

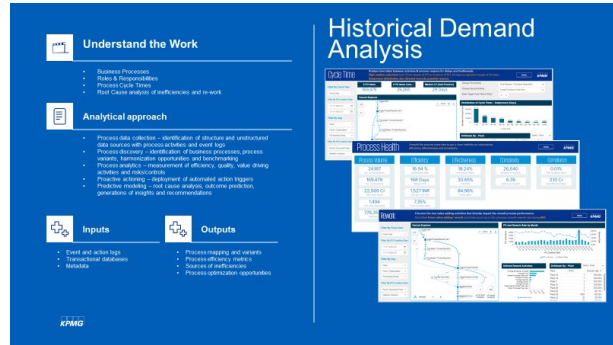


Our Approach to Workforce Management and Labor Optimization

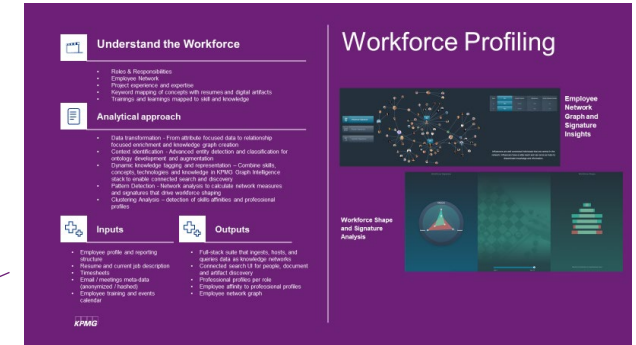


Our Approach to Workforce Planning & Optimization

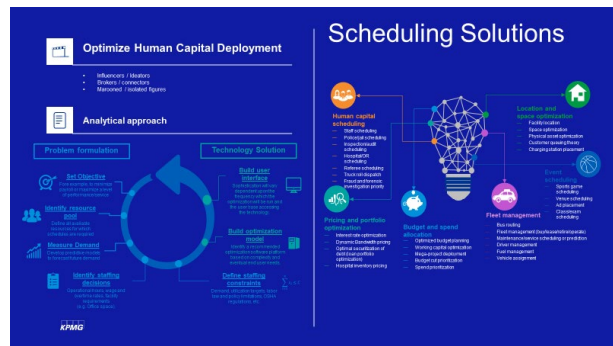
The process of meeting these challenges, optimizing the workforce, and managing the day-to-day scheduling process, can be summarized in 4 steps. Each step involves specific questions and analysis, and a single software tool does not always meet the needs of an organization. Your specific characteristics will determine which steps are worthwhile investing in and will be determined after a thorough assessment and evaluation.



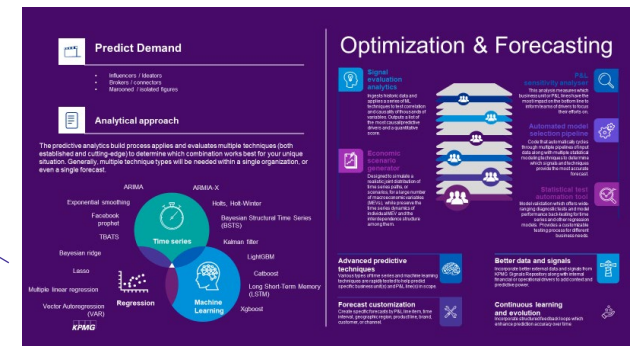
What are the historical variations which drive the schedule (eg, patient throughput, demand peaks and troughs, etc?)



What are the skills and availability of the staff that I have able to meet the demand?



How can I effectively manage the day-to-day process of roster building, managing and reporting?



What techniques can I use to predict future demand based on what I know historically and about how my business is changing (eg, new facilities, changed offerings, etc?)



Understanding the Path Forward

Currently, nurse scheduling is decentralized and fragmented, making it difficult to proactively predict and determine staffing needs across the organization.

Current State

- Scheduling is currently decentralized and is completed at the unit level – making it difficult to look at staffing needs across the organization
- Unit Schedules are typically not balanced when they come to the centralized staffing office
- Staffing and Scheduling polices / practices vary by unit
- Positions are hard to fill, and it takes weeks (if not months) to hire and onboard new resources
- CHOP historically has not been able to utilize Kronos to predict staffing demand and forecast future needs
- CHOP is currently on Kronos v7 and is in the process of upgrading to v8 and needs to understand the impacts and capabilities of the system to enhance centralized scheduling
- Currently mobile scheduling capabilities do not exist for staff and need to be evaluated (e.g., PTO request, Swap a shift etc.)

Centralized Scheduling

Centralized Staffing

Robust Workforce Mgmt Solution

Position Mgmt & Predictive Analytics

Centralized Scheduling

Future State Benefits

- Organizational view of all staffing needs through centralized scheduling
- Better alignment of staffing resources to patient demand
- Coordinated staffing from one location that is proactive vs reactive
- Standardized staffing and scheduling policies and processes
- Optimized labor cost with increased productivity and reduced use of overtime, agency, and premium pay
- Increased employee satisfaction with self-service capabilities
- Enhanced WFM system solution that provides useful dashboards and reports to drive management staffing decisions

Centralized Scheduling Team



Stakeholder Interviews

- 38 interviews
- 67 total people from 8 different roles



Policy Comparison

- Review of 18 unit policies
- Creation of policy comparison spreadsheet



Staff Surveys

- 537 staff nurse surveys
- 30 NM surveys
- Comprehensive review of findings and patterns



Executive Visioning Session

- Review of current findings
- active discussion with CHOP leadership team for next steps

Position Control / Predictive Modeling Team

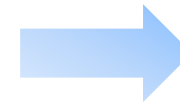
- Collaboration with Lighthouse team for position control and predictive staffing assessment and recommendations

Kronos/UKG Team

- Assessment of current and future Kronos capabilities to facilitate process efficiency

Development of staffing model that aligns resources, standardizes scheduling practices, and optimizes workforce utilization

- Standardizing scheduling policies
- Right-sizing centralized staffing department
- Cross-training nursing staff across similar units
- Leveraging current and future scheduling software capabilities

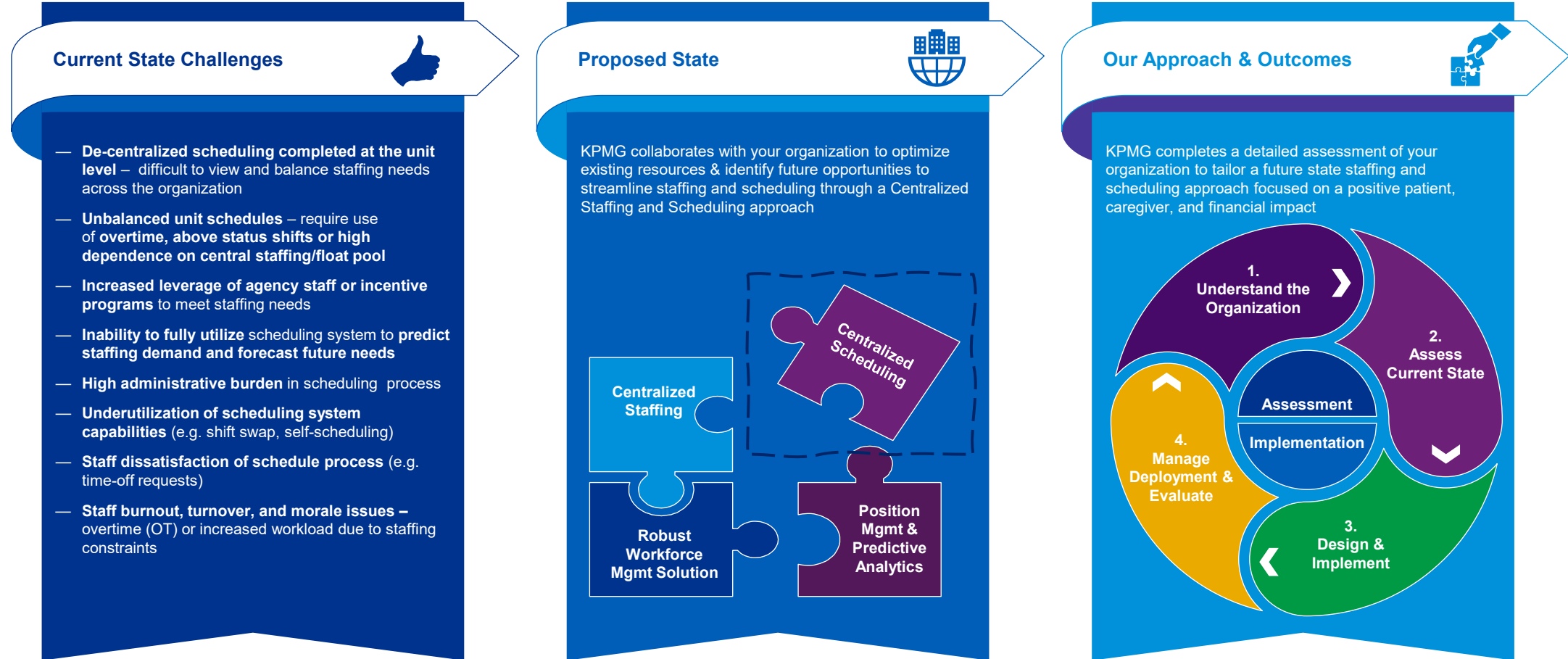


Review of future of healthcare

- Future of nursing workforce
- Opportunities for "Disruptive Innovation" to address nursing shortages
- Role of digitization in the hospital of the future

Why move to centralized scheduling?

With the current labor shortage in the market, many organizations have shifted focus to better utilize the workforce they have by streamlining staffing and scheduling practices and enhancing the employee experience.



Labor Scheduling and Workforce Management Current Trends

Labor Scheduling trends are addressing advancements in employee experience, mobile functionality, integrated time and scheduling data and real-time dashboard reporting.

Labor Scheduling Trends

- **WFM Center of Excellence:** Dedicated resources focused on overall WFM strategy for the organizations working closely with business managers, HR and Finance
- **Employee Experience:** Employee self-service for PTO requests and swap shifts add greatly to the employee experience.
- **AI System Capabilities:** AI functionality to automate acceptance of employee requests like PTO, Availability and Predictive Staffing and forecasting demands
- **Centralized Scheduling:** Completing scheduling tasks at a central level drives consistency, compliance and efficiency
- **Real-Time Dashboard Reporting:** available within integrated time and scheduling solutions to provide managers with impactful decision making data.
- **Mobile Functionality:** to allow employees direct access with time and schedule data. From clocking, schedule changes (swap shifts, etc.) and requesting PTO.

KPMG Client Examples

- **Large healthcare provider:** Implementing mobile functionality to provide increased schedule interaction access and improve employee experience. Scheduling functionality such as view schedule, swap shift, pick-up open shift are a few of the key items currently deployed via mobile
- **Large healthcare provider:** Implemented new ERP and aligned core HR, payroll, time /attendance and workforce management process/policies to streamline reporting and gain a greater understanding of their workforce use and need. Utilized AI technology to free up managers from spending inefficient time in approving or denying employee requests for PTO and schedule changes
- **Large healthcare provider:** Deploying centralized scheduling office to improve scheduling consistency, efficiency and free up department managers from the tasks associated with creating, editing and managing schedules. Centralized timekeeping is also a opportunity to improve manager efficiency.

Trends in Cost Transformation – Workforce Management

With the current labor shortage in the market many organizations have shifted focus to better utilize the workforce they have by streamlining staffing and scheduling practices and enhancing the employee experience



Workforce Management Solution Optimization

- Optimization of workforce management application to become a decision support tool
- Addition of all staff hourly (overtime-eligible staff) into a workforce management solution



Reporting (Data Integration)

- Real-time reporting with integrated data systems
- Integrating of agency / contingent staff into the workforce management solution
- Greater insight into invoices paid to hours worked



Workforce Management Practices

- Increased Time from Requisition to Onboarding
- Time from Requisition to Onboarding
- Centralized Scheduling
- Standardized Policies / Procedures
- Alignment of Job Codes / Job Rules

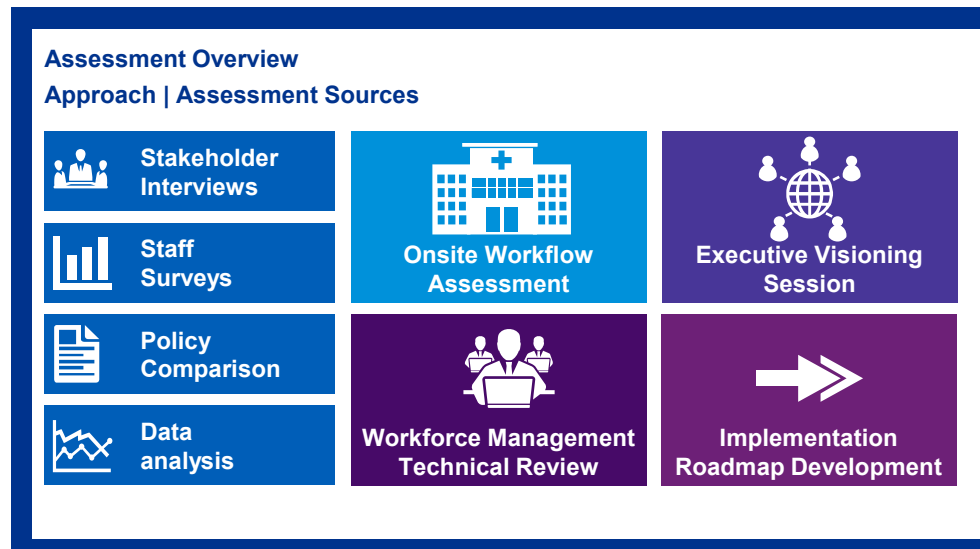


Position Management

- Strategies to attract top talent
- Leave impacted on budget FTEs
- Insight into FTEs available to work
- Visibility into open requisitions
- Faster approvals for positions
- Automated tracking of open requisitions
- Real-time position control
- Executive dashboard of hiring needs

Assessment approach

KPMG focuses on current scheduling and staffing processes and policies to identify key recommendations based on assessment sources and leading practices for workforce optimization through technology enhancements, process improvements, and education sessions



Staff Surveys

Survey Findings

Would you be supportive of moving to a centralized scheduling and staffing office, if self-scheduling remained in place?

76% Yes, 24% No

Notes:

- Would be grateful for an admin to help with scheduling. However, please do not make them responsible for scheduling. They should be able to focus on other tasks.
- Employees that are self-scheduling are not happy. Knowing the status of staff is crucial in the ICU.
- I am concerned that a centralized scheduling office will not be able to handle the volume of work. The scheduling team is currently working with the staff and will need to be trained to handle the volume of work. A centralized staffing model will not work. Schedule and operational.
- Each unit has its own very specific needs and roster scheduling patterns to meet them. One way of doing scheduling for the entire hospital will not work.
- I would support if everyone had the same requirements for overtime self-scheduling. The staff has varying needs and different requirements compared to other units. I know this because I have to work on another floor. Self-scheduling, call outs and 11%, you should not have a central scheduling office.

Policy Comparison

Policy Comparison

Policy Area	Hospital Policy	Unit Based Variations	Proposed Recommendations
Seniority benefits	N/A	- Variation in weekend requirements - Self-scheduling privileges - Off-shift requirements	- Determine if organization is going to provide preferential scheduling based on seniority - Standardize preferential practices
PPL/Vacations	N/A - Policy only for accruals	- Number of weeks - seniority based vs. equal across all staff - Summer / Winter vacations vs. year split into thirds - Seniority vs. First to Request - Vacation length (1 or 2 weeks)	- Establish a standardized Request off Process - Consider mobile app for time-off requests
Scheduling Process	N/A	- Employee self-scheduling (ESS) groups determined by seniority vs. random vs. skills/role/qualifications - Schedule balancing - between groups vs. at completion of ESS - Length of time per ESS group to schedule	- Establish a standard scheduling sign-up process with potential rotating groups

Payroll and Labor Analysis

ICU Data Analysis | 1/1/21 - 6/30/21 (Illustrative)

Payroll Data

Category	Amount
OT %	3.4%
RN OT %	3.3%
OT Hours	2.9K
OT Dollars	\$160K
Incentive Dollars	\$15K
UPPL %	2.9%
UPPL Hours	2.6K
UPPL Dollars	\$90K
Non-productive Hours %	10.3%
Leave %	9.2%

Staffing Matrix

Role	Matrix staffing #	Actual staffing # (average)
RN	14	14.39
SNA	2	2.09
IPC	1	0.95

FTE Breakdown

- RN Staff: 100% Full Time, 0% Part Time
- SNA Staff: 100% Full Time, 0% Part Time

Admission, Discharge, Transfer Data

Admission, Discharge, Transfer Analysis Overview

Top 5 Highest activity (activity on the unit in between 12 PM - 4 PM (EST))

DATA DEFINITIONS

- Admit:** Patients admitted to the unit who did not receive initial treatment from the ED
- Discharge:** Patients discharged from the unit into the community
- Transfer In:** Patients transferred into the unit from another hospital unit within the facility
- Transfer Out:** Patients transferred from the unit to another unit within the facility
- From ED:** Patients admitted to the unit who received initial treatment from the ED
- Average Census:** Patients who are assigned to the unit and are in a bed by the hour
- Census-Max:** Most frequent number of patient in beds by the hour
- % Churn:** Time of the day with highest average admissions, discharges, and/or transfers. Sum of ADT instances during peak hour. Total number of ADT instances during the day week.

High-Level Timeline

Moving Forward: Design & Implementation

High-Level Design and Implementation Timeline

Based on the current operational conditions (Scheduling and Staffing) and proposed initiatives, we anticipate a 4-month design period with an additional 2 months for implementation readiness, and 2 months for deployment.

Implementation approach

<ul style="list-style-type: none"> — Design, build, and deploy KPI tracking dashboard for use after deployment — Update and refine the ROI throughout deployment 	KPI & ROI Tracking
<ul style="list-style-type: none"> — Development of simulated schedule build training environment — Collaborative design of centrally scheduled graph — Manual schedule review prior to release — Post-deployment debriefs on all key workstreams — Recommendations for continued monitoring/process improvement 	Schedule development and deployment
<ul style="list-style-type: none"> — Development of training materials for staffing model and tech enhancements — Completion of “train the trainer” education sessions — Development of tracking and training logs 	Skills Training and Tracking
<ul style="list-style-type: none"> — Analyses of FTE needs in future state — ADT review to align staffing resources to needs — Assessment of current staffing in preparation for transition to alternative schedule model — Recommendations for temporary staffing enhancement during transition 	Staffing Analysis & Alignment

KPMG will collaborate to address your organization’s unique needs throughout the design, implementation readiness and deployment process



Change Readiness Planning	<ul style="list-style-type: none"> — Development of detailed communication and change readiness plan — Development of strategies to promote leadership and organizational alignment — Development of communication drafts and education materials for key stakeholders — Development and deployment of assessment surveys to identify and address specific concerns
Design Sessions	<ul style="list-style-type: none"> — Collaborative design sessions with key stakeholders from multiple disciplines to determine design and implementation framework for key initiatives — Analyses of impact of design decisions on staffing and scheduling across the organization
Policy Revision	<ul style="list-style-type: none"> — Standardized policy design based on key variances found in policy comparison — Collaborative draft and review process — Impact analysis of policy changes on staffing and scheduling and morale — Development of dashboard to monitor and track compliance
Technology Enablement	<ul style="list-style-type: none"> — Execution of key technology enhancements critical to success in alternative staffing model — Assessment of staff and leadership knowledge of key enhancements — Recommendations for future state information technology needs to support workforce management based on leading practices

Benefits of Centralized Scheduling

Projected cost reductions					
Cost category	Overtime	Premium/incentive pay	Turnover/onboarding costs	Unplanned PTO/call-outs	Administrative support staff
Projected Cost Reduction	15-25%	15-25%	2-5%	15-25%	Varies



Higher Staff Satisfaction

- Reduced administrative burden related to staffing and scheduling
- Reduced staff burnout
- Increased staff morale and satisfaction
- Decreased absenteeism
- Improved Work-life balance and health with patterned schedules (Circadian rhythm)



Improved Quality of Care

- Increased patient-focused care with quality outcomes
- Enhanced patient experience with more engaged staff and managers
- Improved patient satisfaction scores



Decreased Labor Cost

- Reduced OT, Premium pay
Reduction in agency spend
- Reduced turnover leading to less training and onboarding time



Standardized Policies and Processes

- Standardization of staffing processes and improved workforce optimization
- Enhances staffing projects and reporting
- Ensures proper allocation and optimization of float pool resources
- Establishes stable work groups and decreased floating
- Reduction in scheduling errors



Improved Management of Specialized Resources

- Better alignment of hiring needs across the organization
- Improved management of resources with specialized skill sets
- New approach to future hiring and skill sets needed cross the organization

Case Study: WFM Technical and Operational Assessment of System's WFM Solution Capabilities & Utilization

Client: Children's Hospital of Philadelphia

Sector: Healthcare – Hospitals & Health Systems

Project: Workforce Management Solution, Centralized Staffing & Scheduling Assessment

Children's Hospital of Philadelphia (CHOP) worked with KPMG to complete an assessment of their current scheduling and timekeeping practices. In their current state, scheduling and timekeeping was completed at the unit level with multiple participants including unit administrative support staff, charge nurses, clinical supervisors, and nurse managers. In addition to the lengthy process and large administrative burden associated with the scheduling and timekeeping process, variation in unit-based scheduling guidelines and policies contributed further to the challenge of allowing the organization to proactively create scheduling and staffing solution. This contributed to high utilization of overtime and incentive pay programs to meet the organization's staffing needs. Ultimately, the organization determined there was a need to reevaluate scheduling and timekeeping practices to proactively address scheduling gaps and reduce administrative burden associated with the scheduling and timekeeping process.

Client challenge

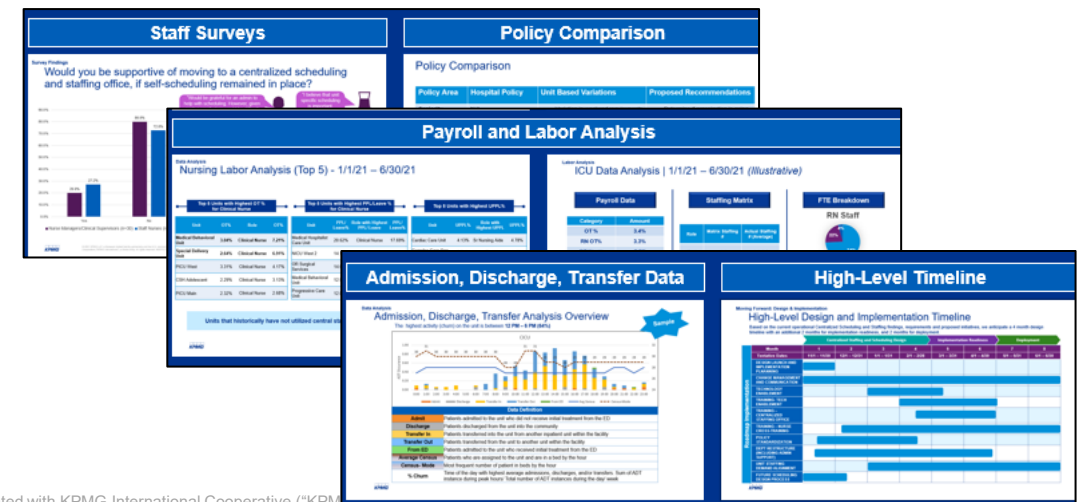
- Lengthy schedule build process involving multiple participants
- Varying approaches to scheduling and timekeeping at the unit level
- Limitations in central staffing (float pool) resources for specialized units or populations requiring specialized skill sets
- Underutilization of existing scheduling and timekeeping software features, increasing dependence on manual processes
- Staff dissatisfaction with current scheduling and request-off process
- Staff resistance to a change related scheduling practices

KPMG response

- Recommendation to centralize scheduling and timekeeping to central office
- Restructure nursing operations department in a way that allows central oversight of the schedule build process to promote proactive solutions and reduce administrative burden on unit leadership
- Optimize timekeeping software functionalities and knowledge base – train staff in automated processes to reduce dependence on manual processes
- Right-size and up-skill central staffing (float pool) resources to meet organizational needs
- Standardize scheduling and timekeeping guidelines to ensure scheduling needs are met consistently across the organization
- Emphasize change readiness initiatives with focus on frequent communication and staff participation, along with training

Benefits to client

- Proactive view of staffing at the organizational level to provide staffing resources during schedule build process
- Increased use of existing scheduling capabilities to promote balanced schedules and reduce burden associated with schedule build, balance, and shift swaps
- Improved request off process to promote work / life balance and reduce absenteeism related to previously denied requests
- Decreased dependence on overtime and incentive pay programs to consistently meet staffing needs across the organization





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