

**Blue Water Counseling
2015
Outcome Management Report**

June 30, 2016

Introduction

Blue Water Counseling (BWC) is an outpatient counseling organization. Services provided are not limited to persons residing in certain geographic locations. People seeking service are largely experiencing mild to moderate problems. In addition to the office in Fort Gratiot satellite office space is leased in Lexington, Rochester Hills and Yale, Michigan.

BWC's mission is to provide the highest standard of services for children and adults seeking to change and improve the quality of their lives. We believe that our success begins with our ability to secure the most talented, dedicated and experienced employees. BWC is a growth oriented, inspiring and team based work environment. In concert with caring members of the community, we sustain a commitment to the betterment of society. Our continued success and growth is founded on a proactive philosophy of accommodating evolving needs.

General program related goals include improving the functioning of persons seeking services and helping them manage life's challenges. The evaluation of performance to assure that these goals are achieved is a continuous process involving utilization review and supervision. There is a formal assessment conducted annually. Additionally, persons receiving service at BWC are surveyed periodically regarding satisfaction with service. The survey addresses issues such as overall satisfaction, the success of the experience, comfort with returning for service and comfort referring friends or relatives to BWC.

Production and financial goals are developed during budget preparation and program planning process. They are designed to support the implementation of program services so that general program related goals may be achieved. They include acquiring and maintaining an adequate number of full time equivalent (FTE) clinicians to provide services for referrals secured through marketing efforts, producing enough activity with existing FTE clinicians to implement planned programming and generate sufficient net revenue to meet expenses and add to reserves.

The annual program performance assessment is conducted with a random sample of cases that had at least four sessions recorded in the year in question. Benchmarks derived from historical experience are used to make judgments regarding the success of services provided. A financial assessment is conducted using goals as outlined in the budget planning process and actual data gathered from financial statements and production reports.

Methodology

In the year 2015, 2,625 individuals and families received counseling services at BWC. The objectives used to determine whether service goals had been achieved were effectiveness of treatment, satisfaction with the service and efficiency of service delivery. Effectiveness of treatment was measured by the percent of treatment goals achieved. Satisfaction was measured using a questionnaire given to a random selection of clients receiving services in 2015. General efficiency was measured by the ratio of kept sessions to expenses. A 30 subject random sample of cases receiving service in 2015 with at least four sessions was drawn for use in this study. The sample was used to assess effectiveness of treatment while satisfaction with services was derived from a questionnaire and efficiency of service delivery was derived from overall organizational statistics. Organizational financial and production goals were developed to help insure that adequate revenue was generated resulting in collections great enough to support the planned programming as well as add to reserves. Financial productivity goals were measured by the overall number of kept sessions, the number of full time equivalent (FTE) clinicians, revenue generated, efficiency of production as measured by the number of sessions per FTE, net revenue, expenses incurred and net income. What follows is a summary of the findings for 2015.

Findings

What follows is a description of the outcomes of the organizational plan for 2015. Actual outcomes are compared to the goals and objectives of the plan for the areas of program services as well as for production and finance.

Program Services

Effectiveness of Treatment

This organizational objective was measured using the percentage attainment of treatment objectives over the duration of counseling. The historical benchmark for this objective is assessed and modified as presenting issues evolve and changes occur in population served over time. The benchmark used to assess this objective was 50 percent attainment of the treatment objectives. The mean percentage attainment of treatment objectives for the sample was 51.56 which was an improvement over the 2014 year when the mean was 41.00 and 1.56 over the benchmark.

Satisfaction with Services

This objective was measured using the overall percentage of satisfaction as rated by persons served completing the satisfaction survey. The benchmark used to assess this objective was 90 percent satisfaction. Satisfaction questionnaires were completed by 73 of the persons served in the week of November 8, 2015. The overall percent satisfaction was 94.59 percent which exceeded the benchmark by 4.59 percent.

Efficiency of Service Delivery

This objective was measured using the ratio of the total annual kept sessions to expenses. The benchmark used to assess this objective was to exceed the 2001 – 2002 mean ratio of 0.01080. The ratio achieved for 2015 was 0.01265529 which exceeded the benchmark by 0.00186.

Production and Financial

FTE Clinicians

The approved budget assumption regarding FTE clinicians for the 2015 year was that there would be 15.43 FTE clinicians available to provide services as of March 2015 and would remain at that level for the balance of the year. The year actually started with 12.41 FTEs because of some unplanned turnover in late 2014 and by March it reached 14.49 or 0.94 fewer clinicians than required by the plan. The peak number of FTEs during the course of the year of 15.31 was realized in the month of December. The mean number of FTEs for the year was 14.57 or 0.86 FTEs short of the goal for the year.

Kept Sessions

The approved budget assumption regarding the number of kept sessions for the 2015 year was that there would be a total of 23,916 kept sessions, the number attained in the 2014 year, by the end of the year. The actual number of kept sessions was 24,042 or 126 more kept sessions than planned.

Kept Sessions Per FTE Clinicians

The approved budget assumption regarding the number of kept sessions for the 2015 year was that there would be a mean of 122.11 kept sessions per month, the mean attained in the 2014 year, per FTE for the year. The actual mean number of kept sessions per month per FTE for the year was 125.32 or 3.21 more than planned.

Revenue

The approved budget assumption regarding revenue or charges generated for the 2015 year was that \$3,249,083 would be generated in revenue. Actual post audit revenue was \$3,303,728 or \$54,645 more than planned.

Net Revenue

The approved budget assumption regarding net-revenue or collections for the 2015 year was that total program net revenue would equal \$1,981,422. Actual post audit net revenue was \$1,878,507 or \$102,915 less than planned.

Expenses

The approved budget assumption regarding expenses for the 2015 year was that total expenses would equal \$1,867,128. Actual post audit net expenses were \$1,907,579 or \$40,451 more than planned.

Net Income

The approved budget assumption regarding net income for the 2015 year was that net income for the year would be \$114,295. Post audit net revenue less total expenses resulted in an overall loss of \$26,059 or \$140,354 less than planned. If depreciation is excluded from the expenses the loss was \$3,083.

Conclusion

The 2015 program service goals for effectiveness of treatment, client satisfaction with services and efficiency of service delivery were met as the benchmarks were exceeded. The production and financial goals had mixed results. The number of FTE clinicians required by the plan was not achieved. In spite of the lack of desired FTE clinicians, the number of kept sessions and number of kept sessions per FTE clinicians exceeded the number planned. The planned revenue generated exceeded the plan but \$54,645 but the net revenue fell short by \$102,915. The pre-audit estimate for write offs and allowance for doubtful accounts was increased for the 2016 year as a result of the projected financial outcomes determined near the end of the 2015 year as part of the 2016 budget planning process. The plan was to result in net income of \$114,295 but the audited financial statement resulted in net income of (\$26,059). Though the plan did not result in the desired financial outcomes, enough net-revenue was generated to operate program services as well as to pay down a small portion of the organizational debt. The pre-audit findings were used in the development of the plan for 2016 and this post-audit analysis is part of the continuous quality improvement process.