

## Administrative and Supporting Services

### 110 - M2 - KC - MANAGE EXCESSIVE 24X7 LABOR COSTS

Agency Submittal: 11-2017-19-YR Agency Req

Budget Period: 2017-19

#### SUMMARY

Western State Hospital requires an automated staff scheduling system to ensure the right people are in the right place at the right time. Existing staff management processes are not automated and limit the hospital's ability to schedule staff efficiently and effectively. DSHS requests \$6,979,000 (\$5,723,000 GF-State) to replace manual processes with a new integrated scheduling, time, and leave system that will standardize and modernize staffing management processes and maximize staff time spent providing direct care.

#### PROBLEM STATEMENT

Western State Hospital currently uses a manual staff scheduling process that risks errors in time and leave reporting, and utilizes an outdated time-intensive staff management process that is unable to support the complexity of the hospital's staffing requirements critical to meet patient needs. An automated scheduling, time, and leave system would assist with staff scheduling to support the health and safety of patients and employees and provide the necessary mechanisms and data for scheduling and leave processing for over 1,800 staff.

Managers, supervisors, schedulers, and administrative assistants within the various disciplines spend significant portions of their day trying to maneuver inadequate and siloed staffing management tools and manual workarounds, taking time away from the patient care they were hired to provide.

The existing manual staffing management processes and systems generate multiple sources of data, the data can be inconsistent and inaccurate, extraction and compilation for analysis is time consuming and labor intensive, and the results are often unreliable. This hinders DSHS' ability to make informed business decisions to manage staff productivity.

#### PROPOSED SOLUTION

To effectively control the Western State Hospital workforce the hospital needs a single, integrated, modern system that automates staff scheduling, time, and leave processes. The solution will not only resolve the immediate critical needs at Western State Hospital, the expansion plan includes addressing similar issues for the rest of the agency's institutions (Eastern State Hospital, Child Study and Treatment Center, Juvenile Rehabilitation Administration and Developmental Disabilities Administration). DSHS intends to implement the system agency wide after successful implementation at Western State Hospital. Since the system aligns with administrative roles and responsibilities, DSHS' Administration and Supporting Services program will manage the funding and FTE requirements during implementation and operation. The agency anticipates this solution will be a vendor supported, Software as a Service (SaaS) application, which significantly limits required support from the agency's internal technology staff. The amount of funds requested will provide the project resources required to ensure a successful implementation. These resources include vendor and



#### DSHS VISION

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

#### DSHS MISSION

To transform lives

#### DSHS VALUES

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

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contracted services, project backfill positions to support critical agency subject matter expertise, purchase of software licenses and time capture devices, and one FTE for ongoing configuration support.

The new integrated system will:

- **Develop Schedules** – Provide responsive, fair and equitable staff scheduling by implementing a framework to expedite and automate schedule development using automated processes and data from the state’s Human Resources system.
- **Identify Shift Vacancies** – In real time, automatically calculate the number and type of shift vacancies based on mandated staffing levels, staff present, additional staff required based on patient needs, and any other emergent needs impacting coverage.
- **Fill Shift Vacancies** – automatically identify eligible staff available to fill each shift vacancy.
- **Automate Communications** – automatically sending and tracking required notifications through various methods (i.e. email, text message, etc.).
- **Enable Visibility** – share accurate, up-to-date information with anyone who needs it by allowing access to view individual schedules as well as coverage by shift, unit, departments, and locations.
- **Deliver Critical Data** – Enable decision-making and process improvement by capturing and providing access to real-time and reliable labor data.

### EXPECTED RESULTS

Implementation of a new, integrated scheduling, time, and leave solution will provide the institutions and mental health hospitals with the ability to shift staffing management focus from reactive to proactive. Resources that are currently stretched thin responding to scheduling needs by using inefficient processes and systems will have the time and tools needed to effectively identify staffing risks and issues ahead of time and to plan accordingly. The new solution combined with proactive management will result in the following:

1. Timely managed overtime scheduling: Implementation of an automated and integrated scheduling, time, and leave system will assist with overtime scheduling through streamlined and automated processes.
2. Reduced inaccuracy of payments to employees : Integration between scheduling, time, and leave reporting will ensure timely and accurate reporting of hours worked and leave usage based on actual shift schedules.
3. Reduced risks and improved compliance by automating complex statutory, regulatory, and collective bargaining agreement rules.
4. Reduced risks of staff shortages and the negative impacts to direct patient care through automation of complex scheduling rules and staffing requirements.
5. Reduced risk of costly errors by eliminating duplicative data entry and interfacing scheduling, time, and leave data with the state’s Human Resource Management System (HRMS) and payroll processes.
6. Increased employee productivity through elimination of manual and time consuming scheduling, time, and leave activities.
7. Improved communication between employees, supervisors, and schedulers by providing visibility of shift and employee schedules, and automated and timely notification of schedule changes.
8. Reduced administrative costs by replacing manual, paper processes with integrated automation.

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9. Controlled labor costs, ensuring funding resources, and providing transparency through real time, accessible, and reliable scheduling, time, and leave data reporting.

### STAKEHOLDER IMPACT

Adoption of the proposed solution will benefit DSHS patients and employees through fulfillment of the agency's vision:

- "People (patients and staff) are healthy" - Employees experience reduced stress from simplified staffing management processes thus improving productivity and performance of patient care while reducing unscheduled absences
- "People (patients and staff) are safe" - Maintaining consistent staffing levels from shift to shift ensure both patient and employee safety
- "People (patients and staff) are supported" - Staff time saved from streamlined processes is applied to services, thus increasing patient satisfaction. Those same processes promote transparency and increase employee integrity
- "Taxpayer resources are guarded" - Reduction and control of labor costs increase stewardship which allows for increased patient services

Additional benefits to stakeholders include:

- DSHS Executive Leadership Team, as well as executive leadership teams for each individual DSHS facility will have the necessary data and reports to make effective business decisions to balance quality patient care and operational budgets
- Automation of collective bargaining agreement provisions and reliable labor data will limit the need for grievances and challenges from employee unions (Service Employees International Union (SEIU) 1199NW, Washington Federation of State Employees (WFSE), and Coalition)
- Washington Technology Services (WaTech) – The project will leverage previous integration work from WaTech that was completed for the Department of Ecology timekeeping implementation

Agency Contact: Don Petrich, (360) 902-7831

Program Contact: Jay Minton, (360) 902-7642

OTHER CONNECTIONS

Performance Outcomes/Important Connections

**1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**

Goal 5: Efficient, Effective & Accountable Government - Implementation of an automated, efficient, and comprehensive time, leave, and scheduling system will eliminate current time-consuming and labor-intensive manual and electronic staffing processes, and:

- save employee time and create clarity, effectiveness, and consistent application of rules and policies, thereby increasing employees' perception of fairness and teamwork in the workplace (Workplace Culture 1.4);
- reduce costs associated with overpayments and excessive overtime use/abuse, and the waste associated with the duplicative manual processes required to manage current systems and processes (Resource Stewardship 2.1); and
- make time, leave, and scheduling data reliable and readily accessible in order to facilitate staffing accountability by way of reporting, problem solving, and process improvement (Transparency and Accountability 3.0).

**2. The decision package meets the following DSHS' strategic objectives:**

This request is a fundamental component to meeting all the agency's strategic directives since efficient staff management and controlled labor costs directly impact the agency's ability to provide high quality direct care services to all DSHS patients. Some specific objectives include:

Behavioral Health Administration (BHA) –

- Strategic Objective 1.6: Reduce reliance on overtime use at state mental health hospitals.

Financial Services Administration (FSA) –

- Strategic Objective 5.5: Increase accuracy of payments to employees.

Services and Enterprise Support Administration (SESA) –

- Office of Policy and External Relations (OPER) Strategic Objective 5.12: Develop strategic initiatives that result in legislative action that support patient needs and program efficiencies.
- Enterprise Technology/Technical Services Division (ET/TSD) Strategic Objective 5.14: Pursue excellence in the technology services we offer.

**3. Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

- a) Regional/County impacts? No
- b) Other local government impacts? No
- c) Tribal government impacts? No

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- d) Other state agency impacts? Yes
- e) Responds to specific task force, report, mandate or executive order? No
- f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No
- g) Facility/workplace needs or impacts? Yes
- h) Capital budget impacts? No
- i) Is change required to existing statutes, rules or contracts? No
- j) Is the request related to litigation? No
- k) Is the request related to Puget Sound recovery? No
- l) Other important connections? Yes

**4. Please provide a detailed discussion of connections/impacts identified above.**

a) Other state agency impacts

- Office of Financial Management (OFM) – this request will result in improved financial reporting and more standardized data overall to support future enterprise efforts
- Washington Technology Services (WaTech) – The project will leverage previous integration work from WaTech that was completed for the Department of Ecology timekeeping implementation
- Washington State Legislature – this request will support improved reporting of financial and operational data critical to legislative partners, such as real-time, accurate, and available data regarding overtime costs based on intended schedules and actual schedules

b) Facility/workplace needs or impacts

- Assessment and readiness planning of the technical infrastructure to support time capture devices and other applicable technical requirements of the new system at each facility.

c) Other important connections

- Centers for Medicaid and Medicare Services – operational improvements required by federal survey reports

Findings and recommendations from:

- 2008 U.S. Department of Labor lawsuit requiring the agency to change its timekeeping system from negative reporting to positive reporting for all overtime eligible employees.
- 2016 State Auditor's Fraud Investigation Report regarding an employee of Western State Hospital
- 2016 DSHS internal audit and consultation reports at Special Commitment Center and Rainier School.
- Centers for Medicare and Medicaid Services 2015-2016 federal surveys of Western State Hospital

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Alternatives/Consequences/Other

**5. What alternatives were explored by the agency, and why was this alternative chosen?**

**Enhance current systems:** The agency considered the possibility of deploying and expanding the current time and leave system (Leave Tracker) and Western State Hospital and Eastern State Hospital's scheduling systems (Scheduler and OneStaff) however, found this to not be a viable solution based on extensive analysis efforts over the last two years.

- The systems are not integrated, preventing the ability to eliminate duplication and prevent costly errors.
- There are too many manual workarounds and employee resources required to supplement the limited or missing functionality necessary to ensure staffing and business rule requirements are met.
- Data sources are disparate and unreliable and do not provide critical reporting capabilities needed for managing labor costs and compliance.

**Implement Scheduling only:** The agency considered the possibility of implementing a new scheduling system only and integrating it with the current timekeeping system Leave Tracker. While this would enhance timeliness of the scheduling process, Leave Tracker's limited functionality (as described above) would prevent the ability to fully realize the benefits and capabilities of the advanced scheduling system. Additionally, the agency time and resources required to enhance current in house systems would be cost-prohibitive.

**Implement Scheduling and Time & Leave Solutions from different vendors:** The agency considered whether it would be cost effective to implement a scheduling solution from one vendor and a time and leave solution from another vendor, then integrate the two solutions (Washington State Department of Transportation is considering this option for their Marine and Non-Marine divisions). DSHS determined that the costs associated with two separate implementation projects followed by integration of the two solutions, as well as on-going maintenance and operational costs to support each solution would negate any possible cost savings.

The decision to implement one system to manage time, leave, and scheduling activities brings clear wins to the agency:

- The ability of this system to integrate advanced scheduling capabilities with time and leave in one seamless system maximizes efficiencies for staff, because information must only be entered once (versus duplicative manual entries) and can be relied upon to be accurate and real-time.)
- The system allows staff to dedicate their time to serving patient needs instead of devoting hours to error-prone timekeeping and scheduling activities, or necessarily neglecting these activities at the cost of patient and staff safety and wellbeing.
- The system replaces current disparate systems and the manual processes necessary to support them, drastically reducing costs to patient and staff safety, and that cost the agency millions of dollars unnecessarily. This is the most cost-effective approach with the highest possible return on investment.

**6. How has or can the agency address the issue or need within its current appropriation level?**

Given the complexity and capacity needed, the agency is unable to meet this need within current technical and appropriation resources.

**7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?**

- No
- Yes (Include an IT Addendum)

**Fiscal Detail****110 - M2 - KC - Manage Excessive 24x7 Labor Costs**

<b>Operating Expenditures</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
001-1 General Fund-State	3,719,000	2,004,000	172,000	172,000
001-2 General Fund-Federal	816,000	440,000	38,000	38,000
<b>Total Cost</b>	<b>4,535,000</b>	<b>2,444,000</b>	<b>210,000</b>	<b>210,000</b>
<b>Staffing</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
FTEs	1.0	1.0	1.0	1.0

**Performance Measure Detail**

<b>Activity:</b>	<b>Incremental Changes</b>			
	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
<b>Program: 110</b>				
K001 Administration and Supporting Services	0	0	0	0
No measures submitted for package				

**Object Detail**

	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
A Salaries and Wages	85,000	85,000	68,000	68,000
B Employee Benefits	28,000	28,000	25,000	25,000
C Professional Service Contracts	4,407,000	2,322,000	0	0
EN Personnel Services	6,000	6,000	6,000	6,000
EY Software Licenses, Maintenance, and Subscription-Based C	0	0	108,000	108,000
J Capital Outlays	6,000	0	0	0
TZ Intra-agency Reimbursements	3,000	3,000	3,000	3,000
<b>Total Objects</b>	<b>4,535,000</b>	<b>2,444,000</b>	<b>210,000</b>	<b>210,000</b>

**DSHS Source Detail****Overall Funding**

<b>Operating Expenditures</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
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**Fund 001-1, General Fund-State****Sources Title**

0011 General Fund State	3,719,000	2,004,000	172,000	172,000
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**Total for Fund 001-1**      **3,719,000**      **2,004,000**      **172,000**      **172,000**

**Fund 001-2, General Fund-Federal****Sources Title**

FLIV Fed Entered as Lidded (various%)	816,000	440,000	38,000	38,000
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**Total for Fund 001-2**      **816,000**      **440,000**      **38,000**      **38,000**

**Total Overall Funding**      **4,535,000**      **2,444,000**      **210,000**      **210,000**

# Information Technology Addendum

Recsum Code and Title      110-M2-KC-Manage Excessive 24x7 Labor Costs

## Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation) or IT staff. Be as specific as you can. (See Chapter 12.1 of the OFM Operating Budget Instructions for guidance on what counts as “IT-related costs.”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
IT Hardware				
Time Capture Devices	\$40,000	\$0	\$0	\$0
Time Capture Devices Annual Support	\$4,800	\$4,800	\$4,800	\$4,800
Software				
Vendor Professional Services	\$1,876,800	\$784,800	\$0	\$0
IT Contracts				
Personal Services Contracts	\$979,200	\$489,600	\$0	\$0
IT Services				
SaaS Fee	\$0	\$35,640	\$38,880	\$38,880
Maintenance – Time & Attendance	\$0	\$23,760	\$25,920	\$25,920
Maintenance - Scheduling	\$0	\$13,860	\$15,120	\$15,120
Environment Fees	\$24,000	\$24,000	\$24,000	\$24,000
Agency Backfill (FTEs)				
Subject Matter Experts	\$353,280	\$176,640	\$0	\$0
Human Resource Expert	\$96,000	\$48,000	\$0	\$0
Test Lead	\$84,480	\$42,240	\$0	\$0
Information Technology Specialist	\$101,760	\$50,880	\$0	\$0
Software/QA Lead	\$101,760	\$50,880	\$0	\$0
Trainers	\$0	\$48,000	\$0	\$0
Organizational Change Management Agent	\$96,000	\$48,000	\$0	\$0
Configuration Specialist	\$76,320	\$101,760	\$0	\$0
Configuration Specialist FTE	\$0	\$0	\$101,760	\$101,760
External Quality Assurance	\$96,000	\$48,000	\$0	\$0

2017-19 Biennial Budget  
Department of Social and Health Services

Interagency Agreements				
WaTech Services	\$605,000	\$453,000	\$0	\$0
<b>Total Cost</b>	<b>\$4,535,400</b>	<b>\$2,443,860</b>	<b>\$210,480</b>	<b>\$210,480</b>

## Part 2: Identify IT Projects

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? **Yes**

2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) **No**

3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) **Yes**

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to Chapter 12.2 of the Operating Budget Instructions for more information.