

Six Steps to Building a Performance Management System: A CARF Workbook

© 2017 by the Commission on Accreditation of Rehabilitation Facilities

All rights reserved • Published 2017 • Printed in the United States of America

Any copying, republication, or redistribution of the content by any means is expressly prohibited. Unauthorized use of any content may violate copyright laws, trademark laws, the laws of privacy and publicity, and communications regulations and statutes. Data is provided for information purposes only and is not intended for trading purposes.

CARF International
6951 East Southpoint Road
Tucson, Arizona 85756 USA
Toll free (888) 281-6531
Fax (520) 318-1129

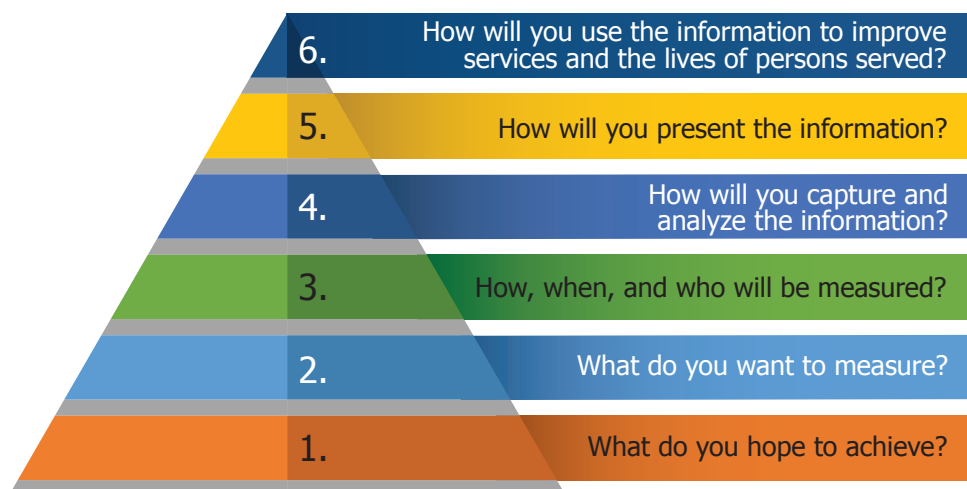
CARF International is a group of private, nonprofit companies (including CARE, CARF Canada, and CARF Europe) that accredit health and human services. For more information, please visit www.carf.org.

Contents

- Introduction..... 1**
- Step 1: What do you hope to achieve? 3**
- Step 2: What do you want to measure?..... 7**
- Step 3: How, when, and who will be measured? 9**
- Step 4: How will you capture and analyze the information? 11**
- Step 5: How will you present the information? 13**
- Step 6: How will you use the information to improve services
and the lives of the persons served? 17**
 - Putting It All Together..... 17
 - Written Description..... 17
 - Utilization of Results 19



Six Steps to Building a Performance Management System: A CARF Workbook



Introduction

Healthcare reimbursement is in the process of shifting from insurers paying claims for service under *fee for service* to *value-based* reimbursement, where reimbursement rates will be based on your organization achieving results and providing the person served the greatest value (greatest quality at the lowest cost). Accredited organizations will be evaluated on recent past performance in delivering the best outcomes at the lowest price. This emphasis on value means that accredited providers need to meet established performance and outcomes targets while reducing the cost of expensive care such as hospitalization.

This workbook addresses the quality side of the equation. It will walk you through a six-step process of designing your performance management system by writing your responses in the space provided beneath each question. If you wish to review a more detailed description of these steps for building and utilizing a performance management system, you may be interested in the CARF publication, *Performance Management Systems: A CARF Guide to Development and Use* (2017).

CARF standards describe the elements of a performance measurement and management system. The standards are not prescriptive regarding what performance indicators to use and how you measure them, but you will need to demonstrate how the data collection system reliably collects data at different times or by different data collectors, how the indicators measure what they are intended to measure, and that the data collected are complete and accurate.

This workbook is intended as an assistive tool, only, to be used in conjunction with careful review of the related CARF standards, in particular Sections 1.M. and 1.N. of the CARF standards manuals. Use of the workbook will not guarantee conformance to the CARF standards or achievement of CARF accreditation.

If you are interested in further resources, CARF offers the Transforming Outcomes Institute, a hands-on skills training intended for individuals involved in the design, analysis, or interpretation of outcomes data within health and human services. The three-day institute takes you through the process of planning and conducting outcomes management, including system design and data collection, data analysis and interpretation, management reporting, and identification of areas for quality improvement.

Step 1. What do you hope to achieve?

This is the starting point, and your answers to the questions below will serve as the foundation of your performance management system. These questions relate to why you exist; your stated mission; and the desired outcomes as expressed by the persons served, leadership, providers, and the payers of service. In answering this question, it is important to assess the needs and expectations of your various stakeholders. During this step, it is important to review your mission statement, vision, values, goals, program descriptions, and strategic plans.

Organizations often have performance management reflected in their strategic plan. Some strategic plans are focused on new initiatives, while others blend new initiatives with business and service delivery objectives. For example, a future-focused strategic plan objective might read, “To develop a new child guidance clinic in Oakmont, Michigan, by June 2018 at a cost not to exceed \$1.2 million.” An objective for business function might read, “To maintain at least a 90-percent occupancy rate at all group homes.” An effectiveness objective for service delivery might read, “To improve client functioning.”

1. What is your mission or a statement of why you exist as an organization?

Examples:

- *Our mission is to improve the quality of life for the individuals we serve.*
- *We hope to reduce or eliminate the use of drugs and alcohol and provide clients the life skills to live drug free.*

2. What words or phrases in the answer above could help define objectives for the program?

Examples

- *Quality of life*
- *Reduce alcohol and drug use*
- *Learn life skills*

3. What do you hope to achieve with the persons served?

Examples

- *We expect that the persons served can abstain or reduce their use of alcohol and other drugs.*
- *We expect the persons served to attend self-help groups.*
- *We hope the persons served learn life skills necessary to stay drug free.*
- *We want the persons served to achieve their service goals.*

4. What do you expect to achieve as a business?

Examples

- *We want to ensure that staff produces 20 billable units per week.*
- *We want to make sure that new admissions are seen within 24 hours of the request for service.*
- *We want to maintain a 90-percent capacity.*

5. Who are your referral sources and audiences, and what do they expect you to accomplish?

Examples

- *Two local hospitals want a reduction in unnecessary emergency room visits and rehospitalizations.*
- *Probation and parole wants a reduction in rearrests.*
- *DUI/drug court wants a reduction in traffic violations, etc.*

6. What data are already being collected that could measure change across time?

Examples

- *Drug testing results*
- *Education class quizzes*
- *12-step attendance forms*

7. Who are the various payers of service? What performance indicators or structured instruments are they suggesting or requiring?

Examples

- *State Medicaid.*
- *Managed care organizations. No required data other than billing data at this time.*

Step 2: What do you want to measure?

For many organizations, this is the most difficult question. CARF accreditation standards ask that the organization identify business function performance indicators as well as service delivery performance indicators in the areas of effectiveness, efficiency, satisfaction, and access.

Deciding what to measure will require a review of valid and reliable measures and scales. This question requires you to set a target such as “60-percent reduction.” This should be a reasonable, achievable (but with some reach) percentage change. This is where you select measures (data elements, scales, tools, surveys, instruments) appropriate to the objectives identified.

8. Based on what you have written regarding what you expect to achieve with the persons served, list several measurable service delivery objectives.

Examples

- *Effectiveness Objective #1: To demonstrate a 60-percent reduction in alcohol and drug use among program participants as measured by scores on the Addiction Severity Index (ASI).*
- *Effectiveness Objective #2: To maintain a 60-percent reduction in alcohol and drug use among program participants as measured by drug testing results.*

9. Based on what you hope to achieve as a program or organization, list several measurable business objectives.

Examples

- *90 percent of staff will provide 20 billable units per week.*
- *100 percent of clients will be seen within 24 hours of a request for service.*

Step 3: How, when, and who will be measured?

So far, you have identified what you expect to achieve as a performance indicator with a target or desired result. Now it's time to decide who will collect data, from what individuals (e.g., persons served), and at what points in time. The written description of the performance measurement and management system can be summarized as illustrated in the table in Figure 1, below, which is a typical Walker Grid identifying the information needed. Actual results are entered in this table (see Result column). This table is often seen in leadership reports and annual performance analysis reports. Multiple effectiveness measures are included here to provide examples for behavioral health, child and youth services, and opioid treatment programs.

Figure 1. Walker Grid Sample

Domain	Objective	Indicator	Target	To Whom Applied/ Obtained By	Time of Measure	Data Source	Result
Business Function	Maintain a monthly financial surplus	Monthly surplus	10% of revenue	All programs/collected by CFO	Monthly	Monthly financial report	\$32,549
Effectiveness Behavioral Health	Reduction in drug use	Drinking/drug days/30 days	70%	All AOD clients/collected by case manager	Quarterly	Self-report survey	66%
Effectiveness Child and Youth	Improve functioning	Scores on the Outcomes Rating Scale	40%	All child outpatient clients/collected by case manager	Quarterly	Self-report survey	32%
Effectiveness OTP	Abstinence from illicit drugs	Drug screen results	70%	All OTP clients/collected by case manager	Quarterly	Self-report survey	73%
Efficiency	Direct service per week	Hours of direct staff service hrs per week	30 direct service hours weekly	All AOD clients/collected by supervisors	Monthly	EHR Billing Ticket Summary Sheet	26.7 hrs.
Access	Reduce time from request to intake	# hours from request to intake	Within 24 hrs	All AOD clients/collected by case manager	Daily	EHR date stamp	18 hrs.
Satisfaction	Inc client satisfaction with case manager	% clients satisfied with case manager	80%	All AOD clients/collected by case manager	Quarterly	Self-report survey	87%

This step also requires you to identify who on your team will collect information, from what individuals, and at what points in time. For purposes of data collection, programs may choose to categorize the persons they serve by severity of condition and readiness for treatment and may categorize treatment by type of service provided, interventions used, or expected length of stay.

It is important to remember to keep your system as simple and easy to understand as possible. The question is, “To what degree did we, or the person served, accomplish what we set out to accomplish?” If the organization sets up too many categories, such as sorting by length of stay or other variables, the management of the system can become labor intensive, requiring skills in statistics and data analysis. So the more the organization “slices and dices” the data, the more complex the task becomes.

10. Complete the following table.

Domain	Objective	Indicator	Target	To Whom Applied/Obtained By	Time of Measure	Data Source	Results
Business Functions							
Effectiveness							
Efficiency							
Access							
Satisfaction							

Step 4: How will you capture and analyze the information?

Organizations collect and analyze information using spreadsheets, tables, charts, and graphs. Compare the results to your targets, and find out where you have surpassed or met your targets and where you were short or below targets. Integrate the analysis into performance improvement recommendations, and prepare quarterly or annual management summaries.

Database. In this step, staff will develop several working tables where data will be entered and analyzed. For measuring effectiveness for service delivery, a spreadsheet may look something like Figure 2, below. Each row represents a different client. The first three columns contain the client-unique identifier number, the date of entry, and the point in time data were collected (intake, during treatment, discharge, post treatment). Each of the following columns corresponds to a question on the form. In this example, the person served enters on the form a number between 0 and 30, indicating the number of days in the last month. For example, on a client survey, the first question is “How many days in the last 30 days did you exercise?” The client enters “15,” and that is entered in the table.

11. Develop a table like the example below.

Figure 2. Sample Spreadsheet

Client ID	Date of Entry	Point in Time	Q1: Exercise	Q2: Working Days	Q3: AOD Days
40267	9/21/16	Intake	15	30	15
40267	12/5/16	During	10	30	8
23221	11/14/16	Post Tx	6	0	
34512	11/24/16	During	12	0	0

Dashboard. The next spreadsheet, Figure 3, is an example of a dashboard, where the performance indicators are rows, and performance target and quarters are columns. Percentage changes from quarter to quarter can be calculated in this spreadsheet.

12. Develop a table like the example below.

Figure 3. Sample Dashboard

Measure	Performance Target	1st Quarter	2nd Quarter	3rd Quarter
Staff FTE	167	163		
Staff terminations	No greater than 25%	28%		
No show/cancel	No greater than 15%	9%		
Reduction in AOD use	70%	56%		

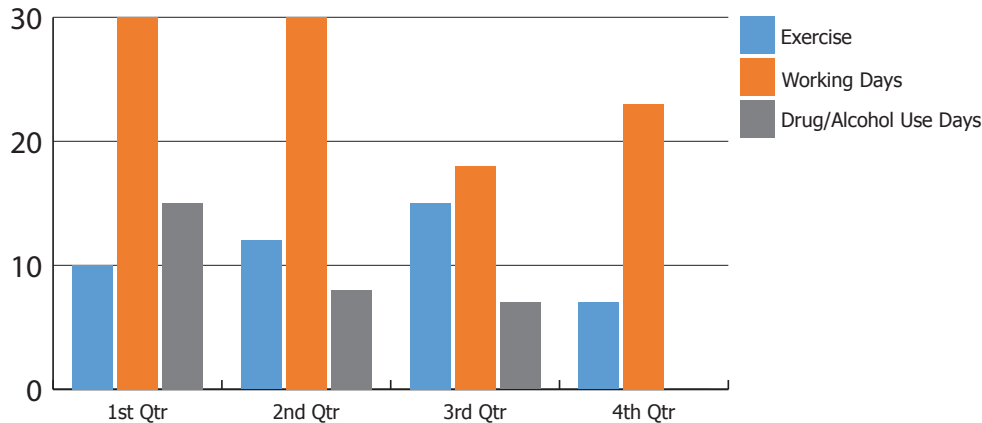
Organizations usually use the beginning of a calendar year as a starting point or baseline for measuring percentage change from month to month throughout the year. For example, an efficiency objective might read, “To maintain no higher than a 15-percent no-show/cancellation rate.” The performance indicator is an efficiency measure of “no-show/cancellation rate.” The performance target is “no greater than 15 percent.” The baseline will be the rate for January. Each month, staff divides all no-shows and cancellations by all appointments scheduled to determine the percentage (32 cancellations divided by 356 appointments scheduled equals a 9-percent no-show/cancellation rate). A second baseline that could be used in this case is the no-show/cancellation rate for the previous year.

13. Describe the various spreadsheets and tables used to enter and analyze the information.

Step 5: How will you present the information?

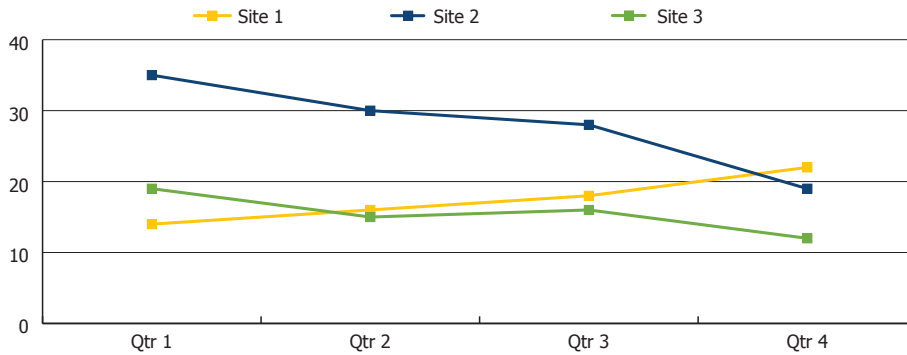
Once the table is complete with totals for the reporting period, actual numbers are averaged and transferred to a chart or graph for presentation.

Figure 4. Sample Bar Graph



The graph in Figure 4, above, identifies program effectiveness measures showing increased daily exercise, increased working days, and reduced alcohol and drug use. Regardless of whether the organization has an electronic health record, tables and spreadsheets are very easy to set up and maintain using Microsoft Excel[®] or integrated cloud-based systems such as Google Docs and Microsoft[®] Office 365[™].

These database systems meet confidentiality requirements and provide all the tools one needs to enter data through forms. They automatically load the data into spreadsheets; move the data to a spreadsheet that identifies the indicators by month or quarter; and calculate, sum, average, and prepare the data for presentation. By integrating forms and spreadsheets, any data can be entered on a mobile device, such as a phone or a tablet. Once the person served, for example, enters the data and hits submit, the data appear on a spreadsheet. More information is available online for setting up Google Docs or Microsoft Office 365. Typically, organizations review, at the leadership or governance level, performance data presented in the form of tables, line graphs, or bar graphs such as the one in Figure 4. Another example of a graph representing data for an entire year is in Figure 5, on the next page.

Figure 5. Sample Line Graph

Leadership can discuss possible reasons for trends and fluctuations in data, such as population changes, population characteristics, staff changes, or other reasons. Staff may present recommendations for adjustments or changes to staffing, calls the day before the appointment, or the identification of and intervention with persons served who are frequent no-shows or cancellations, etc.

On the following page is an example of a simple survey that the person served can complete at admission, quarterly, at discharge, and 90 days after treatment through a telephone or online interview.

[Sample Organization] Adult Rating Scale

Individual's Name _____ **Indv #** _____

Date: _____ **Provider Name:** _____

Administered at admission, quarterly, and at three months after discharge.

A. Quality of Life (OQ-21, Short Form)

Never	Rarely	Sometimes	Frequently	Almost Always	INSTRUCTIONS: Looking back over the last week, including today, help us understand how you have been feeling. Read each item carefully and circle the number which best describes your current situation. Circle only one number for each question and do not skip any. If you want to change an answer, please "x" it out and circle the correct one.
0	1	2	3	4	1. I tire quickly.
0	1	2	3	4	2. I feel stressed at work/school.
0	1	2	3	4	3. I blame myself for things.
0	1	2	3	4	4. I have thought of ending my life
0	1	2	3	4	5. I feel fearful.
0	1	2	3	4	6. After heavy drinking, I need to drink the next morning to get going.
0	1	2	3	4	7. I find my work/school satisfying.
0	1	2	3	4	8. I am a happy person.
0	1	2	3	4	9. I feel worthless.
0	1	2	3	4	10. I feel loved and wanted.
0	1	2	3	4	11. I enjoy my spare time.
0	1	2	3	4	12. I have difficulty concentrating.
0	1	2	3	4	13. I feel hopeless about the future.
0	1	2	3	4	14. I like myself.
0	1	2	3	4	15. I feel annoyed by people who criticize my drinking (or drug use).
0	1	2	3	4	16. I am not working/studying as well as I used to.
0	1	2	3	4	17. I am satisfied with life.
0	1	2	3	4	18. I have trouble at work/school because of my drinking or drug use.
0	1	2	3	4	19. I feel that I am not doing well at work/school.
0	1	2	3	4	20. I feel something is wrong with my mind.
0	1	2	3	4	21. I am satisfied with my relationships with others.
_____					Score

14. Describe the various methods, charts, and graphs to be used to present the information.

Step 6: How will you use the information to improve services and the lives of the persons served?

This is probably the most important step—using the information to improve services; to improve the measurement system; and, ultimately, to improve the lives of the persons served. In this step, you will describe how you will use the information to make changes, make corrections or adjustments, identify trends and high-performing locations and providers, and recognize achievements. This step begins with distributing the results or the annual analysis to the persons served, staff, and other identified stakeholders.

CARF's Performance Management Systems publication mentioned in the introduction includes examples of annual performance analysis presented in the form of an annual report. Although an annual report is not the only method of presenting the performance and outcomes results for the year, it is an excellent way to ensure that the persons served, staff, and other stakeholders have seen the data. Other methods could include leadership presentations, staff meeting retreats and briefings, newsletters to the persons served, the organization's website, social media, bulletin boards, etc. Just remember to ensure the privacy and confidentiality of the information of persons served, especially when you serve a small number of consumers.

15. Describe the various ways and venues in which performance and outcomes information will be utilized.

Pulling It All Together

The elements of designing, implementing, and using a performance management system are contained primarily in Sections 1.M. and 1.N. of the CARF standards manuals. A clear written description of the system and a comprehensive quarterly or annual report will meet many elements in these sections when the system is implemented, analyzed, and reported to the persons served, personnel, and other stakeholders.

Written Description

Organizations can demonstrate conformance to the standards described in Section 1.M. through a thoughtful written description of their performance measurement and management system and evidence that the system has been implemented throughout the year. This written description can be in narrative or table format.

Below is a sample outline of a written description that addresses all standards in Section 1.M. Remember, you need to describe your system in writing; describe its execution in interviews; and demonstrate through documentation that data are being collected, analyzed, reported, and used throughout the year. Be prepared to have some examples of how the information collected has been used throughout the year to improve the lives of the persons served. During accreditation surveys, organizations sometimes fail to have clear examples and stories ready to describe how their system provided information that improved the lives of the persons served.

Here is a sample outline for a written description of a performance measurement and management system:

- 1. Mission statement**
- 2. Characteristics and demographics of the persons served**
- 3. Description of the data collected, analyzed, and utilized by the organization**
- 4. Programs**
 - **Business function objectives, performance indicator, and performance target**
[These measures are related to the organization, such as finance or human resources, as opposed to the individual programs.]
 - **Service delivery objectives, performance indicators, and performance targets in the domains of:**
 - **Effectiveness objective(s)**
 - **Efficiency objective(s)**
 - **Access objective(s)**
 - **Satisfaction objective(s) for persons served and other stakeholders**
- 5. Integrity of the data (validity, reliability, accuracy, and completeness)**
- 6. Methods**
- 7. Analysis**
- 8. Performance measurement and management table**

Utilization of Results

Data and analysis are only as good as the organization's willingness and ability to trust and use the information to improve the lives of the persons served. There are many examples surveyors observe during accreditation surveys that demonstrate creative methods of keeping the persons served, personnel, and other stakeholders informed of progress. A well-designed, current website can present this information and make it available to the world.

A performance analysis should be completed and documented at least annually. Most organizations with efficient operations document the analysis of various aspects of performance more often than annually. Monthly or quarterly is more typical. It is suggested that an organization include an overall evaluation of the effectiveness of its performance management system as part of its performance improvement analysis. The action plan may be presented as a component of the organization's overall performance analysis, rather than as a separate document. The packaging of performance information is up to the program. Documentation of results, interpretation of the results, and evidence of the effective use of the results through the implementation of an action plan are the key aspects of a performance improvement system.

Here is a sample outline for an annual written analysis.

- 1. Overview of year by board chairman or leadership**
- 2. Success in moving toward realizing our mission and values, environmental factors, extenuating factors**
- 3. Strategic plan: progress and work still to be done (graphs and charts)**
- 4. Quotations and photos**
- 5. Business function performance objectives degree of accomplishment (graphs and charts)**
- 6. Service delivery performance objectives degree of accomplishment (graphs and charts)**
 - Effectiveness
 - Efficiency
 - Access
 - Satisfaction (person served and other stakeholders)
- 7. Lessons learned: areas for improvement, action plan, and changes made to improve the quality of performance**



carf INTERNATIONAL