prioritize performance improvement
- Provides a realistic target
**Benchmarking and Organizational Improvement**

- **Outpatient No-Shows**
  - Provider discovered no-shows were high. Implemented three Best practices that reduced no-shows by 32%. Impact: Outpatient volume increased by 3,000, adding approximately $180,000 to net margin

- **Revenue Cycle**
  - Observed pattern of high Days in AR, AR Over 90 Days and Bad Debt. Modified revenue cycle process. Impact: Bad Debt declined from 6% to 3%, AR over 90 Days was reduced from 28% to 18% and contribution to net margin increased by almost $300,000
Benchmarking and Organizational Improvement (Continued)

• Outpatient Productivity
  – Regarded productivity level as OK until learning of levels achieved by others. Implemented 6 tactics learned through benchmarking. Impact: Annual productivity per FTE increased from 935 hours to 1,100 hours with $240,000 bottom line improvement

• Staff Retention
  – Overall turnover was satisfactory. But benchmarking revealed marked turnover problem with bachelor’s level clinical staff. Implemented methods of top performers and retention of Bachelor’s Level staff increased from 55% to 78%. Estimated savings in recruitment and other personnel costs was $120,000
• Restraints in RTC
  – Unaware of high rate in youth RTC
  – Introduced “top-down” actions including extra training, observation, coaching, documentation, and others
  – Restraint occurrences dropped by 90%
Statewide Success Stories - Access

Access

Before Process Benchmarking  1 Year Follow-Up

21.3

10.8
Statewide Success Stories - Initial No-Show Rate - PA

**PA Initial No-Show Percentage**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Initial No-Show Percentage</td>
<td>23</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>19</td>
<td>19</td>
<td>18</td>
</tr>
</tbody>
</table>
Statewide Success Stories - Initial No-Show Rate - NJ

nj_initial_no-show_percentage.png
The Pursuit of Benchmarking

- Benchmark data has historically been difficult to obtain
- Expensive when available
- BPS has partnered with behavioral health and addiction associations around the US to make benchmarking affordable and accessible
Benchmarking Initiatives

- National Council for Community Behavioral Health Care
- State Associations of Addiction Services
- NIATx
- Alliance for Children and Families
- Association for Ambulatory Behavioral Healthcare
- Georgia Association of Community Service Boards
- Alabama Council of Community Mental Health Boards
- Pennsylvania Community Providers Association
- New Jersey Association of Mental Health Agencies
- Community Behavioral Health Association of Maryland
- Community Behavioral Health Association of Illinois
- South Dakota Association of Youth Care Providers
- Michigan Association of Community Mental Health Boards
- California Council of Community MH Agencies
- California Alliance of Child and Family Services
Objectives

- Provide data that the sponsoring association can use to advocate for its members and those they serve
- Provide individualized benchmarking reports to participating organizations that permit them to gauge their performance against others in the state and throughout the U.S.
- Support organizational improvement by identifying potential best practices
Benchmarking Initiatives Available to Florida Providers

- Benchmarking for Organizational Excellence in Addiction Treatment Initiative co-sponsored by SAAS, NIATx and BPS
- Mental Health Benchmarking Initiative as part of a network of initiatives in collaboration with the National Council for Community Behavioral Healthcare
Benchmarking for Organizational Excellence in Addiction Treatment Initiative

- Ongoing initiative
- 21 benchmark dimensions; 150 input metrics
- Clinical, operational, financial, organizational climate
- Florida spin-off initiative can be established at no additional cost if at least 10 providers participate (FADDA would co-sponsor)
Operational Benchmarks

- Initial Access
- Length of Stay/Utilization, by Level of Care
- Subsequent Access (Number of days from intake to first treatment appt)
- Average Caseload Size of Clinician, by Level of Care
- Outpatient Productivity
- Average Group Size
Clinical Benchmarks

- Engagement/Retention, by Level of Care
- Outpatient No-Show/Cancellation Rates
- Client Satisfaction/Perceptions of Care
- Degree of Engagement with Recovery Support Services
- Involvement of Significant Others
Organizational Climate

- Staff Morale/Satisfaction (25 Item Measure and automated administration and scoring to be provided)
- Staff Retention/Turn-Over
- Percent of Staff Position Vacancies (Counselors)
Financial Benchmarks

- Cost per Unit of Service, by Level of Care
- Salaries, by Role
- Administrative Overhead as a Percent of Total Expenses
- Payer Mix
- Current Ratio (Assets Divided by Liabilities)
- Net Days in Accounts Receivable
- Days of Cash on Hand
Mental Health Benchmarking

• No standardized national survey due to state differences
• Initiative would be customized around the unique needs of Florida providers
• FCCMH Steering Committee would select metrics
• Typically 20-25 benchmark areas
Data Submission

- On-line benchmarking survey
- Aggregated anonymous data-no complicated encounter-level data
- No software needed
- User-friendly, encrypted and secure
- Quarterly submission-Available 24/7
- Submit relevant and available data--no reporting requirements
- State-of-the-art on-line data validation
Reporting

- Easy to use reports provide normative data and comparative data for each metric
- Comparison groups: Apples-to-apples percentile comparisons with like agencies
- Separate reporting for satellite locations
- Reports are anonymous
- National comparisons
- State comparisons provided at no extra cost with at least 10 Florida providers
# Standard Benchmarking Report

## Demonstration Benchmarking Report
### Overall Organization

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Standard Deviation</th>
<th>Mean</th>
<th>Median</th>
<th>Current Score</th>
<th>Overall Percentile</th>
<th>Comparison Group</th>
<th>Previous Score</th>
<th>Overall Percentile</th>
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<tr>
<td>Current</td>
<td></td>
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</table>

**Financial Benchmarks**

### Current Ratio

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Standard Deviation</th>
<th>Mean</th>
<th>Median</th>
<th>Score</th>
<th>Overall Percentile</th>
<th>Setting: CMHC</th>
<th>Geographic: Urban</th>
<th>Budget: Less than 5M</th>
<th>Score</th>
<th>Overall Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>.82</td>
<td>3.00</td>
<td>2.78</td>
<td>2.05</td>
<td>19.38</td>
<td>56.00</td>
<td>47.75</td>
<td>21.28</td>
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### Percent Operating Revenue by Payer Source

#### % Medicare

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<tr>
<th>Sample Size</th>
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<th>Score</th>
<th>Overall Percentile</th>
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</thead>
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<tr>
<td>31</td>
<td>4.26</td>
<td>3.59</td>
<td>.00</td>
<td>10.00</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>95.74</td>
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#### % Other (Including Self-Pay)

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<th>Sample Size</th>
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<tr>
<td>31</td>
<td>26.53</td>
<td>30.41</td>
<td>17.82</td>
<td>6.00</td>
<td>12.50</td>
<td>58.45</td>
<td>60.99</td>
<td>42.40</td>
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### Percent of Accounts Receivable Over 60 Days

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<th>Sample Size</th>
<th>Standard Deviation</th>
<th>Mean</th>
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<th>Budget: Less than 5M</th>
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<tr>
<td>20</td>
<td>4.30</td>
<td>20.61</td>
<td>21.00</td>
<td>14.00</td>
<td>5.00 ▲</td>
<td>23.81 ▲</td>
<td>33.33</td>
<td>18.18 ▲</td>
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</table>

**Access Benchmarks**

### Number of Calendar Days Between Request for Intake and Date of Appointment - Adult

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Standard Deviation</th>
<th>Mean</th>
<th>Median</th>
<th>Score</th>
<th>Overall Percentile</th>
<th>Setting: CMHC</th>
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<th>Budget: Less than 5M</th>
<th>Score</th>
<th>Overall Percentile</th>
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</thead>
<tbody>
<tr>
<td>17</td>
<td>.69</td>
<td>3.18</td>
<td>3.20</td>
<td>3.20</td>
<td>64.71 ▲</td>
<td>9.00 ▲</td>
<td>7.26 ▲</td>
<td>18.92 ▲</td>
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### Number of Calendar Days Between Request for Intake and Date of Appointment - Youth

<table>
<thead>
<tr>
<th>Sample Size</th>
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<th>Mean</th>
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<th>Score</th>
<th>Overall Percentile</th>
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</thead>
<tbody>
<tr>
<td>20</td>
<td>5.92</td>
<td>2.82</td>
<td>2.78</td>
<td>2.70</td>
<td>45.00 ▲</td>
<td>8.00 ▲</td>
<td>5.00 ▲</td>
<td>13.89 ▲</td>
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</table>

**Percentile ranking not reported due to a median value of 0.000**

Created on June 31, 2009  
Program ID: 266846  
2 of 3
This Executive Summary Report presents key comparative benchmarking data that profiles your organization’s performance against both state-wide and national norms. Benchmark data based on national norms is identified by (National Comparison) appearing after the benchmark name. To bring focus to “outlier” performance, this report is limited to favorable and unfavorable benchmark findings of 70%ile or higher or 50%ile or lower. For a full report containing all metrics, please refer to the Standard Report. A Favorability Dashboard appears below which contains pie charts that summarize the distribution of favorable metrics, unfavorable metrics, and neutral metrics, broken out by functional domain (financial, operational, and clinical). Below that is a gauge that illustrates the percent of available metric fields that were populated with data.
### Executive Summary Report II

#### XYZ Benchmarking Initiative

**Executive Summary Report**

#### Financial Benchmarks - Favorable

<table>
<thead>
<tr>
<th>Score</th>
<th>Median</th>
<th>Overall Percentile</th>
<th>Favorable Index</th>
<th>Unfavorable</th>
<th>Favorability Scale</th>
<th>Neutral</th>
<th>Favorable</th>
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</thead>
<tbody>
<tr>
<td>Outpatient Office-Based (On-Or-Off) Services Cost per Client Served/Adult – National Comparison (N=322)</td>
<td>512.00</td>
<td>1,054.47</td>
<td>20.59</td>
<td>79.50</td>
<td>Neutal</td>
<td>Favorable</td>
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#### Financial Benchmarks - Unfavorable

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<tr>
<th>Score</th>
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<th>Overall Percentile</th>
<th>Favorable Index</th>
<th>Unfavorable</th>
<th>Favorability Scale</th>
<th>Neutral</th>
<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio – National Comparison (N=322)</td>
<td>2.05</td>
<td>2.76</td>
<td>29.95</td>
<td>29.95</td>
<td>Neutral</td>
<td>Favorable</td>
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<table>
<thead>
<tr>
<th>Score</th>
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<th>Overall Percentile</th>
<th>Favorable Index</th>
<th>Unfavorable</th>
<th>Favorability Scale</th>
<th>Neutral</th>
<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Overhead as a Percent of Total Expenses – National Comparison (N=322)</td>
<td>21.69</td>
<td>21.89</td>
<td>71.25</td>
<td>28.75</td>
<td>Neutral</td>
<td>Favorable</td>
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<table>
<thead>
<tr>
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<th>Unfavorable</th>
<th>Favorability Scale</th>
<th>Neutral</th>
<th>Favorable</th>
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<tbody>
<tr>
<td>Current Ratio – State Comparison (N=14)</td>
<td>2.05</td>
<td>2.87</td>
<td>19.35</td>
<td>19.35</td>
<td>Neutral</td>
<td>Favorable</td>
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#### Operational Benchmarks - Favorable

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<tr>
<th>Score</th>
<th>Median</th>
<th>Overall Percentile</th>
<th>Favorable Index</th>
<th>Unfavorable</th>
<th>Favorability Scale</th>
<th>Neutral</th>
<th>Favorable</th>
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</thead>
<tbody>
<tr>
<td>Calendar days between request and face-to-face appointment – Youth Mental Health – National Comparison (N=204)</td>
<td>2.70</td>
<td>3.79</td>
<td>55.90</td>
<td>44.10</td>
<td>Neutral</td>
<td>Favorable</td>
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<table>
<thead>
<tr>
<th>Score</th>
<th>Median</th>
<th>Overall Percentile</th>
<th>Favorable Index</th>
<th>Unfavorable</th>
<th>Favorability Scale</th>
<th>Neutral</th>
<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calendar days between request and face-to-face appointment – Adult Mental Health – National Comparison (N=209)</td>
<td>8.20</td>
<td>2.20</td>
<td>12.22</td>
<td>87.78</td>
<td>Neutral</td>
<td>Favorable</td>
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<table>
<thead>
<tr>
<th>Score</th>
<th>Median</th>
<th>Overall Percentile</th>
<th>Favorable Index</th>
<th>Unfavorable</th>
<th>Favorability Scale</th>
<th>Neutral</th>
<th>Favorable</th>
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<tbody>
<tr>
<td>Actual Productivity (Persons per FTE per Year) – Adult Mental Health – State Comparison (N=322)</td>
<td>1,100.00</td>
<td>1,100.00</td>
<td>100.00</td>
<td>0.00</td>
<td>Neutral</td>
<td>Favorable</td>
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<table>
<thead>
<tr>
<th>Score</th>
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<th>Overall Percentile</th>
<th>Favorable Index</th>
<th>Unfavorable</th>
<th>Favorability Scale</th>
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<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Psychotropic Medication Review No-Shows – National Comparison (N=382)</td>
<td>8.80</td>
<td>8.80</td>
<td>18.75</td>
<td>81.25</td>
<td>Neutral</td>
<td>Favorable</td>
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<table>
<thead>
<tr>
<th>Score</th>
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<th>Favorable Index</th>
<th>Unfavorable</th>
<th>Favorability Scale</th>
<th>Neutral</th>
<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calendar days between request and face-to-face appointment – Adult Mental Health – State Comparison (N=17)</td>
<td>3.20</td>
<td>2.50</td>
<td>71.71</td>
<td>28.29</td>
<td>Neutral</td>
<td>Favorable</td>
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</tbody>
</table>

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Program ID: 999

March 27, 2008
# Organizational Climate Report

## Organizational Climate Survey Report

**Sample Organization**  
Reporting Period: July 1, 2009 - September 30, 2009

### Section I: Overall Comparisons

<table>
<thead>
<tr>
<th>Staffing/Co-Workers</th>
<th>Your Mean</th>
<th>Group Mean</th>
<th>Percentile Ranking</th>
<th>Standard Deviation</th>
<th>Number of Organizations</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My co-workers cooperate well with one another</td>
<td>81.3</td>
<td>63.2</td>
<td>100</td>
<td>18.9</td>
<td>6</td>
<td>89</td>
</tr>
<tr>
<td>2. We have an adequate number of staff to do our jobs</td>
<td>60.9</td>
<td>53.5</td>
<td>100</td>
<td>25.2</td>
<td>5</td>
<td>92</td>
</tr>
<tr>
<td>3. My co-workers treat one another with respect</td>
<td>82.8</td>
<td>67.5</td>
<td>100</td>
<td>14.7</td>
<td>6</td>
<td>90</td>
</tr>
<tr>
<td>Recognition and Growth</td>
<td>71.7</td>
<td>59.5</td>
<td>50</td>
<td>31.1</td>
<td>6</td>
<td>89</td>
</tr>
<tr>
<td>4. I receive praise or affirmation for doing my job well</td>
<td>69.4</td>
<td>60.2</td>
<td>50</td>
<td>22.5</td>
<td>5</td>
<td>89</td>
</tr>
<tr>
<td>5. Others here help me to feel proud of my work</td>
<td>69.4</td>
<td>61.0</td>
<td>60</td>
<td>18.4</td>
<td>6</td>
<td>89</td>
</tr>
<tr>
<td>6. There are good opportunities here to learn and grow</td>
<td>76.1</td>
<td>61.5</td>
<td>100</td>
<td>19.2</td>
<td>5</td>
<td>89</td>
</tr>
<tr>
<td>Leadership</td>
<td>71.0</td>
<td>45.2</td>
<td>100</td>
<td>31.3</td>
<td>6</td>
<td>92</td>
</tr>
<tr>
<td>7. Senior leadership is committed to high quality care</td>
<td>76.0</td>
<td>64.6</td>
<td>100</td>
<td>19.9</td>
<td>6</td>
<td>89</td>
</tr>
<tr>
<td>8. My direct supervisor shows interest in me as a person</td>
<td>71.0</td>
<td>62.2</td>
<td>100</td>
<td>23.0</td>
<td>5</td>
<td>92</td>
</tr>
<tr>
<td>9. Leadership keeps us well-informed</td>
<td>64.1</td>
<td>54.3</td>
<td>80</td>
<td>22.4</td>
<td>6</td>
<td>92</td>
</tr>
<tr>
<td>10. My opinion is valued here</td>
<td>67.0</td>
<td>61.1</td>
<td>100</td>
<td>19.6</td>
<td>5</td>
<td>90</td>
</tr>
<tr>
<td>11. This place is well-organized</td>
<td>59.4</td>
<td>52.0</td>
<td>80</td>
<td>23.4</td>
<td>6</td>
<td>89</td>
</tr>
<tr>
<td>12. I understand the vision and mission of this organization</td>
<td>82.4</td>
<td>69.5</td>
<td>100</td>
<td>15.6</td>
<td>5</td>
<td>92</td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>61.0</td>
<td>50.3</td>
<td>60</td>
<td>32.0</td>
<td>6</td>
<td>92</td>
</tr>
<tr>
<td>13. I am satisfied with my pay</td>
<td>49.5</td>
<td>52.2</td>
<td>40</td>
<td>29.3</td>
<td>6</td>
<td>91</td>
</tr>
<tr>
<td>14. I am satisfied with the benefits that are made available (leave blank if not applicable)</td>
<td>72.9</td>
<td>60.8</td>
<td>50</td>
<td>22.0</td>
<td>5</td>
<td>90</td>
</tr>
<tr>
<td>15. The salary and benefits that are offered here are fair</td>
<td>60.6</td>
<td>52.2</td>
<td>80</td>
<td>25.4</td>
<td>6</td>
<td>92</td>
</tr>
</tbody>
</table>
Communal Learning: Moving Beyond the “Numbers”

- Process benchmarking
- Monthly benchmarking forums audio-conferences
- Monthly newsletters
- Learn from top performers
- Data-driven discussions among participants
Live Demonstration of Comparative Benchmarking

- Real mini-benchmarking experience
- Audience polling technology used to demonstrate comparative benchmarking steps
- We will identify top performers
- Potential best practices will be explored
Benchmarking Topics

- Access
- Outpatient Productivity
- No-Shows for Initial Appointment
Closing Thoughts

- Benchmarking brings about an understanding of organizational performance that is not possible any other way
- It is a powerful tool that is now affordable and accessible to all mental health and alcohol and drug abuse providers
Questions?

Contact:

Paul M. Lefkovitz, Ph.D.
President, Behavioral Pathway Systems
www.bpsys.org
877-330-9870 (Toll-Free)
plefk@bpsys.org