

# BENEFITS PACKAGE DOCUMENTATION

## SPD REDUCTION IN INVESTIGATIVE REPORT PROCESSING TIME CORRECTIVE ACTION UNIT

**Event Id: SPDR5.1.1**  
**Version 1.0**

### EXECUTIVE SUMMARY OF THE INITIATIVE

Initiative R5 is intended to reduce processing time associated with penalties assessed to long-term care facilities that have failed to maintain minimum health and safety requirements. As part of this initiative the Corrective Action Unit, a component of the Licensing and Quality of Care unit within DHS's Seniors and People with Disabilities program, participated in a rapid process improvement to increase its timeliness in acting on submitted investigatory and survey reports originating from 16 local areas and three Client Care Monitoring Units. Actions taken as a result of these reports include an array of actions including a simple Letter of Determination, Notice of Finding, initiating and defending civil penalties, placing a condition on a license, revocation of a license and making referrals for Medicaid Fraud or to the Board of Nursing. They also respond to public record requests and provide technical assistance regarding the legal sufficiency of submitted reports.

The Corrective Action Unit (CAU) analyzed the current process and developed a new 'Future State' process which reduces the necessary steps from 21 to only 9 steps realizing a 57% reduction in steps and hand-offs. This reduction leads to a 40% improvement in timeliness to process a civil penalty from 79 days to 45 days for an annualized cost savings/avoidance of nearly \$200,000. CAU also identified an opportunity for electronic distribution of investigative reports and supporting documentation which will eliminate mailing delays, handling, and some copying duties, adding an estimated \$9,105 annual savings to this improvement.

### IMPROVEMENT SUMMARY

The Rapid Process Improvement (RPI) event was held in January, 2009 to streamline the CAU process. The goal of this RPI was to meet statutory 60 day timeline for corrective actions 100% of the time with an average of 30 days, while still maintaining quality including:

- Reduce cycle time to initiate a civil penalty from 79 days to 45 days, a 40% improvement.
- Reduce the number process steps from 21 to 9, a 57% improvement.
- Pilot electronic distribution of investigative reports and supplemental documentation (June/July 2009).

- Demonstrate cost reduction or avoidance of nearly \$200,000 annually.

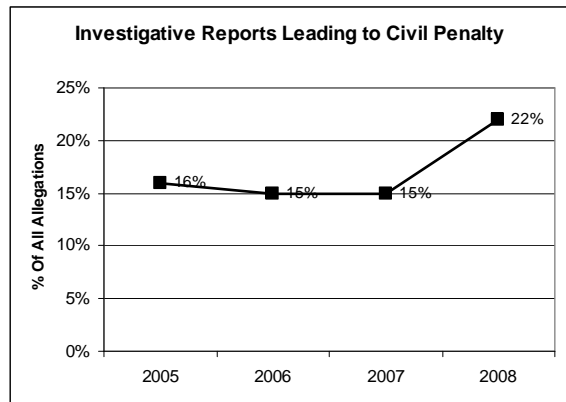
**BENEFIT/OUTCOME DESCRIPTION**

**Cost saving: \$13,462**

- The reduction in necessary steps for the revised process includes an estimated \$4,357 annual labor savings to be reinvested in supporting this unit’s increasing workload.
- Electronic receipt of investigative reports and supporting documentation will save \$9,105 annually in combined labor and material costs.

**Cost Avoidance: \$180,341 annually**

CAU anticipates to avoid adding staff to meet the volume of corrective actions (see graph on right) within statutory timeframes. These savings are estimated to be in excess of \$180,000 annually.



The Corrective Action Unit processes over 250 reports on average each month. Work is completed by the following staff:

- 1.25 administrative specialist 2s,
- Seven compliance specialist 2s, and
- One compliance specialist 3.

Of all the completed reports, only 76% are completed within 60 days. If no other factors were considered, i.e. experience, turnover, type of report, etc., this unit would need the following new staff to be 100% compliant in having all reports done within 60 days:

- A half time administrative specialist (.4),
- Two compliance specialist 2s (2.2), and
- A half time compliance specialist 3 (.3).

The DHS “Position Pricing” spreadsheet for ’07-’09 was used to compute the following total personal services costs for 12 months:

Position	Total Costs
AS2	\$24,405
CS2	\$120,670
CS3	\$35,266
Total	\$180,341.00 per year

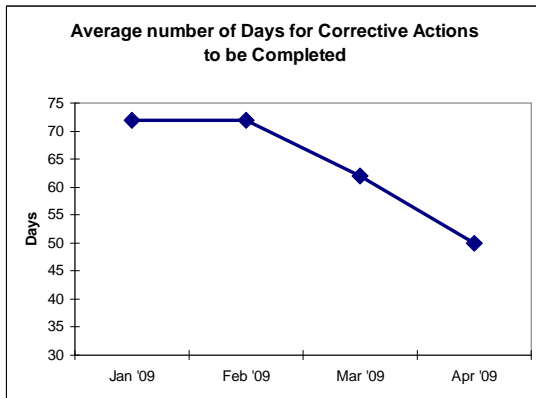
By analyzing the current process and determining why the unit is unable to meet the 60 day requirement, CAU has avoided spending \$180,341.00 each year on personnel costs. This figure is salary and other payroll expenses only.

**Quality:**

- Increased accountability for long term care facilities.
- Decreased risk to individuals served in long term care facilities.
- Potentially fewer instances of harm to residents of long term care facilities as facility operators act on corrective actions sooner.

**Service:**

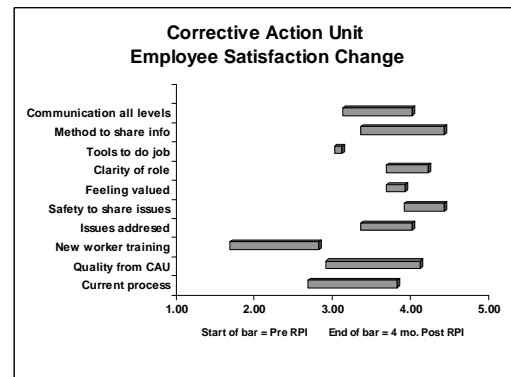
- Decreased total time from receipt of the investigatory report to the initiation of a corrective action (see graph below).
- Improved lengths of time to mail, receive, and deliver reports. (average = 2.08 days based upon a review of 63 reports)



- Decreased mail going through Department of Administrative Services (DAS), along with associated costs. (approximately 250 reports per month)
- Decreased mail going through DHS Mail Room, along with associated costs will decrease. (approximately 250 reports per month)

**People:**

Through the employee engagement used in a Rapid Process Improvement event along with an improved process and daily “huddles”, the sense of satisfaction within the team has improved significantly. An employee satisfaction survey was taken prior to the RPI event and again 4 months after the event and after most of the new process had been implemented. The change in employee satisfaction is noted in the graph to the right.



**LOGIC DESCRIPTION**

Total cost avoidance:

1. Based on the 07-09 DHS position pricing spreadsheet. This figure is salary and OPE only.
2. Completed work lead = ((Average monthly referrals \* % complete on time)/current staff)
3. Total cost = (new staff needed \*cost)

**Cost / labor reinvestment opportunity**

**“Touch time” per allegation: \$4,357 annually**

(Based upon 30 minutes or approximately 137 hours per year of a Compliance Specialist  
2)

**Electronic distribution: \$9,105 annually**

“Touch time” per allegation = \$1,215 (based on 5 minutes copying + 2 minutes mailing to send/receive or approximately 29 hours per year)

Electronic distribution of reports = \$7,890

\$2.23 postage per report

\$0.20 Copy charges\*

\$0.20 Paper cost\*

\$2.63 per report \* 3000 reports per year

**ATTACHMENTS:**

Data Spreadsheet

Reinvestment Plan