As a 100-bed acute care facility located in rural Pennsylvania, Somerset Hospital enjoyed a stable – but limited – market share for much of its long history. Recently, however, the hospital began to experience decreasing financial margins, which were cause for concern. Despite the seasonal volume increases provided by the “resort-town” nature of Somerset County, the impact of the ever-changing healthcare landscape began taking effect. Shifting reimbursement practices and the rise in competition from nearby Pittsburgh industry powerhouses created new challenges for the organization. Somerset executives knew that action had to be taken to control costs and ensure future sustainability. With this forward-thinking attitude, Somerset Hospital engaged Altius Healthcare Consulting Group to conduct a labor management initiative aimed at properly aligning patient demand with staff utilization. The ultimate goal – poise the organization for continued success.

Assessing the status of the facility was the first place to start. A benchmarking process was used to compare the current operating level of Somerset Hospital to national, regional and state standards as well as best-in-class facilities within a customized peer group. The Altius team collaborated with Somerset’s management team to conduct individual department assessments and obtain qualitative information on non-traditional practices and barriers to productivity. This data drove the development of realistic benchmarks, achievable targets and detailed improvement recommendations for every functional area. Through the Altius approach to performance improvement, the Somerset Hospital leadership received the external data, action-planning and support they needed to affect positive change throughout the organization. This customized process combined comprehensive data analysis, customized benchmarking, implementation strategies and continued monitoring to enhance overall productivity.

During the initial assessment, historical trends were used to determine current performance levels and that information was coupled with comparative data from a variety of resources to appropriately benchmark each relevant department. “We collaborated directly with Somerset’s management to
understand the unique nuances of daily operations, as well as establish realistic and achievable departmental staffing targets based on their specific care delivery model," said Julienne V. Custer, MHA, Director, Performance Improvement, Altius.

“Once the improvement goals were outlined, focus shifted to process optimization and providing strategic support to assist the hospital in achieving the set targets.”

Staffing guides were introduced to aid leaders in managing to the defined productivity targets by effectively flexing staff to patient volumes and streamlining operations where possible. In addition, the Altius team provided prospective staffing tools, daily monitoring grids, efficiency tools and other implementation items to assist Somerset’s leadership in meeting their performance targets.

THE OUTCOME

A large portion of Somerset Hospital’s services are now functioning at elevated performance levels, with 68 percent of all monitored departments operating at or above the 75th percentile. Among several other efficiency improvements at Somerset were:

- Paid hours per adjusted discharge saw a reduction of 40.3 hours in about 24 months.
- A decrease of 40 total paid Full-Time Equivalents (FTEs) through better management, attrition, more effective scheduling and enhanced position control.

Reaching these goals was a great accomplishment for the team at Somerset Hospital, but sustaining the progress made can be an even greater challenge. Altius was able to assist Somerset in building effective action planning based on the specific care delivery model of the hospital and implement effective position control tied to bi-weekly reports which offered real-time performance updates, encouraging continued results, greater accountability and accurate monitoring.

Somerset was also able to use the Altius client portal, Catalyst, which allows managers and executives to manipulate data, build customized reports and forecast future changes. The portal also archives past productivity reports, provides education materials and gives leadership entrance to a forum where ideas/issues can be discussed directly with peers.

“Altius Healthcare Consulting Group’s labor management solution enabled Somerset Hospital to establish volume-adjusted staffing benchmarks for each department. Management now makes informed, data-driven decisions when considering requests for new or replacement positions. This has allowed us to sustain our productivity improvement that was gained since inception.”

Mark P. Frick ∙ Senior Vice President, Human Resources ∙ Somerset Hospital

About Intalere

Intalere's mission focuses on elevating the operational health of America’s healthcare providers by designing tailored, smart solutions that deliver optimal cost, quality and clinical outcomes. We strive to be the essential partner for operational excellence in healthcare through customized solutions that address customers’ individual needs. We assist our customers in managing their entire spend, providing innovative technologies, products and services, and leveraging the best practices of a provider-led model.