



# Staffing Productivity: Applications for Hospital Leaders

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# Staffing Questions



- **Do we have the correct number of staff?**
  - Are we overstaffed?
  - Are we understaffed?
- **Where do we start?**
  - Benchmark your organization and departments against similar organizations
  - Establish benchmarks or targets
  - Identify opportunities to improve operations

# Staffing Productivity



- **What is Staffing Productivity?**
  - Measurement of work efficiency
  - Expressed as Hours per Workload Unit
  - Helps organizations reach their goals and improve margins
  - Provides a system to routinely monitor performance and evaluate resource needs

# Productivity Study - Goal



**To provide relevant measures of efficiency and productivity for each measurable department.**

# Productivity Study - Process



- **Data request – to determine customized compare group**
- **Online management survey – to gain information in preparation of departmental analysis**
- **In depth analysis of comparative data and historical performance for each measurable department to establish a meaningful baseline (benchmark)**
- **Detailed report documenting opportunity for savings based on validated staffing targets**

# Peer Group Definition



- **National – All Critical Access hospitals**
- **Regional – All Critical Access hospitals within the state of NE and the states bordering the state of NE**
- **State – All Critical Access hospitals in the state of NE**
- **Compare (Peer) Group – Customized group of hospitals based on similar size, service, and structure**

# Key Performance Indicators (KPIs)



Key Performance Indicators	FTE/AOB	Paid Hours per Adj Discharge	FTE per 100 Adj Discharge	Salary per Adj Discharge	Revenue/FTE	Total Personnel Expense per Adj Dis	Personnel Exp as a % Net Pat Rev	Personnel as a % of Operating Exp
<b>ruralMED Group</b>								
10th Percentile	9.17	275.58	13.25	\$11,091	\$181,468	\$14,073	64.9%	58.68%
25th Percentile	5.77	170.30	8.19	\$7,769	\$199,957	\$9,339	56.8%	53.64%
Median	5.04	148.96	7.16	\$6,608	\$222,027	\$8,203	51.6%	49.67%
75th Percentile	3.75	122.83	5.91	\$5,669	\$256,017	\$6,715	42.4%	43.31%
90th Percentile	2.72	88.92	4.28	\$4,484	\$296,233	\$5,479	38.8%	36.95%
Average	5.23	174.65	8.40	\$7,824	\$231,535	\$9,141	51.1%	48.82%
<b>Nebraska</b>								
10th Percentile	9.17	370.13	17.79	\$22,558	\$155,114	\$22,558	63.5%	58.59%
25th Percentile	6.24	228.93	11.01	\$9,293	\$183,213	\$10,700	57.6%	52.99%
Median	4.69	165.01	7.93	\$7,397	\$215,995	\$8,539	49.7%	47.45%
75th Percentile	3.50	112.15	5.39	\$5,544	\$248,709	\$5,963	44.9%	42.16%
90th Percentile	2.72	88.92	4.28	\$4,476	\$285,502	\$4,722	40.9%	38.02%
Average	5.36	211.60	10.17	\$9,819	\$219,082	\$11,067	51.5%	47.69%



# Productivity KPI Formulas



## **FTE/AOB (Full-Time Equivalents per Adjusted Occupied Bed)**

- Number of FTEs/((Gross Patient Revenue/Gross Inpatient Revenue) x (Inpatient Days/Days in Period))

## **Paid Hours per Adjusted Discharge**

- Total Paid Hours/Adjusted Discharges

## **FTE per 100 Adjusted Discharges**

- Number of FTEs/(Adjusted Discharges/100)

## **Salary per Adjusted Discharge**

- Salary Expense/Adjusted Discharges

# Productivity KPI Formulas



## Revenue per FTE

- $\text{Operating Revenue} / \text{Number of FTEs}$

## Total Personnel Expense per Adjusted Discharge

- $(\text{Salary Expense} + \text{Contract Labor Expense} + \text{Fringe Benefit Expense}) / \text{Adjusted Discharges}$

## Personnel Expense as % of Net Patient Revenue

- $(\text{Salary Expense} + \text{Contract Labor Expense} + \text{Fringe Benefit Expense}) / \text{Net Patient Revenue} \times 100$

## Personnel Expense as % of Operating Expense

- $(\text{Salary Expense} + \text{Contract Labor Expense} + \text{Fringe Benefit Expense}) / \text{Total Operating Expense} \times 100$

# Department Comparisons



Percentile Performance	# of Depts	Prod FTEs	Median FTE	Median Variance	Better FTE	Better Variance	Best FTE	Best Variance
Departments Below Median	19	109.18	98.78	(10.40)	80.76	(28.42)	70.55	(38.63)
Departments Between Better and Best	17	75.00	80.34	5.34	66.39	(8.61)	58.94	(16.06)
Departments Between Median and Better	11	33.28	42.46	9.18	35.28	2.00	31.51	(1.77)
Departments Above Best	6	4.07	7.10	3.03	5.67	1.60	4.97	0.90
Total Benchmarked FTEs	53	221.53	228.68	7.15	188.10	(33.43)	165.97	(55.56)
Total Unbenchmarked FTEs	10	1.56	1.56	-	1.56	-	1.56	-
<b>Total FTEs</b>	<b>63</b>	<b>223.09</b>	<b>230.24</b>	<b>7.15</b>	<b>189.66</b>	<b>(33.43)</b>	<b>167.53</b>	<b>(55.56)</b>

# Department Benchmarks



Department	Workload Unit	WLUs	Prod Hrs/WLU	Prod FTE	Median Hrs/WLU	Better Hrs/WLU	Best Hrs/WLU	Median FTE	Median Var	Better FTE	Better Var	Best FTE	Best Var
Med/Surg Nursing	Patient Days	2,132	21.69	24.08	21.95	18.34	16.60	24.37	0.29	20.37	(3.71)	18.43	(5.65)
Operating Room	Surgeries	728	18.86	7.15	17.95	14.50	11.62	6.81	(0.34)	5.50	(1.65)	4.41	(2.74)
Emergency Room	ER Visits	2,499	3.58	4.66	3.67	3.17	2.79	4.78	0.12	4.13	(0.53)	3.62	(1.04)
Laboratory	Lab Tests	64,017	0.26	8.82	0.31	0.26	0.22	10.34	1.52	8.67	(0.15)	7.34	(1.48)
Radiology	Rad Tests	8,459	1.54	6.79	1.99	1.70	1.52	8.77	1.98	7.49	0.70	6.70	(0.09)
Pharmacy	Units	117,237	0.06	3.63	0.07	0.06	0.05	4.27	0.64	3.66	0.03	3.05	(0.58)
Physical Therapy	PT Visits	17,091	2.06	18.36	1.88	1.54	1.33	16.73	(1.63)	13.71	(4.65)	11.84	(6.52)

# Applications



- **Determine organizational goal for productivity**
- **Compute the appropriate number of FTEs**
  - Identify target areas
- **Evaluate all openings/position requests**
- **Set department goals/targets**
- **Measure progress**
  - Include on monthly department reports
  - Develop quarterly Senior Leadership report

# Budget



- **Determine organizational goal for productivity**
- **Utilize projected volumes for budget**
- **Compute the number of FTEs needed based on benchmark goals established**

# Productivity Tool



- **Monthly measurement of FTEs and productivity for all departments**
- **FTE Summary**
  - Worked hours (productive hours)
  - Paid hours
  - Contract hours
- **Department Analysis**
  - Tracks progress on goals (budget)
  - Comparison with benchmarks

# Department Reports



- **Monthly measurement of FTEs and productivity for individual departments**
- **Include benchmarks on monthly department reports**
  - Track progress on goals
  - Identify opportunities for staffing adjustments
  - Initiate discussions with managers



# Questions?



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