

HEALTHCARE SYSTEMS PROCESS IMPROVEMENT

CONFERENCE 2013

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Delivering Consistent and Lower Cost Care in the Long Term Care Industry

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Executive Summary

The Challenge:

- ◆ Pressure to lower labor costs while improving quality of care

Common Myth:

- ◆ There is a trade-off between cost and quality of care

Reality:

- ◆ Staffing to acuity leveraging engineered labor models will drive reduced labor costs while also improving the quality and consistency of care to the resident

The Approach:

- ◆ Defining standard routines, task and acuity demand drivers and engineering labor standards at the task level provides the necessary level of detail to truly understand staffing needs based on level of care needs of the resident while also creating a foundation for continuous improvement to deliver consistent high quality care

Current State

- ◆ The long term care industry is evolving by expanding their resident population:
 - Facilities are accepting “sicker” residents with more complex levels of care
 - Facilities are introducing new offerings, including therapy services, to capture the post-acute, short stay patient
- ◆ Reductions to reimbursement rates and ever changing regulatory requirements are forcing companies to find new and innovative ways to increase top line growth while controlling or reducing expenses
- ◆ As these changes are implemented, labor costs are soaring as facilities struggle to staff appropriately to meet the needs of their residents

Traditional linear staffing models no longer work. Staffing models must consider discrete care requirements in order to plan and deploy labor effectively

Staffing to Acuity

- ◆ Staffing to acuity provides the solution to the ever changing needs of resident care
- ◆ While this concept is not new, grounding the development of acuity-driven staffing models in core industrial engineering principles including work standardization and engineering labor standards ensures true alignment of care demands with labor supply
- ◆ The result of this effort is ensuring

the Right Resources
are in the Right Place
at the Right Time

Process Optimization + Resource Scheduling
(Match capacity to process requirements)

=

doing the Right Things
the Right Way

Process Excellence
(Focus on value-added activities)

Focusing on the '5 Rights' delivers simultaneous improvements in Service, Cost and Quality of Care

Project Methodology



- ◆ Traditional labor management practices have traditionally been “sanitized” when applied in the Healthcare Industry limiting the full potential of task-driven labor standards
- ◆ WMP’s methodology leverages key engineering tools including time study, work sampling and predetermined motion time systems to drive detailed data collection to ensure:
- ◆ This approach also provides a true view of labor expense by task which defines, quantifies and prioritizes opportunities to build and support your continuous improvement plan

Step 1 – Formalize Routines


Create and/or formalize nursing and certified nursing assistant routines by role, unit and shift

Tools

- ◆ Job shadowing

Validation Points

- ◆ Multiple facility studies (if applicable)
- ◆ Subject-Matter-Expert reviews

 Role: <u>Certified Nursing Assistant (CNA)</u> Shift: <u>First</u>		
Beginning of Shift		
Specific Time (if needed):	Activity:	Completed:
7:00 AM	Attend Start of Shift Meeting - "Nursing Huddle"	
	Obtain linens and other supplies	
During Shift		
Specific Time (if needed):	Activity:	Completed:
	Complete resident wake-ups	
	Provide morning ADL Care	
	Enter all care into the Care Tracker System	
8:00 AM	Transfer patients to and from dining room for Breakfast	
	Provide breakfast service (sit-down and delivery to rooms)	
	Provide after breakfast ADL Care	
	Transfer patients to and from dining room for lunch	
12:00 PM	Provide lunch service (sit-down and delivery to rooms)	
	Provide afternoon ADL Care	
	Respond to resident calls and requests	
	Fill out ADL Charts	
End of Shift		
Specific Time (if needed):	Activity:	Completed:
2:45 PM	Transport soiled linens and trash to disposal area	
2:55 PM	Engage in formal close-out process with the Nurse	
As Needed		
Specific Time (if needed):	Activity:	Completed:
	Lead activities in the activity room	
	Set tables in the dining room for meals	
	Accompany residents to appointments	
	Communicate with resident family and visitors	
	Weigh Residents (daily/weekly as required)	
	Check Vitals	
Weekly		
Specific Time (if needed):	Activity:	Completed:
	Accompany residents to weekly activities (i.e., Beauty Shop)	
Monthly		
Specific Time (if needed):	Activity:	Completed:
	Weigh Residents (All)	
	In-servicing sessions/Continued education	

Step 2 – Quantify Labor Allocation

Define labor allocation by task for each job, shift and unit to fully understand key labor drivers and candidates for acuity driver considerations

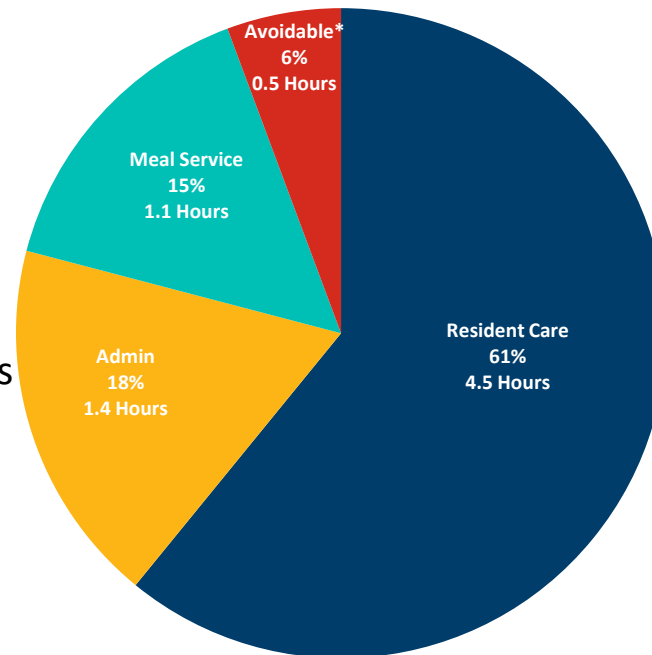
Certified Nursing Assistant – LTC – First Shift

Tools

- ◆ Work sampling

Validation Points

- ◆ Multiple studies by characteristic
- ◆ Multiple facility studies (if applicable)



Resident Care			
Activity	Min/Shift	Hr/Shift	%/Shift
ADL	156	2.6	34.7%
Resident Comm	44	0.7	9.8%
Activities	31	0.5	6.8%
Transfers	10	0.2	2.2%
Other Res. Care	34	0.6	7.4%

Admin			
Activity	Min/Shift	Hr/Shift	%/Shift
Care Tracker	34	0.6	7.5%
Charting	15	0.3	3.4%
Staff Comm	10	0.2	2.2%
Shift Start-Up	4	0.1	0.9%
Other Admin	18	0.3	4.1%

Step 3 – Develop Labor Standards

Study the clinical care and operations and build task level engineered labor standards by acuity drivers

Tools

- ◆ Time Study
- ◆ Work Sampling
- ◆ PMTS
- ◆ Expert Knowledge

Validation Points

- ◆ Multiple facility studies (if applicable)
- ◆ Statistical confidence
- ◆ Subject-Matter-Expert reviews



Patient Care	Meals	Travel
Admin		Communication
Breaks		Avoidable

Step 4 – Build & Validate the Labor Model

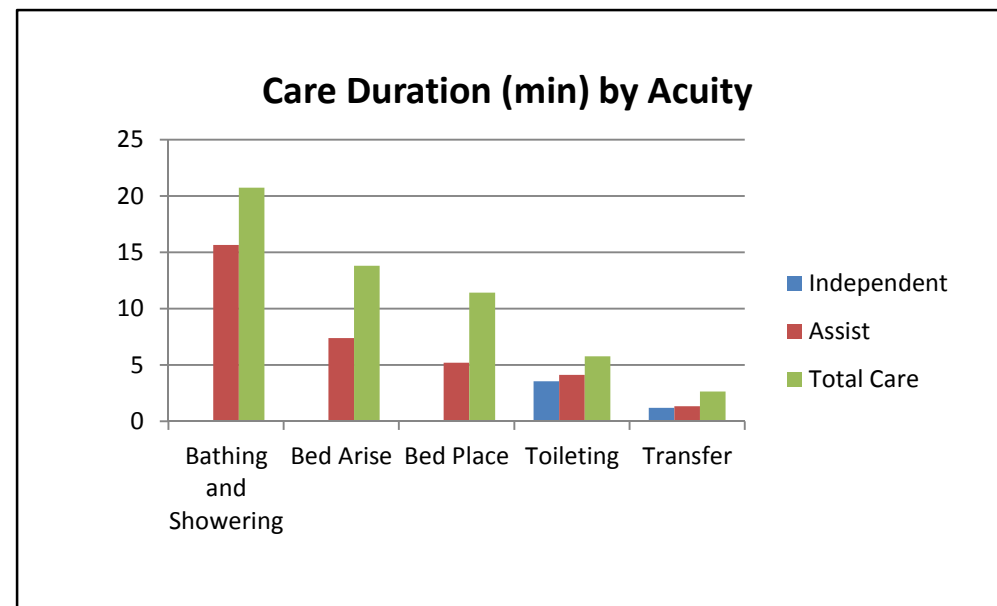
Compile labor standards into a flexible modeling platform to drive labor from staffing, through schedule and ultimately to deployment

Tools

- ◆ Data analysis
- ◆ Microsoft Excel
- ◆ Scheduling Technology Solution

Validation Points

- ◆ Budget to Model Analysis
- ◆ Actual to Model Analysis
- ◆ Validation Studies
- ◆ Subject-Matter-Expert Reviews



Step 4 – Build & Validate the Labor Model (cont.)

Pilot validation of the model leveraging offline tools such as Excel ensure data and process requirements are finalized before committing a large capital investment on technology

- Providing an easy to use interface to unit attributes automatically populates staffing requirements

westMONROE PARTNERS													
Hours Per Resident		<i>manually populate cells in green based on state staffing requirements</i>											
		Charge Nurse (LPN)				Certified Nursing Assistant				Total PPD	State Min	PPD Difference	
Census	Unit	AM	PM	NT	TOTAL	AM	PM	NT	TOTAL				
37	ACU	0.38	0.38	0.32	1.08	0.86	0.81	0.61	2.28	3.55	2.80	0.75	
65	LTC	0.43	0.28	0.25	0.95	0.63	0.55	0.40	1.59	2.73	2.80	-0.07	
26	STC	0.62	0.38	0.38	1.38	0.94	0.65	0.50	2.09	3.66	2.80	0.86	
Employees Required - Rounded to Minimum Shift		<i>manually populate cells in green based on minimum shift & staffing requirements</i>											
		Charge Nurse (LPN)				Certified Nursing Assistant				Total Employees			
Census	Unit	AM	PM	NT	TOTAL	AM	PM	NT	TOTAL				
37	ACU	1.75	1.75	1.50	5.00	4.25	4.00	3.00	11.25	17.14			
65	LTC	3.50	2.25	2.00	7.75	5.50	4.75	3.50	13.75	23.00			
26	STC	2.00	1.25	1.25	4.50	3.25	2.25	1.75	7.25	12.36			
Name	Acme - Long Term Care Facility												
State PPD Min	2.8												
Unit Characteristics													
		Resident Acuity				Unit Daily Averages							
Unit	Beds	Residents	Independent	Assist	Total Care	Incidents	Admits	Discharges	Appt's				
ACU	41	37	3	26	8	1.30	0.13	0.13	0				
LTC	69	65	2	46	17	1.57	0.25	0.25	0				
STC	28	26	2	20	4	1.43	0.89	0.89	0				

Step 5 – Develop Lean Roadmap

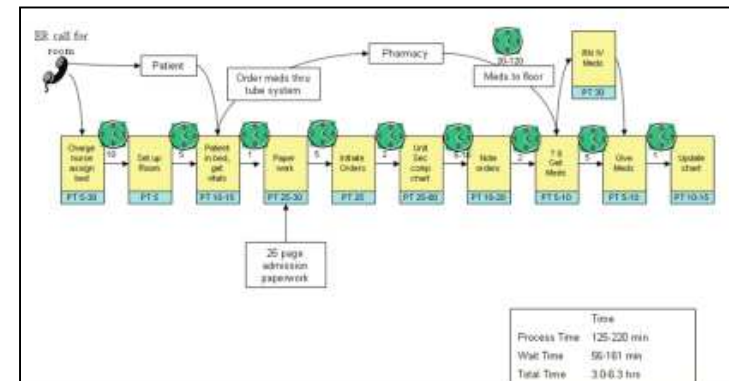
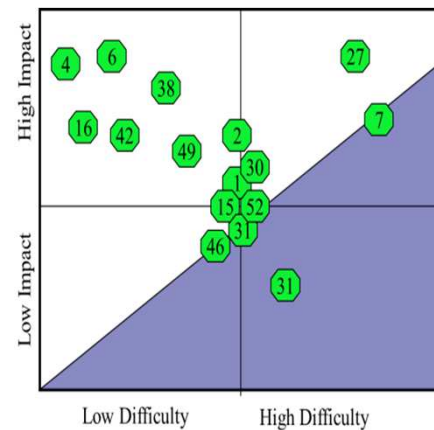
Leverage the developed labor model to quantify labor spend by task and prioritize largest opportunities for lean engineering

Tools

- ◆ Data Analysis

Validation Points

- ◆ None Required – Previously Validated



Annual labor model maintenance provides a low cost refresh of Lean opportunities while ensuring prioritization is grounded in truly engineered data



Acuity Model Benefits

- ◆ Bottom-up, demand-driven baseline tool to define true labor requirements at the facility level
- ◆ Supports labor balancing by allowing for scheduling at any level (site, unit, floor, etc.)
- ◆ Dynamic design supports current operations while also:
 - Allows for “What-If” modeling
 - Flexible to support changes in the operating model without complete re-design
- ◆ Diagnostic output of labor demand by task/category to understand priorities for lean initiatives and potential people/process/technology investments
- ◆ All aspects of labor planning are driven from a common data set: budget > staffing model > schedule > deployment
- ◆ Provides insight into the true cost of care by resident based on acuity



Recap

- ◆ The long term care industry is evolving to offer new services to new classifications of residents and patients
- ◆ The traditional means of scheduling patient care resources is not agile enough to appropriately align capacity with demand
 - Labor costs, including overtime are soaring
- ◆ Staffing based on acuity driven models provides the flexibility needed to support the ever-changing environment within the long term care facility
- ◆ Detailed labor standards are the key to not only addressing staffing and scheduling concerns but also set the table for continuous improvement



Questions?

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