

Workday Adaptive Planning: Hospitals and Clinics (H&C) Forecasting

Overview

The annual planning process will begin with the first quarter forecast in October of 2023. The standard planning cycle calls for two forecasts within a fiscal year: quarter one in October and quarter two in January. The need for additional forecasts throughout the year will be evaluated quarterly. Forecasts inform the Medical Center about how future operations will perform. In Workday Adaptive Planning, these forecasts include projecting future volumes, personnel/FTE's, revenues, and expenses, and will often begin with a rolling twelve-month average as the baseline. Then, adjustments can be entered as needed. Forecasts will provide a comparison of expected performance as compared to the BOD approved annual budget.

After the first quarter forecast is completed, it becomes the base year for the draft Long Range Plan (LRP) which typically extends for five additional years. The LRP is developed in a similar fashion as the forecast, with additional data gathered from the Operating Divisions and published metrics to provide growth estimates. The second quarter forecast will replace the first quarter as the base year in the draft LRP when it becomes available and this version of the draft LRP produces the budget targets for the next fiscal year's annual budget.

Whatever adjustments you put in the tool right now will stay as the projection, and your override will stay in the future months until it's replaced with actuals.

The first quarter is the biggest forecast with nine months of forecast, whereas the second quarter will have six months (including prepopulated with your Q1 forecast results).

Gather Reports (run outside of the Adaptive tool)

Run reports to reference budget data and FTE information	
➤	<p>Run the CR Fin Department Fiscal Year Budget Trend report in Workday</p> <ul style="list-style-type: none"> ▪ Used to get the FY24 monthly budgeted amounts (including FTE stats) for your Group or cost center(s). ▪ The organization prompt will allow you enter select a 'cost center hierarchy, or you can select cost center(s). ▪ To get the data for all twelve months of FY24, you'll need to run the report with a period of FY24 – Jun.
➤	<p>(Optional) eBudget can still be accessed for historical FTE data</p> <ul style="list-style-type: none"> ▪ Note: accounts will not align 1:1 with Workday

Accessing Adaptive Planning

Login to Adaptive	
➤	<p>Access Adaptive</p> <ul style="list-style-type: none"> ○ https://login.adaptiveinsights.com/app
➤	Select the hamburger (top-left corner) then Dashboards
➤	Select the Monthly Forecast – Statistics Dashboard

Monthly Forecast – Statistics (Volumes)

Note: changing a statistic will automatically update revenue. Certain areas have the ability to override.

Set your filters and open the Monthly Forecast Statistics Dashboard	
	<ul style="list-style-type: none"> ➤ Set your filters first: <ul style="list-style-type: none"> ▪ Time: leave as is ▪ Level: Top Level (Only) ▪ Currency: \$USD ▪ Operating Entity: select your operating entity (e.g. OEVUH Vanderbilt University Adult Hospital) ➤ Click on the Inpatient Statistics sheet
Inpatient Statistics Sheet (if applicable)	
	<ul style="list-style-type: none"> ➤ Review instructions at the top
	<ul style="list-style-type: none"> ➤ Select the expand icon in the top-right corner to open up scrolling to forecast FY24 <ul style="list-style-type: none"> ○ Note: this tool is <u>not</u> pre-populated with your FY24 budget. It displays a rolling 12-month history. Anything from your budget that is expected to happen in FY24 is not going to appear in rolling forecast.
	<ul style="list-style-type: none"> ➤ Green numbers are historical numbers and will be pre-populated ➤ Black numbers are forecasted numbers (based on a rolling 12-month average) ➤ Blue numbers are changes you have been made that have not been saved in the tool yet; they turn black once you click the save icon ➤ Bed Plan Adjustments sheet (if applicable) <ul style="list-style-type: none"> ○ Licensed - Adjustments (+/-) - any adjustments that will affect the licensed bed count should be made using this option ○ Licensed to Available - Adjustments (+/-) - any adjustments that will affect the bed count not relating to licensed beds should be made with this option (example, unlicensed beds or staffing to demand) ○ Licensed - Occupancy % - occupancy % for any projects or adjustments related to licensed beds should be made using this option ○ Licensed to Available - Occupancy % - occupancy % for any projects or adjustments related to licensed to available beds should be made using this option ○ Licensed - ALOS - option available to adjust ALOS related to Licensed beds (ALOS + Discharges in the Bed Planning model are not driving anything. All models will reference Discharges in the model by Discharge Type) ○ Licensed to Available - ALOS -option available to adjust ALOS related to Licensed to Available beds (ALOS + Discharges in the Bed Planning model are not driving anything. All models will reference Discharges in the model by Discharge Type) ➤ Patient Days + Discharges sheet (if applicable) <ul style="list-style-type: none"> ○ Discharge Type spread and ALOS Adjustments should be made in the Patient Days + Discharges sheet in white input cells.
Key Procedures and Other Stats Sheets (if applicable)	
	<ul style="list-style-type: none"> ➤ Review instructions at the top.
	<ul style="list-style-type: none"> ➤ Amount Adjustment (+/-) input an increase or decrease for Planning months. <ul style="list-style-type: none"> ○ Clinical departments may review these tabs or run a summary report to obtain context related to volume targets, i.e., how many projected ED visits or certain Key Procedures and OR Cases by entity.
Ambulatory Volumes Sheet (if applicable)	
	<ul style="list-style-type: none"> ➤ Review instructions at the top.

	➤ Adjustments should be made in Ambulatory Volume Adjustments sheet by OP Volume Project so comments and details can be broken out.
	➤ The clinical department users will work with Finance between 10/6 and 10/12 to coordinate any adjustments that need to be added by Operating Entity and Clinical Department. Finance will enter those adjustments into this sheet on the dashboard for the appropriate Operating Entities. If clinical department users want to review and confirm the adjustments, they can come to the Ambulatory Volumes sheet and download/export to Excel to see those adjustments by entity/clinical department.

Monthly Forecast – Revenue

Note: changing a statistic will automatically update revenue. Certain areas have the ability to override.

Set your filters and open the Monthly Forecast – Revenue Sheet

	➤ Set your filters first: <ul style="list-style-type: none"> ▪ Time: leave as is ▪ Level: Top Level (Only) ▪ Currency: \$USD ▪ Operating Entity: select your operating entity (e.g. OEVUH Vanderbilt University Adult Hospital) ▪ Department Group: Department_Group (Uncategorized)
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Inpatient Revenue (if applicable)

	➤ Review instructions at the top
	➤ Select the expand icon in the top-right corner to open up scrolling to forecast FY24 <ul style="list-style-type: none"> ○ Note: this tool is <u>not</u> pre-populated with your FY24 budget. It displays a rolling 12-month history. Anything from your budget that is expected to happen in FY24 is not going to appear in rolling forecast.
	➤ Input: <ul style="list-style-type: none"> ○ CMI ○ Payer Mix % ○ Payer Mix % - Override ○ Gross Revenue per Discharge ○ Net Revenue per Discharge ○ The sub accounts under Total Net Per Adjustment %

OP Gross Revenue

	➤ Review the Gross Revenue projections
	➤ Methodology: <ul style="list-style-type: none"> ○ Variable - If a stat exists for the Stat Rev Type, the projection will be based upon a per unit amount. ○ Rolling 12 - If no statistic exists for the Stat Rev Type, the projection will be based on a Rolling 12 month average.
	➤ Enter any adjustments into the appropriate adjustments lines. Consider per unit amounts in your adjustment.
	➤ Open the Consolidated Revenue sheet to see a summarized look at revenue accounts in one place.

Other Revenue Sheets (OP Net Review by Payor, OP Other Net Revenue, Academic, Research and Other Revenue, PB Revenue, VMG Revenue Categories, Non-VMG Revenue Categories, Third Party)

	➤ These sheets will be completed centrally by the Revenue Team.
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Monthly Forecast – Expense and Labor Dashboard

Set your filters and open the Monthly Forecast – Expense and Labor Dashboard

- Set your filters first:
 - Time: leave as is
 - Level: Top Level (Only)
 - Currency: \$USD
 - Operating Entity: select your operating entity (e.g. OEVUH Vanderbilt University Adult Hospital)
 - Department Group: Department_Group (Uncategorized)
- Click on Non-Labor Expense Assumptions Sheet

Non-Labor Expense Assumptions

- Review assumptions under the instructions.
- Click on the Non-Labor Expense sheet.

Non-Labor Expenses Sheet

- Review instructions at the top of the sheet.
- Only white cells can be edited.
 - **Note:** display options can be changed using the Sheet Options button in the top-right corner.
- Note the Calculated amounts in each account.
 - These are rolling averages. The tool is adding a month of actuals, then dropping a month to create this amount.
- Use the **override** row to replace the projection in the tool for each non-labor account (as needed).
 - **Note:** the override row is replacing a number. This is different than an adjustment.
 - Add notes on a cell to add context for an amount by right-clicking on a cell, then selecting **Add Note**.
- Confirm totals of each account on the Consolidated Expense Sheet.
- Click on the Labor sheet.

Labor Sheet

- Review instructions at the top
 - **Note:**
 - If you are not adjusting volumes, do not adjust labor.
 - This sheet shows what labor should be based on volumes
 - Based on productivity
 - Add a cell note for any justification to adjustments
 - Any variable expenses will be adjusted based on volumes
 - Use cell notes if making adjustments for justification
- Select the expand icon in the top-right corner to open up scrolling to forecast FY24
 - **Note:** this tool is not pre-populated with your FY24 budget. It displays a rolling 12-month history. Anything from your budget that is expected to happen in FY24 is not going to appear in the rolling forecast.
- On this sheet, **adjust** Staff FTEs, Faculty FTEs, Temp FTEs as needed
 - **Green numbers** are historical numbers and will be pre-populated
 - Black numbers are forecasted numbers (based on a rolling 12-month average)
 - **Blue numbers** are changes you have been made that have not been saved in the tool yet; they turn black once you click the save icon
 - FTEs - Personnel change – FTE (+) = add any FTEs
 - Use Historical Salary Expense per FTE to adjust Personnel Change Salaries (+) according to FTE adjustment
 - Right click in cell and copy to end
 - FTEs – Personnel change – FTE (-) = subtract any FTEs
 - **Note:** when subtracting, you must enter a minus (-) in front of the number

	<ul style="list-style-type: none"> ▪ Use Historical Salary Expense per FTE to adjust Personnel Change Salaries (-) according to FTE adjustment ▪ Right click in cell and copy to end
	➤ Repeat process for Faculty FTEs and Temp FTEs
	<ul style="list-style-type: none"> ➤ Bonus/Additional Pay <ul style="list-style-type: none"> ○ Used primarily in clinical areas for sign-on bonuses, blitz pay, double-incentive pay, referral bonuses
	<ul style="list-style-type: none"> ➤ Market Increases <ul style="list-style-type: none"> ○ Even if you have budgeted for market increases, they are not in the tool. Add to forecast if appropriate.
	<ul style="list-style-type: none"> ➤ Other increases <ul style="list-style-type: none"> ○ Used for merit increases. Calculate at 3.75% of wages beginning January 2024.
	➤ Check Total Labor Expense for FY2024 amount. This total will appear on the Consolidated Expense Sheet under the 5000 Staff Salaries: Exempt account.
Fringe Benefits Sheet	
	➤ After completing forecasting of FTE wages, open the Fringe Benefits Sheet to complete a reasonableness check.
	➤ (If needed) Enter dollar amount estimate of fringe in the Adjustments row, then right-click and copy to end.
	➤ Confirm totals of each account on the Consolidated Expense Sheet.

Adaptive Reports

Report Name	Description
FCST.01 - VUMC Monthly Forecast (FY)	Shows monthly forecast based on Operating Entity and Department Group selected. This report is an income statement similar to CR FIN MCA Department Statement in Workday.
FCST08 - Statement of Operations by Division no PY (000's)	Shows a Statement of Operations by Division, including Forecast, Budget, PY actuals, and Variances.