

# Healthcare Staffing Summit Preview July 2011



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# Staffing Industry Report Webinar

## July 2011

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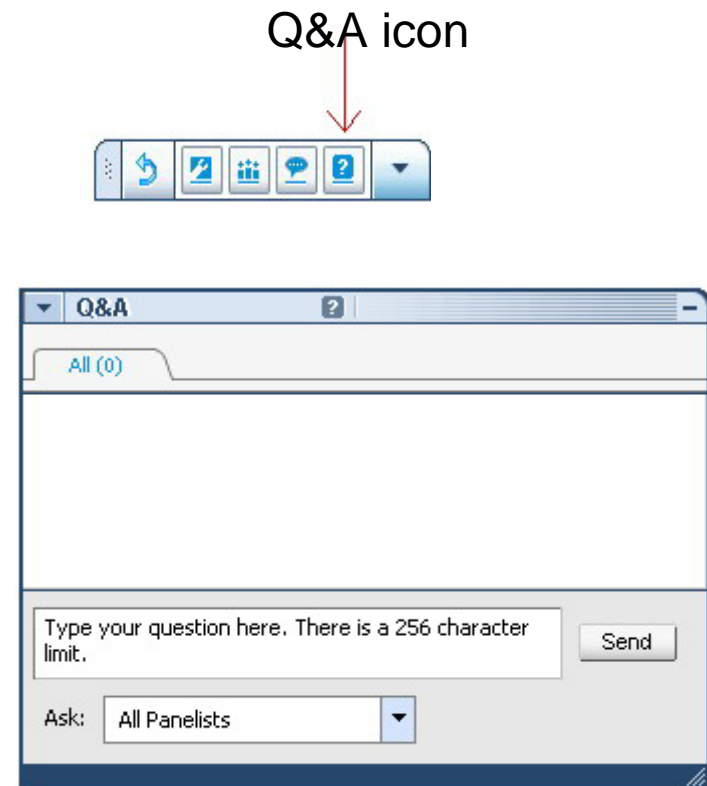
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# Healthcare Staffing Summit 2011

September 21 – 23 ~ Philadelphia Downtown Marriott, PA

[www.healthcarestaffingsummit.com](http://www.healthcarestaffingsummit.com)



# Agenda



Healthcare Staffing Summit Program Highlights



Healthcare Staffing 2011  
Information for Today



2011 KPMG US Hospital Nursing  
Labor Costs



Q&A

2011 STAFFING INDUSTRY ANALYSTS  
**HEALTHCARE** STAFFING  
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YOU NEED TO BE MORE THAN A PROVIDER  
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at the Healthcare Staffing Summit*

**September 21-23, 2011**

*Marriott Downtown | Philadelphia, PA*

Presented by:

**STAFFING  
INDUSTRY  
ANALYSTS**

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# Program Highlights

## Thursday

### Keynote Sessions

- Capturing Opportunities in Changing Industry
  - Barry Asin , President, Staffing Industry Analysts
- Looking into the Crystal Ball of Healthcare Reform
  - William Frist, MD, Former US Senate Majority Leader
- Looking into the Healthcare Industry – the Next Five Years
  - Executive Panel
- Executive Perspectives

### Concurrent Sessions

- Keeping up with Legal and Regulatory Issues
- The Next Generation of Recruiting – Social Networking
- Voice of the Contingents
- Strategies for Coaching your People

## Friday

### Keynote Sessions

- Healthcare Staffing Summit “Un-conference”
- Voice of the Customer

### Concurrent Sessions

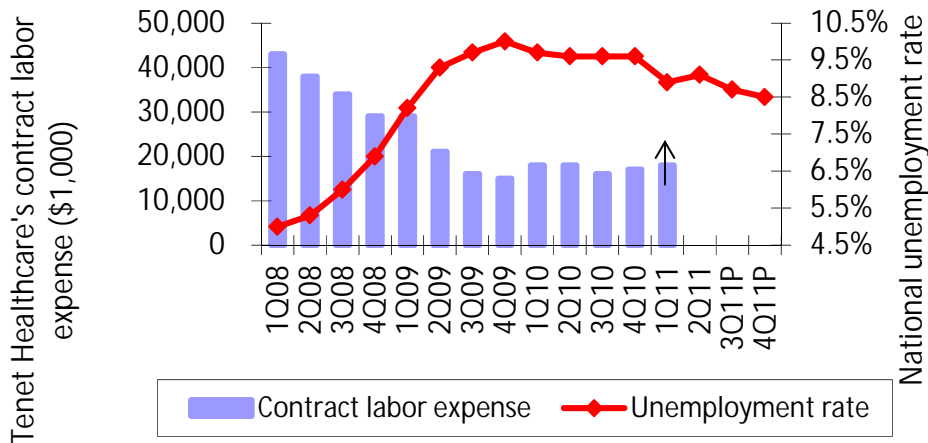
- The Secret to Your Ultimate Business Success
- Technology – Friend or Foe
- Innovations in Nurse Staffing
- Staffing Clinical Trials
- Sales Leadership
- Leading Edge Research Results in Nurse Staffing
- Locum Tenens – Strategies for a Tougher Market
- The Non-Panel
- Successful Selling
- Getting the Most out of your Sales and Marketing Investment
- The Hottest Occupations in Allied Health
- Health Information Technology

# Healthcare Staffing 2011

## Information you can use Today

# Recovery in healthcare staffing

Unemployment and Tenet's Contract Labor Expense



Source: U.S. Bureau of Labor Statistics and company reports

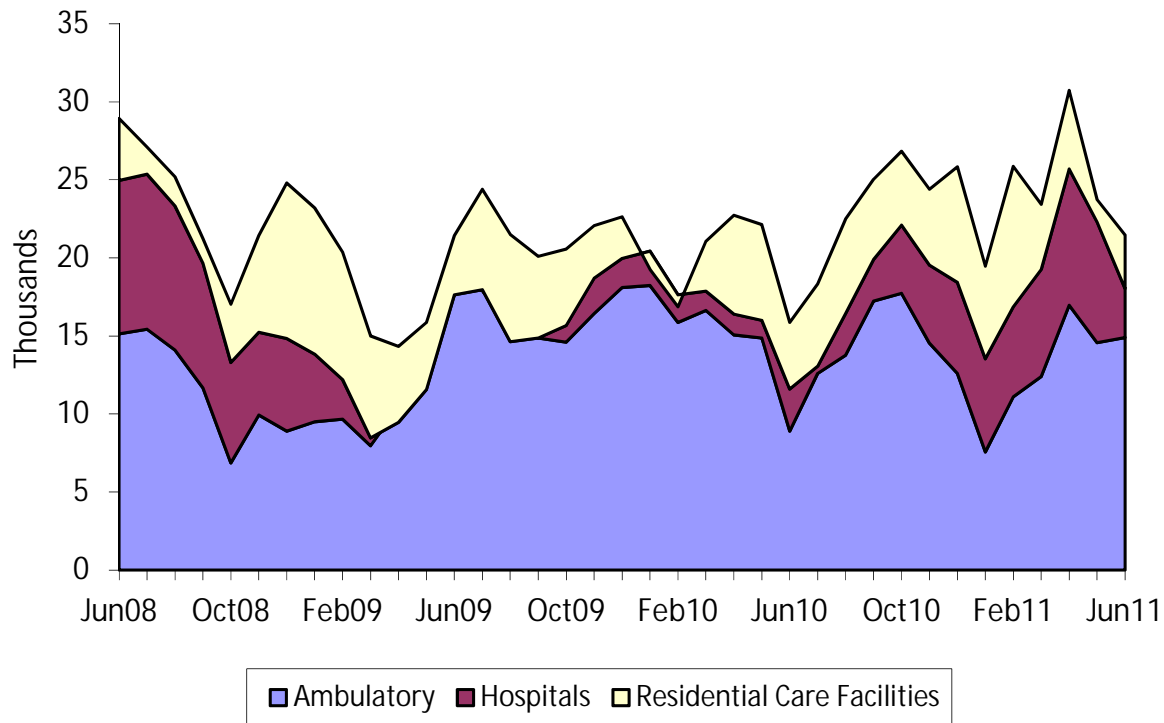
## U.S. Unemployment Projections

	2012	2013	2014
Philadelphia Fed Survey	8.1%	7.5%	7.0%

Source: May 2011 results from the Survey of Professional Forecasters conducted by the Philadelphia branch of the U.S. Federal Reserve

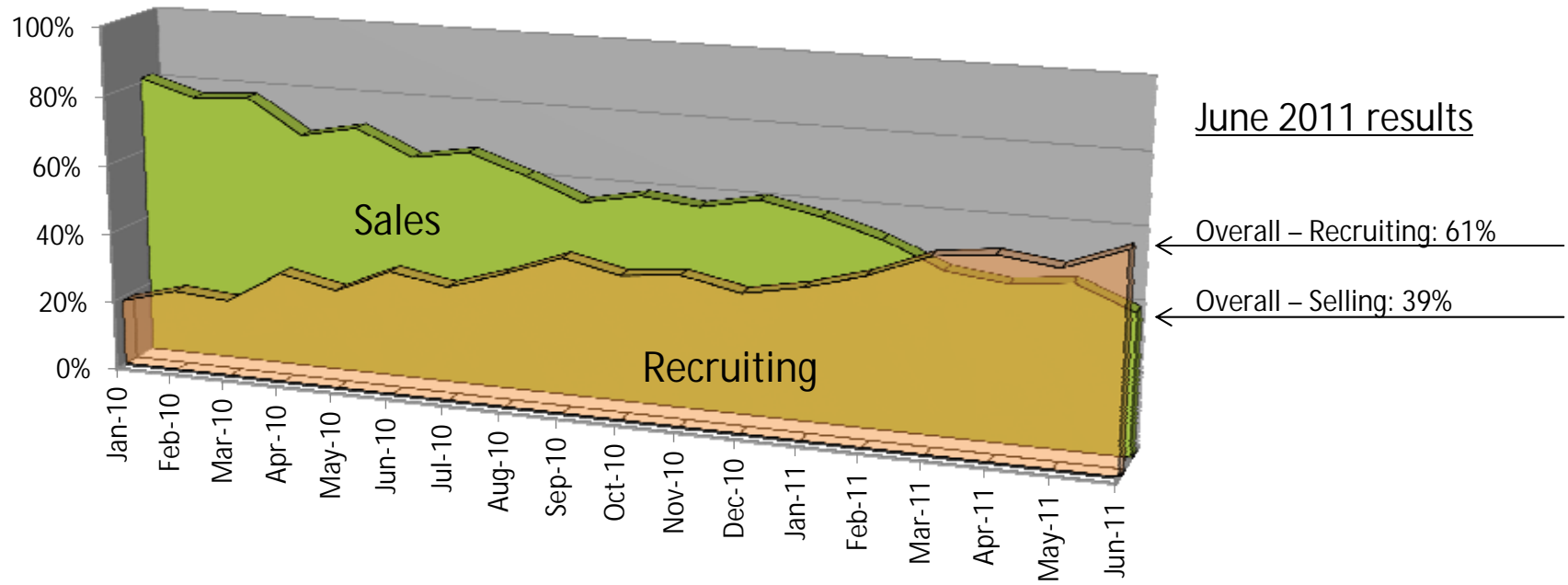
# Employment trends in healthcare

Monthly Change in Healthcare Employment  
 (3 Month Average)



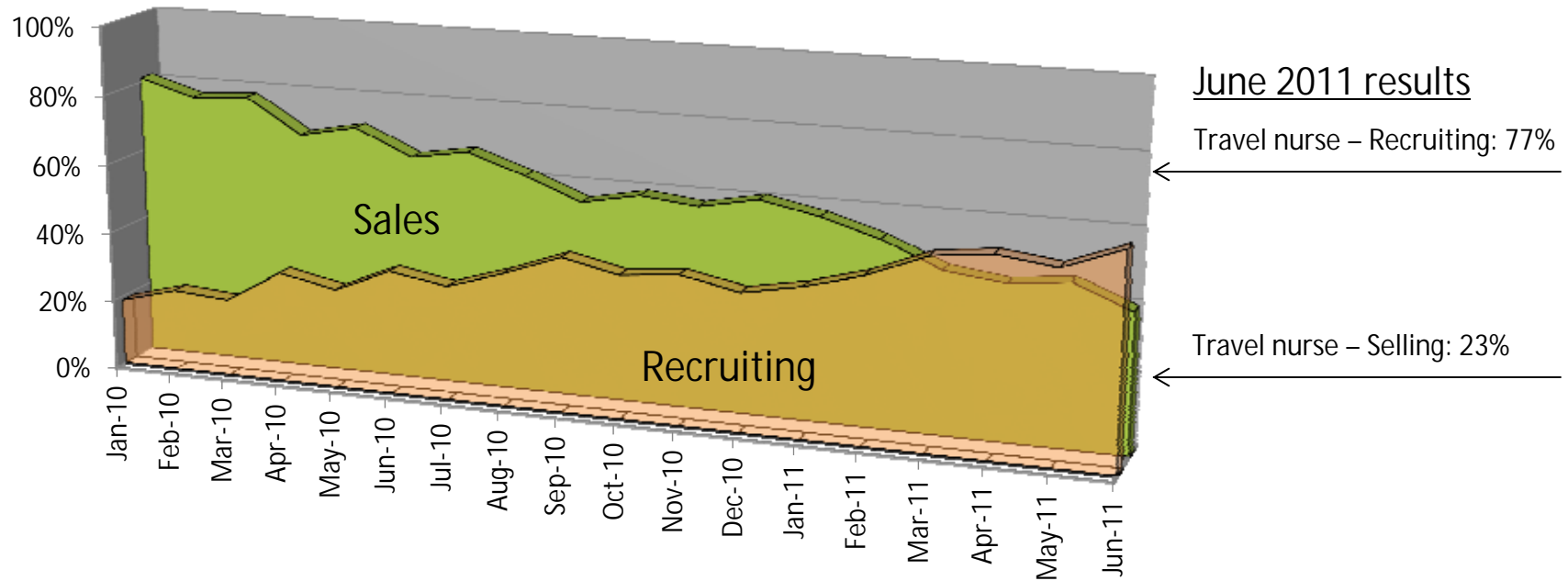
# Which is the greater challenge?

## Sales/Recruiting Challenge



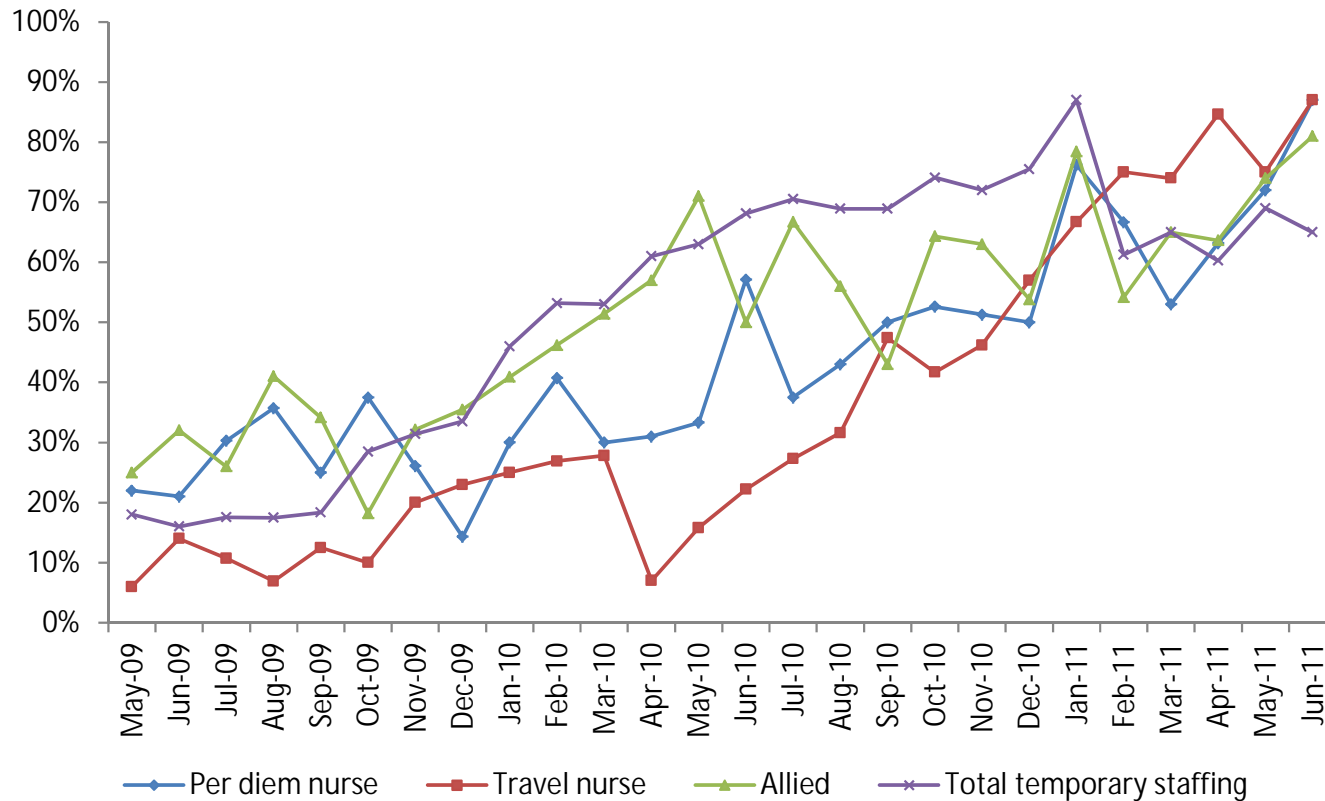
# Which is the greater challenge?

## Sales/Recruiting Challenge



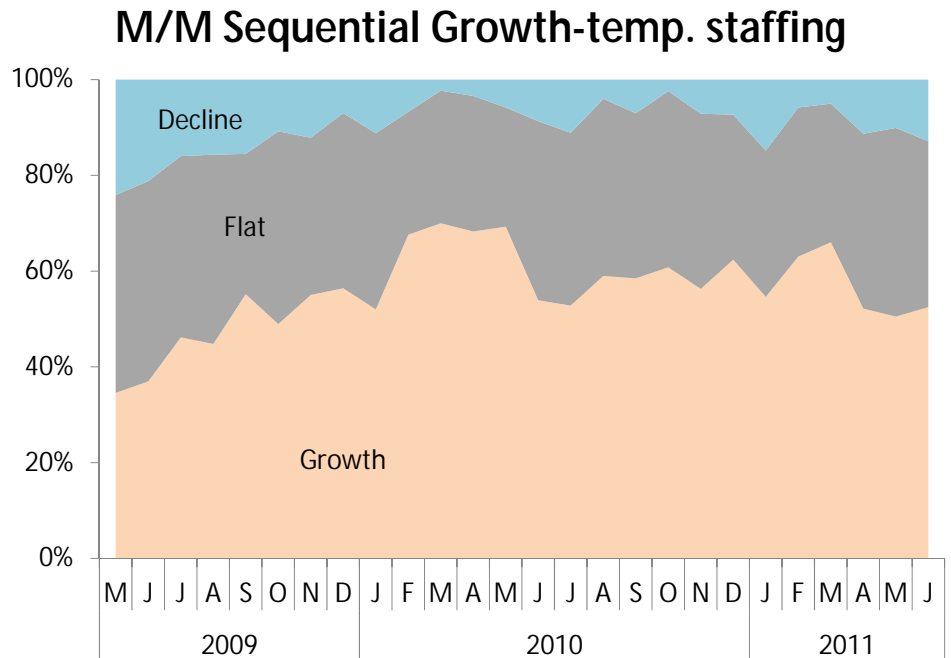
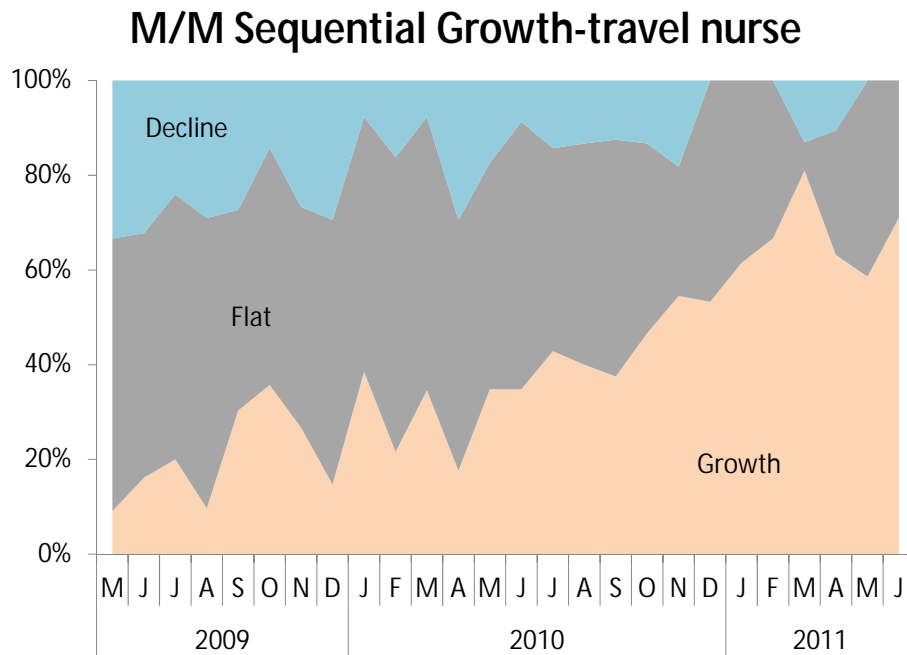
# Improving revenue trends in healthcare staffing

Percentage of respondents noting year-over-year growth



Source: Staffing Industry Monthly Pulse Survey

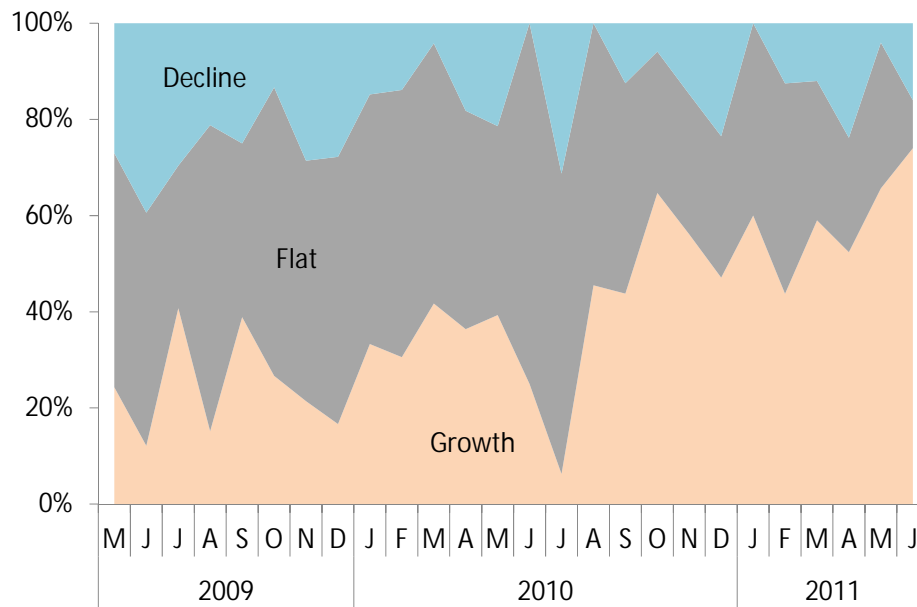
# Travel nurse vs. total temporary staffing: percentage reporting month-over-month growth



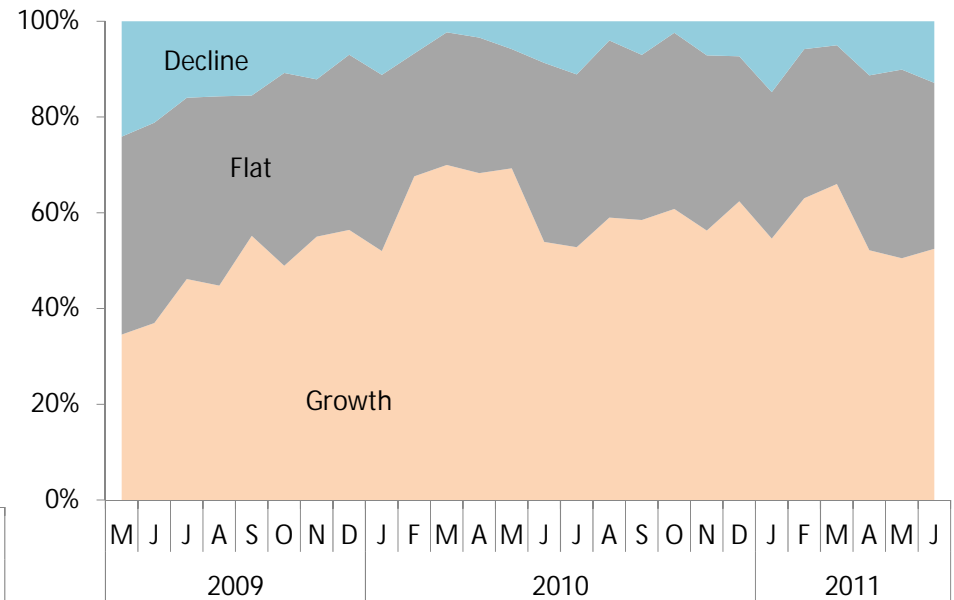
Source: Staffing Industry Monthly Pulse Survey

# Per diem nurse vs. total temporary staffing: percentage reporting month-over-month growth

**M/M Sequential Growth-per diem nurse**

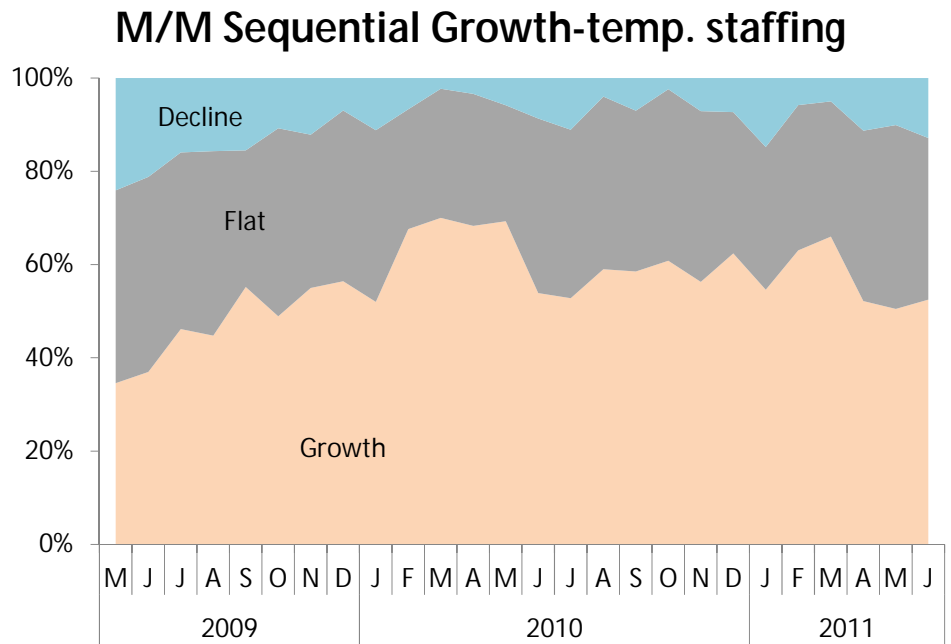
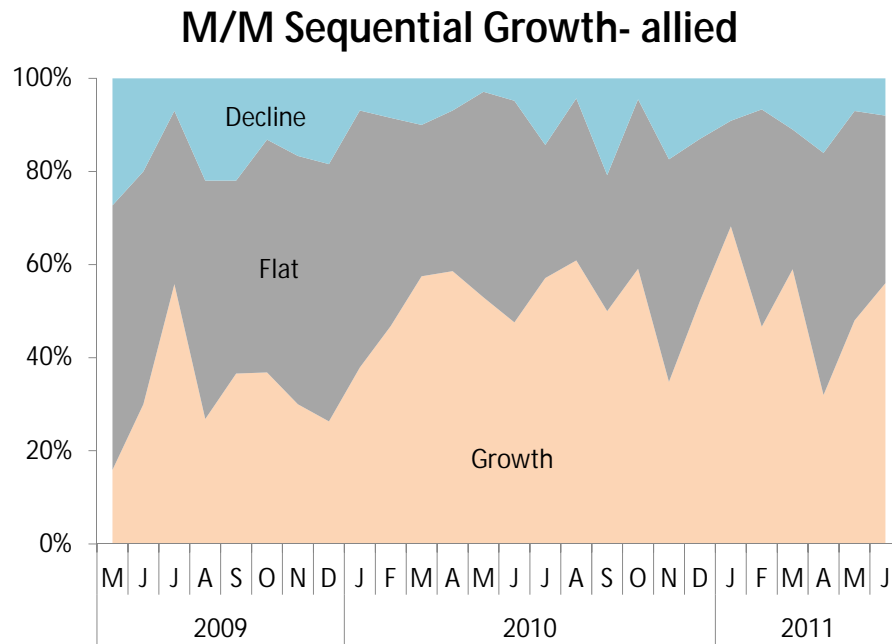


**M/M Sequential Growth-temp. staffing**



Source: Staffing Industry Monthly Pulse Survey

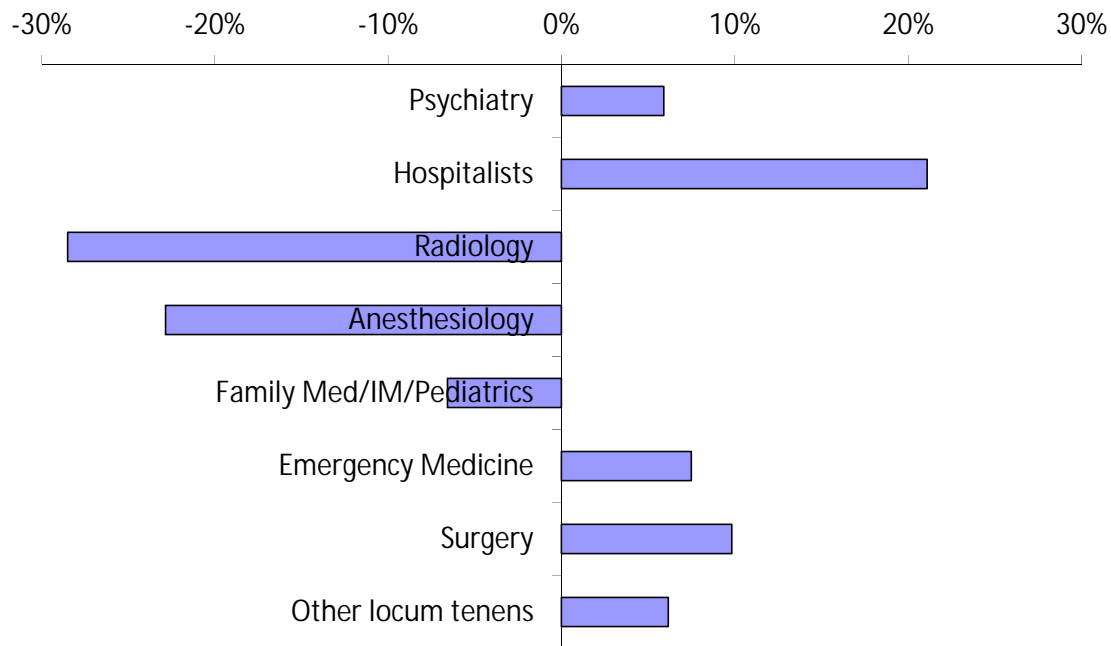
# Allied vs. total temporary staffing: percentage reporting month-over-month growth



Source: Staffing Industry Monthly Pulse Survey

# Trends in locum tenens

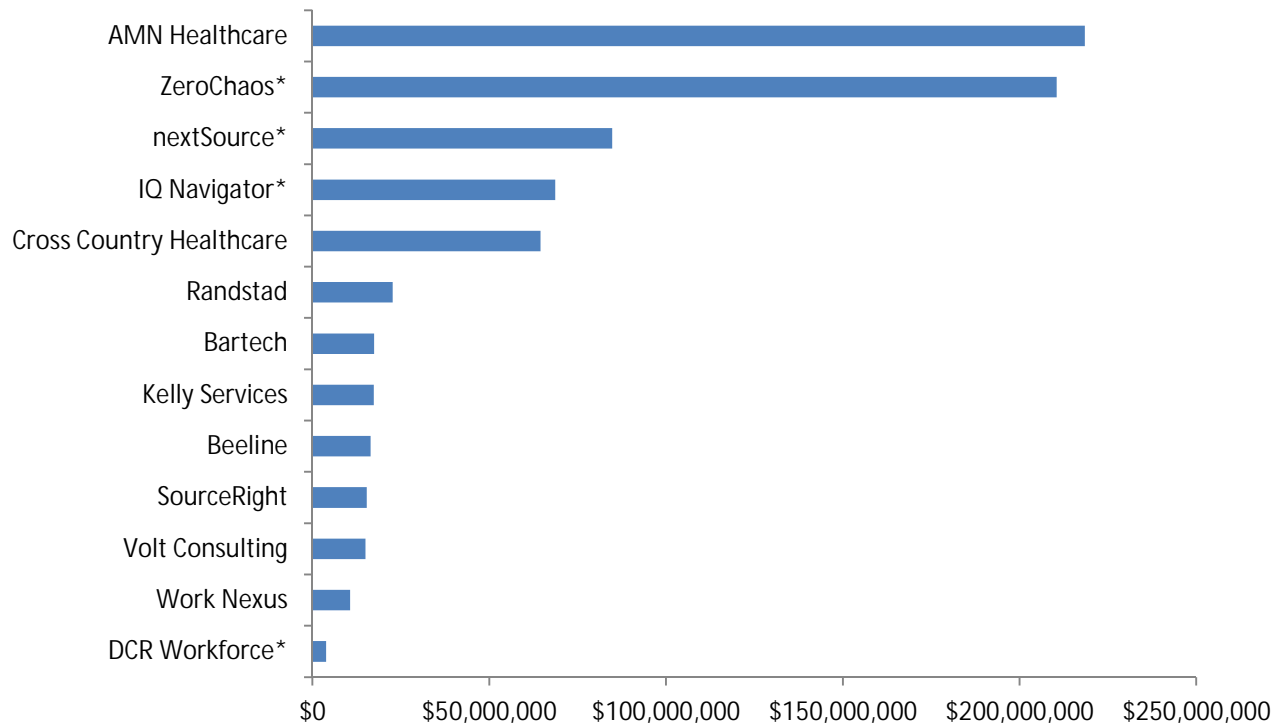
2010/2009 Aggregate Revenue Growth by Specialty



Source: Staffing Industry Monthly Pulse Survey

# Managed Service Provider (MSP) landscape

**Total U.S. healthcare staffing spend through MSP - 2010  
 (Only those responding to survey shown below)**



\*All MSP spend is through company's own VMS

Source: 2011 VMS/MSP Competitive Landscape Survey

## Healthcare legislation



- American Recovery and Reinvestment Act of 2009
  - \$20B of stimulus for health IT development
- Health Care and Education Reconciliation Act of 2010
  - Accountable care organizations
  - State health insurance exchanges

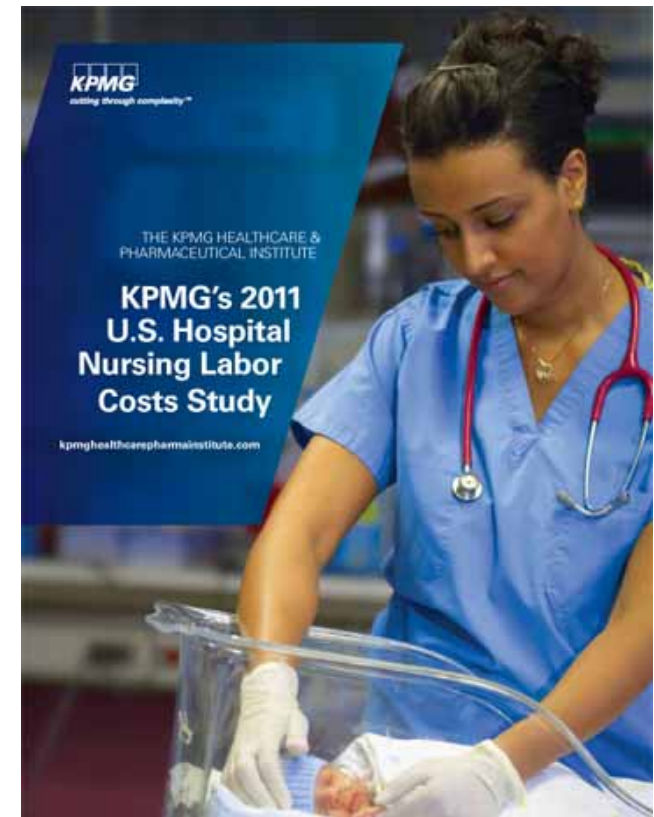
# KPMG 2011 US Hospital Nursing Labor Costs Study

## Why the Survey Was Conducted

Hospital executives often don't consider total nurse labor costs when developing strategic staffing plans.

KPMG LLP, a leading audit, tax and advisory services firm, conducts its 2011 U.S. Hospital Nursing Labor Costs Study to better understand total labor expenses, and how to successfully blend full-time and supplemental labor strategies.

KPMG conducted the third-party independent survey with funding support from the National Association of Travel Healthcare Organizations (NATHO), a non-profit association of travel staffing firms founded in 2008.



## Drivers Behind Examination

As demand increases for nurses due to a variety of factors :

### Jobs being added to the healthcare sector

- Recent BLS statistics from March show the number of healthcare job openings is 551,000 up 26% over the same period last year and at a high point not seen since 2008.
- Meanwhile the number of hires made during that same month was only 369,000 a decrease from prior year indicating that hospitals ability to recruit and hire is not keeping up with their openings growth.
- According to the Bureau of Labor Statistics, more than 580,00 new nursing jobs will be added by 2018 increasing the nursing workforce by 22%

### Increasing attrition rates as more options open up for nurses, including retirement

- Nurses in their 50s becoming the largest segment of the nursing workforce – making up almost 25%.
- New nurses are not graduating at levels to meet the demand
- With 37,000 jobs added in March 2011 alone, that provides opportunity for transition.
- According to the recently published 2011 RN Satisfaction Survey: (1,002 responses collected)
  - 42% are not happy with current job
  - Nearly one quarter (24%) of nurses plan to seek a new place of employment as the economy recovers
  - 32% of nurses plan to take steps in the next one to three years that would take them out of nursing altogether, or reduce the volume of clinical work they do.

### Census increases

### Hospital expansions

How do I address my workforce **budget** most efficiently?

## Key Survey Findings

- The all-in cost of full-time direct care registered hospital nurses is on average \$98,000 per year.
- The actual costs per hour for a full time nurse is on average 176% of their base hourly wage.
- RN base wages can reach upwards to \$75/hour due to wage variations across facilities and regions.
- Wages and other payroll costs are only part of the story.
  - ~ Payroll costs/wages – 78% (base wages represents 57%)
  - ~ Insurance costs – 8%
  - ~ Recruiting costs – 1%
  - ~ Other costs – 1%
  - ~ Non-productivity costs – 12%

## Key Survey Findings



- When all labor expenses are included, the study found the cost of a full-time nurse is comparable to that of a supplemental nurse.
- Study results call into question whether full-time hiring is best staffing strategy.
- Survey respondents state that the ideal staffing ratio is 90% permanent and 10% contingent labor.

## Key Survey Findings

- Key reasons cited to hire travel nurses include:
  - ~ Seasonal needs – 45%
  - ~ Local nursing shortage – 41%
  - ~ Facility growth – 28%
  - ~ Various other reasons
- When considering travel nurses, respondents say the following were most important:
  - ~ Quality – 63%
  - ~ Flexibility – 27%
  - ~ Cost – 10%



## Survey Results Suggest



- Hospitals should reevaluate their staffing model considering the KPMG study reports cost of full-time and contingent RNs to be comparable.
- Reactive vs. Proactive: As spend and utilization among facilities increases, the organizations who use contingent staffing proactively & strategically will be better prepared to attract the best quality with quick turnaround.

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### LEGS & REG - Legs & Reg Advisor: July 2011

- Ohio Court Refuses To Dismiss Installers' Misclassification Action
- Louisiana Court Rules Technicians' Employee Status A Jury Question
- Department of Labor Recovers More Than \$200,000 in Unpaid Overtime For Misclassification
- First Circuit Finds Employees Permitted To Disclose Wages







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Take our [Staffing Industry Monthly Pulse Survey](#) to learn industry growth prospects on a staffing sector-by-sector and temp help segment-by-segment basis.

#### UPCOMING EVENTS

**Webinar: Western Europe Legal/Risk**  
 Jul 26, 2011

SIA's Adam Pode, director of research & analysis, Europe discusses legal and risk issues relevant to Western Europe.

#### FROM OUR PUBLICATIONS

SI Review
CWS 30



**July 2011**

Don't get burned: Read about six legal issues that could

#### STAFFING INDUSTRY ANALYSTS DAILY NEWS

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**Nevada Unemployment Rate Still Hi...**  
 July 22, 2011  
 Nevada's jobless rate fell the most of any state over the last 12 months end...

**Mass Layoffs, Jobless Claims Fall...**  
 July 22, 2011  
 Initial claims for unemployment insurance caused by mass layoff events — wher...

**P2P Staffing Corp. Revenue Rises 32%**

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To recommend a "contingent" for the Voice of the Contingent Panel, please contact: Sona Sharma at [ssharma@staffingindustry.com](mailto:ssharma@staffingindustry.com)

# Q&A