

Maryland healthcare system saves more than \$5 million using Premier labor management program with direction from Performance Partner

SITUATION

The recent economic downturn has exacerbated the significant challenges all hospitals face in operating profitably and efficiently using all resources, particularly human resources, the largest single expense. Frederick Memorial Hospital had used an internal productivity system; management was not convinced the organization was operating as efficiently as possible.

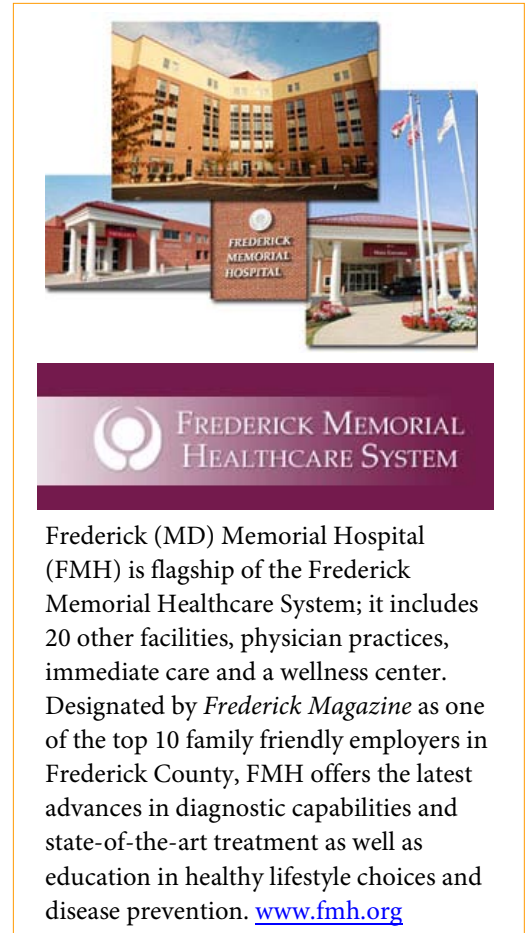
SOLUTION

- Chose Premier's [LaborConnect™](#) solution to address its labor issues
- [Premier Performance Partner Program™](#) to provide six days per month consulting services to develop, refine and manage labor management program; minimum goal: \$500,000 in savings or cost avoidance
 - Help install [OperationsAdvisor®](#) comparative database and productivity tool to replace in-house system
 - Serve as labor coach to managers, directors and senior leadership and support labor management team and benchmarking subteam
 - Train and orient managers and directors to new tool and reports
 - Monitor "watch lists;" help underperformers develop action plans
 - Report departments with specific needs to senior leadership
 - Incorporate labor benchmarks into FY10 labor budget process using OperationsAdvisor comparative database

RESULTS

Combined efforts led to:

- **Successful implementation of new labor management program**
- **Validated saving of \$5,181,560 in FY09**
- **Return on investment on Performance Partner of nearly 51-to-1**
- **The new labor management program did not adversely affect employee morale. Ratings of staffing levels on the annual employee engagement survey improved; mean score was 3.39 on a five-point scale, nearly halfway between "somewhat" and "strongly" agree.**



Frederick (MD) Memorial Hospital (FMH) is flagship of the Frederick Memorial Healthcare System; it includes 20 other facilities, physician practices, immediate care and a wellness center. Designated by *Frederick Magazine* as one of the top 10 family friendly employers in Frederick County, FMH offers the latest advances in diagnostic capabilities and state-of-the-art treatment as well as education in healthy lifestyle choices and disease prevention. www.fmh.org

"Investing in Premier's LaborConnect was definitely a timely decision – one that has resulted in significant savings and return on investment. OperationsAdvisor is an excellent benchmarking and productivity tool, but the real savings have been the result of the work of our Premier Performance Partner who not only helped us develop and implement our labor management program but helps us manage it effectively. She has filled the role of labor coach beautifully, helping both department and executive leaders get the most benefit in a very short time frame. I definitely recommend LaborConnect."

Michelle Mahan, CFO, Frederick Memorial Healthcare System

FOR MORE INFORMATION:

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