



*Strengthening Oklahoma's Safety Net,
One Community At A Time*

Board Bulletin

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Effective Tools for Monitoring Progress

In February 2008, the Health Resources and Services Administration's (HRSA) Bureau of Primary Health Care (BPHC) outlined required performance measures in the FY2009 Service Area Competition (SAC) guidance. With the new financial and clinical performance measures comes a heightened responsibility for the board to monitor progress and ensure performance goals are achieved. Never forget that the day-to-day operations are under the purview of the board's one employee - the chief executive officer. However, the board must monitor health center performance, and if necessary, intervene with corrective action to fulfill stewardship duties.

Benchmarks

Benchmarks are necessary to understand the health center's starting point, its current status and what it will take to reach future expectations. Senior management will review criteria and baseline data for each measure based upon the current patient population, identify benchmarks and establish reasonable improvement goals. Avoid the tendency to use benchmarks to justify current status but rather always strive for improvement. While the HRSA-required performance measures focus on internal improvement, health centers can use external data such as the Uniform Data System (UDS) reports to see how they compare to other health centers statewide and nationally. By using benchmarks, boards can trend information to gauge performance over a specified period of time to determine if health center operations are headed in the right direction. Health centers submitting SAC grants for FY 2009 and beyond are required to establish benchmarks as part of the application's Health Care Plan and Business Plan. Because the board chair signs grant applications on behalf of the entire board, it is imperative that each member understand their health center's benchmarks and associated improvement goals.

Dashboards

To fully exercise 'duty of care' and demonstrate prudent oversight, boards should review full financial reports monthly. However, drilling down to those measures that bear a closer review will be crucial for adequately monitoring performance progress. Just as a driver scans a vehicle dashboard to check operational status (e.g., fuel level, oil pressure, temperature, etc.), boards should develop their own dashboard that allows members to focus on select performance measures, quickly identify issues and take corrective action if necessary. Financial and clinical performance measures, with related goals, can easily be presented on a one-page 'dashboard' report. HRSA-required financial measures include 1) Total Cost per Patient; 2) Medical Cost per Medical Encounter; 3) Change in Net Assets to Expense Ratio; 4) Working Capital to Monthly Expense Ratio; and 5) Long Term Debt to Equity Ratio. The required clinical performance measures reflect rates for the following: 1) First Trimester Prenatal Care entry; 2) Child Immunizations; 3) Pap Tests; 4) Diabetes; 5) Hypertension; and 6) Low Birthweight plus two additional measures – one for Oral Health and one for Behavioral Health. (See June and July 2008 issues of *Board Bulletin* for performance measure explanations).

Board-Specific Work Plans

Another tool used by boards to build member accountability and ensure compliance is a short-range board-specific work plan (1 year) designed to support the longer-range organizational strategic plan (3-5 years). A board work plan ensures that all governance obligations are given proper attention so that the organization can be successful. The board should appoint a point person or committee to work in concert with the CEO to draft a plan that can be presented to the full board for approval. This can be done as part of the strategic planning retreat or through a free-standing session. If a health center's program year differs from the fiscal year, the board has to determine which year it will track. By having a work plan that is routinely monitored throughout the year, crises are minimized and the board's efficiency is maximized. A board work plan covers fiduciary responsibilities such as review of policies and procedures, budget approvals, grant submission approvals – items that need full board engagement to accomplish. The board work plan should be kept simple yet able to yield desired results. It can also be used as a tool to assist in the annual board evaluation. To review OPCA's entire *Board Bulletin* series, visit the 'CHC Boards' section of www.okpca.org.

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