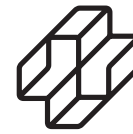


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Time = Money: Freeing Up Time for Work Priorities

It's simple, really. To be an effective manager, you have to manage your time. But between budget meetings, staffing schedules, and interruptions from physicians, it can be difficult to squeeze productive time out of your day. Here are some suggestions from experienced nurse executives on overcoming common time-wasting scenarios.

Scenario: Your Days Are Mired in Ambiguity

Solution: Try to focus every action you take on a few major goals. "Lack of focus is a huge time waster," says Margaret Pearce, RN, PhD, chief nursing officer at the University of Utah Hospitals and Clinics and assistant dean of clinical affairs at the school's college of nursing. "When leaders spend their time doing the wrong things, it directly affects the institution financially in lost opportunity, burdensome processes, and lack of attention to details that can

then grow into huge problems. Nurses need to ask themselves, "Am I doing the right things? Even if I do what I do well, am I truly being effective?"

The goals that guide you should be part of your strategic operational plan, which includes measurable outcomes for the year. Annual goals can then be broken down into monthly or quarterly objectives. "If your goal is to open another 40 beds during the year, that goal should guide your decisions regarding the staff you hire, the meetings you have, and so forth," says Rita Turley, MS, RN, a consultant and past president of the American Organization of Nurse Executives. "Even though establishing this plan takes time upfront, over the course of the year, it saves a tremendous amount of time."

Scenario: Too Many Meetings

Solution: Only go to meetings that have clear objectives and time frames. Judge the requests for your time based on how they relate to the accomplishment of desired outcomes in your strategic and operations plan. "As nurses, we tend to think that we need to be doing everything for everyone all the time," Turley says.

Nurses need to ask themselves, "Am I doing the right things? Even if I do what I do well, am I truly being effective?"

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COMING IN JANUARY

A Special Issue on Supply Chain Management

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Can't keep up with your reading? Consider assigning each nursing leader a specific journal or news source to read on a regular basis. Then, at monthly team meetings, each leader takes a few minutes to summarize any important articles she has read.

Try to plan or give a skeletal structure to your workdays—a week, a month, or even a year in advance. Block out time you need for “real work”—not just meetings—on your calendar. As dates come closer, re-evaluate your schedule as needed.

☑ **Scenario: Too Many “Green” Nurse Managers**

Solution: Learn the difference between handholding and mentoring: Delegate, delegate, delegate.

Good leaders know how and when to let go. “It makes no sense for a nurse exec to handle a staffing crisis on a nursing unit,” Turley says. “That’s why you hire nurse managers. Once they have the skills, abilities, and tools to do their job, let them go. If you don’t, it can be costly and frustrating.”

Whenever possible, allow some of your star staffers to take projects off of your plate. And if you are fortunate enough to have an assistant, leverage her strengths. “A good assistant is priceless,” Turley says. “Let her draft your letters and memos, and you’ll save yourself a lot of time.”

☑ **Scenario: You Can’t Keep Up With All the Reading**

Solution: Realize that if you haven’t read it in a month, you probably won’t read it at all. “New nursing execs often feel an overwhelming need to read everything,” Turley says. She suggests skimming summaries and using clipping services or online email newsletters for business and clinical articles. (For instance, many nursing journals will email you the table of contents.)

Another idea: Organize a reading club of sorts. Assign each nursing leader a specific

journal or news source to read on a regular basis. Then, at monthly team meetings, each leader takes a few minutes to summarize any important articles she has read.

Many nurse leaders also get bogged down reading scores of emails. Develop a system that works for you. For example, only read emails once, then file or delete them. This can help you avoid an overflowing mailbox. You might also consider managing emails only at certain times of the day.

☑ **People Keep Popping By to Chat**

Solution: Set “open house” hours at the beginning and end of the day for people to come by, and close the door at least part of the day so you can work uninterrupted. Also, don’t be afraid to let calls go to voice-mail during this “pure work” time. Just keep your pager on for anything urgent. “As a manager you have a lot of different people requesting ‘a minute’ with you, but ‘a minute’ is never just a minute,” says Susan Root, RN, MSN, CNOR, perioperative education specialist for the AORN Center for Perioperative Education and former nurse executive.

Another idea: Go to their turf. Set aside regular times to visit each unit, chat with specific staff, or drop by the medical staff lounge.

“You have to have some uninterrupted time to do the work you need to do,” Root says. “Think like doctors do: They don’t interrupt what they are doing to take a phone call.” ☎

Block out time you need for “real work”—not just meetings.

How to Say “No” and Save Face

You’ve been asked to do something you don’t have time to do. So how do you dodge the time-robber and not burn bridges?

A new nurse manager can’t handle a difficult nurse on her unit and keeps coming to you for help. What you might say: “You’re in a sticky situation. But so far, you’ve done a wonderful job handling the situation yourself. I have confidence that you can handle it. If the situation doesn’t get better in a few weeks, please let me know.”

An administrator asks you to sit on a committee that has nothing to do with your department’s goals and objectives. What you might say: “I actually don’t have any experience with that, and I think [another leader] would be better suited to help you.” Another possibility: “I’m handling several projects now that require my full attention, and I wouldn’t be able to be an active member of the committee.”

You’re transitioning to a new role, and your replacement wants you to mentor her every step of the way. What you might say: “You know I’m happy to help, but I’m also trying to learn how to handle my new responsibilities. Why don’t we set up a specific time during the week to go over your questions?”

You’re asked to take on a tedious project. What you might say: “I am curious about the focus of this project. Can you tell me what you would like the outcome to be and how I can help with this?”

If, after exploration, it still seems like a time waster, you might say, “I do not think I am going to be able to devote the time to contribute to this project, but thank you for asking me to participate.” Or you could try a politically sensitive but honest approach: “Thank you for asking me to participate. I appreciate it. But there are specific issues I am trying to keep front and center that are requiring my focus at this time. But perhaps someone on my staff could help you.”

How to Approach a Problem Physician

You may only end up irritating a physician more if you go behind his back or “write him up.” Try the direct approach first.

I’m having trouble with a surgeon who is rude to my staff nurses. The surgeon is well-loved by the medical staff and patients. But she treats my nurses like subordinates who should be at her beck and call. What can I do to remedy this situation?

Sanford: I’ve found that the best thing you can do is be direct with the physician about the problem. However, saying something like “you’re being mean to my nurses” will only put the physician on the defensive. Instead, you might frame the issue as a communication problem that is affecting patient care.

To set the tone for a friendly, cooperative discussion, try to schedule a lunch date or coffee break with the physician. If that is not possible, then at least bring the physician somewhere private to talk.

You might start the conversation by saying: “Some of the nurses are having difficulties with communication. Since everything tends to go two ways, I’m assuming that you’re having difficulties communicating with the nurses, too. So, I’d like to talk about how we can communicate better and make the hospital a better place for our patients and for you.” By framing it like this, the problem is not just about this individual physician. It becomes about everybody’s ability to communicate well for the benefit of patients.

Then I would allow the physician to talk first. You might say, “How do you feel about the nursing care on this unit. Do you have any specific issues or problems?” Then, really listen to what the physician says with an open mind. When physicians are angry and curt with nurses, it is often because the nurse did not do such and such. For example, a

nurse might not have the patient’s lab work on hand when he calls the physician at home.

Once the physician is done speaking, you might say, “OK, now let me tell you how the nurses are perceiving you.” Then give some specific examples of communication issues the nurses are having. Be sure to end the discussion amicably, and sum up what you would like to change with some specific examples. “I agree with you, Dr. X. We need to improve our communication. Let’s try to work on this together. I will work with the nurses on the two issues you raised, if you could try to communicate better with us. For example, if a nurse does not bring a patient’s lab work to the phone when you need it, it would help if you said something like, “I’ll wait when you get the patient’s lab work. Next time, please try to have this in front of you before you call me.”

A direct approach should work with the majority of physicians. However, it may not work with every problem physician. If that’s the case, you may need to get the vice president of medicine and some nurses involved in a small group meeting with the problem physician to talk about how to improve communication. But try the direct approach first. If you need to take the next step, go to the physician first. You might say, “This isn’t working out. We still have a lot of communication problems. I think we need to involve someone else to help us.” ☎

Kathleen D. Sanford, RN, MA, DBA, FACHE, is president of the board of directors of the American Organization of Nurse Executives (kathyaone06@yahoo.com). Do you have a question for Kathleen? Please email her.

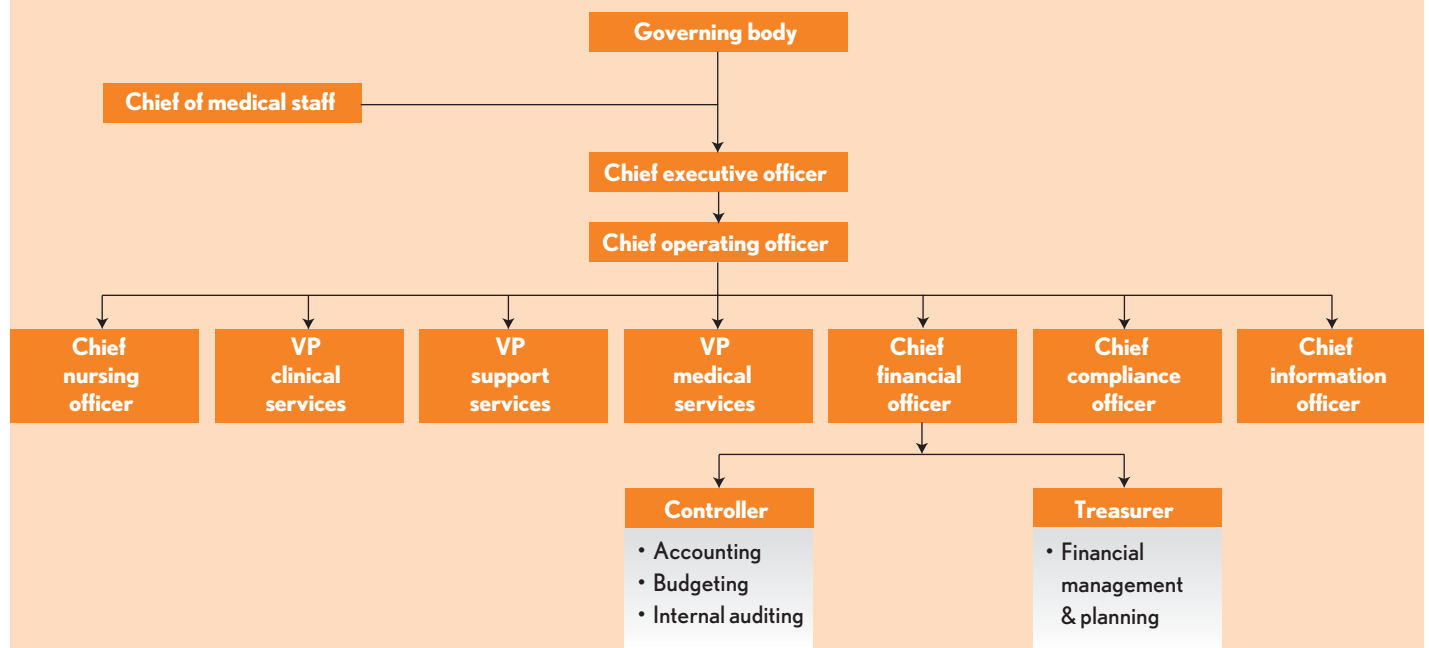
You might start the conversation by saying: “Some of the nurses are having difficulties with communication. Since everything tends to go two ways, I’m assuming that you’re having difficulties communicating with the nurses, too.”

Behind the Door of the Finance Department: Who Does What?

Many nurse managers work several floors and an elevator ride away from any one in the finance department. When you do venture down to the business offices it may feel like a different universe, compared to a patient care unit. What exactly do the people in finance do every day? And how can they help you?

Who Handles What in Finance?*

Your hospital's governing body (or board of trustees) is ultimately responsible for the organization's financial condition. The board provides direction for the annual budget and must provide final approval for that budget. However, the hospital's chief financial officer (CFO) manages the day-to-day financial affairs of the hospital.



* Your hospital may be structured somewhat differently than this sample hospital. Or different titles may be used. So be sure to ask who handles what financial duties in your organization.

Source: Adapted from HFMA's *Introduction to Hospital Accounting, Fifth Edition*. Michael Nowicki. Chicago: Health Administration Press, 2006.

The Financial Management Function

Financial management is concerned with planning, investing, and managing the hospital's assets and liabilities so as to increase profitability. Financial management involves a variety of activities, including the following:

- ✿ Developing a long-range financial plan for the organization
 - ✿ Securing and managing long-term funds
 - ✿ Managing short-term assets and liabilities
- ✿ Negotiating payer contracts and prices for clinical services
 - ✿ Managing finances for multi-corporate structures

The Accounting Function

The accounting function involves collecting, recording, and reporting revenue and expenses. It encompasses a wide-range of financial activities—including payroll, budgeting, and billing insurers. These various responsibilities are typically handled by different departments, groups, or individuals within a hospital.

General Accounting	Financial Analysis	Revenue Cycle
<ul style="list-style-type: none"> • General ledger • Accounts payable • Payroll 	<ul style="list-style-type: none"> • Budgeting • Reimbursement issues • Costs • Chargemaster 	<ul style="list-style-type: none"> • Patient registration • Medical records • Billing • Collections

Nurse managers will probably interact the most with staff in the financial analysis area. These finance experts can help you develop budgets and business plans.

Taking Aim at Improving Your Processes and Your Budget

Mary Lou Wesley, RN, MSN, chief nursing officer for Saint Joseph Mercy Health System in Ann Arbor, Mich., says nurses at her three-hospital system have helped reduce several important metrics—including overtime pay for nurses, supply costs, and average length of stay—since the system adopted IOM Aims, a process-improvement framework developed by the Institute of Medicine.

Using the IOM Aims as their guide, nurses are engaged year round on their favorite pursuits—improving patient-centered care and ensuring patient safety—and finding ways to save money in doing so. “The budget is less of a dirty word,” Wesley says.

The IOM introduced the six “Aims for Improvement” (equity, timeliness, effectiveness, efficiency, patient-centeredness, and safety) in the *Crossing the Quality Chasm* report, its call to action for patient safety. As the IOM Aims triangle (see exhibit) suggests, the six priorities are interlocking and build on one another.

Bringing Balance to Improvement Efforts

Saint Joseph Mercy Chief Operating Officer Julie MacDonald, MS, RN, calls the IOM Aims a “lens” that helps healthcare leaders see initiatives—and their financial implications—in a balanced approach.

“So much of the improvement effort in the past has either been done around the cost side or the quality side,” she says. “If you look at just efficiency without looking at the effect on patient-centeredness and safety, you can do things that might work for a year or two, but you can’t really hardwire them into the fabric of your organization.”

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IOM Aims Triangle and SJMHS Culture Change



Source: Saint Joseph Mercy Health System, based on the six aims for improvement in the Institute of Medicine’s *Crossing the Quality Chasm* report and the IOM Aims interlocking triangle developed by the American Hospital Association.

Saint Joseph Mercy Health System is using the IOM Aims framework to guide culture change throughout all departments, clinical and non-clinical. Doing so has removed the cost-versus-quality mindset—and the isolation of individual improvement efforts.

“It used to be the whole dialogue around the budget tended to fall just around staffing. Now we are looking at much more of a balanced scorecard for budgeting that includes staffing expense and a whole lot of other things.”

How Are You Training Nurse Managers About the Business Side of Patient Care?

One day you're a staff nurse who focuses solely on patient care. Then suddenly—or so it can seem—you are in charge of a 38-bed unit, 44 FTEs, and a \$1 million budget. The transition from clinician to manager can be a tough one. There's so much to learn—from budgeting to handling performance reviews.

How can hospitals provide support to new nurse managers? As the following case studies show, the best approach will vary, depending on the organization's size, budget, and resources.

Case Study 1

Unity Health System: Using In-House Talent to Train Nurse Managers

When Candace Smith, MPA, RN, and Jane Pennington, MSN, RN, wanted to teach nurse managers and department supervisors at Unity Health System about how to deal with difficult people, they dressed up in costumes and acted out various scenarios during a three-hour, hands-on workshop. When the two nursing executives realized their nurse managers needed more information on budgeting, they gathered up Unity's own budget forms and variance reports to give a Unity-specific course on the topic.

While Unity nurse managers attend some outside business courses, the majority of training is developed and taught by Smith, Pennington, and other staff. "It's hard to find outside courses that truly meet our needs," says Smith.

"We prefer internal education that is more specific to our own organization," adds Pennington. "It allows us to accomplish two things at once. We can teach managers the business concepts and explain what our specific expectations are. For example, we

can provide an overview of Unity's payment policies and explain how we expect managers to implement those policies."

In addition to formal workshops, Smith and Pennington do a lot of one-on-one training during monthly meetings with individual managers and directors. The two nurse executives answer questions and weave in how-to business advice while discussing the manager's budget goals and targets.

Because most of the business training is handled in-house, there are financial benefits to Unity's approach as well. "The costs consist mostly of our time," says Smith.

There are anecdotal signs that developing nurse managers' business and leadership skills is paying off. "The med/surg budgets had not been within budget for several years," says Smith. "But since last January, we've kept those budgets under budget every month. So it is doable, and it really starts at the nurse manager level. They have to understand the fundamentals of good hiring practices and good scheduling practices, which allow you to manage a much tighter budget."

Budgeting and Staffing Skills

During their one-on-one meetings with managers, Smith and Pennington assess

the manager's knowledge and understanding of business issues. Managers vary a lot in what they know. However, the majority need help with staffing and budgeting, says Smith. As a result, one of the regular courses that Smith and Pennington developed centers around this topic (see exhibit on page 7).

"Healthcare business is very complex," says Pennington. "We're not going to turn our nurse managers into finance experts in one three-hour session." To address the various knowledge needs of their nurse managers, Smith and Pennington have put together several other courses, including:

- > A workshop on operational strategies that can improve productivity and decrease workload
- > A seminar about the importance of developing a culture of retention

Mentor Rather than Teach

Training nurse managers in business skills has been a learning process for Smith and Pennington as well. "One thing we've learned is to not to make any assumptions about the level of knowledge among our nurse managers," says Smith. "Initially we made assumptions and then a labor variance would come back and we'd realize 'Oh, oh, this manager doesn't really understand what we were talking about.' How can we teach these skills to these great people?"

On the other hand, it's important not to be condescending to nurse managers who may not yet understand a particular business skill. Smith and Pennington think of themselves as coaches or mentors, rather than teachers. "You need to keep in mind that everyone has learning curves, and everyone is going to have trouble with finance topics," says Pennington.

Candace Smith, MPA, RN, is vice president nursing/patient care services at Unity Health System in Rochester, NY (candacesmith@unityhealth.org). Jane Pennington, MSN, RN, is senior director, nursing and patient care services at Unity (jpennington@unityhealth.org).

Case Study 2

MultiCare Provides Educational Offerings for Novice and Experienced Managers

What aspect of a nurse manager's job is the most frustrating or confusing? "I think it's the sheer volume of things that come at nurse managers on a daily basis," says Kathy Smith, RN, CNA, BC, MBA, administrator of clinical finance at MultiCare Health System. "They have a very tough job. They are managing the clinical and business operations of their particular unit or department and the demands are diverse and numerous. They're dealing with staffing. They're dealing with scheduling. They're dealing with monitoring budgets, hiring employees, addressing employee issues and job satisfaction, as well as a multitude of requests that come from providers, employees, and other department leaders."

So, how can healthcare organizations design a training program that teaches all these business skills—and takes into account the wide variety of business know-how among nurse managers?

Several years ago, leaders at the Tacoma-Wash.-based MultiCare created the Institute for Learning and Development, which puts on hundreds of educational programs and courses each year. The Institute provides a variety of training—from interpersonal effectiveness to process excellence—for all employees at the health system's four hospitals and other facilities. A good number of the workshops apply specifically to the nurse manager's world. If a nurse manager would like to learn about labor relations, basic finance, or developing a business plan, she can probably find a course on it in the Institute's thick catalog of program offerings.

Specific Help for New Nurse Managers

All new nursing managers at MultiCare are

Sample Budget Lesson

The following is an excerpt from one of the financial management workshops taught at Unity Health System. You can view all the handouts from this workshop at www.hfma.org/boc.

Financial Management Workshop
9/12/02

12:00 pm-3:00 pm
Surgical Service
Conference Room

Source: Unity Health System

Key Objectives of the Workshop

- > What is a budget?
- > Expense Management: Labor/Non-Labor/VAT
- > Revenue Management: Revenue Cycle-UOS
- > Review of UHS reports

encouraged to take a two-day new manager orientation course through the Institute. "I think a lot of a new manager's job is navigation. This course helps nurses navigate the intricacies of the organization from a management perspective and get a handle on all of the things that they now will have responsibility for," says Smith. "In other words, How do I do X? How do I hire people? What are the appropriate HR processes?"

New nurse managers also have options for monthly one-on-one sessions with Smith and other finance staff to go over their financial reports. "We have conversations about how to read their financial management report, what's the information that's contained within these reports, how does the information get there, what's the relationship between their department staffing plan, the acuity of patients, and the man-hours that show up on their budget? We sit down and talk about all those things."

Continuing Education

Employees at MultiCare, including nurse managers, have specific individual development goals they set each year as part of the performance review process, says Smith. Managers can then match educational offerings through the Institute that help them meet their development goals.

Examples of business-related courses offered by the Institute in 2006 include:

- > Disciplining and Counseling
- > Labor Relations: Understanding and Administering Your Union Contracts
- > 2006 Capital Budget Refresher
- > Intermediate Finance
- > How to Get Stuff: Ordering Supplies
- > Shared Commitment to Performance Goals
- > Hiring the Best: Interviewing for Success

The Institute will provide customized versions of many courses for entire nursing units or a group of nurse managers.

The courses offered change annually to reflect changing practice, changing business strategies, and changing organizational goals and objectives, says Smith. Feedback from employee needs surveys, course evaluations, and clinical and business performance findings are also considered in selecting and designing courses.

Professional educators run the Institute and teach many of the courses. However, more than 50 content experts from throughout MultiCare help put together the content and teach the courses. For example, Kathy Smith teaches a class on Basic Finance.

continued on page 8 →

Courses offered externally to individuals in the community and other organizations help to offset the expenses of the Institute.

A Commitment to Organizational Learning

MultiCare's commitment to employee training is captured in the human resource director's official title: vice president for human potential. "There has always been an emphasis here on employee development and a belief that that investment is beneficial to the organization and its patients," says Smith.

No one at MultiCare has calculated the return on investment of employee training. But Smith thinks the benefits are tangible. "Having been a nurse manager myself in the past, I think there's a piece of satisfaction and comfort that comes with knowing that you have competency and proficiency in understanding the business issues."

Kathy Smith, RN, CNA, BC, MBA, is the administrator of clinical finance at MultiCare Health System in Tacoma, Wash. (Kathy.Smith@MultiCare.org).

Case Study 3

Cincinnati Children's: Begin by Assessing Manager Competency

Like many hospitals facing financial difficulties, Cincinnati Children's Hospital Medical Center had to make major cuts to staff development programs in the 1980s and 1990s. For a long time, the hospital did not have any formal training programs for nurse managers, says Susan Allen, RN, MSN, assistant vice president, Center for Professional Excellence/Education.

But things changed in 2002 when the 511-bed hospital was awarded a \$1.9 million Pursuing Perfection grant, an initiative sponsored by the Robert Wood Johnson Foundation and the Institute for Healthcare Improvement (www.ihl.org). Charged with creating a timely, efficient,

effective, safe, and patient-centered healthcare system, Cincinnati Hospital leaders developed a comprehensive plan for improving the quality of care provided at the hospital.

Calculating the ROI of Business Training

The healthcare organizations profiled on pages 6-9 have not yet determined a return on investment for the business training they are providing to nurse managers. Nor have they had to develop business plans that argue the pros and cons of such training.

Such steps may not even be necessary if your organization's board and senior leadership are seriously committed to staff development. But what if your senior leadership is more skeptical of the benefits of training? Or what if you would like to prove that such training has a financial benefit?

Consider the Desirable Outcomes

"I think the key is to look at the outcomes you want to achieve by giving the business training," says Suzie Reinsvold, RN, MSN, senior vice president of program implementation and standards at Versant Advantage, Inc.

Versant administers a graduate RN residency program at 25 hospitals across the country. One feature of Versant's program: Hospitals are able to calculate the ROI of adopting the program. "We looked at the outcomes we wanted to achieve with the residency, including decreased graduate turnover and improved resident confidence levels," says Reinsvold.

"With business training, you would want to look for evidence that your nurse managers are making good business decisions."

Possible outcomes to measure for business training might include:

- > Registry costs
- > Productivity targets for staffing
- > Turnover rates
- > Nurse staff satisfaction rates

It didn't take long for leaders to realize the importance of staff development in meeting the hospital's Pursuing Perfection goals. "In order to move the whole quality initiative forward, we had to really be in a different place with leadership," says

- > Patient satisfaction rates
- > Supply waste

"By measuring these things before and after providing business training, you will get information about how well the nurse managers are able to manage their own business, or their own budget of their own unit," she says.

Another possibility: "When I was a hospital nurse executive, I would expect the nursing managers to look at their budget reports and identify the variances," Reinsvold says. "I would expect them to analyze the variances and come up with a plan to get those variances back in line. If you do this, you could then monitor whether nurse managers understand how to manage their budgets."

Tell Nurses Before You Start to Measure

"It's important to make sure everyone knows what they are going to be measured against before you start this business training," Reinsvold says. "It's not fair to put these measures in place and then give the training."

A More Precise Measurement

"If a hospital really wanted to be very precise about the ROI of business training, they could calculate a cost per learner and benefit per learner," Reinsvold says. "In other words, make some assumptions about each one of the outcomes/measures you've identified and how much each of these measures would be impacted by the business training. You would have to make a lot of assumptions, obviously. Then calculate the cost per learner versus the benefit per learner."

Suzie Reinsvold, RN, MSN, is senior vice president of program implementation and standards at Versant Advantage, Inc. (SReinsvold@chla.usc.edu).

Allen. “It became obvious very quickly how critically important it was to the organization that we had leaders functioning at an optimal level.

So, the hospital’s Center for Professional Excellence was formed. The Center is still coming into its own. But Allen and her staff recently completed a key part of providing business training for many nurse managers: a 360 degree assessment of their leadership styles and strengths.

Identifying Personal Development Goals

The 360-degree assessment that Cincinnati Children’s used was designed and administered by an outside educational organization. The nurse managers who participated rated themselves on 15 management and leadership competencies, including financial acumen, communicating effectively, developing and retaining talent, and process management. Then, about ten of the managers’ colleagues and ten of their direct reports rated the managers on these same competencies.

Each manager received an individualized, private report that summed up his strengths and weaknesses as a leader. They also attended a two-day seminar, put on by the educational consultant, that focused on the importance of strong leadership. All the nursing managers are now working on personal action plans with their supervisors that describe how they hope to achieve their personal education goals.

“I tell them it’s like a golf game,” says Cheryl Hoying, PhD, RN, CNAA, BC, senior vice president, patient services. “You don’t want to go out and try to improve your whole game at once. Pick one thing you’d like to try and excel in, or don’t do very well in that you’d like to do better. For example, with golf, you might concentrate on improving your chipping.”

Allen and her colleagues at the Center also

received an aggregate report on the competency levels of all the nurse managers who participated. “We could see overall where our managers’ strengths are and where their needs for improvement are.” As a result, Allen has lined up outside educational opportunities that should benefit all the hospital’s nursing managers. In December, the educational consultant will be coming to Cincinnati Children’s to put on a problem-solving and innovation course for nurse managers.

When possible, Allen tries to bring educational offerings to the hospital—versus having nurses travel to them. However, she usually reserves space off site for the workshops. “People tend to focus better if they’re not attached to what’s going on at the hospital,” Allen says.

Different Approaches for Different Styles

Hoying doesn’t think one particular educational approach fits every nurse manager. “That’s why we use many different ones,” she says. Here are a few non-traditional training approaches that Hoying recommends:

- > Assign every new manager to two preceptors versus just one. When new managers learn from two seasoned nurse leaders, they can learn two different approaches to tasks, and choose the approach that works best for them.
- > Provide new managers with a manual that includes all the organization-specific forms nurse managers will be exposed to.
- > Ask finance to set up one-on-ones with nurse managers. At Cincinnati Children’s, one of the assisted vice presidents in finance regularly schedules specific times where nurse managers can come ask her finance-related questions face to face. ☎

Susan Allen, RN, MSN, is assistant vice president of the Center for Professional Excellence/Education at Cincinnati Children’s Hospital Medical Center (susan.allen@cchmc.org). Cheryl Hoying, PhD, RN, CNAA, BC, is senior vice president, patient services (cheryl.hoying@cchmc.org).

Teaching Finance to Clinicians

Below is a description of two finance-related courses offered to MultiCare’s nurse managers through the health system’s Institute for Learning and Development. For more information about these courses, you can contact Marguerite Samms (Marguerite.Samms@multicare.org).

Basic Finance

In this 2-hour class, you will learn how to speak the language of Finance and identify the correct employee to contact in Financial Services or Accounting when you have a question concerning your department’s finances.

Content Highlights:

This course provides a basic knowledge of MHS Financial Services. Topics include:

- > Basic finance and accounting concepts
- > Resources and tools
- > Capital process
- > Timecards, checks requests, expense reports

Audience:

New Supervisors and Managers

Intermediate Finance

This 2-hour class provides an understanding of MultiCare’s monthly management reports and supporting reports, such as Accounts Payable, Payroll, Inventory Control, and Received Not Invoiced, as well as Interim and Careline reports.

Content Highlights

In this class, you will learn to:

- > Identify which reports are available for your department
- > Read MultiCare monthly management reports and their supporting documentation
- > Estimate payroll expenses for the month based on biweekly labor reports
- > Read Charge Usage, Stat and Revenue Reports and the basics of the Charge Description Master (Finance 201)
- > Understand the ProForma process

Source: MultiCare Health System, Institute for Learning and Development

Take Advantage of Downloadable Templates

Why invent the wheel when you don't need to? Nurse executives and managers who have legal access to Microsoft® products, such as Excel® and Powerpoint®, can download and adapt a variety of business reports and spreadsheets—from shift schedules to variance reports.

Here is a sample of some of the useful templates that you can find at Microsoft Office Online (<http://office.microsoft.com>). Just click on “Templates” for a full list of downloadable reports, forms, and other tools.

- > Business plan templates (search for project overview statement)
- > Nursing scheduling spreadsheet
- > Variance reports
- > Meeting agendas
- > Brochures and flyers

- > Budget forms
- > Contracts
- > Expense report
- > Inventory lists
- > Timesheets
- > ROI analysis
- > Risk assessment and financial impact model
- > Job performance review guide.

Do you need to worry about copyright issues? Probably not, if you or your organi-

zation has a licensed copy of Microsoft Office, and you use the template for a non-commercial purposes. Here is what Microsoft has posted on its web site with regard to using templates:

“The Microsoft Service Agreement and this license agreement apply to templates that you download from this site ... You must have a validly licensed copy of Microsoft Office to use these templates ... You may download, copy and use the templates in documents and projects that you create. You may distribute those documents and projects non-commercially. If you wish to use the templates for any other purpose, go to www.microsoft.com/permission to learn whether that use is allowed.”

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Finance-to-Nurse Interpreter

Revenue Cycle: A hospital's revenue cycle encompasses all of the administrative and clinical functions—before, during, and after a patient's stay—that contribute to the collection of revenue from patient services. Here is a simplified description of what occurs throughout the revenue cycle. Nurses play an important role in the middle step:

- > *Pre-admission:* Registration staff must obtain and double check various types of information from patients, including mailing address and insurance coverage, so the hospital can properly bill the insurer and tell the patient how much he or she owes. At this time, the hospital would attempt to collect advance deposits or make payment arrangements with the patient for expenses not covered by insurance. If the patient is not able to pay, other sources of revenue may be investigated. Financial aid workers may work with the patient to seek reimbursement from Medicaid, special state programs, social agencies, and other sources. Or the hospital may absorb the costs by classifying the account as “free care”.

> *During the patient's stay or appointment:* Nurses, physicians, and other clinicians must accurately document the treatment, tests, and supplies given to a patient so the hospital can charge the insurer or the patient for these services. Hospital coding staff “translate” what is written in the medical record into special codes that insurers use to determine payment.

- > *Post discharge:* Staff in the billing office prepare and submit bills to insurers and patients and follow up on unpaid claims. They also handle claims that are denied from insurers for various reasons. If the patient does not pay the outstanding portion, the account may be written off as a bad debt, or another source of funding may be investigated.

Every step in the revenue cycle process must be efficiently managed to ensure that a hospital receives the payments it is due. This is no easy task, given the rapid pace of changes to legislation, payer rules, and technology. For instance, if a nurse forgets to document a particular test for a patient, the hospital won't get paid for that test.

Or let's say Medicare decides to cover a previously uncovered treatment when that treatment is provided for a certain medical condition. If the physician does not indicate in the medical record that the patient has that medical condition, the coder cannot enter the proper code, and Medicare will not pay the hospital for that treatment.

Working Capital: An organization's liquid assets (cash or assets that can be turned into cash), which are available to fund and improve its operations. Organizations that have a lot of working capital can expand and improve their operations. Organizations with negative working capital may lack the funds needed for growth.

Finance executives also define working capital as “the difference between current assets and current liabilities, excluding short-term debt.”

Donna Gellatly, MBA, FHMFA, CPA, professor emeritus in the Health Administration Program at Governors State University, lent her expertise in defining these terms (DLG2727@aol.com).

Using Aims for Budget Building

Responsible for more than 1,500 nursing FTEs and annual nursing operating revenue of more than \$455 million, Wesley was the first Saint Joseph Mercy executive to use IOM Aims for budget development.

“It used to be the whole dialogue around the budget tended to fall just around staffing,” she says. “Now we are looking at much more of a balanced scorecard for budgeting that includes staffing expense and a whole lot of other things.”

Step 1: Nurse managers use the six IOM domains to brainstorm areas of performance improvement that the nursing budget will address in the coming year. Current examples:

> Under patient safety, Saint Joseph Mercy is developing new protocols to assure appropriate use of smart pumps for IV infusion of high-risk drugs. “They are very expensive and, if we use them when they aren’t indicated, we don’t have them available when they are, and that is a potential patient safety issue,” Wesley says.

> To address patient-centeredness, nurses are increasing the use of a discharge prescription program at the onsite retail pharmacy. “There is an opportunity to be more patient-centered in getting patients’ prescriptions filled before they leave the hospital so they don’t have to stop on the way home,” she says. “That’s a nice impact on our budget and it’s also a patient-centered initiative.”

Step 2: Nurse managers use the performance-improvement initiatives to communicate budget goals to staff. Because the IOM Aims reflect values that most nurses inherently share, Wesley has found nurses embrace the initiatives.

“We have had a lot more success in engaging the staff around these six IOM Aims than just having your age-old budget discussion: ‘We have to cut costs—what are we going to do?’” Wesley says.

Step 3: Each nursing unit develops its own performance improvement projects, again using the IOM Aims.

“We have had a lot more success in engaging the staff around these six IOM Aims than just having your age-old budget discussion: ‘We have to cut costs—what are we going to do?’”

“They came up with length-of-stay initiatives they could work on at their unit level and ideas of how they could reduce costs per case and how they could improve throughput,” Wesley says. “Using this framework generates a lot more ideas and makes it an ongoing effort, not just a once-a-year budget.”

Mary Lou Wesley, RN, MSN, is chief nursing officer for Saint Joseph Mercy Health System in Ann Arbor, Mich. (wesleym@trinity-health.org). Julie MacDonald, MS, RN, is the chief operating officer (macdonaj@trinity-health.org).

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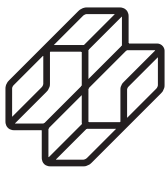
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