WELLSPAN HEALTH

Projected Staffing Expenses Reduced by $35 Million Through Productivity Benchmarking

As an AA-rated integrated delivery system serving northern Maryland and two Pennsylvania counties, WellSpan Health needed to maintain their financial performance to keep that superior rating and continue to fund an increasing capital appetite.

The challenge lay in achieving these goals in an environment of decreasing reimbursement and increasing costs. Since 50 percent of WellSpan's overall expenditures could be traced to staffing costs, the organization realized it needed a strategy to better manage the process of hiring new and replacement staff.

Course of Action

To begin the process of managing its most expensive resource, WellSpan turned to the Truven Health ActionOI® Operational Performance Improvement Solution. As a first step, senior leaders required WellSpan department heads to work with the WellSpan Finance Department to identify opportunities for improved performance. To accomplish this, compare groups were created using ActionOI, which highlighted where performance was lagging. This transparent, data-driven process helped achieve buy-in from department heads and set expectations from the beginning.

Once each department understood how it compared to peers and where the best cost-savings opportunities were, senior leaders then created a policy to help manage the utilization of full-time equivalents (FTEs). All managers would now be required to work with the Finance Department to attach ActionOI data to any request for new or replacement staff across the organization. The data were then subjected to a formal review of internal processes, and the department's performance was taken into consideration. If the department in question was performing below the 50th percentile, it was also required to present a plan for getting to the 50th percentile and how adding an FTE would contribute to that effort.

HIGHLIGHTS

Location:
York, PA

Scope and Services:
WellSpan Health is an integrated health system serving the greater Adams-York County region. As a community-based, not-for-profit organization, WellSpan is dedicated to improving the health and well-being of the people it serves. Comprised of York and Gettysburg Hospitals, WellSpan Health is a comprehensive healthcare provider with family health centers across the region, a maternity center, heart center, home health services, preventive health education and screening programs, and 24-hour emergency services. York Hospital is a six-time Truven Health 100 Top Hospital®, has been ranked among the top 100 open heart surgery programs, and is recognized by *U.S. News & World Report* as one of the country's top 50 hospitals for orthopedics.

Solutions:
ActionOI® Operational Performance Improvement Solution

> *"ActionOI shows you there are other organizations who are able to fix problems similar to ours, and gives you the opportunity to call those organizations and learn how they've done it."*

Raymond Rosen
Vice President, Operations
WellSpan Health

Using ActionOI data, WellSpan targeted specific areas for improvement, including the use of temporary help. With previous policies and faulty tracking and reporting, it became all too easy to use temporary help. But with trusted, accurate data pointing to performance deficiencies, WellSpan was able to reduce the use of temporary help by 84 percent. By tracking worked hours per adjusted discharge and systemwide employee satisfaction scores, WellSpan was able to gauge the success of this approach.

ActionOI data was also used as a benchmarking tool. By comparing its own data to that of other organizations, WellSpan was able to see where others had had success or failure with their cost-management activities, and adapt their plans accordingly.

Results

WellSpan saw results almost instantly. By leveraging trusted ActionOI data, Lean Six Sigma activities, new internal processes, and the support of senior management, they:

- Eliminated a future labor expenditure of $35 million
- Improved worked hours per adjusted discharge by 13 percent
- Reduced contract labor by 84 percent

While other hospitals and health organizations around them were forced into staff layoffs and wage freezes, WellSpan used the data available from ActionOI to maintain merit increases and keep employee satisfaction scores consistent.

FOR MORE INFORMATION

Send us an email at
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