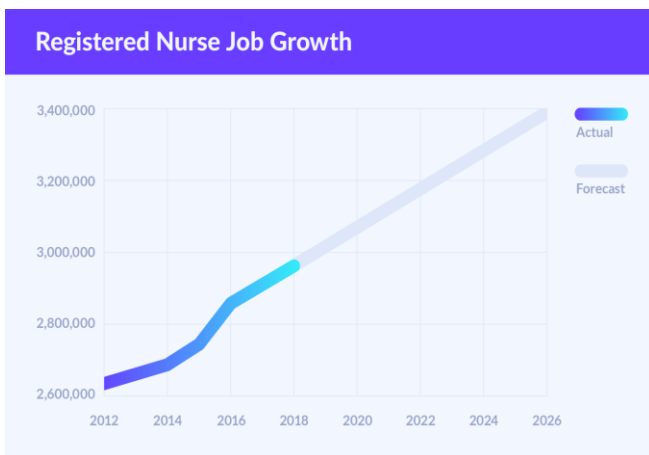


The RN labor shortage is challenging all hospitals to control costs, improve quality, expand service lines and grow bed capacity. Registered Nursing is listed as one of the top growth occupations through 2026. Over these next six years, the Bureau of Labor Statistics (BLS) also projects the need for, at least, an additional 200,000 RNs per year. While supply varies geographically; on a national level, a major crisis is evident and deteriorating.



This explains why the “C” Suite is concerned about RN recruitment and costly travel & overtime utilization. The question remains is: how do we staff while controlling labor costs?

RN TRAVEL COSTS ON THE RISE

Nationwide, hospitals are opting to engage travel RNs rather than risk patient safety or close beds. Staffing Industry Analysts (SIA) reports that the cost for travel RNs will continue to grow and forecasts another 4% increase in utilization for 2020; further straining finances.

According to NSI Nursing Solutions, the average travel nurse fee is \$80/hour and ranges to \$120/hour. In comparing the annual cost of a travel RN at \$166K to that of an employed RN at \$96K (*includes 28% cost of benefits*), it is obvious that employed RNs provide a cost savings replacement opportunity of \$70K.

STAFFING STRATEGIES AND ROI

A quantifiable measure of the severity of an institution’s increasing vacancies is contract labor use, RN turnover and their costs. Trending RN turnover based on historical data is a leading indicator of future hospital financial pressure. Management must also identify contract labor costs and not view it as an “operating expense”, but rather view it as aggregated with labor costs and integrated within the position control system. This integration with the payroll cost line, will provide insight into the actual direct cost of labor, turnover, vacancies, and sluggish recruitment efforts.

To trim labor cost, hospitals should look to lower: (1) travel RN use, (2) overtime and (3) non-productive time. For every 20 travel RNs eliminated, a hospital may save on average \$1,410,000. Partnering with a vendor that can successfully navigate volume recruitment is paramount.

CONCLUSION

In short, the nursing shortage is spiraling out of control. To strengthen the bottom line, hospitals need to build retention capacity, manage vacancies, bolster recruitment initiatives and control labor costs. The battle for RN talent is on and NSI can help.

At **NSI Nursing Solutions**, we encourage our clients to minimize excess labor utilization and focus on a strategy that embraces full staffing, builds retention and enhances ROI. Since 2000, NSI has helped clients open towers, expand bed capacity, and stabilize their workforce.

Contact Michael Colosi at (717) 575-7817 or macolosi@nsinursingsolutions.com to learn how NSI can improve your bottom line results.