The Power of Benchmarks
Using Benchmarks to Drive Hospice Performance Improvement

Allison E. Maughn, MBA, CALA
Director of Implementation

National Association for Home Care & Hospice
2015 Financial Management Conference & Exposition

Objectives

› Identify the key performance indicators that drive success in Hospice

› Delineate Benchmarks for your agency

› Determining Performance Improvement opportunities from Benchmarks

› Implementing Performance Improvement Initiatives using Benchmarking efforts
“The Incredible Balancing Act”

- Profitable Growth
- Quality of Earnings
- New Regulation
- Reimbursement pressures
- Financial and Operational Risk
- Management of the capital structure
- Cost efficiencies

Financial Role Has Evolved

Traditional Finance

Flexible Finance

Operating Model

Financial information

Analytics
### Definition vs. Objectives of Benchmarks

<table>
<thead>
<tr>
<th>Definition</th>
<th>Objectives</th>
</tr>
</thead>
</table>
| A measurement of the quality of an organization’s policies, products, programs, strategies, etc., and their comparison with standard measurements, or similar measurements of its peers. | 1) To determine what and where improvements are called for  
2) To analyze how other organizations achieve their high performance levels  
3) To use this information to improve performance |

### Where do we get our Hospice Benchmarks?

- CMS Quality Measures
- CMS Cost Report database
- National & State Surveys
- NHPCO website
- Benchmarking software
Who do we compare ourselves to in Hospice?

- Trend within our own agency
- Competitor
- State
- National

What data do we benchmark in Hospice?

- Statistical
- Financial
- Operational
- Clinical

Indicators
### Statistical Indicators

- Median Length of State
- Average Length of Stay
- Discharges/Deaths
- Average Daily Census
- Visits per day
- Visits by discipline

### Financial Indicators

- Gross Profit Margin
- Net Profit Margin
- Days Cash on Hand
- Current Ratio
- Days Sales Outstanding
- Lost Revenue
- Return on Equity
- Ancillary Cost per day
- Administrative and General Costs
- Cost Per Day/Visit
### How do we choose?

<table>
<thead>
<tr>
<th>Prioritize</th>
<th>What you are evaluating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Why do you want to look at it</td>
</tr>
<tr>
<td></td>
<td>Who wants to see the data</td>
</tr>
<tr>
<td></td>
<td>When do you want to see the data</td>
</tr>
<tr>
<td></td>
<td>How and Where to obtain the data</td>
</tr>
</tbody>
</table>

### Create Your Benchmark Dashboard

- Average Daily Census
- Patient Days
- Referrals to Admission Conversion ratio
- Admission by payer
- Revenue by payer
- Average Reimbursement by payer
- Cost per day
- FTE
- Visits by discipline
Performance Improvement

Measuring the output of a particular business process or procedure, then modifying the process or procedure to increase the output, increase efficiency, or increase the effectiveness of the process or procedure.

How many ways can you define Performance Improvement Project?

- Identify something that looks like it needs improvement.
- What indicators or measurement?
- What factors may contribute to the situation?
- Who does this information get reported to?
- Who is affected by a performance improvement?
- What may be potential strategies for improvement?
- How do you measure progress?
### How many ways can you define Performance Improvement Project?

- Make it SMART (specific, measurable, achievable, realistic, timeline)
- Determine the team
- Designate roles
- Scheduled reviews
- Provide training
- Be visible and transparent

### How many ways can you define Performance Improvement Project?

- Assess problem
- Corrective action
- Monitor results
- Trend results
- Evaluate outcome(s)
Performance Improvement Project?

Let's see examples

Example

Hospice
PERFORMANCE IMPROVEMENT MONITORING AND EVALUATION PLAN

Date: ____________

Scope: ____________

Responsibility: Hospice Unit Director, Case Manager, Governing Body, PI Committee

<table>
<thead>
<tr>
<th>Priority Focus Area</th>
<th>Performance Measure/Outcomes</th>
<th>Related Functions</th>
<th>Electrophysiology</th>
<th>Data Collection (Methodology)</th>
<th>Integration and Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infection Control</td>
<td>- CDC hand hygiene guidelines will be adhered to by all staff</td>
<td>Infection Prevention and Control</td>
<td>Accurate hand hygiene will be used by all staff. Also, visual infection on a random basis by the hospice unit director.</td>
<td>Nursing</td>
<td>Nursing Staff, Infection Control</td>
</tr>
<tr>
<td></td>
<td>- Over-time due to understaffing</td>
<td></td>
<td></td>
<td>Administration</td>
<td>Administration Staff, Human Resources</td>
</tr>
<tr>
<td></td>
<td>- Understanding as compared to the hospice's staffing plan</td>
<td>Human Resources</td>
<td></td>
<td></td>
<td>Human Resources Staff, PCC Staff</td>
</tr>
<tr>
<td></td>
<td>- Patient complaints</td>
<td>Leadership</td>
<td></td>
<td></td>
<td>Hospitality Staff</td>
</tr>
</tbody>
</table>

- Constant of Care, Treatment and Service
- "Pipe" evaluation process
### Example

**Hospice PERFORMANCE IMPROVEMENT TRENDING SHEET**

**Performance Measures/Outcomes**

<table>
<thead>
<tr>
<th>FF/A: Infection Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDC hand hygiene guidelines will be adhered to by all staff</td>
</tr>
</tbody>
</table>

- **Benchmark**

<table>
<thead>
<tr>
<th>Interdepartmental Collaboration</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing, Medical Staff, Infection Control</td>
<td>IC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FF/A: Staffing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overtime due to understaffing</td>
</tr>
</tbody>
</table>

- **Benchmark**

<table>
<thead>
<tr>
<th>Interdepartmental Collaboration</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing, Administration, Human Resources, Medical Staff</td>
<td>HS, HE, LG, RC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance Measures/Outcomes</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overtime due to understaffing</td>
<td>As above</td>
</tr>
<tr>
<td>Patient complaints</td>
<td>As above</td>
</tr>
</tbody>
</table>

---

### Let’s do a Performance Improvement Scenario
Summary of Using Benchmarks to Drive Performance Improvement

- Identify benchmarks for YOUR agency
- Focus on results
- Know where and how to compare data
- Reports that are useful, concise, informative, timely, accurate
- Use this information to determine what opportunities for change are important
- Be SMART about it

Allison Maughn
Director of Implementation
Suncoast Solutions
Clearwater, FL
amaughn@sncoast.com
727-599-2566
https://www.linkedin.com/pub/allison-maughn-mba-cala/14/86a/94