



# Drive Better HR and Financial Performance with Intelligent Workforce Insights and Planning

November 19, 2024

# Factors Impacting Clinical Staffing



## Aging Patient Population

- Increased Demand
- Focus on Chronic Disease Management
- Elder Care Management



## Staffing Shortages

- About 100,000 nurses have left due to the pandemic, workplace violence or better opportunities in other industries<sup>1</sup>
- Expected nurse shortage of 195,400 by 2031<sup>1</sup>
- U.S. nursing schools rejected 92,000 qualified applicants due to a lack of teaching staff<sup>1</sup>



## Ongoing Attrition

- Burnout & stress
- Misaligned compensation
- Lack of feedback to identify areas of improvement
- Lack of career development

# Long-Term Care / Home Healthcare Trends

## Tailwinds

- Home Healthcare is the highest growth sub-industry within healthcare
  - 18.2% YoY growth

## Headwinds

- Compensation and benefit limitations can make it difficult to retain staff
  - Average Nursing Home turnover rate of 53.3%<sup>1</sup>
- Healthcare Staffing Mandate



# Nursing Home Staffing Mandate

## Guidelines

- **What:** In April 2024, the Biden Administration finalized a staffing mandate to regulate care hours for nursing home residents, impacting 15,000 nursing homes nationwide
- **Why:** To hold nursing homes accountable for providing safe and high-quality care
- **Where:** Applies to Medicare and Medicaid Certified long-term care facilities
- **Who:** Total Nurse Staffing Standard of:
  - 3.48 hours per resident day (HPRD)
  - Will be required to have an RN onsite 24/7
- **When:** Phased in over three years (five years for rural facilities)

# Industry Impacts & Responses



## Patient Access

If nursing homes cannot attain adequate staffing, patient access could be limited in order to meet HPRD ratios



## Staff Development

Organizations will need to focus more on staff development to retain staff. This includes training programs, and growth paths



## Compensation

Other healthcare facilities (hospitals, etc) which can afford to pay nurses more will create pressure to ensure competitive compensation for staff



## Margin Pressures

Financial margins will face pressures with additional costs being added to support staffing and retention efforts

# Hiring Trends for 2025



## Competition for Talent

- Wide range of talent within healthcare
- Focus on retention & career path development
- Constant monitoring of industry compensation & benefit benchmarks is key



## Contract vs Hired Labor

- Temporary labor will always have a place in healthcare, but the demand has declined leading to reduced rates
- Surveys indicate that traveling positions have decreased by 22% compared to 2023<sup>1</sup>
- Budgets for temporary staff are being repurposed to funds efforts to recruit and retain permanent employees



## International Labor

- International labor will likely be looked to fill gaps, particularly by home health organizations
- There are limits on the number of work visas issued
- Need to be aware of poaching by organizations who can afford greater incentives

# Intersection with Finance

## Cost Containment



### Position Management & Approval

- Lack of strong controls around position approvals can lead to unnecessary hires
  - Ensure the **proper approvals** occur and are documented
  - **Equip decision makers** with supporting information
  - Ensure the investment can be supported through increased revenue and/or productivity



### Overtime Management

- Drive down overtime by gaining visibility into **projected overtime**
- Combine incurred time plus scheduled time
- **Empower managers** and give them the ability to adjust schedules before overtime is incurred

# Intersection with Finance

## Efficiency



### Manage Volume Trends

- Seasonal volume variations in some healthcare settings will impact workforce plans
- Gain **insight into trends** by leveraging:
  - Historical data
  - Scheduled appointments
- **Modeling** will allow for insight into anticipated dips and spikes for workforce demand
  - Get head starts on workforce augmentation
  - Identify the right time to scale back to reduce costs



### Analyze Productivity

- Leverage productivity metrics to understand **optimal staffing levels**
- Productivity Indicators:
  - Patient volumes & throughput
  - Patient satisfaction feedback
  - Documentation adherence
  - Care quality (reference value-based programs)
- Incorporate productivity metrics with HR & Finance data to **generate meaningful analysis** for optimal decision making



# Poll Question

Are you measuring Productivity today?

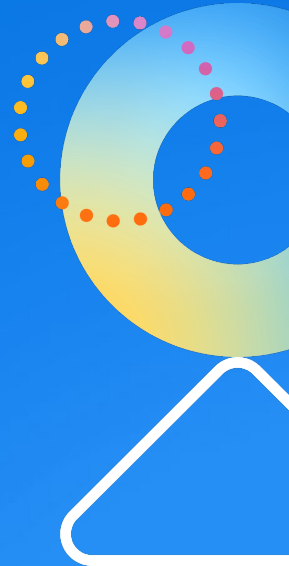
Yes or No



# Alison Jones

AVP Strategic Workforce Development,  
MultiCare Health System

MultiCare 





## Industry

Not-for-profit Community Based  
Healthcare System



**27,000** Employees

**2,000** Physicians



## Location

Tacoma, Washington



**14**

Hospitals



**45**

Urgent cares



**5.7 Billion**

Net Revenue

MultiCare 

# Poll Question

What do you use for Workforce Planning today?

1. Nothing
2. Excel
3. Part of our ERP Solution
4. Stand alone solution



# Where we started...

A manual process of pulling the data into excel

Stat Name	BusinessUnit	WorkdayID&Description	Tag as Float Pool	Emp FTEs	Open Reqs	Target	Negative Close Reqs														
Includes Departments that are not in Labor Lytics and those that are Fixed								Float Pool Need	12% Non Prod												
								Turnover													
								PRNs	805 Bedside RN Headcount - more information needed to access need, but minimal												
								RN/LPN/Resident HC	FT/PT	PRN	Total	PRN % of Ees	Float FTEs Non Prod								
Fixed		10001-1005 Access Services ED	(blank)	6.85	1.65	9.19	0.69														
Fixed		10001-1026 Admin Hospital	(blank)			0.79	0.79														
Fixed		10001-1089 Call Coverage	(blank)			0.00	0.00	1,001		217	32	249	12.9%								
Fixed		10001-1203 Environmental Services	(blank)	19.80	3.00	23.00	0.20	1,002		249	54	303	17.8%								
Fixed		10001-1211 Facilities Management	(blank)	9.80		10.02	0.22	1,003		189	47	236	19.9%								
Fixed		10001-1289 Hospital Care Management	(blank)	7.10		7.07	-0.03	1,004		92	32	124	25.8%								
Fixed		10001-1290 Hospital Social Work (SW)	(blank)	3.40		6.10	-2.20	1,005		570	84	654	12.8%								
Fixed		10001-1308 Imaging Admin	(blank)	1.00		1.00	0.00	1,006		776	149	925	16.1%								
Fixed		10001-1315 Incident Management /	(blank)			0.00	0.00	1,007		378	83	461	18.0%								
Fixed		10001-1474 Nursing Admin	(blank)	4.60	2.60	5.13	-2.07	90,037		265	33	298	11.1%	40.35	15.23%	All Skill Mix					
Fixed		10001-1481 Nursing Residents	(blank)		0.00	9.75	9.75	1,008		1162	222	1384	16.0%	30.4	2.62%						
Fixed		10001-1482 Nursing Resource	(blank)	13.10	6.00	4.31	-14.79	1,009		251	52	303	17.2%	2.55	1.02%						
Fixed		10001-1483 Nutrition Services	(blank)	8.95	2.90	12.75	0.90														
Fixed		10001-1662 Imaging Nurses	(blank)	1.25		1.37	0.12														
Fixed		10001-1711 Security Services	(blank)	14.60	3.10	13.48	-4.22														
Fixed		10001-1724 Sterile Processing	(blank)	12.90	2.00	15.14	0.24														
Fixed		10001-1732 Supply Chain OPS	(blank)		9.00	8.76	-0.24														
Fixed		10001-1756 Trauma	(blank)		1.00	0.88	-0.12														
Fixed		20014-1003 Access Services Core	(blank)	7.63		7.81	0.18														
Fixed		50004-1483 Nutrition Services	(blank)	5.95		6.40	0.45														
Fixed		10002-1003 Access Services Core	(blank)	3.76		3.66	-0.10														
Fixed		10002-1005 Access Services ED	(blank)	8.90	1.63	11.16	0.64														
Fixed		10002-1026 Admin Hospital	(blank)	6.00	1.00	8.22	1.22														
Fixed		10002-1089 Call Coverage	(blank)			0.00	0.00														
Fixed		10002-1106 Central Telemetry	(blank)	1.50		4.89	3.39														
Fixed		10002-1133 Coffee Shop	(blank)	2.80		2.95	0.15														
Fixed		10002-1203 Environmental Services	(blank)	32.00	1.00	33.79	0.79														
Fixed		10002-1211 Facilities Management	(blank)	10.00		10.00	0.00														
Fixed		10002-1290 Hospital Care Management	(blank)	12.00	1.00	14.13	2.13														

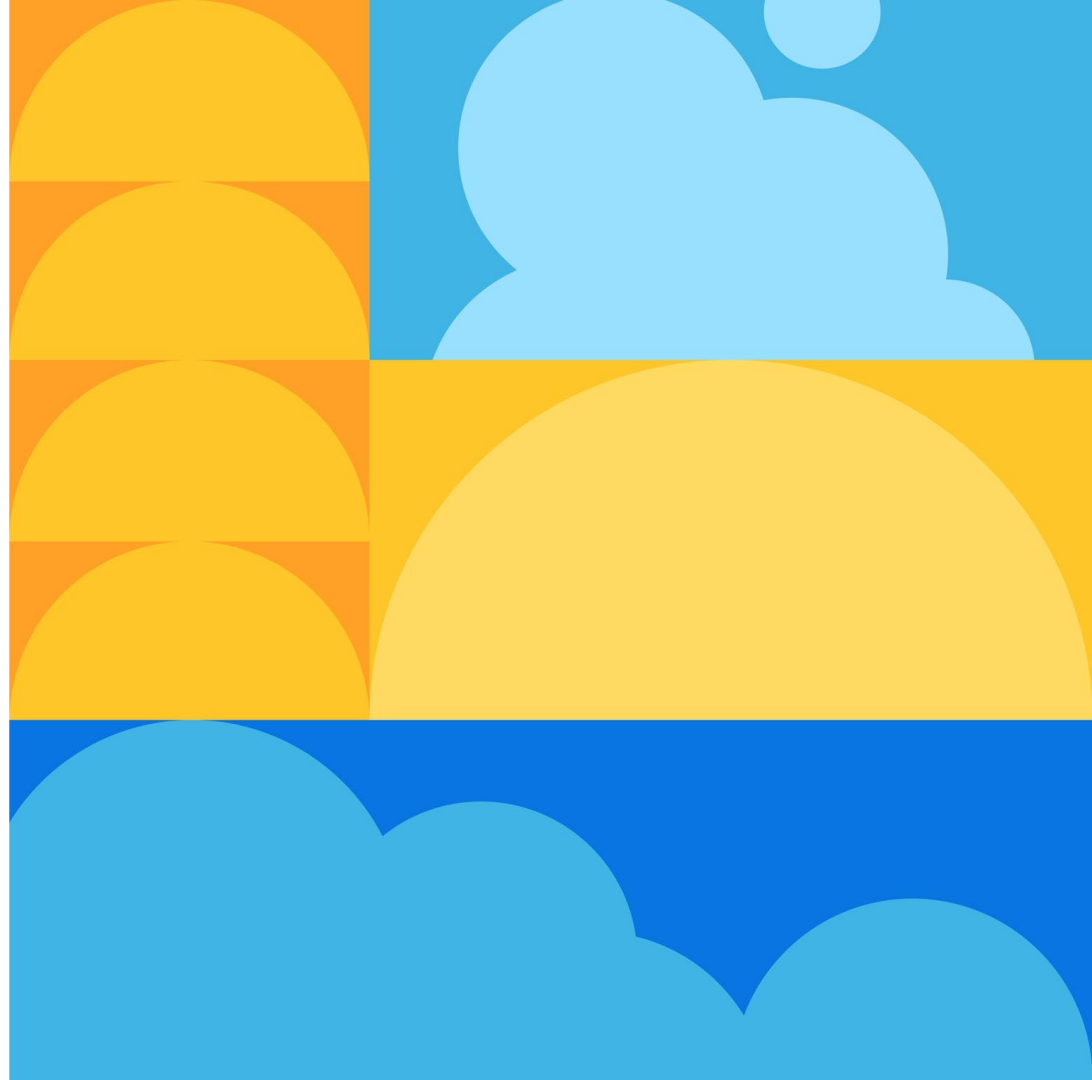
By Friday we need to have our Inventory updated to reflect our new targets and volumes. We Add in the International RNs that are coming from Manila 2024  
 Identify how many TTP we will need in each specialty for 2024  
 Identify how many of each RN specialty we will need for 2024  
 Identify how many of each RN Float pool specialty we will need for 2024  
 Identify how many PRN RNs we will need for 2021  
 Forecast how many FTEs in each of the other job family/role we will need in 2024  
 Touch base with Mary Bridge to see when they will start increasing staffing for new hospital

# Labor Management – Where we started

- MultiCare needed to build a foundation to create a sustainable workforce
  - We needed to align the data in a meaningful way
  - We needed to understand our workforce gaps
  - We needed to be able to create a strategic plan
- Today our focus is on the regulatory and compliance laws that are coming in 2025
  - Missed Meals
  - Staffing Plans



# Driving better HR and Financial Performance



When organizations focus on ensuring that their workforce is

**well-utilized, engaged, and developed,**

**the financial benefits** will naturally follow  
because of effective management







**HR**

**Performance**

**Position Management Effectuate Strategic Workforce Planning**

- Identify Accurate Talent Demand
- Assess Current Talent Gaps and Surpluses
- Optimize Workforce Structure
- Support Succession Planning

**A Strong Organizational Culture Enhances Effectiveness**

- Boost Morale and Retention
- Increase Productivity
- Drive Business Outcomes
- Strengthen Brand and Reputation

**Health Equity & Belonging Promote Retention**

- Ensure Equity and Fairness
- Foster Diverse Perspectives
- Build a Respectful and Inclusive Environment



# **Financial Performance**

## **Position Management**

- **Improve Resource Allocation**
    - **Closed over 1500 Requisitions**
    - **Reduced Labor Costs**
      - **Contract Labor**
      - **Over Time**
      - **Sign on & Relocation Bonuses**
- Sustainable Growth**

## **Productivity**

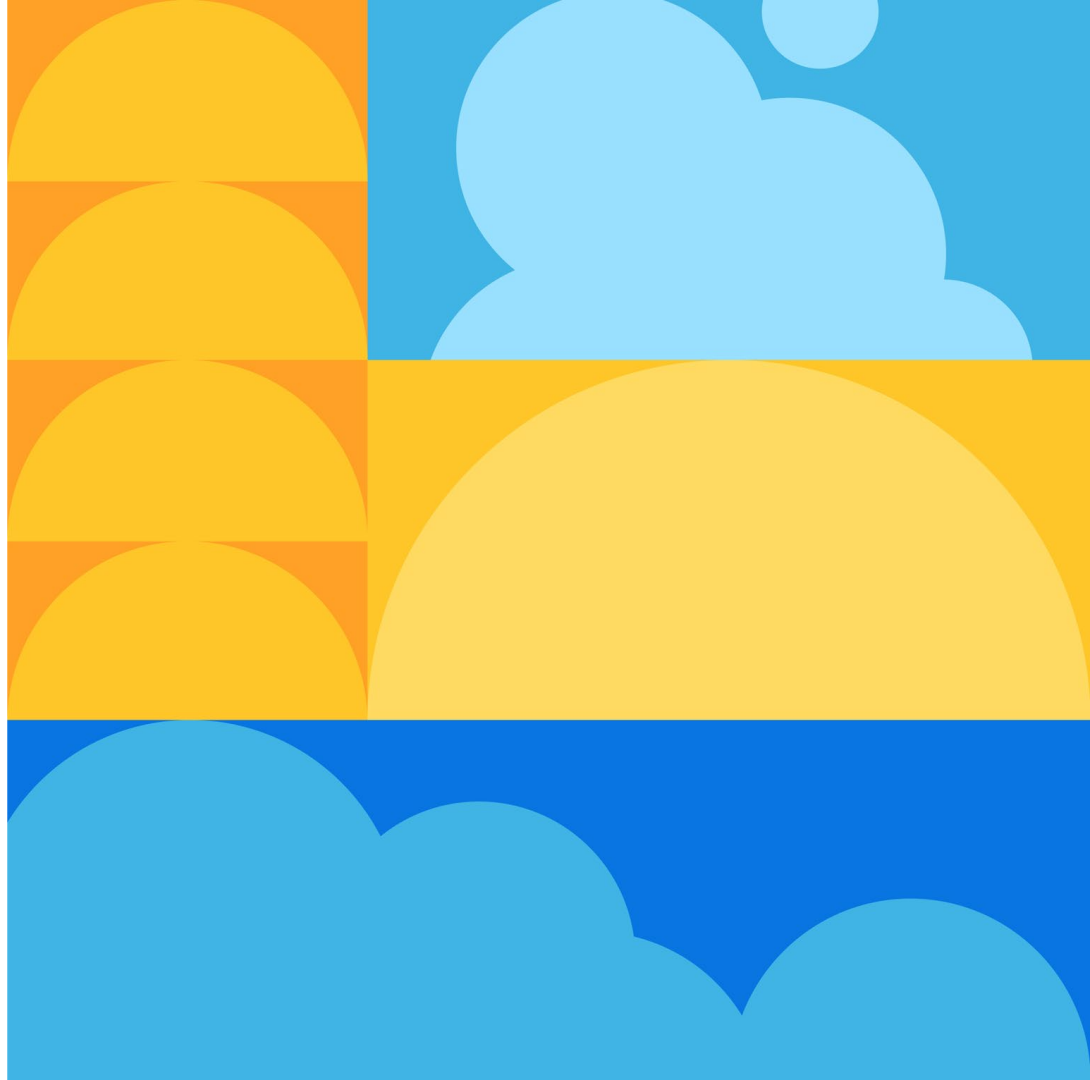
- **Enhance Employee Engagement**
- **Improve Operational Efficiency**
- **Promote Continuous Improvement**

**169.7M YTD Cost Avoidance**

**12.4M YTD Cost Savings**

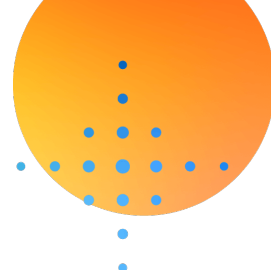


# Financial Performance



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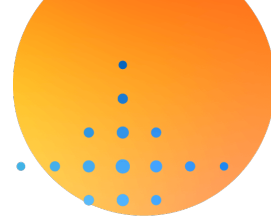
# **Strategic Workforce Planning**



## Demand and Supply Trends

- Link to file:  
[Volume Based R12 Workforce Gap Report by Job Profile - RN Acute August 2024.xlsx](#)

Row Labels	Sum of Actual FTE	Sum of FTE (Frozen) - Held for Workforce Program - Resident	Sum of Current Workforce Gap FTE	Sum of R12 Turnover FTE	Sum of R12 Workforce Gap w/ Turnover
IBU005	137.95	0	31.00	14.89	45.89
IBU006	187.55	14.6	36.47	22.08	58.55
IBU007	57.05	0	27.21	10.23	37.44
IBU008	166.95	0.9	38.24	21.29	59.53
IBU011	57.4	8.85	10.54	8.42	18.96
IBU012	297.845	21.7	45.12	47.36	92.47
IBU017	572.57	13.65	76.97	80.60	157.57
IBU023	295.18	0	5.99	40.88	46.87
IBU024	11.2	0	0.71	1.48	2.19
IBU029	2.9	0	0.28	0.00	0.28
IBU030	7	0	5.70	0.99	6.69
IBU034	6.95	0	0.84	0.00	0.84
IBU038	736.9	25.85	111.59	82.54	194.14
IBU041	148.88	5.5	11.52	14.25	25.77
IBU042	0	0	0.00	0.00	0.00
<b>Grand Total</b>	<b>2686.325</b>	<b>91.05</b>	<b>402.18</b>	<b>345.01</b>	<b>747.19</b>



# On-Demand Reporting

MultiCare WFP - MultiCare Health System Reports / Vacancy Rate by cost center

Filters: Parameters:

Jan-2024  
Target Paid Budget FTE Actual FTE Custom Calculation

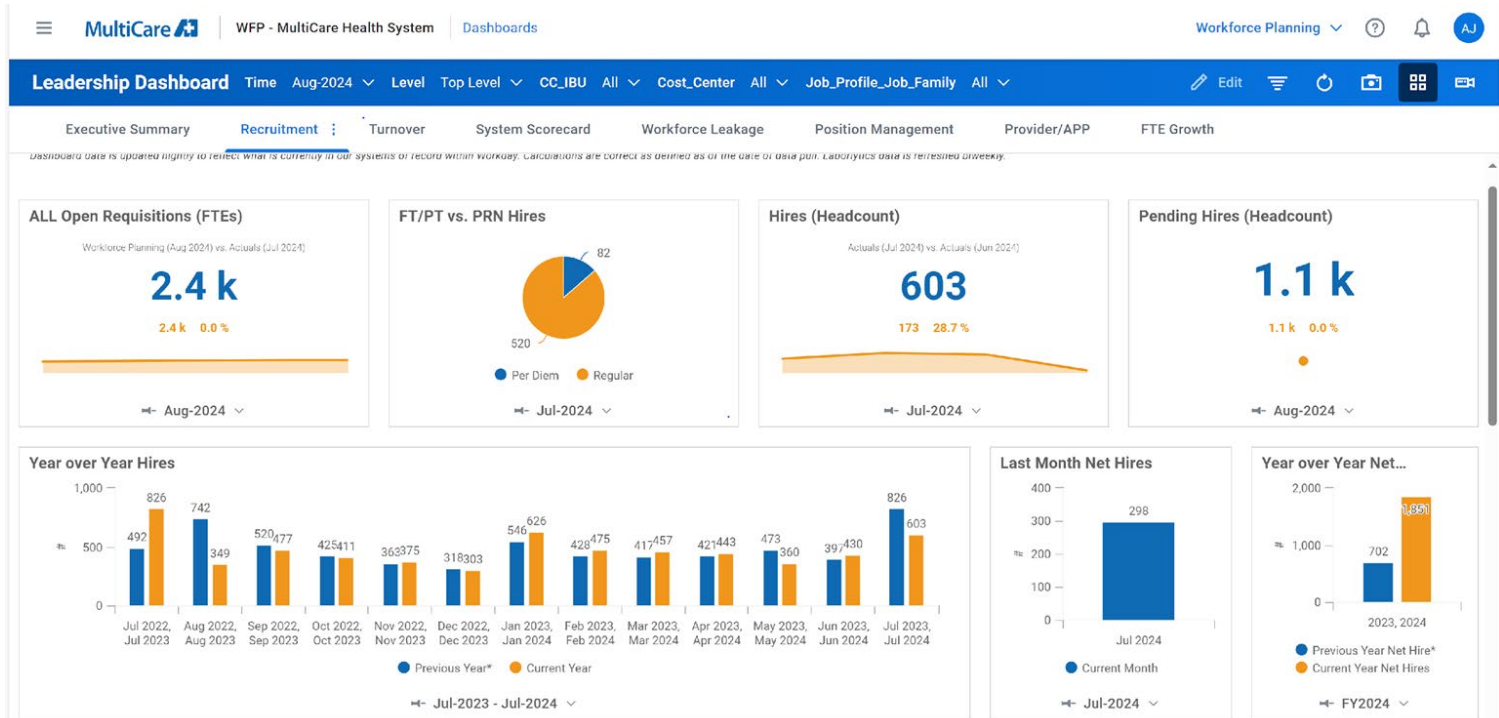
IBU017  
Cost\_Center

CC_IBU	Cost_Center	Target Paid Budget FTE	Actual FTE	Custom Calculation
IBU017	Cost_Center (Rollup)			
	10006-1003 Access Svcs	0.00	4.55	-200.00%
	10006-1005 Access Svcs ED	0.00	11.50	-200.00%
	10006-1011 OP Therapy	0.00	18.44	-200.00%
	10006-1013 Acute OT_PT_ST	0.00	29.10	-200.00%
	10006-1083 Birth Ctr	0.00	46.50	-200.00%
	10006-1106 Central Telemetry	0.00	20.10	-200.00%
	10006-1110 Chemical Dependency OB Unit	0.00	13.35	-200.00%
	10006-1169 CT Scan	0.00	11.11	-200.00%
	10006-1177 Diabetes Svcs	0.00	4.90	-200.00%
	10006-1192 Emergency Dept	0.00	123.05	-200.00%
	10006-1203 Environmental Svcs	0.00	78.60	-200.00%
	10006-1256 GI Special Procedures	0.00	12.35	-200.00%
	10006-1289 Hospital Care Mgmt	0.00	19.65	-200.00%
	10006-1290 Hospital Social Work	0.00	15.50	-200.00%
	10006-1291 Hospital Supervisors	0.00	13.05	-200.00%
	10006-1294 Hospitality	0.00	5.00	-200.00%

MultiCare WFP - MultiCare Health System Reports / Vacancy Rate by cost center

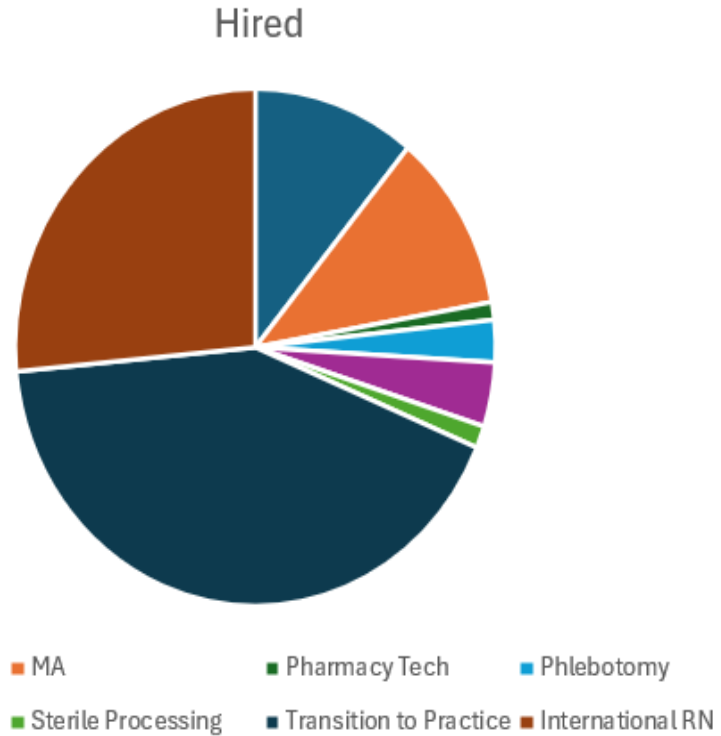
CC_IBU	Cost_Center	Jan-2024		
		Target Paid Budget FTE	Actual FTE	Custom Calculation
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	10006-1011 OP Therapy	0.00	18.44	-200.00%
	10006-1013 Acute OT_PT_ST	0.00	29.10	-200.00%
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	10006-1291 Hospital Supervisors	0.00	13.05	-200.00%
	10006-1294 Hospitality	0.00	5.00	-200.00%

# Strategic Recruitment Plan



# Strategic Workforce Programs

40% of our Workforce Gap is filled by Workforce Programs



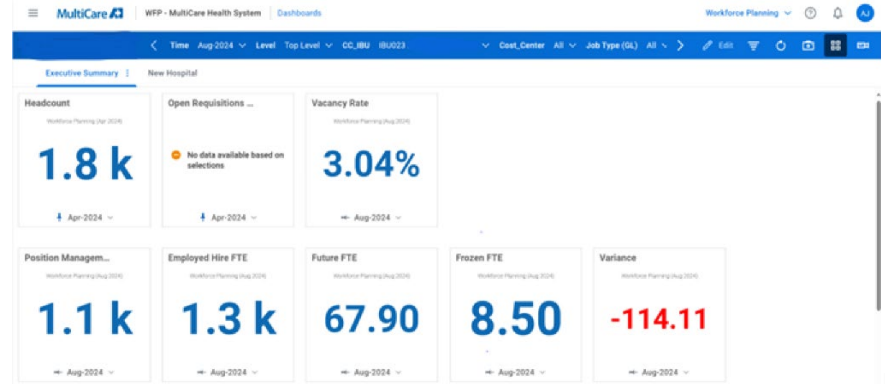


# Forecasting & New Hospital Staffing

## Demand and Supply Trends

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<b>Grand Total</b>	<b>2686.325</b>	<b>91.05</b>	<b>402.18</b>	<b>345.01</b>	<b>747.19</b>



# Higher Retention

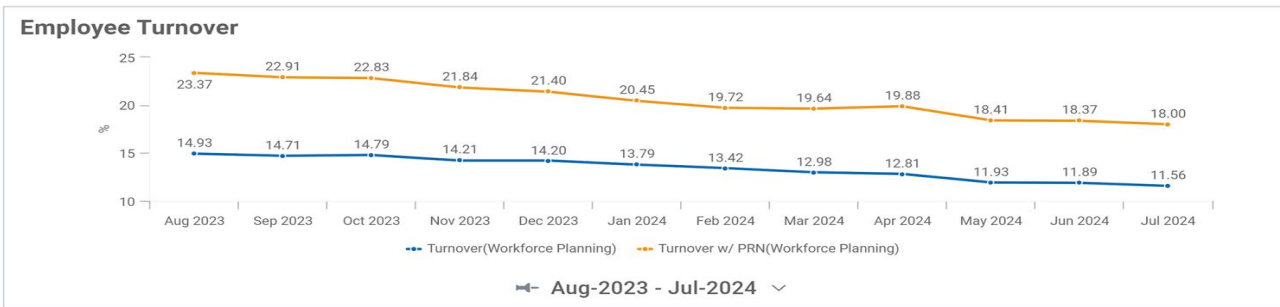
All Employees



## NSI Benchmarks

FT/PT + PRN Reduction	
ALL Employee	20.1%
RN	17.6%
FT/PT	
ALL Employee	16.8%
RN	14.3%

RN Only

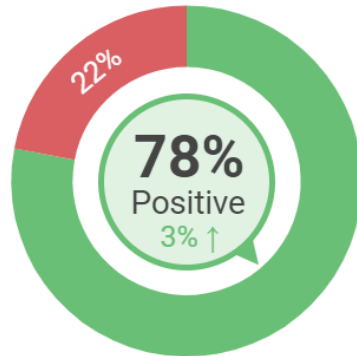


RN FT/PT Below Benchmark

# Engagement- Work/Life Balance

## WORK / LIFE BALANCE

Worked through a day/shift  
without any breaks.

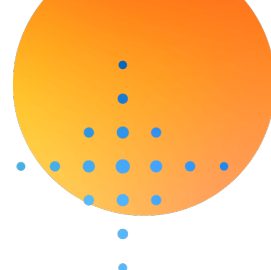
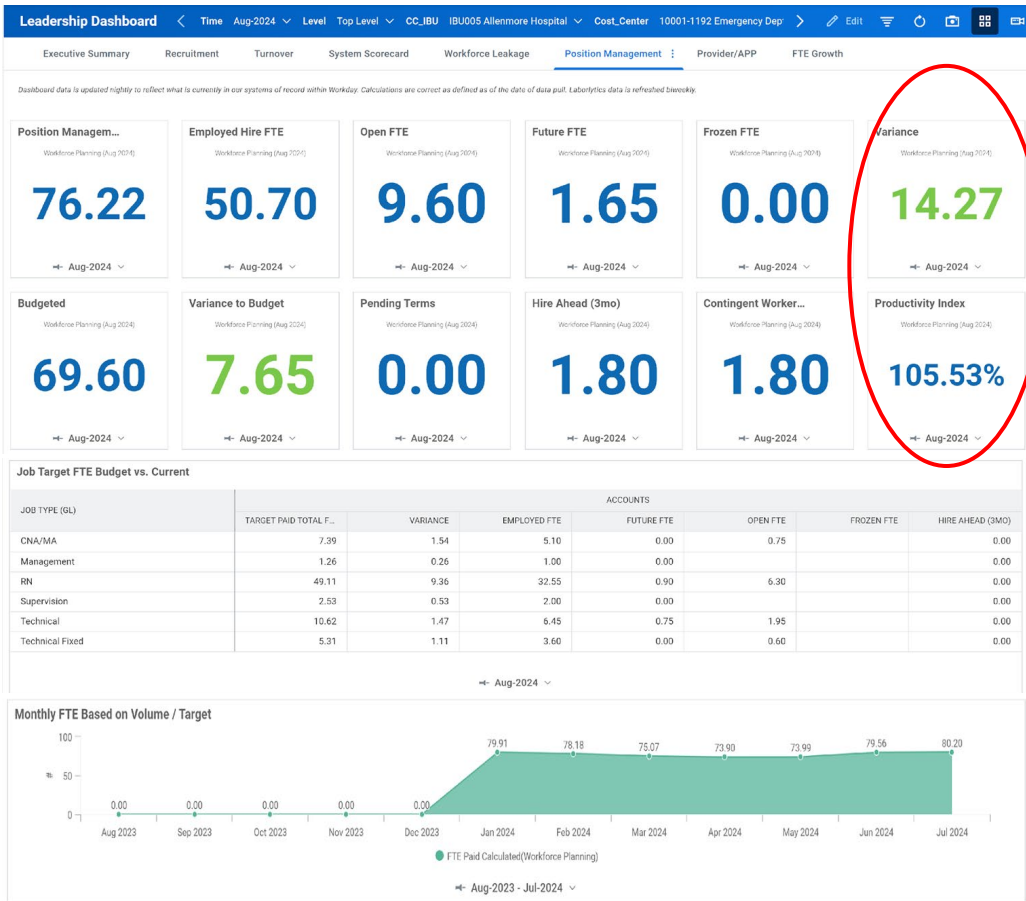


## 2023 Results

- **52 Business Units**
- **17,247 Respondents**
- **Response Rate 70%**
- **3% increase – 517 Employees felt they can now take their breaks**

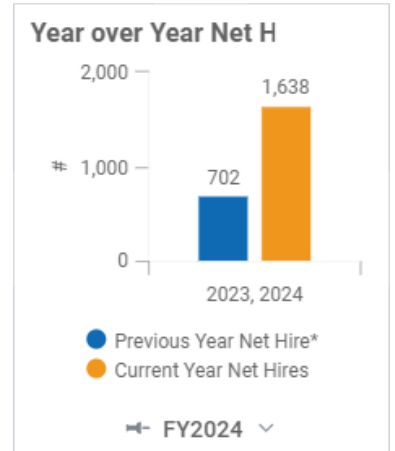
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# **Position Management**



Closed 1500 Requisitions  
\$140M Cost Avoidance

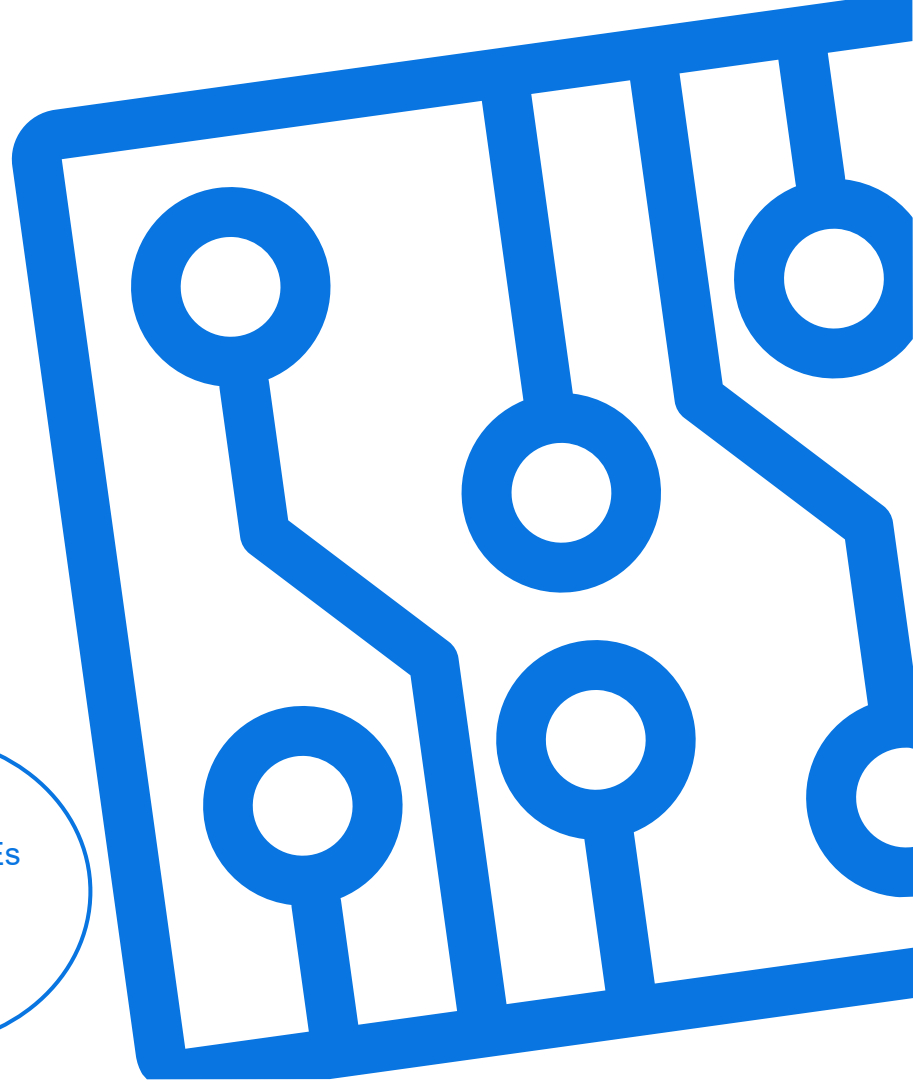
# Vacancy Rate & Net Hires



# Float Pools

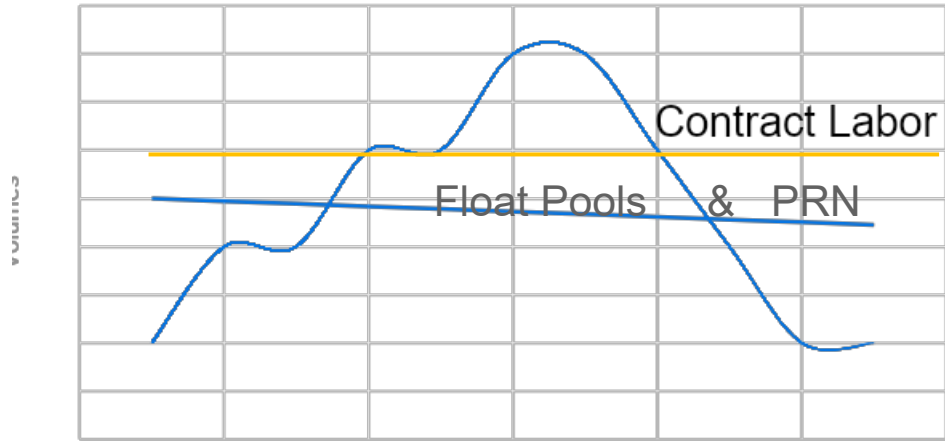
- Local Float Pools
  - Daily Coverage (non-productive time)
    - PTO
    - EIB
- System/Regional Float Pools
  - Long Term Coverage
    - FMLA
    - Vacancy

Identified FTEs  
down to  
Specialty



# Contract Labor

Volume Trend



.. . . .



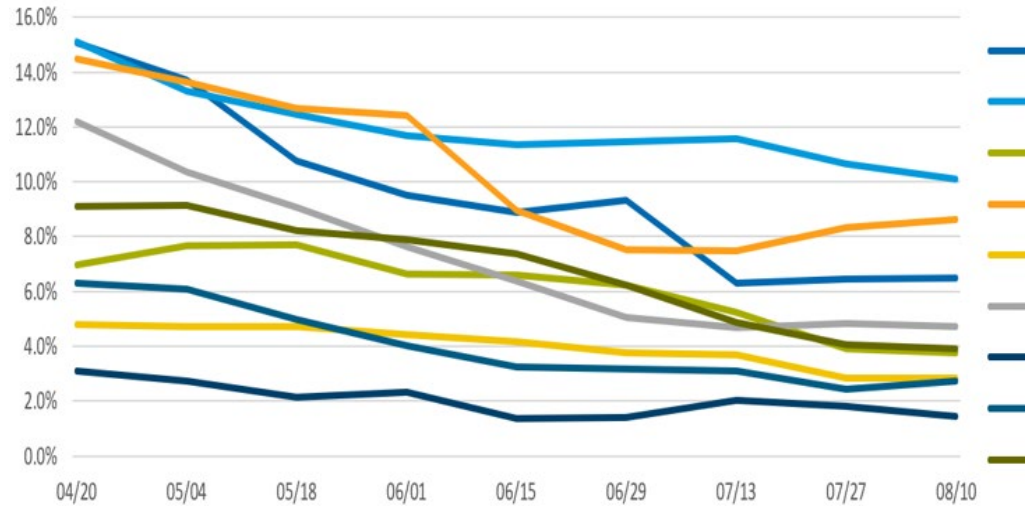


# Reduction of Contract Labor

## 4.4M Cost Savings YTD

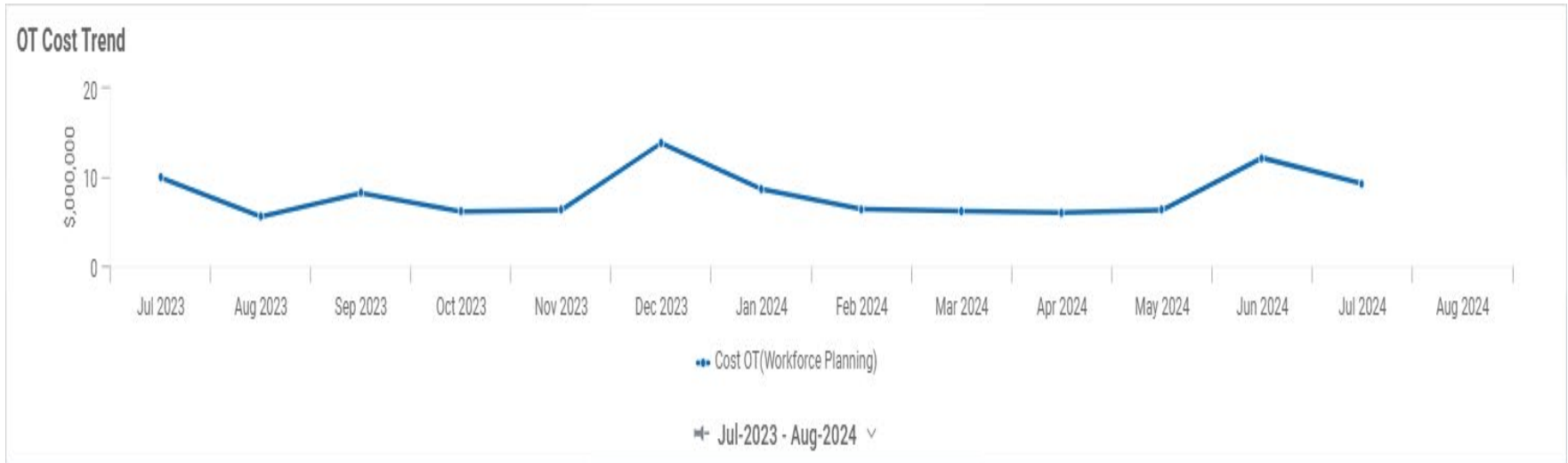
### RN Agency % of Total RN Hours

excluding RN Preceptors



# Over time

Overtime % of Productive Hours	YTD
Acute Care	6.0%
Ambulatory Care	3.2%
Other	1.3%



# Sign on Bonuses & Relocation Costs

**\$29.7M** Cost  
Avoidance

Identified New Plan  
**\$8M** Cost Savings

Prior Year

IBU/Cost Center	Sign on Bonus	Relocation	Grand Total
IBU038	\$ 7,434,057.17	\$ 1,675,351.14	\$ 9,109,408.31
IBU017	\$ 6,886,757.77	\$ 1,986,819.95	\$ 8,873,577.72
IBU012	\$ 4,668,104.99	\$ 1,231,518.38	\$ 5,899,623.37
IBU023	\$ 2,271,221.66	\$ 471,000.00	\$ 2,742,221.66
IBU008	\$ 2,148,655.18	\$ 462,781.02	\$ 2,611,436.20
IBU024	\$ 1,976,049.15	\$ 583,000.00	\$ 2,559,049.15
IBU006	\$ 1,945,406.91	\$ 490,000.00	\$ 2,435,406.91
IBU041	\$ 1,641,179.16	\$ 176,270.08	\$ 1,817,449.24
IBU005	\$ 1,132,026.63	\$ 296,967.76	\$ 1,428,994.39
IBU034	\$ 1,073,535.83	\$ 157,000.00	\$ 1,230,535.83
IBU029	\$ 981,414.00	\$ 195,000.00	\$ 1,176,414.00
IBU030	\$ 481,638.26	\$ 465,000.00	\$ 946,638.26
IBU011	\$ 703,060.00	\$ 75,000.00	\$ 778,060.00
IBU009	\$ 561,481.78	\$ 191,000.00	\$ 752,481.78
IBU042	\$ 10,000.00	\$ 20,000.00	\$ 30,000.00
<b>Grand Total</b>	<b>\$ 33,914,588.49</b>	<b>\$ 8,476,708.33</b>	<b>\$ 42,391,296.82</b>

# Poll Question

What is your biggest area of opportunity for Workforce Planning?

1. Improve Staff Satisfaction
2. Cost Containment
3. More informed decision making
4. Increased Productivity
5. More Efficient Staffing

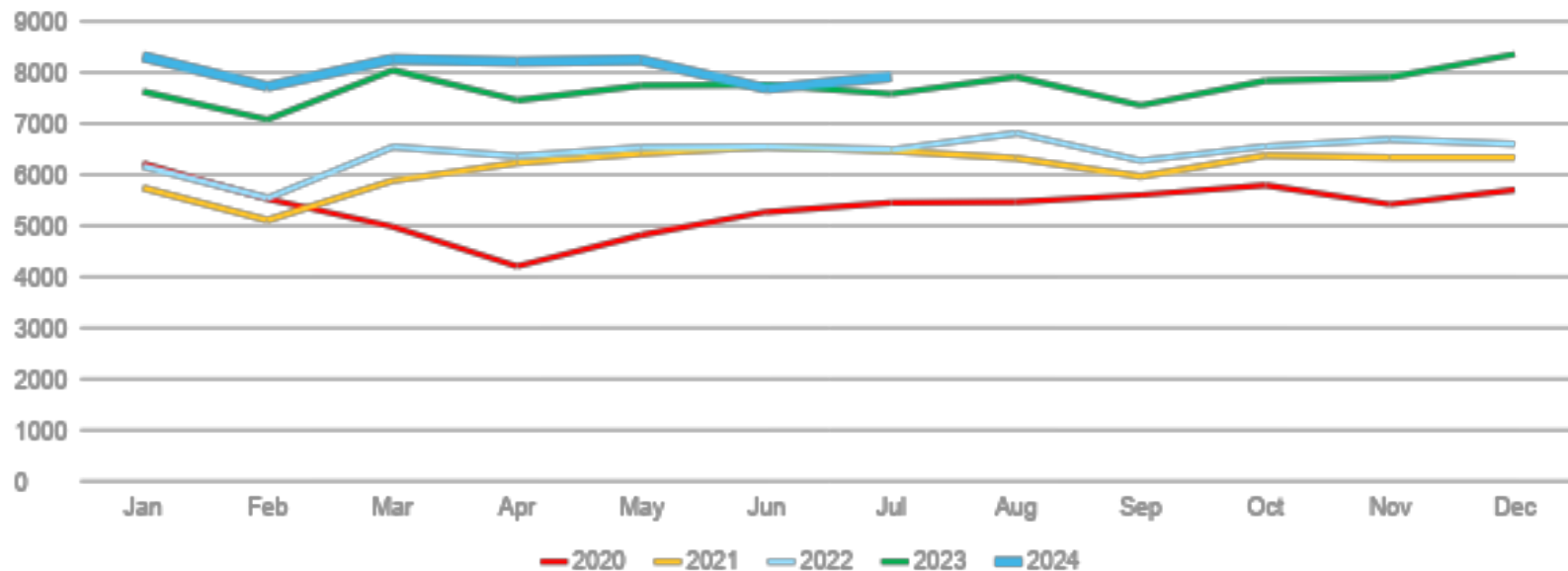




**Sustainable  
Growth**

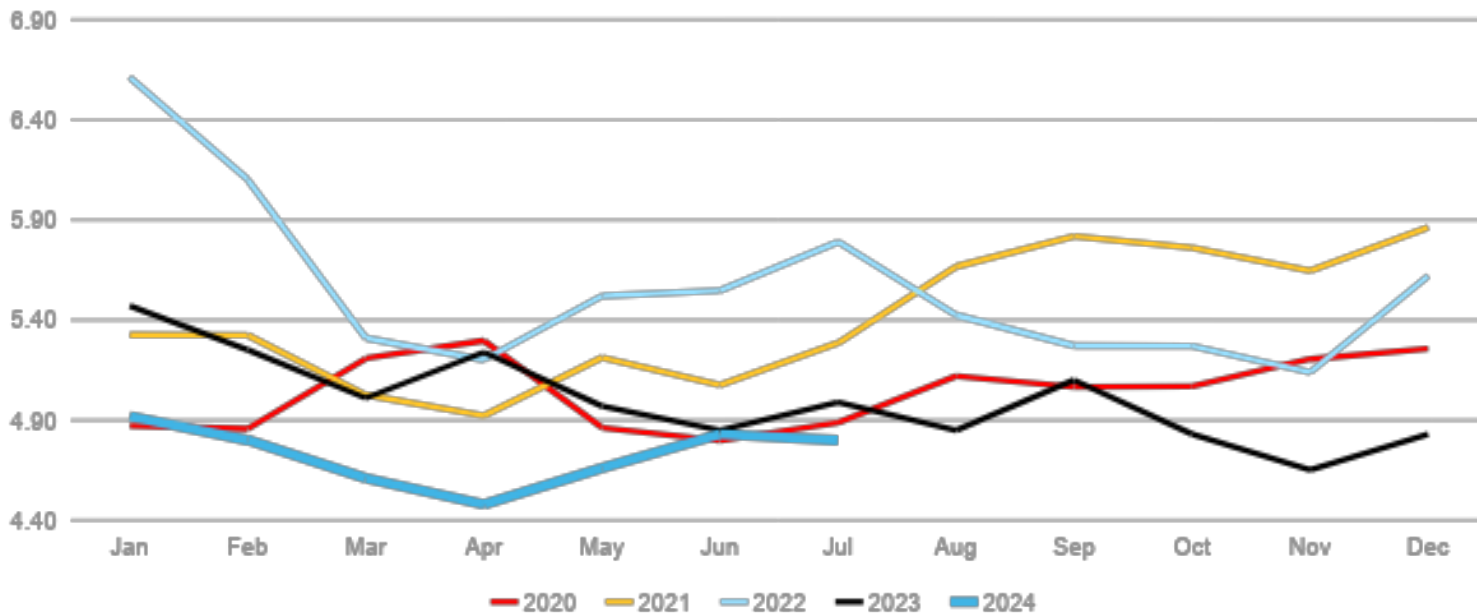
# Operating Metrics

Inpatient Admissions (excluding psych and rehab)



# Operating Metrics


Average Length of Stay (excluding psych and rehab)





**Productivity**






**Enhance Employee Engagement:** Productivity is closely linked to engagement. When employees understand the significance of their roles and feel that their work aligns with their personal and professional goals, they are more motivated and productive.

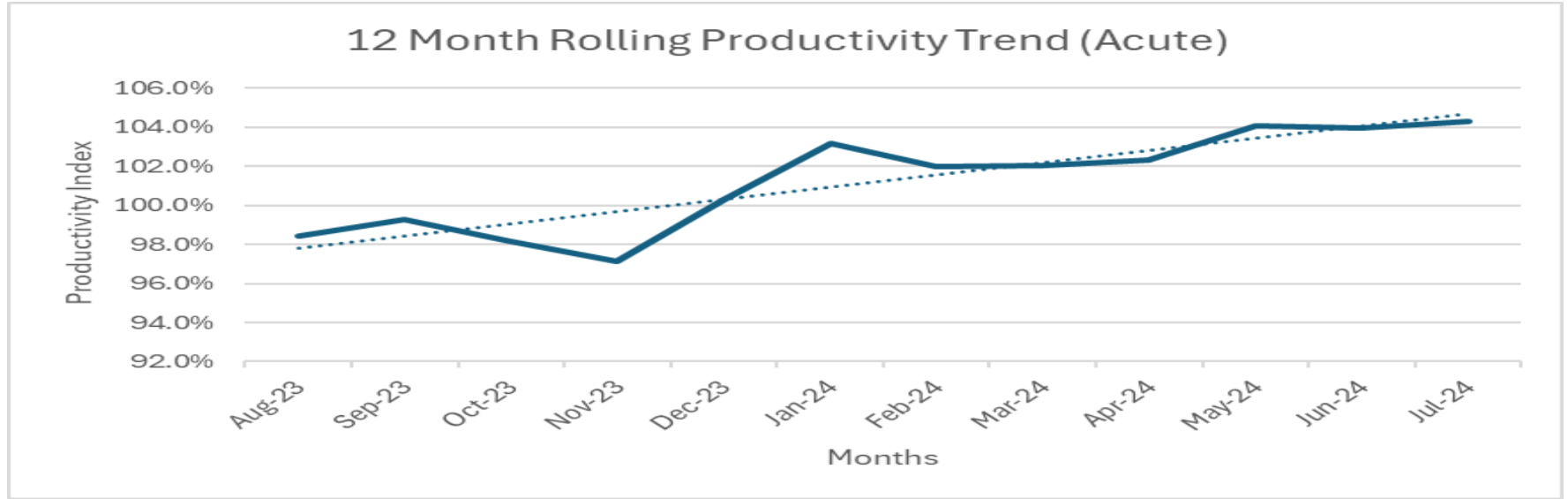
**Improve Operational Efficiency:** A focus on productivity allows organizations to implement processes that streamline operations, reduce waste, and maximize output, leading to better financial performance without compromising employee satisfaction.

**Promote Continuous Improvement:** Organizations can foster a culture of continuous improvement, encouraging innovation and adaptability, which are essential for thriving in a competitive business environment.

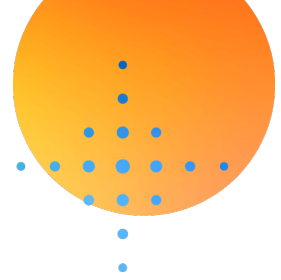


# Productivity Metrics

Productivity Index	YTD
Acute Care	103.2%
Ambulatory Care	116.6%
Other	115.3%



# Key Takeaways



- Workforce Planning is improving our HR effectiveness by enabling more targeted staffing solutions via gap analysis, talent development, and engagement initiatives
- Workforce Planning is improving our financial outcomes by promoting efficient use of contract labor, savings through closing unnecessary FTE and reducing spend on new hires, and increasing productivity
- **Planning is a journey...**the completion of this project has resulted in the beginning of new projects that will strength the organization's culture and engagement



Questions?