Productivity Management: Keeping Labor Costs in Check

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 tools to monitor workload and measure productivity. As a result, labor costs become a larger proportion of operating revenue than they need to be.

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 created the CHC Productivity Tool™ and uses it across all of CHC's owned and managed hospitals, resulting in efficiencies and significant savings. The CHC Productivity Tool™ stands out among IT-driven labor-management solutions because of its affordability and ease of use. 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 CHC Productivity Tool™, 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.

PRODUCTIVITY MANAGEMENT

The tool has assisted our leadership team to more effectively manage our labor resources as compared to like services in other organizations. The tool helps us fulfill our organizational goals.

Tammy Hartfield
Chief Nursing Officer
St. Mark's Medical Center
La Grange, Texas

CHC
Community Hospital Corporation

THE PROCESS

Productivity Management is offered as a standalone service or as part of more comprehensive consulting analysis such as an Operational Assessment.

The process starts with a desktop analysis and onsite review during which CHC experts meet with senior management and 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. Existing time-management capture processes also are evaluated.

CHC Consulting then provides input on best practices, productivity target ranges, and areas for improvement with the greatest potential for 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 CHC Productivity Tool™ and a target Employee Equivalent per Occupied Bed (EEOB or 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 taking into account CHC's data, analysis and recommendations.

IMPLEMENTATION AND SUPPORT

Next, recommendations translate into action and implementation. CHC Consulting provides Productivity Tool™ training to the hospital board, leaders and managers. Education is offered to reinforce the importance of accurate and timely data gathering and reporting.

Once the CHC Productivity Tool™ is installed and in use, CHC Consulting follows up in 90 days to ensure 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 so hospitals continue to see improvement and get the most out of the tool.

About Community Hospital Corporation

Community Hospital Corporation owns, manages and consults with hospitals through CHC Hospitals, CHC Consulting and CHC ContinueCARE, with the common purpose to guide, support and enhance the mission of community hospitals and healthcare providers. Based in Plano, Texas, CHC provides the resources and experience community hospitals need to improve quality outcomes, patient satisfaction and financial performance. For more information about CHC, please visit www.communityhospitalcorp.com.

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