



**Travel Nurse Staffing:
Quality Staff Equals Quality Outcomes**

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Travel Nurses Can Help Achieve Quality Patient Outcomes

Travel nurses have become an essential resource in many hospitals as a means of providing adequate staff to care for patients. Quality patient outcomes are influenced by the quantity of nurses in the staffing formula, as evidenced by patient satisfaction survey results (Clark, Leddy, Drain, & Kaldenberg, 2007), and over the past two decades travel nurses have become a familiar solution to assuring that the quantity of nurses is adequate.

Published reports have noted that some nurse leaders have balked at the use of travel nurses to supplement their staff due to a perception that the quality of temporary nurses is not at the same level as that of permanent staff. A recent study conducted by the Center for Health Outcomes and Policy Research found that this belief “may be more of a myth than reality.” The study showed that supplemental nurses are “as well educated (perhaps even more so) and as experienced as permanent staff nurses” and that outcomes improve with the use of supplemental nurses (Aiken, Clarke, Xue, & Sloane, 2007).

The Impact of Nurse Staffing on Quality Outcomes and Financial Health

Because quality is increasingly linked to a hospital’s financial health, adverse outcomes related to inadequate staffing will have a growing impact on a hospital’s bottom line. The most direct example of the quality–finance link can be seen in the Center for Medicare & Medicaid Services’ 2008 Inpatient Prospective Payment System rules, which state that hospitals will no longer be reimbursed for any patient care needed as a result of a hospital-acquired condition, such as certain mistakes called “never events.” Many of these events can be directly tied to or influenced by nursing care. Hospital-acquired events like postoperative infections, urinary tract infections, pneumonia and pressure ulcers are preventable conditions that have been shown to be reduced with an increase in nurse staffing (ANA, 2000).

A new report from PricewaterhouseCoopers' Health Research Institute (HRI) projects that these kinds of “pay-for-performance” programs and other initiatives focusing on quality and patient satisfaction mean that nurse staffing will have an even greater impact on hospitals' profitability in the coming years (PricewaterhouseCoopers, 2007). These measures will negatively affect those hospitals where inadequate nurse staffing leads to undesirable quality care outcomes.

Solutions to the challenges in areas where nurses have an impact on a hospital's profitability revolve around three key areas:

1. Fixing process problems;
2. Improving technology;
3. Maintaining an adequate number of qualified staff.

While all of these solutions are within the control of hospital administrators, the latter may be the area in which leaders face the biggest challenge, since they must gain support for increasing the already substantial nursing budget covering permanent and temporary staff. There is mounting evidence, however, that links nurse staffing to several key challenges or factors that impact profitability. The following discussion summarizes seven of these areas and provides support for developing strategies that result in never “staffing short.”

7 Ways that Nurse Staffing Impacts Profitability

Challenge 1 — Costly patient errors

Nurse staffing shortages result in less time spent with patients and more chance of adverse outcomes. As the primary caregivers, nurses can help prevent infections, pressure ulcers, falls and other errors that impact patient outcomes, cost hospitals money and can incur law suits.

Supporting Evidence — A study published in *Nursing Research* found that all adverse events studied (pneumonia, pressure ulcers, infections, patient falls/injuries, sepsis and adverse drug events) were associated with increased

costs; as an example, the cost of care for patients who developed pneumonia in the hospital rose by 84 percent (Cho, et al., 2003). Adequate nurse staffing has been shown to reduce these events: (1) A 2007 AHRQ (Agency for Health Research and Quality) study found “Higher registered nurse staffing was associated with less hospital-related mortality, failure to rescue, cardiac arrest, hospital acquired pneumonia, and other adverse events.” (Kane, et al., 2007); (2) A 2006 study in *Health Affairs* found that increased nurse staffing resulted in decreases in adverse outcomes, hospital days, number of patient deaths and cost (Needleman, et al., 2006). (3) A study in *JAMA* showed that for every patient over four that a nurse takes in a patient care assignment, the mortality rates increased by 7% (Aiken, et al., 2002).

Challenge 2 — Restricted bed capacity and long waiting times related to ineffective patient flow

Supporting Evidence — Having enough nurses to properly manage patient flow affects hospital “turn” rates and quality outcomes. Nurses can help get patients admitted, transferred to other departments and discharged at the right times, which helps maximize capacity and improve patient care. Evidence shows that patient flow is a growing problem: a 2008 *Health Affairs* article reported the results of a Harvard Medical School study that found that emergency department wait times increased 36 percent from 1997 to 2004 (Wilper, et. al., 2008).

Challenge 3 — Individual patient choices; “repeat business” and referrals based on satisfaction

Supporting Evidence — Nurses spend the most time with patients, and patients’ satisfaction levels tend to revolve around how safe and well-cared for they feel. If nurse staffing is adequate and nursing care is rated as high during their hospital stay, chances are that their overall satisfaction will also be high, and they will be more likely to choose that facility in the future. Patients also have a strong influence on the healthcare choices of their family and friends.

Challenge 4 — Public disclosure of patient satisfaction metrics

Supporting Evidence — The Centers for Medicare and Medicaid Services' (CMS) initiative to disclose the results of patient satisfaction surveys (the Hospital Consumer Assessment of Healthcare Providers and Systems Survey, or HCAHPS), will likely influence potential patients to choose one facility over another. This information will be added to the Dept. of Health & Human Services' "Hospital Compare" online tool starting in March 2008 (www.hospitalcompare.hhs.gov).

Challenge 5 — Reimbursement

Supporting Evidence — Pay-for-performance programs that focus on clinical quality and patient satisfaction mean that nurses have a significant impact on the key metrics that drive reimbursement rates. One example is the CMS 2008 Inpatient Prospective Payment System which will not reimburse facilities for any care associated with hospital-acquired infections or errors; seven of the eight rules are nursing-sensitive.

Challenge 6 — Staff turnover costs

Supporting Evidence — In a 2004 study, Jones estimated that costs can approach \$70,000 per nurse turned, considering personnel expenses and the impact on productivity and quality. HRI (Health Research Institute) also found that hospitals that perform poorly in nurse retention spend an average of \$3.6 million more per year than those with high retention rates (PricewaterhouseCoopers HRI, 2007). Other studies have shown that temporary staffing helps reduce burnout for permanent staff nurses (Aiken, et al., 2007), which can lower turnover rates.

Challenge 7 — Changes in patient population (planned or unplanned)

Supporting Evidence — When hospitals experience fluctuations in patient census or undergo an expansion or computer conversion, temporary nurse staffing can be a cost-effective solution to maintain staffing levels. It helps

avoid the costs of overstaffing during the rest of the year, understaffing during peak periods (which can lead to diverted patients and increased errors), and excessive overtime (Windsor, 2007), which can overburden staff nurses and lower the quality of patient care.

Travel Nurses and ANCC Magnet™ Designation

There is a resurgence of interest in Magnet qualities in hospital circles. Some nurse leaders believe that Magnet hospitals — recognized for nursing excellence by the American Nurses Credentialing Center (ANCC) — do not or cannot use travel nurses and still achieve/retain their Magnet designation, but this is not true. There is nothing in the 14 Forces of Magnetism that restricts the use of supplemental nurses. In fact, travel nurses may even help hospitals achieve Magnet designation. A recent survey of chief nursing officers (CNOs) highlighted two specific areas where travel nurses can contribute to the Magnet journey: stabilizing staffing and improving quality of patient care and outcomes (Windsor, 2007). In addition, travel nurses allow permanent staff to participate in Magnet-required training, share experiences from other Magnet facilities, and add to the Magnet journey in a number of ways. These contributions are outlined in a recent white paper titled, *Travelers on the Magnet Journey: The Contribution of Travel Nurses in Preparing for and Maintaining ANCC Magnet Designation*, authored by AMN’s vice president of clinical services (Windsor & Case DiLeonardi, 2007).

At the 11th Annual ANCC Magnet Conference in Atlanta, Georgia, in October 2007, AMN supported a presentation by three nurse leaders discussing how traveler utilization helped them in their journey to Magnet designation. The group repeated this presentation, entitled “Partnering with Travel Nurses on the Magnet Journey,” as a Web cast in December 2007. Both the Web cast and white paper can be found on AMN’s Web site at www.amnhealthcare.com.

What to Expect from Your Staffing Agency

Over the course of the last 30 years, travel nurse staffing has evolved into an industry of its own standing. No longer solely dependent on seasonal fluctuations in the Sunbelt states, travel nurses are now used to staff up for the opening of new units or technology implementations, to fill vacancies due to the Family Medical Leave Act (FMLA) or other leaves of absence and to provide adequate staffing when vacancies are chronic.

Travel nurse staffing makes up a significant part of the larger healthcare staffing industry (which includes per diem staffing) estimated at \$12.3 billion for 2008 (Staffing Industry Analysts, 2007). Staffing Industry Analysts projects the travel nursing segment will reach \$2.7 billion in 2008. As the industry has grown, so have the needs and expectations from the healthcare facilities that use these staffing services.

Nurse leaders should expect their contracted staffing agencies to support a hospital's efforts in providing quality patient care and assist in achieving their goals regarding patient satisfaction. A staffing company's commitment to quality is shown through solid financial and structural support of quality initiatives, a strong, well-executed quality program that can be benchmarked both internally and externally, and finally through a commitment exhibited in the company's mission and values.

AMN's Company Structure in Support of Quality

From the pool of more than 1,000 staffing companies, AMN Healthcare (AMN) stands out as the largest healthcare staffing company in the United States. It is publicly traded on the New York Stock Exchange under the symbol AHS. AMN provides hospitals and other healthcare facilities with temporary healthcare professionals, including nurses, allied health professionals and physicians. One of its divisions also places physicians in permanent positions. Through 2007, AMN had approximately 7,000 healthcare professionals deployed in assignments throughout the United States.

AMN attributes its continual growth and leadership position to the company's passion for excellence, commitment to customer service and an exceptional quality program that is embedded within the company, from the sales and operations functions to the core mission, purpose and values of the organization. The program has solid financial support.

AMN has approximately 2,100 corporate employees; approximately 30 percent comprising the nurse staffing portion of the business, about half focusing on physician and allied health staffing, and the remainder dedicated to consolidated corporate functions. Staff functions are centralized and provide support for the entire organization. These include: human resources, legal services, information technology, marketing, and finance.

Nurse Staffing at AMN

Sales Departments		Operations Departments	
<i>Client Services</i>	<i>Recruitment</i>	<i>Service</i>	<i>Quality</i>
Serve hospitals and other healthcare facilities	Accomplishes travel nurse placements	Payroll and billing	Quality management
Field staff are Regional Directors	Offers traditional travel program & rapid response	Housing	Traveler qualifications
Coordination of placements managed by Account Managers		Customer service	Education
		Health and other benefits	Clinical Services

A Closer Look at AMN's Quality Departments

As AMN's largest and most established division, the travel nursing division was the first to develop a formal quality program with specific quality departments. This general structure has now been expanded to other divisions in the company.

Within the nursing division, **Traveler Qualifications** is the department responsible for initial assessment of quality and competency accomplished through application review, assessment of the skills checklist, thorough referencing of previous employment and complete review of all supporting information by personnel with clinical and human resource expertise. The **Clinical Services** department is staffed entirely by registered nurses who work with both the travel nurses and hospital clients to follow up on issues, trouble shoot problems, reassign nurses if needed and continually assess competency and quality. A proprietary software system manages all aspects of the department's key responsibilities. All activities are online and fully accessible to those within the department. Ongoing clinical assessments are documented for future use in performance evaluation.

Quality Management is the credentialing department. Staff members within this department are responsible for assisting travel nurses with the preparation of credentials prior to starting their assignment. Quality management staff members review all documentation for applicability, initiate background checks and drug testing, verify licenses and inspect everything received for authenticity. A computer program utilizes a complex system of logic to match the hospital, state and federal requirements with a travel nurses' credentials to assist the staff in getting the right credentialing accomplished with each and every placement.

The **Education** department provides support to travel nurses in the form of online continuing education. Staff within this department produce the Workplace Safety Manual each year, numerous quality continuing education courses, and a series of specialty and medication tests that are utilized in the company's competency screening process. The education department is certified by ANCC to provide continuing education and does so via the AMN-run Web site, RN.com. The courses are free to AMN's travel nurses. Given the high volume of utilization, it appears that this benefit is of great value to nurses.

AMN's Commitment to Quality

A Formal Quality Program. AMN has a formal quality program led by a quality council. The council is comprised of staff, managers and executive leaders from quality departments across all business units. The quality council is accountable to the executive team and uses a committee structure to carry out policy decisions to the staff level.

Financial Support. The commitment of the company to quality is apparent in its financial support of the quality departments. In the nurse staffing division, the three quality departments make up 26 percent of the line function employees dedicated to the nurse staffing division. As a public company, this support can be seen in AMN's financial statements, which are available to the public for review.

Joint Commission Certification. In 2004, The Joint Commission launched a certification program for healthcare staffing companies. AMN participated in the advisory council that worked with Joint Commission staff to develop the standards for staffing. AMN was the first corporate site awarded certification in June of 2005. AMN successfully recertified in 2006 and is due again in 2008.

As with its hospital accreditation program, Joint Commission is continuously raising the bar for healthcare staffing companies. Each year the standards are more refined and in 2008 performance measures will be required. Performance measures in three areas were pilot tested by The Joint Commission during 2006. AMN was one company among several that provided data to test the measures, and in all three areas AMN returned better performance than the benchmark.

Overall, The Joint Commission's certification program has been positive for the industry, and many facilities now require that their staffing partners are Joint Commission certified.

Organization's Purpose, Mission and Values. One way to determine whether a staffing organization is committed to quality is to review its formal statements which spell out the corporate mission, purpose and values.

AMN's purpose is "Helping achieve professional and personal goals every day." This is a broad statement that encompasses our commitments to healthcare professionals, hospital customers and corporate team members. For travel nurses, we work to provide them with the best career opportunities at hospitals across the country. For hospital customers, we provide the highest quality staff nurses to help accomplish their goals for patient care quality and revenue. And, finally, for corporate team members, AMN provides secure employment at a quality work site, with opportunities for growth and development.

AMN's values establish a solid connection to our customers through quality efforts and continuous improvement. Our defined corporate values are: respect, trust, passion, customer focus, and continuous improvement. We reinforce these values with our team members on a continual basis.

AMN's Mission Statement. Providing corporate team members with a clear mission that guides their work towards quality outputs is important for AMN and its clients. In addition, employee satisfaction has been found to be strongly correlated to quality of the work output, the belief that the organization outlives its people and the social significance of the mission of the organization (Perry & Mankin, 2007). AMN incorporates quality and social responsibility within its mission statement:

AMN's Mission Statement

AMN Healthcare contributes to the quality of healthcare worldwide by providing our hospital and healthcare clients with quality clinical professionals committed to delivering excellent patient care.

We deliver on this promise by recruiting and placing quality clinical professionals and matching their skills, experience, and career and personal aspirations with our healthcare facility clients.

Our mission is executed through innovative solutions and best-in-class service to all we serve.

Results of a Quality Standards Program

Establishing a comprehensive quality program is necessary for travel nurse staffing companies, and should be a qualifying factor for facilities when choosing an agency. AMN has maintained its position as the industry leader because of our commitment to quality over the years. Surveys of our client hospitals have confirmed that our focus on high standards results in perceptions of a level of quality that is not seen in other companies. Supporting a strong quality program is a crucial aspect of a travel nurse staffing business for several reasons:

1. Quality of staff placed on assignments is a reflection of the company's commitment to quality to the client facilities, as well as to their patients.
2. A strong quality program will reap benefits for the organization in terms of repeat business and increased usage by client facilities.
3. Reputation of the company in terms of quality will attract and retain nurses that are able to meet those high quality standards.

All of these results provide growth potential for the business in general. Showing hospitals and healthcare facilities a commitment to quality demonstrates the concern for the hospital's mission and goals both in terms of quality care and financial goals. A joint approach to quality involving the staffing partner and the hospital or healthcare facility will result in quality outcomes, and enhance business possibilities for both the hospital and the staffing vendor.

*For more information on AMN Healthcare's quality program or for questions about how we can help with your staffing needs, contact Client Services at **(866) 871-8519**.*

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