Title:
Budgeting for Shared Governance

Speakers:
Sharon Pappas RN, PhD, NEA-BC
Kelly Reno RN, BSN, MBA
Sandy Hoopes RN, BSN, MSHSA

Introduction

• Basic principles of budgetary availability
  – Don’t ever attempt to produce what you can’t pay for
  – Time is as much a resource as money. Neither should be wasted
  – Commitment always demands personal ownership. No responsibility, no rewards.

Objectives

• Provide approaches to acquire financial resources for shared governance
• Provide a method for whole system shared governance design and development
• Defining return on investment for a shared governance model in healthcare
• Discuss the budgeting and projected financial impact for whole system shared governance in one facility
Section 1

- Achieving Magnet Designation
- Budgeting for Nursing Shared Governance & Magnet
- Actual Expense

Sharon Pappas RN, PhD, NEA-BC
Chief Nursing Officer & VP Patient Services
Porter Adventist Hospital

From the back of the napkin…

- Cost Center to budget and track expenditures
- Estimate time required for non-exempt clinicians to provide leadership to councils
- 2.0 FTEs budgeted; 1.5 FTEs spent in first year
- 1.0 FTE in second year

Section 2

- Why Whole Systems Shared Governance?
- Launch & Platform
- Design Retreat
- Transformational Leadership

Kelly Reno RN, BSN, MBA
Chief Nursing Officer & VP Patient Services
St. Anthony North Hospital
Why WSSG?

- Shared Governance is evidence based to drive decision making, accountability and practice in an organization.
- Each organization must determine the level of resource they can spend on a new strategy such as shared governance.
- Once the investment amount is decided the approach can be designed to fit within the investment.
- There is no right place to start.
- WSSG does not necessarily save a step.
- Strong nursing shared governance moves the organization in very powerful ways as well.
- It depends on the culture and the will to change of the groups involved.

How did we get there?

2 Design Retreats:
- Establish framework, by-laws, ground rules, etc.
- Define Communication Plan
- Structure & Model for WSSG
- Determine Servant Councils
- Determine Communities of Practice
- 2 Nominating Committee Meetings:
  - Select Logo
  - Elect Council Co-Chairs
Whole System Shared Governance Structure

Primary Principles:
- Partnership
- Accountability
- Equity
- Ownership

WSSG Kick Off & Implementation

- Implementation Phase
  - Big Bang theory!
  - 6 month timeline

Three Phase Timeline:
- Nov-Dec 2009
  - Education
  - Communication
  - Correct Goals Converted
  - Coach Training
- Jan-Feb 2010
  - Formal kickoff
  - Central Councils
  - Goal based starts
- Mar-May 2010
  - All Unit Based Councils in Place
Transformational Leadership & Trust

- In her article Establishing Guardrails in Leadership, Dr. Karlene Kerfoot states "To practice in a model of shared governance, one must believe in the expertise and brilliance that is innate in the staff."

- In the recent book The Speed of Trust, Covey describes trust as the confidence in the competence of your associates.

- This is the foundation for building and supporting ownership at all levels throughout the organization.

- This is a fundamental element for WSSG at SAN that will continue to act as a catalyst for our success!

Section 2

- Premise for Whole System Shared Governance
- Return on Investment
- Baseline Financial Data & Current Structure
- Budgeting for Implementation, Transition & Maintenance
- Projecting Financial Impact with New Structure

Sandy Hoopes RN, BSN, MSHSA
Manager of Quality Improvement
St. Anthony North Hospital
Premise?

- St. Anthony North Hospital predicts that we have a method to effectively and successfully implement a Whole Systems Shared Governance model for minimal or neutral cost over the next 2 years.

Budgeting for WSSG

- Considering your return on investment (ROI)
  - When budgeting for any initiative in today’s economy it is critical to consider your ROI.
  - WSSG is transitional model for ownership at all levels of the organization (Porter-O’Grady, 1994).
  - This leads to empowerment and promotes engagement which generates learning loops that enhance staff morale and the bottom line.

Budgeting for WSSG

- Effects on the bottom line?
  - Strategy implementation and communication pathways are streamlined
  - Duplication of efforts is eliminated
  - Meetings are decision based, and task force’s are goal specific, outcome oriented and time limited
  - Longevity of employment
  - Increased employee satisfaction
  - Better safety and healthcare
  - Greater patient satisfaction
  - Shorter lengths of stay
Budgeting for WSSG

Decisions are made closest to the point of service promoting engagement and buy-in leading to positive outcomes.

Taguchi’s Rule:

“The further away from the point of service that decisions are made, the higher the cost, the lower the satisfaction, and the lower the quality.”

Supporting Evidence

• Think about this:
  • The average cost for the turnover of 1 RN is $67,000 (Jones, 2004).
  • National hospital nurse turnover rates are averaging above 20%.
  • Turnover is 2-3 times greater for new graduates in the first 18 months of employment (Force, 2005).

Supporting Evidence

• In the Fall of 2007 I completed a quantitative, descriptive, correlation research study to identify factors influencing job satisfaction and intent to leave in new graduate nurses at St. Anthony Hospitals.
  • Required hire date between July 1, 2006 and July 1, 2007 and involved the first 12 months of employment.
  • St. Anthony North Hospital yielded a 70% survey response return rate.
  • A factor analysis for the “Organizational Policies” component was statistically significant in the population studied.
“Organizational Policies” component of Index of Work Satisfaction

- sufficient control over scheduling
- gap between the administration
- opportunities for advancement
- opportunity for nursing staff to participate in the administrative decision-making
- Administrative decisions at this hospital interfere too much with patient care
- voice in planning policies and procedures
- administrators generally consult with the staff

Supporting Evidence

- “Organizational Policies” compared with length of employment
  - Tukey Honestly Significant Difference (HSD) test
    - 0<6 months were less satisfied
    - >12 months were more satisfied
    - Yielded a p value of 0.05

Supporting Evidence

- New Graduate nurse turnover rates up to 60% in the first 18 months of employment
- Healthcare is shifting the focus from not just recruiting but retaining productive and engaged staff
- Healthcare is facing the impending nursing shortage, baby boomers and potential professional burnout
- This evidence is from nursing but would apply on a larger scale across the organization
- Critical to act now with deliberate thought
Budgeting for WSSG

- Budgeting for Whole Systems Shared Governance it is important to consider
  - Planning phase
  - Implementation phase (1st 6 months)
  - Transition phase (1st 18 months)
  - Maintenance of the structure (approx. 2 years)

Budgeting for WSSG ~ Planning Phase

- Planning Phase
  - Gather baseline financial data
  - Complete projections and assumptions for financial impact

Current Meeting Structure and Financial Impact

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<tr>
<th>Department</th>
<th>Hours for 1st Quarter</th>
<th>Hours for 2nd Quarter</th>
<th>Hours for 3rd Quarter</th>
<th>Hours for 4th Quarter</th>
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<td>100</td>
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<td>90</td>
<td>100</td>
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Total Annual Investment = $920,889.67
Total Hours = 22,121
Start Up Costs/Investment

- 2 Design Committee Meetings
  - 1st Retreat with 31 associates (17 staff & 14 Managers)
  - 2nd Retreat with 49 associates (34 staff & 15 Managers)
    - time = 516 hours
      - exempt = 176 hours
      - non-exempt = 340 hours

- 2 Nominating Committee Meetings
  - Each meeting with 41 associates (19 staff & 22 Managers)
    - time = 123 hours
      - exempt = 66 hours
      - non-exempt = 57 hours (2 meetings each 1.5 hours long with 19 non-exempt employees and 22 exempt employees)
Start Up Costs/Investment

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<th>COMMITTEE</th>
<th>Non-Exempt</th>
<th>Exempt</th>
<th>Other</th>
<th>Prep/Pack</th>
<th>Total Hours</th>
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<td>2. Training Committee #2</td>
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<td>0</td>
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<td>29.5</td>
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<td>0</td>
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AVERAGE PAY PER CATEGORY
- $26.74
- $44.58
- $0.13
- $5.05
- TOTAL

AVERAGE ANNUAL INVESTMENT
- $13,687.76
- $16,790.81
- $1
- $1
- TOTAL: $21,498.54

Total Start-up Investment: $21,498.54

Budgeting for WSSG ~ Transition Phase

- Transition Phase
  - Training, coaching and mentoring
  - Toolkit on Share drive with all Materials for Council Meetings and coaching guides
  - Hours in Administration Budget for Co-Chairs to have 4 hours each/month for meeting
  - Education with online Learn Modules
    - What is WSSG?
    - The Platform
    - Tools for being a Facilitator or Recorder

WSSG is about decisions at the Point of Service

- Co-Chair Positions
  - Manager : Staff = 25:75

- Council Members
  - Manager : Staff = 20:80
Projected Meeting Structure & Financial Impact
What we should be spending in 18 months…

Realistic Projections

• While this looks like a $180,818.70 savings over two years.
  – Additional staffing support?
  – Other variables
     – Soft costs
       • I.e. Stress of change

• Actual will be known at the one and two year follow-up marks

• Our goal is simply to be as close to neutral cost as possible.

Questions