

McKesson's Workforce Management Solution Suite Helps Hospitals Manage Labor Costs, Improve Employee Satisfaction, and Bring Clinical Relevance to Workforce Management

Labor costs make up 50 to 70% of the average hospital's operating budget. Therefore, it's critical to effectively manage that expense and, in addition, retain the scarce licensed professionals needed to ensure high quality and satisfactory patient outcomes. McKesson's workforce management suite helps hospitals manage their human resources, provide the work-life balance employees expect, effectively fill shifts outside normal scheduling, and even to prepare for Magnet designation. We spoke to Perry Russoniello, RN, BSN, CCRN, vice president and solution line manager for McKesson workforce management solution suite.

What challenges do healthcare organizations face today in managing staff and how has that changed in recent years?

Everyone is dealing with the shortage of healthcare professionals. We've known a long time that we cannot meet demand and it continues to grow as the Baby Boomers reach that point in life when they require more healthcare. The number of staff is an issue, but retaining staff is also challenging because of the opportunities available to healthcare professionals today. Typically, younger professionals come into the hospital, gain experience, and then explore other industries to use that knowledge. It's difficult to keep trained people engaged and feeling good about their role in the hospital.

The cost of salaries is certainly going up, but acquiring and retaining enough people is adding to the overall cost of operations. So, you have to look for alternative sources.

Using an agency or employing travelling nurses is expensive. Hospitals understand that to keep staff, you must treat them fairly and engage them, not just in an individual role, but in the overall operation. Employees want to be part of the decision-making process; they want to be more empowered in delivering care and the patient's experience. The way hospitals treat their employees directly affects the quality of care.

As new generations of managers become more tech savvy, how does technology support these goals?

With the Internet, e-mail, instant messaging, and online banking readily available today, healthcare managers

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Workforce Management Solution Suite

COMPANY

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expect to have information at their fingertips. Managers and employees also want to be able to control what technology they use and manage information overload. Some employees want to engage completely and conduct all of their interactions from HR to scheduling to payroll in a virtual environment. Offering this kind of technology to managers and employees is a real recruitment and retention tool and brings quality employees to the hospital.

What impact does McKesson's workforce management solution suite have on staffing and staff satisfaction?

McKesson's workforce management solution suite provides a number of opportunities for hospitals. We empower employees and managers to engage with the hospital in a way they never could before. Our technology allows an employee to set their own schedule within the requirements of the actual unit, which are ultimately based on the needs of the patients. A seamless workflow balances what the hospital needs and what the employee wants at the same time. Work-life balance is important to hospitals because a more satisfied employee stays longer, works more efficiently, provides better care, and ultimately provides that care at a lower cost to the hospital. Our workforce management tools provide information to both sides, allow them to engage and get what they need.

What are the different components of McKesson's workforce management solution suite and what specific problems do they solve?

There are four components. The first is ANSOS One-Staff™, our staff scheduling and productivity management application, which helps hospitals control staffing costs and achieve greater productivity.

The next one is eShift™, a tool that addresses shifts that cannot be filled by the normal scheduling process. These remaining shifts result in the greatest cost, are difficult to fill, and produce inefficiencies when trying to fill them. eShift directly addresses those challenges and helps avoid overtime and agency costs. There's a financial benefit, but the real goal is to use your own staff more efficiently. In using your own staff, there's a lower cost and you supply higher quality care because you're using staff who are aware of the hospital's policies and procedures. Plus, you don't have to constantly update people coming in who are really only going to provide the most basic primary care and are unable to



PERRY RUSSONIELLO, RN, BSN, CCRN

take patients with complex health conditions — the ones that require your most knowledgeable professionals.

Next is McKesson™ Time and Attendance, a unique, Web-based application. As a result of trying to provide incentives to employees for things such as working a particular shift, hospitals have very unique and complicated payrolls. Those payrolls are difficult to maintain, but you need to provide them because they support the hospital's patient care and financial objectives; it also provides opportunities to compensate employees for going that extra

mile. This solution handles all the hospital's payroll needs.

The last solution is Horizon Human Resource Management™, which provides all the HR, benefits, accruals, information, and payroll functions. With it, we close the loop from the front end where you employ staff and get them in, situated and ready to work, and the result of that work and paying the employee appropriately. The rest of the suite manages those functions on a day-to-day basis, but Horizon Human Resource Management ties together the entire suite.

You touched on quality of care and patient safety issues. Does the workforce management suite address patient safety and care quality issues?

Yes. A key module of ANSOS One-Staff is the Assignment and Workload Manager. This application takes the clinical needs of the patient and converts those into target staffing requirements, from a unique unit-by-unit perspective. The clinical needs of a patient in the ICU are very different from one in a regular med-surg, pediatric, or dialysis unit. The application allows you to describe, in clinical terms, the patient's requirements. Then in an aggregated form, it

converts the patient's needs, based on specific unit practices, to target staffing requirements. This new application was introduced in 2007.

Give me some history of the products.

Let's start with ANSOS One-Staff, a market-leading staff scheduling solution for the past 20 years. It was also the first on the market and the first Windows® application. Over the years, we've added a great deal of functionality. The end result is a highly

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functional application. We have three brand new Web applications that are based on Java and Jboss. With the increased functionality, our customers have increased the number of users, especially with the Web application. Previously you would have 20 to 30, maybe 100 managers using the system. As we extended functionality to other employees, there are now hundreds and, in some cases, thousands of users. We found it very conducive to extend all of the new technologies into a Web format to address a greater number of users. We also have several new technologies embedded in the core application, such as automated interfaces and drag and drop technologies that simplify handling a greater number of users. The core application is extensible that way.

Our next application, eShift, is only four years old and was developed using all cutting-edge, .NET technologies. Not only is it Web-based, but it's a fully hosted application. It enables a lower total cost of ownership for the hospital because there are very few IT requirements, which is what hospitals expect today to simplify and streamline IT processes.



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The next solution, Time and Attendance, is another Web-native application that can be fully hosted, again reducing total cost of ownership. That application is about five years old. On the back end, we're using all the latest relational database technology, like MSSQL and Oracle. We have a number of different databases, but those are the two primary platforms hospitals use.

Finally, Horizon Human Resource Management is a client-server application with Web-enabled features that runs on an Oracle platform, which is in most hospital environments. We've made a commitment to use common technology platforms to greatly accelerate and move quickly on development efforts.

Can each module be purchased separately?

Correct. The four core applications all stand alone or can be used in connection with one another. The greatest value is delivered when they're pulled together. We're very proud of the technical integration, but the operational benefits are the most important to the hospital. The workflow allows hand-offs between the staff management processes without any additional work, and data validity is maintained.

Why should a hospital buy from McKesson instead of a boutique, niche vendor?

We encourage competition and a lot of innovation comes from those niche vendors. However, niche vendors generally develop a product based on a very focused business problem and are limited in scope. We have 20+ years addressing staffing, scheduling, and productivity management issues and have grown that into a full workforce suite. The hospital may want to address just one issue, but we know another issue will surface. As we tackle one challenge, we bring in additional insight, expertise, and experience and show how everything fits into the greater picture. Plus we don't have integration problems where one workflow area doesn't talk to the other. When hospitals engage these niche vendors, they quickly find limitations. Then they turn to us for the greater solution.

Is there any particular functionality in the McKesson products that's unique in the marketplace?

Yes. The Assignment and Workload Manager within ANSOS One-Staff brings clinical relevance to workload management, which is unique in the industry. Most people



want to simplify workforce management by tying a number of patients to a number of staff members by skill. We've found that's not representative of the actual requirements. Often there's a disconnect between the hospital's financial and clinical representatives – almost as if they're talking different languages. The Assignment and Workload Manager module bridges that gap with a very consistent and easy-to-understand method.

With our users, we saw a need to tie staffing to patient needs. The Illinois Hospital Report Card Act, the Adverse Healthcare Event Reporting Law, and the Nurse Staffing by Acuity are examples of legislation that the Assignment and Workload Manager solution directly addresses. A by-product of the system is the ability to track specific patient issues that staff are trying to address, in a specified time period, which takes care of the Report Card Act. Typically, hospitals would use a complex acuity system. But with minimum staffing ratio requirements, they need something more streamlined and flexible because there are two

targets, one for minimum staffing and another based on patient needs. Hospitals have to look at both targets simultaneously. ANSOS One-Staff allows them to do that and provides the ability to address quality and standards of care targets. The process of collecting standardized clinical information is streamlined.

Another recent trend is the ANCC Magnet Recognition Program[®], which internally validates the hospital's standards and mission for quality patient care. It also shows the hospital understands that care quality comes from the people they employ. Hospitals spend time and energy attaining Magnet designation to attract the best and brightest employees. We've created a database that tracks and reports on about 70% of the Magnet requirements. Our ANSOS One-Staff hospitals already have much of the information they need to prove they are Magnet-worthy. Today, we have 163 Magnet customers and 260 facilities worldwide with Magnet designation. We're very proud that we've been able to identify the critical elements needed to

track and report Magnet designation, but we were doing that before the program. And we didn't have to modify the system to address those requirements.

How do you help customers determine ROI for your products?

We have hard-dollar and soft savings associated with return on investment. Hard dollars are found in cost avoidance in overtime and agency fees. We can directly correlate the volume of staff members, the number of units, and the number of shifts scheduled. We can show a significant ROI in a short time because of efficiencies gained from redeploying your own staff. ANSOS One-Staff provides a clear way to measure how efficiently hospitals are using full and part-time employees.

Meridian Healthcare in New Jersey installed our eShift Web-based open shift management solution last summer. Based on collective bargaining rules, if they placed a nurse to work a shift over another more senior person, then the union required paying the person who worked plus the more senior nurse who should have had the first right of refusal. With eShift's algorithms, they were able to use seniority as the main criteria for posting open shifts. In seven months and with around 1,900 users, they were able to go from several hundred thousand dollars in the red to being up by around \$15,000. They quickly earned their investment back in eShift and began saving about \$1.2 million annually.

For soft savings, we reduce the time needed to create a schedule from several days to just a few hours. That means managers now have more time to address patient care issues.

What other feedback do you get from customers?

We regularly hear that we've changed managers' lives. They go from spending hours on particular tasks to being able to leave the hospital at an appropriate time and spend more time with their families. One such example is Marlborough Hospital in Massachusetts, where they've used ANSOS One-Staff to save 6,000 manager hours each year. That's almost three FTEs of management time they can now spend on clinical initiatives. Ultimately we're affecting not only managers and employees lives, but patients too. It's very rewarding.

What do you have on tap for new functions and features?

We've added several new modules over the last few years. Starting with ANSOS One-Staff, we added Enterprise Staff Manager, which allows an enterprise view of staffing and drag and drop redeployment. Open Scheduler provides new scheduling methods. A number of database options, including SQL Express, look at reducing the total cost of ownership for customers. A new Web scheduling module now includes the employee. Also available is the Web Reporting module and the Assignment and Workload

Manager, which is the activity and assignment piece. eShift is positioned for huge development changes within the next year. And we recently introduced the Time and Attendance application, which has been well received because of the huge need for an integrated time and attendance solution built on cutting-edge technology. The suite itself is exactly what the industry needs to take a comprehensive view of workforce management and simplify it.

Why should people stop by your booth at HIMSS?

We'll be featuring the suite because it's new in the market and not everyone understands the power of the entire solution. Two, we'll be highlighting how Assignment Workload Manager will integrate with McKesson's care documentation system. With that, we'll eliminate a step in the process by directly gathering the required clinical information needed to determine staffing requirements. As nurses document care, we can extract key components and translate those into target staffing requirements. That's huge and will be a big at HIMSS.

We're also tapping more into the power of analytics and combining clinical and financial information. We're doing a lot of comparative analysis between patient outcomes and staffing levels. The Web Reporting module gives a view of current productivity levels based on actual events — current staff, utilization, productive time, and non-productive time. Think of it as the *USA Today* of healthcare. It's a very powerful tool.

THE BOTTOM LINE

McKesson offers a complete workforce solution: time and attendance, labor management, staff scheduling, open shift management, and HR management.

ANSOS One-Staff is used by more than 1,100 organizations in North America to optimize staffing choices.

Integrated individual solutions allow incremental investment to stretch value while avoiding multi-vendor integration challenges.

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