Case Study: Mercy Medical Center

One hospital's journey to stabilize nurse staffing, reduce contract labor costs and increase patient satisfaction

Background

The National Rural Health Association estimates that 80% of rural communities currently experience a shortage of doctors and qualified health professionals, with 2,157 Health Professional Shortage Areas (HPSAs) in rural and frontier communities versus 910 HPSAs in urban areas. Recruitment and retention remain the top problems among rural healthcare facilities – an issue exacerbated by a recent decrease in government aid. Consequently, many rural hospitals have been forced to shut their doors and residents of these communities often must drive long distances to reach a provider – a dangerous reality in emergency situations.

Despite these challenges, rural health care facilities remain on the high-end of patient care and efficient operations. According to a 2014 study by iVantage Health Analytics, rural hospitals operate at a lower cost than their urban counterparts, with patient ER stays 56 minutes lower than urban areas and half the rate of national inpatient admissions. Experts believe that there is a lot to be learned from the rural health community's model of patient-centered care, which places a strong emphasis on doctor-patient relationships and moves away from the specialty-dominated care that is the norm in urban areas.

Mercy Medical Center

Mercy Medical Center is one such rural facility feeling the staffing pinch. A critical access regional medical facility located in Williston, North Dakota, Mercy serves an estimated 60,000 people across the state and offers a variety of healthcare services, including emergency treatment, surgery, wellness programs, cancer treatment, home health, chemical dependency programs and rehabilitation therapies. The organization cites recruitment, retention and an inability to find experienced nurses as its biggest challenges. Although the overall reduction in government aid has not impacted the hospital, a significant financial struggle for Mercy is collecting debts from transient patients who stay in the area for short-term oil-related jobs and move on to unknown locations.

To cope with its nursing shortage – which spans across multiple practice areas, but is most prevalent in labor and delivery and operating rooms – Mercy historically employed several contract professionals and local travel nurses. Contracts for these employees generally lasted between 13 and 39 weeks and although this strategy provided temporary relief, it proved not to be a viable solution to a long-term problem. The costs to recruit and train a revolving door of short-term employees became burdensome and – coupled with the high turnover and the obstacles present in integrating these professionals into the hospital's culture and team during relatively short tenures – not sustainable. Mercy estimates that for the 2014 fiscal year (July 1, 3013 to June 30, 2014), it experienced a turnover rate of 22.5% among its RNs, at a cost of $70,000 per employee. Consequently, the healthcare provider sought alternatives to cope with the shortage of qualified nurses in Western North Dakota.

Staffing Partnership with Avant

Mercy Hospital began working with Avant Healthcare Professionals in Fall 2013. Upon entering the relationship, Mercy executives expected yet another "stopgap" to alleviate its staffing problems, however through its relationship with Avant, the organization has been able to achieve viable, long-term solutions to these issues.

To start, Avant and Mercy developed an action plan to pinpoint the hospital's most immediate and dire staffing needs. This helped Avant to determine which professionals would best meet Mercy's needs and fit into the hospital's culture, and based on these metrics, Avant placed 10 nurses at the facility who each were contracted to work at the facility for two years. Because Avant handles top-to-bottom recruitment for hospitals – including the interview process, immigration and licensure needs, and cultural training and integration – the time investment needed from Mercy executives and staff for the recruitment process was minimal.

In the short time that Mercy has worked with Avant to secure qualified international healthcare professionals, the hospital has experienced significant quantitative and qualitative benefits. The organization's turnover rate has dropped drastically, from 22.5% for the 2014 fiscal year to only 10% for the 2015 fiscal year (July 1, 2014 to June 30, 2015).

Prior to working with Avant, the organization spent, on average, $63/hour or higher on each short-term nurse and now spends at least $10/hour less on each Avant nurse. Mercy replaced at least 10 short-term nurses with Avant employees. The result is significant savings that can reach in excess of $15,000 monthly. Although Mercy hasn't quantified an exact number the hospital has saved on recruitment and retention costs by working with Avant, they estimate that the financial savings experienced due to the relationship are "significant."

Additionally, Mercy has found that what they anticipated to be yet another "stopgap" solution to staffing problems has actually resulted in improved retention and a keener ability to prep for future needs. The facility has also reported an increase in patient satisfaction, which Mercy executives believe is related to a more stable, consistent environment – particularly in the case of patients who frequent the hospital. According to company executives, they now have a team of nurses who "want to be there," have the hospital team's best interests at heart and strive to deliver superior patient care.

The benefits of working with Avant have been so substantial that Mercy is now looking to the future – and expanding its current relationship with Avant in order to do so.