

HEALTHCARE REFORM AROUND THE CLOCK
5 Steps to Manage
Your Part-Time/Full-Time
Employee Mix

A Whitepaper from OnShift

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Healthcare Reform Around the Clock

5 Steps to Manage Your Part-Time/ Full-Time Employee Mix

Long-term care and senior living providers face a multitude of challenges and choices with the employer mandated health coverage requirements in the Affordable Care Act. Employers with 50 or more full-time equivalent employees must sort through the “Play or Pay” guidelines in determining benefits offered. An employer’s mix of full-time and part-time employees is in the spotlight – like never before. Qualified health coverage must be offered to full-time equivalent employees or employers face a penalty (see Figure 1).

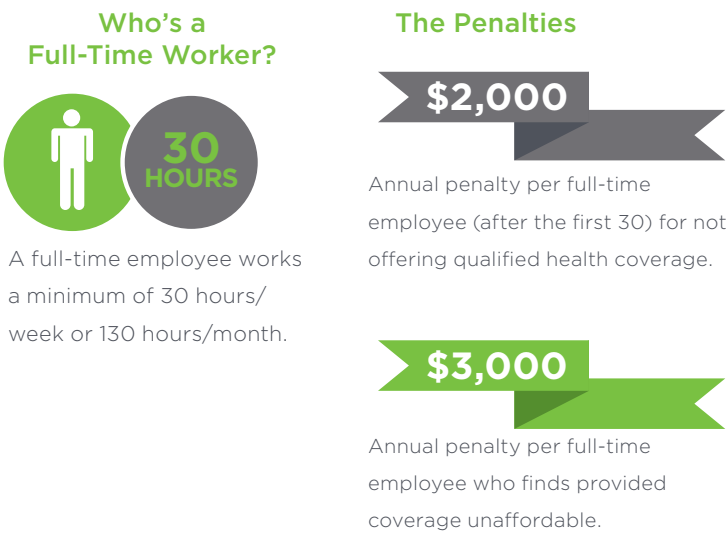


Figure 1: Employee Work-Hours and Employer Penalties Under the Employer Mandate

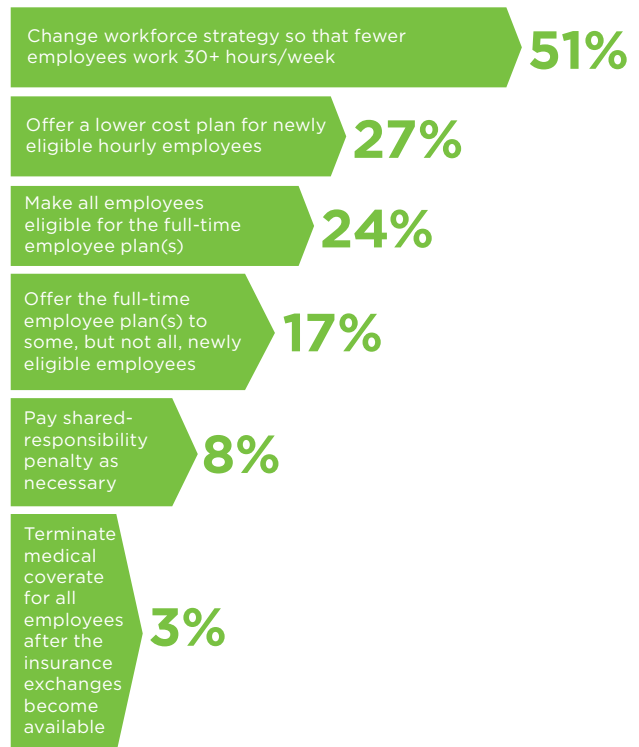
In an industry already dealing with revenue pressures, changing consumer preferences and slim margins, the cost consequences can be daunting. In fact, 60% of employers expect costs to increase due to healthcare reform¹.

Over 27.7 million workers are currently considered part-time and the use of part-time workers in long-term care and senior living is prevalent². Many expect the use of part-timers to increase (see Figure 2). All of this compounds well-known, workforce issues in long-term care and senior living, like high turnover and a growing shortage of qualified healthcare workers.

¹ Mercer, Health Care Reform: After the Decision, 2012

² Bureau of Labor Statistics, May 2013.

Likely response to ACA's requirement that all employees working 30 or more hours per week be eligible for coverage Based on employers that do not currently offer coverage to all employees working 30 or more hours per week



Source: Mercer 2012 survey of 1,215 U.S. employers.

Figure 2: Employer Reactions Based on ACA Requirements

Managing your part-time/full-time employee mix today and into the future is critical in complying with your ACA policies (see Figure 3). This means that part-time workers picking up extra hours and shifts here and there can have a big impact on your organization. Slipping into full-time status brings with it significant compliance, coverage, and cost ramifications. The need to manage employee hours has never been greater. Are you prepared?



Congressional Research Service, Potential Employer Penalties Under the Patient Protection and Affordable Care Act (ACA), 2013

Figure 3: ACA Measurement or Look-Back Period

Looking Ahead

Reporting based on payroll data is instrumental to the ACA. But hours paid and worked are historical in nature: at this point, it is too late to affect change.

To truly succeed in meeting your part-time/full-time mix, you must also look ahead. Meeting part-time/full-time objectives means staying on top of employee hours incurred as well as those that are *planned*.

Scheduling and labor management practices take on new meaning, as they are inextricably connected to your ability to comply with ACA requirements. A predictive approach – one that values transparency, visibility and the ability to look forward – should be a top priority. Only a predictive approach will identify potential issues before they occur, so you can make adjustments and comply with your ACA policies.

Consider the following five best practices across your staffing and labor management efforts to help comply with your ACA policies and avoid additional costs

and unplanned penalties, so your organization can continue to focus on delivering the quality care and services your residents deserve.

1. Starting Strong

The ability to staff each and every shift properly begins with strong scheduling practices. Administrators, Executive Directors and/or Human Resources Managers must determine and communicate which employees are part-time and which are full-time. They must also set a part-time hours threshold to be adhered to in practice throughout facilities and communities. For example, the ACA defines a full-time equivalent employee as one who works at least 30 hours on average each week, or 130 hours a month (see Figure 1). An organization might want some wiggle room in their threshold and use 26 hours per week as a target for part-timers. This would allow for some flexibility in dealing with unplanned extra hours that may arise when someone calls in sick or census increases, requiring additional staff.

“One challenge that we face is that many of our members who have large Medicaid populations are struggling with being able to afford the cost of the employer mandate.”

Gov. Mark Parkinson, President and CEO of the American Health Care Association and National Center for Assisted Living

Provider Magazine, November 2012

Next, Schedulers must be equipped with this knowledge when creating staff schedules, so they can assign shifts accordingly. It's common for

Schedulers to understand who their part-timers are, but mental notes fall short given today's need to manage part-time hours by employee. Instead, a list of part-time/full-time employees should be at their fingertips throughout the scheduling process. As future shifts are assigned, Schedulers must maintain visibility into part-time hours and as they add up shift by shift, employee by employee. Potential overages can be avoided at the very start, upon schedule creation, with the proper understanding and information as employee schedules are created.

2. Controlling the Clock

One of the most overlooked areas within workforce management is the extra minutes worked by staff at the beginning and end of shifts. Employees clocking-in early and clocking-out late can drive time that adds up over the course of a day, week and month. Certainly there are times when this is necessary, especially when it is tied to providing the right care and services to residents. But many times punch overages can be avoided and this becomes more important given the ACA requirements.

On a daily basis, schedulers or managers should compare employee punch data with employee schedules and identify variances. The opportunity then exists to adjust upcoming schedules so the unplanned overages have less of an impact or can be prevented. Understanding part-time status and the organization's employee target hours will go a long way in assisting with this process to avoid overages when possible. This will not only help to maintain full-time/part-time targets, but it will also control labor costs. While fine-tuning schedules to avoid early/late punches is important, it should never be done at the expense of providing quality care and services.

In addition, consider instituting an approval process or a justification procedure for those times when coming in early or leaving late are necessary. You are likely to see less overages from habitual clock-riders or employees who may be gaming the system if an approval is required.

3. Addressing Open Shifts

It's often stated that the moment a schedule is created, it is already outdated. Staffing is complex and dynamic with a myriad of day-to-day changes – PTO requests, FMLA leave, no-shows, call-outs, terminations, admissions and move-ins requiring extra staff, etc. Unplanned absences, which are often discovered at the last minute, often leave providers in the lurch. The typical reaction involves a Director of Nursing, Care Director or Scheduler relying on a go-to employee they know will pick up the shift. Or, they spend a couple of hours calling employees and snag the first person who agrees. In the past, the concern with this method was that it led to costly overtime. While it is still important to manage overtime, understanding who's part-time and who's full-time must also be considered when selecting a replacement.

As a long-term care and senior living executive, it is critical to work with your community leaders to modify your plan for filling call-outs and open shifts. As a best practice, Schedulers should always first make sure that the shift needs to be filled before reaching out for a replacement. Many times someone calls in sick, but after considering the current census and required staff, it turns out that a replacement may not be necessary. But, when a replacement is needed, Schedulers must consider full-time/part-time mix before making the assignment. Managers should ensure that Schedulers can easily identify who the part-time employees are when selecting the best-fit candidate to fill an open shift. Seniority, cost based on wage rates, and predicted overtime may also be considerations. In addition, Schedulers need to assess hours worked to date and upcoming scheduled hours in order to determine the impact of picking up the shift when making the proper assignment.

While a few extra hours or an occasional bonus shift may put a part-timer over the 30-hour weekly threshold, it does not automatically mean that they are now considered full-time. Measurement periods, work patterns, and average hours paid for work based on payroll information all come into play under ACA requirements. Regardless, those organizations

that have a proactive process for filling open shifts, which can easily occur three or four times a day in a facility, will gain more control over the management of employee hours and head off potential issues before they occur, while staying aligned with their organization’s ACA policies. What’s more, the right approach to filling open shifts is a big step toward maintaining proper staffing. You get the right people, at the right time, at the side of your residents or patients, providing the care and services they need, on a consistent basis. The benefits stemming from proper staffing are significant, from higher employee and resident satisfaction, to better outcomes, reduced liability, higher occupancy and census, and even higher profitability (see Figure 4).



Figure 4: Key Benefits From Proper Staffing

4. Daily Attention

Successful staffing and labor management are driven by a strong strategy, management support, and daily attention. Change is the norm with staffing, and best practices and defined processes will help carry out the strategy to meet the policies of your organization.

As an executive, it is critical to instill among your facilities and communities that labor management requires day-in and day-out support. Administrators, Executive Directors, those involved in scheduling and others should be updating schedules, flexing staffing levels, looking ahead for staffing adjustments by shift, all on a daily basis.

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Balancing staff, and aligning with resident census and acuity demands, should be managed each and every shift in order to deliver proper care, quality services and positive outcomes. In a senior living environment, managing staff to meet varied service levels and changes in occupancy is critical to driving resident satisfaction. While the fluctuations in resident condition and/or admissions may not be as dynamic as in a short-term rehabilitation unit, for example, it is still important to handle on a daily basis. And in all cases, Schedulers should have employee hours’ information at their fingertips when making decisions on schedule adjustments to meet an increase in census or new admissions. Knowing how shifts potentially affect part-time schedules, before making the assignment, will help you comply with your policies in support of healthcare reform requirements, and control costs. In addition, paying attention to staffing levels and adherence to labor budgets facilitate proper and consistent staffing, every step of the way (see Figure 4).

5. Automate Key Processes

Manual practices and a total reliance on historical data have their limits. Paper-based or spreadsheet scheduling processes fall short in the new ACA world. Such processes provide little if any visibility into employee hours by part-time or full-time designation during scheduling. This makes it difficult to maintain part-time worker status as extra hours and shifts slip through the cracks due to the lack of visibility and control. This can happen quickly and without notice given the common challenges in staffing day-to-day in a senior care community.

Too much is at stake with the new benefits requirements. Slipping into full-time status brings with it additional coverage mandates or potential penalties. To meet your ACA policies, an automated and proactive approach is a necessity.

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OnShift has introduced capabilities to support the ACA in its web-based staff scheduling and labor management software. Predictive analytics and proactive features put powerful tools at the fingertips of Schedulers when and where they need it most – at the point of assigning shifts. This gives your organization the ability to monitor hours and gain an advance look into potential part-time work-hour overages before they occur, so they can be avoided when possible.

With OnShift, long-term care and senior living providers gain greater control over employee hours, avoid additional costs and improve compliance with their ACA policies. OnShift:

- **Indicates** employees who are designated part-time or full-time when creating and managing schedules

- **Predicts**, tracks and alerts schedulers of potential part-time work-hour overages before an employee is assigned a shift, so the overage can be avoided
- **Enhances** open shift management with visibility into part-time employees and hours worked, so overages can be avoided when selecting the best fit replacement
- **Reports** employees over part-time work-hour thresholds so appropriate adjustments can be made.

The support for the Affordable Care Act requirements extends the foundational capabilities of OnShift staff scheduling and labor management software. Key highlights include:

- **Web-based scheduling tools** to easily create and manage schedules
- **Labor budget adherence** capabilities to balance staffing levels and properly staff based on census and acuity
- **Predictive analytics and alerts** to manage and reduce overtime and avoid understaffing
- **Intelligent communications platform** for filling open shifts via text message, email, and automated phone call
- **Integration** with a range of enterprise applications including time and attendance systems for punch variance analysis and reconciliation, schedule projections, and more
- **Employee access** to and management of schedules online
- **Extensive reporting, dashboards and analytics** across scheduling and labor management
- **OnShift Mobile** and enterprise analytics for visibility and reporting across properties

OnShift was purpose-built for long-term care and senior living, providing easy-to-use online tools to staff properly each and every shift, leading to higher satisfaction, greater efficiencies, reduced labor costs and the ability to focus on what matters most – high quality care.

Take Action Today

Take steps today to evaluate your current staffing mix and processes, including scheduling part- and full-time employees, filling open shifts, and managing employee punch variances. Consider how automating key processes can accelerate your efforts to comply with your ACA policies, avoid costs, and make informed decisions with visibility into part-time hours every step of the way.

The wait-and-see mode will put your organization at risk. Get prepared and take action today.

Note: This document is intended to provide a brief snapshot into the health coverage changes in the ACA. It is not comprehensive in nature. Consult with your attorneys and other expert stakeholders in interpreting the federal health care laws.

About OnShift, Inc.

OnShift delivers cloud-based human capital management software and proactive services to solve everyday workforce challenges in healthcare. Our suite of products for hiring, scheduling and workforce analysis drives quality care, lower costs and higher performance by empowering providers to staff consistently and efficiently. Intuitive design, predictive analytics and customer success management are why thousands of post-acute care and senior living organizations rely on OnShift. For more information visit www.onshift.com.