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INDIANA HOSPITAL STRENGTHENS ORGANIZATION AND HELPS SECURE ITS FUTURE



Dearborn County Hospital (DCH) in Lawrenceburg, IN is about 30 miles outside of Cincinnati OH and an affiliate of TriHealth of Cincinnati. Last week DCH had a reduction in force and elimination of open positions. Altogether over 60 positions were impacted. The hospital attributed the workforce reduction to various changes in today's healthcare environment.

"Changes in healthcare related to advances in technology, a shift toward outpatient procedures, shorter lengths of stay and numerous other factors, many of which indicate an improvement in overall quality of care, have contributed to the need for a reduction in staff," said DCH President and CEO Michael Schwebler. "I can assure you that the decision to reduce our workforce was not one that we came by easily, *but through due diligence and expert analysis of our current and future staffing needs.*"

AMS was the company retained to provide the assistance and analysis. A four person AMS team worked from August until the implementation last week. In wanting to implement the action in early November, it was an all-hands-on-deck project for the DCH senior leadership group and AMS. DCH is a new AMS client, and no one at the hospital had ever worked with us before. Having a clinical partnership with TriHealth (a \$2 billion full-service, not-for-profit integrated health care system formed as a partnership between Good Samaritan Hospital and Bethesda Hospital) meant they were asked for recommendations. Members of their senior leadership team at TriHealth suggested to DCH that they talk to AMS.

"While we would have greatly preferred to reduce our workforce by attrition, increased operating expenses and reduced reimbursement rates do not make that financially feasible," he added. As far as the future of DCH, Mr. Schwebler said, "Dearborn County Hospital is a financially sound institution and we have a strong strategic plan in place that will guide the hospital successfully into the coming years." AMS appreciates being part of that plan.



CRYPTO CURRENCY-WHY SHOULD YOU CARE?



Protection of health information has always been in the bailiwick of the society *American Health Information Management* (AHIMA). Recently Lynn Mancini, AMS consultant who is a past president of the Massachusetts chapter, attended the annual AHIMA convention in Los Angeles, CA along with over 4000 people. One session that intrigued her was on cryptocurrency.

According to Cara McGoogan and Matthew Field in the November 9, 2017 London **Telegraph** (newspaper) “Cryptocurrency is a form of digital money that is designed to be secure and, in many cases, anonymous. It is a currency associated with the internet that uses cryptography, the process of converting legible information into an almost uncrackable code, to track purchases and transfers.”

McGoogan and Field continued to say cryptography was born out of the need for secure communication in the Second World War. It has evolved in the digital era with elements of mathematical theory and computer science to become a way to secure communications, information and money online. The first cryptocurrency was bitcoin, which was created in 2009 and is still the best known. There has been a proliferation of cryptocurrencies in the past decade and there are now more than 900 available on the internet.



Lynn said the AHIMA session focused on Bitcoin and its counterpart Blockchain and their application in the healthcare market. Blockchain is essentially the technology behind Bitcoin. Blockchain’s technology is used to share ledger transactions across business networks without control by any single entity and keeps a record of the transaction, without the use or need for oversight or management of a centralized third party. Any time a new block is created, that block requires a link to the previous block to verify its authenticity (i.e., the chain). The chain is part of what makes the records more secure.

More recently, a great deal of interest has emerged over the possible application for Blockchain in health care, particularly in use with population health, claims adjudication, interoperability, privacy and the longitudinal health record. Concerns include maintaining the anonymity of patients, patient privacy and protecting health information. These issues, as well as other limitations with Blockchain shed light on the need for further development in order to provide the level of cybersecurity necessary for healthcare.

GOLDBERG RECEIVES ACHE RECOGNITION



At the American College of Healthcare Executives (ACHE) of Massachusetts annual meeting on November 2, 2017, Alan J. Goldberg received the Exemplary Service Award, the highest level of professional recognition any member can earn for their cumulative professional contributions. Earlier in 2017 he published his fifth ACHE article, which was the lead one in **Momentum**, the ACHE’s Early Careerist newsletter.



Streamline management while improving functional relationships

The **AMS Span of Responsibility Analysis** takes a detailed look at your organization's management and direct report structure in order to document the current functional relationships and to identify opportunities for organizational efficiencies. We regularly perform this service for independent hospitals as well as entire health systems.

Reveal the appropriate ratio of management to staff

Immediate Benefits

Areas of opportunity: Reveals the targeted ratio of management to staff, provide recommendations to combine select departments, move or realign departments, and recommend a target mix of executives, directors, managers and supervisors by function.

Annual budget planning: Identifies opportunities to adjust management expense in next year's budget.

Target resources: Shows you where to focus your organizational design efforts to achieve maximum savings at the management level.

Recent Results

200-bed community hospital: AMS identified several key management span of responsibility opportunities including the need to reduce staff in the executive category and manager category while increasing staff in the supervisor category. In addition, an overall targeted hospital management to staff span of responsibility ratio was established.

3-hospital, 600-bed regional system: Through an evaluation of its organizational structure, AMS identified specific opportunities to consolidate functions/services at the system level, take advantage of system integration, and realize greater efficiency and economies of scale.

What we look at

An AMS analysis includes a review of each department, service line, and the organization as a whole.

Data sources we collect and review:

- Job title/FTE reports
- Organization charts by division/department
- One-on-one interviews with both senior management and department directors

Span of Responsibility:

- The number of people who report to one superior (whose responsibilities include the functions of planning, evaluating staff, and leading their department/division)
- The number of levels in an organization, which is a measure of the length of the lines of communication

AMS Deliverables:

- Detailed Span of Responsibility Matrix that identifies management to staff ratios by department
- Comparative Span of Responsibility data to see how similar hospitals/organizations (based on size/scope) compare to your facility
- Org. chart documenting "where you are now"
- New org. chart illustrating AMS recommendations

To learn more, please contact:

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50-bed community hospital: AMS identified an opportunity to consolidate management positions within specific divisions for improved labor resource utilization. Additional opportunities included reducing the number of supervisory level staff in select areas throughout the organization.

6-hospital, integrated healthcare network including 30 clinical locations: AMS identified an opportunity to significantly reduce the manager category, improve the reporting accuracy of allocating staff to the cost center/department where they work, and targeting a higher system-wide ratio of management to staff.

How does your hospital measure up? Benchmarking provides the answers

AMS's hallmark service is labor benchmarking. Only by identifying a hospital's actual staffing levels and comparing it to our proprietary industry labor benchmark database can an institution confidently begin the process of optimizing productivity. We perform both hospital-wide and department-level benchmarks.

Typical initial savings identified is up to 10% of total labor expense

Immediate Benefits

- Identify, by department and cost center, staffing based on AMS work-function level benchmarks
- Identify departments with potential for productivity and operating system improvement
- Provide a focal point for senior management to discuss labor resource issues
- Establish a starting point for improvement efforts
- Assist with development of long-term labor strategies

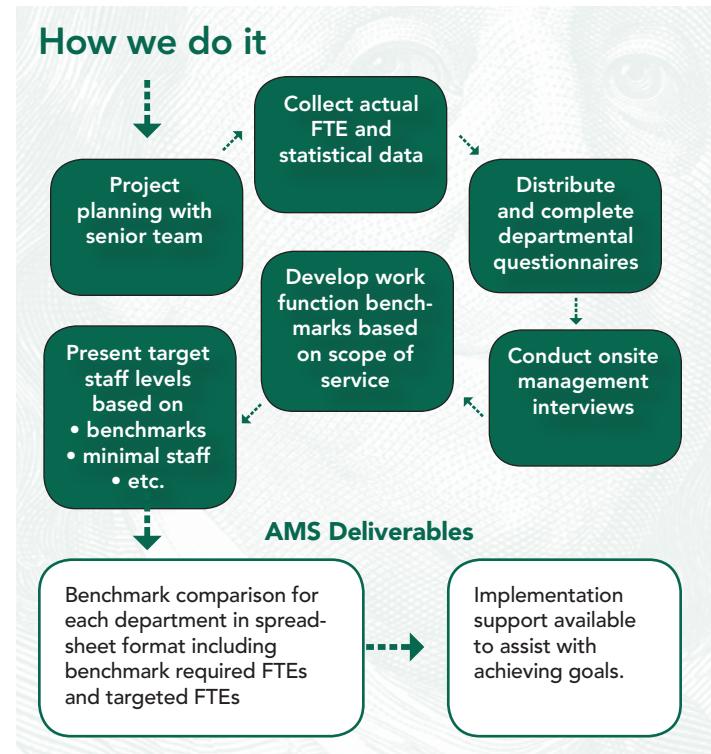
Recent Results

200-bed community hospital: AMS identified a labor improvement opportunity of 108 FTEs of the hospital's 1,250 FTEs. Eight outlier departments accounted for 50% of the opportunity.

3-hospital, 600-bed regional system: AMS identified areas with staffing opportunity equal to 3% (136 FTEs) of the system's 4,500 FTEs.

Critical access hospital: AMS identified an 8% staffing opportunity (48 FTEs) in a system of 600 FTEs comprised of a 25-bed acute care, 25-bed nursing home, 10-bed rehab unit, and support staff for physician practices.

Average ROI = more than 30 times



The AMS Benchmarking Advantage

- Hospital-wide benchmarks compare your hospital/health system to similar institutions (size, type, and case mix) on a global basis.
- Department benchmarks are based upon a key volume indicator and paid hours per indicator for each department or area of the hospital.
- AMS's proprietary benchmarking database is based primarily on:
 - Actual studies AMS performs for its clients
 - Best practice targets developed by AMS content experts who specialize in all facets of health care.

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