

NEWTON-WELLESLEY HOSPITAL



Newton-Wellesley Uses ActionOI to Identify \$3 Million in Savings Opportunities

Like most healthcare institutions, challenging financial times coupled with healthcare payment reform forced Newton-Wellesley to aggressively focus on identifying cost-saving opportunities.

HIGHLIGHTS

Location:
Newton, MA

Scope and Services:
Newton-Wellesley is a comprehensive medical center with a full range of medical, surgical, and specialty programs and services as well as intensive care, coronary care, pediatrics, obstetrics, psychiatric services, and urgent care. The hospital has a 24-hour emergency department, pediatric emergency department, and dedicated inpatient units with staff who are experts in their fields.

Solutions:
ActionOI® Operational Performance Improvement Solution

As opposed to across-the-board cuts like X-percent salary reductions or stopping contributions to retirement accounts, the hospital looked for more creative, innovative ways to reign in their spending. As a longtime customer of Truven Health AnalyticsSM, Newton-Wellesley was aware of the potential of comparing its operational data to the performance benchmarks within Truven Health ActionOI[®].

The hospital decided to use ActionOI and do “case studies,” or careful examinations, of each department’s operational performance data to find potential cost savings.

Course of Action

Leaders at Newton-Wellesley are held to several performance standards. Clinical departments are asked to be at, or near, the 50th percentile in ActionOI. Nonclinical departments are asked to be in the 25th. The hospital used this rating system as the basis for prioritizing the departments for the case study process. Those furthest away from their target percentiles were studied.

The organization reviewed the ActionOI numbers – anything and everything involved financially or operational was under scrutiny. It looked at the gap analysis to determine where the potential opportunities were, did normalizations, and talked to compare groups to come up with recommendations.

With all that information, the hospital created balanced report cards describing each recommendation and its potential effects. The report cards were presented to executive management to decide which recommendations were approved.

“ActionOI is very good at pointing out opportunity and possibility. The pursuant deep dives we did allowed us to confidently make decisions with respect to actually accounting for savings in the budget.”

Ron Doncaster, MA
Director of Operations
Management Services,
Newton-Wellesley Hospital

Results

Although, first and foremost the case study program was designed to gain cost savings, it also helped to create efficiencies, and even generate revenue. After four phases of the program, Newton-Wellesley has:

- Completed 15 case studies: Identified \$5 million in real savings opportunities cumulatively from fiscal year 2009 through 2011
- Engaged in Nursing Efficiency project as a result of case study findings and increased time at the bedside by 11 percent
- Intensely developed Nurse Scheduling tools as a result of case study findings to assist in matching staffing to budget to recognize an additional \$1 million in labor savings

In 2011, Newton-Wellesley Hospital was acknowledged for its accomplishments in the pursuit of excellence in Operational Improvement with a Healthcare Advantage Award in Performance Efficiency. The Healthcare Advantage Award was established in 2005 to honor and recognize customers who have used solutions and tools from Truven Health Analytics to achieve outstanding success at their organizations.

FOR MORE INFORMATION

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