

STAFFING RATIOS

PLANNING FOR PRODUCTIVITY & COST EFFECTIVENESS

Guidian Healthcare Consulting

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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 – The Big Picture

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.

Staffing Ratios – The Big Picture

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

Staffing Ratios – The Big Picture

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

Staffing Ratios – The Big Picture

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- Overview

Staffing Ratios – The Big Picture

STAFFING RATIOS & OPERATIONS MANAGEMENT

Calculating Staffing Ratios

Benchmarking

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Staffing Ratios & Operations Mgmt

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

Staffing Ratios & Operations Mgmt

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

Staffing Ratios & Operations Mgmt

Effective Operations Management Uses Staffing Analysis to Plan for the Future

Operations Planning

- Effective allocation of staff
- Recruitment planning
- Budgeting

Staffing Ratios & Operations Mgmt

Effective Operations Management Uses Staffing Ratios as a Tool

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

Measurement

Staffing Ratios & Operations Efficiency

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.

PRODUCTIVITY	Medical Assistant to Provider Ratio		
	1 : 1 Ratio	2 : 1 Ratio	Variance
Patients per Hour	1.9	2.3	0.4
Patients per Day	13	17	3.5
Annual Visits	3,059	3,864	805
Average NPSR	\$351,785	\$444,360	\$92,575

Cost of 1.0 FTE MA
\$35,880

Cost of lost NPSR
\$92,575

Staffing Ratios & Operations Mgmt

Effective Operations Management Uses Staffing Ratios as a Tool

- Identify process bottlenecks by benchmarking staffing ratios

Identification of Operational Issues

Staffing Ratios & Bottlenecks

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.

	New CHC	MGMA	Variance
PRODUCTIVITY			
Patients per Hour	2.1	3.9	1.8
Cycle Time per Patient	85 minutes	46 minutes	39 minutes
Front Office Support per Provider	1.3 : 1	1.6 : 1	0.3

Staffing Ratios & Operations Mgmt

Effective Operations Management Uses Staffing Ratios as a Tool

- Maximize revenue and minimize cost by optimize staffing allocation

Optimize Staff Allocations

Staffing Ratios & Misaligned Staffing

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.

	CHC	Benchmark	Variance
PRODUCTIVITY			
Accounting Staff per Provider	2.7	2.7	0
Billing per Provider	0.55	0.77	(0.22)
Charge Entry/Coding per Provider	0.12	0.12	0
Posting/Cash Mgmt per Provider	0.35	0.25	0.1

Staffing Ratios- Overview

Staffing Ratios – The Big Picture

Staffing Ratios & Operations Management

CALCULATING STAFFING RATIOS

Benchmarking

Wrap-up & Questions

Calculating Staffing Ratios



Calculating Staffing Ratios

Define Categories

Functional Category

- Clinical Support
- Business Operations
- Front Office Operations
- Ancillary Support

Category Staff

- RN, LPN, MA
- Admin, Pt Accounting, Payroll, Billing
- Check-in, scheduling, operators, medical records
- Lab, X-ray, enabling

Calculating Staffing Ratios

Collect Data

RN	1.25 FTE
LPN	2.15 FTE
MA	<u>7.75 FTE</u>
TOTAL	11.15 FTE

Physician	5.0 FTE
Mid-Level	<u>2.5 FTE</u>
TOTAL	7.5 FTE

Calculate Ratio

Clinical Support to Provider Ratio

1.49:1

Calculating Staffing Ratios

Staffing per FTE Provider	Consolidated Main Site		Consolidated Expansion Site		Consolidated Satellite Sites	
	Total FTE	FTE/MD	Total FTE	FTE/MD	Total FTE	FTE/Provider
Total Physician FTE	7.40		7.85		5.30	
Total Non-Physician Providers	3.09		5.80		3.60	
Total Providers	10.49		13.65		8.90	
Total empl support staff FTE/Provider	63.23	6.03	53.83	3.94	41.16	4.62
General administrative	0.50	0.05	0.00	0.00	2.00	0.22
Patient accounting	18.00	1.72	5.00	0.37	14.00	1.57
General accounting	0.00	0.00	0.00	0.00	1.00	0.11
Managed care administrative	0.00	0.00	0.00	0.00	0.00	0.00
Information technology	0.00	0.00	0.00	0.00	1.00	0.11
Housekeeping, maint, security	4.15	0.40	0.00	0.00	0.00	0.00
Total business oper staff	22.65	2.16	5.00	0.37	18.00	2.02
Medical receptionists	2.00	0.19	4.00	0.29	4.80	0.54
Med secretaries, transcribers	0.00	0.00	0.00	0.00	0.00	0.00
Medical records	6.00	0.57	9.00	0.66	1.00	0.11
Other admin support	0.00	0.00	0.00	0.00	0.00	0.00
Total front office supp staff	8.00	0.76	13.00	0.95	5.80	0.65
Registered Nurses	4.00	0.38	6.00	0.44	4.00	0.45
Licensed Practical Nurses	7.46	0.71	10.86	0.80	11.36	1.28
Med assistants, nurse aides	7.10	0.68	8.00	0.59	2.00	0.22
Total clinical support staff	18.56	1.77	24.86	1.82	17.36	1.95
Clinical laboratory	5.55	0.53	8.00	0.59	0.00	0.00
Radiology and imaging	1.17	0.11	1.37	0.10	0.00	0.00
Other medical support serv	7.30	0.70	1.60	0.12	0.00	0.00
Total ancillary support staff	14.02	1.34	10.97	0.80	0.00	0.00

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Staffing ratios & Operations Management

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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

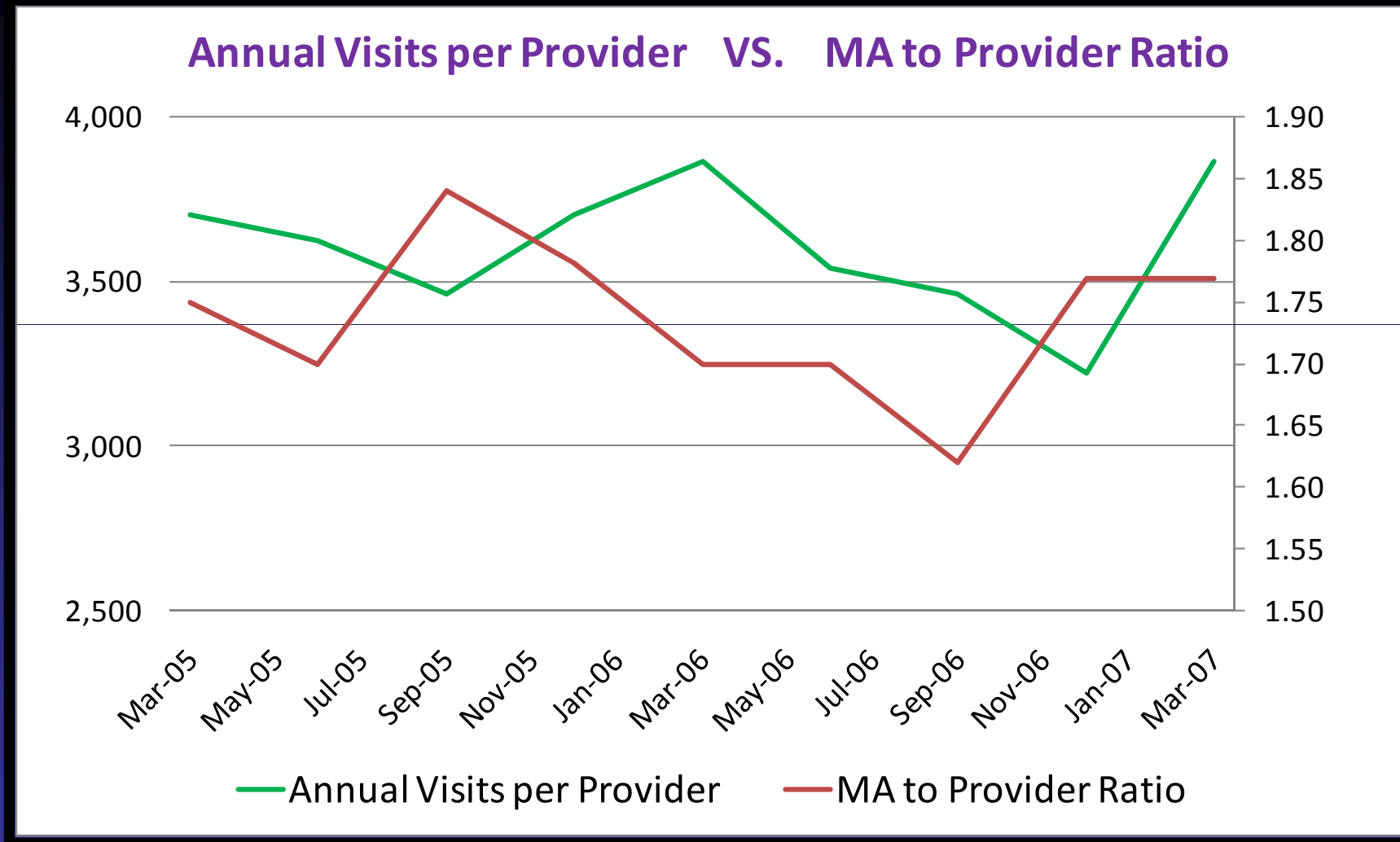
Internal Benchmarking

- 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

Benchmark Staffing Ratios - Internal



Benchmarking Staffing Ratios

Internal Benchmarking

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External Benchmarking

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Benchmarking Staffing Ratios

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

	<u>CHC</u>	<u>MGMA</u>
Clinical Support:	RN, LPN, MA <i>(Predominant-MA)</i>	RN, LPN, MA <i>(Predominant-LPN)</i>
Provider:	Physician & Mid-Level	Physician
Provider FTE:	1,610 hrs/yr	2080 hrs/yr

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.

	90th Percentile Practice	10th Percentile Practice	Variance
Panel Size per Provider	4,716	1,159	3,557
Visits per User	1.5	1.75	(0.25)
Revenue per Provider	\$884,250	\$253,531	\$630,718

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.

New Providers – 2 FTE

CHC Practice Ratio FTE

90th Percentile Practice Ratio FTE

Business Support Ratio

2.00 : 1 4.0 FTE

1.08 : 1 2.16 FTE

Clinical Support Ratio

1.96 : 1 3.9 FTE

2.21 : 1 4.4 FTE

Front Desk Ratio

0.99 : 1 1.9 FTE

1.59 : 1 3.2 FTE

Ancillary Support Ratio

1.58 : 1 1.2 FTE

0.45 : 1 0.9 FTE

TOTAL

13.1 new FTE

10.7 new FTE

Benchmark Staffing Ratios

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.

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WRAP-UP & QUESTIONS

Questions???



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