



CULTIVATING A NEW WAY OF THINKING

The steepest decline in the nursing workforce in 20 years has prompted many health systems to get creative with their staffing models and approaches. For one health system, shifting from a focus on increasing productivity to a “patient-focused staffing” approach has delivered millions of dollars of financial benefits and created a culture of continuous improvement.

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Improving Labor Costs in a Hospital System with Seasonal Patient Surges

A non-profit Magnet healthcare system in the south comprised of two hospitals with over 700 licensed beds, more than 1,100 physicians, and medical facilities that provide care for over 40,000 patients a year engaged Impact Advisors to help with its labor challenges.

The organization needed to reduce costs, as they were relying heavily on external agency resources. This was layered on top of expensive seasonal staffing in November through April when the local population swells with snowbirds.

Cultivating Buy-In and a New Way of Thinking

The organization had higher hours worked per patient per day compared to industry standards. Instead of prescribing where they should be based on external benchmarks, Impact Advisors performed a “best practice analysis” for each department to identify a target that had been achieved in the past and would be an improvement over the current state. This approach helped create internal buy-in as opposed to relying on external benchmarks with less meaning. The goal was to improve on a Worked Hours per Unit of Service (WHPUOS), Paid Hours Per Unit of Service (PHPUOS) and Cost per Unit of Service basis.

“By partnering with Impact Advisors, our clinical teams were able to get a clearer picture of what they needed to both manage our patient volumes and provide the best possible care. Their tools, coupled with their coaching, enabled us to enact long-standing change at our organization.” - President and CEO

Impact Advisors recognized there was a large labor-savings opportunity after reviewing the external agency and seasonal staff utilization. Some of these high-dollar resources could be eliminated by implementing more efficient hours per patient day targets.

Impact Advisors also saw an additional savings opportunity through more proactive preparation for seasonal staffing trends by better managing their position control. The position control tool allowed each department to identify the number of FTEs they should hire, by both position type and shift, to support their budgeted average daily census.

Impact Advisors also used historical data to predict each department's seasonal average daily census and staff required. This enabled leaders to confidently hire the appropriate complement of full-time, part-time, and seasonal staff.

Cross-training enabled the nursing team to be more flexible and better meet demand. For example, nurses within maternity services could work in either labor and delivery, NICU, or triage versus only one area, which was standard practice. Having more "utility players" allowed the team to be more fully utilized and efficient across all areas.

The ability to bring reporting from disparate systems (e.g., EHR and ERP) into one consolidated tool, OPTIX, provided ease of access. This enabled frontline leaders to track the right data to make the best decisions and drive preferred outcomes against internal benchmarks.

Running Each Department Like a Small Business

Sustaining these types of improvements requires a culture change. The implementation plan



developed by Impact Advisors empowered leaders to effectively manage their staffing relative to patient volume and monitor their finances as if they were running their own small businesses.

The Impact Advisors team helped cultivate a culture of continuous improvement through process, reports, tools, and coaching. Working closely with health system leadership, the team created, maintained, and improved productivity standards throughout the fiscal year. From a Boot Camp for Managers to ongoing one-on-one and group coaching sessions, managers were exposed to proven department-specific management techniques they immediately applied to their operations with confidence. The managers were trained to become small business owners, keeping one eye fixed on quality and one eye fixed on cost. For a Magnet hospital, quality of staff and patient experience is critical.

Instead of submitting written recommendations to leadership and projecting improvement opportunities, the team created an environment of fiscal accountability and continuous improvement coupled with cost-based bi-weekly reporting. The teams used data and

daily huddles to monitor and adjust performance.

At the individual level, managers became empowered: they were well-informed, financially savvy, and possessed the ability to make staffing and program changes based on daily reporting. This enabled the leadership team to transition from a "productivity" focus to a "patient-focused staffing" approach. The outcome is a fine-tuned management team working together to achieve system-wide goals.

Results

Over the 3.5-year program, the health system was able to increase patient days by 3.1% (+4,647 days), reduce their FTE count by 8.7% (-259 FTEs) without layoffs, and deliver FTE savings of over \$27 million. ■