



Podcast Show Notes

Making Sense of Dollars and Cents: Staffing Skills for Nurse Leaders

Before you take a seat at the healthcare leadership table, you'll need to be prepared with knowledge and skills that aren't typically taught in nursing school. In this series, you'll gain practical tips to help you develop – and showcase – your business acumen.

This CE course is relevant to nursing and advanced practice nursing professionals.

Episode 1 – Remedies for Workforce Woes, Part 1

Why has it become so challenging to get – and keep – nurses at the bedside? An expert in healthcare finance examines the financial, clinical, and staffing effects of the COVID-19 pandemic.

Guest

Pamela Hunt, MSN, RN, NEA-BC, FAAN

- Independent healthcare consultant specializing in productivity, quality and safety, improved organizational performance, caregiver engagement, leadership competence, talent development, and team building
- Associate Faculty, Indiana University School of Nursing and Kelly School of Business
- Nursing Management Conference Chair for Wolters Kluwer in Philadelphia, Pennsylvania
- Former Vice President of Patient Care Services for Community Health Network, Community Hospital North in Indianapolis, Indiana

Host

Faith Roberts, MSN, RN

- Former Executive Director of Spiritual Care and Environmental Services for Carle Health in Urbana, Illinois
- Former Executive Director of Magnet, Pathway to Excellence, Professional Practice, Pastoral Care, and Faith Community Nursing at Carle Foundation Hospital and Carle Physician Group in Urbana, Illinois

Episode Key Points

Impact of COVID-19

- Financial impact
 - Reduction of surgery caused considerable delays in urgent and semi-elective surgical interventions.
 - Patients were higher acuity because of procedure and surgery delays.
 - Financial damage to organizations was severe.
 - Despite capacity issues, pandemic-related changes necessitated opening surgical capacity to protect patients from harm and reduce the financial impact on organizations.
 - An estimated 7.3 million U.S. workers (and millions of family members) lost employer-based health insurance and access to healthcare.
 - Reimbursement for providers improved due to CARES Act.
 - Supply shortages increased pricing for supplies.
 - Delay in generic pharmaceutical competitor agents coming to market resulted from the diversion of resources to develop COVID-19 medications and vaccines.
 - Example: The drug adalimumab was the top drug by expenditures (\$22.1 billion) in 2020. Five biosimilars for adalimumab have secured FDA approval, but the first product is not expected to reach the market until 2023.
 - Studies predict nursing staff will be better paid in the future while pay for medical staff will remain at the current market.
- Clinical impact
 - Overtime will be reduced or eliminated to save costs.
 - Vacation must be taken during times of low patient volume.
 - Virtual visits will increase, which will impact the number of in-clinic providers or caregivers needed.
- Staffing impact
 - Approximately 70,000 nurses are retiring annually.
 - Nursing leadership will bear a disproportionate loss because a greater percentage of nurse leaders are of retirement age.
 - Example: The average age of nurses in surgical services pre-pandemic was 49.
 - Caregivers with little or no financial need are leaving the acute care environment.
 - Agency wages are at an all-time high.
 - Sign-on bonuses are up to \$55,000 for a med-surg nurse.
 - Units are staffed with more temporary staffing than permanent staffing with potential impact on models of care and quality of care.
 - Models of care are being redesigned to more functional nursing.

RN Vacancy Rate

- The average RN vacancy rate in 2021 was 9.9%, one percentage point higher than in 2020.
- Vacancy rates directly impact quality outcomes, patient experience, and excessive labor costs.
- In 2019, 23.7% of hospitals reported a vacancy rate greater than 10%.
- In 2022, 35.8% of hospitals reported a vacancy rate greater than 10%; 62% reported a vacancy rate higher than 7.5%.

RN Turnover

- Despite its large cost, only 57% of hospitals track the cost of RN turnover.
- Average cost of one RN turnover ranges between \$28,400 and \$51,700.
- Each percentage change in RN turnover will cost/save the average hospital \$270,800 per year.

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Resources

[2021 NSI National Health Care Retention & RN Staffing Report](#)

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