

FOR IMMEDIATE RELEASE

API HEALTHCARE PUBLISHES HEALTHCARE WORKFORCE MANAGEMENT BEST PRACTICES

Tips for delivering high quality, affordable patient care in a new era of healthcare reform

HARTFORD, WI—June 22, 2010—API Healthcare, the leader in healthcare-only workforce management solutions, today released a set of best practices designed to help hospitals of all sizes consider, prepare for and manage the effects of healthcare reform legislation.

Operating under the tightest budgets in years, hospitals across the United States are facing even tougher conditions as healthcare reform threatens to reduce Medicare and Medicaid reimbursements, and the most severe nursing shortage since the mid-1960's looms around the corner. Add to this the imminent Electronic Health Record (EHR) requirements and you have an unenviable scenario for any hospital chief financial officer.

As the number of Americans eligible for healthcare coverage goes from 83 to 95 percent, hospitals will undoubtedly see a major influx of patients needing care. However, as that demand increases, the number of nurses available to care for them will decrease due to retirement and the inability to attract and retain new nurses to the profession.

“Tight budgets and limited resources do not have to mean patient care suffers,” said J.P Fingado, chief executive officer, API Healthcare. “Through strategic talent optimization, high quality affordable care can still be a reality for hospitals challenged by changes associated with healthcare reform legislation.”

As reform moves healthcare from a fee-for-service based industry to one based on quality, hospitals will have to meet tougher metrics in order to protect valuable reimbursements and subsidies, something many hospitals count on as a significant portion of their operating budgets. Through the use of integrated workforce optimization technology, hospitals can achieve this objective.

“While the true impact of healthcare reform on hospitals and providers remains to be seen, we do know for certain that if hospitals want to remain competitive and fiscally strong they will need to optimize operations,” said Jim Holincheck, managing vice president at Gartner, Inc. “With labor costs being the largest financial obstacle for most hospitals, it makes good sense to start with workforce management technology.”

In a whitepaper entitled *Behind The Curtain: Talent Optimization—The Key To Making Healthcare Reform Work For Hospitals*, Fingado outlines five initiatives that every hospital should evaluate in preparation for healthcare reform driven changes:

-more-

Controlling Overtime

More than 60 percent of a hospital's operating cost can be attributed to labor. Many hospitals have mandatory overtime policies in place that are designed to address the labor shortage but can have devastating results for patients. Studies have shown that the likelihood of a nurse making a mistake was three times higher when a shift went over 12.5 hours. Getting overtime under control can help protect hospitals, budgets and patients.

Nurse Retention

Recruiting and training nurses is an expensive endeavor. On average it costs hospitals \$40,000 to hire and train one nurse and up to 5 percent of operating expenses can be attributed towards turnover costs. Turnover not only directly impacts the bottom line, it can also impact the quality of care that patients in a facility receive, which can lead to costly penalties.

Right Caregiver, Right Time, Right Patient

In the era of healthcare reform, patient needs must drive nurse staffing if hospitals want to ensure delivery of the highest quality care. While several states have already mandated nurse to patient ratios, ensuring that the right nurse is assigned to the right patient is the responsibility of the hospital. Staffing based on acuity means that patient needs drive nurse staffing, and it can improve patient outcomes, create more equitable workloads for nurses and improve the bottom line.

Managing a Flexible Workforce

Solutions like self-scheduling, reducing or eliminating overtime by relying more on contingent staffing, and the use of internal float pools are effective ways hospitals can appeal to nurses, increasing staff satisfaction and ultimately resulting in better patient outcomes. These solutions can also have a positive impact on the bottom line.

Data-Driven Decisions

From productivity measurements to patient safety outcomes to staff satisfaction metrics, healthcare executives must be focused on tracking and managing complex variables. Hospitals that use business analytics to make data-driven staffing decisions can optimize their most valuable resource, labor. Organizations that invest in a robust talent optimization solution, and then encourage system usage and compliance will be able to utilize real-time data to make better decisions regarding their valuable workforce.

More detail, including an in-depth analysis of the healthcare workforce landscape is available in the complete whitepaper at the API Healthcare website (http://www.apihealthcare.com/reform_paper/).

-more-

About API Healthcare

API Healthcare (www.apihealthcare.com) is the largest healthcare-only vendor for healthcare workforce management solutions. API Healthcare solutions include staffing and scheduling, patient classification, human resources, recruiting, payroll, time and attendance, business analytics, and staffing agency solutions. Founded in 1982, API Healthcare has more than 1,000 installations in North America and Europe. API Healthcare has been rated by KLAS in the Top 20 Best in KLAS Awards Report (www.KLASresearch.com) as the top time and attendance provider system for the last eight years (2002-2009).

###

More Information, Press Only:

Michele Ertl-Rosner
262.670.2742
Michele.ertl-rosner@apihealthcare.com

Tiffany West
Leap the Pond for API Healthcare
253.815.8034
twest@leapthepond.com