As our nation undergoes continuous reform of the health care system, a common, yet challenging goal of health care providers is to reduce cost while improving quality patient care. In our facility, as in many others, nursing staff accounts for the largest portion of the personnel budget. Thus, it is necessary that nurses be an active part of cost-containment efforts. To accomplish this, a cost-containment work group consisting of staff nurses and other nonsupervisory employees was formed. This work group developed several initial cost-reduction strategies including: (a) increasing employees’ cost awareness through education, (b) identifying and eliminating costly habits, (c) making the most cost-effective decisions possible, (d) recycling, and (e) reducing unnecessary inventory.

This initial grassroots effort evolved into a unit-based quality improvement, cost-containment initiative that spread throughout the medical center. The development of the cost-containment program and some of the successful program activities are described in this article.

Getting Started
Managers cannot be solely responsible for controlling health care costs; in reality, the staff nurse plays an even greater role (Baker, Rheault, & Roode, 1995). Staff nurses have the most direct and frequent patient contact, and, therefore, are in a good position to reduce unnecessary spending. With this in mind, brainstorming about cost containment began among the nursing staff in an intensive care unit. The brainstorming sessions not only generated an abundance of ideas, but also energized nurses in a very positive way. From the initial session, the NURSE (Nurses Utilizing Resources Sensibly and Economically) Program began. The initial goal of the NURSE Program was to maintain the quality of patient care while cutting expenses under staff nurse control.

Within a matter of days, 38 staff nurses from four patient care units volunteered to identify and evaluate ways in which staff nurses could contain cost.

Cost Awareness
It immediately became evident to the work group that nurses have a poor awareness of cost. Others have described this as a common problem. Unit-based cost savings cannot occur unless staff nurses function in a cost-conscious environment. Inefficient use of supplies can add as much as $1.6 million to a typical hospital budget (Caroselli, 1996).

To educate nursing staff, a self-instructional cost-awareness program was developed and presented as part of the medical center’s annual mandatory nursing inservice day. The program included a poster describing the NURSE Program, various cost-awareness facts, and an opportunity for participants to submit additional ideas about reducing costs. After approximately 300 nursing employees completed the inservice program, 110 additional cost-saving ideas were submitted. We also received anecdotal responses supporting the success of the inservice program (see Table 1).

Following the annual nursing inservice meetings, the NURSE Program was presented to other departments in the medical center, and cost-awareness efforts quickly spread. The motivation and interest that grew from the self-instructional module was very exciting. Nurses and other staff took charge of their own clinical spending and pulled together to support the medical center’s goals. Employees at many levels and in many disciplines began critically evaluating their own behaviors and the fiscal impact. An overall sense of empowerment emerged; as staff became informed, they made responsible decisions related to cost.

Table 1. Anecdotal Comments Related to Cost-Awareness Education

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<td>• “I had no idea that there was that much cost difference in types of oximeters.”</td>
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<td>• “After learning about the costs, I am going to watch what supplies I am using.”</td>
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<td>• “I have ideas for changes on my unit.”</td>
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The most exciting part of the program was identifying examples of specific cost-containment efforts. These occurred in three areas: (a) materials management, (b) choosing the least expensive alternatives, and (c) recycling.

Materials Management
Recognizing that an enormous impact could be made by decreasing supplies, procedures for obtaining equipment and supplies were carefully examined. A number of changes were implemented in the day-to-day methods for obtaining and stocking supplies so that excessive stock on units was reduced.

In a pilot project, all items that could either be reduced in number or eliminated from unit storage areas were identified. In particular, expensive equipment not used for emergencies was removed. The costs of commonly used items were displayed and nurses were encouraged to make cost-effective choices of the equipment they used. Examples of these efforts included:

- Bedside tracheotomy kits. When bedside tracheotomies are performed, there is generally at least 24-hours notice. However, one intensive care unit routinely kept three bedside kits in stock at a cost of $168 each. Removing the three kits from the unit stock yielded immediate savings of $504. Simply removing overstocked supplies from three intensive care units yielded an immediate reduction of $6,200 in overhead.

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Inventory control. Nurses and other clinical staff are encouraged and expected to obtain necessary supplies from the central supply department rather than "borrowing" from nearby units. This helps maintain accurate inventory control on each unit, ultimately reducing the cost of stocking unnecessary supplies.

Patient transfers. An awareness-raising effort regarding inter-unit patient transfers was initiated. Consequently, nurses now are extremely conscientious about transferring patients’ bedside equipment, supplies, and hospital-provided personal care items. This reduces duplication of items used for patient care and comfort.

Choosing the Least Expensive Alternatives

Many nurses were in the habit of choosing patient supplies based on personal preferences. In the past, there had been no real awareness of cost differences. Under the new cost-containment effort, staff nurses were educated about making cost-conscious decisions and encouraged to follow through. Some examples are:

- Volutrols. Both volutrols and straight IV tubing are available on patient care units. A volutrol costs $5.95, compared to straight IV tubing, which costs $2.11. For patients receiving IV medications that do not require micro monitoring, nurses now know to use straight IV tubing.
- Oximetry probes. Before initiating the NURSE Program, the intensive care units stocked three types of oximetry probes (nasal, finger, and temporal). With no formal protocol in place, nurses chose probes for their patients based solely on personal preferences. However, there are major differences in costs of these three probes: $5.70 for a finger probe; $19.50 for a nasal probe; and $30 for a temporal probe. Thus, a policy was implemented which requires using the least-expensive probe possible for patients requiring oximetry. In addition, after becoming aware of cost differences, nurses in the outpatient areas switched from disposable to re-usable finger oximeter probes and saved approximately $1,710 per year.
- Pre-packaged IV starter kits. Using pre-packaged IV starter kits actually saved money when compared to collecting the individual supplies for this procedure. Commercially available kits without IV catheters cost $0.98 per kit, and include a tourniquet, alcohol swabs, betadine swabs, gauze, Band-Aid, antimicrobial ointment, tape, and a clear protective barrier. A collection of these supplies costs approximately $2.58. In a 10-bed ICU, the difference of $1.60 per IV insertion quickly contributed to approximate yearly savings of approximately $1,945.

Table 2. Plastic Containers for Recycling

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<tr>
<td>Cleaning fluids</td>
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<tr>
<td>Skin care products (soaps, lotions, and shampoos)</td>
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<tr>
<td>Liquid medications (antacids)</td>
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<tr>
<td>Multi-dose oral medications (capsules and tablets)</td>
</tr>
<tr>
<td>Rubbing alcohol</td>
</tr>
<tr>
<td>Betadine</td>
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<td>Peroxide</td>
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Recycling

A revenue-generating cardboard and paper recycling program was already in place at the medical center. The NURSE Program initiated efforts for the recycling of aluminum cans (primarily drink cans) and plastic products to generate additional revenue. For the plastic products, the initial focus is on noncontaminated items identified with the recycling symbol. Table 2 lists examples of plastic products found in a typical medical center which can be recycled.

Ongoing Program Plans

Since nurses have the greatest number of direct patient contacts, we are in an ideal position to influence cost containment at the point of service (Jorgenson, 1994). The NURSE Program continually demonstrates that even small initiatives can influence resources. The success of this program has motivated nursing staff to continue future efforts that will include cost and quality analyses of unit-based achievements.

Teams on each patient care unit have been challenged to identify at least one way cost can be reduced in the patient care setting. The changes identified must be those over which nurses and other patient care providers have direct control. Through involvement in this cost-containment effort, creative ideas are continuously being generated and staff members see that they are making valid contributions during challenging times. The program continues to focus on ways to increase cost awareness through a new employee orientation program, a medical center newsletter, and development of a cost-awareness videotape.

Developing a unit-based cost-containment program combined with quality improvement processes led to significant cost savings and improved the fiscal management of patient care practices. The success of this program also had a positive effect on nurse satisfaction and morale. Nurses now feel that they have control of their unit-based cost decisions as well as feeling that they are contributing to the goals and mission of the medical center. The NURSE Program exemplifies the ideas expressed by Manss (1993): that staff nurses can make a significant difference in the rising cost of health care at all levels of a health care system — the individual, unit, and organizational levels. Under the pressures of cost control, enabling and empowering staff nurses to contribute to the medical center’s overall success have been very rewarding. This type of empowerment assists professional nurses to face the challenges of the future.

REFERENCES


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