

EFFECTIVE MANAGEMENT OF OVERTIME FOR HOME CARE AGENCIES

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INTRODUCTION

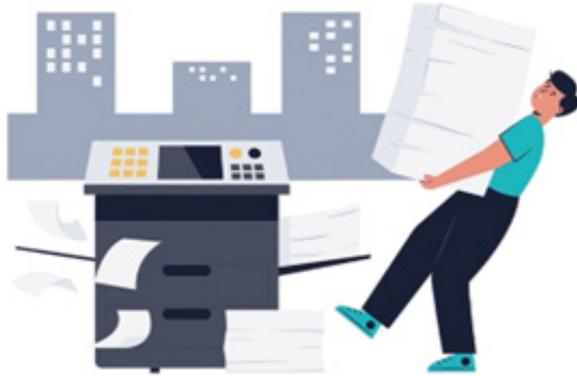
Unlocking the overtime management conundrum is essential for home care agencies. In this e-Book, we will share the considerations, upsides, and downsides of overtime, the benefits of controlling it, and strategies to manage overtime in your agency effectively.

Critical questions homecare agencies should answer from this e-Book:



Managing and reducing overtime are vital for home care agencies' sustainability and survival. The law, the Fair Labor Standards Act (FLSA), requires that home care workers exceeding 40 hours per week within seven days consecutively should be paid an overtime rate of one and a half times their base rate; additionally, for approved public holidays, or those with the unions—union holidays, will be paid two times their base rate. Some states, such as California, have stricter overtime regulations. However, most states adhere to these guidelines.

While it is very tempting to consider cutting back all overtime hours to reduce costs, it might not be the optimal solution for the clients. The most significant asset in a home care agency is talent; maximizing talent can be challenging.



WHY IT IS IMPORTANT TO **MANAGE AND REDUCE OVERTIME?**



01 To manage labour costs



02 To reduce employee burnout



03 To stay ahead of potential changing laws



04 To improve employee experience & optimize talent

Manage Labor Costs

Overtime increases the cost that homecare agencies pay home care aides, squeezing organizations' already tight margins, hence, their ability to reinvest in the business' sustainability and growth. Cutting overtime costs cannot be a random or isolated exercise; instead, developing a clear understanding of the pool of clients and home care workers, understanding the distinction between full-time and part-time workforce, and exploring ideas such as cluster care are all actions that could help you match the best home care workers to a client and at the same time manage overtime.

Many agencies are not effectively staffing their pools of workers. Maximizing the utilization of your caregivers is critical. What is your current utilization of your existing pool of workers—is it less than 70% or over 70%?

Here are some other actions to manage your overtime costs:

- Find out which home care workers are underutilized and determine if they want more hours
- Consider revamping your staffing model, looking at the better mapping of caregiver-to-clients based on established criteria, and ensuring, as is possible, that all your full-time workers have permanent cases
- Train your case coordinators on the best staffing practices—too many agencies take it for granted that their coordinators know how to do proper staffing
- For your 24-hour and live-in cases, build rapport with your clients and their team of caregivers—set up periodic meetings with all involved to strengthen collaboration
- Hire more home care workers, establish active marketing and hiring activities online and through collaborations, and engage your existing home care workers to make referrals
- Get your payroll team to generate a weekly overtime report and have a weekly meeting with the scheduling team

Reduce Employee Burnout

Excessive overtime has other implications for the home care worker's well-being and quality of care to patients. Today, many caregivers work for two to three agencies, amassing over 70 hours per week—a potential cause for concern, as burnout is a reality. Suppose you are the CEO of an agency, a Director of Nursing, a Director of Patient Services, or a Case Coordinator Manager or Supervisor. In that case, you might think, "How picky can we really be when we don't have enough caregivers to staff our cases?"

Yes, there is a shortage of workers; however, agencies should consider the implications of an exhausted workforce. Client care can suffer if employees become stretched and overtired due to excessive overtime, creating additional risks for errors, mistakes, and neglect. A study of American nurses who worked overtime discovered that long shifts increased the likelihood of burnout and job dissatisfaction. Your agency should review each worker's utilization level and consider limiting offering additional hours to caregivers already heavily utilized.

The pay increase to \$17 per hour on October 1, 2022, and \$18 on October 1, 2023, can give caregivers the ability to work fewer hours; at the same time, agencies would have the ability to attract more workers to the profession to help with the shortfalls and the overall shortage of home care workers.

Stay Ahead of Potential Legislation

The No More 24 Act – Int. No. 0175-2022 – introduced legislation that would amend the New York City Fair Workweek law (“FWWL”). If the new amendment is enacted, home care workers' weekly hours will be limited to 50. Any additional hours would be capped at ten extra hours per workweek—and is permissible if the employer has “exhausted all reasonable efforts to obtain proper staffing.” This law might not pass in its current state. However, it is prudent for agencies to optimize scheduling better and prepare. After all, if you are an agency with many home care workers working overtime, any legislation limiting the total hours worked could be a significant business risk for your organization.

Improve the Employee Experience and Optimize Talent

Working excessive overtime can potentially lead to mistakes and adverse effects on the care of your clients. Therefore, you must manage overtime hours. Do not pressure your home care workers to work overtime, especially those who already have their plates overflowing. Excessive overtime could cause homecare agencies to lose talent—feeling overworked and not feeling empowered to say “No” to additional hours.

Satisfied workers lead to happy clients and could be a significant part of your recruitment strategy. Getting all workers who desire at least 35 hours per week should be your agency's first step to achieving this level of satisfaction. Design a home care worker program to further engage with your workers. Consider your home care worker from the lens of a client; home care workers that feel more appreciated are excited to refer new clients and new workers to your agency. A satisfied home care worker will keep working for you and tell their friends and families about your agency. A larger worker pool is one significant way to reduce your overtime.

[Check out why the Anchor talent optimization assessment is an excellent option for your organization.](#)

Building a Robust Overtime Management Infrastructure

Now that you know the importance of managing and reducing overtime in the interest of the client, agency, and home care aide, here are ten ways to tackle overtime effectively in your agency:



1. Establish Policies and Best Practices to Control Overtime

Controls should be established to limit overtime and should be included in a comprehensive staffing and scheduling management policy covering:

- Objectives and goals for the policy
- Best practices for scheduling cases
- Staff utilization and scheduling KPIs (Key Performance Indicators)
- A baseline for required training for scheduling team
- Steps for dealing with emergencies
- Parameter for assigning overtime
- Restrictions on Overtime
- Tracking and reporting guidelines

2. Invest in the Training of Your Scheduling and Case Management Teams

Training is an essential aspect for caregivers. Investing in the training of your scheduling and case management teams will help them to know how to manage time effectively.

3. Build Knowledge of the Needs and Desires of your Caregivers

Sometimes, caregivers work overtime because of their needs and desires. Knowing their needs and wants will help you better understand them and improve your relationship with them.

[Click to learn more about Anchor employee and customer survey and experience services.](#)

4. Set Guidelines for Your Scheduling Team

There should be guidelines on how your caregivers spend time, and the scheduling team will enforce these guidelines.

5. Generate Overtime Reports and Track Hours Weekly

A detailed report on how overtime was spent will make the use of time more efficient. It will also let you know the activities and track the hours spent judiciously.



6. Implement a Scheduling Management Training Program

An effective training program is a continuous process until the goal of that training is achieved. Developing a scheduling management training program will help your homecare workers understand and make it easier.

7. Invest in Technology to Automate the Process

Employees' self-declaration of travel time and manual timekeeping will result in mistakes and inefficiency.

For proper management of overtime, home care agencies need software solutions that can monitor work hours, hours being scheduled for each worker, the utilization rate of the pool of workers, workers' schedule preferences, demographic information of workers, the distance between clients, etc. This is the information that every scheduler needs at their fingertips to optimize scheduling—information that is only acceptable in real-time with an optimized staffing technology.

Good software ensures you do not miss any unusual overtime patterns and allows you to compare overtime hours from one period to another and examine historical trends. Productivity metrics and historical overtime data can also help determine if overtime delivers value.

As you look to choose software, suitable software should give you the ability to generate reports and dashboards for at least 80% of the feature sets highlighted above.

8. Reward Schedulers Who Adhere to Your Staffing Policies and Best Practices

Rewards have a way of encouraging people. To motivate your scheduling team to continue adhering to the company's policies, you should reward those who completely adhere. The rewards can be cash bonuses, vouchers, gift cards, etc.

9. Encourage and Reward Caregivers for Referring Other Caregivers

Your present caregivers are in the best position to refer other caregivers. Rewarding them for referrals will encourage them to refer more caregivers.

10. Hire Caregivers Through More Robust Digital and Strategic Marketing

The home care sector's survival depends on its talent pool. Having a good number of caregivers working in your agency will reduce the workload and burden on your caregivers. It will also reduce overtime as caregivers have the tasks, they can perform within their regular work hours. To succeed in the home care industry, agencies must implement suitable systems for onboarding, nurturing, and retaining talent.

Learn more about three of our services:

Strategic Planning

Our strategic planning services help organizations to assess their total value. Anchor utilizes our 7-Ps framework to understand your organization’s Total Value.



Survey & Feedback Management

Our team can help you build a robust feedback program that can help you get input from customers and employees more frequently targeting every engagement. Once we understand all the touchpoints you have with clients and staff, we can help you to build automated feedback loops and provide you with the CRM to optimize this process.

Business Readiness Assessment

The Anchor assessments are a great way for your organization to review key strategic and functional strengths and gaps. Positioning you to prioritize solutions based on the areas of key significance and impact to achieving your goals.

Meet the Anchor Group



We are a boutique strategic advisory firm that helps organizations find the right professionals to enhance growth and profitability. We offer a variety of high-quality services to help you succeed globally.

At Anchor Group Corp we are committed to the growth and development of companies. Our specialized divisions allow us to provide tailored solutions based on a variety of industry challenges.

Let's work together!

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ANCHOR HEALTHXCHANGE, our healthcare division, assists companies to develop and execute their growth strategies—emphasizing the importance of customer and talent experience.

We are well positioned to provide your homecare agency with the perfect solutions. **Let's get started today.**

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ABOUT THE AUTHOR

KEVIN A. HOWELL, MBA
Chief Executive Officer, Anchor Group

Kevin is the CEO of the Anchor Group. Kevin possesses strong international expertise in business, financial management, business strategy development, project management, and analysis. Since 2009, through the Anchor Group, he has saved organizations millions of dollars typically exhausted on poor processes, talent management, and talent development.

Kevin has worked with several Fortune 500 companies and small and mid-sized businesses, assisting with strategy, process management, and development. He was a Senior Auditor at PricewaterhouseCoopers and a Manager in the Transaction Advisory Group at Ernst & Young.

Spending the last seven years supporting home care agencies to strengthen their organization re-engineering, talent optimization, and customer growth strategies. Kevin has over a decade of experience working with healthcare organizations. He is fully committed to helping healthcare organizations move to the next level.