

Case Study: Labor and Productivity

Project Overview:

Soyring Consulting has worked with a health system in the Northwest on productivity and benchmarking projects at a system comprised of five acute care hospitals and two ambulatory care centers. This project resulted in approximately **\$60 million in labor savings annually**.

Project Objective and Approach:

Soyring reviewed operating budget forecasts to develop cost center specific targets, productivity tracking tools, scorecards, and matrices to be utilized across the health system. This project concurrently started with the implementation of a financial comparison database across all entities. Soyring was tasked to customize database system requirements for the System and define and interpret them for leadership and department management. The consultation included setting productivity targets and coaching department leaders about benchmarks for all service areas functioning within the System with freestanding Ambulatory Care Centers including Inpatient Pediatrics, Pediatric Special Procedures Unit, Imaging, Pharmacy, Lab, Therapies, and Cardiac Services. The consultation included an analysis of the adequacy of benchmarks, comparison models, service levels provided, staffing, skill mix, and supply levels.

Soyring team members developed tools and processes to facilitate performance monitoring and reporting to the new financial database system as well as regular reporting to the finance committee. Furthermore, Soyring proposed work models to operationally sustain higher utilization levels for services and staff by offering input on how to change processes, staff schedules, and support service levels.

Project Results:

| Campus | Q1 FTEs | Q3 FTEs | Q1 vs. Q3 | Variance |
|-------------------|----------------|----------------|---------------|---------------|
| 500-bed | 2422.43 | 2164.46 | 257.97 | 11% |
| 200-bed specialty | 969.75 | 849.57 | 120.18 | 12% |
| 100-bed | 305.62 | 296.73 | 8.89 | 3% |
| 200-bed | 933.99 | 868.14 | 65.85 | 7% |
| 100-bed | 443.28 | 421.69 | 21.59 | 5% |
| Corporate | 1034.60 | 846.66 | 187.94 | 18% |
| Outpatient | 132.63 | 127.90 | 4.73 | 4% |
| Total | 6242.30 | 5575.15 | 667.15 | 10.69% |

