



Reimagining Workforce Management: Tackling Challenges by Embracing New Solutions



Market Trends



Labor Scheduling and Workforce Management Current Trends

Labor Scheduling trends are addressing advancements in employee experience, mobile functionality, integrated time and scheduling data and real-time dashboard reporting.

Workforce Scheduling Trends

- **WFM Center of Excellence:** Dedicated resources focused on overall WFM strategy for the organizations working closely with clinical leaders, HR and Finance to find ways to continue to offer flexible staffing options and differentiated care models
- **Employee Experience:** Employee self-service for PTO requests and shift swaps add greatly to the employee experience.
- **AI System Capabilities:** AI functionality to automate acceptance of employee requests like PTO, Availability and Predictive Staffing and forecasting demands
- **Centralized Scheduling:** Completing scheduling at a central level drives equitability, compliance and efficiency
- **Real-Time Dashboard Reporting:** available within integrated time and scheduling solutions to provide managers with impactful decision making data.
- **Mobile Functionality:** to allow employees direct access with time and schedule data. From clocking-in / out, schedule changes (swap shifts, etc.) and requesting PTO.



Streamlined Reporting & Predictive Forecasting
(Data Integration)



Position Management & Ground Up Budgeting



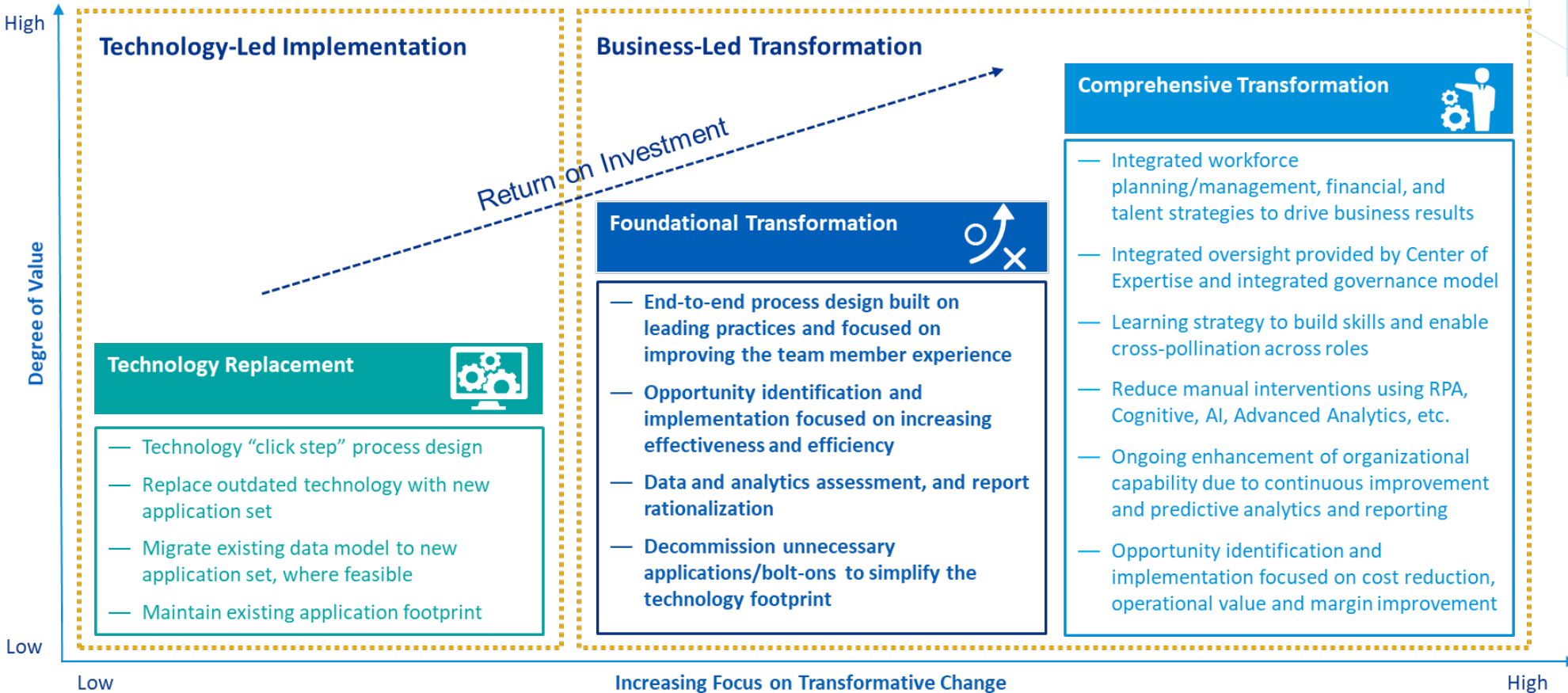
Optimization of Workforce Management Solution



Strategic Talent Management
"Hire to Retire"

Technology enablement is a means to an important end

To fully optimize any technology implementation to streamline costs and leverage real-time data to drive business decisions, organizations must move further up the transformation curve.



KPMG's Differentiated Approach

Our Approach to Workforce Planning & Optimization

The process of meeting staffing challenges, optimizing the workforce, and managing the day-to-day scheduling process, can be summarized in 4 steps. Each step involves specific questions and analysis, and a single software tool or data set does not always meet the needs of an organization. Your specific characteristics will determine which steps are worthwhile to invest in and will be determined after a thorough assessment and evaluation.

What are the historical variations which drive the schedule (eg, acuity, patient volumes, patient throughput, demand peaks and troughs, etc)?

What are the skills, tenure and availability of the staff that I have able to meet the demand? What does the full care team and care model support look like?

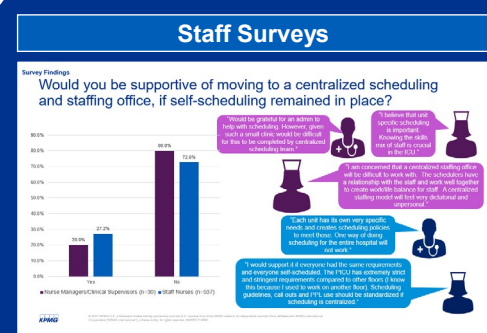
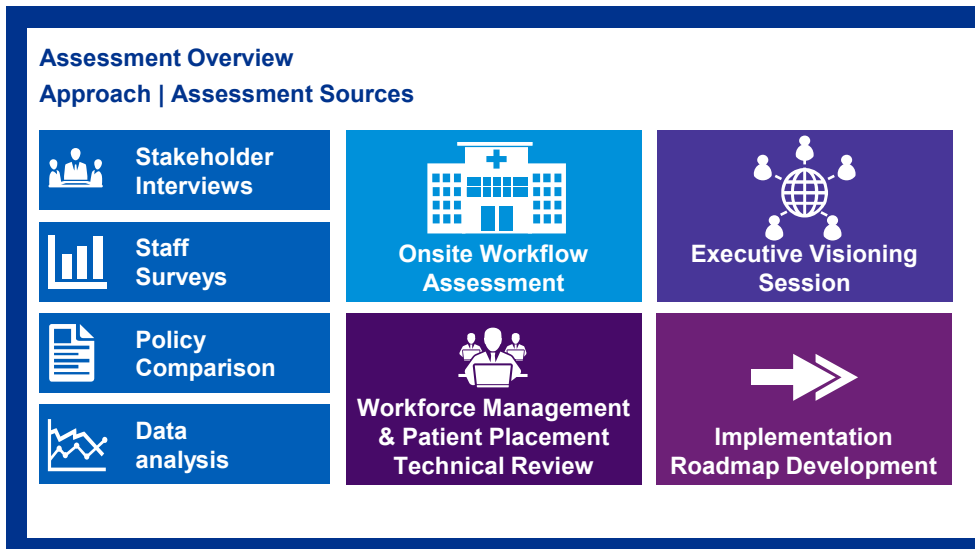
How can I effectively manage scheduling and the day-to-day process of staffing ?

What techniques can I use to predict future demand based on what I know historically and about how my business is changing (e.g., service line growth, new facilities, changed offerings, etc)? How do these changes impact the specialized skills needed to deliver care ?



Assessment approach

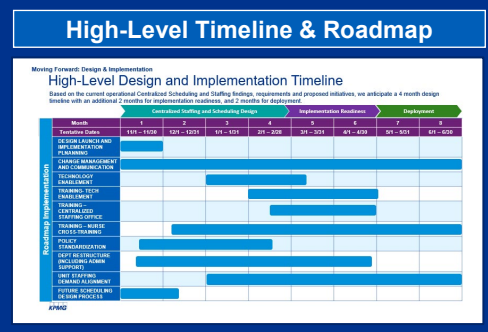
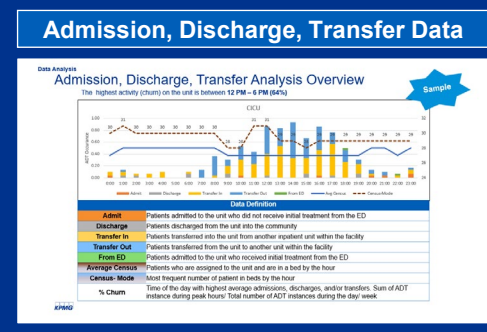
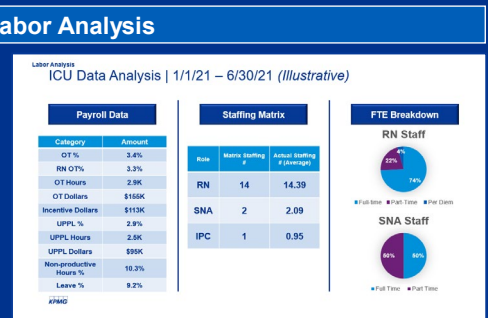
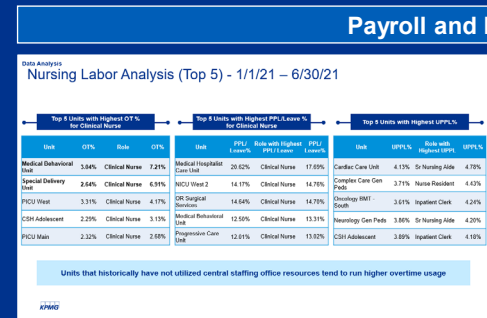
KPMG focuses on current scheduling and staffing processes and policies to identify key recommendations based on assessment sources and leading practices for workforce optimization through technology enhancements, process improvements, and education sessions



Policy Comparison

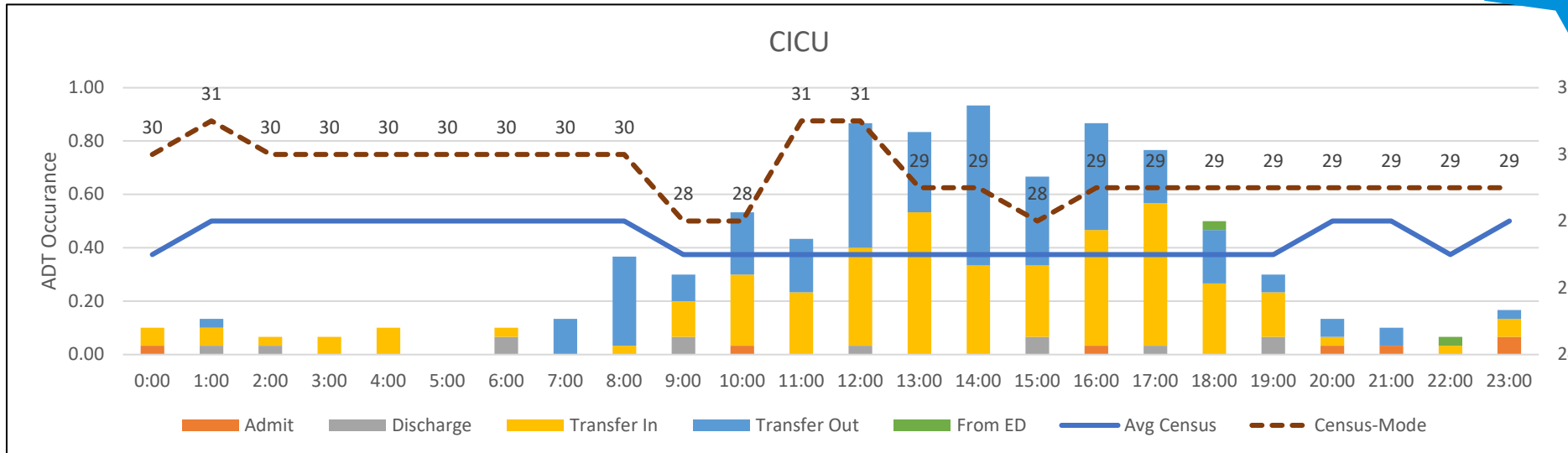
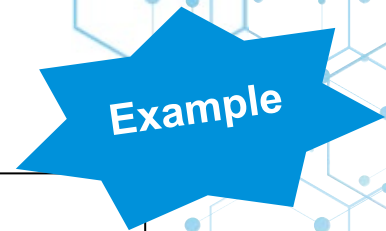
Policy Comparison

| Policy Area | Hospital Policy | Unit Based Variations | Proposed Recommendations |
|--------------------|--------------------------------|--|--|
| Seniority benefits | N/A | - Variation in weekend requirements - Self-scheduling privileges - Off-shift requirements | - Determine if organization is going to provide preferential scheduling based on seniority - Standardize preferential practices |
| PPL/Vacations | N/A - Policy only for accruals | - Number of weeks - seniority based vs. equal across all staff - Summer / Winter vacations vs. year split into thirds - Seniority vs. First to Request - Vacation length (1 or 2 weeks) | - Establish a standardized Request off Process - Consider mobile app for time-off requests |
| Scheduling Process | N/A | - Employee self-scheduling (ESS) groups determined by seniority vs. random vs. skills/needs/qualifications - Schedule balancing - between groups vs. at completion of ESS - Length of time per ESS group to schedule | - Establish a standard scheduling sign-up process with potential rotating groups |



Admission, Discharge, Transfer Model - Department Example

The highest activity (churn) on the unit is between **12 PM – 6 PM (64%)**



Data Definition

| | |
|-----------------------|--|
| Admit | Patients admitted to the unit who did not receive initial treatment from the ED |
| Discharge | Patients discharged from the unit into the community |
| Transfer In | Patients transferred into the unit from another inpatient unit within the facility |
| Transfer Out | Patients transferred from the unit to another unit within the facility |
| From ED | Patients admitted to the unit who received initial treatment from the ED |
| Average Census | Patients who are assigned to the unit and are in a bed by the hour |
| Census- Mode | Most frequent number of patient in beds by the hour |
| % Churn | Time of the day with highest average admissions, discharges, and/or transfers. Sum of ADT instance during peak hours/ Total number of ADT instances during the day/ week |

Centralized Scheduling

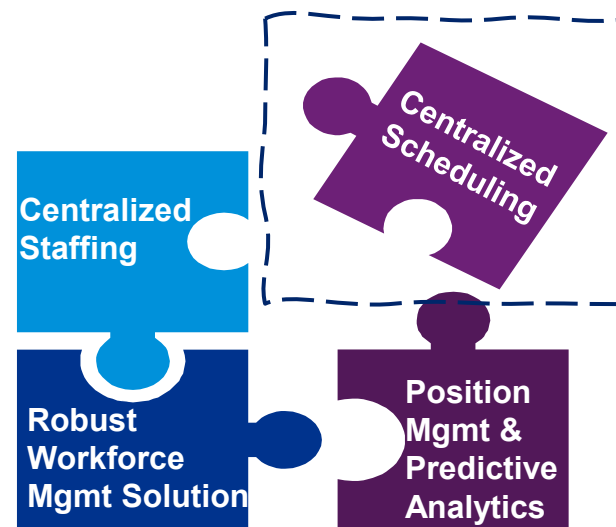
Understanding Ways to Mitigate Current Market Shortages

Currently, in many organizations nurse scheduling is decentralized and fragmented, making it difficult to proactively predict and determine staffing needs across the organization.

Current State

- Scheduling is currently decentralized and is completed at the unit level – making it difficult to look at staffing needs across the organization
- Unit Schedules are always not balanced
- Staffing and Scheduling polices / practices can vary by unit and polices may be leading to larger gaps
- Positions are hard to fill, and it takes weeks (if not months) to hire and onboard new resources
- Historically organizations have not been able to utilize their WFM solutions to predict staffing demand and forecast future needs
- Many organizations do not offer mobile scheduling capabilities for staff and need to be evaluated (e.g., PTO request, Swap a shift etc.)

Enhanced Staffing and Scheduling



Future State Benefits

- Organizational view of all staffing needs through centralized scheduling
- Better alignment of staffing resources to patient demand
- Coordinated staffing from one location that is proactive vs reactive
- Standardized staffing and scheduling policies and processes
- Optimized labor cost with increased productivity and reduced use of overtime, agency, and premium pay
- Increased employee satisfaction with self-service capabilities
- Enhanced WFM system solution that provides useful dashboards and reports to drive staffing decisions

Scheduling Options

Unit / Department Based Scheduling

- Owned by the department approved and published by the department
- All swaps and call-outs done at the unit/dept

Hybrid Scheduling

- Unit based for several weeks and then moves to Centralized Staffing Office for final balancing and approval
- Shift-swap approvals and call-outs can vary but typically are through a centralized office

Centralized Scheduling

- Staffing completed out of a centralized location by centralized leadership
- Centralized by Level of Care or Specialty / Services Line
- Centralized by Facility or Region

Managerial Scheduling

- Schedule determined by the manager
- Staff can request off but preferences not prioritized

vs.

Preferential Scheduling

- Staff submit "ideal" preferred schedule
- Manager reviews schedule, balances and finalizes schedule to fit unit needs

vs.

Self-

- Staff select which days they would like to work that fits their needs
- Manager is responsible for filling gaps with per diem / flex staff

Centralized Scheduling Misconceptions



| What Centralized Scheduling does <u>NOT</u> do | What Centralized Scheduling <u>DOES</u> |
|--|--|
| <ul style="list-style-type: none"> ➤ Does <u>not</u> utilize one nurse staffing pool to staff all units within a hospital ➤ Does <u>not</u> replace employee preferential / self- scheduling ➤ Does <u>not</u> take specialized nurses away from their patient population ➤ Does <u>not</u> prevent staff from receiving time-off or PPL | <ul style="list-style-type: none"> ✓ Manages unit scheduling and timekeeping through one central office ✓ Manages schedule build process, scheduling preferences, and call-outs across organization (to allow for a balanced schedule) ✓ Tracks skills and certifications to demonstrate staff training and skills meet patient needs ✓ Improves scheduling consistency across units through consistent policy implementation ✓ Reduces administrative burden for unit leadership |

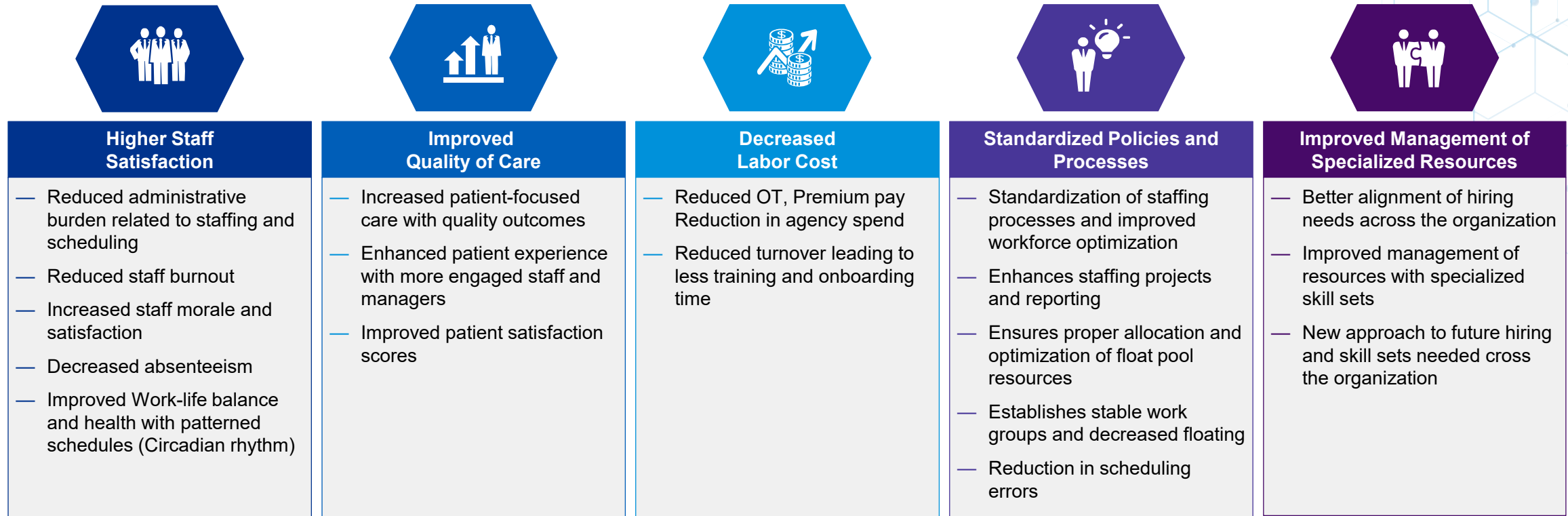
Benefits to Driving Centralization

(Staffing, Scheduling, & Timekeeping)



Value of KPMG's Workforce Management Transformational Approach

Our approach was built based on our 'real world' experience working with other healthcare providers to transform their WFM strategies.



Potential Cost Reductions to Reinvest to Grow Your Nursing Practice

| Cost Categories | Overtime | Premium / Incentive pay | Turnover / Onboarding Costs | Unplanned PTO / Call-outs | Timekeeper & Scheduling Support Staff |
|---------------------------------|----------|-------------------------|-----------------------------|---------------------------|---------------------------------------|
| Achieved Cost Reductions | 15-25% | 15-25% | 2-5% | 15-25% | Varies |

Centralized Nurse Staffing Use Case

Staffing Challenges



- **Staffing shortages** caused by increased census and absenteeism
- Rising labor costs, including OT, agency, and non-productive hours
- Limited or **no centralized pool** of nurses to cover
- Frequent **duplication and redundant tasks** required by staffing coordinators and unit staff
 - Manual balancing or schedule
 - Management oversight of switches or coverage
- **Lack of proficiency**, consistency and optimal utilization of staffing and **scheduling software**
- Part-time and Per Diem staff rarely worked non-traditional holidays

Response



- Considerations for transition to centralized staffing
- Organizations need to ensure they are **leveraging their scheduling technology** to its fullest
 - **Standardizing scheduling and staffing practices** across the organization is imperative
 - **Automated skills and certification tracking** to ensure that only nurses with the right training and experience are scheduled in the right place at the right time
 - Review of total cost of productive and non-productive labor – measured against the highest performing units in the facility as well as regional and national benchmarks
 - **Analysis of census trends and other historical data** to provide opportunity to optimize needs
 - Collaboration with staffing, scheduling, and timekeeping committees. Along with Shared Governance and Continuous Improvement team
- Approach to centralized staffing can be tailored to the needs and preferences of the hospital/healthcare system, and can allow individual units autonomy over some aspects of staffing and scheduling, including:
- Use of self scheduling
 - Use of patterned scheduling

Reported Outcomes



- Reported benefits of centralized staffing have included
- **Streamlined processes and operational efficiencies** related to policy development, technology, pay practice, and resource management
 - **Reduction in errors** in scheduling process
 - **Improved workforce optimization** in several important areas of focus such as call-off times, identification of overtime and nurse floating
 - **Enhanced staffing projections** and reporting
 - Strategic opportunities to develop float pools with the skillsets needed
 - New outlook on future hiring
 - **Reduced administrative burden** on operational leaders
 - Centralized function for policy adherence and decision making reduces any subjectivity that could impact staff morale
 - **Visibility to make real-time decisions** that can help reduce unnecessary overtime spend and reliance on costly agency staff
 - Prevention of staff burn out and turnover
 - **Reduction in unfilled shifts, absenteeism, agency spending, and internal payroll costs**

Case Study

Working with this East Coast organization, KPMG completed an assessment of their current workforce management system, scheduling, staffing and timekeeping practices. Ultimately, the organization determined there was a need to reevaluate scheduling and timekeeping practices to proactively address staffing gaps and reduce administrative burden associated with the scheduling and timekeeping process and engaged KPMG to assist with this process as their trusted partner.

Client challenge

- Lengthy schedule build process involving multiple participants
- Varying approaches to scheduling and timekeeping at the unit level
- Limitations in central staffing (float pool) resources for specialized units or populations requiring specialized skill sets
- Underutilization of existing scheduling and timekeeping application features, increasing dependence on manual processes
- Staff dissatisfaction with current scheduling and request-off process
- Staff resistance to a change related scheduling practices
- High incentive and premium pay usage and increased turnover
- Limited use of forecasting tools to predict staffing needs
- Fixed staffing templates impacting scheduling balance

KPMG response

- Develop WFM strategy with Nursing, Finance, HR, and IT
- Recommendation to centralize scheduling and timekeeping to central office
- Restructure nursing operations department in a way that allows central oversight of the schedule build process to promote proactive solutions and reduce administrative burden on unit leadership
- Optimize WFM solution functionalities and knowledge base – train staff in automated processes to reduce dependence on manual processes and workarounds
- Right-size and up-skill central staffing (float pool) resources to meet organizational needs
- Standardize scheduling and timekeeping guidelines to ensure scheduling needs are met consistently across the organization
- Enhance the budgeting process to include current and past trends for turnover, ADT information, and leave time
- Emphasize change readiness initiatives with focus on frequent communication and staff participation, along with training

Benefits to client

- Proactive view of staffing at the organizational level to provide staffing resources during schedule build process
- Increased use of existing scheduling capabilities to promote balanced schedules and reduce burden associated with schedule build, balance, and shift swaps
- Improved request off process to promote work / life balance and reduce absenteeism related to previously denied requests
- Decreased dependence on overtime and incentive pay programs to consistently meet staffing needs across the organization



Thank you!



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