



Liberty Healthcare Corporation

Liberty QualityCare®

Standard Operating Policies – Key Performance Indicator

Title:	Key Performance Indicators (KPIs)	Effective Date:	07/01/2011
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POLICY

Key Performance Indicators (KPIs) are quantifiable measurements related to service delivery that are used by the management team to ensure that the company's operations are achieving its strategic, contractual, and customer service objectives. A common and consistent framework is utilized across all operations of Liberty Healthcare Corporation (Liberty), to foster excellence in business operations and service delivery and to assist in driving data-based decision making.

It is Liberty's policy that KPI's are developed and tracked at the program level, corporate office level and across like programs.

PROCEDURE

Program-Or Department-Level KPIs – Service Delivery

At the program level, locations with full time, on-site Directors have a robust performance management program focused on desired outcomes for the following aspects of care: effectiveness, efficiency, reduction in risk, access to care, and customer/stakeholder satisfaction. The KPI tools and process may contain confidential and proprietary information.

Prior to the beginning of each contract year, Key Performance Indicators (KPIs) are developed for each contract with a full time Program Director. Indicators are established in five broad areas, defined as follows:

1. **Efficiency:** To accomplish something with the least waste of time and effort; the ratio of the work done to the energy supplied to it, usually expressed as a percentage.

Examples: Cost per client/episode of care, number of referrals, admissions, program census vs. contracted level, number of discharges, number of filled positions vs. contracted level, number of surveys or other deliverables completed, length of time between admission and readiness for discharge, length of time between stabilization and community placement, number of treatment hours provided, number of recidivism, etc.

2. **Effectiveness:** The degree to which objectives are achieved and the extent to which targeted problems are solved. In contrast to efficiency, effectiveness is determined without reference to costs and, whereas efficiency means "doing the thing right," effectiveness means "doing the right thing." Producing a result that is wanted: having an intended effect; the degree to which something is successful in producing a desired result; success.

Examples: Staff tenure, turnover rate, number of clients achieving program goals (i.e., employment, education), clients who return to the program within one year of completion, clients who progress between treatment phases.

3. **Customer/Consumer Satisfaction/Experience**: The degree to which Liberty’s services to a customer or consumer meets or surpasses expectations.

Examples: response to customer/stakeholder satisfaction/experience survey on 5-point Likert scale, number of requests for staff removal, acceptance/rejection of resumes, number of complaints and number of appeals.

4. **Reduction in Risk**: The degree to which the program and/or its processes results in reducing negative outcomes. Reduction in risk may entail actions and processes that prevent, avoid, or decrease exposure to negative clinical, medical, behavioral, environmental, and legal events.

Examples: Candidates who fail to meet competency standards, number of sentinel events reported, number of negative urine screens, maintenance of licensure/certification, number of workers compensation claims, number of charting deficiencies.

ALL programs will track the following company-wide reduction in risk indicators:

1. Number of worker’s comp claims filed that month.
2. Number of significant incidents/events reported that month.
3. Percent of mandatory e-learning completion for staff whose training requirements were due that month.

5. **Access to Care and Services**: The extent to which a population ‘gains access’ to care and services. Access can be measured in terms of the availability, utilization, or outcomes of services.

Examples: number of referrals, number of days between referral and admission, treatment participation. KPIs are selected based on the operating unit’s mission statement, contractual requirements, budget, performance data, and licensure/accreditation requirements. In addition, the tool may list program management indicators, potential problem areas that need further review/investigation, potential performance concerns specific to that contract, or “value based” deliverables.

The following procedure provides guidance on the development and implementation of KPIs at the program level:

1. Following the start-up period and once the new start-up program is considered fully operational, the Contract Manager or Director of Operations (DO) and the Program Director collaborate to develop Key Performance Indicators (KPIs) for the first year of operation. They are documented on the KPI form to track data collected regarding quality performance goals in each of the five aspects of performance and care.
 - a. KPIs should be developed based on the program’s mission statement, contractual requirements, budget, performance data, or licensure/accreditation requirements.
 - b. KPIs should list program management indicators, potential problem areas that need further review/investigation, potential performance concerns specific to that contract, or value-added deliverables.
 - c. If a monthly result is well below an established benchmark in a month OR below benchmark for one (1) quarter, the results are to be in RED on the KPI and a corrective action plan for these RED results will be succinctly recorded on the bottom of the KPI to include but not limited to dates of action completion.
2. For subsequent years, and as necessary, the Contract Manager and Program Director modify the indicator statements to reflect performance priorities in the management of the contract processes and outcomes.
3. The date range of the KPIs starts with the month the contract begins or is renewed so that the report coincides with the term of the contract year, such as July of each year for many contracts.
4. Each indicator is described in objective terms that are understandable to managers, staff and those not directly involved in the contract.
5. A benchmark level of performance is defined which describes the expected performance level for each indicator.
6. The Program Director, or designee, analyzes the program data for each indicator and fills in the appropriate column/row with the final numerical result for the preceding month. Data that indicates unacceptable performance (i.e., falls below or above the indicated benchmark), **is highlighted in red**. Upon completion, the Program Director will submit the monthly report to the Contract Manager for review by the 15th of each month and then send to the Operations Coordinator for inclusion in the Liberty’s shared operations files.

7. The KPI tools and process may contain confidential and proprietary and may also contain protected health information. The information on these tools and any subsequent meeting should only be reviewed by Liberty staff. The Program Director shared results with all program managers and staff regarding performance levels included in the report to determine future action steps. It may be appropriate to utilize a Root Cause Analysis as one component of the performance improvement process.

There are no reporting requirements beyond completing and filing the monthly KPI tool. However, Directors and local management teams are encouraged to prepare periodic (quarterly, annual) summaries of the KPI indicators, data, and improvement plans as part of the ongoing performance management function.

Corporate Office

At the corporate office level, KPIs are developed to measure and improve overall efficiency, effectiveness, customer satisfaction, reduction of risk and access to corporate office services.

Driving data-based decision making towards best practices

Cross program KPIs are developed to evaluate performance processes within multiple functions and track progress toward achieving KPI’s in the areas of efficiency, effectiveness, customer satisfaction, access to services, and reduction of risk for organizational processes and similar populations as part of a best practice initiative. These KPI’s will be reviewed regularly to continually improve the quality of services and business processes provided by all aspects of Liberty services and functions.

All KPI reports and periodic performance meeting summaries should also include the following in the footnote section:

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Approved By: _____

Revision History

Version	Date	Author	Summary of Changes
#1	07/01/2011	Judith Ann Shields	Policy created
#2	04/16/2021	Robin Burkert	Annual review, various changes made
#3	12/10/2021	Robin Burkert	Annual review, no changes made