

SCOTTSDALE INSTITUTE IT METRICS

Originated by Spectrum Health

Definitions and Completion Guidance for SI IT Metrics Questionnaire

The following guidance is provided based on the primary purpose of the survey: to allow IT operating executives and managers to compare like costs among similar facilities. By analyzing the differences among various organizations, these leaders can then verify or improve the effectiveness of their own processes and products. To achieve this goal, it's important to obtain a true “apples-to-apples” comparison. It's also important to consider that data may be provided by single hospitals, loosely coupled organizations representing several hospitals and corporate offices representing many facilities. To minimize the need to calculate numbers, your responses throughout the questionnaire should be based on your last completed fiscal year.

The first two sections gather basic data about your organization as a whole and the IT area specifically. Sections 3 and 4 provide data about the state of your IT efforts and information on the type of organizations you support. Section 5 addresses the costs of functions which may be or may not be included in your IT budget. Since they are in some budgets and not in others, we have to account for them during the normalization process. Sections 6 through 9 identify your primary vendors. Finally, section 10 asks if you'd be willing to be identified to another participating organization, if they ask, to help with benchmarking processes.

Following is specific guidance for each of the sections.

SECTION 1

This section asks for some basic information regarding the organization completing the survey. Your CFO is a good resource (or can steer you to a good resource in the financial area) for answering this question.

Acronyms and Definitions for this section:

- ED – Emergency Department
- RAD – Radiology
- Capital – includes both current year projects and the full value of multiyear projects started in this year.
- Capital carry forward – in (1b) refers to capital dollars for multiyear projects approved in prior years.
- Capital expense threshold – (1c) refers to the level of expenditure that would cause an item to be considered a capital item rather than an expense item.

Additional guidance for this section:

- Depreciation is excluded from operating expense (1a) so that we don't count the dollars captured as capital (1b) twice.
- Labor fringe benefits are usually included as a line item in the Human Resources budget.

- The capital threshold varies among organizations. If you are answering this question for multiple supported hospitals that do not have the same capital threshold, use a weighted average based on the amount you capitalize at each organization. As mentioned above, your CFO is a good resource for answering this item.
- The number of physical locations question (1g) should not include offices of less than three physicians.
- Due to some technical difficulties, the IT cost per adjusted patient day (1h) must be calculated manually in this version of the questionnaire. You will need two additional pieces of information (total gross revenue and inpatient gross revenue) from your finance folks. You'll also find it easier to complete this question after completing Section 2. Here's the formula to use: The numerator (IT Cost) should be the sum of items 2a, 2b, and 2c. The denominator (adjusted patient days) is the organization's total gross revenue divided by the inpatient gross revenue multiplied by the number of patient days (1d). (Formula for adjusted patient days provided by HFMA.)
- The same explanation applies to any FTEs allocated by a corporate office (2h).

Additional guidance for this section:

- When counting FTEs and expenses, include contracted/outsourced staff as well as employed staff.
- The fringe benefits mentioned in 2a may not be included in the IT budget. If not, either finance or Human Resources should be able to give you a multiplier for your labor expense to arrive at the fringe benefit expense. The comment to exclude nursing labor does not refer to nurses working in IT, only those doing incidental IT work such as unit "super users."
- Item 2b refers to what is sometimes known as "shadow" IT staff. It's rare for an organization to not have a few of these folks. They are typically found in Radiology, Lab, Pharmacy, Radiation Oncology and Surgery; but may also occur elsewhere. Although they are in other departments, the majority of their duties are IT related. Be sure to include the salary expense for these folks on this line.
- Corporate IT expense, capital and FTE allocations will not apply to you unless you have a parent organization with a centralized IT function (and may not apply even then). If questionable, check with your CFO.
- As in the organizational information question (1b), do not count capital carry forward. However, do include IT capital projects from other departments.
- In item 2f, enter the number of full time equivalents (FTEs) in the IT department. NOTE: this is FTEs *not employees*. For example: two half-time employees would make up an FTE. Note that this *should include* any outsourced staff such as contract employees. Items 2i and 2j will differentiate between employed and outsourced staff.

SECTION 2

This section pertains to IT rather than the organization. Definitions clarified above are not repeated here if the terms have the same meaning.

Acronyms and Definitions for this section:

- FTE – Full-time Equivalent
- Corporate IT expense allocations – (2c) refer to the portions of centralized IT expense a parent organization allocates to its subordinate organizations. This is typical only in large healthcare systems.
- Corporate IT capital allocation – (2e) refers to the portion of centralized IT capital that a parent organization allocates to its subordinate organizations. Like the expense allocation, this item will only apply to organizations with parent organizations.

- Item 2g asks for the number of FTEs in other departments who have mostly IT-related duties. These are the same people you reported costs for in item 2b.
- Item 2h refers to any allocation of corporate IT FTEs. This goes hand in hand with 2c and 2e. It may not apply to you.
- The combined items 2i and 2j ask for the percentage of employed and percentage of outsourced FTEs that make up the IT staff budget. The formula for calculating the percentage of employed FTEs (2i) is: number of employed FTEs divided by the total number of IT FTEs (item 2f) times 100. For example if there are 40 employed FTEs and 50 total FTEs, the calculation is $40/50 \times 100 = 80\%$. The number of outsourced IT FTEs (2j) is calculated the same way: outsourced FTEs divided by total IT FTEs times 100. This method also serves as a math check since the two numbers, 2i and 2j should total 100%.
- The final two items in Section 2 categorize the number of staff supported. This breakdown – inpatient and outpatient will not work for some organizations. If it doesn't work for you, list the total number of staff supported in 2k and leave 2l blank. Supported staff refers to the number of people supported by IT, not the number of FTEs.

SECTION 3

This section provides a snapshot of the state of information technology in your organization. Please check the appropriate block to indicate your status with each of the items listed.

Acronyms and Definitions for this section:

- BPOC – Barcode Point of Care
- ICU – Intensive Care Unit
- ED – Emergency Department
- CPOE – Computer-assisted Physician Order Entry
- RFID – Radio Frequency Identification (Device)
- RTLS – Real Time Location System

SECTION 4

This section provides additional information to help differentiate organizations. Note that an item should only be selected if it is included in the IT budget and supported by your IT department.

Acronyms and Definitions for this section:

- MSO – Management Services Organization

Additional guidance for this section:

- The “Ref. Laboratory” question pertains only to services provided as a reference lab, not as your internal laboratory.
- For those areas requiring the number of beds, please use *staffed* beds not *licensed* beds.

SECTION 5

This section quantifies some of the common items that are included in some IT budgets; but not in all. In order to get to an “apples-to-apples” comparison, these items, their associated costs and FTEs need to be identified. Other organizations will use your numbers when normalizing the data. For example, if your IT budget includes PACS Maintenance and the associated FTEs but another organization's IT budget does not, they will subtract the numbers you report from your total expense and FTE count in order to get a more apples-to-apples comparison to your organization.

Acronyms and Definitions for this section:

- PACS – Picture Archiving and Communication System
- HIM – Health Information Management Department (Medical Records). (The IT support for HIM is typically in the IT budget, however, in some organizations the HIM department or function is also included in the IT area. In this section, we are referring to the HIM function.)
- CMIO – Chief Medical Information Officer (usually a physician)
- Web Presence Patient Portal – A way for patients to access their personal health information (lab results, etc) via the internet.

- Web Presence Consumer Portal – a hospital web site providing general consumer information.

Additional guidance for this section:

- If an item is included in the IT budget, please indicate the total operating expense and FTEs associated with the item. Ensure that the cost of the FTEs is included in the total cost.
- The Telephony item includes most facets of voice telephone communications – maintenance, switchboard, VoIP, telephone switch, etc. The cost for any of these items should be identified. The exception is management of telephone bills and actual cost of service which is covered in a later item.
- The CMIO is more typical in larger organizations. If you have someone in this role, please include those costs here.
- The item regarding department-based IT staff applies to the “shadow” IT staff in other departments. In some organizations these people are included in the IT budget. If that’s the case for you, please indicate that and include the FTEs and their costs.

SECTIONS 6 THROUGH 9

Self explanatory.

- If appropriate, more than one box may be checked in these items.

SECTION 10

Asks if you are willing to be identified to other organizations – at their request – for benchmarking purposes. At no time, will you or your organization be identified without your permission.



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