

Hospital Cost Reduction Depends On Productivity Management

THE SITUATION

Because labor costs are the largest operating expense for hospitals, managing staffing is a critical day-to-day process. Unfortunately, rural and community hospitals often lack the processes and tools to monitor workload and measure productivity. As a result, labor expenses become a larger proportion of operating revenue and a key target for hospital cost reduction.

Performance management software helps executive leadership to effectively manage labor resources and fulfill organizational goals.

The goal of productivity management is to make staffing appropriate and effective for high quality patient care. The good news: CHC Consulting's Productivity Management services are customized specifically for rural and community hospitals to achieve this goal.

WHAT'S UNIQUE

CHC Consulting, the consulting and management arm of Community Hospital Corporation, has a relationship with Envigorate Healthcare Solutions to offer a cloud based, user friendly labor productivity monitoring solution called the Employee Performance Review System or EPRS. It is designed to help smaller hospitals quickly see benefits while avoiding costly add-ons they don't need and are unlikely to use.

In addition to the EPRS productivity solution, hospitals working with CHC Consulting get expert assistance maximizing productivity. Experts use data from comparably sized hospitals to establish benchmarks and then set department-specific and hospital-wide productivity targets.

CHC Consulting's team includes clinical experts who make sure quality of care remains the primary focus, along with hospital cost reduction.



THE PROCESS

We offer Productivity Management as a standalone service or as part of a comprehensive hospital cost reduction analysis, such as an Operational Assessment.

The process starts with a desktop analysis and onsite review. During this time, CHC experts meet with senior management and leaders from each department. An onsite assessment of each cost center (clinical and nonclinical) provides an understanding of the operational challenges that could impact management of labor resources.

The management of labor in the hospital environment is a process that truly requires day-to-day oversight by the hospital leadership team.

CHC Consulting then provides input on best practices, productivity target ranges, and areas for improvement with the greatest potential impact.

The process continues with onsite and long-distance interviews to guide the development of department-specific productivity targets. The targets are loaded into the ERPS productivity solution and a target FTE per Adjusted Occupied Bed (FTE/AOB) is calculated.

At this stage, CHC Consulting makes recommendations for operational changes and organizational structure. At all times, hospital leadership makes the final decision on productivity targets using CHC's data, analysis and recommendations.

IMPLEMENTATION AND SUPPORT

CHC Consulting provides training on the EPRS productivity solution to the hospital leadership team. Education helps reinforce the importance of accurate and timely data gathering and reporting.

Once the hospital installs the EPRS productivity solution and begins using it, CHC Consulting follows up in 90 days. This ensures productivity management is in full swing as a day-to-day process. Senior management has ongoing access to CHC Consulting experts for the contracted period. In addition, CHC Consulting provides an annual review and uses that information to update standards. This way, hospitals can see ongoing improvement. 



HELP WHERE HOSPITALS NEED IT®

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