Using Staffing Department Scorecards to Maximize Operational Efficiency

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Financial Disclosure

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Maureen and Andrew are consultants at BSM Consulting. Allergan, Inc. is a client of BSM Consulting.

Objectives

Understand how department scorecards can be used to measure success in the practice.

Use the tools and resources provided in the course to create individual department scorecards.

Interpret scorecard results to identify tangible areas of opportunity for practice.
What are department scorecards?

A dashboard report or “scorecard” is a brief report that brings key performance indicators together in a quick and easy-to-read format.

What is a Key Performance Indicator (KPI)?

- Type of performance measurement that is essential to the practice reaching its goals.
- An objective to be targeted that will add the most value to the business.
- Should be understandable, meaningful and measurable.
Reports should be completed and received within 15 to 20 working days of the end of each month.

- **Timely**
- **Accurate**
- **Brief**
- **Comparative**
- **Trend Analysis**

- Consistent – no question about the data.
- Single page – more is not better!
- Previous results and established goals.
- Examined in comparison to 3, 6, or 12 month moving averages.

Previous results and established goals:

- Brief
- Comparative

Examined in comparison to 3, 6, or 12 month moving averages.

Trend Analysis:

- Link to the strategic plan and goals of the practice.
- Require buy-in from key stakeholders.
- Focus on areas that can drive practice results.

- Only include easily measurable metrics.
- Allow for the creation of meaningful goals.

Successful Department Scorecards:

- Doing it on a consistent basis.
- Presenting in the most effective manner.
- Only include easily measurable metrics.
- Allow for the creation of meaningful goals.

Department Scorecard Challenges:

- Culling down the list of KPIs.
- Presenting in the most effective manner.
- Doing it on a consistent basis.
Front Desk/Reception Department

**Responsible For:**
Communication with new and established patients, completing pre-authorization processes, and ensuring patients are checked-in in a timely manner.

**Scorecards Should:**
Track metrics that measure patient flow and staff efficiency.

Front Desk/Reception Metrics

<table>
<thead>
<tr>
<th>Ratio:</th>
<th>Patient No-Show Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula:</td>
<td>No-shows divided by patients scheduled.</td>
</tr>
<tr>
<td>Used For:</td>
<td>Ensuring that proper protocols are in place to keep no-show rates as low as possible.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratio:</th>
<th>Patients Checked-In per Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula:</td>
<td>Number of patients seen divided by total department hours worked during the same period.</td>
</tr>
<tr>
<td>Used For:</td>
<td>Indication of training opportunities for staff as well as inefficient new-patient registration procedures.</td>
</tr>
</tbody>
</table>
Clinical Department

**Responsible For:**
Ensuring patient flow in the exam lanes and allowing doctors to keep on schedule.

**Scorecards Should:**
Track metrics that assess patient flow and identify areas for staff training.

### Clinical Department Metrics

<table>
<thead>
<tr>
<th>Ratio:</th>
<th>Number of Patient Seen per Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula:</td>
<td>Total patients divided by department hours worked.</td>
</tr>
<tr>
<td>Used For:</td>
<td>Barometer of determining clinical department staffing needs and training opportunities.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratio:</th>
<th>Diagnostic Testing Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula:</td>
<td>Total diagnostic tests performed divided by office visits.</td>
</tr>
<tr>
<td>Used For:</td>
<td>Indication of training opportunities for technicians. <strong>Note:</strong> Results will vary by subspecialty.</td>
</tr>
</tbody>
</table>
Clinical Department Scorecard Example

Billing Department

Responsible For:
Charge and payment posting, accurately completing claims, as well as working with third-party payers and patients to ensure that money is collected in a timely manner.

Scorecards Should:
Track measures that deal with the amount of time it takes for money to be collected and identify potential claims error issues.

Billing Department Metrics

<table>
<thead>
<tr>
<th>Ratio:</th>
<th>Net Collection Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula:</td>
<td>Net collections divided by adjusted charges (gross charges less contractual adjustments).</td>
</tr>
<tr>
<td>Used For:</td>
<td>Identification of a practice’s ability to collect that which it can legally collect (net charges).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratio:</th>
<th>Accounts Receivable Aging Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula:</td>
<td>Monthly accounts receivable summary aging reports.</td>
</tr>
<tr>
<td>Used For:</td>
<td>Identifying collection trends within the practice.</td>
</tr>
</tbody>
</table>
Billing Department Metrics

**Ratio:** Days Sales Outstanding

**Formula:** Adjusted accounts receivable divided by the average daily collections.

**Used For:** Measure of how quickly receivables turn over in the practice.

**Adjusted Accounts Receivable Balance**
(Current A/R balance \( \times \) gross collection ratio (net collections/gross charges))

**Average Daily Collections**
(Net collections/number of days in the time period)

Billing Department Scorecard Example

Billing and Collections Department Dashboard

**Operating Results**

**Financial Results**

**Management Notes**

Billing Department Scorecard Example

**Operating Results**

As of 3/31/12

| 0 - 30 Days | 61% |
| 31 - 60 Days | 18% |
| 61 - 120 Days | 12% |
| Over 120 Days | 9% |

As of 3/31/14

| 0 - 30 Days | 60% |
| 31 - 60 Days | 17% |
| 61 - 120 Days | 17% |
| Over 120 Days | 6% |
Getting Started: Creating Your Scorecard

1. Introduce concept to department leads.
2. Ask leaders to identify three to five measures per department:
   - Should be easy to measure
   - Should tie to department and practice goals
   - Should be clear on how staff can impact the results
3. Implement reports without goals for a period of six months.
4. After six months, establish baselines and set goals for improvement.

Other Scorecard Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Satisfaction</td>
<td>(details)</td>
</tr>
<tr>
<td>Staff Retention Rate</td>
<td>(details)</td>
</tr>
<tr>
<td>Revenue per Patient</td>
<td>(details)</td>
</tr>
<tr>
<td>Cost per Admission</td>
<td>(details)</td>
</tr>
<tr>
<td>Time to Discharge</td>
<td>(details)</td>
</tr>
</tbody>
</table>

Other measures include:

- Quality of Care
- Efficiency of Operations
- Patient Safety
- Staff Morale
### Summary

- That which is not measured will never be improved.
- Department scorecards should always be linked to the strategic goals of the practice.
- Avoid tracking too many metrics.
- Once baselines have been established after a period of time, set goals, and identify opportunities for continuous improvement.

### Thank you for attending!

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