



Cape Fear Valley Health System Reports Major Agency Reductions and Broader Growth Planning Enabled by Strata



For more than two decades, Cape Fear Valley Health System has used a combination of Strata solutions to strengthen labor management discipline, identify cost-reduction opportunities, and support longer-range financial and growth planning.

Today, the organization continues to leverage Strata solutions to fine-tune its processes. Using analytics and benchmarking to strengthen financial planning and cost accounting has led to more informed, impactful decisions spanning areas like labor management and service line planning.

Across its Strata platform, Cape Fear Valley Health has been able to identify synergistic opportunities for larger impact. The data and information health system leaders have gained from the solutions have helped them focus on reducing use of agency or contract labor, better managing supply expenses, keeping salaries competitive with regional areas, and right-sizing departments based on benchmarks and industry standards. Leaders rely on biweekly and monthly reporting to surface staffing improvement opportunities and support ongoing analysis.

Benchmarks and analytics to inform the path ahead

Market data have enabled more focused, strategic efforts to increase market capture and growth.

“We use Comparative Analytics to determine benchmarks at a cost center level,” said Shatana Mendoza, Corporate Director of Financial Planning and Analytics at Cape Fear Valley Health. “It helps us align our full-time equivalents per adjusted occupied bed (FTEs per AOB) with national standards and set higher expectations toward operational efficiencies.”

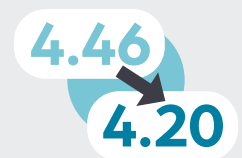
Budgeting and financial planning tools also help align the health system’s future projections with strategy and operations over a one- to five-year horizon. In that context, leaders said they routinely use the platform to pinpoint year-over-year increases in high-dollar items and assess where expenses can be reduced or realigned.



Curbed agency utilization by 220 FTEs over three years

\$30 ↓
MILLION

Reduced close to \$30 million in premium dollars



Lowered FTE per AOB from 4.46 to below 4.20



The impact, the organization reported, has been significant on labor and premium pay. Over a three-year period, Cape Fear Valley Health reduced agency utilization by 220 FTEs while reducing close to \$30 million in premium dollars. The organization also reported lowering FTEs per AOB from 4.46 to below 4.2, noting that the effect extended even beyond nursing and allied health.

Protecting quality of care in driving cost savings

Beyond labor, Cape Fear Valley Health used the insights from its Strata solutions to evaluate growth opportunities, including clinic and provider practice expansion. The organization reported that this work contributed to its expansion to almost 100 clinics, including the addition of new service line clinics.

"Reducing costs without negatively impacting patient quality is a huge achievement," Mendoza said, pointing to a broader theme in healthcare: the need for cost savings to align with care standards. "We're proud of how we've been able to support the organization with these ongoing efforts," she added.

Looking ahead, Cape Fear Valley Health's guidance to peer organizations encourages them to focus on using tools in combination rather than in isolation. "We've seen the most impact when we use a platform of multiple modules together, not single modules in isolation," Mendoza said. "Utilizing all of the tools available through Strata has provided synergistic opportunities for our department."



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Corporate Director of Financial Planning and Analytics at Cape Fear Valley Health

Strata tools leveraged:

- Budgeting
- Comparative Analytics
- Financial Planning

