2018 North American Provider Performance Statistics

Table of Contents

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Welcome to the First Edition of the *North American Provider Performance Statistics* - a report of statistics and metrics based on data from providers all over the USA and Canada.

The Goals Are To:

- Provide agencies with a reliable source of statistics and metrics against which they can measure their own performance.
- Help providers understand the key metrics to use to improve effectiveness and efficiency.
- Help providers avoid time and attendance fraud and leakage.

Methods:

Data was compiled from providers with a variety of programs, including: day habilitation, residential habilitation, HCBS settings, supported employment, and Ability One Programs. Where providers used Agency Workforce Management to track individuals served, this data was excluded.

Data was selected from 100 typical providers. Spot checks on provider data, not included in this *North American Provider Performance Statistics,* did not provide any significant variations.

Unlike surveys, which rely on manual responses and interpretation, these statistics are based on hard facts – what actually happened at real providers in North America
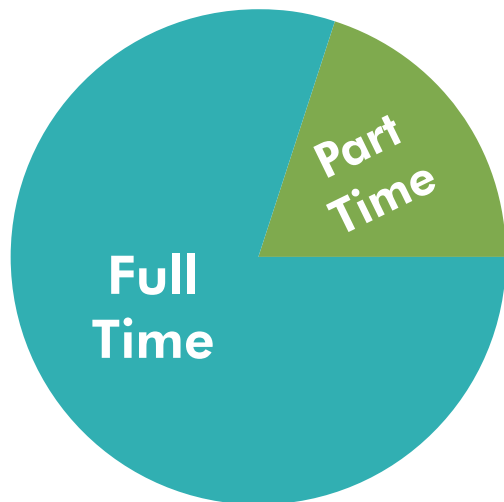
A bi-annual and annual report will be distributed. The next edition will include a review of trends during 2018 into 2019.

Employee Demographics

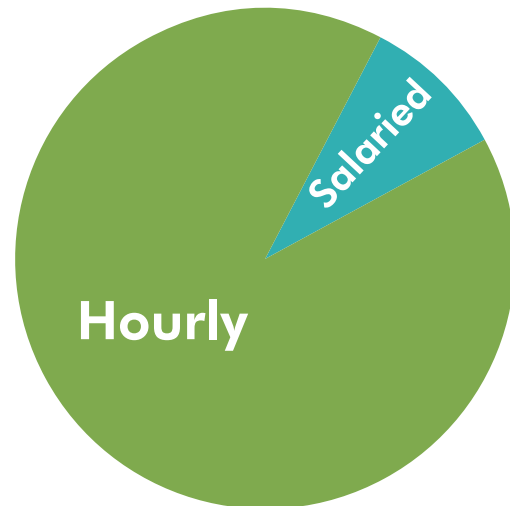Employee Demographics for the Employees of the 100 providers used in this report:

Full Time vs. Part Time Employees:
- 80.14% Full Time Employees
- 19.86% Part Time/Other Employees

Hourly vs. Salaried Employees:
- 90.76% Hourly Employees
- 9.24% Salaried Employees

The Labor Shortage

METRICS: All providers struggled with the labor shortage and turnover in 2018, as shown by both: 1) percentage of new hires vs. active employees and 2) percentage of terminations vs. active employees.

- **New hires were 28.49% of employees on average**, though for some providers new hires were over 50%. This is slightly lower than the 30% of direct service professionals cited by some national studies. All types of new hires are included in the 28.49%. The new hire rate for direct service professionals would be higher. Individual providers reported the highest percentage of new hires.
- **27.03% of all employees were terminated during 2018.** Some providers did not, or could not, replace all terminated employees.

The need for effective applicant tracking, on-boarding, training and scheduling systems remains high to manage the growing turnover rates.
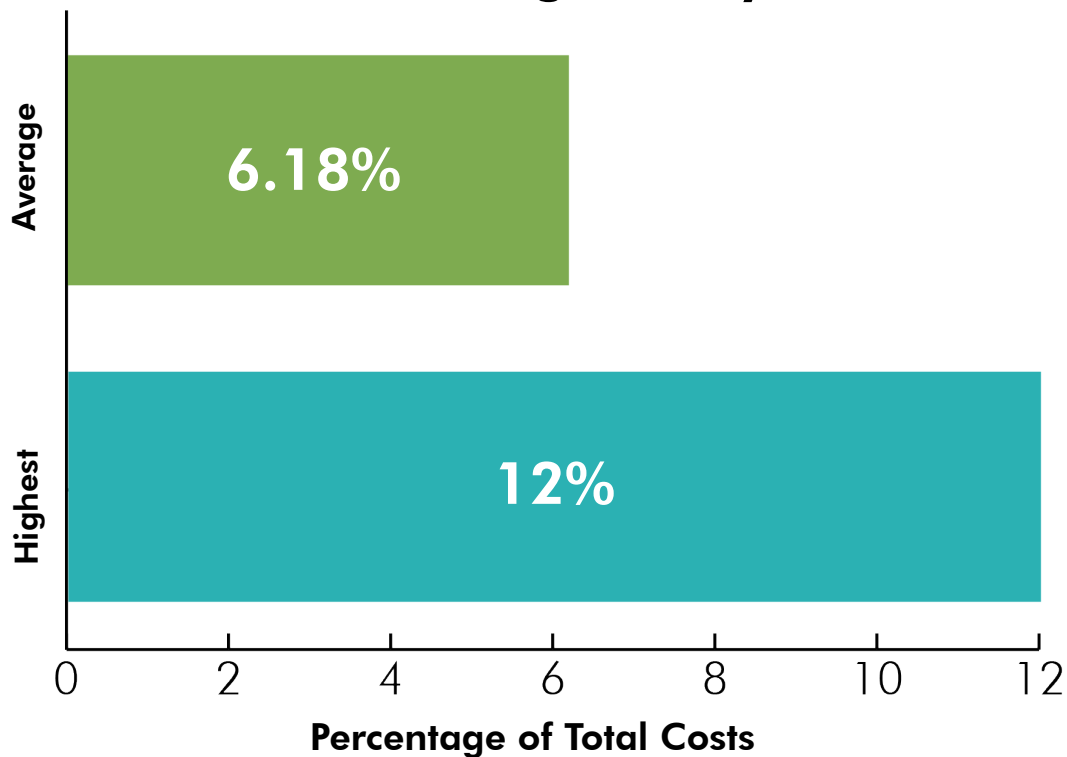
Payroll Costs

METRICS: Overtime as Percentage of Payroll and PTO as Percentage of Payroll show that average payroll costs vary by state funding, by program, and by city within state. In light of these variations, national averages are less useful than usual.

- **Overtime hours were 6.94% of total hours** on average.
- **Overtime costs were 8.63% of total payroll** on average.
- Individual provider overtime was much higher, at 17-23%.
  These providers also reported the highest proportion of new hires. This may partly reflect a larger proportion of employees working in Group Homes, where overtime tends to be higher than in Day or HCBS programs.
- **PTO costs averaged 6.18%,** but reached nearly 12% at some providers. The vast majority of providers had automated PTO request and processes.

PTO as Percentage of Payroll Costs

All providers used an automated time and attendance system of some sort (see below). We can assume that this reflects providers prioritizing the elimination of paper timesheets, though controlling payroll costs is also important.

As reimbursement rates fail to keep up with rising payroll costs, and as the labor shortage puts more pressure on overtime costs, more providers will be likely to rely on their time and attendance systems to monitor payroll costs.
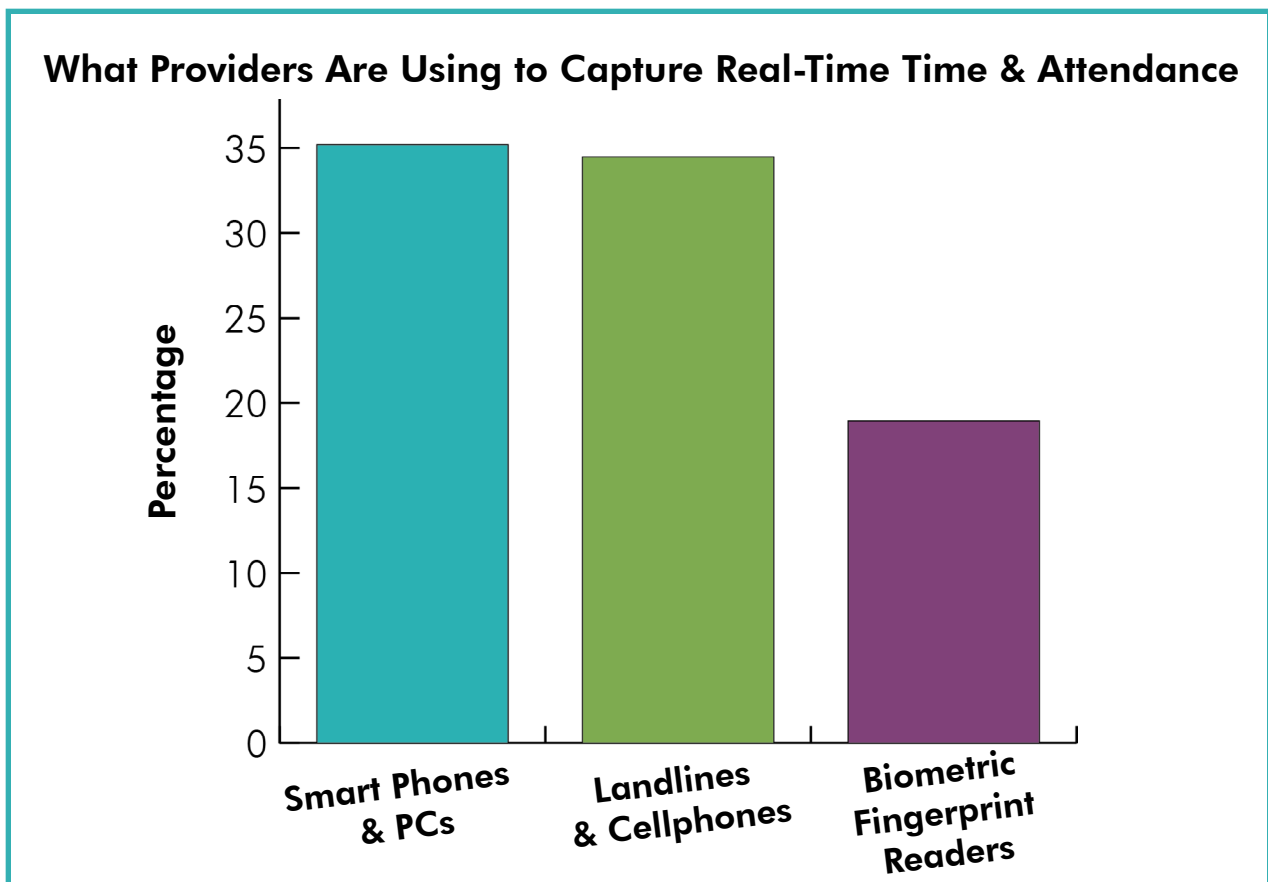
Time & Attendance Automation

METRICS: Percentage of providers using different device types to capture time and attendance, and percentage of providers using automated PTO request, scheduling and operational budget systems.

Almost all providers were using online PTO request systems with PTO balances available to employees.

- Real Time Usage

  » **Nearly 90% of attendance was captured in real time.** The other 10% of attendance was recorded using online timesheets, or employees forgot to clock in and added a record manually later (with approval).

  After-the-fact timesheets present problems to providers (see compliance below).

  Real-time time and attendance is clearly providers' #1 choice, even when other options cost less. This trend will likely increase as providers seek to avoid the costs and risks of paper timesheets, and focus on EVV and HIPAA compliance.

What Providers Are Using to Capture Real-Time Time & Attendance

Time & Attendance Automation *(continued)*

» **35.2% of time and attendance was captured from smart phones or PC's.** With the growth of HCBS programs and EVV mandates, this percentage may increase. Although both telephony and smart phones are accepted for EVV compliance under the CURES Act, some states (e.g. Louisana) have not allowed the use of telephone timekeeping.

» **34.48% of time and attendance was captured from telephones (landline and cellphone).** The enduring popularity of telephones reflects the ease of use and low cost of this option. It may also be a legacy from earlier years when other options were not available or were more expensive than they are now. This percentage may well decrease but is unlikely to disappear over the next several years.

Many providers using telephone timekeeping have converted to Voice Over Internet Providers (VoIP), which is faster, easier, less expensive and more reliable than landlines.

Many providers allow their employees to choose whether a landline or smart phone is more convenient for timekeeping.

» **18.95% of time and attendance was captured using biometric fingerprint readers.** Biometrics are used primarily in group homes, day programs and AbilityOne contract sites.

Biometrics have relatively recently become affordable and reliable enough for widespread use. The use of biometrics is expected to increase in light of these developments.

Scheduling

METRICS: 50% of providers were using scheduling in some way. Only 10% of providers used operational budgets to track hours worked.

- This is not a good sign, in light of the $920,014 payroll fraud reported earlier in 2019 by one provider.

- Operational hour budgets are important in highlighting unauthorized attendance, overlapping shifts, and other attendance violations that contribute to payroll leakage.

Time & Attendance Compliance

The employees who stole $920,014 from a provider in 2017-2018 did so by altering time and attendance records. This fraud involved collusion between supervisors authorized to confirm changes and employees who initiated the change request.

METRICS: Percentage of all attendance records vs. attendance edits, and percentage of all attendance records vs. attendance request changes both demonstrate compliance and should be 90%+ on average.

- **The average compliance percentage was 85.08%.** This percentage is better than we had anticipated.

- **However, some providers are at only 70%.** These providers are having real trouble getting their employees to use real-time attendance. At compliance rates under 90%, unless the provider has mostly self-directed programs where compliance is often lower, the low compliance rate is a warning sign for payroll leakage.

- **Average volume requests to change or add time and attendance records range from below 10% to 20% change requests.** A higher percentage can indicate employee resistance. Providers using biometric

fingerprint readers had a lower average percentage of manual edits. This may be because these providers have focused on preventing buddy punching and time and attendance fraud.

- Experience indicates that getting above 95% is very difficult. Some employees will always forget to clock in or out, for some reason. Below 85% is worrisome, though. It could mask low level or significant fraud.

- **Compliance should be between 85%-95%.**

  The 50% of providers currently under the average compliance rate of 85% should take steps to ensure they are using time and attendance to regularly track these important compliance metrics.

  Self-Directed programs present some particular problems, but providers of all types should review their practices and procedures to ensure they meet or exceed agency averages.

  Compliance metrics are important both to avoid potential payroll leakage and fraud, and because states are beginning to use compliance percentages to trigger audits and review reimbursement.

Technology can contribute to non-compliance if deployed inappropriately. The below can all cause problems within an agency:
- » **Erratic internet access for PC's -** *"The internet was down."*
- » **Shared PC's -** *"Someone was using the PC."*
- » **GPS geofencing being used inappropriately -** *"I picked the client up from the doctor so I could not clock-in."*
- » **Weak enrollment procedures with biometric fingerprint readers -** *"It said invalid."*

Notes On Statistics

Payroll Integration

100% of providers used time and attendance to create records to upload to payroll. This indicates that all of these providers had eliminated the worst costs and risks of manual procedures. However, it is not possible to determine if all payroll rules had been fully automated.

Billing Integration

It was not possible to determine what percentage of providers used time and attendance records for billing, as well as payroll.

- Providers with HCBS programs tend to use time and attendance for billing, as well as payroll.
- Providers using Agency Workforce Management for client attendance only were not included in statistics.

Other Integrations

Integrations with EHR (Electronic Health Records) and LMS (Learning Management Systems) are common but were not tracked.

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