



The role of the Flex Program in addressing hospital workforce problems

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We're going to talk about

- Clinical personnel
- Business office
- HIPAA burden
- Whether & how Flex has helped

Sources:

Critical Access Hospital survey



- Two telephone surveys of CEOs
 - 92% response rate from the 239 hospitals designated as of Sept. 1, 2000
 - 96% response rate from the 406 hospitals designated as of May 1, 2001
- 47% response rate from the 601 hospitals designated as of June 30, 2002
- Administered by Universities of Minnesota and Washington

34% of nation's 1747 non-metro hospitals are
CAHs as of March, 2003 (N=750)



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Typical CAH



- 4.8 physicians per CAH as of May 2001 (median of 4)
- 25% of towns have a non-admitter
- 33% of towns have a part-timer
- 58% of CAHs have 1 (+) docs on payroll
- 2.4 nurse practitioners (2 median)
- 86 FTEs per hospital (102 in our survey)
- Negative 16.2% operating margin



Emergency Room Staffing

- Half use their own physician employees
- Half contract with local docs
- 43% use non-physician clinicians
- 37% contract with an ER company
- Smallest & most isolated hospitals less likely to contract

(obviously, some use more than one strategy)

Flex helps with ER staffing...



- Financing the cost of physician coverage
- Strengthening relations between hospitals and EMS



Typical CAH has



	FTEs	FTEs/ million \$ revenue
RNs	14.4	2
Nurse aides	7.6	1.4
LPNs or LVNs	4.6	.8
Lab techs	3.9	.55
Rad techs	2.5	.35
Pharmacists	.67	.12
Business office staff	6.6	1.0

Typical CAH is recruiting for



	FTEs
RNs	1.5
LPNs or CNAs	.8
Rad or lab techs	.6
Pharmacists or techs	.1
Business office	.2

Nurses



- 48% of responding hospitals said nurse recruiting was their #1 problem
- 60% say “very difficult” to recruit an experienced nurse (25% for a new nurse)



Imaging techs



- 53% said “very difficult” to recruit
- 17% of responding hospitals said recruiting imaging technicians was their #1 problem

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Physicians



- 8% said recruiting physicians was the #1 recruitment problem
- 42% said “major problem”



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Lab techs



- 58% said “very difficult” to recruit
- 7% said recruiting lab techs was the #1 recruitment problem
- 15% said lab techs were in the top three

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Pharmacists



- 61% said “very difficult” to recruit
- 4% said recruiting pharmacists was the #1 recruitment problem

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Therapists



- 5% of responding hospitals said recruiting therapists was their number one problem

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Non-physician clinicians



2% said
recruiting
midlevels was
in the top 3 of
their
recruitment
problems

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Most difficult positions to recruit for



- Pharmacists (61%)
- Experienced RNs (60%)
- Lab techs (58%)
- Radiation techs (53%)

Unions?



- 12% of CAHs said their nurses were in a union
- Slightly larger hospitals tend to have unions:
 - 127 vs. 102 FTEs
 - \$12.7m vs. 9.3m revenues
 - 521 vs. 408 discharges.



Flex program helped by...

- Improving cash flow to support factors that help with retention--wages, benefits (85%)
- No help with recruitment, however (56%)

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51% say
it's at
least
somewhat
difficult to
recruit for
the
business
office

CAH business offices



- ...have increased by .34 FTEs since 1997
- ...are contracting out functions (22%)
- ...biggest personnel problems:
 - training
 - keeping up with insurance changes
 - finding experienced & qualified staff
 - paying adequate wages
 - morale, motivation, attitude

The typical CAH has



- .7 CFOs @ \$27.43
- .8 Supervisors @ \$16.99
- .2 Payroll clerks @ \$12.83
- .3 Accts Payable @ \$11.66
- .4 Patient Account Reps @ \$10.72
- .1 Accountants @ \$16.19

The typical CAH has



- 1.4 Billers @ \$10.56
- .5 AR or Collections @ \$10.29
- .5 Clerical @ \$9.26
- .2 Data Entry @ \$11.27
- .1 Cashiers @ \$9.15
- .8 Other @ \$11.77

TOTAL: 6.02 FTEs

HIPAA



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Typical HIPAA costs

- No costs: 7%
- 59% increased staff time (.43 FTE*)
- 68% diverted staff time (.52*)
- 44% hired a consultant (\$4,384*)
- 51% incurred capital expense (\$29,082*)

* these numbers include hospitals with no costs

Conclusions



- Nursing is still the #1 workforce recruitment problem
- Hospitals are spending \$85.21 per hour on their business office functions (or about \$225,000 a year, w/benefits)
- HIPAA is a big burden: \$34,500 and one FTE per CAH



But Flex has helped by...

- In general, **reimbursing** higher personnel costs
- **Financing** the “significant expansion” or addition of services (specialty care for 32%)
- Encouraging **affiliation agreements** that helped with staffing clinics (33%)

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