

**Performance Measures for Managing
Washington State's
Public Mental Health System**

Executive Summary

Prepared for the
Joint Legislative Audit and Review Committee

by

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Introduction

The 1999 Washington State Legislature directed the Joint Legislative Audit and Review Committee (JLARC) to conduct a performance audit of the state's public mental health system. The audit covers many aspects of the mental health system's functioning, including the status of its performance measurement functions. JLARC contracted with Clegg and Associates, Inc. (with the Health Policy Analysis Program at the University of Washington as a subcontractor) and the Center for Clinical Informatics to conduct the performance measurement portion of the audit.

The scope of work for the performance measurement component includes the following activities:

- ❑ A review of the literature regarding current performance measurement practices in mental health services in the public and private sectors;
- ❑ An analysis of the systems implemented by states who are viewed as leaders in public mental health performance measurement;
- ❑ An assessment of the system's current performance measurement activities;
- ❑ The development of criteria to guide design of a performance measurement system for Washington State's public mental health system; and
- ❑ The formulation of recommendations for a practical and useful performance measurement system for the public mental health system.

The Purpose of Performance Measures

Creation of an effective performance measurement system involves balancing the need for the information collected with the cost of collecting it. At a systems level, the measures must focus on results and avoid concentrating on the processes by which the system attained these results. The performance measures put in place for Washington State's public mental health system must be sufficient to provide the Department of Social and Health Services' Mental Health Division (MHD) and the State Legislature with the information each requires to fulfill its roles and responsibilities as system leaders.

Specifically, the information must enable the MHD and the Legislature to perform the following functions:

1. Track progress in implementing a system that reflects the intent of State mental health statutes.
2. Assess progress toward achieving the MHD's mission and goals.
3. Assess compliance with HCFA requirements.
4. Inform the Legislature's and the MHD's mission-critical decision-making.
5. Enable appropriate and timely reporting on the system's performance to the Legislature and the mental health system's key constituencies.
6. Allow comparison of measurement results to established standards and benchmarks, among Regional Support Networks (RSNs), and against other states.

Best Practices in Mental Health Performance Measurement

A review of the literature regarding performance measurement reveals some basic components that are key to success. These *best practices* are based on lessons learned by those who have conducted performance measurement in many different work settings – including both the public and private sector. They are key to implementing an effective, user-friendly, and trusted performance measurement system:

- ❑ Incorporate a mission, goals, and objectives. These give an organization something against which to measure its performance. An organization can adopt industry standards or benchmarks as its objectives. Objectives, standards, and benchmarks establish the level of performance that defines success for the organization.
- ❑ Involve internal and external stakeholders. For mental health services, this includes administrative staff, clinicians, consumer advocates, consumers, and families, among others.
- ❑ Promote leadership support. Leadership is critical to successfully conducting performance measurement, including leadership of those within the organization taking on performance measurement and those with organizational oversight, such as regulators.
- ❑ Employ a simple, manageable and consistent approach. Create a system that is simple to use now and that can evolve as experience is gained and resources become available.
- ❑ Provide ongoing technical assistance. Those whose performance is being evaluated and those implementing the performance measurement system need technical assistance to understand and carry out performance measurement activities.

Best practices also suggest that two types of measures are most appropriate for mental health services performance measurement:

- ❑ Process measures, which assess what an organization does as part of the delivery of services; and
- ❑ Outcome measures, which assess a change, or lack of change, in a person's physical or mental status, or in the ability of a person to function in society. Clinical outcomes reflect psychological and physical changes related to the symptoms of an individual's clinical disorder; functional outcomes reflect how a person is succeeding in his or her community or with his or her life.

Process measures and clinical and functional outcome measures are best used in combination for mental health services performance measurement, to give a more complete picture of the performance of an organization.

And finally, the literature points out that performance measures for mental health services should be valid, reliable, and responsive. This means they should measure what they say they are measuring; be very likely to produce the same results every time they are used, and be able to detect change – either toward a goal or away from it.

Principles to Guide Selection of Performance Measures

The information regarding best practices can be translated into a set of principles to guide development of Washington State’s public mental health performance measurement system. These principles offer a straightforward means of incorporating the experiences of other public and private systems into the approach used in this state. The principles are as follows:

1. Measure to manage;
2. Management requires frequent feedback over time;
3. Keep it simple and consistent, make it matter;
4. Keep it brief, measure often;
5. Create benchmarks, compare results;
6. Minimize opportunity for feedback-induced bias;
7. Provide the right information at the right time to the right person to make a difference;
8. Build in the flexibility so that the system evolves with the experience of the users;
9. Maintain central control of data and reporting; and
10. Establish and protect a core data set.

Building on Existing Knowledge

National Collaborations in Mental Health Performance Measurement

Research, development, and testing of performance measures for public mental health services are plentiful and ongoing. Many different organizations are involved, including the federal government, state mental health agencies, professional mental health associations, not-for-profit accreditation firms, and for-profit health plans.

Five large-scale, collaborative efforts have contributed to the current direction in mental health performance measure research, development, and testing: the Mental Health Statistics Improvement Program (MHSIP); National Association of State Mental Health Program Directors (NASMHPD), President’s Task Force on Performance Indicators; U.S. Center for Mental Health Services (CMHS), Five-State Feasibility Study and 16-State Pilot Study; National Research Council Panel on Performance Measures and Data for Public Health Performance Partnership Grants; and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

Performance Measurement in Other States and Private Mental Health Systems

Eleven states and four managed care companies were surveyed for examples of best practices in performance measurement and management.

Areas of Consensus

The survey revealed broad areas of consensus with regard to financial indicators such as utilization and cost per unit of services. Likewise, there is widespread use of certain process indicators such as time between hospital discharge and outpatient contact, hospital readmission rates, and wait time to first appointment.

Client Outcomes and Consumer Satisfaction Show Less Agreement

With regard to indicators of consumer satisfaction and outcomes of care, there are two parallel and potentially complementary lines of research and development. The first is the concerted initiative by a number of states to develop and test indicators based on the NASMHPD framework and the MHSIP Consumer Survey. The survey is administered after the consumer has been in treatment for some period of time and assesses consumer perception of ease of access, appropriateness, and outcomes of care.

The MHSIP initiative is supported by CMHS. The survey is relatively simple to implement. Since it inquires retrospectively, it requires only a single administration to obtain a snapshot of consumer satisfaction. The widespread use of the survey has resulted in a large national sample and CMHS is currently supporting the work of investigators to create performance benchmarks based on this sample.

The second line of research focuses on clinical outcomes and involves the use of standardized clinician rating scales and consumer self-report questionnaires administered at specified intervals over the course of treatment. The rating scales and questionnaires measure severity of problems in a number of areas including symptoms, interpersonal relationships, and role functioning at work or school.

While some states have recently implemented this approach, most of the effort has been supported by commercial managed care companies. This is true, in part, because these companies are actively involved in managing care on a case by case basis. In addition, a managed care company has considerable leverage over its providers to require compliance with the data collection protocols.

Over the last five years several companies have invested in development of clinical information systems designed to collect these data and actively manage patient outcomes by monitoring the rate of improvement for each case. The massive quantity of data generated by this approach has resulted in large databases that serve as benchmarks for outcomes. At least one managed care company is presently evaluating the performance of its senior management by benchmarking its outcomes against a large national sample of cases treated by *other* managed care companies. The performance target is to achieve greater improvement per case than the national norm.

Use of patient self-report measures also has shown promise in improving both the allocation and the outcome of care. Recent research suggests that when therapists are provided information on the rate of patient improvement using a consumer self-report measure, the clinicians are more likely to focus their time on the cases that are most symptomatic and at risk for a poor outcome. The cost of the increased services to these at risk cases is more than offset by a complementary tendency to reduce the intensity of services to patients reporting low levels of distress.

No site in the survey has fully integrated these two broad approaches to evaluating satisfaction and outcomes, though there are promising starts. The next logical step is to create performance management systems that provide continuous performance feedback on clinical outcomes and consumer perception of care. Such a system could provide the decision support tools to enable clinicians and administrators to systematically and measurably improve consumer satisfaction and outcomes while benchmarking performance against national norms.

Federal and State Mandates

Performance measurement in Washington State takes place in the context of state and federal directives regarding the intent of the state's public mental health system. Washington State (through the RCW and the WAC and the federal government (through the Health Care Financing Administration's Medicaid and waiver application), specify whom the public mental health system is mandated to serve, the types of services to be provided, and the desired client outcomes.

In terms of implementing a performance measurement system, the mental health system's Medicaid waiver states that the Mental Health Division will use a grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) to implement a set of performance measures to track the system's results. The MHD is currently working with stakeholder groups to identify the performance measures it will require as part of the 2001 – 2003 biennial State contract. The Division is using the measures included in the NASMHP President's Task Force recommendations as the starting point for its work.

Current Status of the State's Performance Measurement Activities

Setting System Direction

An assessment of the state's progress in setting direction for an effective performance measurement system for public mental health reveals the following:

- ❑ A number of efforts are underway to measure performance at the MHD, RSN, and provider levels. At each level, the individual organizations have established their own systems to provide the information they believe is necessary to meet internal needs (e.g., quality improvement), or external requirements (e.g., HCFA waiver or contract compliance). Efforts across the state are not coordinated, and as a result, there is inefficiency and a lack of comparability across the system.
- ❑ Confusion exists at all levels of the system regarding what performance measures are and which measures are required. For instance, RSNs and providers are required to collect and report data that they describe as performance measurement data. However, the MHD does not view all of this data as related to performance measurement and therefore does not use it in this manner.
- ❑ The MHD does not report a strong relationship between the collection of performance measurement data and use of the data to support decision-making. Most RSNs and providers report using performance measures both for decision-making and to meet reporting requirements.

- ❑ Current MHD performance measurement efforts focus on implementing a set of measures (the NASMHPD initial set of indicators) based, in part, on their ease of collection and comparability across states. However, many RSNs and providers place more emphasis on indicators that may be more difficult to measure (and therefore will be less comparable across states), but that they consider more useful for decision-making and evaluating performance.
- ❑ Utilization/penetration rates, and the time from initial contact to first service were reported as the most useful measures of access by RSNs and providers. Client satisfaction was an important measure of quality for both RSNs and providers. RSNs also reported hospital utilization as an important quality measure, while providers reported the time from hospital discharge to first face-to-face contact as a useful indicator of quality. Improved level of functioning and symptom relief, as measured by standardized instruments, were reported by providers to be important measures of client outcomes. Hospital utilization (as it affects cost) was reported by many RSNs and providers to be important.
- ❑ The Washington Community Mental Health Council, an organization made up of provider agencies, is implementing a performance measurement system (the “Accountability Project”) using a standardized consumer survey. The Accountability Project offers participating agencies the opportunity to develop a valid, reliable, and comparable set of data describing how they perform. The data produced through this effort are intended to be comparable across providers and across states.

Status of Current Data Collection

The ability to collect data that describe the status of each performance measure is essential for an effective performance measurement system. An assessment of the status of current data collection by the MHD reveals the following:

- ❑ There is a great deal of variation in the data collection instruments used by system participants. The MHD, RSNs, and providers all use tools customized to their needs to measure performance; such customized tools do not yield comparable information and may not be valid, reliable, and/or responsive. Some RSNs and many providers also use standardized tools, which have been tested for validity, reliability, and responsiveness and offer the best opportunities for comparability.
- ❑ There is also great deal of variation in standards for performance. For some performance measures, there was no standard reported by either RSNs or providers. And in general, providers have more specific benchmarks/standards than RSNs, and RSNs have more specific standards than the MHD.
- ❑ While most RSNs and providers have voluntarily begun performance measurement efforts, a few measure only what they are required by their state contract to report. The cost of data collection and questions about the reliability of data are reported as the biggest obstacles to performance measurement activities. A lack of feedback on the results of performance measurement efforts also leads to questions about the usefulness of the data collection efforts.
- ❑ The MHD currently requires RSNs to report information through a central information system (the “Data Dictionary”) that could be used to provide

performance measures of access, as well as limited measures of quality and outcomes. Additional information required in the RSN contracts to be collected and reported could, if standardized, provide additional quality measures as well as limited structure/plan management performance measurement data. This data is partially adequate to meet some of the criteria for an effective performance measurement system but could be significantly improved through:

- Clearer, uniform definitions;
- consistent data entry across the system;
- use of valid, standardized tools;
- additional quality, outcome, and structure/plan management measures; and,
- regular and useful analysis and reporting of the data.

Conclusions

As these findings indicate, the public mental health system does not yet have an effective performance measurement system in place. The current measurement approach does not produce information that is comparable within the mental health system. Comparisons among service providers are difficult to conduct, as are comparisons among the Regional Support Networks. Similarly, it is not currently possible to make reliable comparisons between Washington State’s mental health system and those of other states.

Looking at the measurement system in comparison to the five key components noted in the literature review reveals that improvement is needed in all of the five key components:

- ❑ Clarity of the mental health system’s mission, goals, and objectives;
- ❑ Leadership in defining and implementing an effective performance measurement system;
- ❑ Use of a simple, manageable approach;
- ❑ Involvement of stakeholders in performance measurement planning activities; and
- ❑ Provision of technical assistance.

Recommended Performance Measures

The table below summarizes the set of recommended performance measures for the public mental health system. These measures employ the taxonomy used by the National Association of Mental Health Programs Directors (NASMHPD), including domains and measures within each domain. For each measure, the recommended “decision-making use”, i.e., for Legislative oversight or for system management, is shown. Information concerning performance for specific age and ethnic groups should be available for each measure.

Most of the measures are described here in their generic format. The intent is that this basic set of measures can be used to analyze performance related to specific sub-populations within the mental health system, e.g., children, the elderly, adults, ethnic

groups. The importance of conducting this type of focused analysis is essential – the status of children in the system is of vital importance, as is the status of ethnic minorities, the elderly, and other groups.

Domain/Measure	Decision-Making Use	
	Legislative Oversight	System Management at MHD, RSN, and Provider Levels
Domain: Access		
1. Penetration rates ¹	✓	✓
2. Utilization rates ²	✓	✓
3. Consumer perception of access	✓	✓
4. Average time from first contact to first service		✓
Domain: Quality/Appropriateness		
1. Consumer perception of quality/ appropriateness	✓	✓
2. Percentage of consumers who actively participate in decision making regarding treatment		✓
3. Percentage of consumers linked to physical health services (optional)		✓
4. Percentage of consumers contacted by community providers within seven days of hospital discharge		✓
5. Percentage of consumers in the state’s priority populations who are psychiatrically rehospitalized within thirty days of discharge		✓
6. Percentage of jailed/detained consumers in the state’s priority populations who receive mental health services while in jail/detention		✓
Domain: Outcomes		
1. Consumer change as a result of services measured via: <ul style="list-style-type: none"> • Consumer self-report • Clinician assessment 	✓	✓

¹ “Penetration” is the percentage of the eligible populations using the specified services(s) in the course of a year. It is generally expressed as a percentage of the total eligible population.

² “Utilization” denotes the quantity of services for a specified population during a specified time period. The industry norm is to express utilization as units of service per 1000 covered lives annually.

Domain/Measure	Decision-Making Use	
	Legislative Oversight	System Management at MHD, RSN, and Provider Levels
2. Consumer perception of hope for the future and personal empowerment		✓
3. Percentage of adults employed for one or more days in the last 30 days	✓	✓
4. Percentage of available school days attended in last 30 days (for children)	✓	✓
5. Percentage of consumers who have safe and stable housing	✓	✓
6. Percentage of consumers in the state's priority populations without a jail or detention stay	✓	✓
7. Percentage of consumers in the state's priority populations without a psychiatric hospitalization	✓	✓
Domain: Structure/Plan Management		
1. Average annual cost per consumer served	✓	✓
2. Average annual cost per unit of service	✓	✓
3. Percentage of revenues spent on direct services	✓	✓
4. Percentage of professional positions throughout the mental health system held by people of color and ethnic groups the system serves		✓
5. Percentage of consumers with dual diagnoses who have service plans coordinated with other systems	✓	✓
6. Overall community partner satisfaction	✓	✓

Sources of Information for Recommended Measures

Data describing performance on the recommended performance measures can be collected through multiple methods. The table below describes the sources for each recommended measure:

- The MHD's Data Dictionary is an appropriate source of data for several measures; where data currently are collected for the recommended measures, the table identifies "current Data Dictionary item" as the appropriate data source.

- ❑ Information that can be recorded by case managers in a similar manner as the current Data Dictionary elements are listed as “additional Data Dictionary item”.
- ❑ Those measures that are best tracked through a survey or similar instrument are listed under “standardized instruments”.
- ❑ For measures that require additional research to verify their validity and reliability a Study is recommended.
- ❑ Some measures require information from other departments or agencies and are listed under “Inter-system data request”.
- ❑ “RSN and/or hospital financial reports” are another source of data.

For some measures, a combination of data sources is recommended. For example, penetration rates would be collected using both the Data Dictionary and the census update data from the Office of Financial Management (OFM). Because relying on other systems for information can be problematic, several measures that conceivably could be collected through inter-system data requests are instead recommended to be collected through the Data Dictionary with verification of their validity and reliability. For example, it might be possible to get employment statistics through a request from the Employment Security Division. However, case managers currently report employment status through the Data Dictionary as part of a monthly case status. The reliability of this data can be evaluated through analysis of a sample of cases to ensure that the MHD data matches the information produced by ESD.

Domain/Measure	Appropriate Source of Data					
	Current Data Dictionary Item	Addition to the Data Dictionary	Standardized Instruments	Study	Inter-System Data Request	RSN and/or Hospital Financial Reports
Domain: Access						
1. Penetration rates	✓				✓ OFM census updates	
2. Utilization rates	✓					
3. Consumer perception of access			✓			
4. Average time from first contact to first service		✓				
Domain: Quality/ Appropriateness						
1. Consumer perception of quality/ appropriateness			✓			

Domain/Measure	Appropriate Source of Data					
	Current Data Dictionary Item	Addition to the Data Dictionary	Standardized Instruments	Study	Inter-System Data Request	RSN and/or Hospital Financial Reports
2. Percentage of consumers who actively participate in decision making regarding treatment			✓			
3. Percentage of consumers linked to physical health services		✓		✓		
4. Percentage of consumers contacted by community providers within seven days of hospital discharge		✓			✓ Hospital data	
5. Percentage of consumers who are psychiatrically reshospitalized within 30 days of discharge	✓				✓ Hospital data	
6. Percentage of jailed/detained consumers receiving mental health services while in jail/detention		✓				
Domain: Outcomes						
1. Consumer change as a result of services measured via <ul style="list-style-type: none"> ▪ Consumer self-report ▪ Clinician assessment 			✓			
2. Consumer perception of hope for the future and personal empowerment			✓			
3. Percentage of adults employed for one or more days in the last 30 days	✓			✓		
4. Percentage of available school days attended in		✓		✓		

Domain/Measure	Appropriate Source of Data					
	Current Data Dictionary Item	Addition to the Data Dictionary	Standardized Instruments	Study	Inter-System Data Request	RSN and/or Hospital Financial Reports
the past 30 days (for children)						
5. Percentage of consumers who have safe and stable housing			✓			
6. Percentage of consumers without a jail/detention stay		✓			✓ Criminal Justice	
7. Percentage of consumers without a psychiatric hospitalization	✓					
Domain: Structure/Plan Management						
1. Average annual cost per consumer served						✓
2. Average annual cost per unit of service						✓
3. Percentage of revenues spent on direct services						✓
4. Percentage of professional positions throughout the mental health system held by people of color and ethnic groups the system serves			✓			
5. Percentage of consumers with dual diagnoses who have service plans coordinated with other systems		✓		✓		
6. Overall community partner satisfaction			✓			

Conclusions

Success in implementing performance measurement in large complex systems requires strong leadership, technical expertise, and focus. To be effective, performance measurement must be viewed as an essential tool for managing the system and evaluating its success in achieving its mission.

Implementation of the performance measures recommended in this report will require a major effort on the part of the MHD, the RSNs, and the provider agencies. In particular, leadership at the MHD level will be of paramount importance in achieving success.