



THE AMN
Advantage

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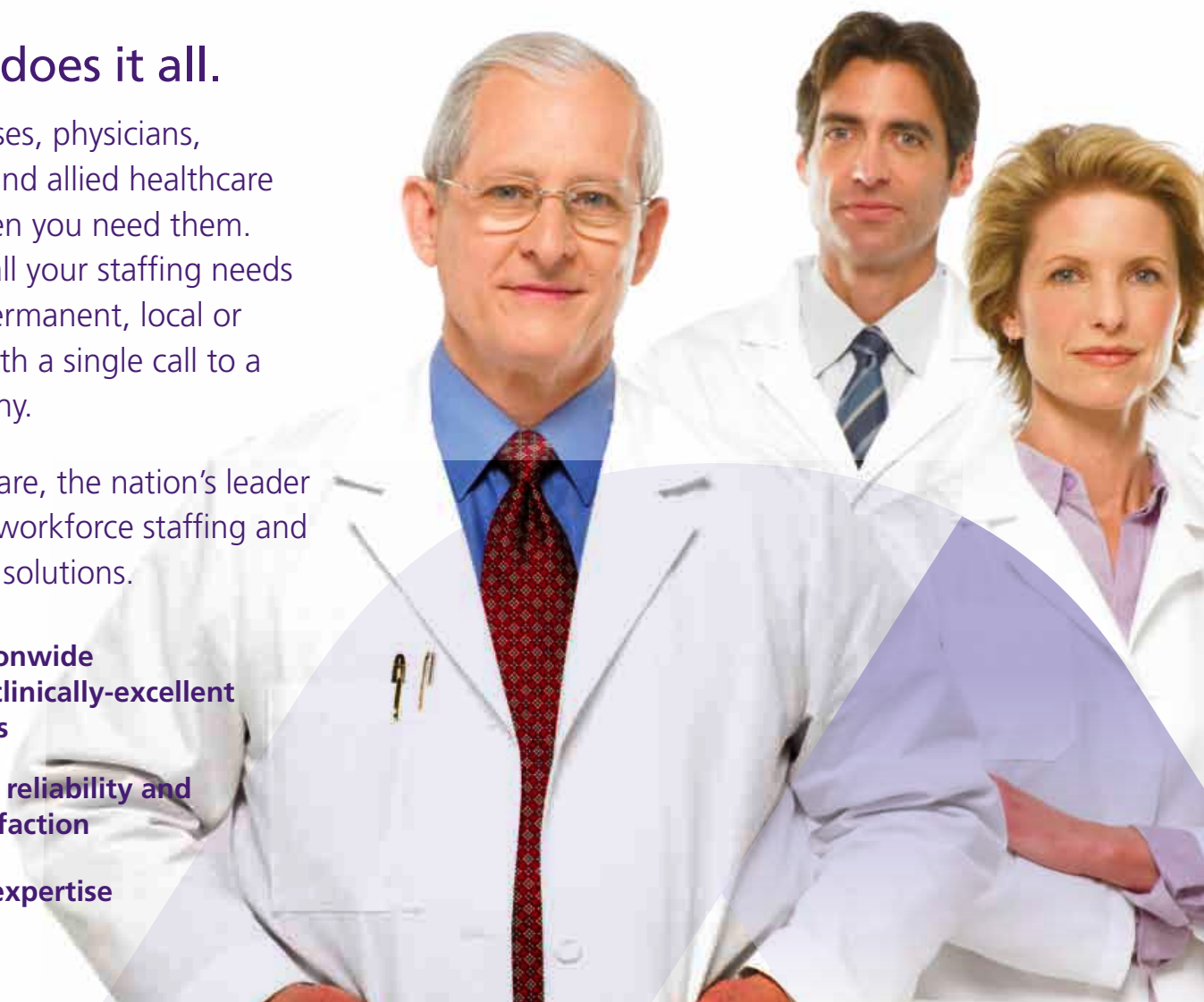
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MESSAGE FROM THE PRESIDENT

Cost Challenges Driving Innovation in Healthcare

2010 may go down in history as the year with the most significant changes made by or to healthcare. The passage of healthcare reform, persistent downward pressure on reimbursements, pay for performance, these are just a few of the challenges that have made keeping costs down and doing more with less, a key priority for healthcare organizations today.

Some of the best innovations come about when we're confronted with change. Obvious constraints force us to rethink how we approach our business and healthcare is no different. Of course, when we do face these challenges, a new and often better approach emerges. For healthcare this means improving patient safety and squeezing costs and inefficiencies out of systems and processes.

In this edition of AMN Advantage, we've taken the opportunity to showcase what leading hospitals and healthcare organizations are doing to improve their patient care and financial health. Whether they're working to reduce medical errors, creating better and more cost-effective staffing and management solutions, or applying innovative workforce solutions to the delivery of healthcare, we wanted to share some best practices and successes with you.

If you've ever considered taking a new or innovative approach to recruitment, you should read "Is it Time to Outsource Some or All of Your Recruitment Function," on page 6. If you're challenged by the need to achieve even greater cost savings and increase efficiencies, you may find the article, "Managed Staffing Services: Achieving Cost Savings through increased Efficiency," on page 9, insightful. Whatever your interest, this edition of AMN Advantage provides stories of hospitals and healthcare organizations just like yours that are meeting everyday healthcare challenges head on.

I hope this latest edition of AMN Advantage will leave you with insights and ideas that you can apply to your own organization and its unique challenges and priorities.

Susan Salka
President and Chief Executive Officer
AMN Healthcare

Reducing Medical Errors

Five Low-Cost, High-Impact Initiatives

By Debra Wood, RN, contributor

The Institute of Medicine estimated more than a decade ago that medical errors contributed to nearly 100,000 annual deaths. Since then hospitals have been trying to figure out ways to make the care they provide safer.

Here are five of the top interventions for improving patient safety with minimal costs:

1. Developing a culture of safety, first and foremost.

The Joint Commission stated last year that establishing a safety culture needs to be a top priority.

Sentara Healthcare in Norfolk, Va., began transforming their culture in 2002 by establishing safety leadership teams and involving the medical staff in safety initiatives.

The results: a 61 percent reduction in adverse events, an 18 percent drop in ICU deaths, a 93 percent drop in ventilator-associated pneumonia rates, and a 70 percent drop in device-associated bloodstream infections.

More than 80 other hospitals around the country have begun similar programs, according to the Agency for Healthcare Research and Quality (AHRQ).

2. Preventing ventilator-associated infections with the IHI bundle.

The Institute for Healthcare Improvement (IHI) recommends a “bundle” of components to cut the risk of ventilator-associated pneumonia (VAP), which is one of the most lethal hospital-acquired infections. The bundle includes elevating the head of the bed, providing “sedation vacations” and oral care and administering peptic ulcer and deep venous thrombosis prophylaxis. The IHI bundle helped Lancaster General Hospital in Lancaster, Pa., reduce its VAP rate from 7.35 per 1,000 ventilator days in 2007 to 1.95 per 1,000 in 2009. Similarly, Coler-Goldwater Specialty Hospital and Nursing Facility in New York City decreased its VAP rate from 2.4 per 1,000 in early 2006 to 1.0 per 1,000 through mid-2008.

3. Eliminating central-line bloodstream infections with Keystone protocols.

The Michigan Health & Hospital Association (MHA) Keystone Center ICU



project reduced central-line bloodstream infection rates from 4 percent to zero in the majority of the 100 participating intensive care units, saving 1,500 lives and \$200 million. The program combines communication, teamwork and leadership with proven protocols, such as hand hygiene, using full-barrier precautions during catheter insertions, cleaning the skin with chlorhexidine, avoiding the femoral site when possible and removing unnecessary catheters. A new \$7 million grant from AHRQ will fund a national roll-out of the program.

4. Avoiding falls with proactive nurse rounding.

Rounding on patients—checking on each patient every hour during the day and every two hours during the night—allows nurses to proactively meet their needs. This avoids falls that can occur when patients try to reach the bathroom or take other actions on their own. Consultants from the Studer Group pioneered the hourly rounding concept, and a six-week pilot study at 14 hospitals showed it cut the number of falls in half. After Northeastern Hospital in Philadelphia started proactive rounding, nursing officials saw the fall rate decrease by 65 percent, while patient satisfaction increased.

5. Reducing medication errors by reducing distractions.

In the Kaiser Permanente MedRite program, nurses wear a special vest or sash to designate that they should not be disturbed. The program includes preparing medications in a quiet zone and verifying the “five rights” (right patient, medication, dose, route and time), checking allergies and the medication administration record, washing hands, turning down the television volume, turning up the lights, educating the patient, and documenting. Within the first month, Kaiser South San Francisco experienced a 20 percent decrease in medication errors. The pilot program reduced interruptions by 50 percent, increased the speed of medication passes by 15 percent, and increased process reliability from 33 to 78 percent. ■

Five Best Practices for Improving Hospitals' Financial Health

By Debra Wood, RN, contributor



Hospitals, like businesses, must maintain a positive revenue stream. But while hospitals strive to improve the bottom line, they must not adversely affect quality of care.

“You need to generate profit, because you need to continually invest in the organization,” said Mark Bogen, vice president of finance at South Nassau Communities Hospital in Oceanside, N.Y. “We don’t have stockholders who are looking for a return on investment. Instead we have a community we owe the finest healthcare it is entitled to, and that takes a lot of money.”

A positive margin allows hospitals to purchase new equipment and maintain adequate staffing to provide quality care. Yet these are difficult times for acute care facilities.

A 2009 research paper from Thomson Reuters Center for Healthcare Improvement reported that U.S. hospitals’ total margin plunged to historic lows in the last half of 2008 but recovered to a 3.1 percent margin in the first quarter of 2009. However, 30 percent of hospitals were operating with negative margins.

Now, with the passage of health reform, potential changes as to how the government pays for services have raised concerns.

Marc Hafer, chief executive officer of Simpler Consulting in Pittsburgh, Pa., said that with so much uncertainty currently surrounding reimbursement policies, it is more important than ever for hospitals to operate efficiently and proactively.

“When you get down to pay-for-performance, which is coming down the road, you want to make sure you are doing things clinically adequate for the patient and against the measurement of the payors,” said Tim Gould, principal and revenue cycle project leader at CSC Healthcare Group in Falls Church, Va., who suggests hospitals consider multiple solutions.

A look at some of these solutions yields five best practices that facilities can consider:

1. Manage the revenue cycle.

Bogen, at South Nassau, considers successfully managing the revenue cycle—from registration and obtaining co-pays at time of service to billing and collections—key to a hospital’s financial health. He added that many times hospitals do not collect everything to which they are entitled, because they do not capture the service or at the intensity of which it was performed.

South Nassau Communities has appointed an assistant vice president of revenue cycle who meets with every department regularly to ensure every charge is captured and billed. Bogen estimates up to 80 percent of the hospital’s revenue depends on proper documentation and coding.

“Clinical and revenue cycle cannot be separate any longer,” Gould said, adding that many facilities are implementing integrated software, so clinical documentation flows to billing systems.

“Days equal dollars when the patient is discharged,” Gould said. “Every day that is not coded and the bill not out is dollars [lost].”

2. Leverage technology to capture dollars.

Many hospitals have turned to electronic systems to help capture revenue, automating the procedure documentation and coding process with specialty-specific software, such as ProVation MD from ProVation Medical, part of Wolters Kluwer Health, to ensure compliant and comprehensive charge capture and coding, speed the billing and revenue cycle, and reduce administrative costs while helping to reconcile physician and facility charges. The physician enters the data at the point of care, eliminating the need to dictate operative or procedure reports, and the software processes it.

“The end result is a streamlined documentation and coding workflow that optimizes the efficiency of nurse, technologist and physician time, reduces costly transcription backlogs, and speeds and enhances the revenue cycle,” said Laura Gilbert, senior director of marketing communications, clinical solutions division, Wolters Kluwer Health. “Automation also enables hospitals to aggressively and confidently pursue maximum reimbursements for services rendered.”

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Is it Time to Outsource Some or All of Your Recruitment Function?

By Linda Beattie, contributor

Today's attention on greater efficiency in healthcare is putting more pressure on healthcare executives to find cost-effective workforce strategies. Recruitment process outsourcing (RPO) is one solution many healthcare organizations are exploring. While it may be more common in other industries, RPO offers unique solutions to some of the healthcare industry's resource challenges.

"The healthcare recruiting landscape has become really complex in the last decade," explained Philip Fredrick, director of RPO client development for AMN Healthcare. "So much has changed in the market, but little has changed in the day-to-day operations of many healthcare organizations. Healthcare organizations must compete for clinical talent locally, regionally, and nationally and employers are not equipped to cost-effectively keep up with that."



Case Study

A level 1 trauma and teaching hospital suffered from a limited local RN candidate pool and could not keep up with the hiring demand.

The facility experienced high vacancy rates and relied heavily on overtime and agency staff members, while the staff's overall experience level dropped.

Finding the optimal mix of temporary and permanent RNs saved the facility over \$1.4 million in annual nurse staffing costs, filled key nursing positions, and increased overall RN experience level.

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What exactly is RPO?

RPO is an outsourcing of all or part of the sourcing, screening, hiring and on-boarding process. A team of healthcare recruiting experts work on your organization's behalf, on engagements ranging from short-term, project-based to multi-year. Service-level agreements can cover one part of the recruitment process or a specific clinical area or unit, or encompass the entire staffing and recruitment function.

The ROI on RPO

The return on investment (ROI) from an RPO program can be substantial, according to research done by Nelson Hall, a business process outsourcing analysis firm. They found that the average RPO engagement is estimated to reduce recruitment costs 24%, and recruitment cycle times by nearly half.

Advantages of RPO

"There are many advantages with RPO, like the ability to rapidly scale up or down staffing efforts without the burden of long-term fixed costs,"

Is it Time to Outsource Some or All of Your Recruitment Function?

explained Ralph Henderson, president of nurse and allied staffing and RPO at AMN Healthcare. “Additionally, RPO providers can bring technology and other resources to the table that many hospitals can’t afford on their own. Other drivers include lowering the cost per hire, shortening the time to fill positions, improved compliance with employment laws, and casting a wider recruitment footprint that allows you to draw from top talent across the United States and internationally.”

RPO providers have the experience and resources to conduct a more efficient talent search, freeing up internal human resources staff for other tasks. They can also help their clients avoid problems like patient diversions and keep revenue projections in line by reducing the time it takes to fill vacancies.

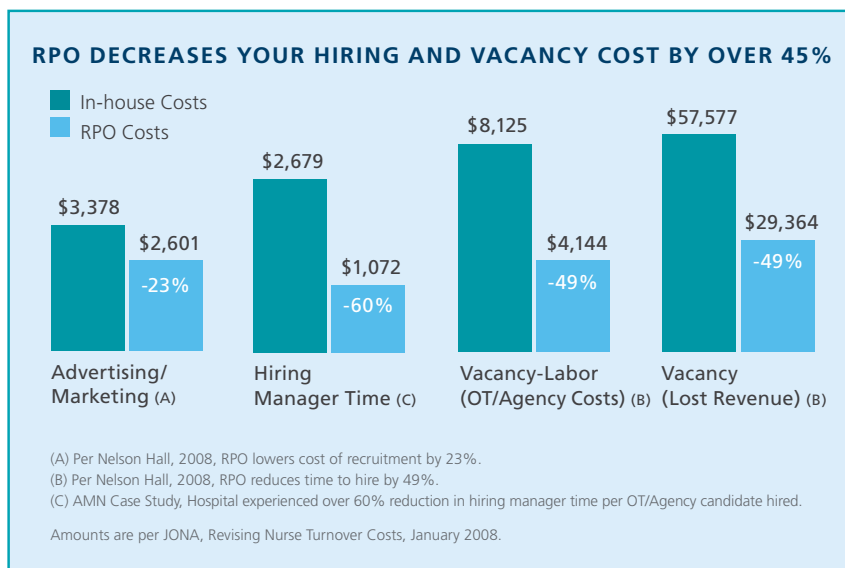
Value-added services

RPO services can range from simple to sophisticated, said Henderson. “AMN offers such things as requisition approval management, employer branding, career site management, sourcing, screening, assessment, precision matching, interview, offer management, relocation and on-boarding. Clients can access recruitment analytics at any time to evaluate the effectiveness of the program.”

Making the case for RPO

Part of the challenge in determining the feasibility of RPO for some organizations is the inability to accurately assess their current situation. An experienced healthcare RPO provider can help quantify performance factors—such as number of hires, specialties, time-to-fill, cost-per-hire, overtime and contingent staffing cost—then customize a solution and even help make the case to management for outsourcing. Then they’ll help clients monitor key hiring and workforce statistics to benchmark against expected improvements and keep track of their ROI. ■

To learn more about AMN’s RPO program, or to request a copy of one of several case studies, call (866) 660-2373 or e-mail RPO@amnhealthcare.com



5 Best Practices for Engaging an RPO Firm

Consider capabilities and reputation.

1 When considering an RPO solution, look at the overall capabilities of the provider including expertise in clinical staffing and recruiting, references, quality compliance standards, business strategy and program offerings.

Start small, if needed.

2 If your organization hasn’t tried outsourcing before, you might want to start with a smaller project like staffing up a new unit, wing or a single role like registered nurses. Outsourcing certain areas or functions while keeping your internal team focused elsewhere is a good place to start. Then after working with an RPO provider for a few months and seeing the results, you can decide to extend the partnership to more areas.

Give it some time.

3 Don’t expect outsourcing to solve all of your recruitment challenges overnight. While you should experience improvements in filling jobs with quality candidates immediately, it takes more time to improve your employer brand, retention and offer/acceptance ratios. It takes time to build an effective program.

Ask for evidence.

4 After the RPO program has been up and running for awhile, work with your provider to develop key performance indicators (KPIs) and fine tune the service level agreements. You should expect consistent reporting and meetings to discuss progress. A pay-for-performance model can assure you that your recruitment dollars will bring results.

Keep exclusive and avoid confusion.

5 Make sure your relationship with an RPO provider is exclusive. Don’t confuse the candidates by continuing to recruit for the same areas on your own; make your RPO provider part of your team.



Managed Staffing Services

Achieving Cost Savings through Increased Efficiency

By Liza Palermo, guest writer

With healthcare providers under pressure to improve financial performance and maintain quality, healthcare leaders need to find ways to continue to operate for long-term success, while achieving immediate cost savings. With labor representing a hospital's single largest expense, one answer can be found in the adoption of managed staffing services at many facilities today.

According to AMN president of Strategic Workforce Solutions Bob Livonius, the impetus for engaging in a managed staffing service agreement has changed in recent years, but the end result is the same – improved supplemental workforce performance at an overall labor-related cost savings of 15% - 25%.

The Supplemental Staffing Frenzy

“From the year 2000 to roughly 2007, the average number of staffing agencies under contract with a single hospital system or other facility spiked in an effort to simply fill shortages,” Livonius said.

The subsequent frenzy of managing what could amount to hundreds of different staffing contracts, bill rates and hiring procedures, fueled demand for a better solution. Managed staffing services, where a staffing partner is engaged to help manage the overall forecasting, recruitment, delivery and cost of supplemental staff on an ongoing basis, grew in popularity.

Managed Staffing Tames the Chaos

Take Allina Hospitals & Clinics as an example. A large, not-for-profit system of hospitals, clinics, and other healthcare services provided throughout Minnesota and western Wisconsin, Allina has saved \$4.8 million through its managed service agreement over the past five years. In addition, Allina's fill rates improved from 34% to more than 90% during that same time.

“Our managed staffing provider acts as an effective traffic control tower for the system's hospitals and clinics, coordinating multiple arrangements with multiple providers,” said Allina President and CEO Kenneth Paulus, of the more streamlined approach.

Savings at Allina came in part from a new orientation and identification badge system created and funded by its managed staffing provider; employing a more efficient mix of permanent, per diem, travel and overtime staff expenses; and saving internal staff more than 120 hours per week previously spent on supplemental staff administration and oversight.

Creating a Platform for Continuous Operational Efficiency

“A fair number of healthcare providers have already gone through the cycle of trading in multiple staffing vendors for one, reliable central point of contact with standardized invoicing, hiring procedures, and performance measurements,” said Livonius. “Even with demand now slowing, they remain much more efficient than before.”

This is precisely the kind of advantage many facilities are looking to gain, as they seek to tighten their belts today, while maintaining a strong scalable, infrastructure for the inevitable rise in demand.

“Our managed staffing provider acts as an effective traffic control tower for the system's hospitals and clinics, coordinating multiple arrangements with multiple providers”

Few organizations understand this better than MedStar Health System, the largest healthcare provider in Maryland and the Washington, D.C. region. When they entered into an exclusive Managed Staffing partnership in 2008, the region was in the midst of the most serious nursing shortages in the country. Today, nursing graduates in that same market are hard pressed to find employment. Yet the tide will turn, according to Ron McDade corporate AVP, Performance Improvement for MedStar.

Navigating an Economic Rebound

“Healthcare leaders have been through enough cycles to understand that we are at the peak of supply now – everyone wants to work, full-time with benefits, due to the economy,” said McDade. “We are fully appreciative of the fact that we will cycle back to workforce shortages.”

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When this occurs, McDade says MedStar will have the infrastructure in place, thanks to its managed staffing partner, to fill its needs and ensure continued high levels of patient care.

As census levels rise once again, not only will existing providers need to scale back up, but facilities will again compete for scarce human resources. The recruitment advantage offered by managed staffing programs may make the difference between organizations that survive and those that do not.

In the case of Tyler ContinueCARE Hospital, a 52-bed long-term acute care facility in Tyler, Texas, its CEO Stephanie Hyde credits its managed staffing partner with helping the hospital successfully manage census growth from a daily average of five patients to 50, in just several years.

“Without our managed staffing partner, we would not have been able to achieve our average daily census growth because we would have never had the staff to support it – it’s just that simple,” she said.

Opportunity for Facilities of All Sizes

Tyler also serves to demonstrate that efficiencies gained through managed staffing services are not restricted to large hospital systems alone. Throughout its partnership, Tyler has enjoyed higher than 90% average fill rates and patient satisfaction consistently ranging between 92% and 94%.

“Working exclusively with our managed staffing partner, we have been very pleased with their responsiveness, the high quality of the staff they send and the overall success we have achieved together,” said Hyde.

Overcoming “Us” v. “Them” Perception

But not all facilities are easily swayed by the notion of relinquishing oversight of the supplemental staffing function to a staffing company. In fact, for Tammy Collier, senior vice president for Patient Care at Huguley Memorial Medical Center in Burleson, Texas, it seemed counterintuitive.

“We wanted a stable pool of competent nurses who embraced our hospital’s mission and we wanted to hold down costs,” said Collier. “So, at first, we

thought the answer was to reduce our reliance on employment agencies.”

Many organizations are cautious about “handing over all of their temporary staffing needs to a single agency”—a common misperception, according to Livonius. “As a managed staffing customer, organizations have remarkably more control, visibility and accountability from their staffing providers than ever before.” This is accomplished through mutually agreed upon performance goals, system-wide standardization, and technology tools that help create a central database for extensive real-time reporting. Plus, companies often leverage a network of subcontracted agencies to ensure that all staffing needs are met.

According to Collier, the approach works. “At Huguley, our cost savings are measurable, we save time from the administrative hassles of dealing with 27 agencies and we’ve seen increases in quality and compliance.”

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The Optimal Staffing Mix

Saving Money and Improving Patient Care

By Melissa Wirkus, associate editor

As hospitals and healthcare facilities continue to scale back costs, the importance of an efficient and flexible staffing plan continues to grow. The fragile economy has staffing managers re-evaluating traditional plans and moving toward solutions that utilize a mix of permanent and supplemental clinicians in order to limit overhead expenses and stay nimble.

But what does an optimal staffing mix look like?

Evaluating needs and leveraging resources

According to a white paper from Premier Inc., *The Key to Budget Success: Optimal Staffing and Scheduling Management*, healthcare facilities can achieve their staffing and quality goals through careful planning.

“If hospital systems develop staffing and scheduling models that allow units to appropriately adjust staffing, daily crisis management can cease to exist...The outcome of developing and implementing an effective staffing and scheduling system, which includes an agency partnership, will produce a better bottom line for an organization.”

By planning for vacancies, developing unit-specific staffing plans and evaluating the need for external staffing companies, Premier found that facilities can meet their goals while staying within planned budgets.

“Financially, partnerships with staffing companies will help keep costs within budget, but only if the entire budget is considered. The benefits include a decrease in non-productive orientation, and reduced HR costs for hiring, processing, and termination paperwork. By communicating the staffing and scheduling demands clearly, hospitals can negotiate the best rates, clearly define service expectations, and set higher quality standards,” according to Premier’s research. Facilities can determine the most appropriate staffing mix by forecasting their needs and evaluating historical staffing trends,

resulting in a host of improvements ranging from increased employee satisfaction to better patient care.

“The key for any facility is to look at the mix between regular FTEs [full-time employees], float pools and outside staff. There is a common connotation that outside agency staff is more expensive—and they’re not,” explained Denise Deans-Graf, president, managed services program and local staffing for AMN Healthcare.

Overtime, double time and holiday pay for a regular FTE is much more expensive than bringing in a temporary healthcare professional, she explained. Relying too much on overtime from core staff also leads to burnout, increased turnover and incidence of errors, and is a huge cost center for facilities.

Ralph Henderson, president of nurse and allied staffing and RPO at AMN Healthcare, said that forecasting needs and evaluating resources is a vital part of achieving the optimal staffing mix. “Permanent staffing levels should be fixed at a level below the lowest forecast need in order to minimize fixed expenditures, such as vacation pay and benefits,” he explained.

“Then, as census fluctuates above this threshold, temporary staff can be added as needed.”

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Continuous Process Improvement: Delivering Lower Costs & Better Patient Safety

By Debra Wood, RN, contributor



Industry leaders recognize the country must address the ever-increasing cost of healthcare and a few facilities have adopted continuous process improvement (CPI) initiatives to wring waste from their processes while boosting quality of care and patient outcomes.

Virginia Mason Medical Center in Seattle pioneered applying Japanese-style lean process improvement to healthcare starting almost ten years ago and continues to reap benefits, saving \$1 million in supply expenses in 2009, avoiding \$2 million in construction costs for a new hyperbaric center, cutting its professional liability coverage premium by 49 percent and increasing cash deposits from \$471 million in 2003 to \$794 million in 2009.

“We have deployed the Virginia Mason Production System as a management method throughout the medical center,” said Charleen Tachibana, RN, chief nursing officer at Virginia Mason. “Our goal is to reduce the cost of healthcare and improve quality by removing waste.”

Virginia Mason involves appropriate staff in whatever process it is evaluating, believing those who do the work know the problems and how to solve them. Employees regularly test small scale ideas while others work on long-range redesigns of new spaces or processes.

Through various projects, the hospital has reduced laboratory-reporting time by more than 85 percent, decreased pharmacy distribution time from 2.5 hours to 10 minutes, and seen a drop of approximately 838 decubitus ulcers annually.

Seattle Children’s

Seattle Children’s Hospital began its CPI initiatives more than eight years ago. Susan Heath, RN, MN, CNAA, senior vice president and chief nursing officer at Seattle Children’s, estimates the hospital has saved \$23 million in the six or seven years since it implemented its program and avoided investing \$180 million to build more patient rooms and \$20 million for an ambulatory services clinic.

“The key to the work is you involve staff in creating new designs,” Heath said.

Seattle Children’s has prioritized and reduced the amount of communications sent to nurses, and supplies are now labeled and arranged in a predictable way, allowing nursing assistants to know immediately what needs restocking. The hospital redesigned flow in the surgical suite, so the same nurse cares for the patient during pre-op and in recovery. And it reduced the amount of inventory kept for the OR. In the ED, clinicians can treat surges of patients without adding space.

But these changes did not occur overnight. They required a culture change.

“As soon as you take out waste in people’s work, their ability to do the right thing at the right time is much more accessible to them,” Heath said. It becomes a total package. Through efficiency, you reduce cost, you improve quality and you improve safety.”

Akron Children's

Akron Children's Hospital in Ohio joined the CPI bandwagon, in 2008. Currently five project leaders and support staff actively work at the Center for Operations Excellence implementing change in clinical and back-office areas.

David V. Chand, M.D., reports Akron Children's Hospital is operating more efficiently and has saved millions since introducing CPI methods.

"We have touched every division—nursing, food service, administration," said Chand, a Lean Six Sigma project leader and a pediatric hospitalist at Akron Children's. "We're excited about the impact we have been able to have in that first year."

In 2009, its first full year using CPI principles, Akron Children's saved \$2.5 million in direct costs and avoided spending an additional \$4.1 million. It eliminated 6,500 days from unnecessary processes.



The hospital has formally trained more than 200 front-line employees in how to identify an area in need of improvement and complete a project.

In the heart center, employees decided to bring testing to the patient rather than having the patient go from test site to test site, saving 30 to 40 minutes per patient and enabling the hospital to perform more tests each day. Those shorter projects saved 12,000 hours in non value-added time spent by employees.

"Time that could be redirected toward serving the patients," Chand said.

The hospital also has tackled larger problems. By redesigning flow and changing the layout in the surgical sterile processing department, employees were able to increase capacity by 3,000 cases annually, eliminating the need for a \$3.5 million capital expansion. People in the imaging area decreased patient wait times from 25 days to often a same-day appointment in large part by accelerating insurance verification.

"We try to address things that are sore points for patients and staff, and the financial benefits come by eliminating waste," Chand said. "You improve processes by developing people, and giving employees the training and power to change what they are doing."

Good Shepherd Medical Center

Good Shepherd Medical Center in Longview, Texas, began using CPI to increase patient throughput in the ED to avoid diverting ambulances, said Ron Short, vice president of operations at Good Shepherd. The hospital created multiple teams to address various aspects of the problem, but what Short considers key was the "mindset team," which helped staff members understand the need to change.

"Willing change happens much easier than resistant change, and it laid a great foundation for a pretty substantial return on investment from the CPI project," Short said.

Good Shepherd used rapid cycle improvement techniques to quickly try various Code Green pilots. It adopted some, modified others and dropped those that didn't work at all. Among the changes was color-coding the status of ED capacity. When it reaches orange, near capacity, inpatient telemedicine and intensive care units will come to the ED and take their patients back rather than waiting for someone to bring them up. At red, everyone available goes to the ED to help.

"It's all hands on deck to decompress the ER," said Dancel Maxwell, RN, director of clinical patient access at Good Shepherd.

Even though ED volume increased, the hospital has not diverted patients since April 2008, and it reduced throughput time by 26 minutes. At 1,400 ED admissions per month, it allows the hospital to treat 200 more ED patients without additional staff, beds, physician coverage or capital expense.

"We've seen almost \$2 million in cost reduction by reducing the length of stay of inpatients in the hospital" Short said. In addition, patient satisfaction scores increased. "It's the way we operate now," Short said. "It's the culture now." ■

Healthcare Professionals Test the Waters with Social Media Usage for Jobs Searching

By Carol Burke, director, Marketing Communications, AMN Healthcare



The trend towards using social media to attract and evaluate job candidates continues to grow. According to research based on a 2009 survey of employers, published by Career Builder, almost half of the employers surveyed reported that they used social networking sites to evaluate and research candidates. That number appears to be growing, as the popularity of sites like LinkedIn, Facebook and Twitter continues unabated.

For organizations and individuals alike, social media marketing opens up new doors by expanding recruitment and job search methods beyond conventional means. For healthcare organizations, in addition to brand recognition, social media broadens access to candidates that may typically be out of reach. Whether its active job seekers, or passive ones not currently looking for employment, social media opens up a whole new world of recruiting possibilities. But just how many healthcare professionals are adopting social media as a job search tool?

In a 2010 survey of physicians, registered nurses, pharmacists and allied healthcare professionals, AMN Healthcare asked professionals about their use of social and mobile media for job searching. Nearly 1,250 responded, with six out of 10 noting that they have actively searched for a new job in the last two years; 26% of the job

seekers are looking for a full-time position, 21% are seeking contract or temporary work and 14% are seeking part time work

Not surprisingly, respondents noted that over the past two years, top job search methods have been referrals, direct contact and then search engines and job boards as the most popular methods.

Social Media as a Job Search Tool

Of those surveyed, just over one in five admitted to using at least one social media site for their job search. Allied professionals (23%) and nurses (22%) have used the sites the most, followed next by pharmacists (18%) and physicians (15%). Results for those using social media sources have proven to be modest thus far, with just 6% receiving a job interview, 5% receiving a job offer and 3% accepting a new job thanks to social media sources

Significantly more professionals cited use of social media for professional networking; 37% reported they have used online social media for this purpose with the top sites being Facebook, YouTube, LinkedIn, MySpace and Twitter in descending order. Nurses had the highest use of social media for professional networking among healthcare workers at 41%.

When asked which social media site they would choose if they could pick only

one, respondents resoundingly chose Facebook at 64%.

Mobile Device Usage

Job alerts sent as SMS (short message service) or text messages to wireless mobile devices were cited as used infrequently. Just 10% of those surveyed noted that they are using mobile job alerts. Those not using mobile job alerts noted several reasons, including: No need because of other job search methods (51%); Close to one-third say they had not considered it before but would in the future (30%); Others said it was an expense they preferred not to pay (24%) with another 17% noting that they do not use texting features on their mobile phones.

Physicians use mobile devices more than other healthcare professionals surveyed; 37% use healthcare-related mobile applications and 17% use mobile devices for healthcare-related content or jobs. Allied healthcare professionals were the most infrequent users of mobile devices for work, with just 4% using healthcare-related mobile applications and 9% access healthcare-related content from mobile devices. ■

To request your complimentary copy of the 2010 Social Media Survey of Healthcare Professionals, complete the business reply card in the center of the magazine.

Whitepaper

Whitepaper Examines Healthcare Reform's Impact On Physicians

By Mark Smith, president, Merritt Hawkins

How will health reform shape the way physicians practice? That was the question addressed in, "Health Reform and the Decline of Physician Private Practice: A White Paper Examining the Effects of the Patient Protection and Affordable Care Act on Medical Practices in the United States," completed by Merritt Hawkins for The Physicians Foundation.

Themes and conclusions in the white paper, provided by an advisory panel of leading healthcare experts, include extensive analysis and the results of a survey of how doctors feel about health reform.

Key findings include:

- The traditional independent private practice model will largely be supplanted by alternative practice models.
- Health reform will exacerbate the physician shortage, creating access problems for Medicare, Medicaid and other patients.
- Physicians will have to redefine their roles and adopt new delivery methods to cope with the rising demand for services health reform will create.
- On balance, health reform will further erode the physician practice environment.

The white paper includes reform provisions likely to impact physicians post-reform, including changes to reimbursement and pilot projects to promote the use of emerging delivery systems and practice models. It also includes results of a survey completed by 2,400 physicians indicating how they reacted to passage of health reform and how they plan to practice over the next few years. ■

To request your copy of the whitepaper, complete the business reply card in the center of the magazine.

Survey

Most Hospitals Using Traveling Therapists, Even During the Recession

By Ralph Henderson, president of Nursing and Allied, AMN Healthcare

Despite the economy, the majority of hospitals used traveling therapists in the last year.

That is one result of an AMN Healthcare survey of hospital therapy department managers regarding their use of temporary physical and occupational therapists. Eighty-five percent said they had used traveling therapists to supplement their permanent staff sometime in the last 12 months, up from 67 percent when the survey was first conducted in 2007.

The primary reason therapy department managers use traveling therapists, cited by 82 percent of those surveyed, is to maintain services while permanent therapists are being sought.

"The use of traveling therapists is a good barometer for trends in permanent therapist hiring," notes Landry Seedig of Med Travelers. "When use of travelers is robust, demand for permanent therapists usually is robust as well."

Sixty-five percent of respondents said that in a typical month they use one to three travelers, while 13 percent said they use four or more. In addition to using travelers while seeking permanent staff, 47 percent use travelers to fill in when staff is lost due to turnover or other reasons, 13 percent use travelers for vacation coverage, 16 percent as a supplement during peak usage times, and three percent use travelers to test new service lines.

Therapy department managers were asked to rate the skill level of travelers. Eighty-six percent rated their clinical skills as either good or excellent. Eighty-five percent said the value of travelers was worth the cost.

The survey also asked traveling therapists about their experiences. The majority, (60 percent) said that traveling and permanent work are equally satisfying. ■

To request your copy of the 2010 Survey of Temporary Therapist Staffing Trends, complete the business reply card in the center of the magazine.

Who's the Boss?

Trends in Hospital Employment vs. Private Practice

By Jennifer Larson, contributor

In a few years, will most physicians be employed by hospitals instead of private practices? It's very possible.

Tommy Bohannon, vice president for hospital-based recruiting for Merritt Hawkins, an AMN Healthcare company that specializes in permanent physician recruitment, expects that more hospitals are going to be hiring doctors in the foreseeable future.

"We're seeing an increase in hospital employment," Bohannon said. "The biggest area seems to be primary care."

As further indication, AIS Health Business Daily recently quoted a Columbus, Ohio attorney as predicting that 85 percent of all physicians will be employed by a hospital within the next decade. The article, titled "Surge in Hospital Employment of Physicians Means Greater Compliance Risks," noted that recent changes in Medicare reimbursement regulations, as well as increasing malpractice rates, are making the trend "all but inevitable."

Another factor that may be contributing to the development: hospitals need to hire more doctors to fill existing vacancies.

A 2009 report from AMN Healthcare and the Council on Physician and Nurse Supply found that most hospitals have a shortage of physicians. The report surveyed nearly 300 hospitals last summer and found that 95 percent of them were reporting a shortage, with a vacancy rate of more than 10 percent. Other reports are already predicting that the shortage of doctors will continue to increase, which could exacerbate the situation.

The American Hospital Association (AHA) has noticed the trend, too; it recently documented a significant increase in physicians looking for financial support from hospitals.

In a November 2009 report on the economic crisis facing many U.S. hospitals, the AHA noted a 70 percent increase in physicians

seeking financial support from hospitals since the national economic crisis began in 2008. Seventy-four percent of those were physicians seeking hospital employment and 36 percent were seeking to sell their practices.

Over the last four or five years, Merritt Hawkins has seen a larger portion of their physician recruitment business come from hospitals. "It's definitely something we've seen grow in prevalence over the last couple of years," Bohannon said.

And the increase is not just limited to rural hospitals or urban hospitals or one particular part of the country, he added. Additionally, hospitals seem to need all sorts of doctors. Primary care physicians are definitely in demand because of their overall short supply, but many hospitals need other specialties, too.

"Everyone's recruiting," Bohannon said. Even in a state where doctors don't work directly for hospitals, there seems to be a movement toward change that would allow hospitals to hire doctors.

In Texas, hospitals are not legally allowed to directly hire physicians. But there was a movement toward changing that during the state legislature's last session, said Mike Easley of the Texas Hospital Association.

Legislation to change the way that physician employment is structured passed all the way through the legislature, but the governor vetoed the bill on a technicality *(continued on page 19)*



Healthcare's Wild Ride

How Locum Tenens Can See You Through

By Tim Boes, president of Staff Care

Combine healthcare reform with an already tight supply of clinicians and healthcare employers anticipate a rollercoaster ride for healthcare.

The ups and downs in supply and demand

With newly-insured patients expected to have greater-than-average health problems, new quality measures, re-instated hospital expansions and an aging population adding complexity and demand on clinicians' time, clinician demand will increase.

Yet today's physicians work fewer hours, and according to a 2010 JAMA study, "baby boomers" are retiring, while the supply of new physicians remains flat—contributing to a growing shortage.

In order to meet these supply challenges and maintain patient care, staffing needs to be more diversified and flexible.

Locum tenens staffing

Locum tenens professionals are physicians, dentists and other advanced clinicians who work temporary assignments.

They help facilities provide continuity of care, sustain patient loyalty, maintain revenue streams, reduce stress and turnover in staff and deal with the unexpected.

What vacancies cost

Two recent surveys – one by AMN's Merritt Hawkins and the other by the Medical Group Management Association – demonstrated that the opportunity cost related to a physician vacancy is sizable. With daily billings ranging from approximately \$1,400 to over \$7,000, and one-month revenues ranging from \$107,000 to nearly \$180,000, depending on specialties, the income losses can add up quickly.



Added to these numbers is the potential loss of patient business and quality care if a facility operates understaffed.

Plan ahead to smooth out the bumps

To avoid short staffing, consider partnering with a reputable staffing company that can help you develop a forecast, determine the right staffing mix and provide qualified candidates.

Locum tenens can help ensure quality patient care, employee satisfaction and healthy revenue. ■

Staff Care is the nation's leader in locum tenens staffing. For more information or to receive free copies of our research, call (800)-685-2272 or visit www.staffcare.com.

Staff Care Honors

The Country Doctor of the Decade

By Phil Miller, vice president,
Communications, AMN Healthcare

In 2006 Staff Care received an extraordinary nomination for its Country Doctor of the Year Award. The nomination detailed the remarkable dedication Dr. David Nichols of White Stone, Virginia has displayed toward the residents of Tangier Island, a tiny community of 600 people located in the Chesapeake Bay.

Once a week for over 30 years, Dr. Nichols has flown his helicopter to the islands to care for its isolated population. He has saved numerous lives through this mission and is a revered figure on the island. It has long been his dream to build a clinic on the island to replace the aging and dilapidated facility that had been in use since the 1950s. Staff Care selected Dr. Nichols as its 2006 Country Doctor of the Year and articles about Dr. Nichols and the award subsequently appeared in various national publications. After reading one such article, the governor of Virginia convinced the state to provide Dr. Nichols with \$500,000 in seed money to build a new clinic. This initial contribution proved vital to the eventual construction of the facility, which opened in September, 2010.

The opening of the clinic proved to be a bittersweet event as it was announced that Dr. Nichols has been diagnosed with terminal cancer. However, Staff Care is proud to be part of a chain of events that has led to the new facility and permanent staff. We also were proud to present Dr. Nichols with Staff Care's first ever Country Doctor of the Decade Award.

Though Dr. Nichols is no longer able to care for the islanders, he has left a legacy on Tangier of a fully staffed, state-of-the-art clinic that will provide complete coverage for patients for years to come.

For more information on Dr. Nichols and the new clinic, visit - www.countrydoctoraward.com

Five Best Practices for Improving Hospitals' Financial Health

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Picis LYNX reported that its E/Point emergency department coding and charging software, which ties clinical documentation to financial operations, can increase emergency department revenue by an average of \$30 per patient visit, according to Jeff Wajda, DO, MS, vice president of clinical services at LYNX Medical Systems, a Picis company.

CHRISTUS Health in Irving, Texas, increased net revenue across its 21 facilities within weeks by nearly \$9 million with E/Point by improving charging accuracy, efficiency and compliance. And Riverside Regional Medical Center in Newport News, Va., experienced a \$1.3 million increase in revenue during the first six months after E/Point went live.

3. Operate more efficiently.

Hafer cautions that while the flow of information is as important as the flow of patients, hospitals should not automate wasteful processes but rather work to improve them. With lean management techniques, he added, hospitals can do more with the same level of effort and same amount of people by eliminating waste and improving flow.

Hafer offered as an example Denver Health in Colorado, which was experiencing unnecessary delays discharging new moms and babies. Nurses, technicians and physicians participated in a rapid improvement event in 2008, identifying issues that delayed discharges and developing a process for decreasing lengths of stay.

Consequently, the OB department has increased the number of moms discharged by noon five-fold and increased the number of patients transferred from labor and delivery to post partum in less than three hours from 40 percent to 85 percent. The unit raised its annual capacity from 3,800 deliveries to 4,350 deliveries, without adding staff or resources, and experienced an increase in revenue of more than \$1.5 million.

"We are increasing patient satisfaction, the patient experience and the patient outcomes," said Hafer, adding that clinicians appreciate being able to spend more of their time with patients.

Guidon Performance Solutions of Mesa, Ariz., also has helped hospitals apply lean Six Sigma strategies. Ron Wince, president and CEO of Guidon, said doing more with less has become more accepted, and using the collaborative approach—involving physicians, nurses and other staff—creates buy-in.

"Staff come up with their own solutions," Wince said. "You can improve quality and safety while becoming more efficient. Guidon also has developed a strategy to provide more efficient staff scheduling based on historic data and predictive modeling, yielding average productivity gains of 18 to 30 percent.

And analytic tools, such as VHA PriceLYNX, allow hospitals to gain insight into their spending. VHA reports, on average, hospitals subscribing to the service are saving \$2.6 million a year, and a large

provider, NorthShore University HealthSystem, in Evanston, Ill., anticipates saving \$5 million this year.

Telemedicine also offers opportunities for streamlining operations. More than 100 hospitals across the country have contracted with Specialists On Call (SOC), a Joint Commission-accredited provider of emergency consultations that give hospitals 24/7 access to board-certified specialists via telemedicine. SOC serves more than 1,000 patients per month.

"SOC has developed an efficient model of care that helps hospitals and insurers lower on-call coverage costs an average of 60 percent more than traditional means," said Joe Peterson, M.D., CEO of Specialists On Call. "Our affiliated specialists provide timely interventions using an evidence-based approach that not only benefits the community hospital without access to specialists, but also the in-house specialists by offering a better work-life balance with less on-call coverage."

4. Strategically match services to population.

In addition to reining in costs and operating more efficiently, hospitals can improve margins by increasing revenue with the addition of more profitable service lines.

Hafer suggested hospitals conduct a strategic assessment of the population they serve and the services they provide and then work to create additional higher-margin business lines.

A Thomson Reuters 2009 white paper on outpatient business reported that "profitable hospitals drive success by generating increased revenue more than by reducing expenses."

REACH3 of Verona, Wis., helps hospitals determine potential markets that will have the ability to pay for services through its customer relationship management program, and then reach out to them with targeted messages.

"We help identify who your best customers are and find more like them," said James M. Schleck, executive director and partner of REACH3. "We use data to understand individuals' needs, wants and preferences."

5. Focus on quality and the patient experience.

Through it all, hospitals must not lose sight of the patient experience and delivery of quality care.

Many payors have stopped reimbursing for care associated with "never events," and are investigating pay-for-performance models of reimbursement. Quality matters, so does patient satisfaction.

A 2007 paper from Press Ganey found that satisfied patients will return to the same hospital when they need additional care and will refer other patients to the facility. ■

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“Temporary healthcare workers offer hospitals flexibility in their staffing,” Henderson noted. “There will always be a need for temporary nurses, allied professionals and physicians, and when used effectively, they can help control costs such as overtime and turnover. Staffing with the right amounts of temporary and permanent staff utilizes funds in the most efficient manner; there are no excess fixed costs and the temporary staff can be ended without negative ramifications.”

According to the 2010-11 healthcare edition of the Career Guide to Industries from the Bureau of Labor Statistics, facilities will continue to be faced with a growing need for healthcare workers, “largely in response to rapid growth in the elderly population,” coupled with a universal need for reduced labor costs. “Because of cost pressures, many healthcare facilities will adjust their staffing patterns to reduce labor costs.” Effective planning can help healthcare organizations ensure that the right clinicians are in place to meet the growing demand for services while also reducing overall labor costs.

Supplemental staffing options

When determining a facility’s optimal staffing mix, the type of supplemental staff to employ must also be taken into consideration. Temporary clinicians, including travel nurses, locum tenens physicians and travel allied professionals, offer cost-effective solutions for peak and varying census periods because of their flexible assignment lengths that can be tailored to a facility’s unique needs. They can also reduce reliance on overtime from core staff—which can help relieve stress, burnout and turnover—while providing additional benefits.

A 2008 report by Staffing Industry Analysts speaks to the cost-effectiveness of travel nurses because of reduced training and orientation times, greater productivity and increased patient care continuity. During peak census periods, temporary clinicians can also enable a facility to maximize patient revenue that might otherwise be lost by solely relying on internal staffing options.

“Supplemental travel staff can be used for the ebbs and flows of demand while permanent staff and per diem workers can be utilized for more of the everyday fluctuations in census,” Graff explained.

Staffing companies such as AMN Healthcare can help a facility track their patient census and staffing metrics in order to find their own optimal mix of supplemental and permanent staff. And when additional help is needed, a managed services program or recruitment process outsourcing (RPO) can help providers carry out these staffing plans on a daily basis. ■

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over medical malpractice liability. However, supporters of the legislation are already planning to propose a bill when the next session begins in January.

“I think it will pass,” Easley said, noting that the Texas Hospital Association may take a position in favor of it.

It would definitely benefit rural hospitals, Easley added, and for that reason, the Texas Organization of Rural & Community Hospitals has been involved in leading the effort to change the state law. As it is now, many rural hospitals have trouble recruiting enough doctors.

The organization maintains that changing the law to allow certain hospitals to hire physicians would allow better access to physician coverage in those rural parts of the state.

A statement released by the organization shortly after the governor’s veto read, “Rural public hospitals in Texas find it more and more difficult to attract physicians to their communities and retain them. Many physicians entering practice today prefer an employee relationship, rather than having the responsibility and burden of setting up and managing a small business. H.B. 3485 gave rural public hospitals and physicians who want to practice in rural Texas flexibility.

Having the option to employ physicians would have helped rural hospitals improve and preserve access to physicians. Without physicians, these hospitals will not continue to exist.”

However, not everyone believes that the trend is a foregone conclusion.

In January, the American Medical Association’s American Medical News reported that the delivery of patient care may be shifting toward the outpatient setting. According to a report published January 28, 2010, physicians’ offices were adding jobs more quickly than hospitals were at the close of 2009.

Bohannon said that he still expects the hospital employment trend to continue, though.

“Private practice of medicine doesn’t make as much financial sense as it used to,” he said, noting that many doctors are displeased with Medicare reimbursement cuts and are looking for more efficient ways to practice medicine. Some are even selling or shutting down their practices because they’re having trouble financially in today’s market.

“It’s a different business model that’s required now to be viable,” Bohannon said. ■



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