

Managers' fast track

Know health care's dollars and sense

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Abstract: Direct health care workers need a firm understanding of the environment's financial aspects.

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A nurse stands at a patient's bedside and performs a sterile-dressing procedure. Does this nurse have knowledge related to:

- ◆ the cost of the supplies used to perform the dressing change?
- ◆ what the patient pays for the nurse's time?
- ◆ the difference between the amount the hospital pays for the supplies and the amount the patient's insurance carrier will reimburse the hospital?
- ◆ who pays for the supplies when the patient has no insurance or refuses to pay the bill?

Overall, how important is it for a nurse to be able to answer these questions? Does it affect patient care delivery? Nursing needs to become more proactive regarding budgetary concerns.

Financial smarts

It's common for direct care nurses to leave financial concerns to their manager or other administrators. Some common staff beliefs may be:

- ◆ If I need to know anything, my manager will tell me.
- ◆ I didn't get into nursing to worry about money—I'm here to take care of patients.
- ◆ They can find money to build a new wing, but we can't get more than a 2% raise.

As with many health care issues, staff perceptions are often biased by misinformation, a lack of information, or both. Provide the following resources to staff on an ongoing basis and create opportunities for discussion and feedback:

- ◆ Generate a form listing commonly used supplies, which details the hospital's cost for the supply, the amount the patient/insurance company is charged, and the average reimbursement rate.

Don't be afraid to show staff members the numbers.

- ◆ Educate staff on the organization's role in charitable care by posting graphs that define charitable costs by year and by department.

- ◆ Discuss statistics related to the percentage of uninsured versus insured patients.
- ◆ Invite a representative from fiscal services to educate staff on how the facility funds and budgets capital expenses.
- ◆ Allow staff members to suggest ways they can act more fiscally responsible by identifying inappropriate use of supplies and equipment.
- ◆ Outline specific issues and regulations that control reimbursement.
- ◆ Relate costs of malpractice coverage for the facility.
- ◆ List the most common tests and procedures patients receive in the area where your staff works and identify related costs to the organization, amount billed to patient, and average amount collected.

The monetary reality

Health care costs will continue to challenge organizations and staffs that provide direct patient care. By educating staff members and increasing their awareness in areas related to cost and reimbursement, you'll initiate a process of accountability that leads to more effective and efficient use of supplies and equipment.

Don't be afraid to show staff members the numbers. For employees who live in the community where your facility is located, charitable contributions should bring a new meaning to the term "the community we serve." **MM**

About the author

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