

# Targeting Better Outcomes & Patient Satisfaction Through Workforce Management Initiatives



**W**orkforce management and the pursuit of productivity have formed a consistent pain point for hospitals for several years. The Affordable Care Act has only exacerbated the problem, increasing the demand on providers as the number of insured grows and the bar continues to rise on quality of care.

According to a HealthLeaders Media Council survey, workforce productivity and acuity-based staffing will continue to be top priorities this year. The survey polled 126 senior, clinical, operations, financial, marketing, and information leaders from both non-profit and for-profit settings. The majority of respondents (74%) were from hospitals and health systems.

Karlene Kerfoot, PhD, chief clinical integration officer at API Healthcare,

says the survey results indicate a shift taking place as workforce management initiatives are expected to deliver more than reduced labor costs.

“Hospitals and health systems are seeking to find ways to better develop and deploy their workforce to improve the patient experience, including both clinical outcomes and patient satisfaction,” Kerfoot says. “And to do that, they are relying on the ability to leverage their workforce data to provide insight into the changes that need to be made. It’s

easier to drive culture change and improve processes when the changes you want to make are based on evidence and data.”

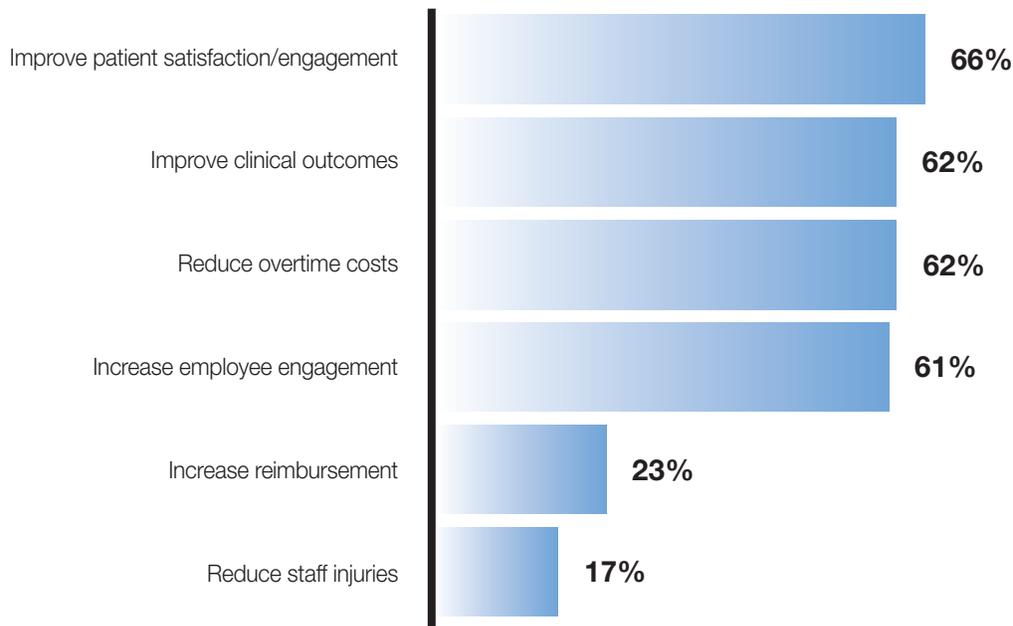


**KARLENE KERFOOT, PHD**  
Chief Clinical  
Integration Officer  
API Healthcare, Inc.

### Productivity Efforts Impact Outcomes

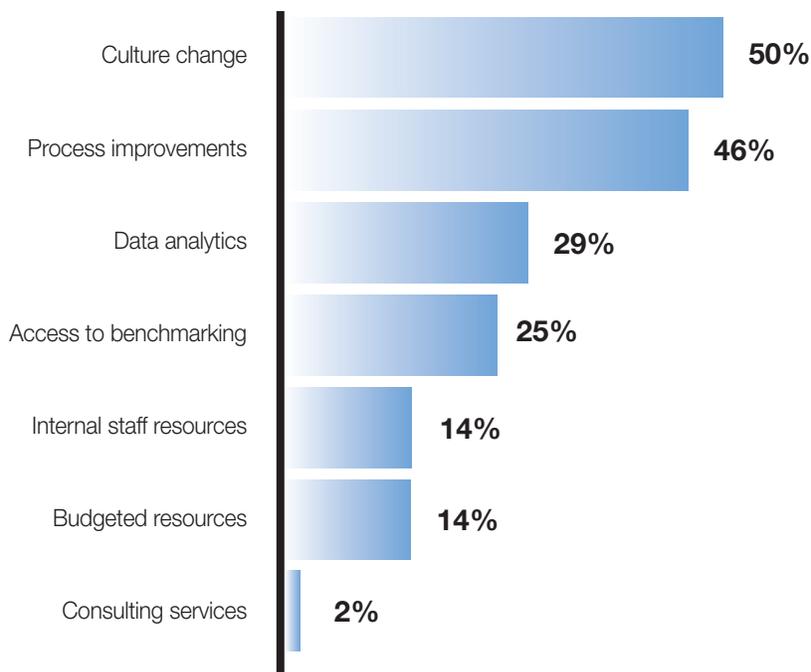
Perhaps the most compelling result of the survey is the emphasis on patient satisfaction. The initial survey question

### Desired Outcomes of Workforce Productivity Initiative | If your organization has done or is considering a *workforce productivity initiative*, what outcomes are you seeking to achieve?



Base = 126 Multi-response

**Factors Most Needed for Workforce Productivity Success** | Which of the following aspects does your organization *most need* to make a workforce productivity initiative successful?



Base = 126 Multi-response

indicated that a majority of leaders who have already implemented or are considering workforce productivity initiatives have focused on outcomes that improve patient satisfaction/engagement (66%).

**“The first is that we had some financial constraints with acquiring another hospital, and so we had to look at our costs and make sure that we were operating the way that we needed to be in order to be financially viable.”**

At Anderson Regional Medical Center, a non-profit hospital in Meridian, Mississippi, Matt Edwards, chief nursing officer, and Steven Brown, controller, have first-hand experience with controlling labor costs through productivity improvement and data-driven operational excellence. About four years ago, Anderson Regional had experienced growing pains after acquiring another facility and found itself under financial pressure due to market forces.

“When we first put in our productivity system, we had several outcomes that we were trying to achieve,” Brown says. “The first is that we had some financial constraints with acquiring another hospital, and so we had to look at our costs and make sure that we were operating the way that we needed to be in order to be financially viable. Often people don’t necessarily look at finances as having any type of impact on patient satisfaction but it does. When we operate in a way that is fiscally sound, we’re better

equipped financially to provide the services, high quality care, and complement of well-trained staff that can best serve our patients.”

Nearly equal amounts of hospital leaders indicated that their primary objective for workforce productivity initiatives in 2015 is or will likely be to improve clinical outcomes (62%), reduce overtime costs (62%), and increase employee engagement (61%). According to Brown, the survey responses closely coincide with Anderson Regional’s pursuit of more robust data and analytics to gain the tools and information needed to achieve workforce productivity goals.

“Our primary goal was to use the productivity data to make sure we had the right number of people to care for our patients and deliver services. For us, it goes back to how well you’re managing and utilizing staff. Once we had established our productivity standards, that in itself helped reduce overtime. Now we look at it daily to try to manage it as our census fluctuates up or down, and we can even drill down more and reduce the overtime daily,” he says.

**“If our staff is satisfied, they’re engaged in their work, and they feel like they have enough staff to adequately take care of the patient census, then this will have a direct reflection on patient satisfaction.”**



**MATT EDWARDS**  
Chief Nursing Officer  
Anderson Regional  
Medical Center

Edwards sees a direct link between employee engagement and patient satisfaction. “If our staff is satisfied, they’re engaged in their work, and they feel like there is enough staff to adequately take care of the patient census, then this will have a direct reflection on patient satisfaction,” he says. “If our staff is satisfied, then it’s going to spill over to patient satisfaction. That’s important because patient satisfaction

is directly tied to our reimbursements going forward.”

In the second survey question, exactly half of respondents (50%) indicated that culture change is most needed to make a workforce productivity initiative successful. This could be because culture change is the most difficult to achieve on a large scale.

“Culture change is probably right on track as what is most needed with us also,” Edwards says. Adds Brown, “The hardest thing to do is the culture change and also the process of improvement because you run up against some really established practices that have been in place for many years, and sometimes people don’t see the need in changing things.”

According to respondents, the second most needed aspect for organizations to make a workforce productivity initiative successful is process improvements (46%).

“If you notice in the survey responses to the second question, they were all within just a few points of each other, which I’d say is where we’re at ourselves,” Edwards says.

The remaining responses also closely match what Anderson Regional set out to achieve with its workforce productivity program. For instance, data analytics was identified as most needed by respondents (29%), followed by access to benchmarking (25%) and internal staff resources and budgeted resources (14%).

Prior to its productivity initiative, Anderson Regional did not have access to any benchmarking data. “We have a lot more data now that we’re able to use to justify the reasons for either creating new positions or having the staffing based on census,” Brown says. “From a financial standpoint, it’s been very good for helping us keep things in check.”



**STEVEN BROWN**  
Controller  
Anderson Regional  
Medical Center

Malloch says that a concerted effort to improve patient satisfaction through workforce initiatives such as acuity-based staffing is a major shift that has taken place as hospitals modify their strategies to look beyond cost savings to the longer-term success strategy of improving patient experience.

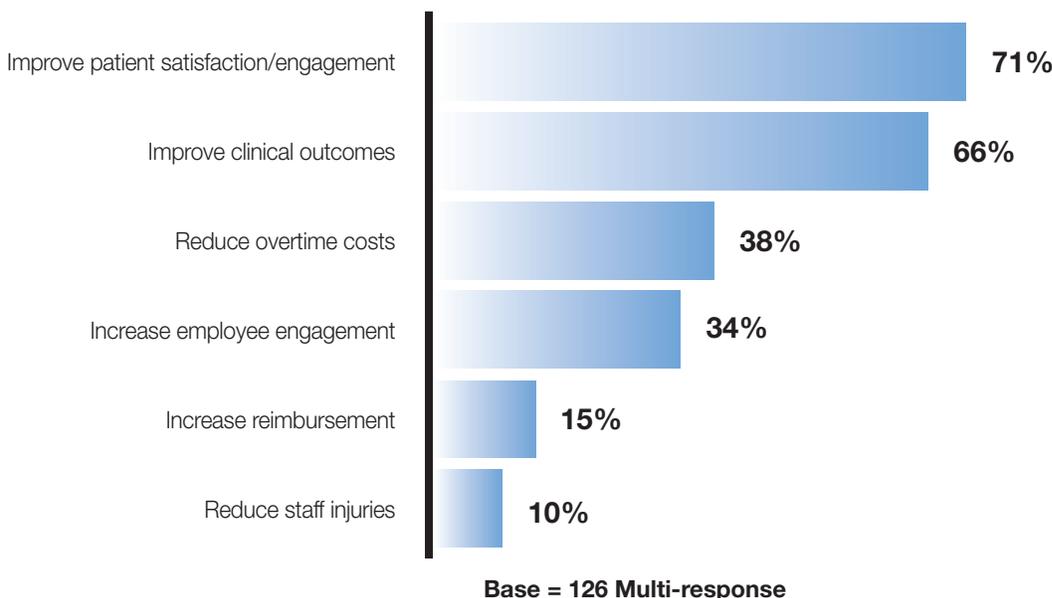
### Leveraging Acuity-Based Staffing as a Strategy

The final two survey questions addressed the increased emphasis on acuity-based staffing in hospital settings. Most of the respondents (71%) identified improved patient satisfaction or engagement as their primary objective for staffing based on patient need. This comes as no surprise to Kathy Malloch, PhD, professor at both Arizona State University and Ohio State University and a clinical consultant for API Healthcare.

“I was thrilled to see that the desired outcomes for acuity-based staffing were improving patient engagement and improving clinical outcomes before they got to reducing overtime costs,” Malloch says. “It reflects the changes we’ve seen as hospitals move to using evidence to staff in a way that improves the patient experience rather than focusing only on cutting labor cost.”

Improving clinical outcomes ranked second (66%) among outcomes organizations are seeking to achieve from staffing by patient need, while reducing overtime costs (38%)

### Desired Outcomes of Acuity-Based Staffing | If your organization has done or is considering staffing by patient need, or acuity-based staffing, what outcomes are you seeking to achieve?



and increasing employee engagement (34%) were named by lesser, but nearly identical numbers of respondents.

"I think that if you do acuity-based staffing and then you do equitable nurse patient assignments, the chances of somebody being over- or understaffed and requiring overtime are decreased because you've adjusted the workload more equitably," says Malloch. "It's a much more logical approach to managing work."

In the final survey question, 40% of respondents identified process improvements as most needed to make an



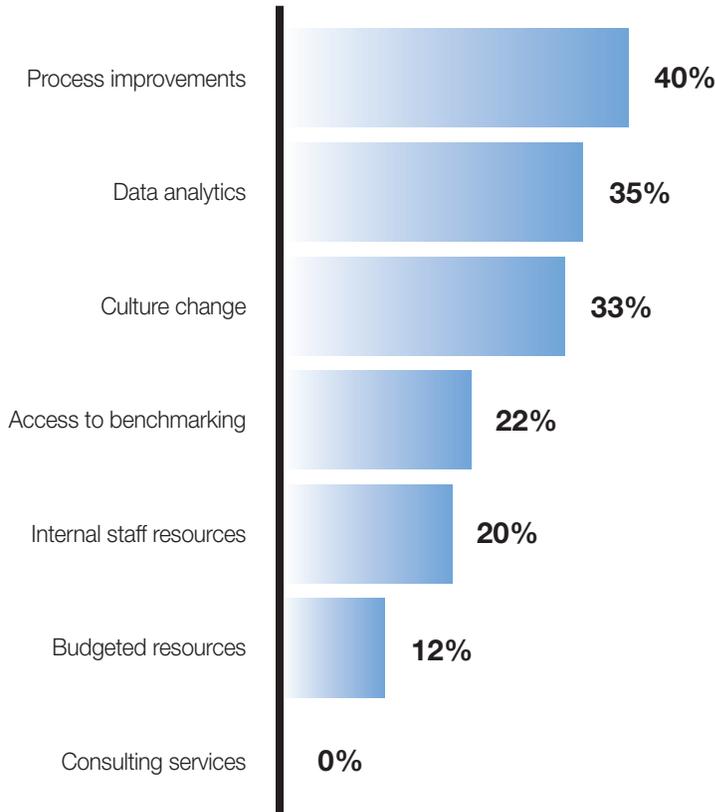
**KATHY MALLOCH, PHD**  
Professor at Arizona State University and Ohio State University  
clinical consultant at API Healthcare

you don't have evidence to support it, so those things are critical," she says. "I think it's interesting that the top three are actually fairly close, from 33% to 44%, and it seems like all three of them need to happen."

acuity-based staffing initiative successful. Respondents also identified data analytics (35%) as the second most needed aspect of such an initiative.

Malloch says while process improvement is widespread, execution is often critical to achieving desired outcomes. "Process improvement comes right along with data analytics because you don't want to change if

**Factors Most Needed for Acuity-Based Staffing Success** | Which of the following aspects does your organization *most need* to make an acuity-based staffing initiative successful?



Base = 126 Multi-response



Although 33% selected culture change as the aspect most needed for successful staffing, in many cases it is the most difficult to achieve.

"[Acuity-based] staffing is about using data to make decisions with the largest group of employees in healthcare," Malloch says. "I think what is needed is a significant culture change that's different from a process improvement project; it's not just a project, it truly is a cultural rework. There isn't an algorithm or template that organizations can just say, 'I'm going to use this and assign it to their project planning team and it's going to happen this year.' It has to be given the attention it requires to be successful, and it takes time to do that right."

Rounding out the remaining responses to the final survey question were access to benchmarking (22%) and internal staff resources (20%) or budgeted resources (12%).

"I think that benchmarking with external agencies should only be informational or a secondary piece of data that we look at because I think we should be benchmarking internally," says Malloch.

**"The foundation of effective workforce management initiatives is having the ability to harness data that points to the areas that need to be improved."**

While staffing is a hospital or health system's largest expense, Kerfoot says there is no reason why staff can't also be a facility's key asset in delivering quality care and ensuring patient satisfaction.

"The foundation of effective workforce management initiatives is having the ability to harness data that points to the areas that need to be improved. Then, executives and front-line managers can be empowered with the information they need to optimize their workforce to deliver high-quality, cost-effective patient care that will create excellence in patient outcomes and staff engagement," Kerfoot says. "Workforce management initiatives can and should deliver the necessary balance between cost containment, quality of care and staff engagement." ■

### A Note on the Survey

A four-question survey on Workforce Productivity was sent to members of the HealthLeaders Media Council in January 2015. The HealthLeaders Media Council comprises more than 8000 executives from healthcare provider organizations who collectively deliver the most unbiased industry intelligence available. A total of 126 completed surveys are included in the analysis; 62 of those were from senior leaders (C-level executives, partners, board members, principal owners). Hospital executives represented 42% of the respondents, and 32% were from integrated delivery systems. Another 7% were from physician organizations. The majority (80%) were from not-for-profit organizations. The margin of error for a sample size of 126 is +/-8.7% at the 95% confidence interval.

### About API Healthcare

API Healthcare ([www.apihealthcare.com](http://www.apihealthcare.com)) is focused on workforce optimization solutions exclusively for the healthcare industry. The company's staffing and scheduling, patient classification, human resources, talent management, payroll, time and attendance, business analytics, and staffing agency solutions are used by more than 1,600 health systems and staffing agencies. Founded in 1982, API Healthcare has been rated by KLAS in the Top 20 Best in KLAS Awards Report ([www.KLASresearch.com](http://www.KLASresearch.com)) as the top time and attendance provider system for the last 13 years (2002-2014) and the top staffing and scheduling solution in 2012, 2013 and 2014.

### About GE Healthcare

GE Healthcare provides transformational medical technologies and services to meet the demand for increased access, enhanced quality and more affordable healthcare around the world. GE (NYSE: GE) works on things that matter - great people and technologies taking on tough challenges. From medical imaging, software & IT, patient monitoring and diagnostics to drug discovery, biopharmaceutical manufacturing technologies and performance improvement solutions, GE Healthcare helps medical professionals deliver great healthcare to their patients.

Anderson Regional Medical Center is an active participant in the API Healthcare STAR client reference program that rewards clients for sharing their outcomes, expertise and opinions.



A GE Healthcare Company