

Case Study: Mercy Health Partners



Mercy Health Partners (MHP) – part of Catholic Health Partners – is an integrated healthcare system that serves southwest Ohio. A not-for-profit organization, MHP operates five community-based acute care hospitals, four long-term-care facilities, two social service agencies, four urgent care centers, home healthcare and hospice programs, fitness centers, and a variety of outreach and ambulatory centers. More than 7,000 employees staff these facilities, so labor is a huge expense. Accurate and reliable time and labor management is a critical requirement.

Complex Work Rules Complicate Time Collection

The old phone-based time collection system in use at Mercy Health Partners' facilities was archaic. It collected employee time; data was passed into the organization's in-house payroll system; payroll was processed; checks were cut.

A strategic shortcoming of the system was that it was virtually impossible for Mercy Health Partners' management to extract timely data in a meaningful format, in order to assess workforce patterns and develop strategies. A particular concern for MHP was how to efficiently account for majority shift exceptions. This occurs when an employee's time crosses over two shifts and requires that a person's pay be based on the shift where he or she worked a majority of the hours.

The collaboration between ADP and Mercy Health Partners helped MHP handle its most complex time calculation. "ADP spent a lot of time with us on our majority shift exception policy," said H. J. Seibel, Mercy Health Partners' regional director of HR services. "We ran tests of many scenarios and were able to develop a single rule to apply across the board. Now, Enterprise eTIME helps us to *apply* it."

ADP Solution Adds a Healthy Boost to Mercy Health

Challenges

- Gain better control of labor expenses, including quicker access to planning and forecasting data
- Implement an accurate, reliable time and labor management solution that interfaces with in-house payroll
- Deploy a flexible solution that accommodates complex work rules, such as majority shift exceptions
- Choose a system that offers predictable operating costs and low or no capital expense

Solution

- ADP's Enterprise eTIME® solution

"With ADP's Enterprise eTIME we were looking at predictable costs – operating costs, not a large capital expense."

H.J. Seibel,
Regional Director of HR Services Mercy Health Partners

He added, “Another big help is that ADP’s solution makes it easy for managers to get a clear understanding of a person’s posted time. You’re able to view a complete timecard online not just a bunch of codes like you’d see from the old system.”

With real-time access to up-to-the-minute, easy-to-read expense and labor utilization reports, ADP’s Enterprise eTIME solution enables MHP to identify employees who are approaching their maximum hours, and adjust scheduling and staff coverage to avoid unnecessary overtime. The valuable new tool helps the organization analyze and monitor costs based on shift, department and location to identify problems and make better decisions concerning workforce utilization. “Essentially, Enterprise eTIME helps us to prevent employees from going outside our company’s policies,” Seibel said.

Build, Buy or Better Yet, Outsource

“We looked at how we were collecting employee time across the organization and concluded that we needed better data, better access to data, to control and plan labor utilization,” Seibel said. Initially, it was a “build it” or “buy it” decision. The question was: Is there a solution that could provide the speed, efficiency and flexibility MHP required?

Rather than expend resources on implementing, installing, and maintaining an in-house system, Mercy Health Partners decided on a hosted solution from ADP. By having ADP host the application in its secure hosting facility, Mercy Health Partners was able to minimize the impact on its internal IT resources, ensure fast implementation and uninterrupted software updates, and reduce hardware, software and administration costs.

Seibel explained, “We looked at an in-house solution and we looked at outsourcing through ADP. While the approach to collecting data was basically similar, the cost of training for implementing an in-house system was higher than ADP. Comparing ADP with going in-house, we found that ADP was less – and we were getting ADP’s expertise to manage the system. We didn’t have to do it ourselves.”

No Capital Expense, Costs are Predictable

“With ADP’s Enterprise eTIME we were looking at predictable costs – operating costs, not a large capital expense,” Seibel said.

While Mercy Health Partners plans to measure cost versus benefits and assess its return on investment over the next several years, ADP’s flexible, hosted solution should make it an easy task. “I believe we saved a lot of money with ADP instead of doing it internally,” he added. “With ADP handling the maintenance and upgrades as part of the monthly fee, our costs are predictable. Had we involved outside consultants to design and create an in-house system, we’d not only be paying to build and operate it, but eventually upgrade it.”

Seibel anticipated the ADP solution to stand and deliver for his organization. “While we realized some big savings from not having to implement an in-house system, over the long run I expect that we will also benefit significantly from just looking at time data in different and more productive ways, and creating reports that our managers can use to help them plan labor usage more efficiently.”

Hosted Solution Allows You to Concentrate on Your Core Business

“Because ADP hosts the solution, they do what we would have had to if we built an in-house system – maintain and upgrade the software, make sure we have people on staff who could troubleshoot the system, and then worry about the next wave of technology that was going to affect us,” Seibel explained.

“If we have a question or problem with Enterprise eTIME, we don’t have to schedule time to consult with our own technical resource people or call outside consultants who would have built the system for us – we just make one call: to ADP.”

ADP is the Expert at What They Do

ADP’s time and labor management solution not only provides employers with greater control over their labor costs, it also lessens the amount of time that employers need to spend on repetitive tasks, adding a whole new efficiency to the accuracy and flow of time collection and administration.

Implementing the system was also a positive experience for MHP. “We provided the requirements to ADP, and they scoped out a project implementation schedule. We reviewed it with ADP and made some adjustments on our timeline. ADP completed the implementation on time and the cost estimate was also completed within the budgeted guidelines,” Seibel said.

With relatively few dollars to spend and plenty of core HR priorities to consider, Seibel noted that choosing a hosted solution from a known market leader was a good way to acquire value without having to ante up a capital investment. He concluded, “The best thing about using ADP is that you know they are experts in what they are providing to you. They’ve already anticipated the questions and issues. And from what I’ve seen during our implementation, they know their system quite well. So now, they’re *my* experts.”