



Workforce Intelligence Report

NURSING SPOTLIGHT

November 1, 2022



OVERVIEW

Workforce Intelligence Report: Nursing Spotlight

As healthcare's workforce challenges continue, nurses have become a focal point due to their specialized and essential role on the frontline of care delivery.

Registered nurses make up 31% of the acute care workforce¹ and many are burned out and leaving the profession. Understanding the extent and context of this reality is critical for hospital leaders to reimagine traditional approaches for recruitment, retention and care delivery.

With this in mind, [Vizient](#)[®] and [Vaya Workforce](#) have come together in this workforce intelligence report to provide unique insights on the landscape of nursing as well as tactics for near-term and long-term success.

Key Takeaways



FINANCIAL MARGINS STRUGGLE AS PATIENT VOLUMES AND LENGTH OF STAY RISE

Operating expenses have increased 21% from 2019 and nursing labor expenses have increased 55% due to inflation, labor shortages and other market forces. As patient volumes and length of stay rise, leaders must look for opportunities to innovate traditional care delivery models and resource allocation strategies.



HIGH NURSE TURNOVER IS CAUSING A VICIOUS CYCLE

Nurse turnover has more than doubled since 2019. Despite a 20% increase in overtime hours, fewer nurses are available to tend to patients. This leads to increased burnout and ultimately turnover. Reimagining staffing models and ensuring top-of-license practice can help reduce overtime and burnout.



CONTRACT LABOR IS HERE TO STAY

In October 2022, travel nurse demand was more than double the demand in October 2019. Looking ahead, demand is projected to remain at least 20% higher throughout 2023, compared to pre-pandemic times. Hospitals and health systems must shift their relationship with contract labor vendors from transactional to a strategic partnership to achieve a cost-effective balance.



FLEXIBILITY IS THE PATH FORWARD

Half of the nursing workforce report feelings of burnout. Successful organizations are embracing a culture of flexibility, including offering a range of options for how, when and where work is accomplished.

Financial margins struggle as patient volumes and length of stay rise

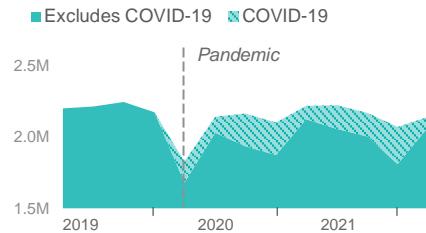
Leaders must understand the need for reimagining care delivery models to maximize resources.

- In-patient case volumes are approaching pre-pandemic levels.
- Higher patient acuity has contributed to a half-day increase in length of stay compared to pre-pandemic levels.
- Funding from the federal Coronavirus Aid, Relief and Economic Security (CARES) Act buoyed many hospitals in 2021. However, dissipating funding and other economic factors led to a steep financial decline going into 2022. Hospital margins have since improved but are still in the negative.
- Operating expense is up 21%. A contributing factor is the 55% increase in nurse labor expense due to overtime pay, turnover, inflation and other market forces.

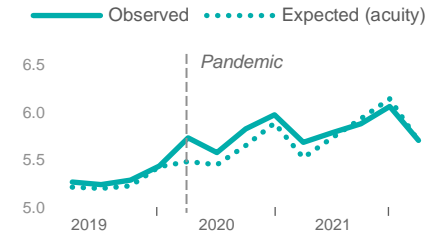
VOLUME RETURNS TO PRE-PANDEMIC LEVELS, BUT PATIENTS ARE SICKER

Vizient CDB², 2019Q2 – 2022Q2

CASE VOLUMES



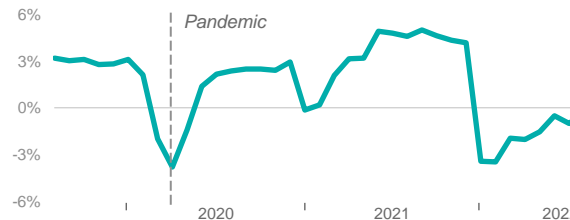
AVERAGE LENGTH OF STAY DAYS



RISING EXPENSES PUT FURTHER PRESSURE ON STRUGGLING MARGINS

Operating Margin: Kaufman Hall³, Aug 2019 – Aug 2022; Expenses: Vizient ODB⁴, 2019Q2 – 2022Q2

MONTHLY OPERATING MARGIN INDEX YTD



NURSING UNIT LABOR EXPENSE VS. 2019

+55.6%

OPERATING EXPENSE VS. 2019

+21.3%

High nurse turnover is causing a vicious cycle

Innovative programs that enable more time at the bedside and streamlining administrative tasks can help alleviate burnout that leads to turnover.

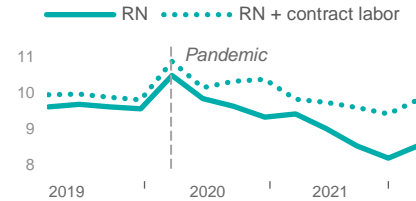
- Nurse turnover has doubled since 2019 leading to more vacancies.
- Overtime hours have increased 20% since 2019 to compensate for higher vacancies and to serve higher patient volumes.
- A shrinking workforce and higher patient volumes mean nurses are unable to spend as much time with patients.
- Nurses are spread thin with more overtime, more patients and less staff, leading to 50% reporting feelings of burnout.

FEWER NURSES ARE AVAILABLE TO CARE FOR PATIENTS LEADING TO MORE OVERTIME, BURNOUT AND TURNOVER

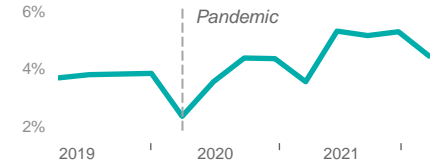
Nursing Hours, Overtime, and Turnover: Vizient ODB⁴, 2019Q2 – 2022Q2

Burnout: Safe and Reliable Healthcare⁵, 2019Q3 – 2022Q3

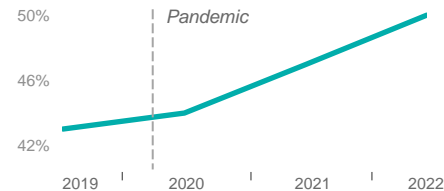
NURSING HOURS PER PATIENT DAY



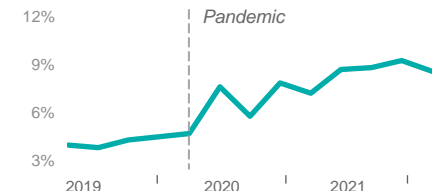
NURSING OVERTIME HOURS AS % OF WORKED HOURS



HOSPITAL ROLLING BENCHMARK MEDIAN NURSING % BURNOUT



% OF LICENSED NURSING STAFF TURNOVER



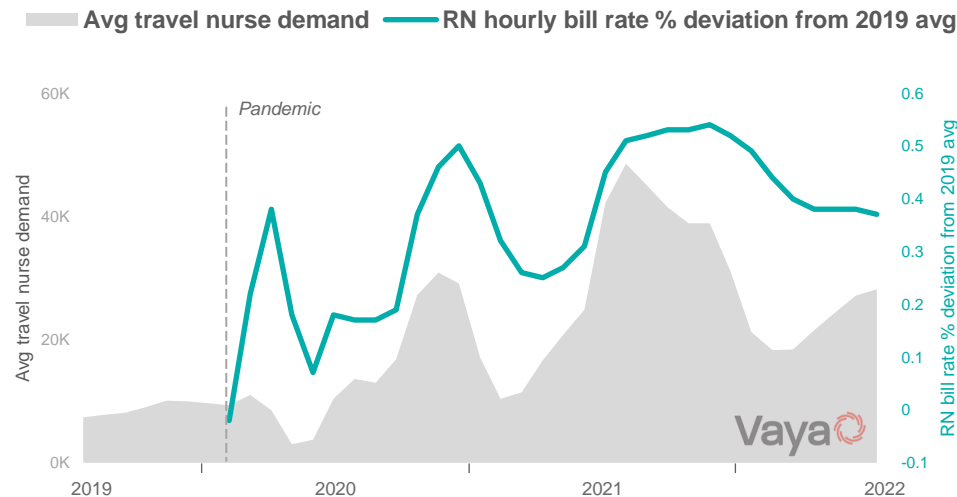
Contract labor is here to stay

Demand for travel nurses continues to surge in response to increasing turnover and burnout.

- Vaya Workforce projects contract nursing demand will continue to be at least 20% higher than 2019 levels throughout 2023.
- Contract labor bill rates are currently 26% lower than peak-pandemic levels and expected to stabilize at 15% over pre-pandemic levels in 2023 due to inflation and ongoing demand.
- While demand remains high, Vizient and Vaya research shows no correlation between contract labor utilization and patient outcomes.

TRAVEL NURSE DEMAND AND BILL RATES STILL ELEVATED ABOVE PRE-PANDEMIC LEVELS

Vaya Workforce⁶, July 2019 - Sep 2022



2023 PROJECTED TRAVEL NURSE DEMAND VS PRE-PANDEMIC

+20% min

2023 PROJECTED HOURLY BILL RATE VS PRE-PANDEMIC

+15%

Top tactics for near-term and long-term focus

Vizient and Vaya Workforce extensive network of hospitals and health systems data provides a unique vantage point for how successful organizations are navigating nurse workforce challenges.

Top performers incorporate these five strategies

- 1 Embrace a culture of flexibility.** This includes how clinical teams are formed, what individual responsibilities entail, as well as when and where the work gets done. Challenging traditional assumptions engages current employees and makes the organization more attractive for recruitment.
- 2 Ensure recruiting and hiring process are streamlined.** Eliminating unnecessary hurdles, simplifying cumbersome application processes and easing qualification requirements (while maintaining appropriate standards) can help identify previously untapped sources.
- 3 Approach contract labor vendors as strategic partners rather than transactional check boxes.** Sharing your strategic needs and goals can help manage costs and create a culture designed for balancing both full-time and contract staff.
- 4 Incorporate technology like virtual nursing and remote monitoring.** This engages staff with new skills, provides training opportunities for less experienced staff and reduces menial tasks contributing to burnout.
- 5 Establish new or leverage existing partnerships in the local community.** Consider giving students exposure to clinical careers and offer “gig” opportunities for non-clinical work, which enables nurses to operate at the top of their license and skill level.

Works Cited

1. “Occupational Employment and Wages, May 2021 29-1141 Registered Nurses.” U.S. Bureau of Labor Statistics, U.S. Bureau of Labor Statistics, May 2021, <https://www.bls.gov/oes/current/oes291141.htm>.
2. Data from the Vizient® Clinical Data Base (CDB) used with permission of Vizient, Inc. All rights reserved. Ages 18+. Leverages Vizient 2022 Academic Medical Center risk model. Excludes Pediatric and Oncology Specialty Hospitals as well as Critical Access hospitals. Vizient CDB is a repository of patient outcomes data from more than 1,000 Vizient member hospitals.
3. Kaufman Hall National Hospital Flash Report, based on data supplied by Syntellis Performance Solutions. The Hospital Operating Margin Index is comprised of the national median of the dataset which is a representative sample of more than 900 hospitals, adjusted for allocations to hospitals from corporate, physician and other entities.
4. Data from the Vizient® Operational Data Base (ODB) used with permission of Vizient, Inc. All rights reserved. Values represent the median of the dataset. Vizient ODB houses department-level analytics and financial metrics for more than 650 hospitals.
5. Data from Vizient Safe and Reliable Healthcare. 2022 Safety, Communication, Organizational Reliability, Physician, and Employee Burnout and Engagement (SCORE) survey domains of emotional exhaustion and emotional exhaustion climate. Survey responses include more than 26,000 nurses nationwide.
6. Vaya Workforce. Data as of 10/1/2022 and is based on Workforce Solutions data including direct contracts, managed service contracts, and support of third-party staffing programs. Travel RN jobs include all open jobs for travel, contract, EMR and strike needs. Data representative of 75-80% of healthcare staffing.