

BUSINESS REPORT

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Management

What Are You MISSing?

Management information systems can enhance your business management and decision-making processes.

BY KATHLEEN HARRIS, MHSA

Many software tools can help long-term care organizations increase productivity and reduce operating costs. Work order management and preventive maintenance systems can increase productivity in the facilities department, while electronic documentation helps nurses manage care and track service utilization. Centralized menu planning and point-of-sale dining systems increase cost savings and quality in the dining department, and new technologies support seniors in their homes.

But there hasn't been much focus on

software tools to increase the productivity of senior management—the highest cost employees in an organization. There is a real need for improved management information systems (MIS) to enhance directors' and senior-level managers' business management and decision-making abilities.

MANAGEMENT INFORMATION SYSTEMS

Long-term care organizations tend to have data in a variety of systems. Resident census and billing data may be tracked in one system and financial data in another. Data on labor costs and utilization, the largest expense for long-term care providers, is usually in a separate payroll system.

Managers have historically created their own personal spreadsheets to collect and analyze data and produce the information that they need. This is a time-consuming process that can result in conflicting and inconsistent reporting from various departments.

CONTINUED ON PAGE 14



Why is software integration important?

It simply doesn't pay to repeat tasks. If your organization has different systems, your staff is entering data multiple times. An integrated system will allow you to work smarter by sharing the information across your facility within one source.

—Aric Agmon, CEO, AOD Software, Fort Lauderdale, Fla.

CONTINUED FROM PAGE 11

Managers spend an inordinate amount of time compiling and auditing numbers, leaving less time for analysis and strategic actions. An MIS consolidates data from all of these systems and provides meaningful information to management.

Dashboards, scorecards and business intelligence systems are newer buzzwords for an MIS. Some software vendors include these tools in their software packages, but they have not been widely used among long-term care providers. **A significant obstacle is the lack of centralized, accurate data to use in creating informative reports.**

DEFINING YOUR NEEDS

Long-term care providers must define their information and reporting needs as a first step in creating a meaningful MIS. This is often the easiest step because senior managers generally have a good sense of their ideal reporting state. They know what information they would like to have on a daily, weekly or monthly basis.

The MIS process should include report-

ing on key performance indicators for each department (See table for examples). Once metrics have been identified, the organization should develop targets for comparison. Operating budgets can be used to generate a set of target benchmarks, but budgets are often developed without specific performance targets other than the bottom line.

Organizations should go back and calculate their own trend results for the past three to five years. They may observe that some indicators were better in the past and investigate whether it is reasonable to achieve those results again for the future.

Management can also refer to industry experts and databases to identify measurement indicators and targets. Most importantly, organizations should evaluate their strategic plans and develop a measurement process and target for each goal.

DIGGING DEEPER

An important feature of an MIS is the ability to drill down to more detailed information as needed. The organization must consider

TABLE

Key Performance Indicators

Human Resources

- employee turnover rates (all staff combined, nursing only, excluding nursing)
- employee satisfaction
- time to fill vacant positions
- exit interview statistics

Service Delivery

- meals served per labor hour
- building square footage maintained per maintenance FTE
- building square footage cleaned per housekeeping FTE
- nursing hours per resident day (licensed nursing, certified nursing, nursing administration, nonproductive)

Customer Satisfaction

- marketing referrals by residents and families
- resident and family satisfaction

Financial Viability

- occupancy by level of care and payer mix
- net operating margin
- total labor hours, overtime usage, agency usage

Source: Kathleen Harris

the variables that affect each key performance indicator and provide access to this information. For example, net operating margin depends on resident revenues and resident expenses; managers should be able to drill down in the general ledger for each revenue and expense item. Financial reports comparing revenue and expense to budget should be provided electronically in a summary format, and each department head should have the ability to drill down to their own details.

Long-term care organizations do not have to wait for software vendors or IT experts to lead them through the process of developing an MIS. They can form an MIS committee with managers from different departments, led by someone with a centralized function such as the CFO/accounting manager. This committee can define the information needs and develop a methodology to validate and centralize the data required to generate the desired reports.

Organizations should review existing software capabilities to determine whether report writers or other features are available to automate the process of providing meaningful information to senior managers. The end result is that an organization will have an operational tool that increases the productivity of its senior managers. ■

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