A New Era in Productivity

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Act, Accelerate, and Achieve

Speaker

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Areas of Expertise
Workforce Optimization, Productivity, Staffing Effectiveness, Performance Improvement, Benchmarking, Leadership Development, Team Building, Workforce Strategy, Operational Improvement, Strategic Thinking

Transforming Operations for Lasting Success

Learning Objectives

- Understand the key principles of productivity optimization in healthcare and how to align them with organizational goals.

- Explore strategies to engage and empower teams, fostering accountability and collaboration.

- Discover practical tools and frameworks to identify and address inefficiencies in staffing and reso...

"They give you a round bat and they throw you a round ball. And, they tell you to hit it square."

- Willie Stargell
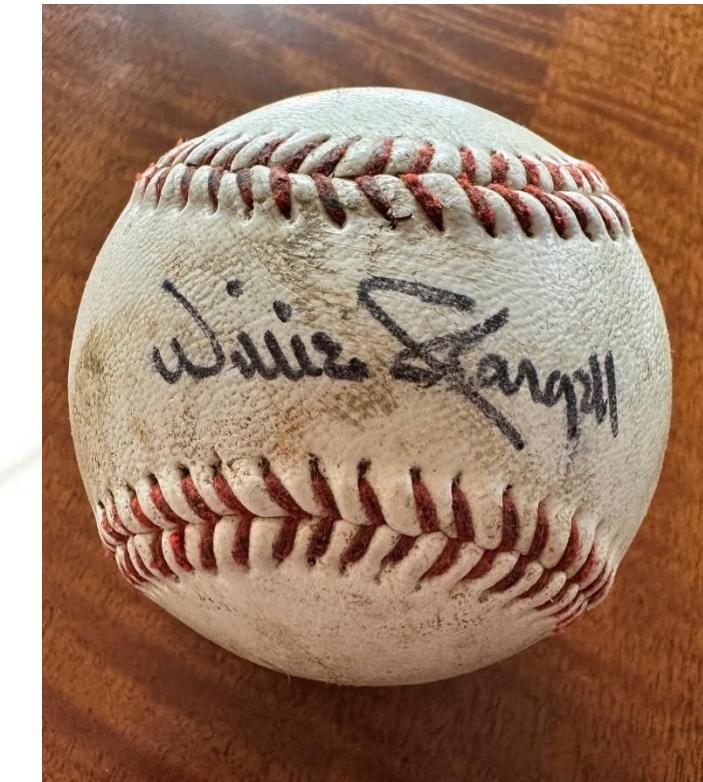
When I fell in Love with Discipline

Championship Healthcare Teams

If we want our healthcare organizations to be championship teams, we must focus on productivity as our leadership training ground.

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Build Strong Fundamentals

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Create a Culture of Accountability

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Optimize Performance and Efficiency

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Develop Future Leaders

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The New Era of Productivity

Act

Benchmark

Leverage Data

Identify Opportunities

Set Realistic Goals

Optimize Workforce, Processes and Workflows
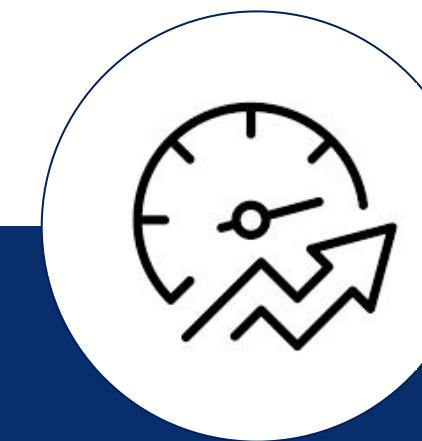
Accelerate

Develop Leadership

Empower Teams

Build a Culture of Accountability

Foster Collaboration
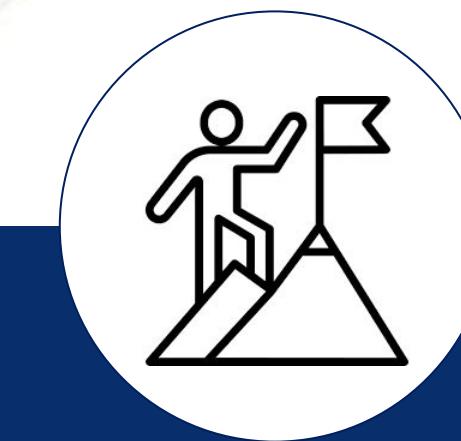
Achieve

Embrace the Power of Productivity

Focus on Key Metrics

Implement Continuous

Improvement

Involve Everyone

Align with Vision

Act

Step Up to the Plate

Inaction is the Enemy of Productivity

If you don't swing, you don't score.

If you don't swing, you don't improve patient flow.

If you don't swing, you don't reduce labor costs.

If you don't swing, you don't develop your team.

If you don't swing, you don't drive change.

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Productivity: It's About Action

⚾ Productivity isn't just about working harder. It's about decisive action, strategic moves, and continuous improvement.

⚾ **Step up. Swing. Succeed.** Make an impact.

⚾ Small, consistent improvements drive long-term success.

⚾ Waiting for the 'perfect time' often means falling behind—act now.

⚾ Every decision you make (or don't make) shapes your outcomes.

⚾ Leaders who take the swing inspire their teams to do the same.
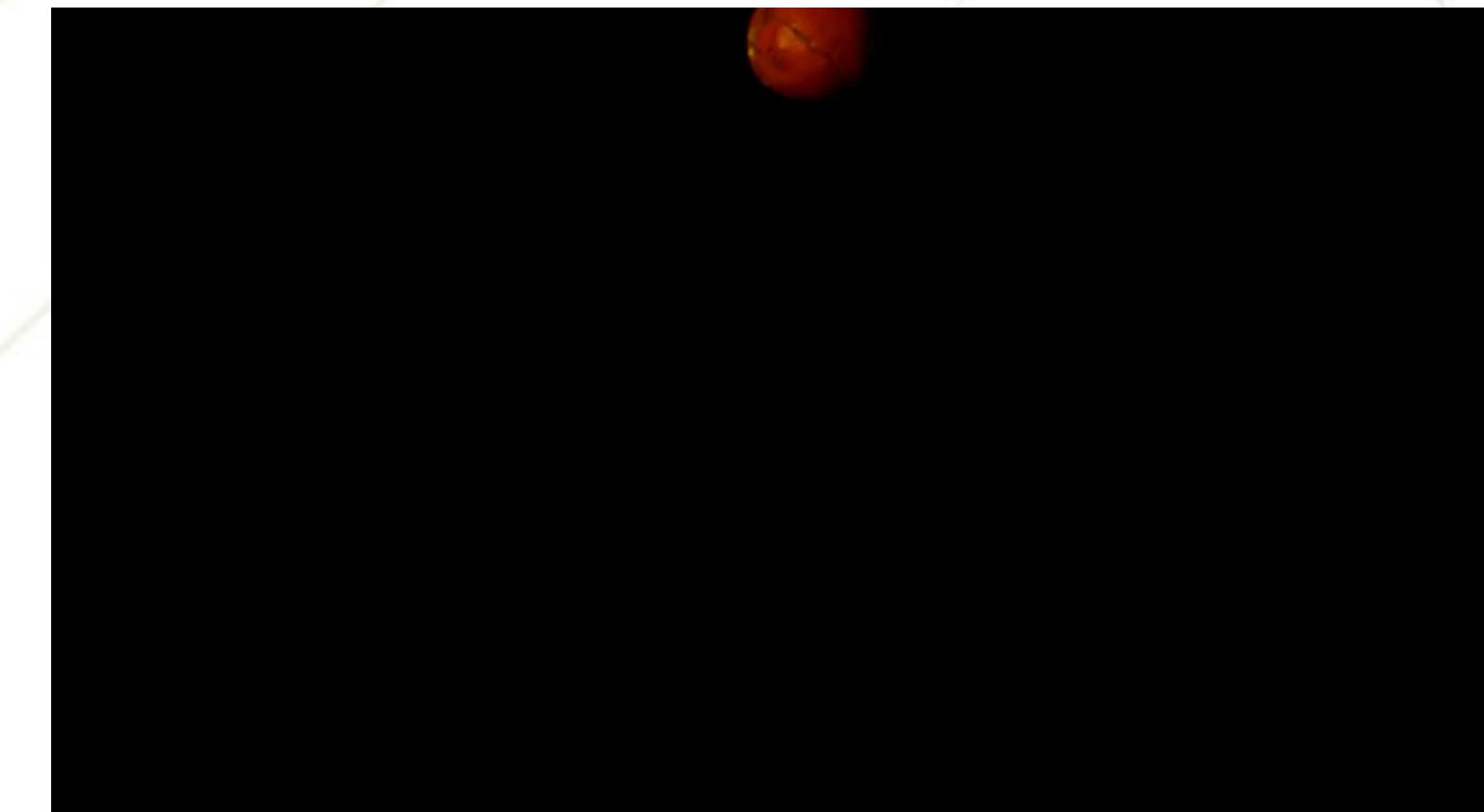
What is one swing you need to make today?

Act Philosophy

Take productivity from concept to reality by making bold moves, committing to smart decisions and leaving lasting impact. *Workforce optimization is where strategy meets operations and financial results follow.*

How it Works

- Benchmark for Performance
- Leverage Data for Decisive Action
- Identify Opportunities and Inefficiencies Quickly
- Set Realistic Productivity Goals
- Optimize Staffing Models

The Results

- Improved staff efficiency reduces cost by 10-15%
- Enhanced patient flow decreases length of stay by 10 – 20%
- Reduced care hours while maintaining or improving quality
- Potential savings of more than $500,000 per every 25 staffed beds

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> " When that time comes, only two things matter: being prepared to seize the moment and having the courage to take your best swing. "
>
> - Hank Aaron

Accelerate

Run the Bases with Efficiency

Momentum Wins the Game

Move with urgency – seize opportunities

Accelerate – push forward with confidence and purpose

Execute efficiently – maximize effort and energy

**Act decisively –** small improvements today lead to major gains tomorrow

Adjust strategies in real time – adaptability separates winners from the rest

Performance Improvement Drills

Healthcare Accelerators for Productivity

⚾ Overtime Reduction

⚾ Agency & Traveler Reduction

⚾ Retention and Turnover

⚾ Operational Improvements

⚾ Coaching and Action Planning

⚾ Leadership Development
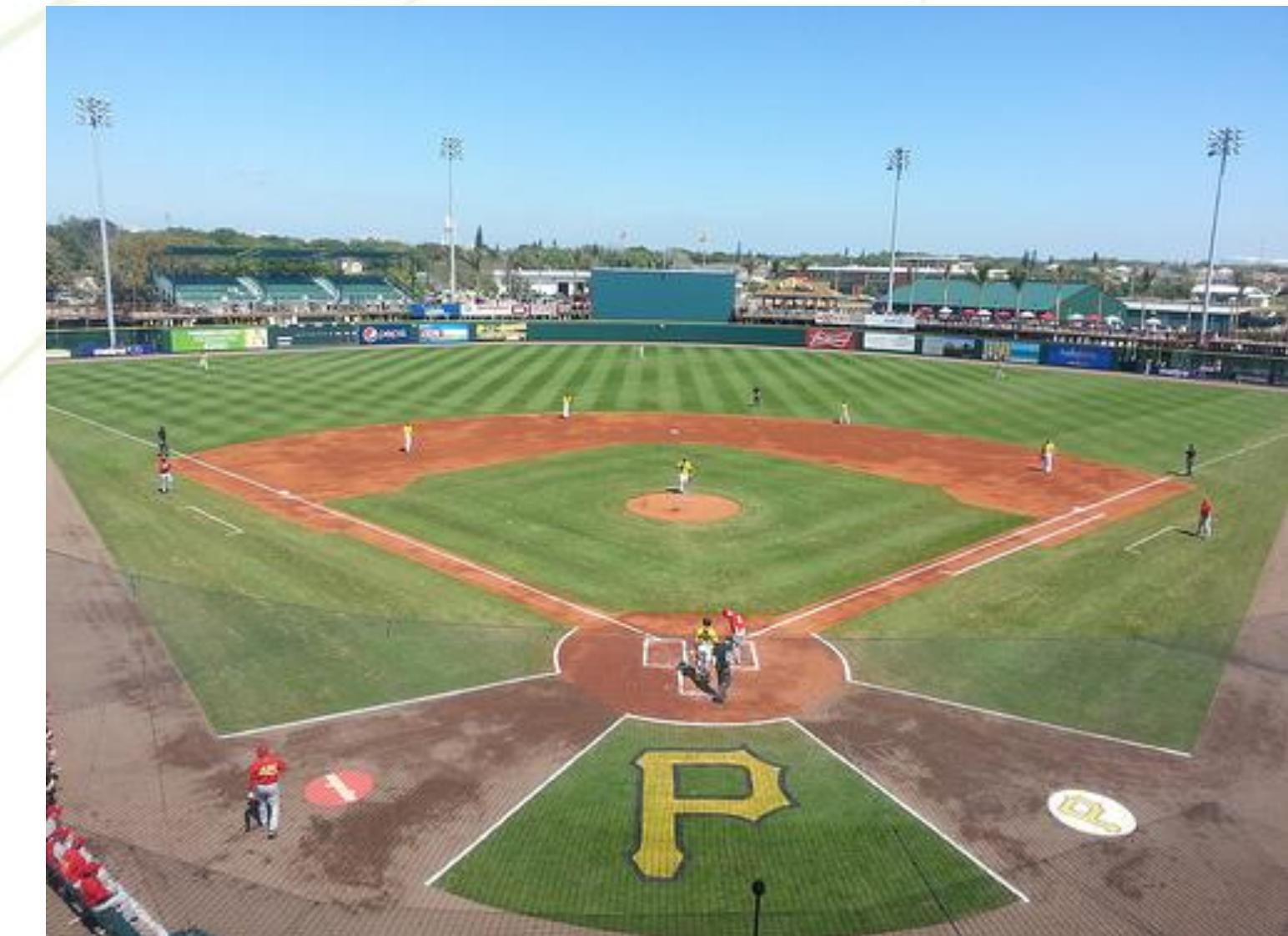
Overtime

Financial Impact

Personnel Expense with Overtime Reduction Impact

Legend:
- Baseline ($200M flat)
- With Overtime Reduction
- Cumulative Savings
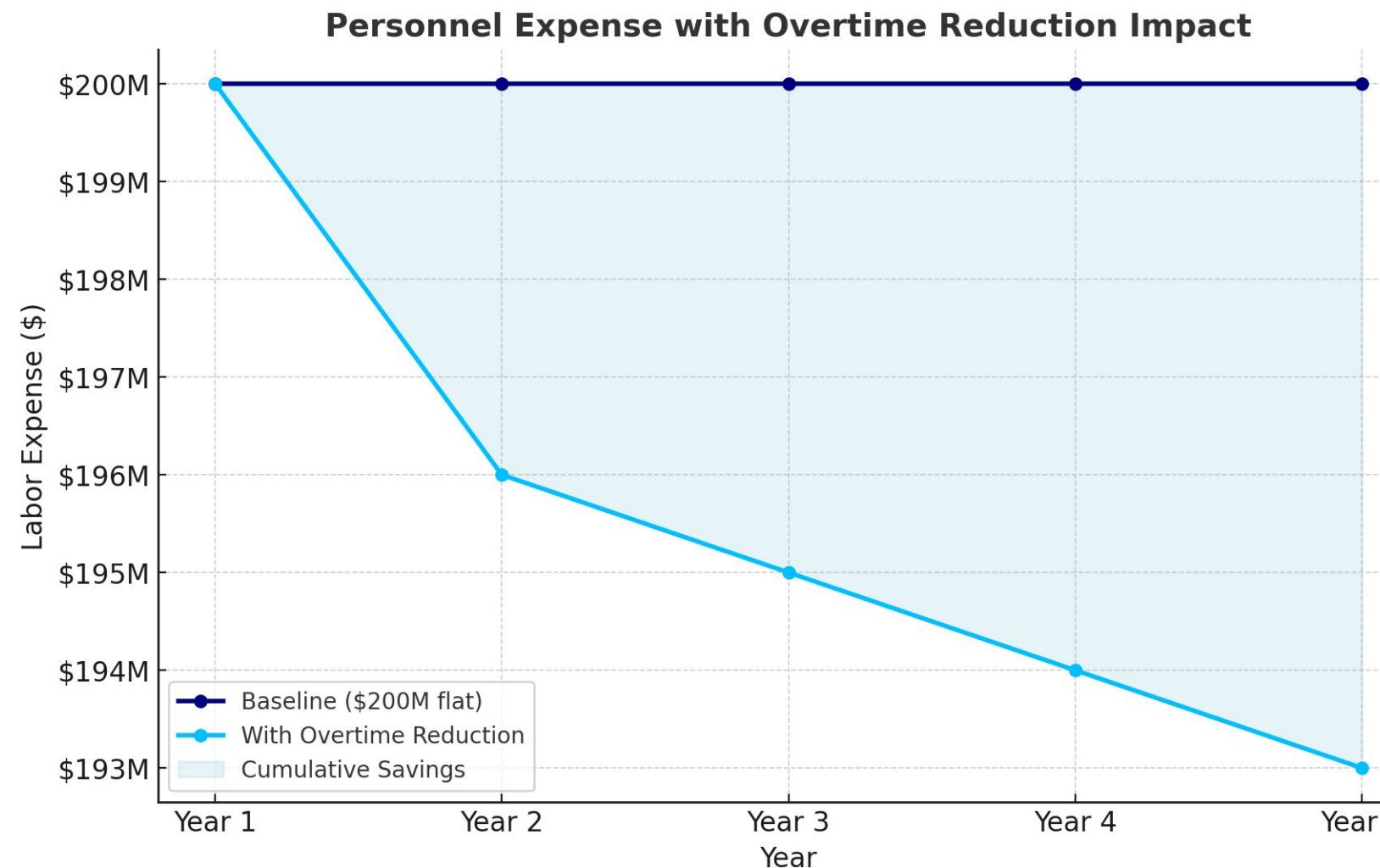
Operating Margin Improvement = 1% in Year 1 and 3% in Year 5

- **Overtime is a symptom of inefficiencies**
- **Prolonged overtime usage contributes to burnout, turnover and patient care risks.**
- **Best Practice hospital strive for a total overtime rate of 2% or less**

How much can a hospital save?

- Assume a hospital has an annual labor cost of $200 million.
- Overtime at 4% of total labor costs: $200M x 4% = $8M in overtime costs annually.
- Reducing overtime to 2% of total labor costs: $200M x 2% = $4M in overtime costs annually.
- Total Potential Savings: $4M per year

- **Leads to improved staff morale, better patient outcomes, long-term financial sustainability**

Traveler and Agency Reduction

Financial Impact

- **Overreliance on travelers and agency staff is a sign of workforce instability.**
- **Prolonged use of agency staff increases labor costs, disrupts team cohesion, and impacts care quality.**
- **Best practice hospitals aim to keep agency and traveler spend below 2-3% of total labor costs.**

How much can a hospital save?

- Assume a hospital has an annual labor cost of $200 million.
- $5M in total agency spend
- Eliminate $1M of spend due to unnecessary hours
- Savings of $1.6m by replacing $4M of agency staff with internal staff
- Typical hospital will save roughly 40% of cost when positions converted to internal staff

Personnel Expense with Overtime & Agency Reduction Impact

Legend:
- Baseline ($200M flat)
- With Overtime Reduction
- With Agency Reduction
- Combined Impact (OT + Agency)
- Cumulative Savings
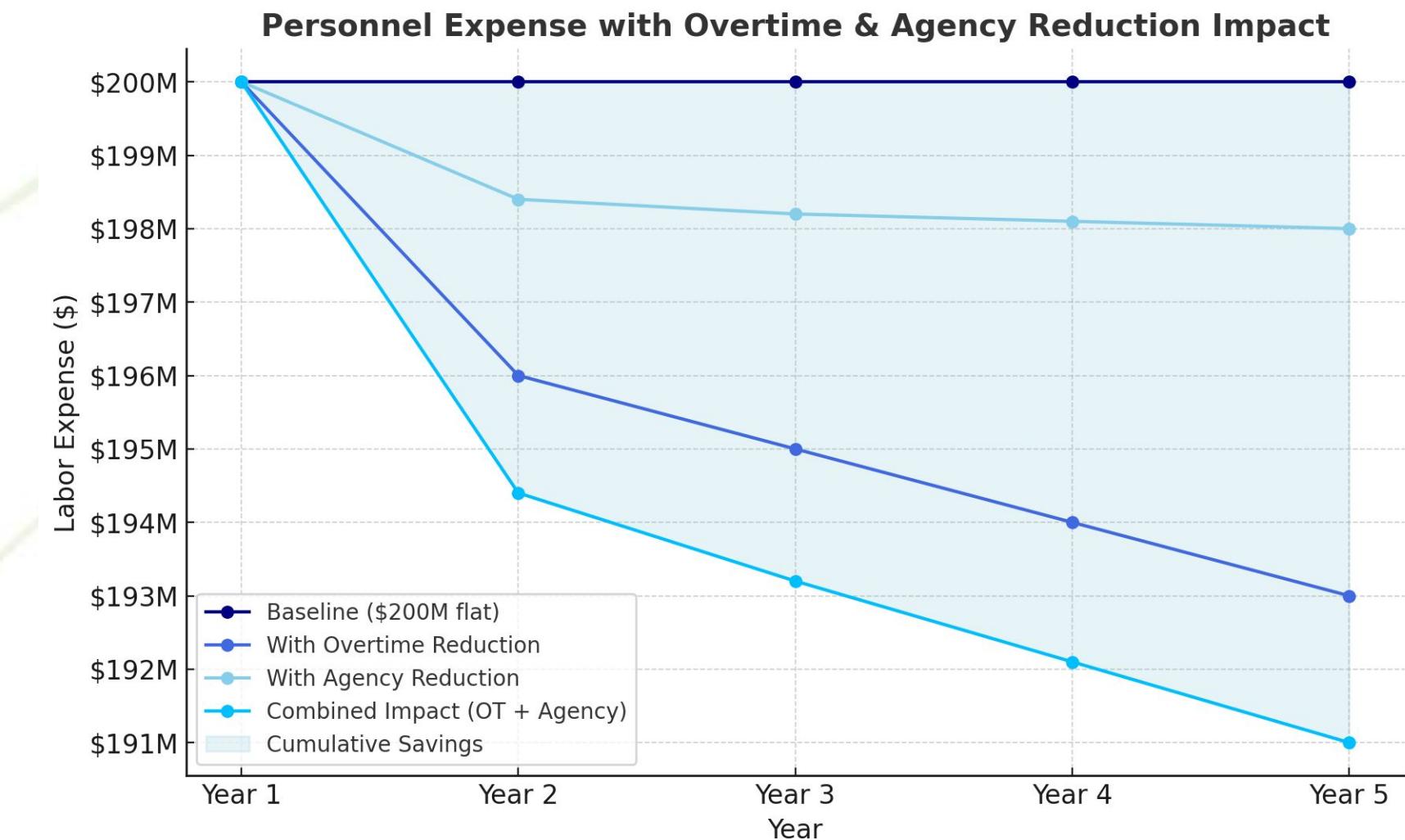
Operating Margin Improvement = 1.7% in Year 1 and 3.6% in Year 5

Improved Retention

Financial Impact

- **Best practice hospitals focus on retaining talent, reducing turnover rates, and strengthening internal teams.**

How much can a hospital save?
- A hospital with $200M in labor costs experiencing 18% turnover spends millions annually on recruitment and training.
- The average cost to replace an employee ranges from 0.5 – 1.5 x their annual salary
- Reducing turnover by just 5% can save a hospital 2% of their labor expense annually in hiring, training and lost productivity costs
- A hospital with $200M in labor expense could save $4M

Hospitals that improve retention see stronger teams, better patient care, and long-term financial stability.

Operational Improvements
Patient Registration / Front End Errors

- **Reduce insurance, demographic, or eligibility errors at registration from 3% to 1%.**

Why does this matter?

- For a hospital with 100,000 annual registrations:
  - At a 3% error rate → 3,000 accounts require rework.
  - At a 1% error rate → 1,000 accounts require rework.
- That's 2,000 fewer errors, each taking ~30 minutes of staff time to resolve = 1,000 staff hours saved annually.

Financial Impact

- Fewer errors = cleaner claims = faster payment.
- Avoids ~$500,000 in delayed or denied claims annually (assuming average $250 per error tied to denial or rework).
- Staff time saved is equivalent to 0.5–1 FTE, allowing reallocation without adding cost.
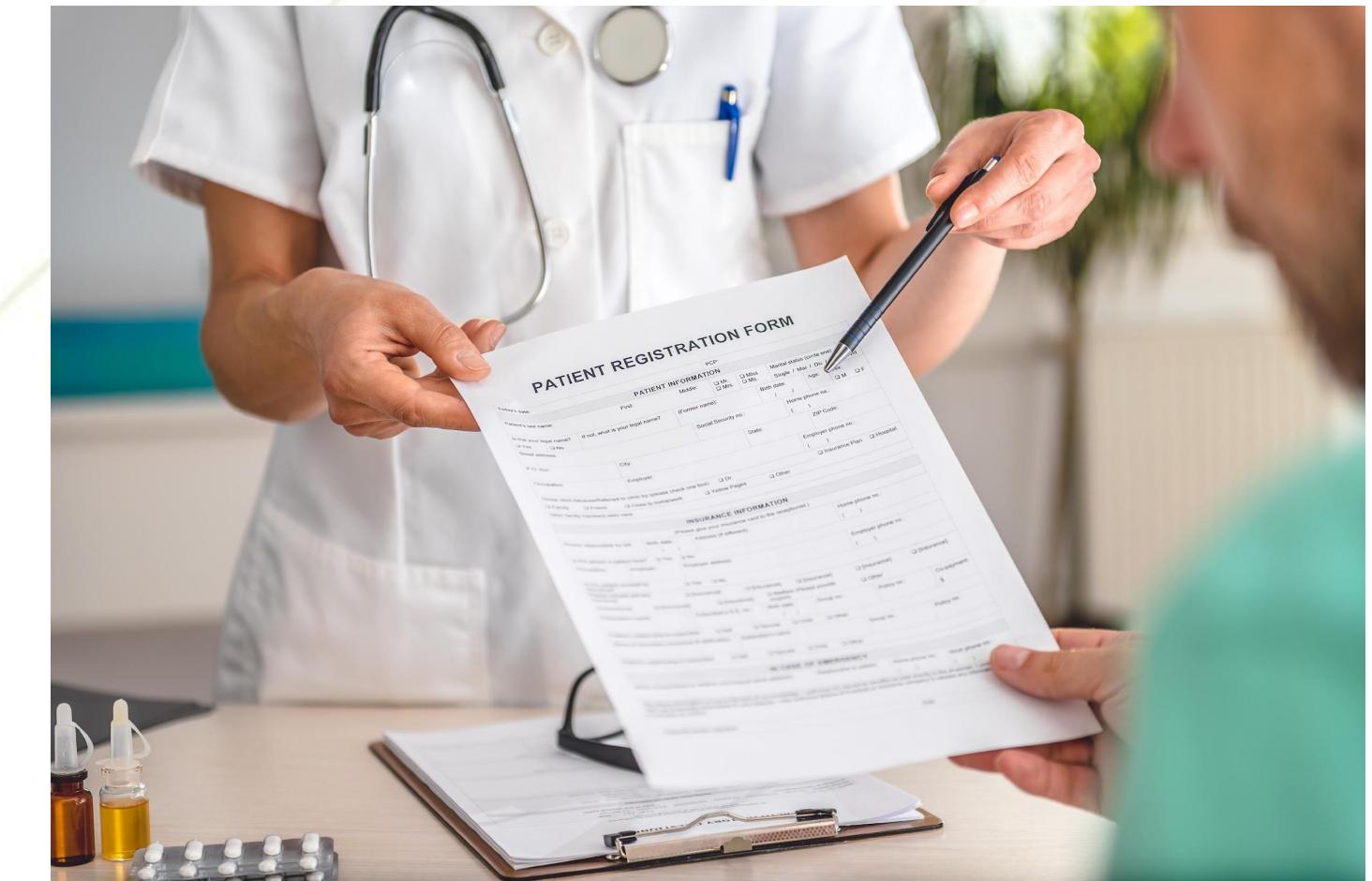
Operational Improvement
Denials Management

- **Improve initial clean claim rate by 2% (e.g., from 92% to 94%).**

Why does this matter?
- In a $500M net revenue hospital:
  - 2% fewer denials = $10M less in delayed or at-risk revenue.
  - Even recovering 80% of that still equates to $8M in accelerated cash flow.

Financial Impact
- Every denial avoided saves ~20–30 minutes of staff time in appeals.
- At 5,000 fewer denials avoided, that's 2,500 staff hours annually saved.
- This reduces burnout, improves productivity, and allows teams to focus on higher-value activities.

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Operational Improvements
Charge Capture and Documentation

- **Improve provider documentation and charge capture accuracy by just 1%.**

Why does this matter?

- In a $250M net revenue system:1% more accurate capture = $2.5M in revenue identified.
- Every missed or corrected charge takes staff rework (~15 minutes per record).
- If 10,000 charges annually need rework, eliminating 50% = 1,250 staff hours saved.

Staffing and Financial Impact

- Equivalent to 0.6 FTE avoided in back-end billing.
- Cost savings = ~$45,000 annually in staffing expense.
- Combined with the $2.5M in additional captured revenue, the total financial impact = $2.545M annually.
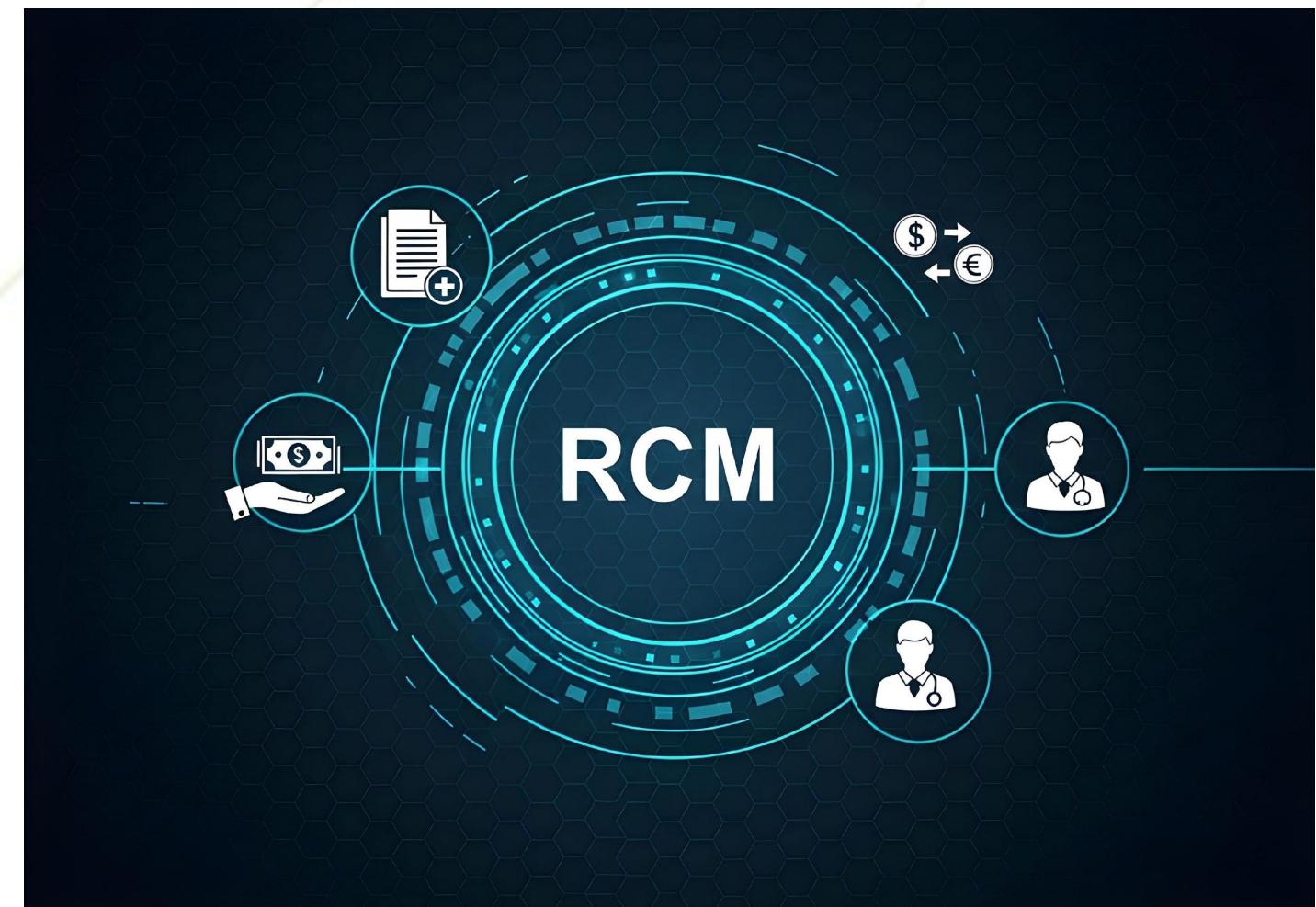
Operational Improvement

Prior Authorization Automation

- **Automate or streamline prior authorization workflows for high-volume services.**

Why does this matter?

- A mid-sized clinic with 50,000 annual procedures:
- Prior auth required for 20% = 10,000 requests.
- Each request manually = 30 minutes = 5,000 staff hours annually.
- Automation reduces time by 50% = 2,500 staff hours saved per year.

Financial Impact

- Equivalent to 1.2 FTEs avoided in administrative staff.
- At $65,000 per FTE, that's ~$78,000 in staffing savings.
- Fewer missed/late authorizations reduce denials by 3–5%:
- If average denial tied to prior auth = $800 and 300 denials are prevented, that's $240,000 in preserved revenue.
- Total financial impact = ~$318,000 annually.

Operational Improvement
Compounded Improvement

Margin Improvement Impact ($400M Operating Budget)

Legend:
- Total Impact (OT + Agency)
- Overtime Impact
- Agency Impact

Data points (Total Impact): $0.0M (Year 1), $16.0M (Year 2), $18.0M (Year 3), $20.0M (Year 4), $22.4M (Year 5)

Y-axis: Margin Impact ($ Millions)
X-axis: Year
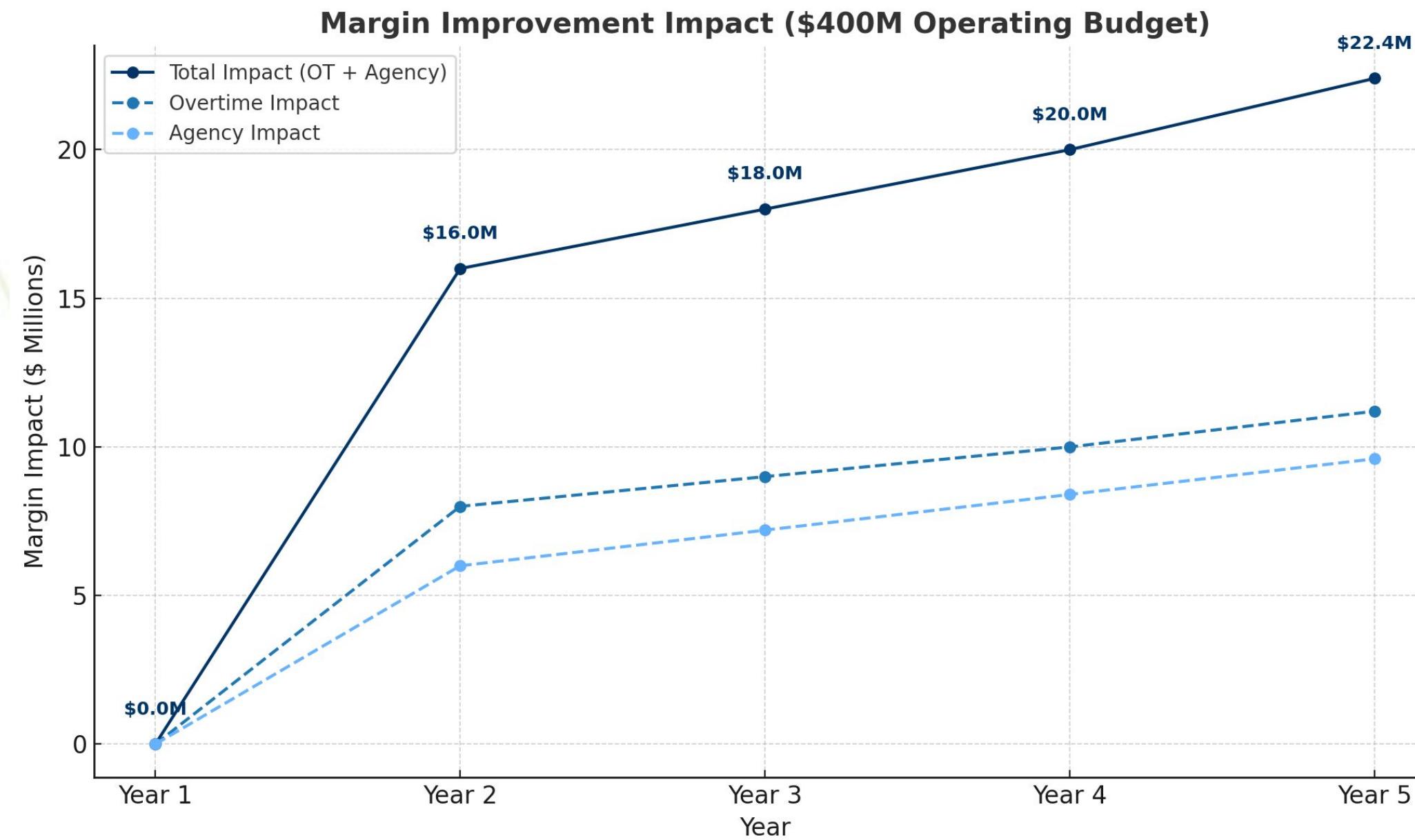
Operating Margin Improvement = 4% in Year 1 and 5.6% in Year 5

Coaching
Leadership Development Impact

- **Strong leadership improves team engagement, accountability, and operational efficiency.**
- **Coaching helps managers make data-driven decisions, reduce waste, and optimize staffing.**
- **Well-trained leaders create a culture of continuous improvement, reducing inefficiencies and unnecessary costs.**

Quantifying the Impact

- Hospitals investing in leadership development typically see a 2-5% productivity improvement.
- Assuming a 3% improvement in labor productivity for a hospital with a $200M labor budget: Potential labor cost savings = $6M annually.

Investing in leadership development is not just a "soft" initiative—it generates measurable financial returns and sustainable performance improvement

Action Planning

External Accountability

- **Expert support identifies inefficiencies and provides data-driven solutions for improvement.**
- **Action planning ensures hospital leaders have a roadmap to implement sustainable productivity changes.**
- **External perspective helps uncover blind spots, streamline workflows, and improve financial performance.**

How do you quantify the impact?
- Hospitals leveraging outside expertise typically achieve an additional 1-5% in productivity improvement
- Average impact of 3.5% improvement

- **Investing in support for action planning is a strategic move that can yield millions in cost savings while improving overall hospital performance.**

Coaching and Action Planning
Compounded Improvement

Annual Margin Impact from Productivity & Coaching (on $400M Budget)

Legend:
- Overtime Only (5yr: $28.0M)
- Agency Only (5yr: $42.0M)
- Total Impact (5yr: $76.4M)
- Total w/ Coaching (5yr: $91.6M)

Data labels on "Total w/ Coaching" line: $0.0M, $19.6M, $22.0M, $24.0M, $26.0M

X-axis: Year (1–5)
Y-axis: Annual Margin Impact ($M)
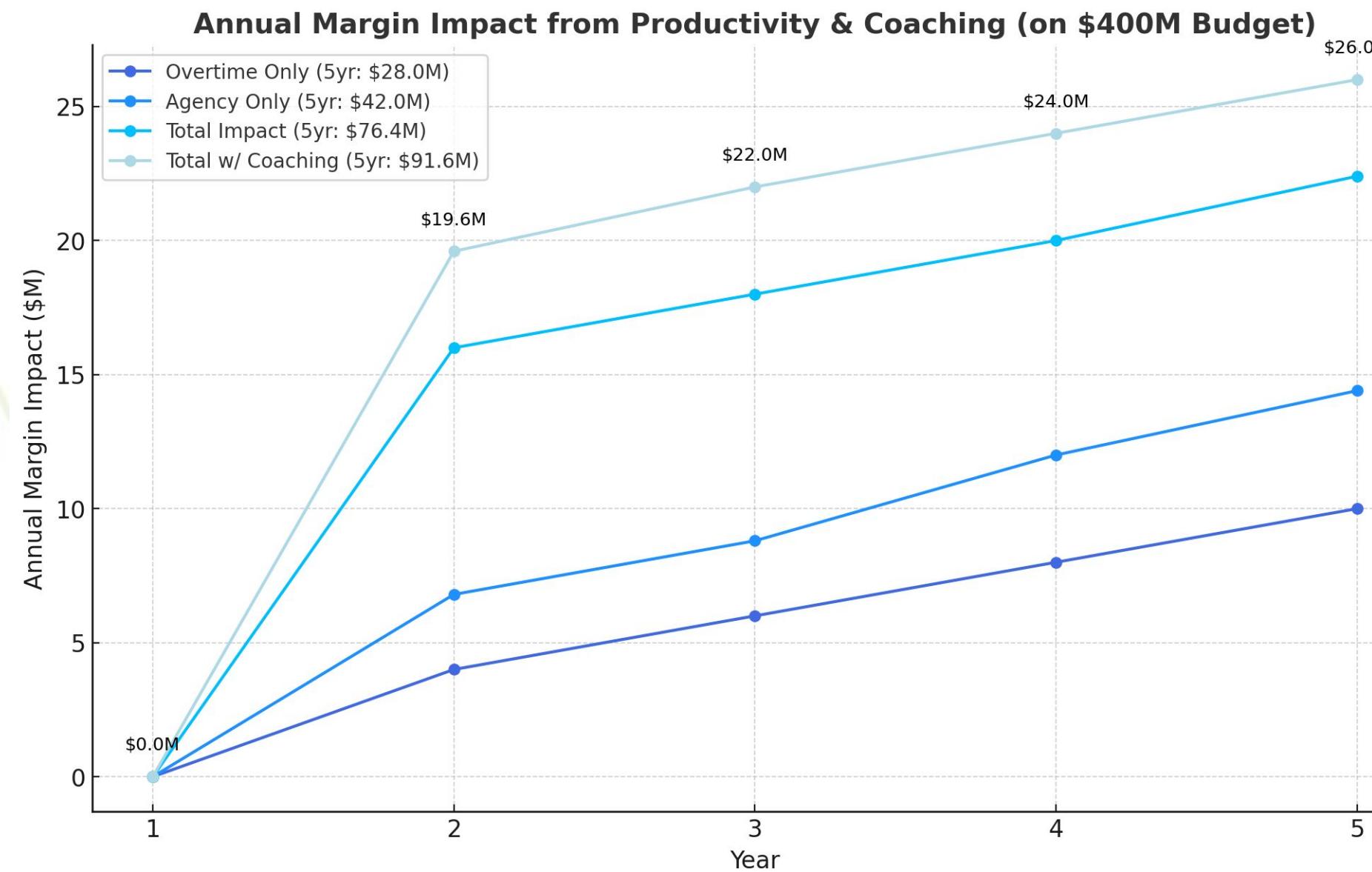
Operating Margin Improvement = 4.9 % in Year 1 and 6.5 % in Year 5

"The key to speed is not just running fast, but knowing when and where to run. "

- Rickey Henderson

Pick your Pitch!

What's one move you can make today to create momentum and accelerate?

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Achieve

Score Big with Continuous Improvement

Championship Teams

Championship Teams are Built Intentionally

Championship Teams Build a Culture of Accountability

Championship Teams Focus on Continuous Improvement

Championship Hospitals Adopt These Principles Too

World Series Drill

Hitting the Cycle of Leadership Development

⚾ Single – Adaptively Manage

⚾ Double – Instill Accountability

⚾ Triple – Promote Synergy

⚾ Home Run – Effect Change

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Single

Adaptively Manage

Innovation

Communication

Problem-Solving

Adaptability

Empathy

Double
Instill Accountability

Responsibility

Integrity

Transparency

Ownership

Conscientiousness

Triple

Promote Synergy

Collaborative

Inclusive

Supportive

Diplomatic

Flexible

Home Run

Effect Change

Visionary

Influential

Courageous

Persistent

Strategic Thinker

"There may be people who have more talent than you, but there's no excuse for anyone to work harder than you do."

- Derek Jeter

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Does your leadership team have the skills to go the distance?

Do they have what is required to achieve your goal?

What's the next step to move them forward?

Closing Rally

⚾ Just like consistent practice develops future baseball stars, productivity improvements develop future healthcare leaders and best practice organizations.

⚾ A strong focus on productivity builds leaders who can balance resources effectively.

⚾ Optimized operations enhance patient care while ensuring financial sustainability.

⚾ Leadership in healthcare requires the ability to manage costs without compromising quality.

⚾ Investing in productivity today prepares the next generation to navigate future healthcare challenges.

The best teams don't just play.....

They practice. They commit.

They show up. They win.

This is your time!!!

Act.   Accelerate. Achieve.

Let's play ball!

Thank you and Questions

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