5 Ways Scheduling Affects Healthcare Labor Costs

Chances are, labor costs are your practice's biggest expense. In fact, the Healthcare Financial Management Association (HFMA) tells us that labor expenses at medical facilities have increased significantly in the last ten years and are now labor's share of total costs is the highest at 55%. According to the U.S. Bureau of Labor Statistics, employment in healthcare occupations is projected to grow 15 percent from 2019 to 2029, adding about 2.4 million new jobs. Understandably, this plays a role in driving costs up.

Meanwhile, medical facilities are seeing cost reductions in other areas of operation due to the automation of specific business processes such as billing, patient communications and electronic health records. These reductions have led CFOs and other stakeholders to seek savings in labor without cutting employees, wages, and most importantly, without compromising care.

Many organizations are finding these savings by leveraging workforce management (WFM) software. For healthcare providers looking to improve their processes to lower costs, time tracking and shift scheduling software provides long-term benefits by eliminating compliance issues, improving patient care, managing complex organizational structures, reducing turnover and allowing HR departments to focus on improvements to the overall organization.

01.

Compliance Issues

Organizations can often bring regulatory compliance issues under control by implementing automated time tracking and scheduling systems. One such healthcare organization, Century Care Management, a 24/7 nursing residency with over 900 employees across nine facilities, discovered these benefits and more.

> ### TCP Helped Century Care Management Process Employee Data In Half the Time
>
> **❯ Read How**

Due to its complex structure, Century Care faced an array of compliance requirements and looked to TCP for help. Some of these requirements are not unique to the healthcare space, such as the Affordable Care Act (ACA). The ACA mandates that organizations employing 50 or more full-time employees throughout the calendar year must offer those employees health insurance. These organizations could be audited and potentially fined if not in compliance with the mandate. But tracking this data is difficult without the proper tools. An automated time tracking and scheduling system ensures you know whom you must provide insurance for. It also alerts you to when your part-time employees are encroaching on full-time status.

Additional compliance concerns come from the Fair Labor Standards Act (FLSA) and the Family and Medical Leave Act (FMLA). The FLSA includes standards such as minimum wage, overtime pay, record keeping requirements and youth employment restrictions. FMLA requires an organization to manage sick leave in coordination with federal, state and local regulations. Both the FLSA and FMLA can introduce considerable risk for non-compliance.

TCP's automated tools helped to mitigate Century Care's non-compliance risk by consolidating the tracking of time off by classification and monitoring hourly limits and totals.

02.

Patient Care

One thing, among a long list of things we have learned during the COVID-19 epidemic, is that scheduling has a tremendous impact on both patients and staff. In a perfect world, proper scheduling means you have enough staff to care for patients.

However, when the system is stressed, manual scheduling becomes incredibly difficult, if not impossible. With an automated scheduling system, you can better fill gaps caused by no-shows or call-outs with employees who have had adequate time off to rest and recover, or those who are not at risk of exceeding their part-time/full-time hour load.

We have long known that staff working the appropriate number of hours are less tired and apt to make fewer mistakes. But they are also less likely to be disgruntled and, therefore, more empathetic and have more energy to focus on providing exceptional patient care.

03.

Unique Organizational Structures

Organizations may have multiple locations, 24-7 care, and traveling workers, which all create unique scheduling challenges. Keeping track of these structures can be time-consuming and confusing. Without a central, enterprise-wide solution, managers must cross-check several data sources to schedule each employee properly.

These complex systems also introduce additional opportunities for errors, such as gaps in schedules, and over or under-scheduling workers. On top of that, your mobile employees need access to flexible tools to record, report and manage their time.

An automated scheduling system can provide those tools and will also offer overtime equalization—balancing overtime among employees. Overtime equalization ensures no single employee is overstressed by working too many hours. It also prevents creating an environment of perceived favoritism.

04.

Employee Turnover

Every healthcare organization knows their reputation rises based on the distinction of their employees. This is why you have hired the best of the best. An excellent salary is undoubtedly one benefit employees value when choosing an organization to work for, and proper scheduling can help you retain those employees. When workers feel they have no control over their schedule, they are more likely to seek employment elsewhere.

Part-time employees may have other jobs besides the one with your organization. Frequent and abrupt changes to their schedule may cause them to seek other opportunities despite being happy in their current job.

Demand-Driven Scheduling Helps Healthcare Orgs Stay Resilient

Learn how healthcare orgs are rebuilding processes to achieve high productivity without stretching staff too far or compromising quality of care.

❯ Check It Out

Working too many hours or too few may affect the employee's opinion of the organization, and prompt them to look elsewhere for work. By providing flexible and transparent time-clocking, an easy view of schedules, accurate pay and an easy way to request time off, you are fostering employee loyalty and reducing the likelihood of workers jumping ship.

05.
Payroll & HR

You can reduce the time it takes to process payroll, in some cases quite significantly, and reduce costly payroll errors with accurate scheduling and reporting. Accuracy can eliminate that cloud of worry hanging over your payroll staff's heads, wondering if they dotted all the i's and crossed all the t's. In fact, TCP's software helped the payroll staff in one organization **reduce payroll processing time from four days to just two hours**! Long-term care facilities have even more with which to concern themselves. Under Section 6106 of the ACA, these facilities must pay close attention to the time tracking of staff working directly with patients. Compliance includes Payroll Based Journal (PBJ) digital reporting to the Center for Medicare and Medicaid Services (CMS).

A robust time and attendance system such as TCP's TimeClock Plus software can ensure the level of detail and accuracy the CMS demands and again, reducing the time and headaches this reporting can put on the HR department.

Yet, any facility can benefit from shift scheduling software. Access to optimal scheduling tools empowers your HR department to do their work with less stress. They will have fewer employee/manager complaints to mitigate and have the information they need to make informed decisions. But perhaps most importantly, they will have more time to use their skills to strategize new ways to carry out the company vision, collaborate with management to improve communications and strengthen employee relationships.
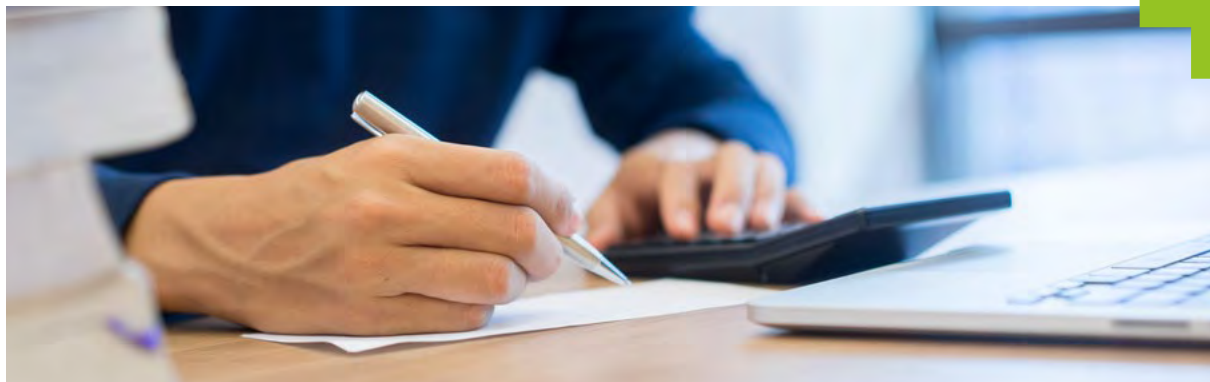
Conclusion

Smarter employee scheduling using shift scheduling software can have a positive impact on your organization by reducing labor expenses. It can also help to prevent the levying of fines due to improper reporting and scheduling non-compliance. However, just as necessary are the adjuvant benefits such as improved patient care, employee loyalty, and a less stressed workforce. All outcomes you want under ordinary circumstances, but desperately needed during a time of crisis.

Do you want more information on how employee scheduling software can benefit your company?

Schedule a consultation now to explore a personalized solution to meet your complex needs.