

## What is the “ROI” of Accreditation?

The concept of “return on investment” (ROI), viewed narrowly, focuses on tangible, bottom-line-oriented measurements, but a broader conception of ROI can be applied to intangible matters as well.

What if we apply the concept to accreditation? An organization that is undergoing the accreditation process might easily cite a few intangible returns on its investment in accreditation. This list might include things like peer review conducted by an independent accreditor; self-evaluation that reveals areas for improvement; and enhanced pride in the organization among staff, leadership and clients.

One organization, Senior Resource Group (SRG), has tracked its ROI in accreditation for years. It is thus able to describe the bottom-line value of its investments in accreditation in key operational areas. SRG has 1,000 employees in 13 sites in Oregon, California and Arizona, and serves 2,800 residents in 2,000 units.

The Commission on Accreditation of Rehabilitation Facilities and the Continuing Care Accreditation Commission (CARF-CCAC) has done a ROI study with SRG. CARF-CCAC asked SRG to take measurements in seven major operational areas *before* pursuing accreditation, and then measure them again when their sites became accredited (while considering unusual or mitigating circumstances that could skew the data). Since SRG already had good measurement systems, it could make clear comparisons of its performance before and after accreditation. Tangible improvements were found in all seven areas. Here are just a few examples:

- Falls decreased by seven percent and worker’s comp claims decreased by seven percent as a percentage of the employee base.
- Marketing to potential residents: 1,450 more leads were received and 1,118 more tours were requested.
- Employee and resident satisfaction scores were maintained at a level greater than 4.0 (out of 5.0) despite the opening of three large communities.


- Falls decreased by two percent. Psychotropic drug administration was halved for those residents that required them. Medication administration errors decreased by 34 percent. Elopements decreased by 15 percent, even with the opening of two new campuses. Survey deficiencies decreased by 40 percent.
- The cost of vehicular maintenance decreased by \$831 despite the addition of 10 vehicles. The cost of facility supplies decreased, on average, by about \$2,700 per campus.

The first step in measuring ROI in accreditation is to think about your methods of measuring things such as, but not limited to, personnel turnover, worker’s comp claims, satisfaction, move-ins, elopement, medication administration and various operational costs. Without reliable and valid measurement systems before pursuing accreditation, you may find it nearly impossible to have an accurate basis of comparison when measuring ROI.

The real value of accreditation, says Kayda Johnson, SRG’s chief operating officer, is that SRG “continues to use the standards in all areas of our organization. Even if we are not evaluating ourselves in preparation for an accreditation survey, we are still referring to the standards and using them on a daily basis.”

Furthermore, says Johnson, even though SRG was measuring its performance prior to accreditation, the process gave it a “better understanding of how all the metrics tie together. There were a few surprises from the process, but we did have a few pleasant ones. While we expected more quantifiable data and more data analysis, what we were able to achieve exceeded our leadership’s expectations.”

“Another surprise,” says Johnson, “was the absolute and overwhelming pride that everyone exhibited before, during and after the accreditation survey. Shortly we will be able to say that all of our campuses are accredited and we are very proud of that.”

CARF-CCAC will continue to perform such measures of the ROI of accreditation in 2005 and beyond. For additional information on the ROI study, please contact CARF-CCAC at (866) 888-1122. 

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