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**Purchased Services
Contracting Standards
Optimizing Contract
Labor Management**

*New York City Health
And Hospitals
Corporation (HHC)*

NYC Health And Hospitals Corporation

Corporate Mission

- ...to provide comprehensive health services of the highest quality to New York City residents, regardless of ability to pay, in a humane and respectful manner
- In carrying out its mission, HHC promotes the fullest meaning of health: total physical, mental, and social well-being

Core Values

- Patient-Centered Care
- Patient Safety
- Continuous Striving for Excellence
- Integrity
- Teamwork

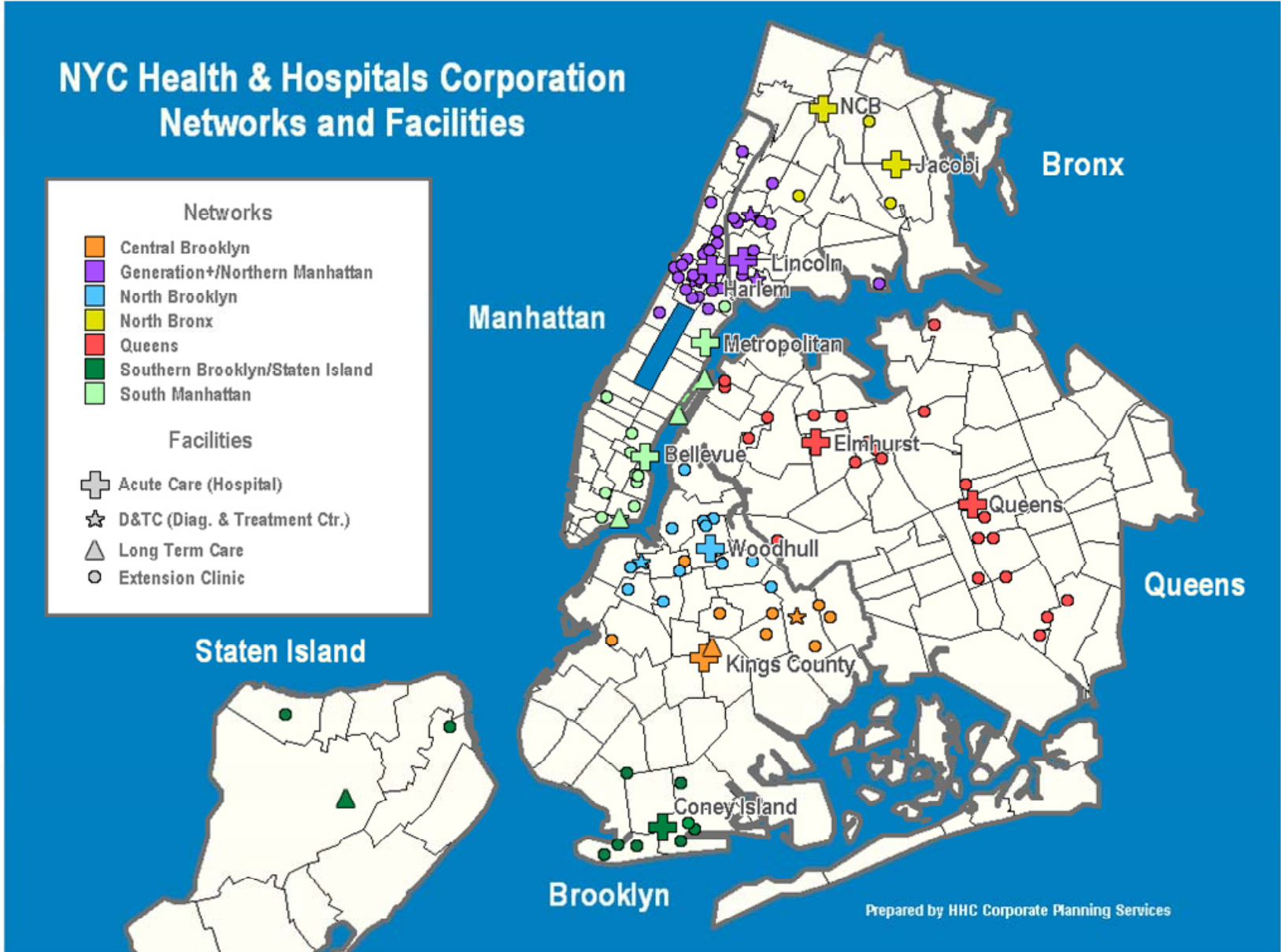
NYC Health & Hospitals Corporation Networks and Facilities

Networks

- Central Brooklyn
- Generation+/Northern Manhattan
- North Brooklyn
- North Bronx
- Queens
- Southern Brooklyn/Staten Island
- South Manhattan

Facilities

- Acute Care (Hospital)
- D&TC (Diag. & Treatment Ctr.)
- Long Term Care
- Extension Clinic



Prepared by HHC Corporate Planning Services

Who we are

Public Benefit Corporation Governing:

- 7 regional networks serving 5 boroughs
 - 11 acute care facilities (Joint Commission-accredited)
 - 4 long-term care facilities (Joint Commission-accredited)
 - 6 Diagnostic and Treatment Centers
 - More than 80 Community Health Clinics
- A certified home health care agency
- A managed care organization (345,000 enrollees)
- Affiliations with all major NYC Medical Schools
- 42,000 employees, including contracted staff

The role we play...

- 1.3 m New Yorkers; 450,000 uninsured
- 224,000 discharges; 23,000 deliveries
- 5 m outpatient visits (1.8 m primary care)
- 1.1 m ED visits; 30% of city's trauma services
- 41% of city's mental health inpatient services;
27% of city's chemical dependency inpatient capacity
- 1 m skilled nursing facility patient days
- 11 designated AIDS centers
- Inpatient/specialty provider for correctional services
- Very diverse patient population, many new immigrants

HHC contract labor background

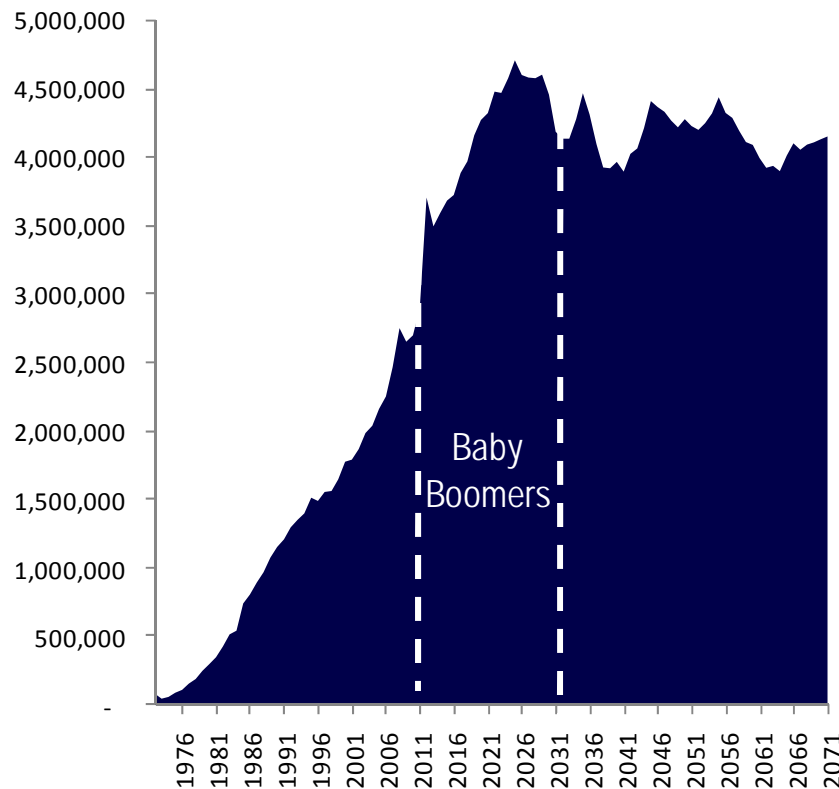
- Use over 270 unique contract labor staff types used from over 70 contract labor vendors across Corporation
- Key contract labor categories used include:
 - Nursing
 - Allied
 - Non-clinical
- \$70 - \$100 million annual contract labor spend (depending on contingent staffing volumes)
- Engaged Workforce Management to provide agency management technology and services in 2008

Contract labor program objectives

- **Institute ongoing contract labor best practices and controls**
 - Tightly manage contract labor costs
 - Deploy web-based technology to streamline contract labor processes
 - Enhance contract labor credential management
 - Continually attain supply of qualified staff from strongest vendors
 - Ensure vendor compliance to contract terms
- **Build foundation for contingent labor management as HHC works to address expected clinical labor shortages and related turnover that will be driven by retiring workforce over the coming decade**

Preparing for the Baby Boomer effect

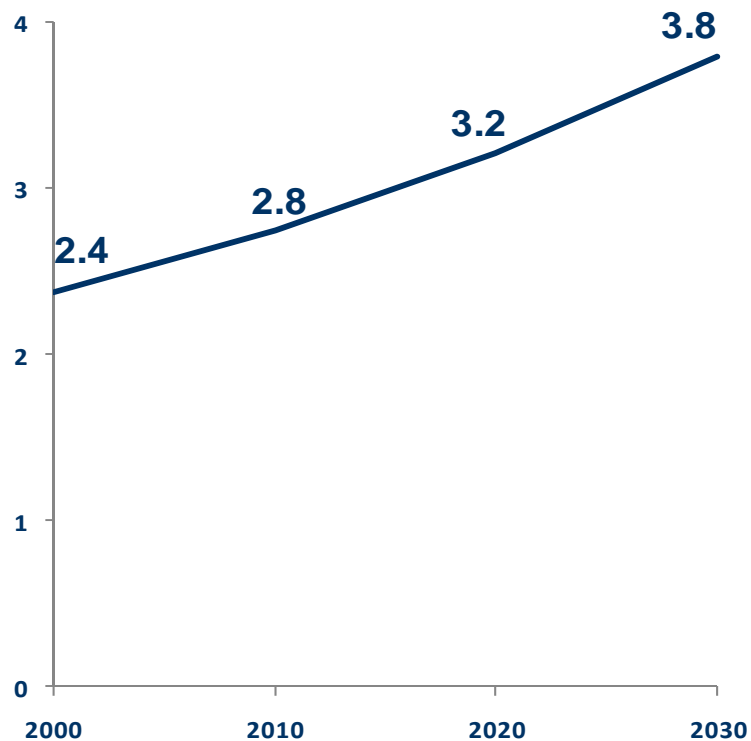
U.S. Population by 65th Birthday



- 1st Baby Boomer turns 65 in 2011
- U.S. population of 65 and older will approximately double by 2030
- Will drive significant:
 - Demand for clinical workforce
 - Turnover in clinical workforce

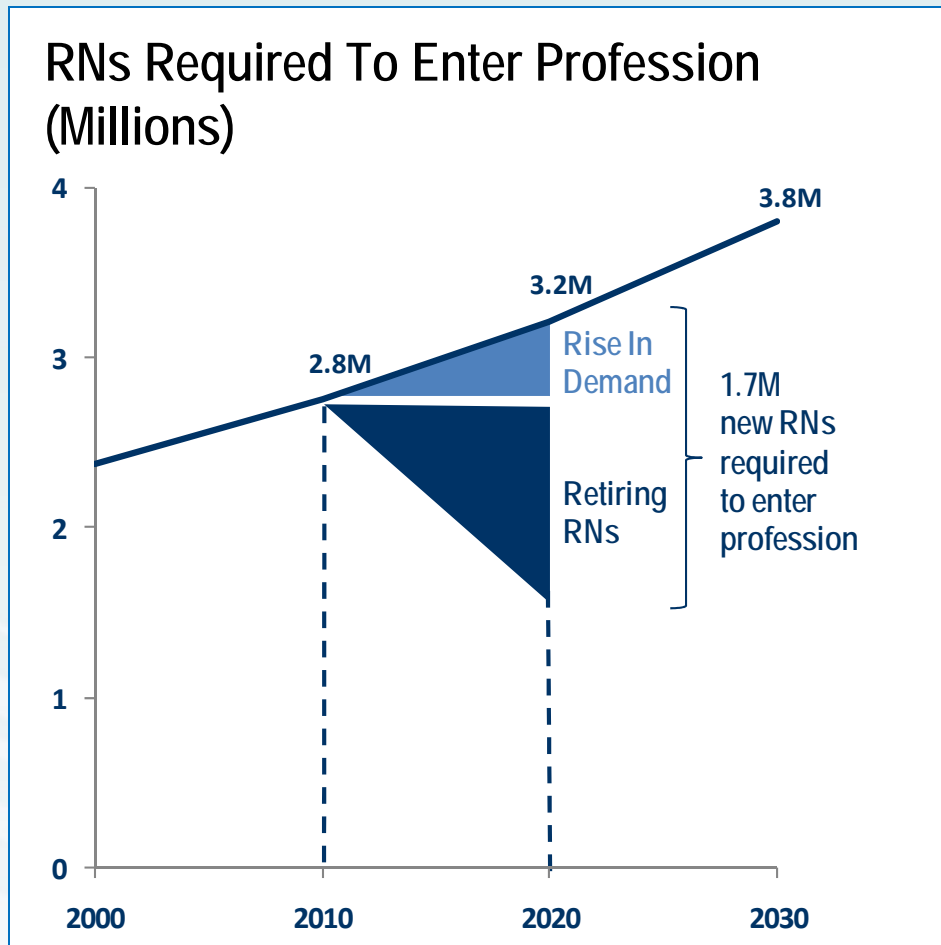
Demand for RNs will grow 35% by 2030

Demand for RNs In United States
(Millions)



- **Projection assumes:**
 - Current care models
 - Current staff mix and ratios
- **Projection does not include:**
 - Impact on demand if 48 million currently uninsured become covered through universal healthcare
 - Legislated staffing ratios

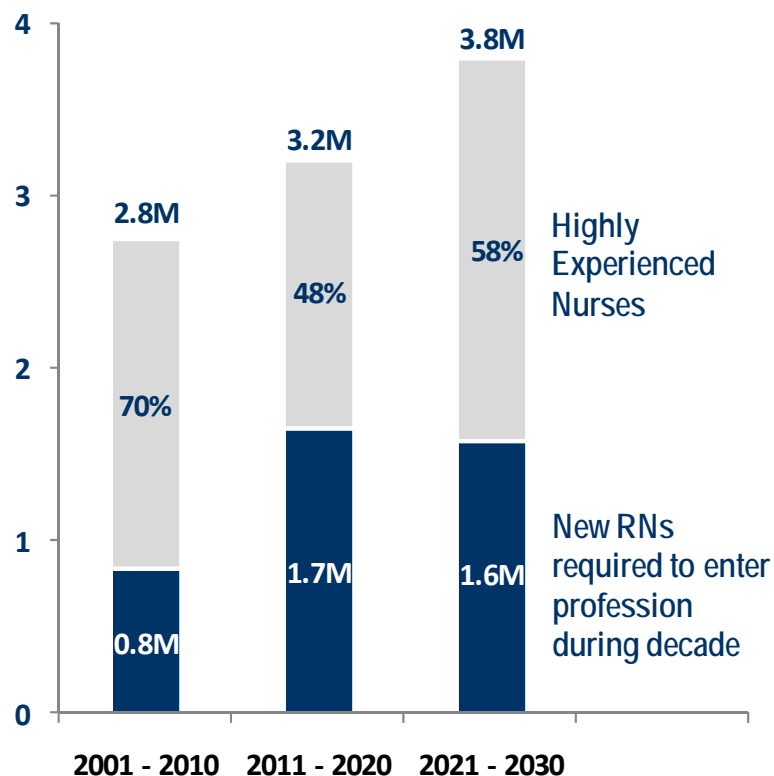
Retiring RNs will drive significant turnover and requirement for new RNs



- 1.7 million new RNs will be required to enter profession over next decade to meet demand
- Represents more than 50% of all RNs that will be required by 2020

Effects of unprecedented turnover will drive need to optimize contingent labor

Required RNs At End Of Each Decade (Millions)



- **High turnover costs**

Nurse turnover next decade will cost hospitals \$177 billion, compared to \$105 billion this decade

- **Inexperienced workforce**

Productivity will suffer as new entrants to nursing profession next decade will outnumber experienced workforce

- **Legislated staffing ratios**

- Approximately 50% of states have current or pending nurse staffing legislation
- Federal legislation also pending

HHC's deployment of agency management technology and program

Implementation of agency management technology

- Standardization of online requisition and fulfillment of all agency staff
 - Real-time online management of all agency staff credentials
 - Ensure contract compliance through online time capture reverse invoicing
 - Reporting to enable contract labor reduction and measure vendor performance
-

Strategic sourcing of agencies

- Achieve ongoing contract labor savings and pricing optimization
 - Standardization of service levels and credentialing requirements across all agencies and staff types
 - Implementation of ongoing process to ensure contract compliance
-

Active management of staff utilization across agencies

- Continually provide market share opportunities to strongest agencies
- Standardization of staff orientation and agency audits
- Deployment of specialized team to continually ensure needs are met

HHC's implementation of Workforce Exchange (wfx) technology

Online Staff Procurement & Quality Management

- Multi-vendor job requisition & fulfillment
- Enables HHC to route volume to strongest performing agencies
- Enables mandatory skills matching for each HHC unit and contract staff type
- Online candidate evaluation & approval

The screenshot displays a web-based application interface for managing job requisitions. The main window is titled 'Named Resource Job Req' and is divided into two primary steps. Step 1, 'Select Resource', features a search bar and a list of resource names. Step 2, 'Add Request Information', contains various input fields for job details such as date, location, unit, job specification, care type, agency, and scheduling. Below the form, there are sections for candidate details and skills/experience.

Contract Labor Credential Management

- HHC compares credentials of all available contract staff online
- Online credential and document management
- Prevents usage of staff that don't have required credentials
- Prevents usage of non-contracted agencies

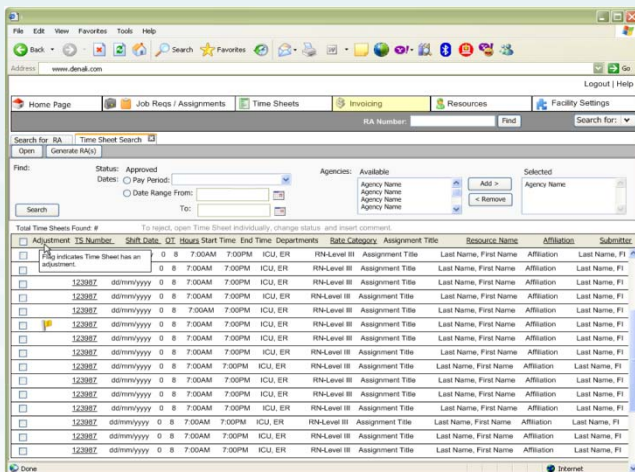
Contract Labor Time Capture

- HHC captures contract labor time online
- Real-time contract labor accrual reporting

HHC's implementation of WFX agency management technology

Invoice Management & Payments

- HHC has eliminated manual reconciliation
- Reverse invoicing has put burden of reconciliation on supplier
- Has ensured compliance to all contract terms
- Has provided HHC with infrastructure for multi-level payment review and authorization



- Has enabled HHC to track and enforce service level penalties
- Has provided real-time, standardized utilization, performance and financial reports

HHC now has significant contract labor reporting capability through WFX

Key reports available to HHC include:

- **Shift Schedule:** All contract staff on schedule for given period of time
- **Detailed Time Report:** All reported hours for contract staff for a specific time frame
- **Hours and Spend By Dept:** Hours and spend summary by dept.
- **Accrual Report:** Dollars spent but not yet invoiced by assignment, by department
- **Expiring Credentials:** List of expiring credentials for booked staff
- **Penalty Report:** Shows all service level penalties, including no shows
- **Attendance Report:** Shows attendance & cancellations for all staff
- **Remittance Report:** Confirmed amount owed to an agency for a given time period
- **Profile Report:** One page summary on a specific contractor
- **Agency Fill Report:** Number of requisitions, candidates submitted, an booked
- **Productivity Report:** Hours worked and cost broken out by department & facility
- **Many more standard reports & custom reporting**

HHC optimized credential management through contracting and technology

Illustrative Skill Requirements

Unit Type	Experience (min. years)	Experience (type)	Certifications (Mandatory)	Other (Preferred)
RN				
ICU	1	Current Critical Care	BLS, ACLS	Critical Care Course, exp with balloon pumps
NICU	1	Current NICU experience	BLS, ACLS, NRP/	NICU Course
Cardio Vascular Operating Room	2	CVOR	BLS, ACLS	CNOR, experience with balloon pumps
PSHU	1	Current PSHU experience	BLS,PALS	
Cardiac Cath Lab	1	Current Critical Care	BLS, ACLS	Critical Care Course
Emergency Room	1	ER	BLS, ACLS, PALS, TNS or ECRN	
Labor and Delivery	2	L&D	BLS, Fetal Heart Rate Monitoring Course (hospital approved), NRP	
Telemetry	1	Current Critical Care	BLS, ACLS	Critical Care Course
Psych (Geriatric)	1	Current Psych	BLS, Non-Violent Crisis Intervention Course	
Medical / Surgical	1	Med/Surg	BLS	

Contracting

- Worked with each HHC facility to define and standardize minimum skills and credential requirements for each contract staff type
- Built minimum skills requirements into contract terms

WFX Technology

- Loaded all HHC minimum skills and credential requirements into technology
- Minimum requirements are used as filter in requisition and confirmation process

HHC has addressed 270+ contract labor staff types through contracting & WFX

Job Type	Job Category	# Job Types	Sample Job Types
Nursing	RN- Non-Specialty	15	Med/Surg, Pediatrics, Psych
	RN-Specialty	39	Burn, ER, ICU, PACU,
	LPN	12	Med/Surg, Nursery
	Nursing Assistants	2	CNA, Sitter
	Techs	14	Surg Tech, ER Tech
	First Assistant	2	OR Tech Assistant
	Nurse Practitioner	11	Family Practice, ER
	Supervision	1	Hospital Supervisor
	Nurse Educator	3	Certified Diabetes Educator
	Non-Acute Nursing	15	Nursing Home Supervisor
Allied	Cardiology	10	EKG Tech, CV Tech
	Laboratory	13	Medical Tech, Phlebotomist
	Pharmacy	4	Pharmacist,

Job Type	Job Category	# Job Types	Sample Job Types
Allied (cont)	Radiology	9	CT Tech, Ultrasound Tech
	Radiation Oncology	3	Dosimetrist
	Rehab	12	Physical Therapist
	Respiratory	5	Respiratory Therapist
	Dentistry	3	Dental Hygienist
	Neurodiagnostic	3	Neurodiag. techs
	Nutrition	2	Dietician
	Social Worker	7	Substance Abuse Counselor
Non-Clinical	Accounting	13	Cashier, AP
	Administrative	40	File Clerk, Receptionist
	Case Management	6	Chart Assessment/Review
	IT	11	Data Entry, Desktop Support
	Logistics	21	Patient Escort, etc.

NYC Health and Hospitals deployment of Broadlane Workforce Management Program (2009)

Key service levels have also been deployed through contracts & technology

Consistency of Quality	Reliability of Service	Risk Management	Monitoring & Compliance
<ul style="list-style-type: none"> • Pre-assignment background screening • Staff qualifications & Credentials • Health screening • Ongoing eligibility requirements • DNR requirements • Orientation policy • Assignment definitions 	<ul style="list-style-type: none"> • Staff floating requirements • “No show” and “Late show” penalties • Cancellation penalties • Shift call-off policies • Assignment termination policies • Timely and accurate invoicing 	<ul style="list-style-type: none"> • Restrictions on 1099 staff use • Right to audit agencies • Facility right to hire • Minimum insurance coverage requirements • Staffing requirements in disaster & emergency situations 	<ul style="list-style-type: none"> • Overtime and shift differential policy • Billing and invoicing terms • Timekeeping • Reporting <ul style="list-style-type: none"> • Overtime usage • Traveler usage • Department • Penalty tracking

HHC & Broadlane have deployed ongoing approach to contract labor management

- **Facility coordination:** Have established and manage collaborative relationships with all HHC stakeholders to ensure continual satisfaction with contract labor program and to identify opportunities to introduce improvements to internal processes
- **Active agency management:** Continually monitor vendor performance in meeting HHC facility staffing needs in compliance to contract, quality, and technology requirements
- **WFX technology:** Implementations have been customized per specific HHC facility needs and processes, and training is provided to facilities and agencies in on-going basis to ensure efficacy and adoption
- **Contracting:** Contracts and vendor set tailored to specific HHC facility and staffing needs to ensure effectiveness of program while achieving savings and service level objectives
- **Audit program:** Recurring onsite audits of all agencies are conducted for compliance to contract, JCAHO standards and HHC specific requirements

Key HHC contract labor program results

- **Have generated ongoing annual contract labor savings of over 8%**
 - Bill rate optimization
 - Improved contract compliance
 - Process improvement
- **Have standardized all contract elements across vendors**
 - Pricing and service levels
 - Minimum skills and credential requirements
- **Have successfully implemented WFX across HHC**
 - All nursing vendors and volume converted from manual process to web-based
 - Continuing to convert allied and non-clinical volume as second phase
 - Technology has enabled vendor compliance and significant process improvement

Key learnings & observations

- Effective contract labor management has required a commitment from all functions and all levels within HHC
- Web-based agency management technology has been a critical component of HHC's efforts to optimize contract labor management, achieve savings, and ensure quality controls
- Vendor-neutral agency management has enabled HHC to measure and actively provide opportunities to the strongest performing vendors
- Important to take a long term perspective on strategic management of contract labor

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