5 Ways to Effectively Manage Overtime in Healthcare

In healthcare, overtime is sometimes a necessity, but it can quickly become problematic if you lack the necessary policies and systems to manage it.
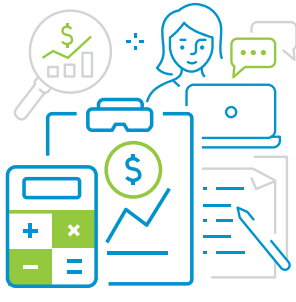
How Does Overtime Hurt Your Organization?

Overtime can cause issues throughout your organization, not just the budget.

Increased labor costs

Straight overtime, double-time and overtime resulting from shift differentials can quickly add up. While some believe 3% is a healthy average OT rate, it could quickly escalate without proper oversight.

Employee burnout

Employees who work excessive overtime can find it harder to achieve a healthy work-life balance, elevating levels of stress and burnout.

Risk of error and risk to patient care

A Health Affairs study found that the risks of making an error were significantly increased when hospital nurses worked shifts longer than 12 hours or more than 40 hours per week.

Talent retention

Developing a reputation for excessive overtime can make it hard to attract and retain talent, which is especially concerning when you consider the existing healthcare talent shortage.

5 Ways to Tackle Overtime in Your Healthcare Center

1. Establish a clear policy and procedures

Understand the difference between the standard legal requirements (time and a half for any hours worked over 40 in a workweek) and the FLSA's "eight and eighty" overtime calculation option, which allows your healthcare center to use a fixed work period of 14 consecutive days to calculate overtime, instead of the 40-hour workweek.

You need an overtime policy that clearly spells out:

- How you calculate and assign overtime.
- Any overtime limits, if applicable.
- How you manage overtime in the case of a policy exception.
- Whether employees can swap overtime hours with coworkers.

2. Set predictable schedules for regular and overtime hours

By setting predictable schedules, you can ensure adequate staff coverage during all working hours and avoid needlessly overworking your employees.

Build Schedules In Minutes, Control Costs & Manage Risk

TCP's Humanity Scheduling system offers robust tools that can help you set employee schedules and see how much overtime you may require. It also offers reporting to help you determine where you need overtime versus using on-call or per-diem staff.

> **Learn More**

3. Monitor overtime limits and overscheduling

Take advantage of overtime monitoring software to take action before it becomes a serious problem. Set up notifications to alert you when employees approach overtime limits or work too many consecutive days of overtime.

4. Identify and eliminate potential areas of waste

Unscheduled overtime happens when end-of-shift emergencies arise or employees punch in early or punch out late. These can add up quickly. Use exceptions within your workforce management system to flag or restrict clock operations that deviate too far from the schedule.

5. Monitor historical overtime trends

Examine historical trends and compare overtime hours from one period to the next and watch for noteworthy overtime patterns. Is employee overtime delivering the value you expect?

Even if overtime is a necessity at times in your healthcare center, it doesn't have to stand in the way of effective cost management and efficient work operations.

Want to learn more? Read our blog, "How to Effectively Manage Overtime in Your Healthcare Center."