Guidian works with Community Health Centers to plan financially sustainable operations that meet the needs of the organization and its community.

Guidian provides operations planning, strategic planning, facility planning & pre-development services that include:

- Market Analysis
- Financial Projections
- Space Planning
- Functional Floor Plan Layout
- Operations Analysis and Patient Flow
- Grant Writing
Staffing Ratios - Overview

Staffing Ratios – The Big Picture

Staffing Ratios & Operations Management

Calculating Staffing Ratios

Benchmarking

Wrap-up & Questions
Staffing ratios define the relationship between your revenue producing employees and the staff needed to support them.

Staffing ratios are a tool to evaluate the impact of your staffing strategy on operational effectiveness & service delivery.
Measuring Staffing Ratios is Important because….

- Staffing expense is generally the largest expense for a health center.
- Staffing decisions impact quality of patient care.
- Staffing levels & functional allocation drive operating efficiency.
Staffing Ratios – The Big Picture

Staffing Ratios are used in Operations Management to:

- Determine optimal levels of staff overall
- Determine optimal levels of staff by function
- Evaluate productivity and efficiency
Staffing Ratios – The Big Picture

National Staffing Ratio Benchmark Data

UDS Staffing Benchmarks
- Health center specific data
- Gross staffing ratios only

MGMA Annual Cost Survey
- Staffing ratios by specialty & region
- Staffing ratios by functional area
Staffing Ratios – The Big Picture

Example MGMA Staffing Ratios

**Clinical Support Staff per Provider**
- Number of RN, LPN, MA per Physician provider

**Ancillary Support per Provider**
- Number of Lab, Xray, Enabling staff

**Front Office Staff per Provider**
- Number of Reception, Med Rec., Scheduling, Transcript

**Business Operations Staff per Provider**
- Number of Pt Acct, Admin, IT, Maintenance staff
Getting Started

What does CHC want to measure

- Provider productivity as a function of direct clinical support levels
- Optimal number of billing staff

Define appropriate staffing ratio

- Medical Asst per Provider
- Pt Acct Staff per Provider
Getting Started

Measure data points over time

- Use historical data for provider productivity & staffing
- Calculate staffing ratios
- Chart over time

Compare with Benchmarks where available
Staffing Ratios – The Big Picture

STAFFING RATIOS & OPERATIONS MANAGEMENT

Calculating Staffing Ratios

Benchmarking

Wrap-up & Questions
Effective Operations Management Understands How Staffing Effects Overall Operations

Staffing Affects

- Provide Productivity & Revenues
- Quality of Patient Care
- Billing and Collection
- Recruitment and Retention
- Budgeting
- Patient Flow
- Patient Satisfaction
- Staff Satisfaction
Effective Operations Management Analyzes Staffing in Relation to Operational Measures

Operations Analysis

• Evaluate productivity as a function of staffing levels over time

• Identify functional area inefficiency due to misallocation of staff

• Identify operational improvements by benchmarking internally & externally
Effective Operations Management Uses Staffing Analysis to Plan for the Future

**Operations Planning**

- Effective allocation of staff
- Recruitment planning
- Budgeting
Effective Operations Management Uses Staffing Ratios as a Tool

• Measure operating efficiency (process) & productivity (staff)

Measurement
Case Study:

A small CHC felt it could increase the number of patients it treated by hiring more clinical support staff, but were reluctant to spend the resources to hire additional staff.

<table>
<thead>
<tr>
<th>Medical Assistant to Provider Ratio</th>
<th>1:1 Ratio</th>
<th>2:1 Ratio</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients per Hour</td>
<td>1.9</td>
<td>2.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Patients per Day</td>
<td>13</td>
<td>17</td>
<td>3.5</td>
</tr>
<tr>
<td>Annual Visits</td>
<td>3,059</td>
<td>3,864</td>
<td>805</td>
</tr>
<tr>
<td>Average NPSR</td>
<td>$351,785</td>
<td>$444,360</td>
<td>$92,575</td>
</tr>
</tbody>
</table>

Cost of 1.0 FTE MA $35,880
Cost of lost NPSR $92,575
Effective Operations Management Uses Staffing Ratios as a Tool

- Identify process bottlenecks by benchmarking staffing ratios

Identification of Operational Issues
Case Study:

A growing CHC noticed that its cycle times were increasing. Management was unsure of the cause because it had increased the number of clinical staff with increased demand.

<table>
<thead>
<tr>
<th>PRODUCTIVITY</th>
<th>New CHC</th>
<th>MGMA</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients per Hour</td>
<td>2.1</td>
<td>3.9</td>
<td>1.8</td>
</tr>
<tr>
<td>Cycle Time per Patient</td>
<td>85 minutes</td>
<td>46 minutes</td>
<td>39 minutes</td>
</tr>
<tr>
<td>Front Office Support per Provider</td>
<td>1.3 : 1</td>
<td>1.6 : 1</td>
<td>0.3</td>
</tr>
</tbody>
</table>
Effective Operations Management Uses Staffing Ratios as a Tool

- Maximize revenue and minimize cost by optimize staffing allocation

Optimize Staff Allocations
Case Study:

A busy CHC determined that its AR and bad debt were too high and were actually growing month over month. After evaluating the billing process they determined that although they had sufficient patient accounting staff, the allocation of staff was misaligned. They had an insufficient number of billers and could not complete timely filing.

<table>
<thead>
<tr>
<th>PRODUCTIVITY</th>
<th>CHC</th>
<th>Benchmark</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Staff per Provider</td>
<td>2.7</td>
<td>2.7</td>
<td>0</td>
</tr>
<tr>
<td>Billing per Provider</td>
<td>0.55</td>
<td>0.77</td>
<td>(0.22)</td>
</tr>
<tr>
<td>Charge Entry/Coding per Provider</td>
<td>0.12</td>
<td>0.12</td>
<td>0</td>
</tr>
<tr>
<td>Posting/Cash Mgmt per Provider</td>
<td>0.35</td>
<td>0.25</td>
<td>0.1</td>
</tr>
</tbody>
</table>
Staffing Ratios- Overview

Staffing Ratios – The Big Picture

Staffing Ratios & Operations Management

Calculating Staffing Ratios

Benchmarking

Wrap-up & Questions
Calculating Staffing Ratios

- Organizational Staffing Ratio
- Site Specific Staffing Ratio
- Functional Department Staffing Ratio
- Staff Specific Ratio
### Define Categories

<table>
<thead>
<tr>
<th>Functional Category</th>
<th>Category Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Clinical Support</td>
<td>• RN, LPN, MA</td>
</tr>
<tr>
<td>• Business Operations</td>
<td>• Admin, Pt Accounting, Payroll, Billing</td>
</tr>
<tr>
<td>• Front Office Operations</td>
<td>• Check-in, scheduling, operators, medical records</td>
</tr>
<tr>
<td>• Ancillary Support</td>
<td>• Lab, X-ray, enabling</td>
</tr>
</tbody>
</table>
Calculating Staffing Ratios

### Collect Data

<table>
<thead>
<tr>
<th>Role</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RN</td>
<td>1.25</td>
</tr>
<tr>
<td>LPN</td>
<td>2.15</td>
</tr>
<tr>
<td>MA</td>
<td>7.75</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11.15</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Role</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician</td>
<td>5.0</td>
</tr>
<tr>
<td>Mid-Level</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7.5</strong></td>
</tr>
</tbody>
</table>

### Calculate Ratio

Clinical Support to Provider Ratio: 1.49:1
### Calculating Staffing Ratios

<table>
<thead>
<tr>
<th>Staffing per FTE Provider</th>
<th>Consolidated Main Site</th>
<th>Consolidated Expansion Site</th>
<th>Consolidated Satellite Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total FTE</td>
<td>FTE/MD</td>
<td>Total FTE</td>
</tr>
<tr>
<td>Total Physician FTE</td>
<td>7.40</td>
<td></td>
<td>7.85</td>
</tr>
<tr>
<td>Total Non-Physician Providers</td>
<td>3.09</td>
<td></td>
<td>5.80</td>
</tr>
<tr>
<td>Total Providers</td>
<td>10.49</td>
<td></td>
<td>13.65</td>
</tr>
<tr>
<td><strong>Total empl support staff FTE/Provider</strong></td>
<td></td>
<td>63.23</td>
<td>53.83</td>
</tr>
<tr>
<td>General administrative</td>
<td>0.50</td>
<td>0.05</td>
<td>0.00</td>
</tr>
<tr>
<td>Patient accounting</td>
<td>18.00</td>
<td>1.72</td>
<td>5.00</td>
</tr>
<tr>
<td>General accounting</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Managed care administrative</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Information technology</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Housekeeping, maint, security</td>
<td>4.15</td>
<td>0.40</td>
<td>0.00</td>
</tr>
<tr>
<td>Total business oper staff</td>
<td>22.65</td>
<td>2.16</td>
<td>5.00</td>
</tr>
<tr>
<td>Medical receptionists</td>
<td>2.00</td>
<td>0.19</td>
<td>4.00</td>
</tr>
<tr>
<td>Med secretaries, transcribers</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Medical records</td>
<td>6.00</td>
<td>0.57</td>
<td>9.00</td>
</tr>
<tr>
<td>Other admin support</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total front office supp staff</td>
<td>8.00</td>
<td>0.76</td>
<td>13.00</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>4.00</td>
<td>0.38</td>
<td>6.00</td>
</tr>
<tr>
<td>Licensed Practical Nurses</td>
<td>7.46</td>
<td>0.71</td>
<td>10.86</td>
</tr>
<tr>
<td>Med assistants, nurse aides</td>
<td>7.10</td>
<td>0.68</td>
<td>8.00</td>
</tr>
<tr>
<td>Total clinical support staff</td>
<td>18.56</td>
<td>1.77</td>
<td>24.86</td>
</tr>
<tr>
<td>Clinical laboratory</td>
<td>5.55</td>
<td>0.53</td>
<td>8.00</td>
</tr>
<tr>
<td>Radiology and imaging</td>
<td>1.17</td>
<td>0.11</td>
<td>1.37</td>
</tr>
<tr>
<td>Other medical support serv</td>
<td>7.30</td>
<td>0.70</td>
<td>1.60</td>
</tr>
<tr>
<td>Total ancillary support staff</td>
<td>14.02</td>
<td>1.34</td>
<td>10.97</td>
</tr>
</tbody>
</table>
Staffing Ratios – The Big Picture

Staffing ratios & Operations Management

Calculating Staffing Ratios

Benchmarking

Wrap-up & Questions
Benchmarking Staffing Ratios

Definition

**Benchmarks**

Points of reference or comparison, which may include standards, critical success factors, indicators, metrics.

**Benchmarking**

Measuring your performance against that of organizations with best practices, determining how these best-in-class achieve these performance levels and using this information as a basis for your own operations improvement strategy.
Benchmarking Staffing Ratios

Importance in Organizational Planning

✔ Provide an objective basis for planning operations improvement

✔ Provide data that useful in budgeting process

✔ Provide data that can be used to create an incentive program

✔ Provides a process to identify and creatively address operating problems
Benchmarking Staffing Ratios

Importance in Operations Management

- Show how efficiently the practice is functioning
- Show how efficiently the staff is functioning
- Identify areas whose performance may lag
- Determine optimal staffing levels and allocations
- Measure individual performance to identify internal best practices
# Benchmarking Staffing Ratios

| **Internal Benchmarking** | • Monitor internal progress over time  
|                         | • Track changes against operational measures  
|                         | • Validate that process improvement is having desired effect  

| **External Benchmarking** | • Compare CHC to similar sized organizations  
|                          | • Measure CHC performance against average performers & against high performers  
|                          | • Identify where CHC could be more productive or efficient  

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Benchmark Staffing Ratios - Internal

Annual Visits per Provider  VS.  MA to Provider Ratio

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Benchmarking Staffing Ratios

**Internal Benchmarking**
- Monitor internal progress over time
- Track changes against operational measures
- Validate that process improvement is having desired effect

**External Benchmarking**
- Compare CHC to similar sized organizations
- Measure CHC performance against average performers & against high performers
- Identify where CHC could be more productive or efficient
External Benchmarking

• Select data sources that measure similar organizations
  – Size, population treated, location

• Select data source with good specificity
  – Ratios for FP, Peds, OB/GYN
  – Ratios for clinical, operations, business functions

• Sample data source
  – UDS
  – MGMA, AAFP, NAPP
**Benchmarking Staffing Ratios**

Map or group your staff positions to align with definition used by benchmark ratios

<table>
<thead>
<tr>
<th>Clinical Support:</th>
<th>CHC</th>
<th>MGMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RN, LPN, MA</td>
<td>RN, LPN, MA</td>
</tr>
<tr>
<td></td>
<td>(Predominant-MA)</td>
<td>(Predominant-LPN)</td>
</tr>
<tr>
<td>Provider:</td>
<td>Physician &amp; Mid-Level</td>
<td>Physician</td>
</tr>
<tr>
<td>Provider FTE:</td>
<td>1,610 hrs/yr</td>
<td>2080 hrs/yr</td>
</tr>
</tbody>
</table>

Compare “apples-to-apples” by using a common nomenclature
Benchmark Staffing Ratios - External

Case Study:
A practice performing at the 90th percentile has 2.21 clinical support to Physician and that practice has a panel size of 4,716. A practice performing at the 10th percentile has 0.96 clinical support to Physician and has a panel size of 1,159. From a revenue perspective huge difference in performance.

Highlights issues with underlying operational processes.

<table>
<thead>
<tr>
<th></th>
<th>90th Percentile Practice</th>
<th>10th Percentile Practice</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panel Size per Provider</td>
<td>4,716</td>
<td>1,159</td>
<td>3,557</td>
</tr>
<tr>
<td>Visits per User</td>
<td>1.5</td>
<td>1.75</td>
<td>(0.25)</td>
</tr>
<tr>
<td>Revenue per Provider</td>
<td>$884,250</td>
<td>$253,531</td>
<td>$630,718</td>
</tr>
</tbody>
</table>
## Benchmark Staffing Ratios - Planning

### Case Study:
A practice wanted to bring on 2 new providers over the next 12 months. It needed to determine how much additional support staff to hire in order to maintain its current productivity and financial performance.

<table>
<thead>
<tr>
<th>New Providers – 2 FTE</th>
<th>CHC Practice</th>
<th>90th Percentile Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ratio</td>
<td>FTE</td>
</tr>
<tr>
<td>Business Support Ratio</td>
<td>2.00 : 1</td>
<td>4.0 FTE</td>
</tr>
<tr>
<td>Clinical Support Ratio</td>
<td>1.96 : 1</td>
<td>3.9 FTE</td>
</tr>
<tr>
<td>Front Desk Ratio</td>
<td>0.99 : 1</td>
<td>1.9 FTE</td>
</tr>
<tr>
<td>Ancillary Support Ratio</td>
<td>1.58 : 1</td>
<td>1.2 FTE</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>13.1 new FTE</strong></td>
<td></td>
</tr>
</tbody>
</table>
Limitations

- Staffing Ratio benchmarking will not tell the whole story – provides a red flag – more useful in conjunction with operations analysis.

- Unique characteristics of CHC mean finding meaningful benchmarks is challenging – may affect validity of results.
Benchmark Staffing Ratios

Conclusion

• Staffing Ratio benchmarking can help you define issues, identify solutions and measure your success.

• Staffing ratio benchmarking can help you plan your operations and optimize your efficiency.

• Staffing ratio benchmarking is a key tool in the process of continuous operations improvement.
Staffing Ratios – The Big Picture

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Wrap-up & Questions
Questions???
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