Right-sizing Staff: Managing Costs More Effectively

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Trinity Mother Frances Hospitals and Clinics
Objectives

- Understand the process for “right-sizing” staff.
- Understand staffing strategies to improve the physician practice’s daily operations and reduce cost.
- Assess whether an opportunity exists to optimize clinic support staff based on industry benchmarks.
What is Right-Sizing
10 Steps To Get There

What they were... What they felt like... What we needed...
First of All...

• Determine the right number of employees
• No simple formula; difficult at best
• Level of staffing
  – Workload
  – Processes
  – Level of automation
Recognize the Challenge

Develop a tactical plan:
1. Capture savings
2. Increase revenue
3. Set a timeline
Provider Productivity

1. By Site
2. Rolling 3 Month - Annualized

Annualized wRVUs were compared against budget.
Provider Productivity

Work RVUs - Benchmarks

<table>
<thead>
<tr>
<th></th>
<th>Median Levels - Clinical Support Staff</th>
<th>Median Levels - Medical Receptionist</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>per 10,000 RVUw Benchmark</td>
<td>per 10,000 RVUw Benchmark</td>
</tr>
<tr>
<td></td>
<td>per Provider Benchmark</td>
<td>per Provider Benchmark</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.99</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.37</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.00</td>
</tr>
</tbody>
</table>

- By Site
- By Specialty
## Actual vs. Benchmark Comparison

1. **Determine the # FTEs**

<table>
<thead>
<tr>
<th></th>
<th>Athens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Practice Specialty</td>
<td>#VALUE!</td>
</tr>
<tr>
<td>Clinical Support Staff</td>
<td>#VALUE!</td>
</tr>
<tr>
<td>Front Office Support Staff</td>
<td>#VALUE!</td>
</tr>
<tr>
<td><strong>Total Support Staff</strong></td>
<td>#VALUE!</td>
</tr>
<tr>
<td><strong>FTE Opportunity: 10,000 RVUws</strong></td>
<td>#VALUE!</td>
</tr>
<tr>
<td>Clinical Support Staff</td>
<td>#VALUE!</td>
</tr>
<tr>
<td>Front Office Support Staff</td>
<td>#VALUE!</td>
</tr>
<tr>
<td><strong>Total Opportunity</strong></td>
<td>#VALUE!</td>
</tr>
</tbody>
</table>
Determining the Opportunity

Comparing various percentiles

<table>
<thead>
<tr>
<th>Positions Reviewed</th>
<th>FTE Opportunity</th>
<th>Financial Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTE's</td>
<td>Median</td>
</tr>
<tr>
<td>Clinical Support Staff</td>
<td>240.9</td>
<td>43.7</td>
</tr>
<tr>
<td>Front Office Support Staff</td>
<td>149.3</td>
<td>12.5</td>
</tr>
<tr>
<td>Clinic Support Staff</td>
<td>390.2</td>
<td>56.3</td>
</tr>
</tbody>
</table>
Plan Implementation

Attrition or ….

- No simple formula
- Transition or “big bang”
- Internal transfers
- Early retirement
- Who stays; who goes
## Current Practice Information

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Front Office Staff</th>
<th>Clinical Support Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current FTEs</td>
<td>5.00</td>
<td>2.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Current RVUs Annualized</td>
<td>7,411</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTE Benchmark per 10,000 RVUs</td>
<td>2.28</td>
<td>2.99</td>
<td></td>
</tr>
<tr>
<td>Suggested FTEs at 50th %ile Benchmark</td>
<td>4.78</td>
<td>1.69</td>
<td>2.22</td>
</tr>
<tr>
<td>FTEs currently above benchmark</td>
<td>1.09</td>
<td>0.31</td>
<td>0.78</td>
</tr>
</tbody>
</table>

### FTE Impact

<table>
<thead>
<tr>
<th>Clinic Manager Improvement Initiative</th>
<th>Clinical</th>
<th>Front Office</th>
<th>Total FTE</th>
<th>Annual Benefit</th>
<th>Time Horizon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate phone nurse and let floor nurse take patient calls in between patients</td>
<td>1.0</td>
<td>19.66</td>
<td>1.0</td>
<td>40,892</td>
<td>2/1/11</td>
</tr>
<tr>
<td>Reduce each clerical staff to a .9 FTE</td>
<td></td>
<td>0.2</td>
<td>0.2</td>
<td>4,576</td>
<td>2/1/11</td>
</tr>
</tbody>
</table>

| Totals | 1.2   | 19.66      | 0.2     | 11.00     | 1.20         | 45,468      |
Calculating the Results

Final Numbers and Savings

• Attrition
• Early Retirements
• RIFs
• Internal Transfers
• Offices Closed
• Total Savings
• Pain (on a scale of 1 – 10)
Sustaining the Changes

- Compared targets to budget to actual

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<table>
<thead>
<tr>
<th>BY Clinic Location</th>
<th>Paid FTE</th>
<th>Paid FTE's Targ</th>
<th>Paid FTE's Var</th>
<th>Overtime FTEs</th>
<th>Paid FTE vs Targ FTE</th>
<th>Targ FTE</th>
<th>FTE Adjustment</th>
<th>Adjusted Target</th>
<th>Annualized RVU's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athens</td>
<td>11.1</td>
<td>12.7</td>
<td>1.6</td>
<td>0.1</td>
<td>11.1</td>
<td>7.5</td>
<td>2.7</td>
<td>10.2</td>
<td>14,145.0</td>
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<tr>
<td>Broadway</td>
<td>20.0</td>
<td>13.7</td>
<td>-6.3</td>
<td>1.3</td>
<td>20.0</td>
<td>19.2</td>
<td>0.0</td>
<td>19.2</td>
<td>36,118.0</td>
</tr>
<tr>
<td>Canton</td>
<td>12.8</td>
<td>15.9</td>
<td>3.1</td>
<td>0.6</td>
<td>12.8</td>
<td>11.3</td>
<td>0.0</td>
<td>11.3</td>
<td>21,168.0</td>
</tr>
<tr>
<td>Cardio Thoracic</td>
<td>2.1</td>
<td>9.4</td>
<td>7.3</td>
<td>0.1</td>
<td>2.1</td>
<td>8.1</td>
<td>0.0</td>
<td>8.1</td>
<td>45,472.8</td>
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<tr>
<td>Cardiology</td>
<td>18.3</td>
<td>6.0</td>
<td>-12.3</td>
<td>1.3</td>
<td>18.3</td>
<td>18.4</td>
<td>0.0</td>
<td>18.4</td>
<td>83,081.4</td>
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<tr>
<td>Chandler</td>
<td>5.2</td>
<td>3.8</td>
<td>0.6</td>
<td>0.2</td>
<td>5.2</td>
<td>4.7</td>
<td>0.7</td>
<td>5.4</td>
<td>8,602.4</td>
</tr>
<tr>
<td>Childrens</td>
<td>15.3</td>
<td>16.7</td>
<td>1.4</td>
<td>0.0</td>
<td>15.3</td>
<td>15.2</td>
<td>0.6</td>
<td>15.8</td>
<td>30,822.7</td>
</tr>
</tbody>
</table>
```
# New or Replacement Positions

**Select Specialty from Drop-Down**

1. **Enter Current (PAID) FTEs** [not including those being requested]:
   - Clinical Support Staff Paid FTEs: 0.00
   - Front Office Support Staff Paid FTEs: 0.00
   - **Total Support Staff**: 0.00

2. **Enter New or Replacement FTEs Requesting**:
   - Clinical Support Staff FTEs: 0.00
   - Front Office Support Staff FTEs: 0.00
   - **Total Support Staff**: 0.00

3. **Total Providers**
   - Physician: 0.00
   - Mid-Levels: 0.00
   - **Total Providers**: 0.00

4. **Computed Total Staff FTEs**
   - Clinical Support Staff FTEs: 0.00
   - Front Office Support Staff FTEs: 0.00
   - **Total Support Staff**: 0.00

*Paid FTEs include all Overtime and PTO hours*

5. **Enter Current Annual RVU’s**
   - RVU’s per 10,000: 0.00
   - **Computed RVU’s per 10,000**: -

6. **Computed FTEs (Over / Under) Staffed**
   - Clinical Support Staff: 0.00
   - Front Office Support Staff: 0.00
   - **Total Variance from Benchmark**: 0.00

7. **NCMA per 10,000 RVU’s 50th %ile**
   - **Total Front Office**: 2.2
   - Clinical Support Staff: 3.1

**Staffing Solution at 50th %ile Benchmarks**

- Optimal Clinical Support Staff: 0.0
- Optimal Front Office Support Staff: 0.0

8. **Name of person completing this form**
9. **Date**
10. **Practice Name**
11. **Cost Center or Department Number for requested position**
12. **Supervisor of person completing this form**
13. **Budgeted number of FTEs (Front Office and Clinical) in Practice**
14. **Budgeted number of Total FTEs in cost center**
15. **Is this position a new position or replacement?**
16. **Position / Job Title**
17. **Reason for the new position**
18. **Hours and Schedule of new position**
19. **Expected Salary of new position**
20. **How many total hours of overtime, PRN, and agency use in the last 3 pay periods?**
   - Pay period Ending: OT, PRN Hours:
   - Pay period Ending: OT, PRN Hours:
   - Pay period Ending: OT, PRN Hours:
21. **List last 3 Months of Clinic Volume (in RVU’s)**

<table>
<thead>
<tr>
<th>Month 1 [most recent]</th>
<th>Month 2</th>
<th>Month 3</th>
</tr>
</thead>
</table>
22. **What was / is the last date of employment if the position is a replacement?**
23. **Is it possible to absorb or redesign the workload? If no, please explain:**
24. **Will this position replace agency or overtime utilization that is currently incurred because of the vacant position?**
25. **Can this position be filled internally? If no, please explain:**
Facing Our Biggest Hurdles

- Objections
- Morale

- Redesign
- Methodologies
Triumphs

- Efficiencies
- Critical thinking as a team
- Improved processes
- Cost savings
In Retrospect...

Was it this?  Or this?
Maybe More Like This...
A Look Back

What it was/is:
• Positive approach to streamlining employee cost
• Resulted in a more profitable bottom-line
• Long term cost-saving benefit by employing the “right” amount of staff

What it created:
• Potential of emotional toll on everyone
• Risk of productivity slowdown in some areas
• Threat of losing critical employees
Questions?

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(903) 372-5693

Thank You!