


**Successful Labor Optimization Efforts**

**Becker's Hospital Review**  
**6th Annual Meeting**  
 May 7-9, 2015  
 Swissôtel - Chicago, Illinois




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**Presenters**



**Patricia Maryland, Dr.PH**  
 President, Healthcare Operations  
 Chief Operating Officer  
 Ascension Health

**Gayle Trupiano**  
 Vice President, Performance Excellence  
 Ascension Health

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**Objectives**



- Introduce Ascension Health
  - Background, Mission, Vision
  - The acceleration of change and working together as One Integrated Ministry
- Describe Ascension Health's imperative for organizational change and the genesis of Value Creation Opportunities - responding with new business models that support value-based outcomes
- Discuss Ascension Health's successful labor optimization efforts in a dynamically changing healthcare environment
  - System-wide culture change
  - Process redesign
  - Data-driven change process
  - Progress and performance outcomes
  - Sustaining performance excellence

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**Ascension Health Footprint**

Ascension Health is the largest Catholic health system, the largest private nonprofit system and the second largest system (*based on revenues*) in the United States, operating in 23 states and the District of Columbia.

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**About Ascension Health** (Fiscal Year ending 06/30/14)

Financial information is for Ascension and includes Ascension Health

Total Assets	\$31.3 B
Total Operating Revenue	\$20.1 B
Income from Operations	\$605.8 M
Excess of revenue and gains over expenses and losses, controlling interest	\$1.8 B

Care of persons living in poverty and community benefit programs: \$1.8 BILLION

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**About Ascension Health** (Fiscal Year ending 06/30/14)

Locations	1,900
Acute Care Hospitals	101
Rehabilitation Hospitals	4
Psychiatric Hospitals	6
Long-term Acute Care Hospitals	3
Joint Ventured Hospitals (<50% ownership)	17
Available Beds	21,936
Associates	153,000

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### MAJOR SITES OF CARE

HOSPITALS BY TYPE		BEDS		AMBULATORY CARE AND DIAGNOSTICS	
General Acute Care	103	18,712	Ambulatory Surgery Centers	69	
Rehabilitation Hospitals	3	173	Surgery Center	267	
Psychiatric Hospitals	4	324	Operating Rooms	49	
Long Term Acute Care Hospitals	3	144	Occupational Health Programs	16	
Joint Venture Hospitals (<50% ownership)	18	1,488	On-Site Employer Clinics	191	
			Free-standing Imaging Sites	265	
			Retail Lab Collection Sites	300	
			Primary Care Clinics	176	
			Retail Pharmacy Sites	16	
			Sleep Centers	64	
			Virtual Care Programs	45	
			Emergency Medical Services (EMS)	28	

SENIOR CARE AND LIVING FACILITIES		BEDS	
Long Term Care/Skilled Nursing	34	3,745	
Independent and Assisted Living (not part of CCRC)	9	1,823	
Other Living (HUD, other)	4	377	
PACE Program Enrollees	3	726	

POST ACUTE SERVICE SITES		EMERGENCY SERVICES	
Durable Medical Equipment	16	Free-standing ER and Urgent Care Sites	45
Home Health Services	25	Emergency Medical Services (EMS)	28
Hospice Services	27		
Outpatient Rehabilitation Centers	188		

COMMUNITY SERVICES	
Mobile Clinical Services	20
Wellness Centers	18
Community and Social Programs	157

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### Mission

Rooted in the loving ministry of Jesus as healer, we commit ourselves to serving all persons with special attention to those who are poor and vulnerable. Our Catholic health ministry is dedicated to spiritually centered, holistic care, which sustains and improves the health of individuals and communities. We are advocates for a compassionate and just society through our actions and our words.

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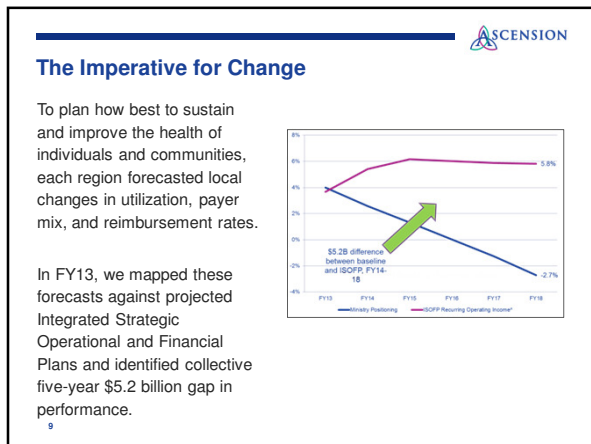
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### Ascension Priority 1A

- Create a sustainable **PERSON-CENTRIC DELIVERY SYSTEM** to serve individuals throughout their lifetime

**1A: Transform our LOCAL HEALTH MINISTRY operations**

- Create \$5.2B incremental value over next 5 years; demonstrate significant and immediate progress consistent with the FY14 Integrated Strategic, Operational, and Financial Plan (ISOFP)
- Embrace the reality that we are one national health ministry; critical to consolidate, standardize, streamline and decrease variability in order to bring our advantages to our local communities

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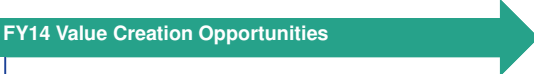
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### Series One VCOs

**FY14 Value Creation Opportunities** 

**SERIES ONE**

1. Clinical Process Reliability
2. Facilities
3. IT Optimization/ACRIS
4. Labor Optimization
5. Physician Enterprise Optimization
6. Revenue Cycle
7. Supply Chain
8. Purchased Services

Target: \$291M in FY14 net benefit

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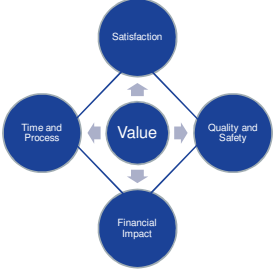
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### Value

Value includes quality and patient safety, efficiency and effectiveness (time and process), financial impact, and patient and associate satisfaction, all of which support the Ascension Health Mission.



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**Labor Optimization**

**Charter:**

- Labor Optimization's primary objective is to transition Ascension Health Ministries from a disseminated labor management model to a standard practice enterprise model

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**Culture Change**

**What Challenged Us**

- The relative independence of our Health Ministries (regional health systems) and our system office departments
- Variation in underlying data systems
- Lack of agility in decision making and change management
- Lack of clarity on roles and responsibilities

**What United Us**

- Our mission
- Our core values – same at all Health Ministries
- A shared integrated scorecard for system performance
- A standard process for integrated strategic, operational, and financial planning

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**Culture Change**

Ascension Health responded with a Standard Practice Labor Optimization Model that includes more timely, intentional and transparent management of labor costs and data.

**The Vision:**

- A culture of continued improvement toward efficient, quality systems of care that incorporate education, process re-design, achievable productivity measures, and accountability in design and delivery models

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### Management Span of Control (SPOC)

**Implications**

- If SPOC analysis is *favorable* versus the benchmark, then the management structure is considered “healthy” relative to total staff
- If analysis is *unfavorable*, then corrective actions are recommended to top-level management to better align future state management levels to the benchmarks

**Outcomes**

- Findings and recommendations provided to management included the following:
  - 501.71 FTEs / \$76.4 million for the ratio opportunity
  - 1,287.5 FTEs / \$108.7 million for leveling opportunity
- Qualitative impacts:
  - Health Ministries put in place task forces to actively monitor and balance management span of control in organizational planning

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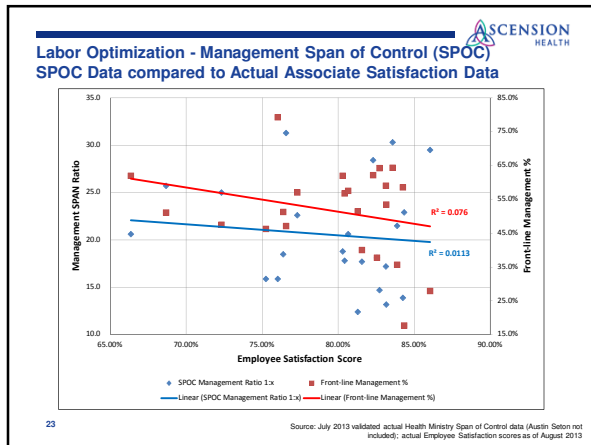
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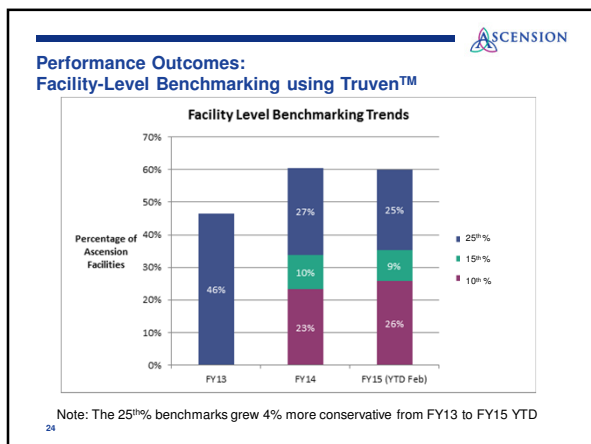
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**ASCENSION**

### Hospital Efficiency Measures and Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)

Summary of Ascension Health Facilities at AOI™ Benchmarks 10<sup>th</sup>%, 15<sup>th</sup>%, and 25<sup>th</sup>% and HCAHPS Scores

Q2 FY15 SUMMARY	AOI™ 25th% or higher	AOI™ 15th%	AOI™ 10th%
Number of Facilities	48	17	18
Number of facilities with HCACPS data available	28	14	10
Number of facilities that meet or exceed HCAHPS targets	14	7	8
Percent of facilities that meet or exceed HCAHPS targets (with data available)	50%	50%	80%

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**ASCENSION**

### Performance Outcomes: Value Creation Initiatives

FY14 Value Creation Opportunities

**SERIES ONE**

1. Clinical Process Reliability
2. Facilities
3. IT Optimization/ACRIS
4. Labor Optimization
5. Physician Enterprise Optimization
6. Revenue Cycle
7. Supply Chain
8. Purchased Services

**FY14 Target: \$291M net benefit**

**FY14 Final: \$368.6M net benefit**

- \$325 M Labor Opportunity Achieved FY13
- \$ 78 M Labor Opportunity Achieved FY14
- \$ 96.4 M Labor Opportunity Target FY15
- \$ 92.5M Labor Opportunity Achieved YTD

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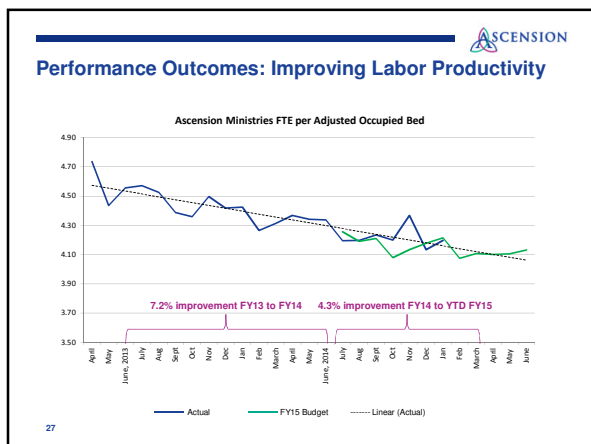
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**Sustaining Performance Excellence: AIM4Excellence**  
*Creating Value for Extraordinary Person-Centered Care*

AIM4Excellence provides the common structure, principles, concepts and behaviors necessary to achieve operational excellence.



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**The AIM4Excellence**  
*Creating Value for Extraordinary Person-Centered Care*

The objectives of AIM4Excellence:

- Engage the hearts and minds of associates and health partners to deliver ever-increasing value to those we serve, achieving the Quadruple Aim
  - Improved Health Outcomes, Enhanced Patient Experience and Enhanced Provider Experience at a Lower Overall Cost of Care
- Create system alignment with integrated management systems and improvement techniques
- Simplify and align the AIM4Excellence principles and behaviors to ensure that they are an expression of our identity as a ministry and connected with our Core Values



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**THANK YOU. ANY QUESTIONS?**



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