The ongoing nursing shortage, increasing vacancy rates, and need for growth and expansion are just a few of the continuing challenges facing healthcare organizations today (Auerbach, Buerhaus, & Staiger, 2017; Auerbach, Chattopadhyay, Zangaro, Staiger, & Buerhaus, 2017; Buerhaus, Skinner, Auerbach, & Staiger, 2017; Hairr, Salisbury, Johannsson, & Redfern-Vance, 2014; Squires, Jylhä, Jun, Ensio, & Kinnunen, 2017; Zhang, Tai, Pforsich, & Lin, 2018), often leading hospitals to hire agency nursing staff to fill the gaps (Xue, Chappel, Freund, Aiken, & Noyes, 2015). One large academic medical center experienced a 14% vacancy rate and opted to hire 224 full-time equivalent (FTE) agency nursing staff to fill the existing gaps while opening a new children’s hospital and expanding adult inpatient unit bed capacity. Although this strategy helped fill the short-term need, the expense was massive. At the time, the hourly rate the hospital paid for agency nursing staff ranged from $69-110, based on specialty. The organization’s nursing team challenged themselves to overcome these burdens, come up with innovative and creative solutions, and reduce agency nursing staff to less than 75 FTEs, which was a two-thirds reduction, in just six months.

The goal of this strategic effort was to recruit and hire permanent nursing staff, thus reducing agency nursing staff and saving $5.8 million dollars. A three-pronged recruitment approach was planned and executed, resulting in the hiring of 800+ RNs in Fiscal Year (FY) 2018. Focus was placed on partnering with marketing and communications to improve social media presence, website optimization, and the hosting of recruitment fairs with onsite interviews. Additional new strategies, which targeted enhancing benefits for current and incoming permanent nursing staff, had a substantial impact. During FY2018 the annual inpatient differential was increased from $1,000 to $2,500, affecting over 2,100 RNs to the financial impact of almost $5 million dollars. Moving expense reimbursement was implemented, impacting 21 newly hired nurses, who received almost $54,000, in FY2018. Referral incentive was given to current nurses who recruited experienced nurses into the organization. Twenty-four nurses benefited from this incentive, equating to $46,000 in FY2018. Preceptor pay was implemented to recognize the countless hours put forth by experienced nurses to train the incoming nurses. During FY2018, this financially benefited 727 RNs.

Implementing these new strategies in addition to the ongoing strategies already in place positively impacted the outcomes achieved. This organization reduced 203 agency FTE in a little over five months, leading to a $7.7 million dollar savings. These savings allowed for ongoing strategy development and implementation in order to continue to positively impact recruitment and retention efforts. The overall vacancy rate also simultaneously fell to 5%.

Title:
Agency Nursing Staff Reduction Strategies=$7.7 Million in Savings

Keywords:
agency nursing staff, nursing recruitment and nursing shortage
Abstract Summary:
This session will describe strategies to reduce use of agency nursing staff, recruit permanent nurses, and trim overall costs. The presenter will share creative, innovative, aggressive strategies one nursing team used to obtain a cost savings of $7.7 million dollars in one fiscal year while increasing growth and bed capacity.

Content Outline:
1. Challenges for Healthcare Organizations
2. Nursing Shortage
3. Vacancy Rates
4. Growth and Expansion
5. Agency Nursing Staff
   1. Cost Implications
   2. Strategies to Reduce Numbers
   3. Recruitment and Hiring of Permanent Nursing Staff
      1. 3-Pronged Approach
      2. Partnership with Marketing and Communications
      3. Website Optimization
      4. Onsite Recruitment Fairs and Interviews
   4. Enhanced Benefits for Current and New Permanent Nursing Staff
      1. Inpatient Differential
      2. Moving Expense Reimbursement
      3. Referral Incentive
4. Preceptor Pay
5. Outcomes
   1. Agency Nursing Staff Reduction
   2. Cost Savings
   3. Vacancy Rate Reduction

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