



# VALLEY HOSPITAL ALIGNS STAFFING TO MATCH PATIENT VOLUMES, INCREASE EFFICIENCY

Navigant Partnership Helps to Reduce Labor Costs by 8 Percent While Maintaining High-Quality Care

## CHALLENGE

The Valley Hospital, located in Ridgewood, N.J., is a 451-bed acute care hospital that has received three consecutive American Nurses Credentialing Center Magnet® designations. Like many hospitals across the country, Valley Hospital has experienced declining inpatient volumes and associated revenues as more care is delivered in outpatient settings. Recognizing these changes in the healthcare delivery system, hospital leadership sought an objective methodology to analyze their current staffing practices, redesign them to be as efficient as possible, and reduce unnecessary costs.

Hospital executives decided to take a bottom-up rather than a top-down approach. Instead of giving nursing, ancillary, support services, and other departments budget targets based on external benchmarks, executives asked unit and department leaders to develop optimal staffing plans based on analyses of:

- Historical data and patterns.
- Current staffing plans and configurations.
- Existing practices and workflows.

The purpose of the approach was to determine the optimal plans to staff to demand and improve overall efficiency by redesigning processes and workflows to reduce waste.

From the beginning of the initiative, Valley Hospital leaders made it clear that quality of care must not be jeopardized by any staffing changes and wanted to ensure the direct-care nursing hours per patient would not change. In addition, the hospital takes pride in its employee-friendly culture and Magnet status.

*“We were looking for data-based insights that could help our leaders better staff their departments to meet patient volumes. At the same time, we suspected that we could redesign certain processes to more efficiently deliver the same service and quality levels. With Navigant’s assistance, we are on track to accomplishing both objectives.”*

ANN MARIE LEICHMAN, RN, SENIOR VICE PRESIDENT OF PATIENT CARE SERVICES AND CHIEF NURSING OFFICER, VALLEY HOSPITAL

## SOLUTION

Valley Hospital partnered with Navigant to achieve its staffing goals by engaging its key leaders, managers, and frontline staff. The organization created design teams by functional area, and combined the following three solution sets to effectively manage labor costs:

**Staffing Optimization:** Valley Hospital had previously relied on nationally available staffing and productivity benchmarks, but leaders were not confident that these benchmarks accurately reflected their staffing needs or patient population. Instead, leaders wanted each area to determine the actual demand, on different days and at various times, and then adjust staffing plans to meet that demand.

By analyzing historical data on patient volumes and visits, procedure logs, lab draw times, and other factors, actual demand could be determined for different departments and units. As part of this analysis, predictive algorithms developed by Navigant sort through the data to identify patterns at different days, times, and seasons.

Using these insights, almost all units at Valley Hospital have reconfigured their staffing plans and full-time equivalent (FTE) targets to reflect the actual day-to-day reality in their hospital. The updated plans enabled reductions in labor budgets, leading to cost-savings.

**Workflow Redesign:** The second key strategy Valley Hospital used was workflow redesign. Staff worked with Navigant consultants to map out workflow steps for key processes and identify which steps might be combined, eliminated, or streamlined.

Take, for example, how workflow has been optimized in the transport department. To identify why the department was not successfully scheduling and fulfilling transport requests, Navigant experts observed transport staff for a few weeks. They mapped the entire transportation workflow and determined peak days and times for transport requests.

This led to full-blown redesign of the transport workflow to better capture transport requests from various departments, including radiology and the emergency department, and schedule staff more appropriately to match the number of transporters needed. Now the transport department is fulfilling a higher number of requests with two fewer FTEs.

**Management Tools:** Management tools — including daily staffing calculators and automated position control — were created or streamlined to ensure that hospital leaders can more easily plan staffing budgets and track labor metrics, including costs and productivity. Managers and directors are also now equipped with analytics on volumes and the optimal staffing plans to match the volumes. Owners for each initiative were identified and implementation documentation worksheets were developed in conjunction with the initiative leads to assign tasks, timelines, and impact.

## IMPACT

Valley Hospital worked with Navigant to identify about 25 initiatives to improve staffing and workflow, for a projected total decrease of \$7 million or 8 percent of nursing, ancillary, and support services labor spending. Most of the opportunities were identified in nursing, perioperative care, and support services. The savings included in Valley Hospital's FY18 budget based on implemented value totaled \$5.5 million.

In addition, leaders attained their goal without layoffs. Some positions were eliminated through staff attrition or migration. For instance, after the transport workflows were redesigned, leaders realized they did not need to fill two vacant positions. And, when nursing units reduced their staffing numbers, nurses were moved to a float pool or reassigned to another unit.

Most importantly, because staffing was reconfigured to match actual patient demand, Valley Hospital leaders are confident that quality of care will not be affected.

### VALLEY HOSPITAL, NAVIGANT STAFFING AND WORKFLOW IMPROVEMENT INITIATIVE




Projected **decrease of \$7 million or 8%** of nursing, ancillary, and support services **labor spending**



Majority of opportunities in **nursing, perioperative care, support services**




Goals attained **without employee layoffs**



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