Key Objectives

1. Describe today's workforce challenges

2. The power of benchmarking

3. Gritman Medical Center case study

4. Share lessons learned

Current Workforce Challenges

- Increased labor costs
- Shrinking labor pool
- High turnover
- Contract labor utilization
- Increased expectations by associates
- Competition for entry-level positions

Change in Year-to-Date Expenses per Adjusted Discharge Compared to Pre-Pandemic Levels

June 2022 Update: +12.7%
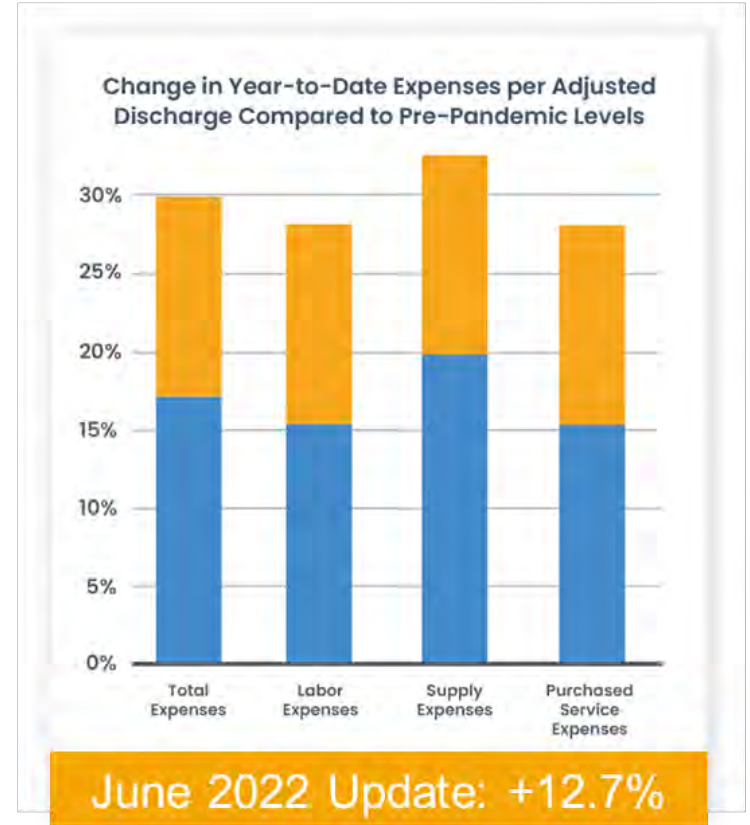
The News Isn't Pretty

More than one-third (34%) of nurses say it's very likely that they **will leave** their roles **by the end of 2022** and 44% cited burnout and a high-stress environment as the reason for their desire to leave.

More than a quarter of hospital employees currently work in jobs with a lower median wage than Amazon warehouses...

More than two years into the pandemic, hospital budgets are beginning to crack. One of the biggest drivers of financial shortfalls has been the cost to find workers.

75
to
20, and to 450

stretches,
nt staff nurses
make, she said. Now Ballad is forced to pay up to seven times as much, as hospitals compete to fill shifts

The Need for Benchmarking

According to credit rating agency [Fitch Ratings](),

- Labor expenses (salaries and benefits) are the largest expense category for hospitals, **making up more than 50%** of a hospital's total expenses.

- Between February 2020 and August 2021, average hourly wages for hospital employees have **risen 8.5%, and are unlikely to subside any time soon.**

Strategy Framework

Patients
- Increase Outreach
- Promote Access

Providers
- Improve Satisfaction
- Grow Retention

Employees
- Improve Engagement
- Grow Retention

Foundational Elements of the Plan

| IT/EMR Processes | Service Lines | Surgery Model | Workforce |

Mission: *To provide extraordinary care to improve the health of people in our communities.*

Values – The Gritman Way:

- *Compassion*
- *Integrity*
- *Collaboration*
- *Accountability*
- *Respect*
- *Excellence*

Vision: *To be the leading provider of care in our communities and a recognized model for quality, service excellence and fiscal stewardship.*

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Objective

BACKGROUND

Gritman Senior leadership wanted to evaluate staffing levels against volumes and industry benchmarks in order to manage labor costs.
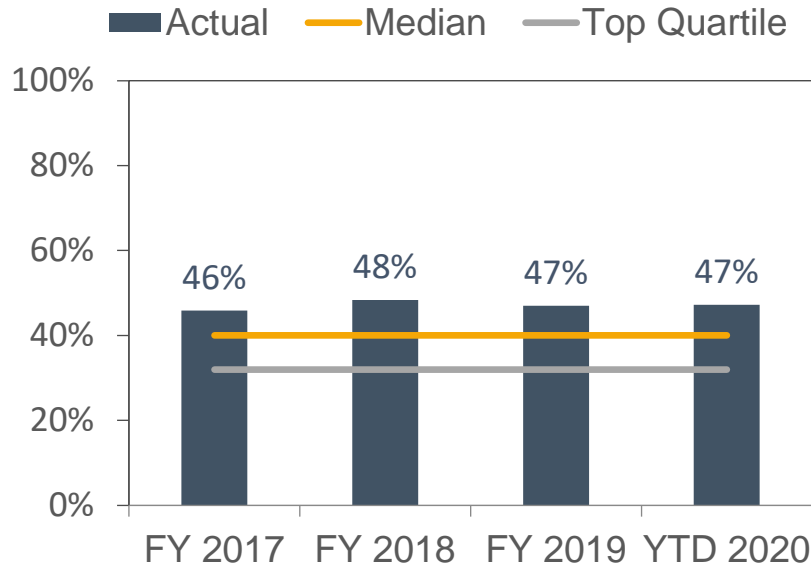
KEY QUESTION

What labor savings opportunities can be realized through improved staffing efficiency at Gritman Medical Center?

Benchmarking Salary Expenses

Hospital Salary Expense as a % of Net Patient Revenue versus Benchmarks

■ Actual ── Median ── Top Quartile

	FY 2017	FY 2018	FY 2019	YTD 2020
Actual	46%	48%	47%	47%

Opportunity to improve labor costs across the facility and align to industry benchmarks

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Improving Productivity

2 most important things in looking at productivity:

Volume

Paid Hours

Process Utilized

- Desired framework – manage data placed into workforce

- Create a committee

- Team charter, policy and procedure to put criteria around:
    - Opportunity departments (below 50th percentile)
    - If at benchmark, replacement positions flow through

- Remember it's a never-ending journey

Staffing Review Process

Align Labor and Volume (revenue)

Identify Opportunities

Set Deployable Tactics

Staffing Review Process

Align Labor and Volume (Revenue)

Staffing models in clinical and overhead departments determined by revenue and volume

Top-down Forecast:

[SWB as % of NPR] ceiling that take into consideration revenue projections

Bottom-up forecast:

Evaluate and establish performance metrics and benchmarks at dept level

Staffing Review Process

Identify Opportunities

Onsite analysis of current work processes to establish the most appropriate targets

Key Activities:

- ✓ Questionnaires for operations
- ✓ One-on-one meeting with managers to discuss operations and barriers
- ✓ Facility and select unit tours to observe workflow

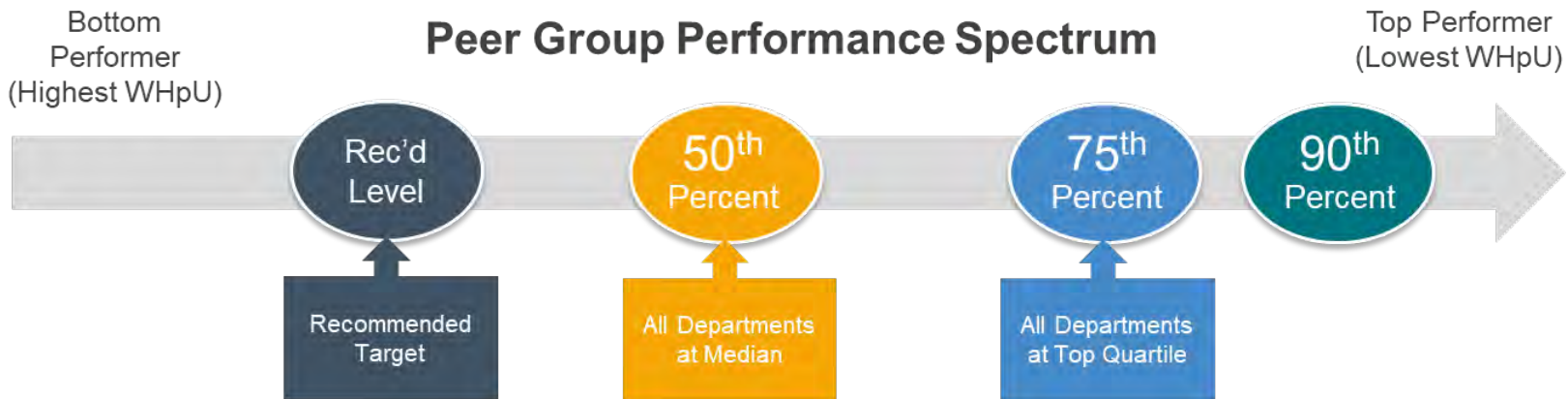# Staffing Review Process

Select Deployable Tactics

Set deployable tactics and measures to achieve
an affordable, sound work force

Components:
- ✓ Workflow and process redesign
- ✓ Staffing model refinement
- ✓ Skill mix planning
- ✓ Accountability-control adoption
- ✓ Pay practice audit and redesign

Setting Benchmarks

Bottom Performer (Highest WHpU) → Peer Group Performance Spectrum → Top Performer (Lowest WHpU)

- **Rec'd Level** — Recommended Target
- **50th Percent** — All Departments at Median
- **75th Percent** — All Departments at Top Quartile
- **90th Percent**

- **Phase 1:** bring the hospital staffing levels towards median
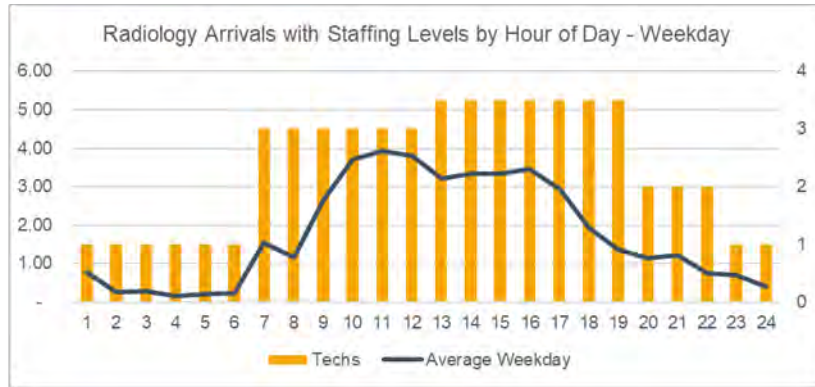- **Phase 2:** set a process to move towards 75th percentile

Opportunity Summary – Ancillary

- Respiratory Therapy is staffed higher than peer departments
  - Reduce staffing at night by allowing the nursing staff to cover for vent patients on 3rd shift (not currently recommended because of COVID);
  - Statistics did not align to work being completed

- Imaging opportunities
  - Ultrasound coverage hours were being changed to reduce paid hours and increase associate satisfaction
  - Women's Imaging Center had increased demand for services; added hours and resources
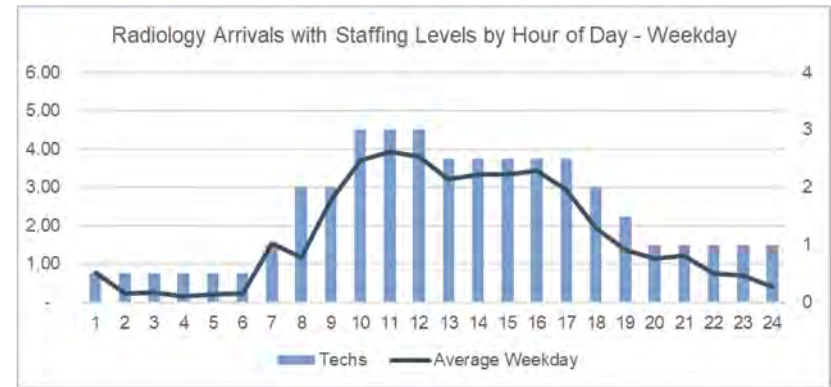
Dept Number	Dept Name	Paid FTE Gap to Rec'd	Rec'd Target Level
6045	Infusion Clinic	0.4	Percent Cap
6160	Sleep Lab	--	50th
6170	Cardiology/Respiratory Therapy	2.3	50th
6171	Cardiac Rehab.	0.2	Percent Cap
6315	MFM Lab Downtown	1.2	Percent Cap
6320	MFM Lab QuickCare	--	50th
7011	Laboratory	0.7	50th
7070	Pharmacy	1.0	50th
7091	Physical Therapy	4.4	Percent Cap
7092	Occupational Therapy	1.6	75th
7093	Speech Therapy	1.2	Percent Cap
7130	Diabetes Care	0.2	Percent Cap
8036	Healogic Wound Care	--	Current
8055	Clinical Nutrition	0.3	Percent Cap
7040	Imaging Roll-Up	5.7	Percent Cap

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Radiology Time of Day Analysis

Current State

Radiology Arrivals with Staffing Levels by Hour of Day – Weekday

## Potential Future Schedule Option

Radiology Arrivals with Staffing Levels by Hour of Day – Weekday

Key Findings & Recommendations

- Overall staffing should be adjusted based on volumes, while considering cross-coverage staffing options

- This analysis is needed for each modality at each location; second phase would help to uncover more opportunities

Key Findings

Echo Story
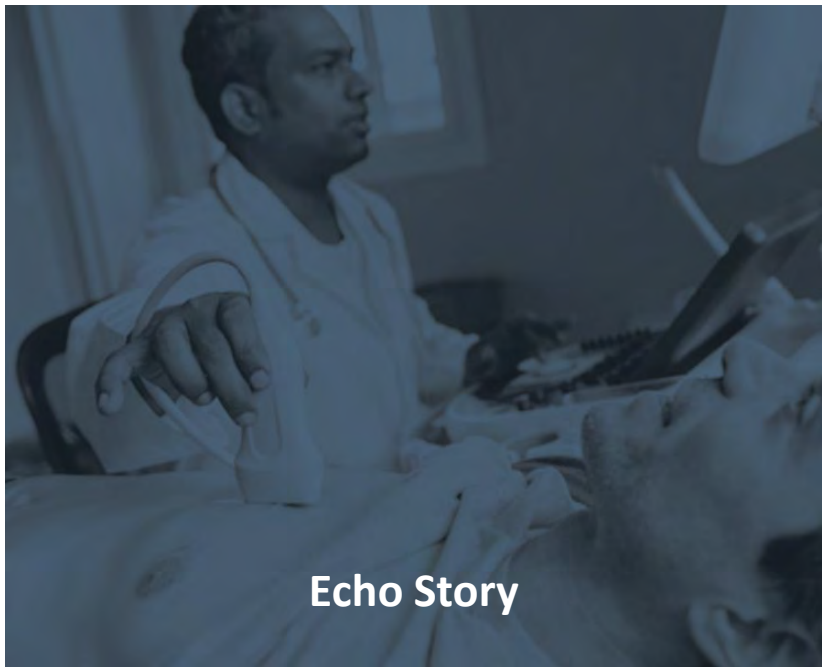
There is a need to bring staff back appropriately as volumes increase from COVID shutdown

- Radiology: Multiple physical locations present challenge for staffing; evaluate volumes for each location to adjust staffing and/or hours of operation

Labor Steering Committee

Labor Steering Committee Framework

Provide Strategic Direction

- Vision that drives goals
- Data-based annual budgeting
- Incentives at middle-manager level that drive performance

Create Accountability

- Strategic oversight of labor mgmnt program
- Policies and procedures that drive discipline
- Action planning with enforced follow-up

Measure Performance

- Financial reporting at the facility and department level
- Consistent and timely productivity reporting
- Incorporate benchmarking data

Create Structure & Processes

- Position control process
- Staffing to demand based on actual volumes, not capacity
- Vacancy review council

Mentor Managers

- Education of reports
- Process and workflow redesign expertise
- Education on tools, methodologies, and flexing strategies

Multidisciplinary Representation

Representation from many aspects of operations:

- HR – Director/Manager
- Finance – CFO/Controller
- Nursing – CNO
- Operations – COO/VP
- Medical staff – CMO/Director
- Productivity expert (internal or QHR Health)
- Other members as appropriate

Labor Steering Committee Roles

Executive Champion

- Understands the process
- Assists with the prioritization Breaks down barriers
- Rapidly aligns needed resources
- Gains support with leadership team
- Defines reality

Productivity Administrator

- Coaching resource
- Educate management
- Standardize processes
- Investigate operational variances
- Change agent to support improvement efforts
- Formalize accountability process Perform departmental reviews

Data Coordinator

- Review audit reports developed within internal tools
- Apply data corrections
- Maintain productivity and budget tools
- Generate and distribute reports

Strategic Advisor

- Works with senior executives to develop, execute, and revise strategic goals
- Extensive training for users at all levels
- Customized data analysis and opportunities
- Connects you to most relevant resources

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PDCA Cycle
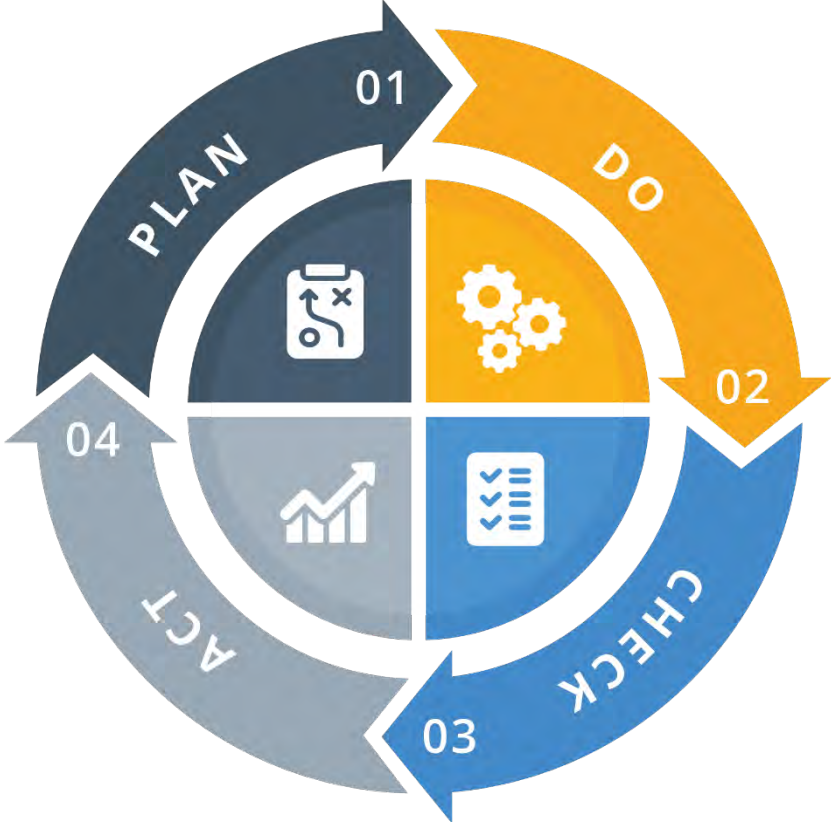
Key Lessons Learned

- Understanding where productivity measures up to a standard
- Salaries are the largest expense, are we efficient with our resources?
- Messaging is important
- Are there barriers that need to be accounted for?
- Make sure volume and people match up (and vice versa)
- Evaluate that you are capturing charges correctly
- Continuous process monitoring and team communication