

ROI CASE STUDY



Catholic Healthcare Partners generates \$56 million in savings with Premier's labor management solution

SUMMARY

By tailoring Operations Advisor to their unique needs, Premier is helping Catholic Healthcare Partners reduce waste and inefficiencies and ultimately realize a significant advancement in overall performance and patient care.

At Catholic Healthcare Partners, minor improvements in every operating entity are yielding major returns. Catholic Healthcare Partners officials estimate that their partnership with Premier has helped create more than \$56 million in labor-related cost savings since 2002.

“We were able to change some of the ways we look at information based on Premier. They were great in working with us on program design and in customizing tools and processes so we could be successful,” says Kathleen Osborne, vice president of performance improvement for Catholic Healthcare Partners.

“Our philosophy is that it’s not one big thing for \$2,000,000, it’s 200 little things that represent the minor improvements in each department that generate the biggest returns over time,” says Kathleen Osborne, vice president of performance improvement for Catholic Healthcare Partners.

Helping staff identify and leverage those areas of opportunity takes data — lots of it — and sophisticated analysis tools that provide comparisons with other top performers in the industry.

That’s why Catholic Healthcare Partners, with home offices in Cincinnati, OH, turned to Premier and its proprietary Operations Advisor solution when it decided to take its labor management process to the next level.

Operations Advisor is a total labor management solution from Premier that offers assessment, productivity monitoring

and comparative data that enable hospitals to assess performance against their peers and national benchmarks.

Working closely with administrators and clinicians, Premier consultants were able to tailor the Operations Advisor products and advisory services to meet Catholic Healthcare Partners’ unique needs.

An initial assessment, staff training and ongoing guidance are all part of the package.

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By making it easier and more efficient to carefully examine all departments of service in terms of operational efficiency, labor productivity and financial performance, Premier’s sophisticated

data sets helped Catholic Healthcare Partners benchmark its progress against peers, competitors and best performing hospitals.

The flexibility of Operations Advisor enabled Catholic Healthcare Partners to provide its front-line service directors, clinicians and other managers with region-specific comparative data, an important and practical consideration that can help ensure greater staff buy-in.

“We were very careful to put our labor management process in place as an operational project and not a financial one,” says Osborne. “This is really about ensuring appropriate resources rather than downsizing. Clinicians and service line directors need to own this data.”

By highlighting under-staffed areas as well as waste or inefficiencies, the data

provided by the Operations Advisor can help managers shift resources to improve patient care.

“One of the significant roles of a CEO is to create meaning around the work that is done in an organization,” says David Jimenez, executive vice president for Catholic Healthcare Partners. “Labor management is a core competency we expect every manager to have. We have to be good stewards of this resource; it’s not just a matter of cutting back.”

At Catholic Healthcare Partners, for example, the detailed reports provided by Operations Advisor have typically led to increased Registered Nurse to patient ratios.

“Ultimately RNs are more efficient,” says Osborne. “Nurses can do anything for a patient, and the added cost is typically

offset by reducing steps and rework.

We’ve really walked away from the old paradigm of using nurse assistants, and as a result we’re experiencing less turnover and higher outcomes in terms of patient care.”

Catholic Healthcare Partners has also made great strides by focusing on how various departments interact with each other and by agreeing on the key measures the system would use to benchmark progress and reward performance.

One finance department, for example, was able to stop producing nearly 60 reports after an audit uncovered that managers in other areas weren’t really using them, even though they had requested the documentation.

ROI BOTTOM LINE

- **More than \$56 million in labor-related cost savings since 2002**
- **Increased RN to patient ratios**
- **Significant reductions in waste, rework and inefficiencies**
- **Better employee morale and improved internal communication**

“The success or failure of any healthcare organization is largely rooted in middle management. If you can get this group excited about doing the right things and focusing on our core competencies in a balanced way, you really start moving an organization forward,” says David Jimenez, executive vice president, Catholic Healthcare Partners.

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For information about Premier or any of our Advisor Suite Solutions, call 800 805 4608 or visit Premier on the Web at premierinc.com/informatics.

“You can have a lot of people producing work and feeling fairly productive about it, but in the end if it’s not aligned with the needs of the organization it creates enormous inefficiencies,” says Osborne.

Having the tools to benchmark and measure the organization’s most vital work processes really cuts down on the unnecessary tasks that consume so much time, energy and, ultimately, budget.

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