Labor Cost Savings of $2.5 Million
In 8 Months with Strategic Productivity Initiative

With 1,700 employees and 400 beds, Anderson Regional Medical Center in Meridian, MS is one of the largest medical systems in Mississippi and one of the state's major employers. Anderson has a heritage of healing and improving life for the people they serve. The health system is also focused on long-term sustainability, with an eye on labor cost controls. With the goal of matching staff to patient care needs, Anderson Regional invested in a productivity and workforce operational excellence project that has yielded solid financial results and helps continue Anderson's heritage of healing.

Success Starts with Accountability

Anderson Regional's objective was to control labor costs. By using business analytics to gain the tools and information the team would need to be accountable for achieving workforce productivity metrics, they would be able to make proactive decisions regarding their workforce. This productivity management initiative had buy-in from the entire executive team. Alphe Wells, vice president, clinical operations, explains, "We recognized that out of all the projects we were working on, business analytics was the initiative that stood the best chance of delivering an ROI, and we invested in implementing it correctly to achieve positive results."

Problem

The acquisition of another facility, along with the financial constraints being faced by hospitals across the country, meant that Anderson Regional Medical Center needed to focus on avenues of efficiency and cost savings.

Solution

Anderson Regional built a strong foundation for data-driven workforce operational excellence through an integrated suite of API Healthcare's Solutions including:
• Staffing and Scheduling
• Time and Attendance
• Human Resources/Payroll
• Business Analytics

Building the Foundation

The executive team recognized that proactive overtime and productivity management starts with consolidating, processing and analyzing large volumes of labor-related data. To manage this critical data Anderson Regional utilizes fully integrated Staffing and Scheduling, Time and Attendance, Human Resources/Payroll and Business Analytics Solutions from API Healthcare.

The mindset for this project was to achieve workforce operational excellence. According to Tom McClure, president of McClure Consulting, the company that assisted with the implementation, "The team at Anderson Regional knew that it made sense to think in terms of workforce management rather than financial management. That meant they were focused on right-staffing based on patient volumes and need. The financial benefits naturally come along with better staffing and improved patient satisfaction."

One of the biggest changes has been the move from manual to automated staffing and scheduling, which has delivered numerous benefits for Anderson Regional. Matt Edwards, chief nursing officer explains, "Going from a manual scheduling system to fully electronic staff scheduling is truly amazing. This allows our organization to look at staffing in real-time thus allowing us to be more productive and efficient."

Access to the Right Data

With API Healthcare Solutions in place, the foundation was laid to focus on managing labor costs and improving productivity. Executives realized that managers and clinicians wanted to be part of the solution and were ready to focus on

Results

The project yielded a little over $2.5 million dollars over an 8-month period, compared to the prior year.

"Our executive team has made it a priority to focus on optimizing our workforce. That strategy is yielding benefits for us, both in the delivery of patient care and labor cost savings. We're continuing to leverage workforce data so that we can further improve the productivity and effectiveness of our staff."
– Keith Heartsill, CFO, Anderson Regional Medical Center

improving productivity as part of their day-to-day job. In order to be successful, Anderson Regional needed to ensure that everyone had the ability to see the same data. And, that data needed to be accurate and timely. Steven Brown, controller at Anderson Regional explains, "If we wanted managers to be accountable for their numbers, we needed to give them the information and tools they needed to do their job effectively."

To that end, the team worked to establish "Quality Staffing Standards". These standards were calculated so that each position or each department in the hospital had a work labor unit that they applied to their volume. The API Healthcare Business Analytics Solution ensures that the productivity data is accessible and actionable. Now, Anderson Regional is using Business Analytics to match the appropriate labor to the amount of volume and patient care need within the hospital, giving them better control of their labor costs.

"Business Analytics gives us the ability to look at the data as it's happening within the pay period and then make corrections proactively so that we can get the results we're hoping to achieve," adds Brown. "Instead of using a rearview mirror approach where you look at outcomes days or even weeks after the pay period has ended, our managers can affect the outcome of the pay period before it ends."

Realizing Real Savings

By focusing on workforce operational excellence and managing to productivity metrics, Anderson Regional Medical Center realized a cost savings of over $2.5 million over an 8-month period compared to that same period the prior year.

"With the creation of Business Analytics dashboards, our executives have a real- time view of productivity so that real-time adjustments can be made based on actual volumes. We can also spot departmental trends and staffing patterns so it's easy to see if departments are on track with meeting quality standards as well as predict future staffing needs based upon past history."
– Alphe Wells, Vice President Clinical Operations, Anderson Regional Medical Center