

From Compliance to Competitive Edge

The New Role of the LMS and TMS in Healthcare

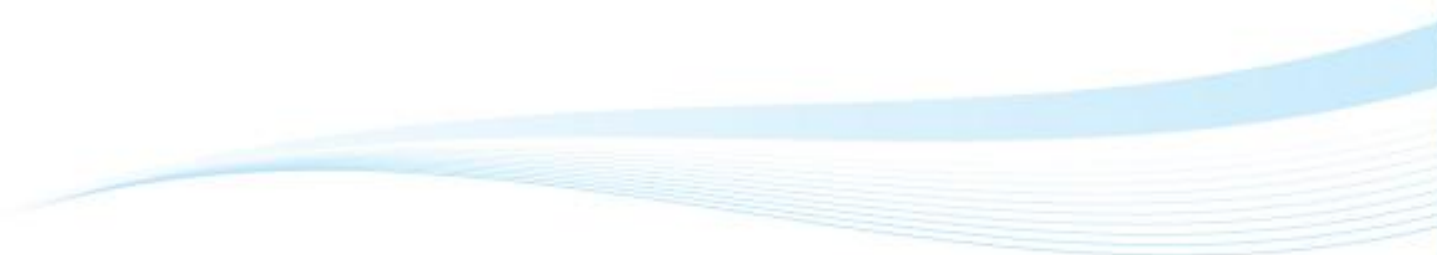


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Executive Summary

Given the vast array of regulatory, certification and accreditation requirements in the healthcare field, training has always been recognized as mission critical by health-related organizations. To manage all the learning activities required, some organizations have invested in costly custom learning management system (LMS) applications and many others have cobbled together solutions from desktop database applications. But now, three factors are reshaping the healthcare field:

1. **A new regulatory environment:** Tough new professional, federal, state, local and Joint Commission requirements are emerging on everything from HIPAA to good clinical practices and software validation, the Obama Administration has shifted the regulatory focus from education to enforcement, and non-compliance can now trigger all-new monetary, civil and even criminal penalties.
2. **High turnover:** Despite the effects of recession, turnover in the healthcare field remains fairly high, requiring organizations to repeat everything from compliance education to on-the-job training each time a new hire comes on board.
3. **Rapid pace of change:** From technologies to new research, products, market realities and mergers, healthcare organizations face all-new challenges in terms of managing change and staying competitive.

Given these factors, managing risk and seizing opportunities require healthcare organizations to address training and compliance needs *and* strategic business goals. To do this, they not only need a new breed of LMS, they need to use these flexible, full-featured LMS applications as the platform of a total Talent Management System (TMS).

This paper examines how a combined LMS-TMS application can give healthcare organizations vital new control not just over training, but over cost cutting, risk management, change management, succession planning, and other bottom-line objectives. The paper also provides a look at what specific capabilities within an LMS and TMS will give healthcare executives new power to reduce staff turnover and organizational risk while giving managers all new tools for motivating performance and managing change. In addition, the paper examines how the business trend toward purchasing “software as a service” (SaaS) is reshaping how healthcare organizations approach the process of choosing an LMS-TMS solution.

Challenges Facing the Healthcare Field

Today, the healthcare industry faces three major challenges: (1) Meeting the needs of a growing — and aging — population. (2) Keeping pace with medical breakthroughs and technologies. (3) Complying with a growing range of regulatory mandates involving everything from e-medical records to HIPAA and quality of care assurance. In addition, 21 CFR Part II requires regulated entities to validate their computer software, which means that documentation must be provided in the event of an audit.

Healthcare administrators and educators recognize that training plays a vital role in meeting these challenges. Not every training strategy, however, is equal to the unique demands and regulatory environment in which healthcare providers, payers, and their business associates must now operate. Training today must address the staff education needs of widely diverse and geographically dispersed learners. Content must include everything from commercially available e-courseware to institution-specific policies and practices. Platforms must support Web-based learning, instructor-led programs, simulations, on-the-job training and even document reviews. Compliance requires fully auditable recordkeeping and the ability to track certifications and continuing education credits.

Given how fast technology, regulations and therapies change, a training program must be updated continually. In addition, given the high rate of turnover within the healthcare community, training must be repeated frequently to keep new hires up to speed, in compliance, and at work with the latest information on everything from managing patient information to medical coding.

A training strategy that can't meet these needs raises compliance and *competitive* risks. Where the Department of Health and Human Services is concerned, the Obama Administration is moving its focus from education to enforcement. That's a primary concern for healthcare organizations given the fact that new regulations are also going on the books: The 2009 *Health Information Technology for Economic and Clinical Health Act* (HITECH), for example, not only expands who must comply with HIPAA regulations, but also imposes severe monetary, civil and criminal penalties for noncompliance. Without verified documentation of who received what training, organizations can fail an audit. Even where accreditation and regulatory compliance are not issues, a poor staff education program can prove costly in terms of inefficiencies, errors, and damage to the organization's ability to attract clients and recruit and retain talented employees.

The best way to meet challenges is to address training at the enterprise level. Until recently, organizations had to choose between creating an expensive, custom LMS (learning management system) or cobbling together training functionality using Access, Excel, FoxPro, Lotus or other similar desktop applications. Newer generations of LMS applications, however, contain functionality that was previously

available only through custom development. The Plateau LMS, for example, helps organizations manage the learning data necessary to support compliance and accreditation. *Plus*, by providing a single enterprise-level LMS for managing *all* learning activities, it gives organizations more than a strategic advantage in assuring compliance: it also expands the flexibility of training while reducing the administrative burden and cost.

An enterprise-level LMS also paves the way for a high-ROI Talent Management initiative. According to a Society of Human Resource Management (SHRM) study¹ on the post-recessionary work environment, financial stability, talent management, business stability and morale are the most critical issues for organizations today. This is especially true for healthcare organizations where the ongoing talent shortage further complicates the challenge of providing quality care to a growing — and aging — population. A disciplined talent management initiative gives healthcare organizations greater ability to recruit and develop talent and maintain a right-sized workforce where employees have both the skills and *motivation* to support high performance and ongoing improvement.

The right LMS can contribute to the achievement of all these objectives. For example: With a robust, enterprise-level LMS in place, an organization can do far more than manage, deliver and document training. It can also:

- Support a competency-based staff development strategy
- Provide individualized learning plans aligned with strategic business objectives
- Tie compensation to achieving targeted learning activities (e.g., a pay increase for attaining certification)
- Simplify the process – and increase the value – of regular employee assessments

The trend away from licensed software to SaaS also plays a key role. Instead of purchasing systems and software outright, many companies are opting for the “Software as a Service” (SaaS) model whereby they pay monthly or annual fees to access LMS-TMS functionality. However, there is more to a good SaaS solution than simply having a hosted solution. Healthcare organizations must look for a vendor who, according to a 2009 Bersin & Associates study², has done more than create a hosted infrastructure. That infrastructure must also be designed to scale, “allowing for the same robust security, domain management, language support and configuration found in licensed software.” In addition, the SaaS LMS-TMS vendor must also reengineer its products and business model. For example, the Bersin report notes, the software must be configured to run many of the customer’s applications within a single software environment, to turn features “on and off” for various customers and “allow non-technical users to set up, configure, administer, monitor and develop reports on their applications.”

¹ Society for Human Resource Management, October 13, 2009 Newsletter.

² Evolution of an Enterprise Talent Management Software Company, Josh Bersin, Bersin & Associates, 2009.

It is important to note that while this trend is gaining popularity; many organizations have already adopted the SaaS model for learning and talent management. Currently, for example, over 25 percent of Plateau's 10 million-plus users run Plateau's SaaS offerings. Six of Plateau's SaaS customers are handling more than 100,000 users and the company's largest SaaS customer has more than 500,000.

To fully appreciate the transformative role both the LMS and a Talent Management System (TMS) can play in healthcare organizations, it's important to start by understanding the functions and capabilities of a good LMS.

What a Good LMS Looks Like

At its most basic level, the LMS is a database that manages the assignment of learning requirements and keeps records of learning activities that students complete. However, to serve healthcare organizations in today's competitive and highly regulated environment, a good LMS must offer functionality in eight key areas:



As shown in the diagram above, the LMS should provide a unifying structure so that all training activities can be managed on one platform. By implementing this platform at the enterprise level, an organization can improve value and reduce risk by coordinating everything from cataloging different types of learning content,

to keeping air-tight records of who participated in which learning activities, when, and what the outcomes were.

All eight areas of learning management shown above are crucial for training. Because they also provide the foundation for a robust talent management program, it's important to have clear perspective on the specific process — and ROI — associated with each of the eight capabilities.

1. Learning Needs Management

Effective management of learning needs is a core requirement for meeting Joint Commission and regulatory compliance needs. It can be a tremendous time saver as well. Since so many learning activities are necessary for staff to be considered “complete” in meeting their requirements, the LMS must serve diverse learning needs. It must address policies, procedures, licensing, and on-the-job training. It must support instructor-led classes, online courseware, videotapes, document review, and institution-specific content. It must proactively notify employees of expiring certification or other deadlines. And it must give the training team the flexibility to manage and report on groups. In Plateau Learning, for example, learning needs can be managed as discrete groups or “qualifications,” which allows administrators the efficiency of being able to assign large sets of learning needs and report on them as a group.

The LMS must respond when “real-world” changes affect training needs. Procedures get revised; job roles get re-defined; manuals get updated; new regulations are released; new versions of online courseware get purchased. The training population is directly affected by this cascading effect of content changes, so a good LMS must make it easy to identify all of the people affected by these changes and make sure their training needs are updated appropriately. This is an even greater necessity in an environment where training needs are managed centrally but assigned locally. By having a single, enterprise-level LMS, organizations reduce the risk of overlooking people who need updated training. With the Plateau LMS, for example, “revision sensitivity” can be assigned for each training need at the qualification level to automate the notification of affected employees. Plateau also builds in the capability to easily and effectively assign “one-time” training needs.

The LMS must manage contact hour or credit hour-based requirements. Many organizations, including JCAHO (Joint Commission on the Accreditation of Healthcare Organizations), state certification boards and some local certification boards require that training be managed by the number of contact hours or credit hours accomplished by a staff member. While the LMS is a great tool for storing the accumulation of hours or credits in training history, *it should also provide the capability for staff to check their current status against requirements*, and allow supervisors to check training status and provide

reports on certification at risk of expiring. This allows all the staff to manage compliance status and activities proactively, instead of scrambling at the last minute to complete requirements.

2. Recordkeeping for Training & Validation

Maintaining a simple data table showing training history could mean failing an audit. During thousands of investigations and internal reviews, the training of individuals has been closely scrutinized by auditors. An organization's ability to document both the training process and participation can determine the outcome of an audit. In addition, it can be vital to prove the *integrity* of training records, such as verifying the authorization of the person who originated the records. Thus, training records must be complete and *auditable*. In order for the LMS to provide the type of functionality required in the healthcare industry, the following must be in place:

Comprehensive training histories – The system must serve as a single repository for tracking the history of completion of *all* types of training. Additionally, if revision sensitivity is a concern (see above section) the training history must capture that information.

Recording of non-course, non-scheduled activities that provide credit – Beyond structured learning activities, the LMS must be able to record attendance or completion of unstructured activities (e.g., seminars, lectures, conferences, rounds, procedural observations) and directly relate them to training, education or certification requirements.

Preventing unauthorized access and providing an audit trail — necessary for assuring an auditor or investigator that the data used in documenting training compliance is accurate and secure. In the pharmaceutical manufacturing industry, for example, the Plateau LMS requires specific permissions to enter, delete and modify training history. These actions are logged in a comprehensive transaction history table that records the user name, date and time of the transaction as well as a “snapshot” of the data in its previous form. This allows provides the organization with a virtually “bulletproof” system for managing mission-critical training history data.

Complying with 21 CFR Part II - requires health-care-related entities to validate the quality and efficiency of both computer systems and software. Using a tightly integrated, well-documented LMS-TMS solution helps provide compliance. To minimize risks, it is wise to choose a provider whose audit-trail functions, e-signatures, and other e-record security features have already been proven to meet rigorous guidelines in the real-world healthcare environment. For example, Plateau provides the documentation to show and prove how the use of electronic signatures creates 21CFR Part 11-compliant authentication security on all training history transactions.

3. Training Cost Tracking and Training Revenue Management

A good LMS provides detailed information about costs associated with training delivery (from instructor costs to catering), and provides reports allowing organizations to perform time and type trend analysis. When implemented at the enterprise level, the LMS also coordinates training efforts across departments. This helps organizations fill courses more efficiently and avoid costs that could arise if different departments inadvertently purchased duplicate courseware.

If an organization has public education efforts, an LMS is an invaluable tool for managing online payments and enrollment transactions. Plateau Learning for example, integrates with credit card authentication and processing services to reduce (and often eliminate) the need for staff involvement in purchase processing.

4. Training Facility Management

An LMS supports the efficient management of the resources used for delivering training. Nothing is more frustrating than finding that a room has been double-booked, or that a needed simulator is out for repair. The LMS manages resources to reduce time staff spends away from their units, lessen the number of hours spent in training and increase training effectiveness.

5. Enrollment and Scheduling Management

A comprehensive LMS streamlines enrollment and scheduling and helps reduce the cost and administrative burden of these processes by providing:

- Self, supervisory and administrative enrollment management
- Selective control of enrollment actions including limiting enrollment to certain organizations
- Capabilities for group or mass enrollment
- Course wait-listing and request functionality
- Common training calendars
- Scheduling for non-course activities (lectures, procedure observations, rounds, seminars)
- Central point for checking individual enrollment status

One Plateau LMS customer in a highly regulated, high-turnover industry has achieved a **training cost savings of up to \$1,000,000 per year**, factoring in staff time spent in training, instructor time, facility costs and materials costs.

6. Online Testing and Evaluation

An LMS provides considerable savings in the creation, distribution and grading of tests. In some cases, pre-tests can allow staff to “test out” of required training, reducing learning cycles — and costs. Flexibility is important in supporting a wide range of test formats.

7. E-Learning Delivery and Management

A good LMS can integrate e-learning into the corporate training strategy — satisfying business goals for development while minimizing employees’ time away from their units. The LMS can also augment e-learning by integrating Web-based content with dynamically generated tests, a critical compliance factor within the heavily regulated healthcare environment.

8. Competency Management and Succession Planning

Beyond staff education, the LMS is a powerful tool for managing staff competencies. Competency management allows organizations to find the best candidates for open positions identify overall deficiencies in staff capabilities and help individuals determine what skills and knowledge they need to move ahead in their career. This is where the LMS begins to lay the foundation for a broader talent management initiative.

The LMS as a Platform for Talent Management

Talent management is the process of attracting and retaining profitable employees and integrating new employees into the workforce. Since the term was coined by Dave Watson in 1998³, talent management has gained strategic importance with a growing number of organizations as a tool for aligning staff size, skills, and performance with business objectives.

A total talent management solution can be seen as a continuous flow from learning, to performance, to compensation, to career and succession planning, then back to learning and on through the cycle.



Learning. Through the LMS, the healthcare organization can manage, deliver and document all training activities required to assure regulatory compliance and accreditation. It also serves as the platform for building a total TMS (talent management system).

Performance. When the LMS is integrated into a TMS, individual performance can be continually assessed and linked back to relevant training that will help employees meet goals set out in appraisals.

Compensation. By linking learning with performance, employees know what is required to succeed. For example, a healthcare organization can set certification as a goal during the appraisal. Within a TMS, employees can then access the necessary learning to attain certification and then be rewarded by a compensation process based on documented achievements rather than subjective evaluations.

³ Human Resource Executive Online, "Who First Called it Talent Management," March 10, 2008
<http://www.hrexecutive.com/HRE/story.jsp?storyId=79502486>

Career and Succession. This critical talent management component enables healthcare organizations to identify critical positions while enabling employees to develop and execute individual career plans. With a competency-based model, specific skills, certification, and other attributes can be identified for each job title and then mapped to specific learning activities. In this way, employee development is not only supported, but also remains focused on the strategic business objectives of the healthcare organization.

Leveraging the LMS-to-TMS Benefits in Healthcare

Because training plays such a fundamental role in compliance and accreditation, healthcare organizations are well aware of the need to manage learning activities. Now, a growing number of healthcare organizations are discovering that making learning part of a broader talent management strategy can also play a fundamental role in their competitive and financial success. Let's look briefly at how the TMS can serve the enterprise-wide needs of today's healthcare organizations.

With the LMS integrated into a TMS, healthcare organizations have greater power to:

Reduce compliance and organizational risk

- With an enterprise LMS, organizations can manage training and documentation requirements from HHS; agencies such as CMS, FDA, JCAHO, OSHA, and EPA; and state and local authorities. The LMS helps organizations make sure they can provide and track the training needed for healthcare certification and compliance. Plus, the automated functionality of the LMS helps make sure no employees are overlooked, and that unfulfilled requirements are met before the due dates pass.
- A comprehensive LMS also allows organizations to define consistent sets of requirements for different jobs, staff roles and areas of responsibility. This consistency reduces the chance that a requirement will be inadvertently skipped when assignments are made, verifies compliance or certification based on a functional grouping as opposed to performing actions to check compliance or certification on multiple individual requirements, and allows the construction of certification and requirements groupings that are applied to all affected staff equally.
- An LMS such as Plateau provides comprehensive reports that allow staff, supervisors and managers to determine the compliance status of the workforce. It is also used to determine potential regulatory audit risk problems, future training demand and certification status to meet various regulatory and accreditation bodies. In regulated industries, these reports are used as evidence to auditors of the status of compliance of individuals, groups or of the organization as a whole. In these cases, only LMS applications with adequate security measures for control of training needs construction, training needs assignment and training history can be relied upon.
- By integrating the LMS with a TMS, organizations *also* reduce organizational risk by identifying successors for critical positions and proactively developing the skill sets and competencies needed for employees to succeed in those positions.

Retain talented staff

- A good LMS allows employees to manage both individual and organizational requirements. Many certifications in the healthcare field require individuals to manage their own certification plan and recordkeeping. The LMS enhances employee satisfaction by providing them with an easy way to manage these individual certifications in the same way and through the same system as they accomplish compliance-mandated and organization-specific training.
- The LMS-TMS model gives employees greater control over careers — and compensation. Pairing individualized development goals and plans with efficient access to training and certification not only improves employee morale and engagement, it gives employees a clear path to advancement and rewards based on metrics rather than on subjective evaluations. This helps keep staff in place.
- The LMS-TMS model also reduces administrative tasks and time away from work — a key frustration for employees. The integrated system reduces management and training time and increases the time spent performing preferred job functions, such as patient care.

Manage change

- The LMS helps healthcare organizations manage the ongoing evolution of regulatory, licensing and certification requirements.
- Integrating the LMS within the larger TMS framework supports competitive goals by helping healthcare organizations continually align development and compensation opportunities to recruit, develop and retain an increasingly diverse workforce. In addition, by tying learning activities directly to performance reviews and compensation, organizations can stay more agile in responding to changes in everything from technology to research to new competitive realities.
- The LMS can become an important internal communication tool, providing the training that may be needed to implement new policies, procedures or cultural change.

Support public-facing objectives

- The LMS can play a key role in public, patient and clinician education in the same way it supports internal training. Some of an LMS' most powerful features, such as management of scheduling and enrollment, revision-sensitive requirements; e-learning delivery and record keeping and financial transactions continue to add value long after internal training requirements are met.

Conclusion

Learning Management Systems are powerful tools. They streamline management processes, reduce time spent on administrative tasks and make it easier to meet regulatory and Joint Commission requirements. When LMS applications are integrated within a total talent management system, they can do even more: reducing staff turnover and organizational risk while giving managers all new tools for motivating performance and managing change.

That said, it must be reiterated that not all LMS and TMS applications are suitable for the healthcare industry. Between the intense requirements for government compliance and maintaining professional certifications and accreditation, healthcare organizations cannot risk their future on systems that cannot provide audit-proof documentation, change management tools, and other mission-critical capabilities.

In selecting an LMS or TMS, healthcare organizations should focus only on systems that have already proven themselves in fields where regulations, accreditation, constant change and high turnover shape organizations' requirements and opportunities. With a proven LMS serving as the unifying system for all training activities *and* an integrated talent management program, healthcare organizations stand to realize benefits that can be measured immediately in worry-free compliance, lower training costs, reduced turnover and greater agility in developing and focusing talent where it will have the greatest impact on both profitability and patient care.

About Plateau

Plateau is a leading provider of [talent management software](#), content and [services](#) designed to increase workforce productivity and drive business success. Plateau's award-winning software is powering talent management initiatives across some of the world's [most successful organizations](#), including General Electric, the Internal Revenue Service, Capital One Services and the [National Aeronautics and Space Administration \(NASA\)](#). Industry analysts at [Bersin & Associates](#), Forrester Research and other leading information and technology research and advisory firms continue to recognize Plateau's leadership in delivering best-in-class functionality, technology and customer satisfaction. Plateau is headquartered in Arlington, Virginia and has offices across the United States, Europe and Asia Pacific. For more information, please visit www.plateau.com.

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