Improving Productivity without Sacrificing Quality

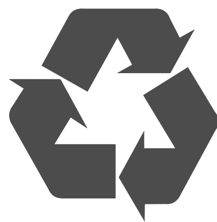
2011

(minor) Update

Rehab Services

Peter R. Kovacek, PT, DPT, MSA

KovacekManagementServices, Inc.



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Improving Productivity without Sacrificing Quality

Rehab Services

Peter R. Kovacek, PT, DPT, MSA
KovacekManagementServices, Inc.
Harper Woods, Michigan

Welcome

This workbook is designed to help you succeed in improving the overall productivity and competitiveness of your clinic or department while improving the quality of your clinical care.

Although productivity and quality are often thought of as mutually exclusive, it is very likely that you will be able to increase your productivity while improving your patient care practices and quality.

This workbook will help you and your staff members tackle the very critical steps of departmental improvement.

Because this is a workbook, not all the answers will be given to you. Often, there is not a single correct or appropriate answer. Frequently, the best answer is the one you and your staff are committed to working on together. You will need to work together to find your own best answers for many of the questions in this workbook.

It is my sincere hope that this structured learning approach will help you help your patients and your organization more effectively.

Peter R. Kovacek, PT, DPT, MSA
President
KovacekManagementServices, Inc.

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Objectives of this Workbook

This workbook was written to:

- Provide a framework for you and your staff to address the critical issues of clinical productivity and quality care.
- Help you and your staff identify components of successful quality and productivity enhancement programs.
- Help you begin to integrate quality enhancement, productivity monitoring and clinical effectiveness programs within your clinical practice.
- Discuss the impact of a changing healthcare environment, including managed care, on productivity, quality and clinical effectiveness.
- Encourage you to develop a plan to improve efficiency and lower cost without reducing quality.

Good Luck!

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Section One

Productivity and Quality: A Natural Symbiosis

Improving Productivity without Sacrificing Quality

High Productivity & High Quality Are NOT Mutually Exclusive

- In Rehabilitation Services, we often assume that doing more means doing it less well.
- In most industries, quality increases as productivity increases -- to a point.
- To increase productivity, do not assume staff can just work harder.
- To produce more, systems need to be changed to become more efficient and less error prone.
- To make systems more efficient, they need to be thoroughly analyzed and, when possible standardized.

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System Redesign is the Key to Improving Both Volume and Quality

- Management Systems
- Clinical Systems
- Office Systems

You must examine all of these systems to find ways to reduce inefficiencies and improve quality

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Which Management Systems are a Problem for You?

- Management structure
- Strategic planning
- Staff development
- Manager development
- Retention and recruitment
- Marketing and Public Relations
- Policy development and maintenance
- Accreditation compliance
- Management reports
- Payroll processing
- Supply purchasing
- Communication infrastructure

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Which Clinical Systems are a Problem for You?

- Staff development
- Continuing Education
- Clinical education
- Aide/Tech training/use
- Documentation
- Record completion
- Staff scheduling
- Patient transport
- Supply purchasing
- Program development
- Clinical efficiency
- Third party relations

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Which Office Systems are a Problem for You?

- Patient scheduling
- Staff scheduling
- Billing
- Insurance verification
- Script re-authorization
- Referral routing
- Record completion
- Supply purchasing
- Routine typing, etc.
- Data gathering
- Report preparation
- Irregular office procedures

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Health Care Needs to Become More Accountable to Those We Serve

- Health care is a huge component of the gross national product in U.S.
- Managed care initiatives are shaping the nature of our care.
- We must continually strive to provide the highest quality care at the lowest possible price.
- This situation is not likely to change in the near future - if ever.

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Accountability

- Accountability is very closely related to quality of care and productivity in our services.
- In an era of increasing pressure for accountability, quality and productivity must be emphasized.
- Few, if any, issues are as important to our Rehab Services than these.
- How well we address productivity and quality will determine our eventual place in the U.S. healthcare system.

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Moving to Quality and Productivity

- We can not simply snap our fingers and create higher productivity or better quality.
- As managers, we need to learn new skills to help our staff members acquire the knowledge, skills and attitudes to thrive in the new era of accountability.
- To succeed as managers, we will need to excel as change managers.

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Section Two

Managing Well Means Managing Change

To Succeed in Your Improvements You'll Need to Understand Change

- Change is a process of letting go of something and taking hold of something else.
- Change is unpredictable, however, responses to change are very predictable.

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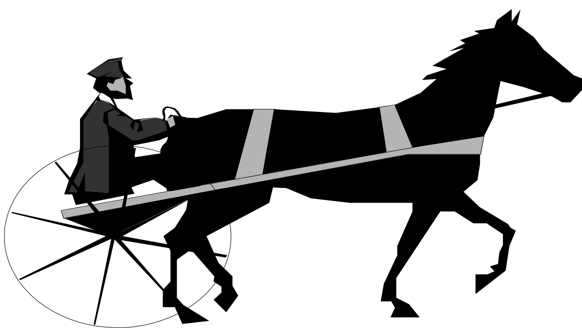
Understanding Paradigms is Critical for Change Initiatives

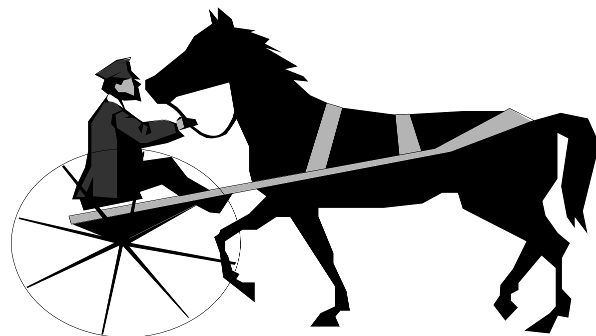
- Paradigms can be thought of as the rules by which we view the world or as filters through which all events are interpreted.
- Paradigms help us define what is acceptable.

"This will work"



Consistent with our current acceptable paradigm

"No way will this work"



Not acceptable in our current paradigm

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Change Always Occurs in a Predictable Cycle

1. Denial of need to change.
2. Resistance to change.
3. Development of a new awareness that there may be some potential benefits from the change.
4. Commitment and acceptance of the changes.

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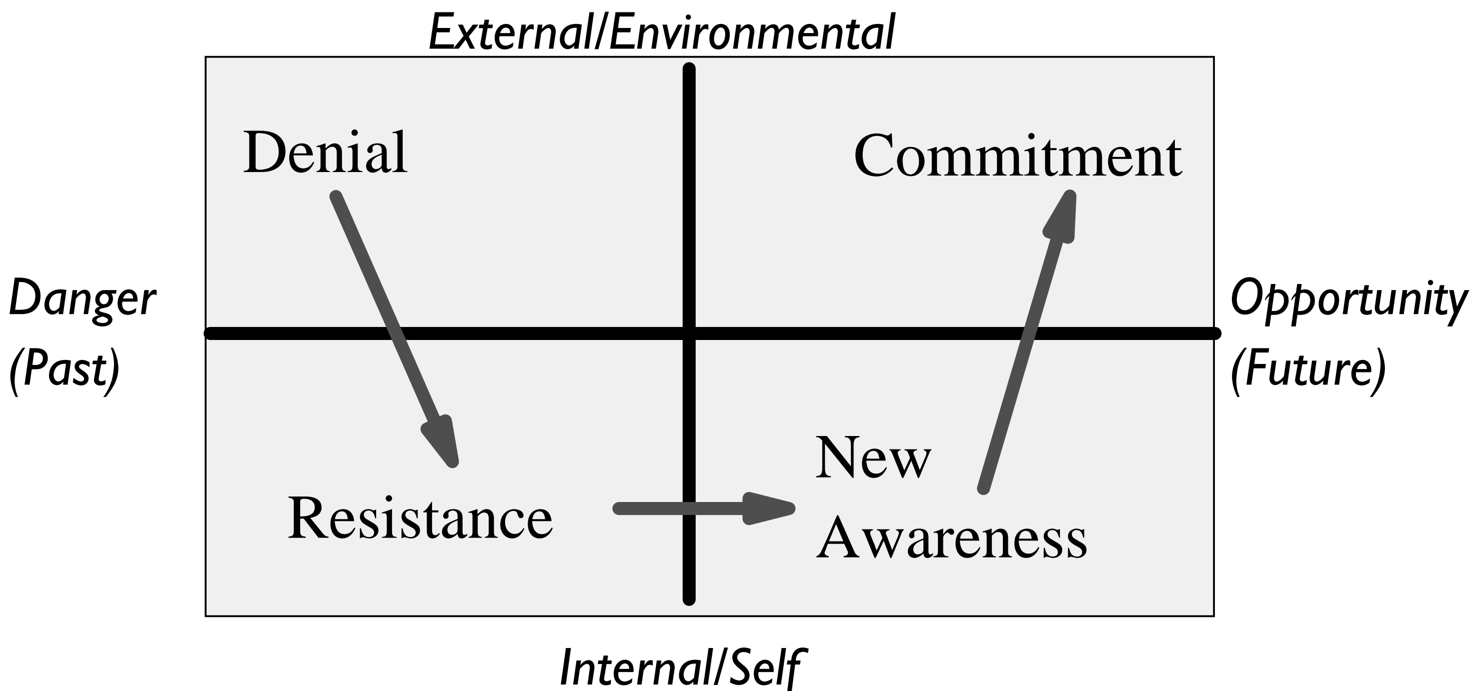
The Change Acceptance Cycle



You can change the rate of movement through the cycle, but not the direction of movement.

No steps can be skipped - No matter how much you may want to skip them.

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Assessing Your Readiness

Our Current Strengths	**Our Current Weaknesses**
Our Future Strengths	**Our Future Weaknesses**

Fill is the quadrants of this grid with your staff.
Pay special attention to quality and productivity issues.

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Assessing Your Attitudes

Our Current Attitudes About Quality	**Our Current Attitudes about Productivity**
Our Desired Attitudes About Quality	**Our Desired Attitudes About Productivity**

Fill is the quadrants of this grid with your staff.
Pay special attention to quality and productivity issues.

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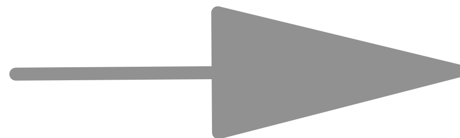
Overcoming Resistance to Change

- The single most powerful tool in promoting successful change is to **encourage Initiated Change rather than Imposed Change**.

Done *To* Us



Done *By* Us

Imposed Change

Initiated Change

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Rehabilitation Services

Improving Productivity Without Sacrificing Quality

What is An Acceptable Level of Clinical Productivity in Your Clinic?

	Fill in this Column ↓
Clinical Position	Therapist
Type of Patient Load (e.g. orthopedic, pediatric, neuro, TBI, etc.)	
Unit of Measure (e.g. patients per day, treatment units per day, new patients, charges, etc.)	
Minimal Acceptable Level	
Target Level	
Maximal Acceptable Level	

Complete one of these grids for each position and for each different type of patient load in your clinic.

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Rehabilitation Services

Improving Productivity Without Sacrificing Quality

What is An Acceptable Level of Clinical Productivity in Your Clinic?

	Fill in this Column ↓
Clinical Position	Assistant
Type of Patient Load (e.g. orthopedic, pediatric, neuro, TBI, etc.)	
Unit of Measure (e.g. patients per day, treatment units per day, new patients, charges, etc.)	
Minimal Acceptable Level	
Target Level	
Maximal Acceptable Level	

Complete one of these grids for each position and for each different type of patient load in your clinic.

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Rehabilitation Services

Improving Productivity Without Sacrificing Quality

What is An Acceptable Level of Clinical Productivity in Your Clinic?

	Fill in this Column ↓
Clinical Position	Aide
Type of Patient Load (e.g. orthopedic, pediatric, neuro, TBI, etc.)	
Unit of Measure (e.g. patients per day, treatment units per day, new patients, charges, etc.)	
Minimal Acceptable Level	
Target Level	
Maximal Acceptable Level	

Complete one of these grids for each position and for each different type of patient load in your clinic.

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Rehabilitation Services

Improving Productivity Without Sacrificing Quality

What is An Acceptable Level of Clinical Productivity in Your Clinic?

	Fill in this Column ↓
Clinical Position	
Type of Patient Load (e.g. orthopedic, pediatric, neuro, TBI, etc.)	
Unit of Measure (e.g. patients per day, treatment units per day, new patients, charges, etc.)	
Minimal Acceptable Level	
Target Level	
Maximal Acceptable Level	

Complete one of these grids for each position and for each different type of patient load in your clinic.

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Section Three

Quality Erosion: What is Preventing You from Providing Optimal Quality?

Quality, Value & Costs

- Improving productivity while maintaining or improving quality increases the overall **value** of your services.

- Value is defined by quality of service and cost to the consumer.
  - i.e. Value = Quality/Cost

Note:

Attempting to increase productivity without maintaining quality is very risky.

Attempting to increase productivity without changing your systems is rarely successful.

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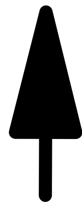
Quality, Value & Costs

- Without quality information, Value will be judged purely on cost

- Value = ~~Quality/~~Cost
- Value = Cost



WARNING:

This is a very dangerous relationship. Our task as professionals is to assure that quality remains in the equation.

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How Do YOU Define Quality Care?

- To me, quality care means:

1. e.g. Treatments that worked.
2.
3.
4.
5.
6.
7.
8.

Complete the sentence above as thoughtfully and completely as you can.

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How Does YOUR STAFF Define Quality Care?

- To my staff, quality care means:

1.
2.
3.
4.
5.
6.
7.
8.

Complete the sentence above as thoughtfully and completely as you can.

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How Do YOUR PATIENTS Define Quality Care?

- To our patients, quality care means:

1.
2.
3.
4.
5.
6.
7.
8.

Complete the sentence above as thoughtfully and completely as you can.

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How Do YOUR PAYORS Define Quality Care?

- To those who reimburse our services, quality care means:

1.
2.
3.
4.
5.
6.
7.
8.

Complete the sentence above as thoughtfully and completely as you can.

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Quality and Outcomes

- Quality is often very poorly defined or measured
- You must judge your quality by the results produced.
- Your results are called **outcomes.**
- There are three important types of outcomes:
  - Technical outcomes
    - This includes functional outcomes
    - Asks the question - Did it work?
  - Satisfaction outcomes
    - Did the consumer(s) like it?
  - Cost outcomes
    - Was it cost effective?
    - Was it worth the expense?

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Costs = Our Expenses

- Costs must be accurately defined, reported and interpreted.
- Personnel costs
  - Clinical
  - Office and support
- Supply costs (consumables)
- Capital costs (non-consumables)

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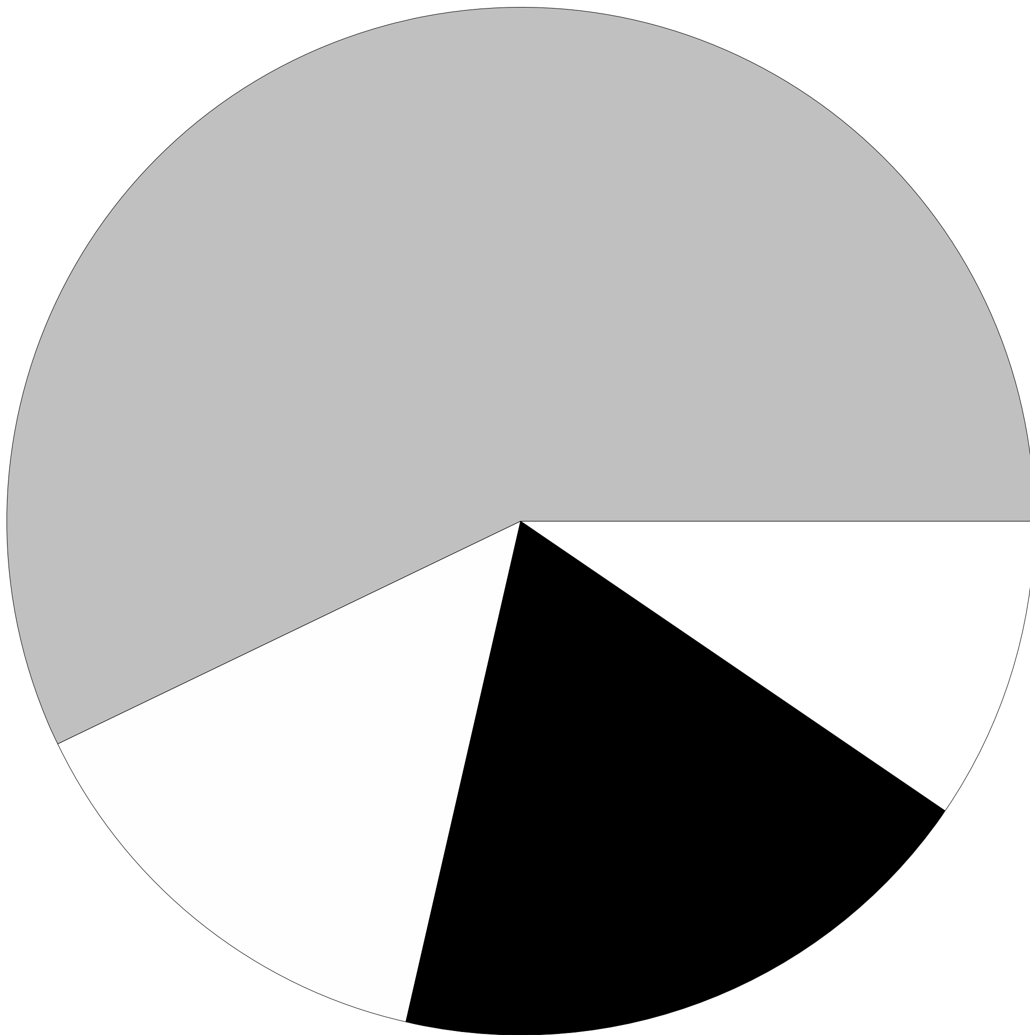
Sample Practice Expenses



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What are Your Practice Expenses?

$____
____%
_____

$____
____%
_____

$____
____%
_____

$____
____%
_____

Fill in the blank lines with your actual data from the most recently completed year.

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Defining Costs

- You must determine your costs of service. It is not optional. The level of detail you need will be determined by your practice setting.
- You may need to define costs:
  - By modality
  - By visit
  - By case
  - By payor within your mix

- You will need to be sure your costs are recalculated regularly and monitored ~~regularly~~ ***CONSTANTLY***

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Controlling Our Own Destiny

- Some outside interests want to measure our value for us and make decisions on our inclusion in insurance provider panels and other networks based only on the costs of care, not considering quality.
- This practice of economic credentialing without quality information is very inaccurate and not acceptable to many of us in the Rehabilitation Professions.

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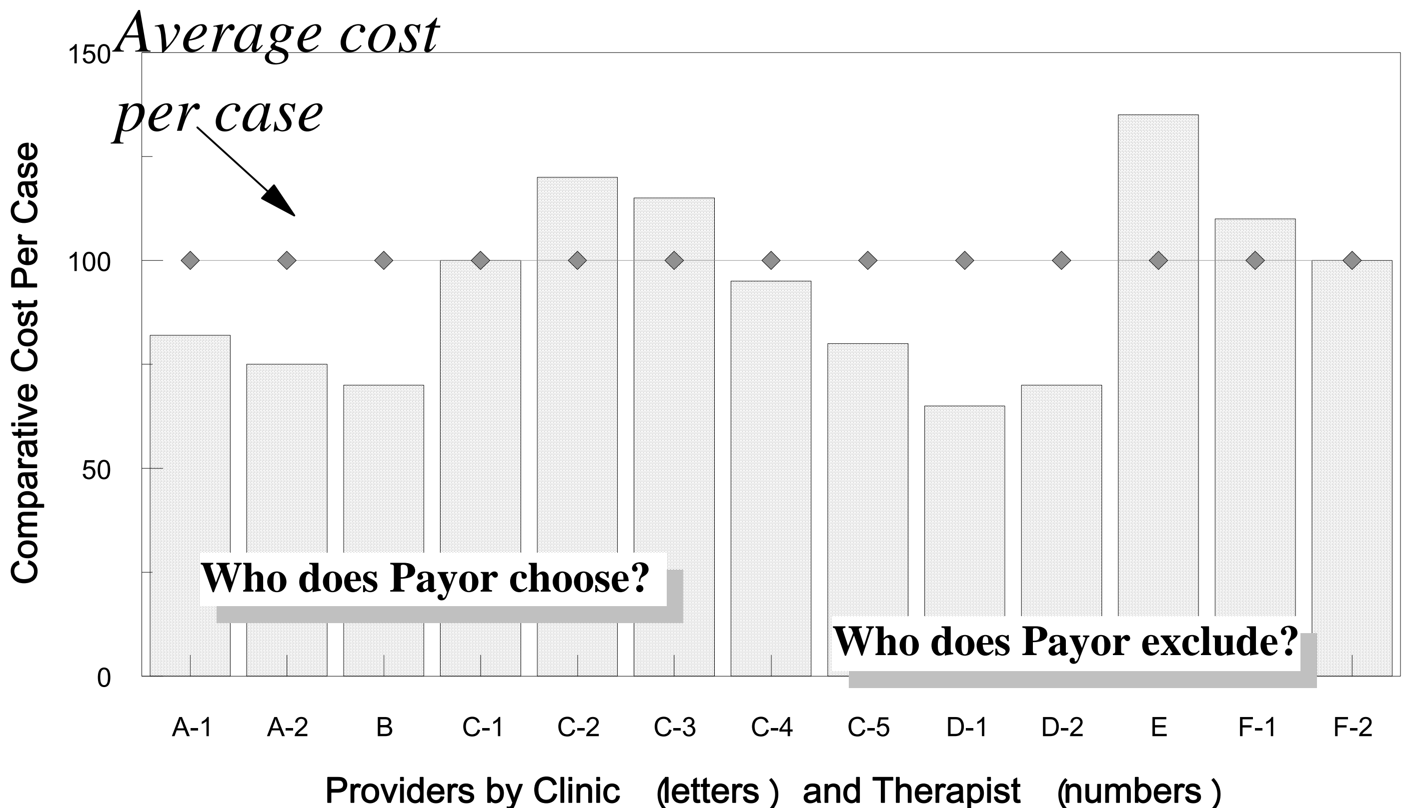
Economic Credentialing - By Therapist



Note: All charges have been normalized
Average cost per therapist is 100

Rapidly Becoming the Norm. Coming to Your Market SOON!

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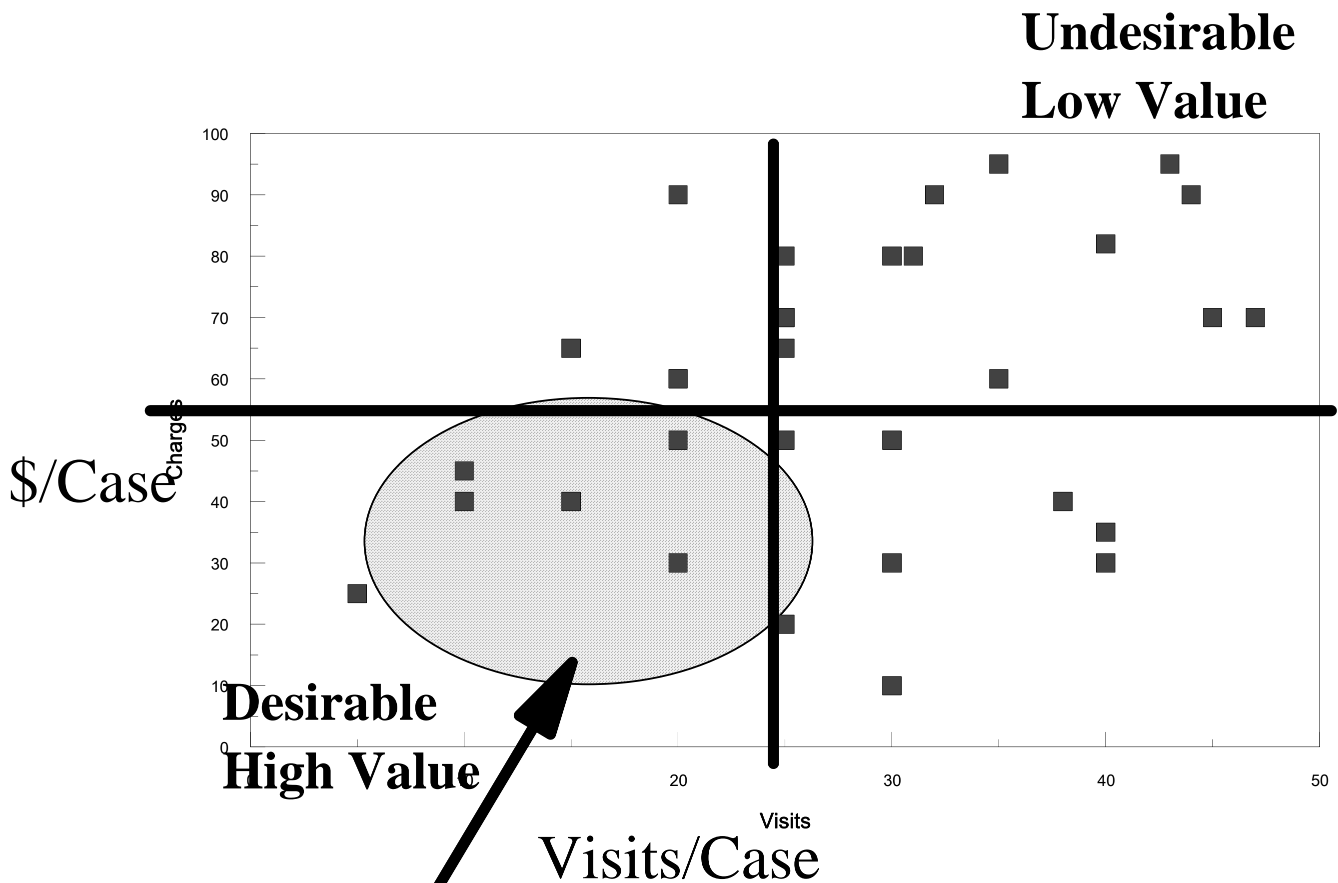
Economic Provider Profiling



First chance to prove value
or to disprove value
of our professions

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Economic Credentialing: What will you do to prepare?

1. e.g. Review this data with my staff.
2. e.g. Begin to track individual therapist performance more closely.
3.
4.
5.
6.
7.
8.
9.
10.

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Costs are an Important Quality Issue

- As we move to more stringent cost-controlling models of healthcare delivery, the management of our costs to provide care become more and more critical to our financial success.

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What Are You Doing To Control Costs in Your Practice?

1. e.g. Spending more time in budget preparation and monitoring.
2.
3.
4.
5.
6.
7.
8.
9.
10.

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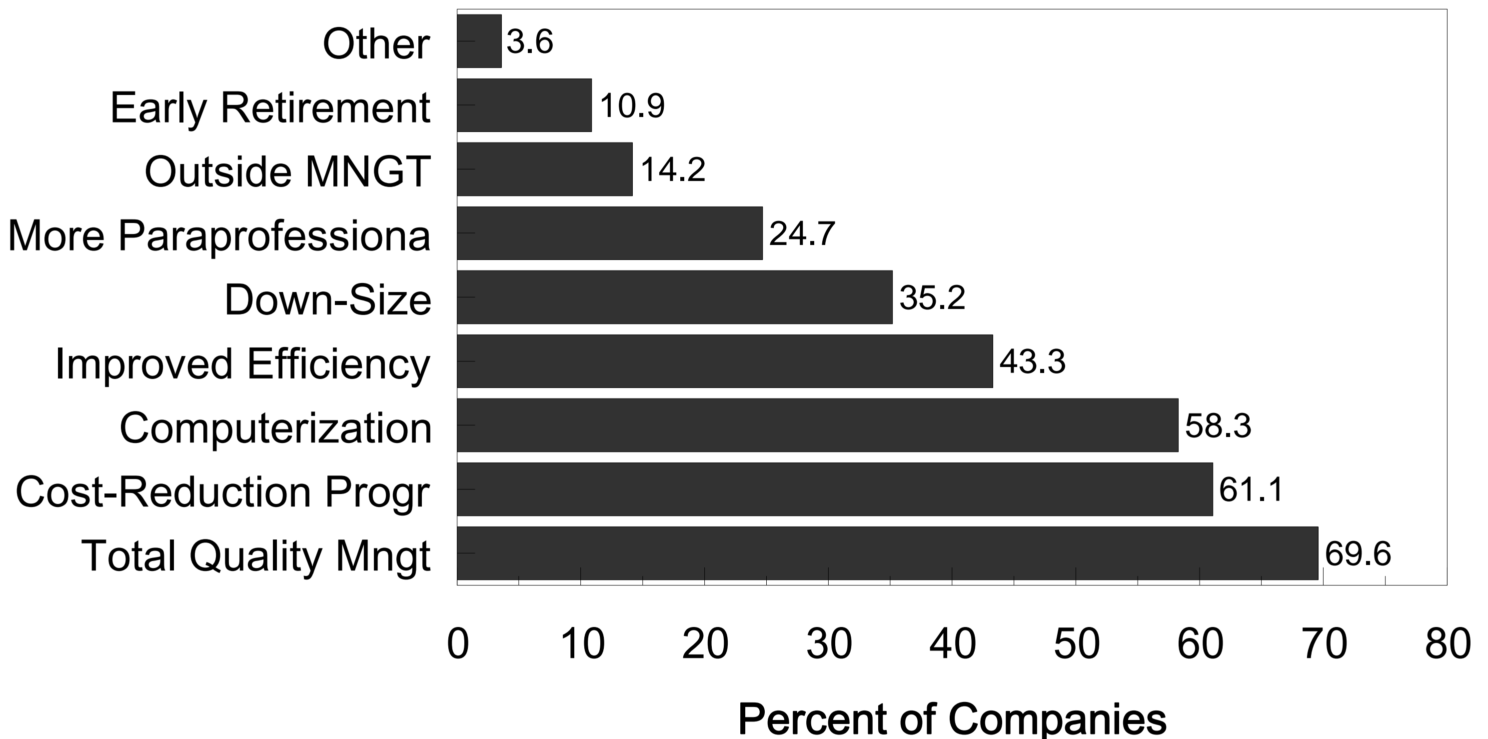
Rehabilitation Services

Improving Productivity Without Sacrificing Quality

How Does Business Control Expenses?



Source: Coopers & Lybrand LLP, 1995

What Additional Actions

Will You Take to Control Your Expenses?

*1.*________________________________

*2.*________________________________

*3.*________________________________

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The Grandma Therapist: Case Study

- Excellent old paradigm therapist
- Strong Continuing Education
- Tertiary care therapist
- Well rewarded for old behaviors
- Kind, industrious, motivated for patients

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Grandma Therapist

- May not be affordable in new paradigm
  - High visits/case
  - High treatments/visits
  - High cost/case
  - Rich modality mix

Harriet Handson

- Question:
  - When increased productivity is needed due to changing financial relationships such as limited visits per case or treatments per visit, how will the Grandma therapist adapt?
- Refer to Appendix
  - Case Study: "Can Grandma Continue to Work at the Car Wash?"
    (Available at PTManager.com)

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Section Four

Improving Productivity: Getting More Done with Less

Improving Productivity without Sacrificing Quality

"Not everything that can be counted counts. Not everything that counts can be counted"

Albert Einstein

Questions to Be Answered

- What is productivity?
- Why measure it?
- How do you measure it?
- What are the benefits and costs of measuring and managing productivity?

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How do you currently monitor productivity?

- What could be better?
  -
  -
  -
  -
  -
  -
  -
  -
  -
  -
  -

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Workable Productivity Monitors

- What you choose to monitor is very important.
- What you measure should be determined by department values.
- Be sure to monitor relevant activities.
  - New patients, cost/case, collectables/case
  - Many other choices possible
- Your monitor will depend on the reimbursement model and payor mix involved.
  - Cost/fee based models
  - Fixed price models
- They will also depend on your clinical setting and patient mix.

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What is Your Payor Mix?

	Setting	Payor Name	Payor Model	Percentage of our business
Example	Outpatient	Medicare	Cost Reimbursed	35%
Payor 1				
Payor 2				
Payor 3				
Payor 4				
Payor 5				
Payor 6				
Payor 7				
Payor 8				

Complete this as background information for your practice. Distribute to management and staff.

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What You Choose to Monitor Depends on Reimbursement Model

- Cost/fee based models
  - More likely that units, treatments, patient turnover charges or costs of care are what you will want to monitor.
- Fixed price models
  - More likely that patient turnover and costs of care will be focus of your monitoring efforts.
- Most settings are a combination of cost/fee based and fixed price models.
- Remember productivity monitoring asks the questions related to how much, not how well we do things.

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Productivity - Initial Considerations

- Productivity is a ratio of inputs to outputs.
  - As contrasted to volume measures, productivity takes into account the resource expended to achieve an output.
  - Measures relative load.
- Productivity can be high in a low volume situation or low in a high volume situation.

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Why You Should Initiate Productivity Management

- To define workload expectations for staff.
- To adjust staffing levels to changing volumes - assist in scheduling staff and patients.
- To define managerial actions for varying work volumes.
- To create objective measures of manager effectiveness.
- To improve staff/management relations.
- To maximize your return on human resource expenses.

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Factors to Consider in Productivity

- Who is being measured and compared?
  - Individuals
  - Teams
  - Department
- What is being measured? Why?
- How often or how is it being analyzed and reported?
- How cumbersome is the measurement and reporting process?

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Managing Productivity in a Managed Care Environment

- What's different?
  - e.g. Different monitors will be more important.
  -
  -
- What's the same?
  - e.g. Quality can never be forgotten.
  -
  -

Work with your staff as you begin to experience managed care to complete this worksheet.

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Productivity & Department Values

- Productivity vs. Accountability
  - Productivity measures revenue related activities.
  - Accountability measures revenue and other non-revenue related activities that are deemed important by your practice.
- What are your department values?
  - Your values should be clearly defined in your Performance Planning and Appraisal System.
  - Your productivity/accountability monitoring and improvement activities must be consistent with your values.
- Non-revenue activities are important!

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Our Departmental Values

Complete this worksheet based on your departmental mission and values.

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Data Considerations in Productivity

- You will need to make decisions in the following areas:
  - What data to collect.
  - Frequency of collection.
  - Technology of collection.
  - Who collects the data.
  - Who enters, records and verifies the data.
  - What to report and how to report it.

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What Data is Already Available in Your Clinic?

1. e.g. Number of new patients
2. e.g. Diagnosis mix of patients
3.
4.
5.
6.
7.
8.
9.
10.

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Reporting Considerations in Productivity

- What to report
- How to report (FORMAT)
- To whom
- Frequency of reports
- Technology of report generation
- Integration of reports into regular management activities

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Meaningful Productivity Indicators Now & Future

- What is most meaningful in your practice? Rank 1 (low) to 10 (high).

Indicator	Rank Now	Projected Rank in 2 years
Visits		
Treatments		
Charges		
Cost per Case		
Collections		
New Patients		
Total Patients		
Length of Stay		
Visits per Case		
Other		
Other		

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For Maximal Staff Compliance With Your Productivity Program

- Remember that people tend to behave as they are measured.
- Your choice of measurements will define or reinforce your perceived managerial and departmental values.
- Choose your measurements carefully and explain the rationale for your decisions to your staff.
- Monitors should make sense to the people who are being monitored.
- Use sound change management skills to help staff learn new skills and techniques.

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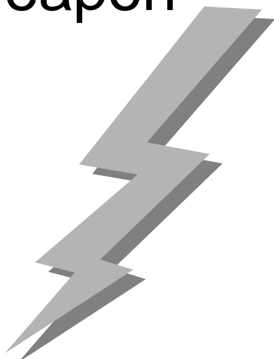
Productivity Management Can be Used as a Weapon or a Tool

- In reporting mechanism
- In boss relations
- In staff relations
- In setting success criteria

Weapon



Tool

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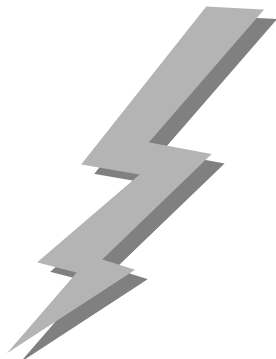
Reporting Mechanisms

- As a Weapon
  - Only good news or only bad news reported.
  - Raw data reported.
  - Data is inaccurate or confusing.
  - Reports are intimidating.
  - Reports are manager oriented.



- As a Tool
  - All outcomes shared.
  - Information, not data is shared.
  - Reports are meaningful.
  - Reports are helpful.
  - Reports are management oriented.

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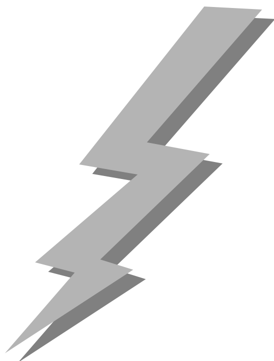
Boss Relations

- As a Weapon
  - Posturing is defensive or offensive.
  - Reporting is infrequent.
  - No action plans are developed.
  - Power oriented.
  - Confusing to boss.
- As a Tool
  - Process is amoral.
  - Reports are timely and regular.
  - Actions are predefined.
  - Staffing formula is implemented.
  - Boss understands process.



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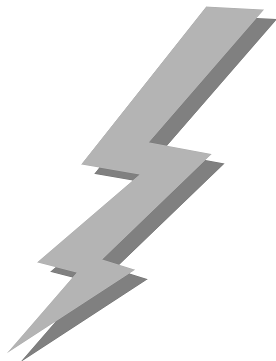
Staff Relations

- As a Weapon
  - Statistics used as punishment.
  - Staff **told** of productivity process.
  - Expectations **told** to staff.
  - Revenue only statistic measured.
  - Punitive outcomes emphasized.



- As a Tool
  - Data used to encourage and motivate.
  - Staff has input into formula development.
  - Goal setting is mutual.
  - Professional issues are addressed.
  - Both penalties and rewards are build into system.

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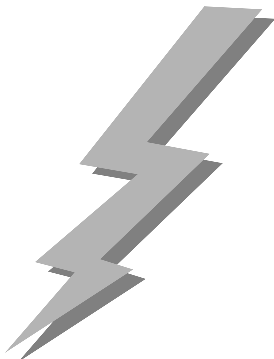
Success Criteria

- As a Weapon
  - More is better.
  - No quality issues.
  - "Don't get caught" mentality.
  - Minimize hassles.
  - Take advantage of staff.
- As a Tool
  - Accountability.
  - Quality.
  - "Find problems and fix" mentality.
  - Make it meaningful
  - Fair compensation for fair work.



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Staff Readiness for Productivity Monitoring

- Be sure to assess staff readiness prior to starting because staff support will be essential to success.
- There are likely to be overt and hidden motivations for various staff members.
- Previous process successes and failures in implementing new systems will play an important role.
- Staff trust must also be assessed.
- Professional and technical sophistication will determine how the system can be implemented.

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Problems to Avoid that Are Often Present in Existing "Systems"

- Lack of system understanding by staff and managers.
- Lack of recognition of non-revenue activities.
- Lack of ownership of the system.
- No provision for ongoing system problem-solving.
- Inadequate reporting and communication systems.

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Technology Factors to be Considered

- Work involved
- Equipment costs and availability
- Personnel costs and availability
- Timeliness and clarity of outcome
- Flexibility of outcome
- Accuracy and trust in results
- Usability

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Technology Considerations

	Pro	*Con*	*Comments*
Manual System	Always available Easiest way to start usually	Labor intensive Manual errors in math can go unnoticed	Can be an huge task to keep up with a manual system
PC-based System	Relatively inexpensive Local Control of data	Not integrated into organizational systems	Most frequent at present
Enterprise-Wide System	Controlled from central expert Usually less work to design	Loss of local control May not be flexible enough to meet changing needs	Requires an organization wide commitment
Outsourced	Little design efforts	Can be expensive Timeliness	Takes data outside organization
Other			

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Section Five

Measuring Productivity: The Nuts & Bolts

Improving Productivity without Sacrificing Quality

Productivity

- Productivity is a relationship of inputs vs. outputs.
  - Salary costs vs. chargeable units
  - Required calculated hours vs. actual paid hours.

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Inputs

- Inputs are factors contributing to production.
- Inputs can be fixed inputs or variable inputs.

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Inputs

- Fixed inputs are independent of output quantity
  - Do not fluctuate with volume
  - Receptionist, director
- Variable inputs
  - Dependent on volume
  - Care-givers, billing time

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Fixed Inputs

- Independent of output volume
  - Management activity
  - Education activity
  - Staff orientation
  - Meetings
  - Supply inventory activities
  - Clerical activity

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Variable Inputs

- Variable inputs are dependent on the volume of work being done.
- Best example is treatment activities
  - Billed treatment time
  - Order processing time
  - Charting time
  - Billing time
  - Cancellations/No shows

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What Do *You* Think?

- Should non-personnel costs, such as supplies and overhead, be included in input?
  - Pros
    - e.g. It would give a more complete financial picture.
    -
    -
    -
  - Cons
    - e.g. Why measure it when you really can't control it very well?
    -
    -
    -

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Outputs

- Outputs are the products of the system.
  - Charges
  - Visits
  - Treatments
  - Non-revenue activities
- Outputs are the goods or services that we produce.

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Outputs

- Choose monitor carefully.
  - Visits
  - Treatments
  - RVU's (Relative value units)
  - Others
- What you chose to monitor will partially define your values to your staff and other audiences.

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Developing a Formula

- To actually measure productivity, you will need to develop a mathematical formula that compares inputs and outputs.
- A sample worksheet is included in the Appendix.

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Formula Development

- Examples of typical monitors
  - Productivity quotient
  - Accountability quotient
  - Treatments per paid FTE
  - Treatments per worked FTE
  - New patients per FTE
  - Charges per FTE
  - Collections per FTE

FTE = Full Time Equivalent

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Formula Development

Productivity Equals

Fixed inputs + variable inputs

---------------------------------- *(Divided by)*

Required hours

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Formula Considerations

- Department values
- Do you want to make your decisions completely by the numbers?
- Is more always better?
- How much is too much? When will you know?
- Are you sure you have your quality monitors in place first?

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Low Productivity

- Conditions that reduce productivity
  - Overstaffing
  -
  -
  -
  -
  -
  -
  -
- Problems with low productivity
  - Raises cost per case
  -
  -
  -
  -
  -
  -
  -

Fill in the rest of these columns with your own answers.

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What Managerial Actions Will You Take in Response to Low Productivity

1. e.g. Allow voluntary time off for staff.
2.
3.
4.
5.
6.
7.
8.
9.
10.

Fill in the rest of this column with your own answers.

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High Productivity

- Conditions that lead to high productivity
  - Increased referrals
  -
  -
  -
  -
  -
  -
  -
- Problems with high productivity
  - Staff burnout
  -
  -
  -
  -
  -
  -
  -

Fill in the rest of these columns with your own answers.

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What Managerial Actions Will You Take in Response to High Productivity

1. e.g. Temporary staffing.
2.
3.
4.
5.
6.
7.
8.
9.

Fill in the rest of this column with your own answers.

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Critical Question

- How do you manage productivity with integrity when you have objective volume measures but subjective quality measures in place?
- Discussion:

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How Do You Know When It Is Too Much?

1. e.g. Quality falls due to mistakes and oversights.
2.
3.
4.
5.
6.
7.
8.
9.

Have you adequately defined "ENOUGH"?

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Your Monitoring Assumptions May NOT be Accurate

- Are fixed inputs really fixed?
- Are variable input values valid and consistent?
- Are record keeping methods valid?
- Is acuity of care constant?

Caution!!

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Tools of the Productivity System

- Staff worksheets
- Formula worksheets
- Monitor definitions
- Data collection forms
- Report forms

Examples of all of these are found at PTManager.com

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You Will Need to Train Your Staff In the Following Areas

- Use of flowsheets.
- How to adjust the system.
- How you'll manage in high and low productivity situations.
- Ethical use of system.

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Incentives in Managed Care

Form of Managed Care	What Behaviors are Encouraged?	What Behaviors are Discouraged?
PPO/ HMO		
DRG	Early discharge	Higher cost treatments
Case Capitation		
Full Risk Capitation		

Complete this grid with your managers and staff.

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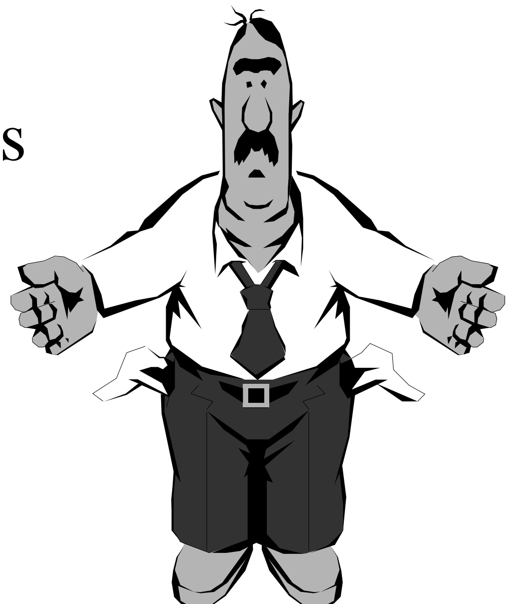
Section Six

Productivity Erosion: What is Preventing You from Being Optimally Effective?

Business Practices that Erode Quality and Productivity

- Productivity monitoring systems can interfere with getting work done.
- Support Staff/Clinician interfaces often interfere with getting work done.
  - Scheduling systems
  - Documentation systems



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Misuse of Productivity Management System

- By Department Manager
- By Administration
- By Staff

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Misuse of System by Department Manager

- Misrepresentation of data to staff or administration.
- Improper handling of confidential or sensitive data.
- Frequently changing or poorly communicated formula or output expectations.
- Infrequent or crisis communication of data to staff &/or administration.
- Failure to realize system is a trailing, not leading, indicator.
- Rules management or failure to investigate aberrations for causation.

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Misuse by Administration

- Inadequate support for essential, non-revenue activities.
- Support of systems without quality checks.
- Use the system as a weapon.
- Use data in lieu of common-sense.
- Failure to understand the system.
- Failure to dedicate resources needed to support system.
- Use the system as the sole criteria for your Performance Planning And Appraisal System.

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Misuse by Staff

- Inaccurate data reporting.
- Incomplete data reporting.
- "All management cares about is numbers".
- Treating to make quota when not in best interest of patient.
- Unacceptable quality to meet quantity expectations.
- Comparing data between individuals in dissimilar work assignments.
- Skipping essential non-revenue activities to meet quota.

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Criteria for Success for Productivity Systems

- Staff understand rationale, goals and mechanics of the systems.
- Compliance with reporting is high.
- Reports are understandable and meaningful.
- Efficiency in non-revenue and revenue activity is improved.
- Revenue productivity is at target or specific action plan are developed.
- System data is used to assist in departmental decisions.
- Perceptions of staff, management, administration and clerical are that system is helpful.

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Other Systems that Erode Quality and Productivity

- Scheduling systems
- Documentation systems
- Quality management systems
- Management systems

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How Well Does Your Current Scheduling System Meets Its Purposes?

Purpose	Strengths	Weaknesses
Ease of patient and clinic matching		
Communication		
Record keeping and data generation		
Practice Analysis & Research		

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Scheduling of patients

- Who controls schedule?
  - Clinicians or support personnel?
- Building in accountability cleanly.
  - How do we track who does what?
    - A "slot system" is very workable.
    - Total slots are negotiated by the manager and staff member
    - Filled slots are monitored
    - Open slots are monitored by number, type and date open
    - Variance from negotiated is tracked by manager to determine performance
  - Time to fill open slots is a critical measure of support personnel performance

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Documentation

- The single worst frustration of staff.
- "Single biggest distraction from patient care".
- Can be a sink through which you lose productivity, quality, profit, time and frustration energy.

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Documentation Purposes

- Reimbursement
- Communication
- Liability protection
- Practice analysis/research

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How Well Does Your Current Documentation System Meets Its Purposes?

Purpose	Strengths	Weaknesses
Reimbursement		
Communication		
Liability Protection		
Practice Analysis & Research		

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Documentation Suggestions

- Don't write to lowest common denominator format.
- Standardize with forms to decrease time and allow access to data in an automated format.
- Remember that notes are a tool not an art form of their own.
- Consider audiences of notes.
- Always consider automation, but realize technology changes quickly.

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How Well Does Your Current Patient Information System Meets Its Purposes?

Purpose	Strengths	Weaknesses
Reimbursement		
Communication		
Ease of use Ease of learning		
Practice Analysis & Research		

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Section Seven

Individual Practice Management: Outcome Management

Improving Productivity without Sacrificing Quality

Individual Practice Management - Micro Level

- Outcomes data is needed for marketing purposes but how the individual clinician uses it is even more important
- Be sure to use good change management skills in outcomes processes but remember that it is very difficult to implement organization-wide outcomes quickly.

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Outcome Management

- Remember: Value = Quality/Cost
- Quality = Outcomes.
- Process is important only because it leads to outcomes.
- Types of outcomes.
  - Cost
  - Technical
  - Satisfaction

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Goals of Outcome Management

- To document the results of intervention.
- To examine practice patterns and identify those most effective and cost efficient.
- To gain a better understanding of our practice.
- To use the information in daily clinical and business decisions.

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Outcomes: Why We Became Therapists

- There are many different reasons that outcome management is very consistent with the values and attitudes that we hold as therapists:
  - The patient should come first.
  - Fiscally sound treatment is financially in our best interests and those of the patient.
  - Improving the profession is good for us and the patient.
  - Acting as a scientist is consistent with the education and training we have received.
  - High accountability is always desirable in today's marketplace.
  - Data driven clinical decisions are likely to be more accurate.

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Use Outcome Data Daily

- Program development decisions
- Program termination decisions
- Staff assignment to specific programs
- Performance appraisal of staff
- Cost/Value decisions for managed care
- Clinical research on treatment efficacy
- Data-based decisions in a changing environment

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Moving to Outcomes Management

- Staff preparedness is critical.
- At least some standardization is required.
  - Documentation
  - Protocols
  - Data collection
- Staff training is very important.

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Staff Training

- Conceptually, outcome management is easy to sell to staff. However, practically, there are many reasons not to comply.
  - Very threatening to many staff.
  - Data-driven decision model may be perceived as reducing therapist autonomy.
- Data analysis and action planning must involve staff early in the process.
- Use staff initiated change - NOT imposed, if possible.

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Cautions

- Proceed slowly.
- Staff will need time and energy to process this new system.
- Expect some resistance.
- Use good change management skills and systems.
- Constantly return to the quality imperative.
- Respect how threatening outcomes can be to clinicians.

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A Sample Transition to Outcomes Plan

- Included on the following few pages is a sample plan for moving your staff to an outcomes model of patient and practice management.
- This model is not intended to be the only, or even the preferred method, for all clinics.
- It is offered as an example of a system that has worked in using the principles of change management to initiate a successful transition to outcomes management.

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Steps to Outcomes - 1

- Introduce the outcomes concept to staff.
  - Back up with literature and professional support.
- Define program objectives clearly.
- Decide on global methodology.
  - Turn-key system
  - Internally designed system
  - Combination of turn-key and internal system
- Training on data skills, statistics and evaluation model.

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Steps to Outcomes - 2

- Initial data collection.
  - Period of transition
  - Impose data collection on existing system if possible.
- Initial system adjustments.
  - Beginning, non-threatening data/information sharing e.g. general trends or large groupings.
  - Let staff interact with data and really experience it.
  - Initial questions will arise from staff about the data and overall process.
  - Involvement on a personal level with the data by the staff members.

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Steps to Outcomes - 3

- Use data to assist staff in making clinical/business adjustments that affect the data.
  - e.g. improved scheduling, increased delegation
  - Engage staff in dialogues on ethics, productivity, financial issues, management philosophy.
  - Achieve a few early successes - reward them well.
  - Use staff momentum to refine system.

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Steps to Outcomes - 4

- Refine the system.
  - Increase level of standardization .
    - Clinical care (protocols, critical paths)
    - Documentation systems
    - Other areas of standardization
- Expand the degree of data sharing.
  - Referral sources
  - Marketing opportunities
  - Therapist to therapist sharing

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Steps to Outcomes - 5

- Evaluate the effects on critical outcome goals in specific clinical areas.
  - LOS, Cost per case
  - Degree of recovery
  - Patient, referral and staff satisfaction
- Formally evaluate the impact and communicate results whether positive or negative in terms of program objectives.
- Revise as needed.

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Typical Time Frame for Transition to Outcomes Management

Step	Start	Duration
Evaluation	31	4
Systems Expansion	27	2
System Refinement	25	2
Initi Sys. Adjustmnt	23	2
Staff/Data Interactn	15	8
Initial Data Collect	11	4
Staff Training	9	2
Decide Methodology	3	4
Define Objectives	2	2
Introduce Concept	0	3

0 10 20 30 40

Duration (Weeks)

Your experience in implementing this system will vary according to your staff's size and familiarity with the topics

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Outcomes to Consider

- Satisfaction.
  - Referrers
  - Patients/care givers
  - Staff
- Cost - can be measured in many ways.
- Technical outcomes.
  - Functional improvement
  - Return to work
  - LOS
  - Many, many more

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Section Eight

Putting It All Together: Action Planning for Success

What Will You Do to Prepare?

- You will need to prepare in all of these areas:
  - As an individual clinician or manager.
  - As a single discipline.
  - As a member of your multidisciplinary team.
  - In program development.
  - In your techniques and systems for data collection.
  - In your marketing efforts.
  - In your activities for staff education.

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Have You Already Changed?

- Look back at your responses throughout this workbook. Have you already changed anything?

1. e.g. I'm already getting staff more involved.
2.
3.
4.
5.
6.
7.
8.

How do you feel about any changes that have occurred?

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New Skills That I Need:

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

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Actions I Need to Take to Develop the Skills Required

- Myself
  -
  -
  -
- My Team
  -
  -
  -
- My Organization
  -
  -
  -
  -

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My Time Frame to Accomplish These Actions

- One Month
- Three Months
- Six Months
- One Year
- Longer???

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People Who Will Help Me Accomplish My Goals:

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

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For More Information...

- Various books and periodical are available in most medical libraries and book stores.
- KovacekManagementServices, offers workshops and seminars on Productivity, Quality Management, Managed Care or other management topics for therapists.
- Just call us at (800)540-0774 to arrange one for your staff or organization.

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Appendix

Improving Productivity without Sacrificing Quality

About the Author

Peter R. Kovacek, PT, DPT, MSA

President, KovacekManagementServices, Inc.
Owner, PTManager.com

Peter Kovacek is one of the foremost rehabilitation management leaders and experts in the country. As an author, speaker, practice owner, administrator, educator and consultant, Peter has been actively involved in some of the most significant organizations in rehabilitation over the past 30+ years.

Peter has vast experience in many areas of rehabilitation practice and management. As a clinician, Peter has been a skilled geriatric and cardiopulmonary physical therapist for over 30 years. Peter has spoken and consulted extensively on managerial and leadership topics for over 15 years and is a frequent keynote and featured speaker for American Physical Therapy Association (APTA) Chapters and often has been an invited speaker for APTA national conferences and symposia. Peter has participated in a large number of professional task forces and summits on topics ranging from coding, billing and financial management to legislation and regulatory issues. Peter is a popular writer and lecturer on a wide variety of topics ranging from basic rehabilitation management skills for new or potential managers to advanced leadership and entrepreneurial skills for veteran managers, administrators and owners.

Peter has been the President of the Section on Administration of APTA and was elected to the APTA Nominating Committee in 2001. Previously, Peter has also been Vice President of the Acute Care/Hospital Clinical Practice Section of APTA and a member of the Michigan Physical Therapy Association Board of Directors - most recently serving as Vice President of the Michigan Physical Therapy Association.

Peter is a member of the Editorial Advisory Boards of and frequent contributor to PT - The Magazine of Physical Therapy and Briefings on Outpatient Rehabilitation Reimbursement and Regulations. Peter has also been a monthly columnist for Advance for Physical Therapists for over 10 years.

Peter is the co-author with his wife, Jake, of Managing Physical Rehabilitation in a Managed Care Environment, co-author of the leading rehab management textbook for student therapists, Management and Supervisory Principles for Physical Therapists, published by Lippincott, Williams and Wilkins.

He is the President of Kovacek Management Services, Inc. a company that specializes in management development and consulting in Rehabilitation Services. Peter is also the founder and owner of PTManager.com – the largest and most comprehensive rehabilitation management and administration web site on the internet – serving over 40,000 rehab administrators and owners with the latest regulatory and leadership information daily.

Peter received his undergraduate degree (cum Laude) in Physical Therapy from Marquette University in Milwaukee, Wisconsin in 1977 and his Masters of Science in Administration (with an emphasis on health care marketing) from Central Michigan University in 1984. He has also been adjunct or part time faculty at Wayne State University and Oakland University since 1979. Peter earned his DPT from EIM Institute of Health Sciences in 2010.

His peers have recognized Peter by electing him to the APTA Section on Administration Hall of Fame in 2002 and awarding him the APTA Section on Administration Leadership Award in 2000, APTA Acute Care Section Jim Dunleavy Outstanding Service Award in 1999 and the American Cancer Society of Michigan Distinguished Volunteer Award in 1992 – all the highest honors of each of the respective organizations.

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-
- More current reading is available at PTManagerBlog.

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