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Healthcare

Clinical Workforce

SURVEY

2013 | *A National Survey of Hospital Executives Examining
Clinical Workforce Issues in the Era of Health Reform*



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Introduction

HEALTHCARE DELIVERY IN THE UNITED STATES IS CHANGING.

A growing number of providers, including health systems, community hospitals, academic centers, medical groups, community health centers, urgent care centers, free-standing emergency rooms and others, are seeking to provide better care at a better value. Rather than generating a high volume of services, the goal is to achieve value for patients.

The movement away from volume and towards value is predicated on a number of factors: information technology implementation, new treatment protocols, service integration and global payment systems, among others.

Even in an era of profound change, however, one constant remains. **Healthcare delivery is still about people.** The physicians, nurses, advanced practitioners, and allied health professionals on the front lines of care are still critical to the access, quality and cost of the services patients receive. Without a robust, dedicated and integrated workforce, quality, cost and other goals cannot be achieved.

AMN Healthcare, the nation's leading innovator of healthcare workforce solutions, is committed to reporting on healthcare workforce trends and to addressing healthcare workforce challenges. As part of this effort, we conduct annual surveys examining workforce trends among various clinicians, including physicians, nurses, advanced practitioners and allied healthcare professionals, as well as healthcare facility administrators.

AMN Healthcare's 2013 Clinical Workforce Survey looks at healthcare workforce issues from the perspective of hospital leaders, including chief executive officers (CEOs), chief financial officers (CFOs), department heads and others. The survey reflects the strategic emphasis hospital leaders place on workforce challenges, how they view the current supply of healthcare professionals, whether the need for such professionals is growing or diminishing, the vacancy rate of healthcare professionals, and related issues.

Survey results are offered as an informational resource for healthcare executives, policy makers, academics, staffing professionals, journalists and others who follow workforce trends in the context of today's rapidly evolving healthcare system.

About AMN Healthcare

AMN Healthcare is the innovator in healthcare workforce solutions and staffing services to healthcare facilities across the nation. AMN Healthcare's workforce solutions - including managed services programs and recruitment process outsourcing - enable providers to successfully reduce complexity, increase efficiency and improve patient outcomes within the rapidly evolving healthcare environment. The Company provides unparalleled access to the largest network of quality clinicians and physicians through its innovative recruitment strategies and breadth of career opportunities. Clients include acute-care hospitals, government facilities, community health centers and clinics, physician practice groups and many other healthcare settings.

For more information, visit <http://www.amnhealthcare.com>.

METHODOLOGY

In June 2013, AMN Healthcare's 2013 Clinical Workforce Survey was sent by email to 5,000 hospital CEOs, CFOs and other leaders through a random list provided by a third party company. Surveys also were completed by hospital executives attending the 2013 American Hospital Association annual meeting and by those attending the 2013 annual meeting of the Healthcare Financial Management Association. A total of 166 surveys were completed for an approximate response rate of three percent.



Key Findings

The following are key findings of AMN Healthcare's 2013 Clinical Workforce Survey:

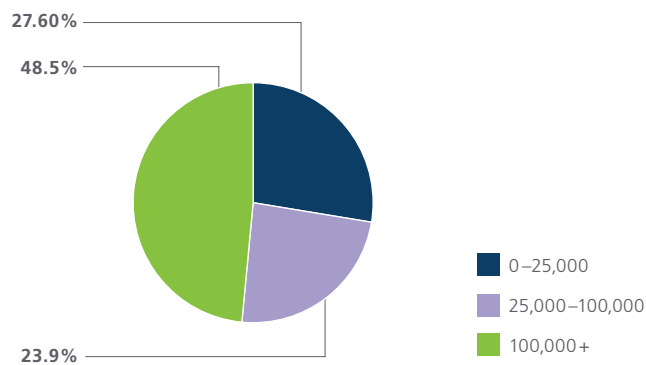
- The majority of hospital executives agree that clinical workforce shortages persist. Seventy-eight percent of those surveyed note a shortage of physicians, 66% note a shortage of nurses, 50% note a shortage of nurse practitioners (NPs) and physician assistants (PAs), and 43.2% note a shortage of allied healthcare professionals.
- Over 65% of hospital executives surveyed said that the influx of millions of patients newly insured through health reform will increase the need for physicians at their facilities, 63.1% said it will increase the need for nurses, 52.4% said it will increase the need for NPs/PAs and 37% said it will increase the need for allied healthcare professionals.
- Hospital executives surveyed reported significant vacancy rates for various types of healthcare professionals at their facilities. The average reported vacancy rate is highest for physicians at 17.6%, closely followed by nurses at 17%, NPs and PAs at 14.9% and allied professionals at 13.3%. These rates are considerably higher than those observed in the survey of hospital executives AMN Healthcare conducted in 2009.
- Over 70% of respondents ranked clinical staffing as a top strategic priority, compared to 23.9% in a survey of healthcare executives AMN Healthcare completed in 2009.
- When asked what clinical workforce issues concern them, hospital executives ranked the cost of clinical staffing as their primary concern, followed by physician/hospital alignment, the move toward quality-based compensation for clinical professionals, and clinical staff vacancies.
- By far, physicians are ranked as the most difficult type of health professional to recruit. Close to 70% of survey respondents indicated physicians are difficult to recruit, while 40.2% said nurses are difficult to recruit, 35.9% said NPs and PAs are difficult to recruit, and 32.6% said allied healthcare professionals are difficult to recruit.
- Over 65% and 63% of hospital executives said the influx of millions of new patients through health reform will increase requirements for physicians and nurses at their facilities, respectively.
- Over 36% of respondents said that access to care in their areas has been compromised due to physician shortages, 17.2% said access to care has been compromised due to nurse shortages, and 17.1% said access to care has been compromised due to NP/PA shortages.
- Though shortages of physicians are acute, only 27.9% of executives at teaching hospitals are planning to add new primary care residency positions.
- Some hospitals are moving toward paying clinical professionals on the basis of the quality of care they provide. Over 43% of hospital executives surveyed said they are paying physicians based on quality/outcomes, while 7.9% are paying nurses based on quality/outcomes.
- Hospital executives indicated that hospital employment of physicians is common. On average, the survey indicates that 42% of physician staff members are employed by the hospital.
- Fewer than 10% of hospital executives surveyed said they now use managed service providers (MSPs) to manage multiple staffing agency providers.

AMN Healthcare 2013 Clinical Workforce Survey

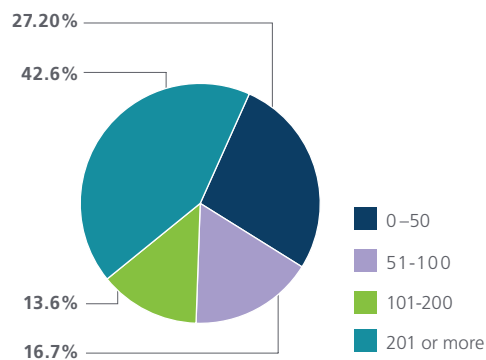
A National Survey of Hospital Executives Examining Clinical Workforce Issues in the Era of Health Reform

QUESTIONS ASKED AND RESPONSES RECEIVED

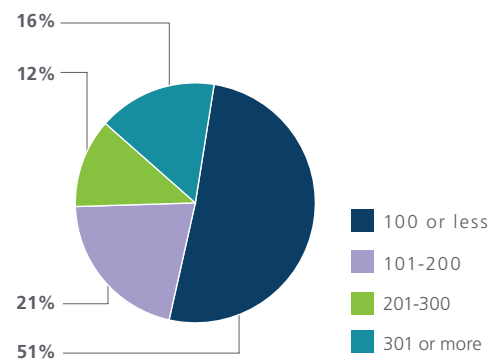
1 What is the service population of your hospital?



2 How many beds at your facility?



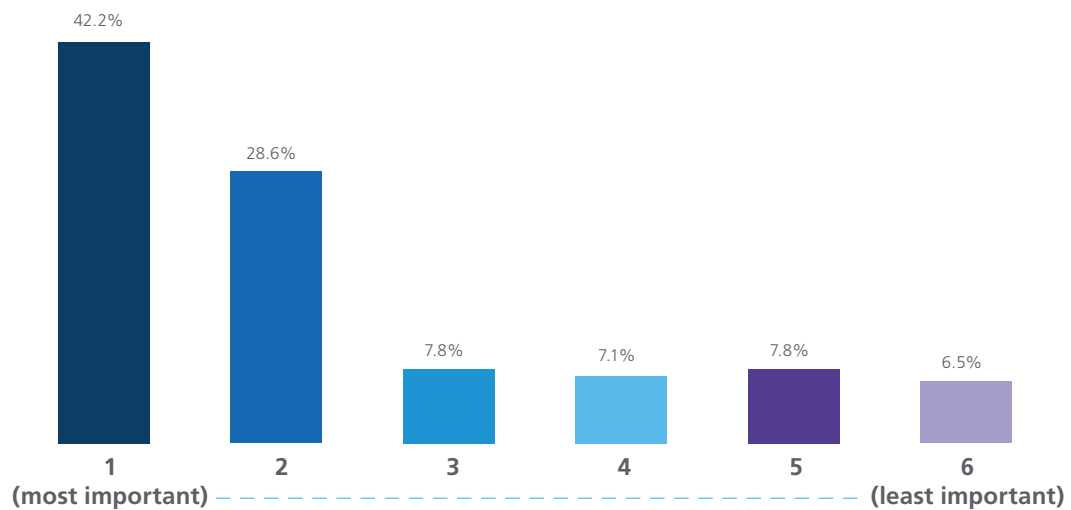
Hospitals by bed size/United States (Source: American Hospital Association Annual Survey of Hospitals)



3 In what state are you located?

CA	10.6%	AZ	3.1%	TN	1.9%	GA	1.2%
TX	8.1%	NE	3.1%	CO	1.9%	MD	1.2%
FL	5.6%	MA	2.5%	LA	1.9%	KY	1.2%
OH	5.6%	WA	2.5%	AL	1.9%	IA	1.2%
PA	4.3%	MO	2.5%	OR	1.9%	KS	1.2%
NY	3.7%	IN	2.5%	NM	1.9%	WV	1.2%
NC	3.7%	WI	2.5%	WY	1.9%		
MI	3.7%	MN	2.5%	NJ	1.2%		
IL	3.1%	MS	2.5%	VA	1.2%		

4 How would you rate your ability to appropriately staff your hospital as a strategic priority? (1 = most important, 6 = least important)



5 How will the influx of 30 million additional insured patients affect clinical staffing requirements at your facility?

	MORE	FEWER	THE SAME
PHYSICIANS	65.2%	6.9%	27.9%
NURSES	63.1%	7.6%	29.3%
NPs/PAs	52.4%	26.2%	21.4%
ALLIED PROFESSIONALS	37.0%	32.9%	30.1%

6 How has the number of clinical professionals at your facility changed in the LAST six months?

	MORE	FEWER	THE SAME
PHYSICIANS	46.6%	12.4%	41.0%
NURSES	30.6%	23.6%	45.9%
NPs/PAs	49.7%	10.1%	40.3%
ALLIED PROFESSIONALS	17.9%	18.6%	63.5%

7 How do you expect the number of clinical professionals at your facility will change in the NEXT six months?

	MORE	FEWER	THE SAME
PHYSICIANS	51.6%	8.2%	40.3%
NURSES	36.3%	13.4%	50.3%
NPs/PAs	48.4%	8.9%	42.7%
ALLIED PROFESSIONALS	23.0%	13.2%	63.8%

8 How challenging is it to recruit the following clinical professionals to your facility?

	VERY EASY	SOMEWHAT EASY	NEUTRAL	SOMEWHAT DIFFICULT	VERY DIFFICULT
PHYSICIANS	3.3%	9.9%	17.1%	28.3%	41.5%
NURSES	10.2%	21.8%	27.9%	24.5%	15.7%
NPs/PAs	4.1%	28.4%	31.6%	16.3%	19.6%
ALLIED PROFESSIONALS	7.5%	21.8%	38.1%	16.3%	16.3%

9 To what extent do you believe there is a shortage of the following clinical professionals?

	SERIOUS SHORTAGE	MODERATE SHORTAGE	NO SHORTAGE	UNSURE
PHYSICIANS	32.1%	45.9%	13.8%	8.2%
NURSES	15.6%	50.9%	30.6%	3.8%
NPs/PAs	8.6%	42.4%	38.9%	10.1%
ALLIED PROFESSIONALS	4.6%	38.6%	45.1%	11.8%

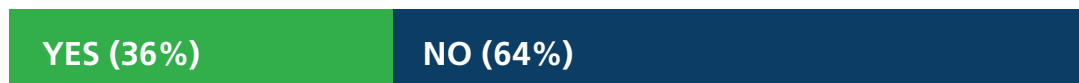
10 Has access to care in your service area been compromised due to a shortage of the following professionals?

	YES	NO	UNSURE
PHYSICIANS	36.5%	57.2%	6.3%
NURSES	17.2%	78.3%	4.5%
NPs/PAs	17.1%	76.6%	6.3%
ALLIED PROFESSIONALS	13.4%	76.4%	10.2%

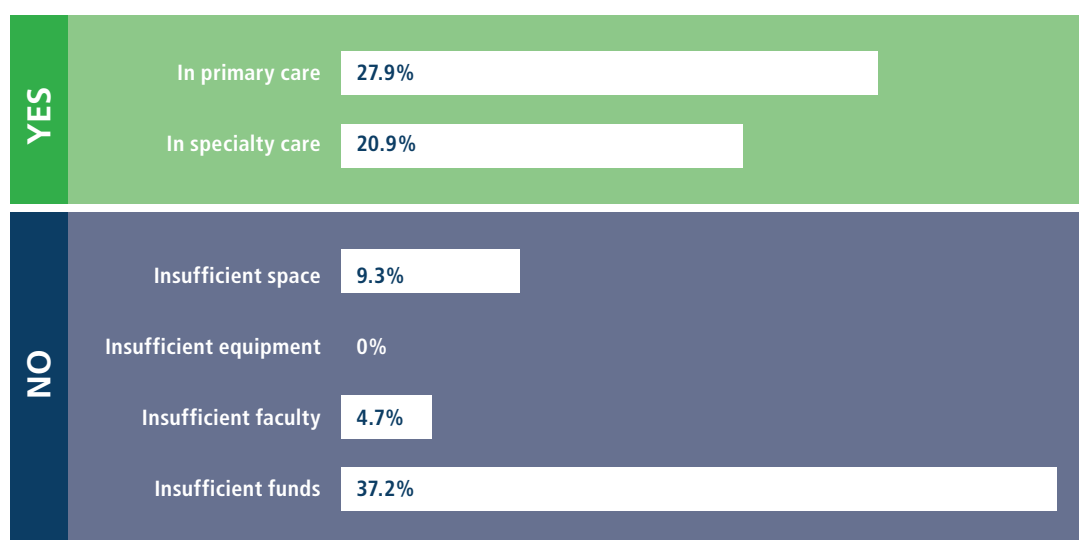
11 What is the approximate vacancy rate at your facility for the following clinical professionals?

	LOW	AVERAGE	HIGH
PHYSICIANS	0%	17.6%	100%
NURSES	0%	17.0%	100%
NPs/PAs	0%	14.9%	83%
ALLIED PROFESSIONALS	0%	13.3%	84%

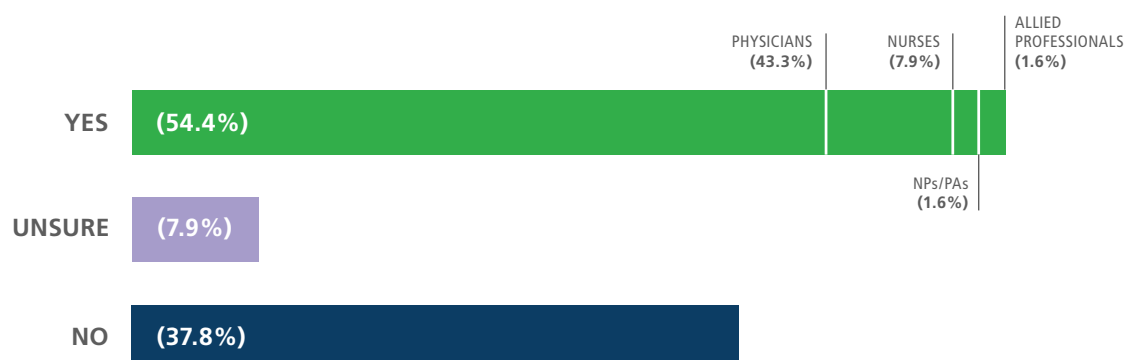
12 Is your facility a teaching hospital?



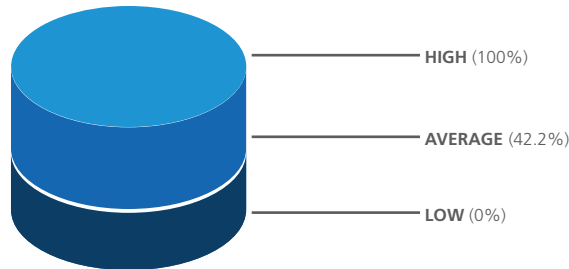
13 If YES, do you plan to add more residency positions in the next one to three years? (n=59 hospitals that are teaching facilities)



14 Has your facility moved to any type of quality/outcomes based compensation/incentives for clinical professionals?



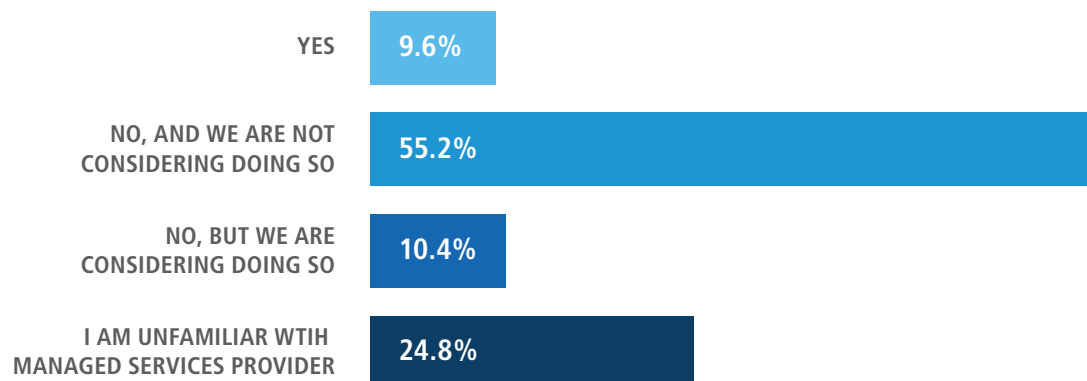
15 Approximately what percent of your medical staff (physicians only) now is employed by your facility?



16 What is your level of concern regarding the following clinical staffing issues?

	EXTREMELY CONCERNED	SOMEWHAT CONCERNED	MOSTLY UNCONCERNED	NOT AT ALL CONCERNED
Physician/hospital alignment	52%	34.1%	8.1%	5.7%
Clinician turnover	45.1%	35.2%	15.6%	4.1%
Clinical staff vacancies	42.7%	39.5%	13.7%	4.0%
Capacity to handle influx of patients newly insured through health reform	45.1%	33.1%	17.7%	4.0%
Moving to quality/outcomes compensation	45.6%	37.4%	12.2%	4.9%
Clinical staffing costs	67.2%	25.4%	5.7%	1.6%

17 Does your facility currently use a “managed services provider” (MSP) to manage multiple staffing agency providers?



Trends and Observations

OVERVIEW

AMN Healthcare's 2013 Clinical Workforce Survey was conducted at a time when the demand for various types of clinical professionals, including physicians, nurses, nurse practitioners (NPs), physician assistants (PAs), and allied healthcare professionals is widely projected to exceed the current or the anticipated supply.

Numerous organizations, including over 20 medical societies, have released reports projecting a shortage of physicians. The Association of American Medical College's (AAMC) September 2012 *Physician Workforce Policy Recommendations* projects a deficit of over 91,000 physicians by 2020, including approximately 46,000 too few primary care physicians and 45,000 too few specialists, and a deficit of over 130,000 physicians by 2025.

According to the Bureau of Labor Statistics' study, *Employment Projections 2010-2020*, released in February 2012, the Registered Nursing workforce is the top occupation in terms of job growth through 2020. It is expected that the number of employed nurses will grow from 2.74 million in 2010 to 3.45 million in 2020, an increase of 712,000 or 26%. The projections further explain the need for 495,500 replacements in the nursing workforce, bringing the total number of job openings for nurses due to growth and replacements to 1.2 million by 2020.

Though the number of NP and PA education programs is expected to grow by 3% to 5% annually, healthcare workforce expert Richard "Buz" Cooper, M.D., projects a 20% deficit of these clinicians by 2020 (*Advance for NPs and PAs*, July 28, 2011). He attributes part of the anticipated shortage to the fact that, like many physicians, an increasing number of NPs and PAs are choosing to specialize rather than practice primary care.

Allied healthcare professionals who also may bring their specific skills to today's patient care team include pharmacists, therapists, imaging technologists, laboratory technologists, nurse aides, case workers, and others. The demand for some of these types of professionals also has been projected to exceed the current or future supply.



The reasons for the imbalance between the demand for clinical workers and the available supply are various and include a rising need for services driven by population growth, population aging, the advancement of medical technology, the growing incidence of obesity and other lifestyle-related conditions, the growing availability of health insurance as a result of the Patient Protection and Affordable Health Act (ACA), new value-based delivery models, and other factors.

Meanwhile, the supply of healthcare professionals is inhibited by caps on funding for worker training, insufficient faculty at training institutions, changing practice patterns among healthcare professionals, and the aging of the healthcare workforce.

The 2013 Clinical Workforce Survey asked hospital executives to assess the clinical workforce challenges facing their facilities within the context of the workforce supply and demand trends referenced above. The purpose of the survey is to determine where clinical workforce trends rank as a strategic priority for hospitals executives, which workforce issues are of the most concern to them, which types of clinicians they are planning to add to their facilities, how their workforce needs will be affected by health reform, what their current vacancy rate is for various types of clinical professionals, which types of clinical professionals they find most difficult to recruit, and related issues.

Following is a description of who responded to the survey and an analysis of survey responses.

WHO RESPONDED?

The 2013 Clinical Workforce Survey was sent by email to a randomly generated list of hospital executives with the titles of chief executive officer, chief financial officer or chief operating officer. Respondents therefore were limited to senior-level hospital executives. A limited number of responses (fewer than 20%) were received from hospital executives attending 2013 national healthcare meetings.



Survey responses came from a broad geographic area, with responses received from hospital executives in 33 states located in various regions of the country, including the East, Midwest and West. Responses also were received from hospital executives

whose facilities serve populations of various sizes. About half of survey responses (48.5%) came from hospital executives whose facilities serve large populations of 100,000 or more, 24% came from facilities serving moderate sized populations of 25,000 to 100,000 people, and over 27% came from hospital executives serving small populations of 25,000 or less.

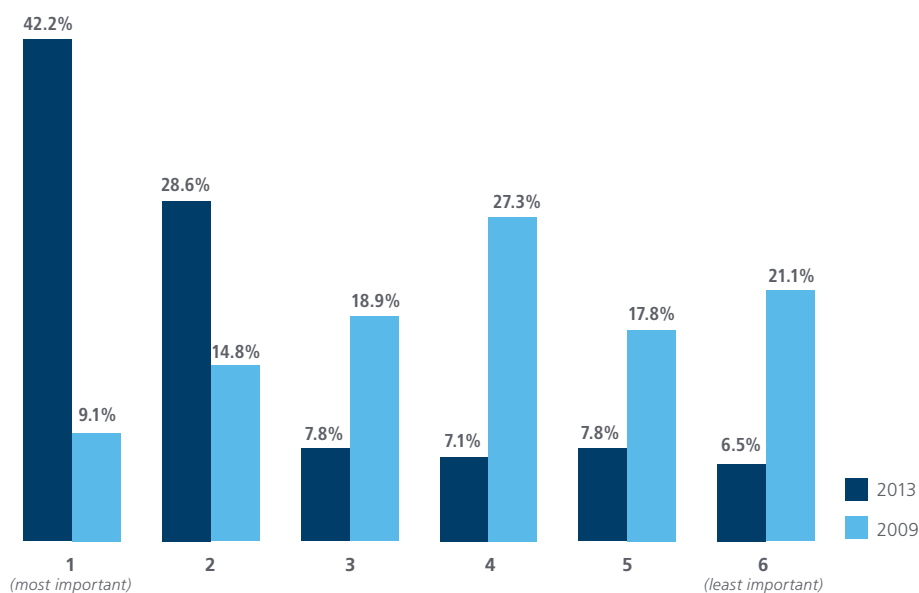
Over 42% of survey responses came from executives at hospitals with 201 beds or more. Only 28% of all hospitals in the United States have 201 beds or more, according to the American Hospital Association, indicating that larger facilities are somewhat over-represented in the survey while smaller and mid-sized facilities of 100 beds or less are somewhat under-represented.

Priorities and Concerns

Hospital executives were asked to rate the importance of clinical staffing at their facilities as a strategic priority on a sliding scale, with 1 being most important and 6 being least important. Over 70% of respondents rated their ability to staff their facilities as a 1 or 2 on this sliding scale, assigning clinical staffing the highest importance; 14.9% rated staffing as a 3 or 4, assigning it moderate importance, while the remaining 14.3% rated staffing as a 5 or 6, assigning it low importance.

These numbers differ considerably from those obtained in a survey of hospital executives AMN Healthcare conducted in 2009 in which several questions overlapped with those asked in the 2013 survey (see chart below).

Rating Clinical Staffing as a Strategic Priority



These numbers suggest that clinical staffing has become a higher priority for many hospital executives, perhaps due to changes that have taken place in the economy and the health system between 2009 and 2013. In 2009, hospitals, like most other businesses, were grappling with the recession and were focused on declining utilization and declining reimbursement, as well as on the imperative to enhance quality. These issues are still of considerable importance, but hospitals today also are focused on reorganizing to meet new patient demand to be generated by the ACA and on transitioning to new value-based delivery models such as accountable care organizations (ACOs). Maintaining appropriate clinical staffing levels is central to both of these endeavors.

Hospital executives responding to the survey also rated their level of concern regarding various clinical staffing issues, indicating whether they are extremely concerned about a particular issue, somewhat concerned, somewhat unconcerned or not at all concerned.

Survey respondents indicated that the staffing issue of most concern to them is cost. Over 92% of respondents indicated they are extremely concerned or somewhat concerned about clinical staffing costs.

As a growing number of physicians have become hospital employees in recent years, many hospitals have had to take on additional staffing costs. Advances in medical technology and treatments, the complex pathologies common to aging



populations, and the increased morbidity of patients with chronic conditions such as diabetes, require an increasingly specialized clinical workforce. Some hospitals now require nurses to have four year degrees and the use of advanced practitioners such as NPs and PAs is more common, as is the use of other providers who command higher salaries due to their level of training, contributing to rising staffing costs.

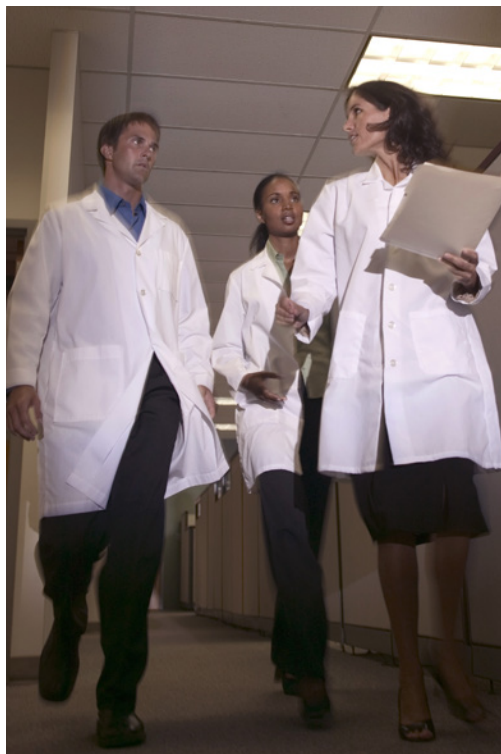
Adding more staff, both permanent and temporary, to meet rising demand, to effectively consolidate, or to meet population management and quality goals also entails additional costs. Appropriately staffing their facilities within today's framework of finite financial resources has become the number one workforce challenge faced by hospital executives today, the survey suggests.

After costs, the staffing issue hospital executives are most concerned about is hospital/physician alignment, rated as extremely or somewhat concerning by 86% of survey respondents. For ACOs and other value-based delivery models to work, hospital executives and physicians must be on the same page regarding patient quality goals, the role/scope of practice of various providers, and the distribution of and basis for provider compensation. A key part of this effort generally includes moving toward quality/outcomes as a basis for physician and other clinical professional compensation and away from compensation based on volume of services provided. The move to quality/outcome-based compensation was rated as extremely or somewhat concerning by 83% of survey respondents, reflecting the difficulty hospitals are having crafting compensation packages that motivate clinicians to both stay productive and achieve quality goals.

Additional top staffing concerns include clinical staff vacancies, rated as extremely or somewhat concerning by 82.2% of survey respondents, clinician turnover, rated as extremely or somewhat concerning by 80.3% of respondents, and the ability to handle the influx of patients newly insured through the ACA, rated as extremely or somewhat concerning by 78.2% of respondents.

PREVAILING WORKFORCE SHORTAGES

Hospital executives were asked whether or not they perceive that worker shortages exist among various clinical professionals,



including physicians, nurses, NPs/PAs, and allied healthcare professionals. In three professional categories (physicians, nurses, NPs/PAs) the majority of respondents (at least 51%) indicated they see either a serious shortage or a moderate shortage. By contrast, the majority of respondents (57%) believe there is no shortage of allied healthcare professionals or they are unsure.

Physicians were ranked as the profession in the shortest supply. Seventy-eight percent of respondents said there is a moderate to serious shortage of physicians, while 66% said there is a moderate to serious shortage of nurses. A majority (51%) said there is a moderate to serious shortage of NPs/PAs, while 43.2% said there is a moderate to serious shortage of allied healthcare professionals.

Not surprisingly, when hospitals were asked to rate how challenging it is to recruit various healthcare professionals to their facilities, physicians were rated as the most difficult. Seventy percent of respondents said that physicians are somewhat to very challenging to recruit, compared to 40.2% for nurses, 35.9% for NPs/PAs and 32.6% for allied professionals.

Physicians have become particularly difficult to recruit in part because the supply of doctors entering medicine each year has been inhibited by the cap Congress placed on federal funding for physician training in 1997. Physician practice patterns also have changed in recent years. Physicians are working fewer hours than they have in the past, reducing the number of full-time-equivalents, and are embracing employed settings where their productivity tends to diminish and their turnover rates tend to increase (for an in-depth discussion of physician recruiting issues, see Merritt Hawkins' 2013 *Review of Physician and Advanced Practitioner Recruiting Incentives*).

Nurses may be relatively easier to recruit than physicians in part because the recent recession compelled many nurses who had left nursing for other types of roles to return to the clinical

workforce. However, nurse supply remains inhibited by a lack of faculty and space at the nation's nurse training programs, which each year turn away thousands of qualified applicants. As the economy improves and today's nurses age out of the profession, nurse recruiting may become more challenging (for further information on nurse recruiting trends see *AMN Healthcare's 2013 Survey of Registered Nurses*).

As referenced above, NP and PA training programs are expanding, and the supply of these clinicians can be increased at a faster rate than the supply of physicians due to their relatively shorter training cycle. The recruiting challenge with NPs and PAs may be centered on finding clinicians specializing in primary care, as the majority of PAs (66%) and many newly graduated NPs practice in specialty areas (for further information on NP recruiting trends, see *Staff Care's 2013 Survey of Nurse Practitioners*).

The allied healthcare professional recruiting market is more various, with some types of professionals such as imaging technologists being generally available while others, such as pharmacists, are in relatively short supply. The chart below shows the total number of professionals in each of the professional categories referenced above.

Current Clinical Workforce/U.S.

750,000	2.75 MILLION	155,000	86,000	7.0 MILLION
Physicians	Nurses	Nurse Practitioners	Physician Assistants	All Others

Sources: AMA Physician Master File, American Academy of Nurse Practitioners, American Academy of Physician Assistants

COMPROMISED CARE

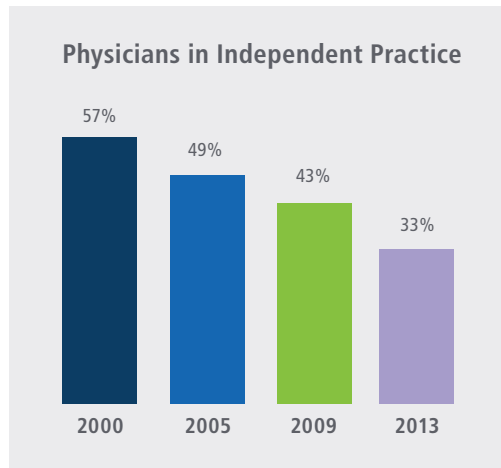
Some hospital executives surveyed indicated that the shortage of clinical professionals in their service areas has led to compromised access to care for patients. Over one-third of respondents (36.5%) indicated that a shortage of physicians in their areas has led to compromised access to care for patients. Over 17% of respondents indicated that shortages of nurses and NPs/PAs has led to compromised access to care for patients in their areas, and 13.4% indicated that a shortage of allied healthcare professionals has led to compromised access to care in their areas for patients.

The survey suggests that while many hospital executives believe there is a shortage of clinical workers, the majority are managing to maintain access to services in their areas.

VACANCY RATES

Hospital executives responding to the survey indicated their facilities have, on average, significant vacancy rates for various types of clinicians. While vacancy rates reported for certain types of clinicians varied from 0% to 100%, the average for all clinicians was 13% or higher.

Physicians had the highest reported average vacancy rate at 17.6%. As referenced above, a growing number of physicians are now employed by hospitals, group practices or other entities, and fewer are practicing as independent practice owners (see following chart).



Source: Accenture

Employed physicians may have less of an emotional and financial stake in their practices than do practice owners, making it easier for them to seek new opportunities when they choose. An increasing incidence of physician turnover therefore may be contributing to the vacancy rate for physicians referenced above, as is the overall shortage of doctors.

Hospital executives surveyed also reported an average 17% vacancy rate for nurses. This number suggests that the market for nurses may be tightening as the economy improves and some nurses return to non-clinical roles or leave the field (about 30% of nurses in the U.S. are over the age of 55). When the supply of nurses becomes constrained, the use of temporary nurses (also known as travelers) to fill gaps tends to increase, and over the last two years, AMN Healthcare has seen an increase in requests for travelers.

Average reported vacancy rates for NPs/PAs and allied healthcare professionals were 14.9% and 13.3% respectively, suggesting that recruitment and retention

also remain challenging tasks in areas where the supply of clinicians is less constrained than in medicine and nursing.

Average reported hospital vacancy rates have increased since 2009, the first year AMN Healthcare conducted a survey of healthcare facility executives (see chart below):

Reported Vacancy Rates, 2013 vs. 2009

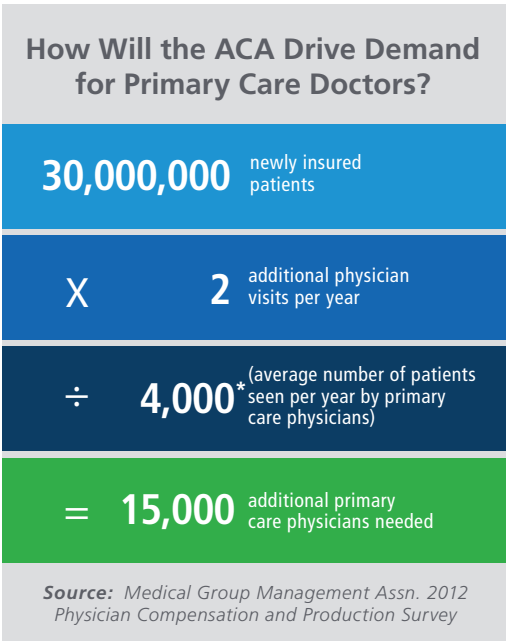
	2013	2009
Physicians	17.6%	10.7%
Nurses	17.0%	5.5%
NPs/PAs	14.9%	N/A
Allied Professionals	13.3%	4.6%

WHO IS ADDING CLINICIANS?

Hospital executives were asked how the influx of 30 million insured patients via the ACA would affect the need for various clinical professionals at their facilities. About two-thirds (65.2%) said they will need more physicians, 63.1% said they will need more nurses, 52.4% said they will need more NPs and PAs, and 37% said they will need more allied healthcare professionals.

The potential effect of the ACA on the need for healthcare professionals is hard to project, but may be approximated through a hypothetical scenario in which it is assumed that newly insured patients will visit a physician two more times per year than they did before they obtained insurance. This may be a conservative estimate given that many of the newly

insured will have a backlog of healthcare issues they may wish to address once they obtain insurance. How this would increase demand for primary care physicians is illustrated in the chart below:



The ACA can be expected to create the need for thousands of additional primary care physicians, who then can be expected to refer patients to medical specialists, admit patients to hospitals, or order tests and procedures that will require the services of nurses, NPs/PAs, and allied healthcare professionals.

In the short-term, however, not all hospital executives surveyed expect the number of clinical professionals at their facilities to increase. When asked how they expect the number of physicians at their facilities to change over the next six months, the majority of those surveyed (51.6%) said they expected the number to increase. Over 48% said they expect the number of NPs/

PAs to increase, 36.3% said they expect the number of nurses to increase, and 23% said they expect the number of allied healthcare

professionals to increase. The chart below compares responses from the 2013 survey to responses from the 2009 survey.

How Do you Expect the Number of Clinical Professionals To Change At Your Facility Over the Next Six Months?

	2013			2009		
	MORE	FEWER	THE SAME	MORE	FEWER	THE SAME
PHYSICIANS	51.6%	8.2%	40.3%	54.4%	7.5%	38.1%
NURSES	36.3%	13.4%	50.3%	22.1%	11.02%	66.9%
NPs/PAs	48.4%	8.9%	42.7%	N/A	N/A	N/A
ALLIED PROFESSIONALS	23.0%	13.2%	63.8%	15.0%	8.6%	76.4%

These numbers indicate that hospital executives today plan to add physicians at generally the same rate as they did in 2009. However, the rate at which they plan to add nurses and allied healthcare professionals increased in 2013 relative to 2009.

RESIDENCY PROGRAMS AND PHYSICIAN EMPLOYMENT

Though hospital executives surveyed identified physicians as the profession in the greatest shortage, the majority of those who work with teaching hospitals do not plan to add resident slots to their programs in the next one to three years. About 28% of respondents who work at teaching hospitals said they plan to add primary care residency positions to their programs, while 20.9% said they will add specialty positions. The majority who do not plan to add resident positions cited cost as their primary reason, underscoring how the federal cap on funding for

physician graduate medical education (GME) is inhibiting physician supply.

As referenced above, a growing number of hospitals are employing physicians. Some survey respondents indicated that none of their medical staff physicians are employed by the hospital, while others said that all of their physicians are employed. On average, however, survey respondents indicated that 42.2% of their medical staffs are employed.

QUALITY BASED METRICS AND "MSPs"

Hospital executives were asked if their facilities are moving toward any type of quality or outcomes based financial incentives for their clinical professionals. Rewarding clinicians for the quality of the outcomes they achieve rather than for the volume of services they provide is perceived as a critical step to creating a more value-based healthcare system.

Over 43% of respondents indicated their facilities now compensate physicians at least in part on quality/outcomes based metrics. These metrics may include patient satisfaction scores, adherence to treatment guidelines, low rates of hospital readmissions or medical errors and other metrics. Close to 8% of respondents indicated they compensate nurses on quality/outcomes and less than 2% indicated they compensate NPs/PAs and allied professionals on quality/outcomes.

Another method by which hospitals can reduce costs and increase efficiency is through the use of managed service providers or MSPs. MSPs provide one source of management and billing of the multiple healthcare staffing providers often used by hospitals to fill their physician, nurse, advanced practitioner and allied health professional staffs. Close to 10% of survey respondents indicated they now are using

MSPs, while another 10.4% said they are planning to do so. Close to 25% indicated they are unfamiliar with MSPs, indicating the market is not yet completely familiar with the MSP model, which is common in other industries but relatively new to healthcare.



Conclusion

AMN Healthcare's 2013 Clinical Workforce Survey underscores the high priority hospital leaders assign to clinical staffing, which remains a critical strategic challenge for hospitals in today's rapidly evolving healthcare market. The majority of hospital executives surveyed see shortages among clinical professionals, particularly physicians and nurses, and report vacancy rates at their facilities for these types of professionals at 17% or higher. Cost is the

healthcare workforce issue of most concern to hospital executives, though they also find physician/hospital alignment, the move to quality based provider compensation, high vacancy rates, and the influx of insured patients through the ACA to be of concern. Some facilities are moving toward quality and outcomes-based compensation for physicians while a smaller group are using managed service providers (MSPs) to manage multiple staffing providers.



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