



## **KRONOS® Prepares U.S. Hospitals For The 90s**

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If the challenge to American hospitals in the 1980s was to control costs, their task for the 1990s is to reduce them. Many hospital administrators are tightening their belts via cost saving day surgery and ambulatory care programs. Some are cross-training equipment operators and technicians to obtain higher value for their skills. Others are establishing cost cutting scheduling strategies based on daily censuses and departmental needs.

Even the payroll process, traditionally calculated by error prone manual methods, is being given a closer look. Today, as pressure mounts from insurance companies to lower costs and competition from HMOs intensifies, hospitals like United Medical Center in Moline, Illinois; Providence Hospital in Sandusky, Ohio; and Mercy Health Center in Dubuque, Iowa, are replacing their mechanical time clocks with TIMEKEEPER CENTRAL® system: the fully automated time and attendance system manufactured by KRONOS Incorporated, based in Waltham, MA.

### **Economical and Error Free**

Unlike manual systems which produce errors as high as five percent of total payroll costs per year, TIMEKEEPER CENTRAL provides fully reliable computations using intelligent data collection terminals linked to a central PC. Off-line terminals gather punch data while KRONOS' PC-based TIMEKEEPER CENTRAL (TKC) software polls them and calculates the payroll data applying each hospital's rules.

With an average customer payback of less than two years, TKC also generates a series of management reports regarding absenteeism, exceptions, overtime, and costs per department. The KRONOS Data Manager, available as an option, enables hospitals to easily process customized reports such as FTE and financial data.

### **Superior Performance is the Key**

Using the TIMEKEEPER CENTRAL system, United Medical Center, which supports 354 beds and 1200 employees, saves \$260,000 a year in payroll errors and another \$26,000 in labor costs. According to MIS director Jan Nelson, TKC paid for itself in less than a year and reduced payroll preparation time by almost 50 percent.

"Before we acquired our KRONOS system in 1988, we had to borrow people from accounting each biweekly pay period to help our payroll staff



calculate and batch timecards," recalls Nelson. "Then, we had to keypunch the information into our in-house payroll system for final paycheck generation.

"Once we put the KRONOS system in," she adds, "we were able to process the entire payroll without help from other departments. We had no more errors calculating hours and days worked, no need to calculate timecards, and no need to keypunch, thanks to a KRONOS interface with our main computer system. TIMEKEEPER CENTRAL did it all automatically, providing our payroll department with much needed relief."

KRONOS' management reports have also helped United Medical economize on staffing and scheduling. "The system's Punch Detail Report enables our department managers to track employee hours for each shift and each day," says payroll manager Pam Comstock. In addition, a "Short Shift" report gives managers a clearer view of periods when staffers are being called in for off hour assignments.

"KRONOS is continuously improving the TIMEKEEPER CENTRAL system, and all upgrades are free with a maintenance agreement," adds Comstock. "They're support and service has been nothing short of excellent."

### **Creative Applications Add to the Savings**

Having derived similar economy from KRONOS since 1987, Providence Hospital, a 255-bed, not-for-profit institution with 755 employees, has initiated tighter controls over departmental expenditures through TKC's labor tracking facility. "With our old mechanical clocks, employees' labor was always charged to their home department, even when they transferred to another area," says payroll supervisor Laura Miller.

"Now, we can transfer workers

and the right cost center pays for it, and we're able to track staff movements automatically using TIMEKEEPER CENTRAL terminals and TKC software."

The KRONOS system is also helping Providence reduce labor costs through a landmark "Management Incentive Program" established in 1988. The system tracks the movement of every employee from department to department. Each department is charged for all hours worked and departments that meet or fall below budget are rewarded.

Along with boosting internal morale, the innovative program has yielded critical information to departmental managers and hospital administrators. "The data from KRONOS helps us determine staffing and scheduling needs for each department. It's lowered our overtime costs, allowed us to set more realistic and economical departmental budgets, and reduced our payroll calculating time from a day and a half to four hours."

### **Multi-Users, Multi-Uses**

Minimizing overtime costs and eliminating errant payments were also concerns to Mercy Health Center, when the 400-bed acute care hospital replaced its aging time clocks with the KRONOS system in 1987. Mercy, which supports a nursing home and satellite facility 25 miles from Dubuque, previously calculated 1400 timecards by hand in two days for each pay period. And hospital administrators, including Director of Accounting Paul Blaser, wanted a serviceable system with flexible software to address these concerns and eliminate unreported manual errors.

Although Blaser has not quantified Mercy's savings, today the health center has a comprehensive multi-user local area network supporting TIMEKEEPER CENTRAL and runs a wide range of KRONOS management

reports and programs. At present, the center's network maintains four PCs in its accounting department and one in its child care center with access to TKC software. Using modems, the system also extends to the nursing home and satellite facility.

Using the KRONOS system's keystroke files, "TIMEKEEPER CENTRAL's Employee Hours Report, containing traditional timecard information, uploads automatically to the mainframe and eliminates the need to keypunch data," adds Blaser. "The system's Punch Detail Report, which is distributed to and approved by department managers daily, informs them of any possible discrepancies in payable hours. That, along with the Daily Exceptions Report, allows us to track missed punches, tardiness, overtime payments and docked pay."

In one of its most innovative applications using TKC, Mercy recently installed TIMEKEEPER CENTRAL in its hospital-operated child care center, which charges its services on an hourly basis to parent-employees. "Formerly, the center calculated billable hours using separate spreadsheet software, and handed the data to the payroll department, which manually entered it for deduction from employees' paychecks," recalls Blaser.

"Using KRONOS, the fees are calculated automatically through TKC, uploaded to the hospital's payroll system and deducted from employees' paychecks without human intervention."

In keeping with Mercy's initial criteria, KRONOS has also earned high marks in customer service. "So far, their local support and maintenance have been excellent. They are extremely responsive to our hardware and software concerns and eager to help us improve. KRONOS has not only provided us with economy and competitive technology, they're also helping us grow."