Using Benchmarking for Performance Improvement

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Benchmarking is the process of improving performance by continuously identifying and adapting outstanding practices.

Successful benchmarking results in improvements to quality and productivity as well as positive financial outcomes. For example, in a study conducted by the American Productivity and Quality Center in 1995, more than 30 organizations reported an average $76 million first-year payback from their most successful benchmarking project.

In addition, benchmarking promotes a "learning culture," which is key to continuous long-term quality improvement and competitiveness. Successful benchmarking organizations are continually looking for new ideas. They adopt the most useful new ideas and meet and beat the best performance they can find.

Organizations with little experience in benchmarking often discover the best performance benchmark but stop short of discovering how the best performance was achieved. Additionally, they may start their benchmarking efforts by looking at external benchmarks while overlooking successful internal benchmarks that already exist. Further, inexperienced benchmarking organizations often fail to measure the project's effects in terms of its costs and benefits.

Successful Benchmarking

The prospect of benchmarking can be overwhelming. It is important, therefore, to tackle benchmarking one step at a time. Benchmarking departments can add millions to a company's bottom line when each becomes the best in just one category.

In order to benchmark successfully:

1. Select a process to benchmark. Know specifically what your department's problems are and clearly define what you intend to study and accomplish. Choose relevant measurements.

2. Study performance-boosting best practices. Talk to colleagues inside your organization. Another department within your own facility may be using a process that your department can adapt. Next, talk to colleagues outside your organization. Participate in AHIMA's Communities of Practice and appropriate listservs. Conduct a literature search and attend educational programs to learn about best practices. Do not confine your search to your own industry—there may be comparable processes in an entirely different industry from which you can learn. Develop a questionnaire to guide telephone interviews and on-site visits.

3. Judge the appropriateness and adapt best practices. Consider benchmarking with organizations that are roughly the same size as your own, because their best practices will be more likely to work in your organization. At times, it makes sense to benchmark with companies that are less than the best but whose performance is better than your own organization's. The very best organizations may be overwhelmed by requests for information or site visits and unable to provide you with the assistance you need.

4. Plan and implement best practices. Discuss your findings with your staff. Decide which practices can be adapted to your organization. With staff support, move forward, making the necessary proposals and budget requests, developing policies and procedures, conducting required training, and implementing new technologies.

5. Measure results and do a payback analysis. Assess the progress your organization has made by comparing baseline data with current performance. Document the costs incurred and the benefits that have resulted. Monitor quality to make sure improvements in performance are maintained. Periodically raise the bar or change the process for continuous improvement.

Information Sources

There are numerous sources of benchmarking information. They include:

- **AHIMA**: The Association periodically publishes surveys and best practices in the *Journal*. The Communities of Practice are available for identifying organizations with which to benchmark. Additionally, national conventions and audio seminars provide access to educational programs and exhibits in which best practices are showcased.
- **Other associations**: Associations such as the American Hospital Association (AHA) and Medical Group Management Association (MGMA) often provide member organizations with staffing and other information obtained from its membership. Some of this information may be routinely forwarded to your organization's administration by these associations and often resides with the chief financial officer. Some associations also conduct surveys on particular topics on request. These organizations may also publish findings in their periodicals and on their Web sites.
- **State, federal government, and accreditation organizations**: Depending on the type of benchmark data sought, one might look to state or federal government or accreditation organizations. These organizations often publish reports in their publications or on their Web sites.
- **Trade journals:** There are numerous trade journals that publish surveys and showcase best practices.
- **Corporate information**: It is important not to overlook internal benchmark sources. Potential benchmarking partners can be identified at performance improvement or management meetings, in conversations with other managers, and by evaluating performance figures from similar departments in affiliated organizations.
- **Potential benchmarking partners**: An extremely valuable tool in benchmarking is the interview or site visit. The information acquired from best practices can be priceless.
- **American Productivity and Quality Center**: This organization has posted numerous benchmarking white papers and a benchmarking code of conduct on its Web site (www.apqc.org).
- **The Benchmarking Exchange**: For a fee, this organization provides access to benchmarking surveys and the ability to request benchmark metrics from other organizations. Visit www.benchnet.com.

Surveys of Average Performance

HIM professional organizations are occasionally asked how their organization's performance compares with that of other organizations. This is not benchmarking in the true sense, but rather a comparison between one's own performance and the average performance of other organizations.

While there is little scientific data about performance, the following information may be helpful in deciding how your organization can make such comparisons.

Staffing

AHA, MGMA, and other associations often provide staffing benchmarks to chief financial officers. Similar information can also be obtained by calling the libraries of these associations.

Staffing levels are occasionally published in trade journals. Regardless of their source, these statistics are often problematic. They may not adequately define what was supposed to have been measured, indicate whether low numbers of employees reflect outsourcing, nor address the variation in the levels of services provided.

Turnaround Times

Turnaround benchmarks periodically have been published in the *Journal of AHIMA* as well as other trade publications. One of the more recent turnaround time surveys was published in the February 2000 issue of the *Journal*.[1] This particular survey was sent to 1,000 randomly selected AHIMA members identified as HIM directors in acute care facilities. The data compiled were based on the 200 useable surveys returned. See "Sample Production Turnaround Times," below, for a summary of some of the turnaround time statistics.

sample production turnaround times

Turnaround Times (for individual charts)	Days		
	Low Mean	Mean	High Mean
Assembly	1.89	2.19	2.5
Analysis	2.26	3.5	5.74
Coding	3.78	5.5	6.51
Release of information	2.30	5.28	11.94

Productivity Benchmarks

The chart "Sample Productivity Benchmarks," below, summarizes anecdotal productivity and turnaround time benchmarks collected at AHIMA. The data come from articles in the *Journal* and other HIM periodicals, conversations on HIM listservs, the Communities of Practice, and personal experience. The data are not scientific, but it is frequently requested by members and may be helpful for your organization's benchmarking plan. Although the figures in the chart may provide a snapshot of how your organization compares with others, it is wiser to peform a more thorough analysis. It's important that organizations understand the sources of data, sample size, and indicator definitions.

sample productivity benchmarks

Productivity Benchmarks	Per Hour		
Function	Low	Average	High
Admission processing	20	30	60
Assembly (charts per hour)			
Inpatient	5	8	20
Observation/outpatient surgery/newborn/maternity		14	60
Other outpatient		20	120
Analysis (charts per hour)			
Inpatient	6	8	12
Observation/outpatient surgery/newborn/maternity	12	20	30
Other outpatient			
Assembly and analysis (charts per hour)			
Inpatient		10	
Observation/outpatient surgery/newborn/maternity		14	30
Other outpatient		18	43
Coding (charts per hour)			
Inpatient	2	4	5
Observation/outpatient surgery/newborn/maternity	5	9	12
Other outpatient	10	30	36
Coding and abstracting (charts per hour)			
Inpatient	2	3	4
Observation/outpatient surgery/newborn/maternity		7	10
Other outpatient	18	27	30
Filing loose reports (sheets per hour)	30		188
Pulling/retrieving records (charts per hour)	30	45	
Release of information (charts per hour)	3	6	
Transcription (per hour)			
Minutes of dictation	10	13	17
65 character lines	125	175	275

benchmarking in practice

An HIM director at a large physician clinic has 21 transcriptionists who average about 140 lines per hour using conventional word processing software and cassette tapes. The transcription unit supports 80 physicians at a cost of 15 cents per line.

The HIM director contacts the Medical Group Management Association and, with its data, is able to determine that in similar settings one transcriptionist generally supports four physicians. She knows transcription processes are not state of the art in her organization and wonders to what extent departmental performance might be improved by applying best practices.

First, she conducts a literature search of transcription best practices on the AHIMA and American Association for Medical Transcription Web sites. Then she searches AHIMA's Communities of Practice for best practice and transcription threads. She also talks to her peers on the local HIM association board and posts a discussion thread on the Ambulatory Care Community of Practice. She attends a national convention, visiting vendors and attending lectures on best practices and transcription technology.

She identifies 10 transcription departments of similar size and scope and interviews and the HIM director or transcription manager at each, using an interview form she developed. She finds one department that is producing an average of 275 lines per transcriptionist per hour at a cost of 12 cents per line. During the interview, she finds out that this organization:

- has an incentive program
- uses software in which abbreviations typed onto the keyboard produce phrases and entire paragraphs
- uses templates that can be personalized for particular patients for routine procedures
- uses digital dictation from which to transcribe
- does not require transcriptionists to perform any clerical duties or cover for other HIM functions after hours
- has several telecommuting transcriptionists

On the basis of this information, the HIM director talks to her staff and decides to pursue abbreviation software, templates, and a digital dictation system. Once those technologies and processes are implemented, she intends to develop an incentive program and explore allowing transcriptionists to work from home. She presents the idea to administration, they accept the idea, and she obtains the necessary funding. As she implements each of these processes, the productivity of the transcription unit continues to increase. She provides administration with monthly progress reports and an annual cost-benefit analysis.

Note

1. Osborn, Carol. "Practices and Productivity in Acute Care Facilities." *Journal of AHIMA* 72, no. 2 (2000): 61-66.

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