

Genesis HealthCare Sees More Efficient Staffing and Significant Labor Savings with Kronos

Kronos for Healthcare | CASE STUDY



EMPLOYEES: 2,739

INDUSTRY: Healthcare

PRODUCTS:

Kronos scheduling

Workforce Target Intelligence™
for Healthcare

Workforce Workload Manager™
for Healthcare

“Kronos scheduling helps nursing understand their units. And staffing using Kronos scheduling has delivered financial benefits through productivity improvements and decreased overtime costs.”

Abby Nguyen
Chief Nursing Officer
Genesis HealthCare System

Genesis HealthCare System is a family of healthcare and related organizations based in Zanesville Ohio, including a flagship organization that operates a 335-bed not-for-profit two-hospital system. With more than 300 physicians, as well as medical support staff, Genesis is the largest healthcare provider in a six-county region in southeastern Ohio. The organization provides a higher level of service than what is typically found in a community of its size, including open-heart surgery, trauma care, Level II neonatal intermediate care, neurosurgery, designated primary stroke center, and comprehensive cancer services. Genesis is a primary referral center for much of the region and has been named a Thomson Reuters Top 100 Hospital in the nation for patient safety, clinical quality, patient experience, and financial stability.

CHALLENGES

- Paper-based schedules and patient rosters provided no visibility into key metrics that could project patient census and led to inconsistent staffing levels that caused unplanned overtime
- New state nursing standards legislation on evidence-based staffing outlined minimum staffing levels based on complexity of patient care
- Lack of timely information did not allow staffing to be adjusted quickly and appropriately relative to patient census and workload to optimize costs

SOLUTION

- A Kronos scheduling solution, including Workforce Workload Manager and Workforce Target Intelligence, that provides real-time patient data that helps nurse managers align staffing with patient census and workload

BENEFITS

- Staffing analysis gives nurse managers insight for cost-effective staffing adjustments based on patient census and workload while maintaining high-quality patient care
- An 18 percent HPPD decrease and improved staffing productivity saved \$1.5 million in the first year for a total of \$2.2 million with a 3 percent cost of living adjustment factored in
- Continued staffing optimization and attention to performance productivity have extended labor cost savings year after year, helping Genesis perform under budget by \$2 million in some years
- Optimal scheduling and rigorous productivity management have contributed to major reductions in overtime

THE STORY — GENESIS HEALTHCARE SYSTEM

Genesis HealthCare had been using a paper-based scheduling and patient roster system that provided no timely visibility into key metrics on appropriate staffing, productivity, and staffing within budget. Ohio then passed safe nursing standards legislation that requires evidence-based staffing with minimum staffing levels based on complexity of care. Genesis knew a new staffing system was needed.

Genesis turned to Kronos scheduling to support compliance with the new staffing and reporting requirements, as well as to realize productivity gains during challenging economic times. In the first year, Genesis leveraged staffing and productivity information to decrease staffing costs while ensuring compliance and saved \$1.5 million in labor costs while maintaining high-quality care. In subsequent years, the organization has continued to reduce labor costs relative to budget, saving millions of dollars since implementing Kronos scheduling, including Workforce Workload Manager and Workforce Target Intelligence.

Stringent daily management of productivity

Before Kronos, productivity performance data — available only bi-weekly and based on revenue — was often inaccurate and too late for timely action. Projecting patient census and the complexity of care required was difficult, leading to inconsistent staffing that required fast action and resulted in unplanned overtime.

With the Kronos solution, nurse managers access daily productivity reporting using hours per patient day (HPPD) based on patient census — actual and contact census (how many patients a nurse interacts with on a shift). Using this data, nurse managers can adjust staffing as quickly as every hour if needed. Nurses can be sent home if an updated forecast shows a drop in census, or nurses can be shifted from other units if, for example, ER volume projects a spike in hospital admissions. With a small float pool and no traveler or agency use, Genesis uses careful management of staffing to control overtime costs.

“Kronos scheduling helps nursing understand their units,” says Abby Nguyen, CNO. “And staffing using Kronos scheduling has delivered financial benefits through productivity improvements and decreased overtime costs.”

Improved productivity yields significant labor savings

Tight management to daily staffing targets has yielded tremendous results. In the first year, hours per patient day declined from 17.85 to 14.57, and dollars per patient day fell from \$358.50 to \$347.28. “The improved productivity saved us \$1.5 million

initially, without compromising quality care,” adds Nguyen. In addition, with a 3 percent cost of living adjustment included, the savings reached \$2.2 million.

The following year, HPPD rose because of higher intensity levels of nursing care required by patients and an increase in patient “sitters.” Despite an average hourly salary increase of 0.6 percent and another cost of living adjustment of 3 percent, Genesis saw a labor savings of more than 6 percent.

“We believe the savings is almost all due to implementation of our Kronos scheduling system,” says Nguyen. “More accurately matching appropriate staff to patient care needs enabled us to carry a higher HPPD while also reducing labor costs.”

Optimized staffing delivers ongoing savings

In a subsequent year when Genesis experienced a reduction in patient census and revenue slipped, rather than lay off staff, the CEO asked every department to create short- and long-term action plans that focused on further increasing performance productivity and reducing waste.

Staff rose to the challenge and reduced labor costs by \$740,947. Factoring in a 3 percent cost of living adjustment, the savings rose to \$1,481,082. In addition, Genesis performed under budget that year by \$2,040,669.

The cost per patient day was under budget by \$3.33 and lower than the prior year by \$4.14 per patient. By evaluating staffing every four hours, the organization ensured it was staffing as tightly as possible. Genesis flexed staff carefully based on patient census and the complexity of nursing care, which is reflected in the decreased cost per patient day.

Patient classification scheduling helps reduce overtime costs

To reduce incremental overtime, Genesis has emphasized the importance of nurses completing their work during their shift so they can leave on time. “Our Kronos scheduling system helps us focus on productivity, minimize overtime expenses, and give nurses a more balanced workload,” shares Nguyen. “This has helped us achieve major reductions in overtime.” Last year, Genesis saw a \$167,302 reduction in overtime costs.

Continued optimization of staffing

As Genesis HealthCare looks ahead, the organization looks forward to continuing to optimize cost-effective staffing every day, while providing patients with a high level of care.

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