

Sensitivity analysis: patton fuller community hospital essay sample

[Health & Medicine](#), [Hospital](#)



Patton Fuller Community Hospital has been operating since 1975. Besides operating with the goal of keeping patient care their top priority there are other elements that demand the facility's operations attention. At Patton Fuller Community Hospital there are elements that effect staffing, trend analysis and how that collected data is used forth going, how obtaining comparative data leads to forecasting, the type of plan taken for proper staffing at a hospital, and how a sensitive topic such as raises in wages and change can affect the staff, i. e. nurse-to-patient ratio. Elements That Affect Staffing at Patton-Fuller

The elements that affect the health care staffing as observed at Patton-Fuller which includes raises in wages, the nurse-to-patient ratio changes, the contracted staff reduction, and the additional staffing of more nurses aides. By using trend analysis, the members of management of Patton-Fuller determine the type and amount of employees needed for medical facility staffing in order to maintain or improve operations above the level of quality. Using trend analysis will make us find out the costs that are associated with lessening the ratio of nurse-to-patient and this change's impact will be discussed as well. Planning, making decisions on whom to hire, and controlling are a few of the vital duties of a financial manager. The task of staffing involves the computation of the total coverage that once facility needs in order to cover a full time position of an employee. With this, annualizing is required.

Annualizing is defined by factors such as vacation, holiday, sick pay, and other days that are non-productive. (Baker & Baker, 2011) these are some of

the major issues that one financial manager should take into account while planning the staffing of one facility. For the case of Patton- Fuller, the staff nurses are to be reduced according to the specific ratio of the patients. Doing so will increase the patient safety. Likewise when the workload of the nurses is increased the patient safety starts to change.

Many hospitals as well as healthcare centers possess a bigger number of nurse thereby generating unsafe workloads and additional overtime. (America Association of Critical-Care Nurses, 2014). In order to remedy the staffing issues of one facility, the contracting staff as well as the nursing assistance personnel should make it a point to decrease the number of workload for the nurses. In addition, decreasing the number of contracting staff and giving a higher pay for the nurses will decrease the management cost of the facility. The increased number of the staff will then give the nurses some time off during regular vacations. Raises in Wages and Changes

☪ Nurse-to-Patient Ratio

Any time there is a change in an organization, patients are affected somehow. One of the major changes that impacts patients a great deal is when wages are changed for clinical employees. One way that organizations such as Patton-Fuller try to solve the nation-wide nursing shortage is to raise their wages to attract more potential candidates. According to the Institute for Women's Policy Research, instead of competing for nurses with increased compensation, companies tend to overwork their nurses, utilize contingent workers, understaff their facilities, and just offer a one-time hiring bonus (Lovell, 2006). These tactics only solve the nursing shortage temporarily and

ultimately end in another nursing shortage in the future. If wages are increased at Patton-Fuller Community Hospital, more qualified and aspiring nurses will be drawn to the organization thus solving any problems with nurse-to-patient ratio.

Although this may be the most expensive option, it will be one that withstands with the times. Hiring more nurses at a low rate only increases the risk of high turnover due to unhappy workers. Patient care will always be positively affected when wages are increased and when you add mandated staffing ratios; it is nearly impossible to have issues with the nurse-to-patient ratio. These changes will eventually make the organization more profitable because when a hospital has a high rating, more people will go out of their way to go to that hospital. Higher pay for nursing staff will allow for expansion of nurse education, which will ultimately ensure an adequate supply of nurses both now and in the future (Lovell, 2006). Comparative Analysis of the Last Two Years of Data

The financial statement of the 2008 and 2009 has changed a bit, but not really drastically which is a good thing. The revenue in 2008 was \$421, 314 and in 2009 the hospital had total revenue of \$462, 982. The expenses in 2009 did increase versus the expenses in 2008, which had a 25, 869-dollar difference, which is not too much of an increase. There was a little increase in salaries and benefits, because nurses' salaries did increase by one percent. Supplies were a little higher, depreciation and amortization did increase a little along with the provision for doubtful accounts. All in all the hospital was able to increase their revenue from the last year, but ended up

increasing their expenses which put them in the same financial position in both years. Just because your revenue increases does not necessarily mean you now have more money, because which the revenue increase comes the expense increase.

Maybe in the year 2010, the hospital can use the financial statement from the previous two years and try and increase more revenue than expenses to make a little more money. 2010 Budget Assumptions Negatively or Positively Affecting Patton Fuller The 2010 budget assumptions could either affect the hospital in a positive way or a negative. The first assumptions are about their revenues. The patient revenue will increase, meaning that patients will be paying more money for services. These services include the payments received for routine nursing care, emergency services, surgery services, lab tests, etc. ("Hospital Financial Performance", 2011). Other revenue will increase by fifth teen percent, which includes things like cafeteria sales, parking lot revenues, vending machines, etc. These changes in revenue could help the hospital by saving money, or could hurt it due to losing patients with increases prices. The expense category is next which talks about salaries and benefits first. Salaries are going to increase one percent overall in cost with no increase in labor hours. The nurses wages could raise to a dollar more an hour or increasing the nursing hour ratio.

This would be great for the nurses who are employed by the hospital, but cost the hospital more money in the long run, since they are not increases their patient volume. Supplies will decrease three percent, which is good for the hospital. Contracts for fees will increase three percent for physicians and

professional fees, utilities will increase five percent, interest has been raised by thirty percent in 2010 and any monies borrowed in 2009 will come due in 2010. These all are negative effects on the hospital and will only increase the hospital's expenses. The non-operating income and the investment income is not scheduled to have any loss or gain which is great for the company since they will not lose any money in this area. Plan for Staffing

After comparing all of the data from the past years to look at what was set aside for staffing and patients it seems that it has stayed the same at 3%. This is namely due to not having any new patient contracts, which means that there is no need for staff to increase. Looking at what is going to be projected for the next year of 2010, it is demonstrating that new patient increase is not going to happen again, this means that not having new staffing requirements are not going to be necessary. Until the new patient contracts start coming in the plan for staffing would remain the same, unless the facility losses any patients the staffing will remain the same.

The facility also has to look at how it is going to give a very slight raise to employees, otherwise this may change the amount of employees that will remain in our facility since some might not want to stay without a bigger raise. Everything has to be evaluated carefully when dealing with the staff because you have to have the right amount of ratio of patients to staff in order to function correctly. Therefore, doing the research on the salary increases would be the best before making the final decision on this.

Summary of Trend Analysis for Patton-Fuller

Patton-Fuller has created a productive departmental framework that will supply excellent benefits in order to obtain the company's goal to increase the size of the medical association or facility. As a result, Patton-Fuller is currently increasingly profitable and is growing constantly. As the organization becomes more advanced so does the work or services they provide, therefore more employees will be needed. The most impressive way of anticipating or evaluating the future demands in regards to the modern or current trends is to perform a trend analysis. The services and sales needed in Patton-Fuller are the increases that will cause employee needs to escalate rapidly. To help satisfy the demands or needs of employees for the future, supplementary recruits should be added. Consequently, the evolution of trend analysis will be very sufficient when analyzing the anticipated increased demands of employees. The leading role of trend analysis is to evaluate the employee demands or requirements to increase organizational sales, which ultimately will help in planning the required personnel in a health care organization.

The information collected will later be used to estimate the ratio amount of the sales to the number of the employees needed, will help define the areas as well as the time when the staffing needs to be accomplished. At Patton-Fuller, trends are very useful in considering staff recruitment at various shifts. In addition, the future staff attrition is likewise identified by trends and it also assists in decision-making for retirement plans, promotions, transfers and others. The trend also issues information on the needs of the staff depending on their posts as a manager, nurse, helper or any company

personnel. Therefore, we can say that trend analysis is a vital tool that can contribute to the success of the Patton-Fuller staffing planning. How Comparative Data Facilitates Forecasting at Patton-Fuller The standard occupancy was used to determine the dollar increase on the cost for the nurses. The computed increase amounted to \$63, 703. 00 or roughly 3. 4%. The next slide will show results of changing the ratio of patient to the nurses.

Notice how it affects the cost of the organization. It is determined that by increasing the pay of the nurse the patient care will not be affected. With increased pay the nurses will still be overworked and will cause a possibility of resignation on the nurses. If this happens, the organization will result to low nursing staff level as well as very poor patient care. Technological advancements as well as the time the patient would stay in the hospital gives a huge influence in todays nurse shortages. Most people today prefer to stay at home on their recovery period rather than to stay in the hospital therefore making staff nurses only tend to the really “ sick people”. Staffing nurses is given much attention today because it contributes mainly on the patient safety and quality care.

Patient comfort is closely related to the term nursing care that the patient receives. While a nurse gets his or her raise the tendency is that patients will be reduced per nurse. With reduced patients per nurse, the nurse would then feel less stressed and will have greater satisfaction on his or her job. By increasing the number of the nurses, patients will have faster recovery in hospitals and thus will receive better health care. The expenses with the

added number of nurses might not be offset by additional costs to the medical institution. Conclusion

In conclusion Patton Fuller Community Hospital has been in service since 1975. Their drive is to maintain quality service with patient care. In this study we have learned that it takes more than just service to run a hospital. Financial managers must maintain budget reports and keep financial statements consistent with the budgetary plans of the organization so that function and sustainability of the organization can continue its successful operations.

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