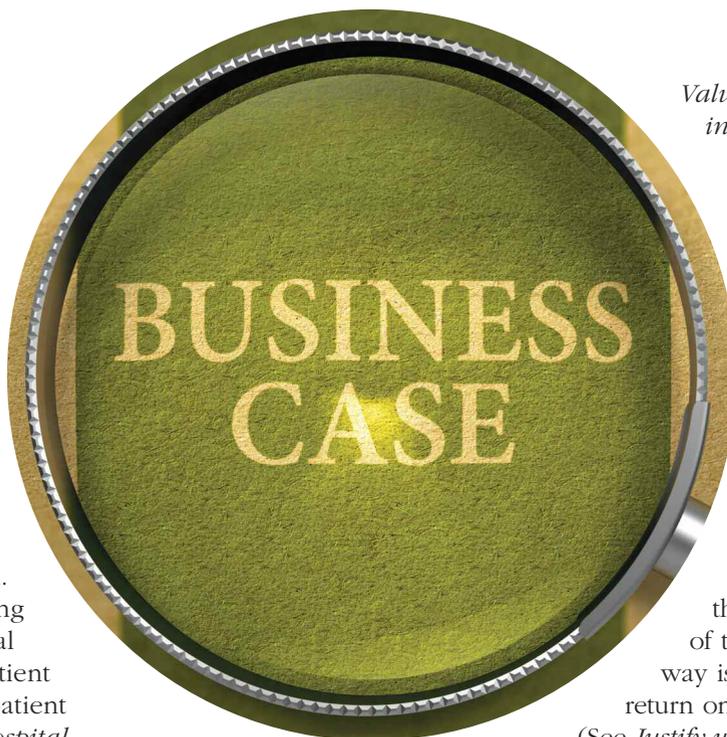


Justifying the purchase of a data-driven, acuity-based staffing system

By Sylvain Trepanier, DNP, RN, CENP

Build a business case and meet patient needs.

NURSING PRACTICE is at the heart of the Centers for Medicare & Medicaid Services' Hospital Value-Based Purchasing (VBP) program, so nurses must be able to articulate their value contribution. Nursing budget and daily staffing decisions are integral to hospital VBP because they influence patient outcomes, patient safety, and patient satisfaction. (See *2017-2018 Hospital*



Value-based Purchasing domains.)

In this value-based environment, recommending a data-driven acuity-based system to support staffing decisions is appropriate. In other words, nursing leaders can use any of the VBP outcomes to justify the investment of one of these systems. One way is by demonstrating a return on investment (ROI).

(See *Justify with ROI.*)

2017-2018 Hospital Value-based Purchasing domains

Below are the domains that the Centers for Medicare & Medicaid Services will use to evaluate hospital performance, which, in turn, determines reimbursement. The percentages indicate the scoring weight for each domain.

Fiscal year	Domains
2017	Patient and caregiver-centered experience of care (care coordination)—25% Safety—20% Clinical care—30% (25% outcomes and 5% process) Efficiency and cost reduction—25%
2018	Patient and caregiver-centered experience of care (care coordination)—25% Safety—25% Clinical care process and outcomes—25% Efficiency and cost reduction—25%

Source: Adapted from Department of Health and Human Services, 2015.

Building a business case

A data-driven, acuity-based staffing solution is an objective method for identifying the number of nurses required to meet patient needs. However, this kind of solution requires funding. Start by developing a business case that demonstrates the ROI. In many instances, when nurse leaders fall short of selling an idea to their colleagues, lack of substantive ROI is the cause.

When building a business case, identify an outcome quantified in dollars. Since the purchase of the acuity-based system can support an improvement in patient outcomes, you can justify the cost by quantifying the improvement in terms of increased reimbursement dollars. For example, assume that you expect an increase in reimbursement because of a decrease in mortality to equal \$100,000 by 2017 (related to acuity-based staffing). In addition, assume you invested \$250,000 to install a data-driven, acuity-based staffing system (spread over 5 years, or \$50,000 per year). In this situation, you can expect an ROI of $(\$100,000 \div \$50,000) \times 100 = 200\%$.*

Meeting patient needs

A data-driven, acuity-based staffing system makes it

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Justify with ROI

A return on investment (ROI) is obtained by dividing the net profit by the total investment and then multiplying by 100. The higher the result, the better. You can account for the ROI by identifying cost avoidance or an actual increase in reimbursement as part of the Hospital Value-Based Purchasing program.

$$\text{ROI} = \frac{\text{Net profit}}{\text{Total investment}} \times 100$$

feasible to provide resources for a unit so staff can better meet each patient's needs. Staffing by acuity is more suitable than staffing by ratio, which doesn't account for individual patients' needs.

When all patient needs are met, nurse leaders can expect an increase in reimbursement related to VPB, and most hospital administrators support these system purchases when presented with an ROI over time. Because these tools help to demonstrate the value contribution of nursing services, they provide an opportunity to recognize any inpatient unit as a revenue-generating department rather than a cost center.

Editor's note: On July 12, at 2 PM Eastern time, join the author and other experts for the 1-hour webinar "CFO/CNO partnership for workforce management outcomes: Benefits of acuity-based staffing." Register at <https://www.americannursetoday.com/CFO/CNO-Partnership-for-Workforce-Management-Outcomes>. ★

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*Numbers are fictional and intended only to illustrate how to calculate an ROI.

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