Exclusive NIATx/SAAS Conference Report

How process improvements can help the bottom line

How to engage clients in treatment faster and keep them there longer were themes that ran throughout many sessions at last week's annual meeting of the State Associations of Addiction Services (SAAS) and NIATx. For any of these clinical "process improvements" that are the fundamentals of NIATx training to be valuable to the treatment agencies, the processes must be able to help solve the business side problems of funding and the bottom line.

Process improvements can help agencies do more with less, and that was the clear message from the main funders at the meeting. Terry Cline, Ph.D., administrator of the Substance Abuse and Mental Health Services Administration (SAMHSA), and H. Westley Clark, M.D., director of the Center for Substance Abuse Treatment (CSAT) told the 650 attendees at the Orlando, Florida meeting that there just isn't enough money to treat everyone who needs it. But by implementing the four NIATx aims for agencies — reduce wait-times to admission, reduce no-shows, increase admissions, and increase continuation rates — agencies can treat more patients with better outcomes and, the assumption is, go to funders for an increase based on their data.

Money not the answer

Health care will go through a major change within five years, said Cline, who believes that in the future, addiction (along with mental health), will be integrated into mainstream health care for fiscal for financial reasons. "The system now is not sustainable," he said, and urged the addiction treatment field to be "drivers, not passengers" of this change. "We need to get ahead of the curve." With 23.6 million people having a diagnosis of substance abuse or dependence, and only 2.5 million people getting addiction treatment, the gap is too big to be closed with dollars alone, especially at a time when dollars are scarce.

But the treatment field can make itself more marketable by integrating addiction treatment into mainstream health care because that will "add value," said A. Thomas McLellan, Ph.D., CEO of the Treatment Research Institute in Philadelphia. To do this, he recommended that treatment providers connect with general medical care via screening and brief intervention (SBI). "Once you help a doctor manage substance abuse, you have opened up a new business," said McLellan, who addressed the attendees at the NIATx/SAAS meeting. Because chronic diseases such as diabetes, hypertension, and pain are elevated in people with substance use disorders, the relationship between addiction treatment and primary care becomes even more important: the physicians really need you, said McLellan.

Dave Gustafson, Ph.D., director of NIATx and an expert on health care processes, also said the current addiction treatment system is "not sustainable." He said that treatment is top-heavy with labor, and the biggest change he predicts will be in technology. "We don't have a choice," he told the conference participants. "We have to automate this." He used the analogy of cars, comparing the 19th century manufacturing techniques with the assembly line of the 20th century. Gustafson went on to compare the labor costs for General Motors (15 percent of total costs) with those of addiction treatment (80 percent of total). "In 10 years, we must be down to 30 percent of costs for addiction treatment that go for labor," he said — and that the rest should go for technology.

"Everyone has the mantra of needing more money," Gustafson told *ADAW*. But that's not the answer, he said. Process improvements, however, are.

NIATx background

Under Gustafson's leadership, a University of Wisconsin engineer who calls himself the "resident nerd" of NIATx, ideas usually found in business are making their way into the addiction treatment field. Process improvement comes directly from manufacturing, Gustafson said.

Part of the Center for Health Enhancement System Studies at the University of Wisconsin-Madison, where Gustafson is research professor of industrial and system engineering, NIATx had its inception in 2001 when Victor Cappoccia, then at RWJF, started a pilot initiative to see whether there was any research-based information to help clients get into treatment sooner and stay there longer. With funding from the RWJF's Paths to Recovery grant program and, later, additional funding from CSAT's Strengthening Treatment Access and Retention (STAR) grant program, NIATx was founded in 2003. NIATx is in year two of three-year grant cycles with RWJF and CSAT, and year two of a five-year grant from NIDA.

CSAT, along with the Robert Wood Johnson Foundation (RWJF) and the National Institute on Drug Abuse, funds NIATx. This was the first joint conference of NIATx and SAAS.

Process and the customer

Process improvements are necessary because 85 percent of customer problems in addiction treatment are caused by process problems, explained Eldon Edmundson, associate professor at Oregon Health Sciences University and a NIATx coach.

An example of an overt barrier to treatment from early in NIATx history was the habit many programs had of not accepting a patient on the first call. "There were too many people calling who wanted treatment, and no room for them," Edmundson said during a pre-conference workshop of

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agency managers. "So the programs made callers really prove they wanted to be there by calling more than once." That was a process that was a barrier to care, and anathema to the goal of increasing admissions.

NIATx has produced results: a 34 percent reduction in waiting times, 33 percent reduction in no-shows, 21 percent increase in admission, and 22 percent increase in treatment continuation for the agencies it has worked with. But how these results lead to more resources — in money and staff — for programs is harder to prove.

"It's important to tie a change project to the business case," Edmundson said. "You can't provide quality care without resources." And one of the best ways to select a key problem is to ask "What keeps the CEO up at night," according to NIATx. That is usually funding, something which SAAS members, as treatment providers, are very interested in.

The bottom line

The business case for process improvement was presented by Lynn Madden, CEO of the APT Foundation, a large treatment provider in Connecticut, and a consultant to NIATx. "We are just starting to get the hard data," she said at a workshop at the Orlando conference.

To make a business case, the agency must show a strategic advantage that can be measured by improved efficiency, improved effectiveness, lower employee turnover, and an improved bottom line, said Madden.

What agencies should be looking for when making a process-improvement change is a service that people can and will come to, that the program can pay for, and that works, said Madden. No matter how well designed the program is, if nobody wants it, it will fail. That's one reason for a focus on the customer's needs when making a change.

Then, you need to calculate the financial impact of a change, using an average revenue per statistic or average cost per unit of service, she said.

For example, to make the business case for increasing the number of assessments, you need to know the revenue per assessment, on average. First take the gross revenue from assessments, then divide by the number of assessments performed. "Don't worry about the payer mix, just take the average," said Madden. "You'll get trend data, and the real dollars will follow."

Here are two examples of process improvements that improved quality and the bottom line:

Paperwork reduction. One program in South Carolina changed its intake from an 8 page form to a 1 page form. Then, the program did a time study. The time saved over the course of the year was 8,000 hours — about $110,000 in savings with the average salary of $14 an hour — which was the equivalent of two full-time clinical staff. This meant that the program could do 1,900 more assessments – therefore admitting more patients. In addition to the business case, making the form shorter lowered the barrier to access. "This is an alignment of the aims" of NIATx, said Madden.

Walk-in assessments. Another South Carolina program wanted to increase its assessments by switching from appointments to walk-ins. Prior to making a change, the program had the typical phone screening followed by an appointment. There was a 50 percent no-show rate. So instead, whenever a potential client called, they were told to come in for the assessment any time before 3 p.m., any day of the week (except weekends). "They were all told the same thing about money on the phone: the assessment costs $80, if you have money, please bring it, if you only have some money, bring that, if you have an insurance card bring that, and if you don't have any money, don't worry about it, come anyway." Almost everyone brought some money, said Madden. And the program went from doing 3.3 assessments to 6.7 assessments per day. The average reimbursement was $50 per assessment, which increased revenue by $150 a day, which translates to $37,000 a year.

"Without doing the math, this just looked like more assessments and more work," said Madden. "But $37,000 a year means a new clinician," she said. "And if you get twice as many assessments, at least some of these people will show up for treatment." This will increase revenue even more, she said.

Business case data is important for agency CEOs and funders as well. "People who make funding decisions don't know about substance abuse treatment," said Madden. "Everybody and their mother has an opinion, but they don't really know what happens in treatment." But funders do understand business terms like efficiency, she said. "If you can show this data, you're doing everyone a favor." •

The five key principles of NIATx change

The five key principles of NIATx change are:

- Understand and involve the customer (for example, conduct walk-throughs posing as a patient to see how well the program functions).
- Focus on key problems (such as how to increase admissions, not where staff will park their cars).
- Select the right change agent (an employee who is committed to the change project).
- Seek ideas from outside the field and organization (for example, find out how manufacturers — or, as conference attendees learned, Disney or Cirque du Soleil — operate).
- Do rapid-cycle testing (plan, do, study, act) involving small pilots that are tested out in a couple of weeks, instead of long-term research projects.