Beyond Vital Signs: Managing by Metrics for Optimal Health of Your Practice

Urgent message: Establishing a system of metrics and 'dashboards' allows the urgent care operator to quantify key success factors and company values that may otherwise be impossible to measure.

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Metric—Function: noun \'me-trik\ Def: A standard of measurement — *Merriam Webster Online Dictionary*.

"What gets measured gets managed." This pearl applies not only to the behemoths like General Electric, but also to a single-site urgent care center.

A 2008 survey by the Urgent Care Association of America revealed that the average net revenue for an urgent care clinic was in excess of $1.4 million. In my capacity as president and chief operating officer of NextCare, I often remind our clinic managers that while they perceive themselves as being in the business of healthcare, they are also running a million dollar *business*.

To facilitate their ability do that, it is my responsibility to give them the tools that they need to succeed. It is also the charge of the organization's leadership to assure that the company's goals are aligned, and that all clinic and department managers are collectively focused on the short- and long-term strategies and objectives of the organization.

Establishing the right "dashboard" and relentlessly benchmarking and communicating results is an essential strategy. The information age facilitates and almost obligates us to do so as responsible managers.

An entire *business intelligence* industry has emerged, with software programs prepared to crawl through data points and create a multitude of pie charts, bar graphs, Pareto diagrams, trends, and variances. But you need not be a technologically advanced or a multi-site urgent care company to create your own dashboard on a spreadsheet and utilize the data to produce meaningful improvement in processes and outcomes. The data may simply require a greater investment of time and resources to gather and populate than if you had a business intelligence solution, but it is no less available and just as valuable.

Overview

The process utilized internally by our company begins with an annual strategic planning session as the precursor to the budget process. We reevaluate our direction and, typically, tweak the plan that has been established based on internal and external forces.

Following that meeting, sales and marketing plans are established and the clinic-level budget process begins. A dashboard is subsequently developed for the coming year, highlighting our fundamental strategies and objectives, extending well beyond the financial metrics. Each individual business unit may also have some unique categories the manager may want to measure and monitor, but they cannot ever be allowed to trump the overall company goal.

In the song, "Sittin' on the Dock of the Bay", Otis Redding laments, "I can't do what 10 people tell me to do, so I guess I'll remain the same." In our turbulent and evolving medical climate, we simply cannot afford to *remain the same*, and our dashboard serves as the constant that tells every executive, every manager, and every provider and employee what is important to us.

Conversely, we limit those metrics circulated among our associates so we don't end up like Otis Redding—stuck in the status quo by virtue of being overburdened. This signifies one overarching business strategy and one consistent message. Innovation is encouraged, but not if it conflicts with our organizational direction.

Fundamental Metrics and Beyond

Organizational "vital signs" are the obvious things that we must consider every day to keep our doors open and pay our employees and our bills. These fundamental metrics are those that allow your clinic to remain viable.

Understanding your patient volume break-even numbers, good billing practices, and cash controls are the "vitals." We look at dashboarding as going well *beyond* managing the vital signs, while clarifying to all employees what is important to the organization.

Recently, I listened to a presentation on establishing your organization's "wildly important goals," or "WIGs." The WIGs are subsequently achieved through the identification and communication of lead and lag indicators. In the lecture, the presenter emphasized the importance of creating a "player's scorecard" for the employees vs. generating what is typically a more complex and potentially confusing "coach's scorecard."

Table 1.

Balanced Scorecard	Company Value
Financial	Results
Customer	Caring
Internal Business Processes	Integrity
Learning & Growth	Excellence

The player's scorecard is one that can be easily understood within five seconds by any employee in the company. Our 2010 Clinic Scorecard was culled down from the one we utilized in 2009 to achieve that objective. We limited the number of metrics by which they would be measured against one another and our internal goals, but also simplified the metrics themselves. "Players" want to know the score and if they are winning. While a senior executive or board member may want to know the return on invested capital (ROIC), this is not a relevant metric to a front office clinic employee.

Our historical dashboard had what senior management deemed a very meaningful metric. It was computed using the number of full-time equivalent employees (FTEs) by the number of total patient visits by the average acuity level of the patient, based on E&M coding. This allowed us to give credit to those clinics that had to utilize more staff due to greater overall patient complexity.

This metric was a failure because it was entirely too complex and was, therefore, disregarded by all. Lesson learned.

An excellent reference for establishing your metric management tool is the well-known book by Robert Kaplan and David Norton, *The Balanced Scorecard*. Kaplan and Norton strongly recommend that a business's metrics fall into four basic categories:

- Financial
- The Customer
- Internal Business Processes
- Learning & Growth.

In our quest to not only convey the importance of our internal metrics with our strategy, we also wanted to stress the importance of how those metrics aligned with our company's stated values—Caring, Excellence, Integrity, and Results.

Taking Kaplan and Norton's recommendations, we modified, compartmentalized, and ultimately communicated our 2010 clinic dashboard into the following the "headlines" listed in **Table 1,** each bearing its own set of key metrics.

Each organization and each business unit must determine what is important to it by category. For example, a "customer" metric in a billing office might be "all calls

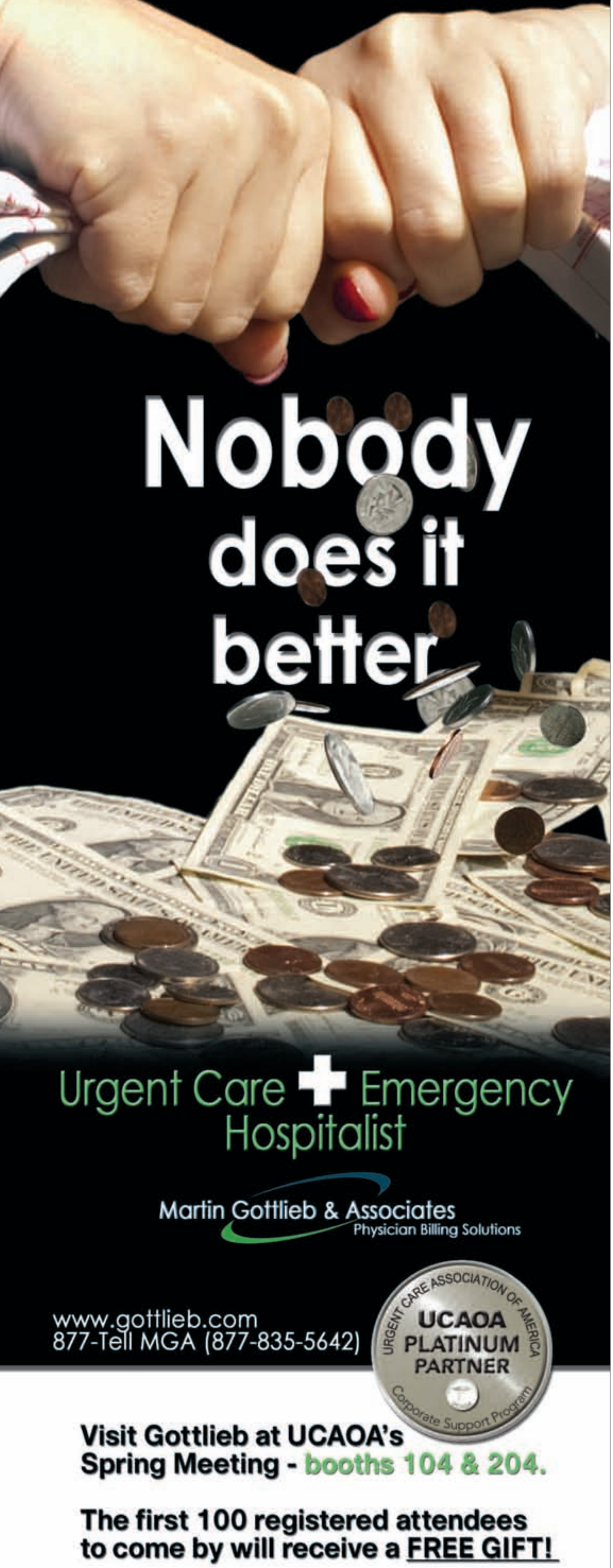

Figure 1. The knowledge pyramid.

returned within 24 hours;" a clinic customer metric is more likely to relate to patient satisfaction scores and likelihood to return or refer others.

We consider employees to be our "internal customers," so Employee Retention is a metric that we measure across all business units. With a stated goal to be the "employer of choice for the employees of choice," we stress hiring the right people and then coaching, communicating, and rewarding them so they stay. Our people are our greatest asset, and the metric demonstrates that to managers as well as the individual associate. The chosen metrics allow us to look at norms and outliers and intervene when the evidence suggests there may be a problem, and to evaluate those clinics that seem to be excelling.

Since negative and positive variances are often explained and not necessarily a harbinger of doom nor an assurance of success, we have recently elected to label these tables as "dashboards" versus "scorecards."

A negative measurement on a gauge on your automobile's dashboard may simply be the product of a faulty gauge, but it is a red flag that bears looking into until the variance is understood. The numbers are never a replacement for the Tom Peters 1980s acronym, MBWA (Management by Walking Around), but they sure make the walk more targeted and time well spent.

Dashboards

Our dashboards are simple, aligned, and focused. This is not to say that we may not implement another

Table 2. The Dos & Don'ts of Developing a Strategic Metric Plan

DO	DON'T
■ Tie the metrics to the strategic planning process. ■ Make sure everyone in the organization, from senior management to individual employees, understands what is being measured and why. ■ Limit the number of measures to optimize understanding and usefulness. Focus on the truly crucial strategic variables. ■ Use graphic format to display results to ease recognition and interrelationships, trends, and outliers. ■ Link metrics to reward systems, where and when appropriate ■ Accept uncertainty of the future, and anticipate some failures. ■ Secure the commitment of senior management in the development and selection of measure and targets.	■ Limit metric development responsibilities to senior executives. Everyone in the organization should understand the process and contribute to it. ■ Treat metric development as a one-time event. ■ Wait for perfection of every detail. ■ Introduce metrics only for compensation. ■ Underestimate the cause and effect relationship between your metric and the desired outcome.

Adapted from: Staying on course with strategic metrics: Are you using strategic metrics? If not, you might be straying off course and not know it by Suzanne Krentz, Aaron DeBoer, and Sasha Preble, *Healthcare Financial Management.*

measurement throughout the year as we identify or update a wildly important goal, but the fundamental dashboard remains consistent and drives the clinic employee bonus plan.

Achieving budgeted earnings is not enough to attain a clinic bonus. Instead, the clinic must excel beyond the financial targets by also achieving those related to the customer, internal business processes, and learning and growth. The dashboards provide relevant information that allows each clinic to measure itself against not only the ultimate goal, but against each other.

A clinic manager can pick up the phone and call a colleague to determine why that particular clinic is excelling in a certain area. It fosters strategic and tactical discussions on continuous improvement, identifies our champions, and galvanizes the organization.

We also weight metrics differently by importance, which influences the aggregate sum.

Overall patient satisfaction may be weighted more in your practice than door-to-vitals time or relative value units/hour. It is up to you to consider what you most want to influence.

As you begin to analyze the data, you may find that door-to-vitals time is a leading indicator, statistically correlating with the overall patient satisfaction score.

Urgent care's on-demand approach to patient care is practiced by emergency departments and many outpatient laboratories, but it is certainly not the norm—hence, commanding a unique set of measurements such as wait time and door-to-vitals.

Our representations of these dashboards show the scores, aggregate scores, and weighting. Color-coding provides an additional visual illustration of whether or not the team has exceeded the benchmark while also ranking each and every site in order of success.

Every manager has monthly review meetings with his or her supervisor. They are challenged to interpret the data and progress through the knowledge pyramid (**Figure 1**), wherein *data* becomes *information*, *information* becomes *knowledge*, and *knowledge* becomes *wisdom*. The expectation is that the *wisdom* gained then translates into *action*.

John Nash was the real-life troubled but brilliant mathematician portrayed by Russell Crowe, depicted in Ron Howard's movie, *A Beautiful Mind*. He saw numbers and equations in everything, ultimately being awarded the Nobel Prize for his gift and theories.

The leap from paper to information technology has accelerated our entry into the world of John Nash. Collecting the data is the first step. Identifying actions for improvement and executing them is essential. Information really is power—the power to improve clinical and operational performance and create a better place to work and to receive care.

And that is, indeed, a beautiful thing. ■