

DMC

**Rehabilitation Institute
of Michigan**



Nursing and Finance ...Partners?

Kevin Smith FHFMA Vice President Finance
Julia Libcke RN, MSN, CRRN Vice President Patient Care Services

Disclosure Statement

Kevin Smith and Julia Libcke have no
perceived conflicts of interest

No off brand labels will be discussed

Presentation Objectives

- Describe system for reporting and monitoring nursing service financial data via a flexible staffing model
- Discuss utilization of reports in financial review by executive leadership team
- Discuss opportunities to maximize partnership between clinical care needs and fiscal responsibility

Agenda

- Meet the presenters
- Meet the hospital: RIM Overview
- Overview of Patient Care Services
 - Organizational structure
 - Staff size
 - Career ladder
- Nursing Finance Reporting
 - System utilized
 - Pay period and Monthly reporting
 - Staffing process

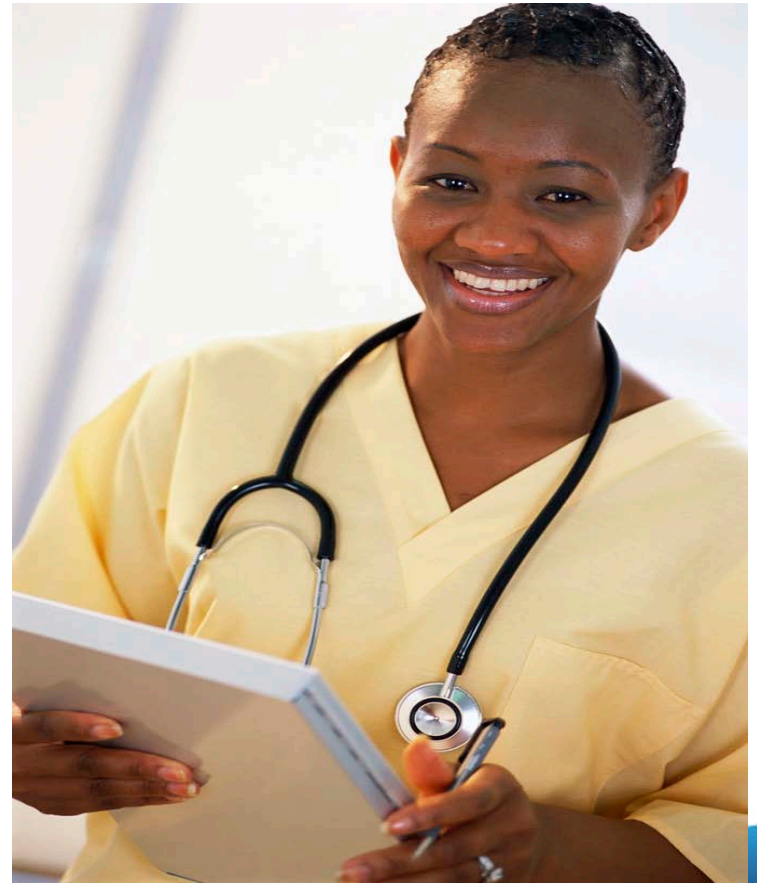
Agenda

- DMC System Considerations
 - Issues and requirements
 - Benefits and resources
- Critical Success Factors
- Cooperation Areas

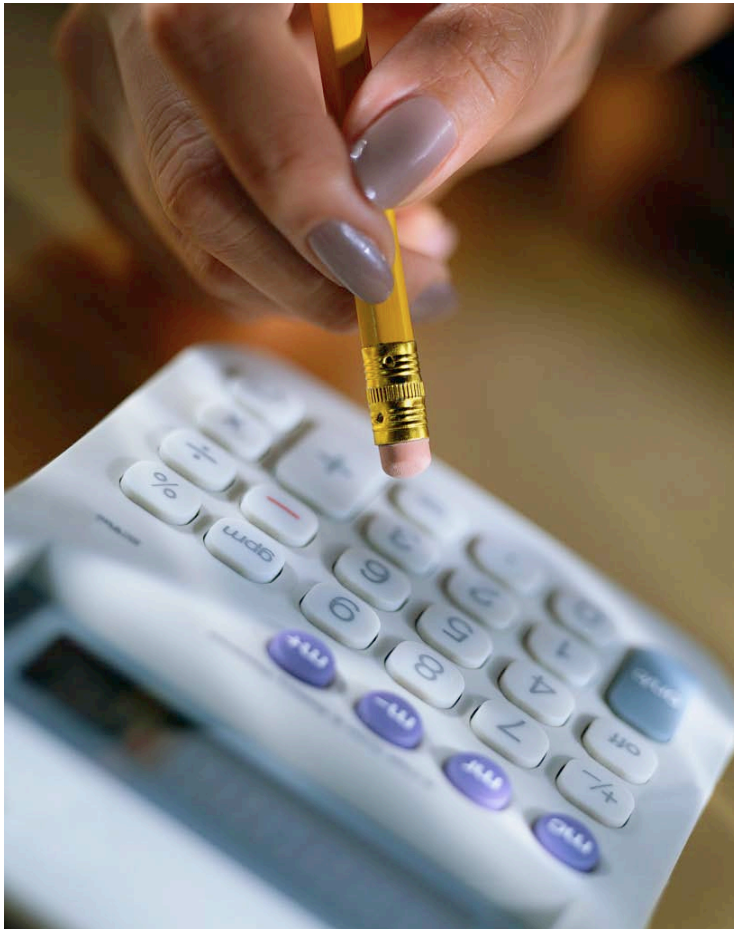
Two Worlds....one hospital

“can this marriage be saved”

- Patient Care Services
 - “ My focus is the patient, whatever it takes”
 - “ The patient is here for my care”
 - “Circumstances were beyond my control...”
 - “Higher acuity is going to cost the hospital more”
 - “There are standards of care that must be upheld”
 - “Finance counts beans”



You say potatoe, I say potato..



- Finance
 - “This is a business and we need to control expense”
 - “It is not just about YOU”
 - “We won’t be around if we don’t manage better”
 - “When we give to you, we have to take from somewhere else”



The Rehabilitation Institute of Michigan

- RIM is southeast Michigan's only freestanding hospital specializing in rehabilitation medicine and research.
- RIM continues to be the market share leader for rehabilitation in the tri-county area.
- RIM has the largest network of outpatient therapy sites, with 30 sites throughout southeast Michigan specializing in sports and orthopedic injuries, and neurorehabilitation



2010 FYE Statistics (FORECASTED):

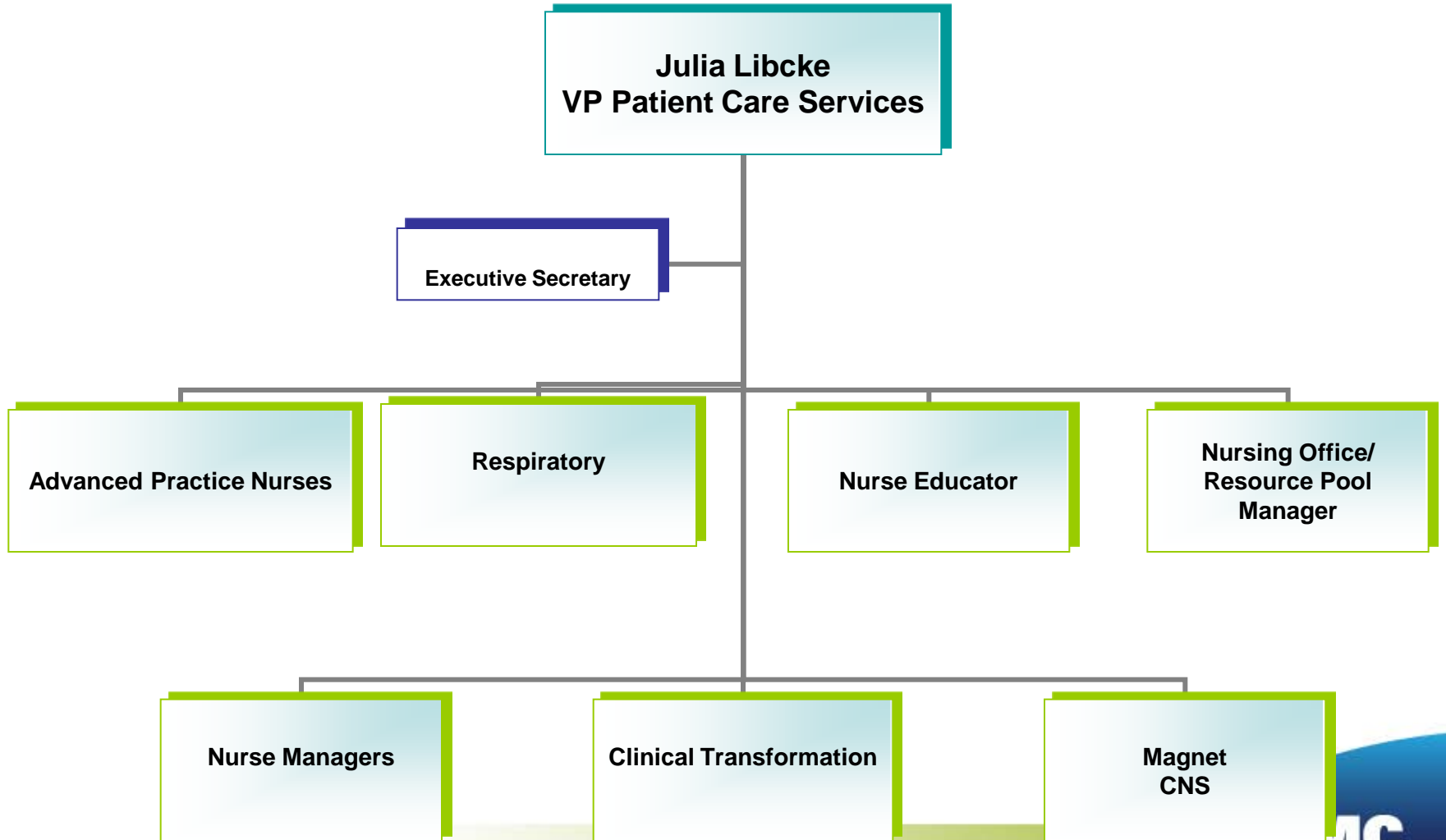
94	Licensed Beds
74	Beds in Service
1,200	In-patient Discharges
22,088	In-patient Days
228,500	Outpatient Visits

RIM Continued

- RIM is part of the Detroit Medical Center
 - The DMC is a eight hospital system in southeast Michigan with five hospitals located on the central campus in Detroit.
 - The Medical Center includes specialty hospitals: a children's hospital , a trauma hospital, a women's hospital along with RIM
- RIM has three inpatient units / floors. Each with 23-26 beds.
 - Spinal cord injury floor
 - Brain injury / Neuro floor
 - General PM&R floor



Patient Care Services Overview



Staffing Overview

NHPPD: 7.7 – 8.4

Staffing mix: 51-53% RN
47-49% Patient Care Associate

Budgeted Patient-RN Ratio: 24 hour total
5.8-6 to 1

Staffing Overview

- **2010 Nursing Services Staff FTE**
-
- **50 Staff Nurses**
- **35 Patient Care Associates/SNA**
- **23 Patient Attend. for Safety**
- **13 Unit Clerks**
- **21 Management and support**
- **152 Total /approx 200 staff**

Nurse Finance Reporting

- The DMC has a Centralized Nurse Finance Department which provides the following services:
 - Collects payroll and statistical data
 - Maintains reporting systems and provides expertise and support to the hospitals' nursing offices
 - Produces pay period and YTD usage and variance reports
 - Creates the patient care staffing annual budget

Systems Used

- Kronos for time and attendance reporting and for nursing staff scheduling
- Lawson Payroll for salary and wage reporting
- Agency usage is reported in Kronos
- Census data by unit comes from Semen's Invision system and interfaced into Kronos

Systems Used

- All data is loaded into a Access database and nursing reports are generated from Access.
- Flex Budget – Adjusts for volume using the budgeted NHPPD standard
- Reports are emailed to Nursing management each pay period and put on the shared directory for Finance and Corporate to access.

Payroll Report

Report generated per pay period. Shows hours and specific dollars by job code at the employee level.

Hosp: Rehabilitation Institute

Nursing Finance Payroll Report - Hours and Other/Differential Paid

CC: 1556 NURSING - 7TH - PM & R
 FY: 2010 PP: PP20

Email to:
 PP Desc: Hrly 10/2/2010 Sal 10/9/201

Sample

Skill Group	Home Dpt	Home CC	Employee	Job Code	Reg Hours	OT Hours	PTD Hours	Total Hours	Total FTE	Differential Dollars	Other Dollars
RN	635	1556		3NE00 Staff Nurse	48.5		8.0	56.5	0.7	\$160	
	635	1556		3NE00 Staff Nurse	72.3		8.0	80.3	1.0	\$65	\$0
	635	1556		3NE00 Staff Nurse	68.8	0.4	3.6	72.8	0.9	\$206	\$0
	635	1556		3NE00 Staff Nurse	73.1	4.4		77.5	1.0	\$60	\$15
	635	1558		3NE00 Staff Nurse	8.2			8.2	0.1	\$15	
	620	1017		3NE00 Staff Nurse	15.9	27.3		43.2	0.5	\$0	
	635	8170		3NE00 Staff Nurse	8.0			8.0	0.1		
	635	1556		3NE00 Staff Nurse	63.9			63.9	0.8	\$197	\$15
	635	1556		3NE00 Staff Nurse	80.0	40.1		120.1	1.5	\$159	\$10
			Total Skill Group:		1,206.6	97.6	67.6	1,371.8	17.1	\$2,709	\$51
SNA	635	1556		5NA81 Student Nurse Associate	40.2			40.2	0.5	\$53	
			Total Skill Group:		40.2			40.2	0.5	\$53	

Productivity Report

Shows variance to flexed budget which adjusts for actual volume times budgeted NHPPD. Separates worked and paid FTEs. Highlights overtime, cost per unit of service and shows comparison to the Paid FTE budget, non-volume adjusted.

DMC - Patient Care Services - Unit Productivity Report

Hosp: Rehabilitation Institute
 CC#: 1556
 Unit: NURSING - 7TH - PM & R

Sample

Year: 2010
 Pay: pp20
 Pay End: Hrly 10/2/2010 Sal 10/9/2010
 Productivity: Census

Caregiver / Non-Caregiver	Skill Group	NHPPD /CGHPUOS		Worked FTEs			Paid FTEs			Overtime FTEs	Cost/ UOS	Paid FTE Budget non- vol Adjusted
		Actual	Budget	Actual	F.Budget	Var	Actual	F.Budget	Var	Actual	Actual	
CG	RN	4.23	4.09	16.3	15.8	-0.5	17.1	17.4	0.3	1.22	\$151	13.9
	aRN			0.0		0.0	0.0		0.0			0.0
	LPN	0.29	0.59	1.1	2.3	1.2	1.1	2.5	1.4	0.10	\$7	2.0
	PCA	2.81	2.71	10.8	10.5	-0.4	11.7	11.6	-0.1	0.30	\$44	9.2
	SNA	0.13	0.29	0.5	1.1	0.6	0.5	1.3	0.8		\$2	1.0
	aPCA			0.0		0.0	0.0		0.0			0.0
	Total Group:	7.45	7.7	28.7	29.6	0.9	30.4	32.7	2.3	1.62	\$204	26.1
NonCG	PAS	0.00		0.1		-0.1	0.1		-0.1			0.0
	CLERK	0.00	0.00	2.7	3.1	0.4	3.2	3.4	0.2	0.06	\$13	3.4
	OTHER	0.00		0.0		0.0	0.0		0.0			0.0
	COORD	0.00		0.0		0.0	0.0		0.0			0.0
	CM	0.00	0.00	0.9	0.9	0.0	1.0	1.0	0.0		\$9	1.0
	Total Group:	0.00	0.0	3.7	4.0	0.3	4.3	4.4	0.1	0.06	\$22	4.4

Productivity Report Summary

Shows totals, average daily census, NHPPD, Supplemental and Non-Worked FTE Activity.

DMC - Patient Care Services - Unit Productivity Report

Hosp: Rehabilitation Institute
 CC#: 1556
 Unit: NURSING - 7TH - PM & R

Year: 2010
 Pay: pp20
 Pay End: Hrly 10/2/2010 Sal 10/9/2010
 Productivity: Census

Caregiver / Non-Caregiver	Skill Group	NHPPD /CGHPUOS		Worked FTEs			Paid FTEs			Overtime FTEs	Cost/ UOS	Paid FTE Budget non-Adjusted
		Actual	Budget	Actual	F.Budget	Var	Actual	F.Budget	Var	Actual	Actual	
Total Unit:		7.45	7.7	32.4	33.6	1.2	34.7	37.1	2.4	1.68	\$226	30.5

Productivity Summary									
Daily	Census	NHPPD	CG	Worked FTEs	Worked FTEs	Paid FTEs	RN Skill Mix	Pts. to RN	OT and PTO
Actual:	22.0	Actual: 7.45	Actual: 28.7	Actual: 32.4	Actual: 34.7	Actual: 56.7%	Actual: 5.7	OT % Actual: 5.2%	
Budget:	17.5	Budget: 7.68	Budget: 29.6	Budget: 33.6	Budget: 37.1	Budget: 53.2%	Budget: 6.0	PTO % Actual: 6.6%	
Variance:	4.5	Variance: 0.2	Variance: 0.9	Variance: 1.2	Variance: 2.4			PTO % Budget: 9.5%	
	* Favorable *	* Favorable *	* Favorable *	* Favorable *	* Favorable *				

(Worked + NonWorked = Paid)

Supplemental Activity			
Actual:	Hours	FTE's	WHPPD
Orient Class			
Orient Floor			
Total Orientation			
Hosp Business	101	1.3	0.33
Education	35	0.4	0.11
Total Hb and Ed	136	1.7	
One on One	<input type="text"/>	<input type="text"/>	<input type="text"/>

Non Worked Activity		
Actual:	Hours	FTE's
Holiday		0.0
Personal		0.0
Sick	51	0.6
Vacation	133	1.7
Other		0.0
Total	184	2.3

Sample

Census Report

Shows the average daily productivity metric by cost center by pay period.

Detroit Medical Center

Average Daily Census Productivity Measure Report

FY 2010 - Pay 20

Sample

Cost Center	Cost Center Description	Unit of Service	ADC Budget	ADC Actual PP17	ADC Actual PP18	ADC Actual PP19	ADC Actual PP20	ADC Actual YTD Average
1556	NURSING - 7TH - PM & R	Pt Days	17.5	22.3	21.8	22.8	22.0	20.2
1557	NURSING - 4TH - NEUROSCIENCE	Pt Days	19.0	17.6	22.6	22.2	22.1	19.6
1558	NSG-SCI	Pt Days	20.5	23.3	21.5	22.9	22.4	21.6

Daily Staffing Tool

Excel tool that allows each unit to enter in their staffing per shift to calculate variances to the budget. Monitoring tool for performance throughout the pay period.

Daily Inpatient Unit Staffing Variance Report Rehabilitation Institute

Pay: PP20
Unit: 1556
Unit Mgr:

7th Floor

Sample

Enter data in shaded fields only.

Period:	9/12/2010	through	9/25/2010
Cummulative Days Reported	14		
Cummulative Hours Variance:	(84.0)		
Budget Census	8.99		
Budget Grid NHPPD	8.00		

Date	Shift	Code	Timeframe	Kronos Census	RN	LPN	PCA	SNA	External Agency	Orients	Sitters	omme	Hrs Used	Total Day	NHPPD	Actual	Hours Variance	RN
														Direct Care	Funded			
9/12/2010	Day	D	7a - 3p	7.00	2.00		1.00						68.00	60.00	9.07	(8.0)	3.5	
	Aft	E1	3p - 7p	7.00	2.00												3.5	
	Aft	E2	7p - 11p	8.00	2.00		1.00										4.0	
	Mid	N	11p - 7a	8.00	2.00		1.00										4.0	
	Total				7.5	48.0	-	20.0	-	-	-	-	-	-	-	-	-	3.8
9/13/2010	Day	D	7a - 3p	11.00	2.00		2.00						72.00	72.00	8.00		5.5	
	Aft	E1	3p - 7p	11.00	2.00												5.5	
	Aft	E2	7p - 11p	7.00	2.00												3.5	
	Mid	N	11p - 7a	7.00	2.00		1.00										3.5	
	Total				9.0	48.0	-	24.0	-	-	-	-	-	-	-	-	-	4.5

Daily Staffing Tool: RN/Pt Ratio

Excel tool has a summary tab used for review of RN/Pt ratio for staffing per unit, per day, per shift.

Detroit Medical Center - Patient Care Services - Daily Staffing Report Summary

Sample Hospital

Pay Cycle:

PP20

Period Start:

09/12/10

Period End:

09/25/10

Sample

Patients to RN - Days

09/12/10	09/13/10	09/14/10	09/15/10	09/16/10	09/17/10	09/18/10	09/19/10	09/20/10	09/21/10	09/22/10	09/23/10	09/24/10	09/25/10
4.0	4.0	4.2	4.7	4.7	4.8	4.2	4.0	4.3	4.2	4.7	4.3	4.3	5.3
3.5	5.5	3.3	4.0	4.0	3.3	2.9	3.0	3.0	3.3	4.0	4.0	3.3	5.0
5.3	3.6	4.7	4.8	6.0	5.2	5.0	4.8	4.4	4.8	5.0	5.1	5.4	5.6
1.0		1.0	1.0	2.0	3.0	2.0	2.0	3.0	2.0	2.5	1.5	1.0	2.0
2.2	1.5	2.0	2.0	2.6	2.2	2.6	1.7	1.5	1.4	2.0	1.7	1.6	2.2

Budget System Sample

The budget is built at the job code level based on global standards, such as NHPPD, Volume, non-productive percents, etc.

SALARY BUDGET - JobCode		PROD Hrs/Unit		8.59	9.00	8.95			
6351556		Target Hrs/Unit				0.00			
Nursing - 7Th - Prncpl R		FTEs From Target				(34.17)			
		PAID Hrs/Unit		9.54	10.04	9.98			
		Prod %		90.0%	89.6%	89.6%			
Job Code	Description / Earnings Type	Current Base Rate	Budget Start Rate	Budget End Rate	FTE Alloc Rate	Sched FTEs	YTD Actual FTEs	Jul-Dec Projected FTEs	FY 2011 Budget FTEs
3NE00	Staff Nurse: Account #: 60200						Variable		4.42
Target Hours Per: Patient Day Equivalents		3.89	Productive FTE Target:				13.19	13.31	13.30
Current Paid FTEs						13.05	14.70	14.66	15.12
Program Additions				\$0.00				0.00	0.00
Position Changes				\$0.00				(0.16)	0.00
Total Paid FTEs								14.84	14.83
Regular					89.56%		12.46	11.92	11.91
Extended Work Schedule					0.06%		0.03	0.01	0.01
Overtime					3.24%		0.44	0.43	0.43
Agency					3.24%		0.04	0.43	0.43
Holiday Worked Premium		Yes			3.90%		0.13	0.52	0.52
Staff Nurse - Total Productive					88.48%	100.00%	13.11	13.31	13.30
Vacation / CTO Taken					59.13%		1.27	0.91	0.91
Holiday Pay					17.00%		0.26	0.26	0.26
Sick Pay					18.00%		0.00	0.28	0.28
Personal Pay					2.00%		0.00	0.03	0.03
Other Pay					3.87%		0.06	0.06	0.06
Staff Nurse - Total Non-Productive					11.52%	100.00%	1.59	1.53	1.53
Premium									
Shift									
Staff Nurse - Totals:					100.00%	100.00%	13.05	14.70	14.84

DMC System

- Issues and Requirements

System standards

e.g. pay increases, minimal staffing levels, financial target

- Benefits and Resources

Reporting systems

System perspective

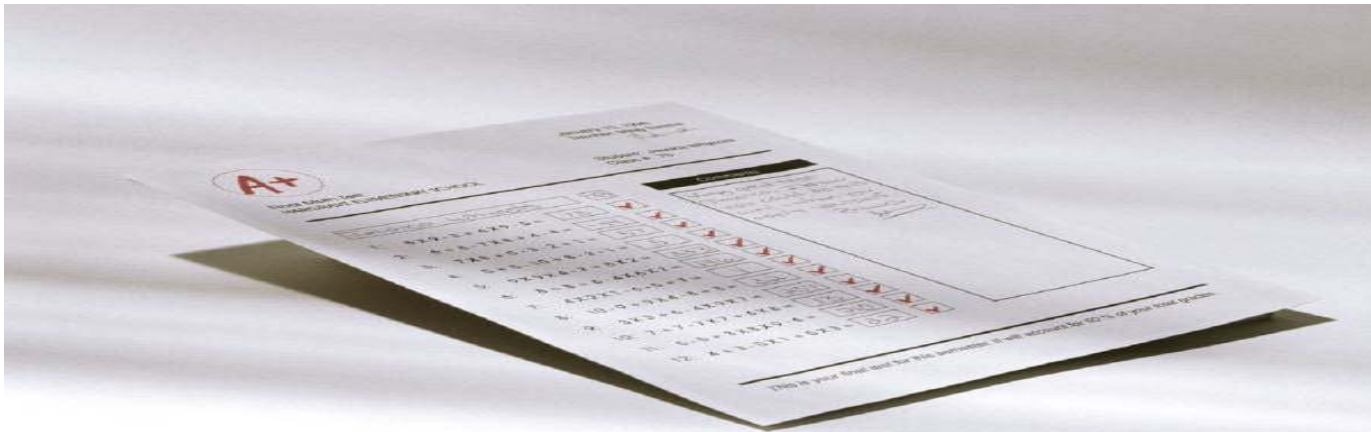
TOP 10 Keys to Success for the marriage of Nursing and Finance



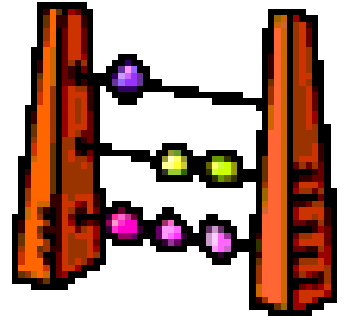
#10

Have a reliable reporting system

- flexible budgeting and reporting
- timely and consistent



#9



Agree upon the data in budget planning

- How do we count census days
- What is the base period



#8

Include non direct care time in your planning
-Education time, hospital business



#7

Be realistic about non productive time

Use your actual run rates



#6

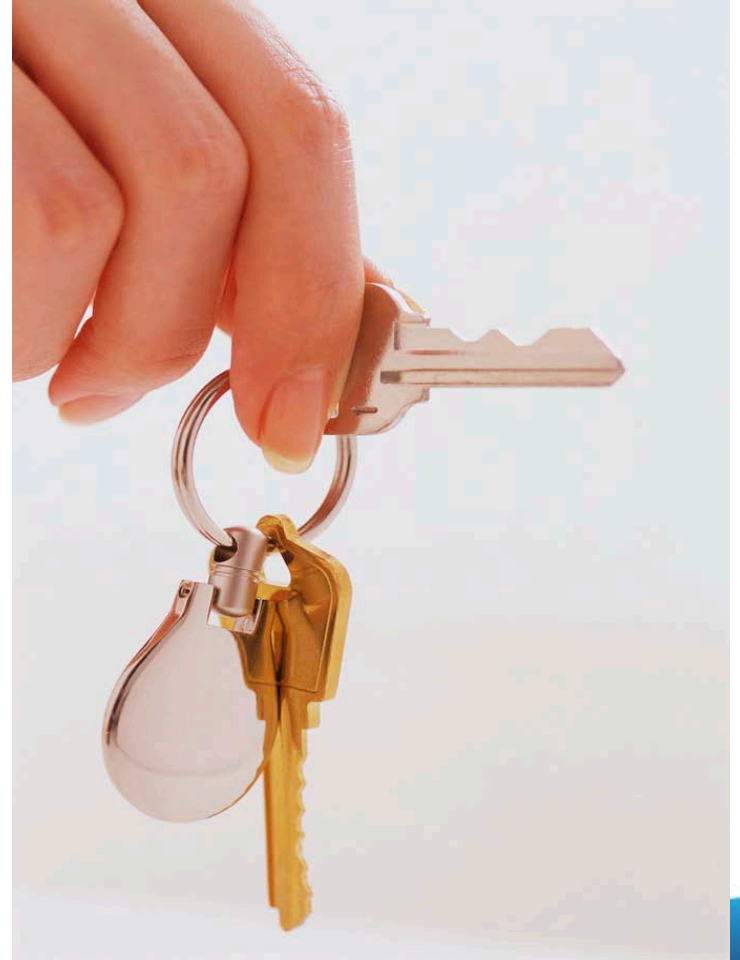
FTE counts are important
but don't forget the cost of the FTE's



#5

Own your budget....

it cannot and should not
be a mandate from
Finance





#4

Don't live in a bubble...
use benchmark data



#3

- Analyze your data and provide details

Watch trends and be realistic with needs to increase or decrease staffing levels

Be supportive of Nursing ideas to secure staffing in high volume times

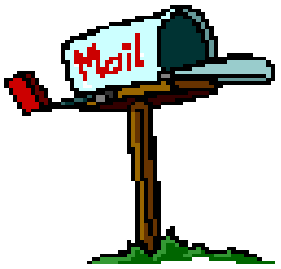


#2

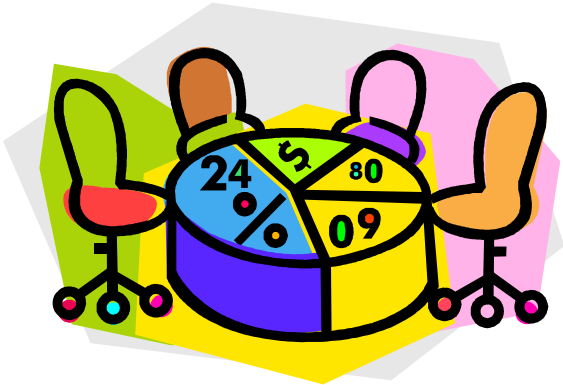


Be aware of the impact nursing needs have on entire hospital

#1



Keep Lines of Communication Open





Areas of Cooperation

Tales from the front

- Expense Savings
- Explore additional options for reimbursement
- Identify staffing incentive
- Correlate strategic vision to decision making
- Create timelines for needed change



Yes, Nursing and Finance can be partners



Questions?

Thank you very much

Ksmith@dmc.org

313-745-9731

jlibcke1@dmc.org

313-745-3151



Appendix: Resources to Calculate Metrics

Calculating Nursing Hours Per Patient Day

How to Calculate NHPPD						
		# Scheduled(A)	Shift Length(B)	Worked Hrs (A x B)	Census	
Day	RN	4.0	8	32.0	17.0	
	PCA	3.0	8	24.0		
Aft	RN	4.0	8	32.0	17.0	
	PCA	3.0	8	24.0		
Mid	RN	3.0	8	24.0	15.0	
	PCA	3.0	8	24.0		
Total				160.0	49.0	
				Average Daily Census	16.3	
Total Direct Care (Nursing) Worked Hours in 24 Hours				160.0		
Average Daily Census				/	16.3	
Nursing Hours Per Patient Day (NHPPD)					9.8	

Sample

Calculating Total Caregiver FTEs Required

Sample

Calculating Total Caregiver FTEs Required:		
	16.3	ADC
x	365	days per year
x	9.8	NHPPD
	58,245	Total Worked Caregiver Hours per Year
/	1,830	88% of 2,080 (productive hours only)
	31.82	Total Paid Caregiver FTEs (includes 12% PTO)

Make sure to reduce the total worked FTE hours (2,080) by the non-productive percentage. The example above assumes 12% non-productive time.