



W O R K F O R C E TRENDING NOW

From the office of William J. Grubbs, President & CEO of Cross Country Healthcare

February 5, 2016

JOB GROWTH REDUCES PACE IN JANUARY WITH 151,000 JOBS ADDED; UNEMPLOYMENT RATE REMAINS AT HISTORICAL LOW OF 4.9%

Job growth, which showed enormous strength throughout 2015, seems to have leveled off in January with just 151,000 jobs added. This was slightly lower than the 188,000 jobs analysts predicted.

The January report also indicated that jobs added in both November and December of 2015 were revised. Jobs added in November of 2015 were adjusted upward from 252,000 to 280,000, and jobs added in December of 2015 were adjusted downward from 292,000 to 262,000, for a total of 2,000 less jobs gained than were reported in those two months combined.

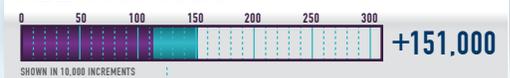
The unemployment rate dropped to an eight year low of 4.9% in January. Economists have previously predicted the unemployment rate will fall to 4.3% by the end of 2016.

The healthcare sector added 37,000 jobs in January. Hospitals surpassed ambulatory care facilities in jobs added for the first time since early 2015, adding 23,700 jobs. Ambulatory care added 10,700 jobs, with nursing and residential care facilities gaining 3,315 jobs. Healthcare added 470,000 jobs over the past twelve months, or 19% of the total jobs created.

[Source: <http://bls.gov>]

JANUARY JOBS ADDED BY SEGMENT

ALL U.S. JOBS



HEALTHCARE JOBS +37,400

HOSPITALS +23,700

AMBULATORY CARE +10,700

NURSING & RESIDENTIAL CARE +3,315

MAJORITY OF HEALTHCARE FACILITIES CURRENTLY UTILIZE TEMPORARY NURSING STAFF

Today's healthcare landscape features hospitals and healthcare facilities struggling to meet an increased demand for services amidst sweeping changes in both quality care measures and reimbursement models. Along with surging patient populations, these new mandates have significantly increased the workload of individual nurses. According to a KPMG Nursing Labor Cost study, 65% of responding healthcare facilities made use of supplemental travel or per diem nursing staff. The reasons they gave for utilizing supplemental nursing staff ranged from the flexibility they provide to facility growth, seasonal needs and local nursing shortages.

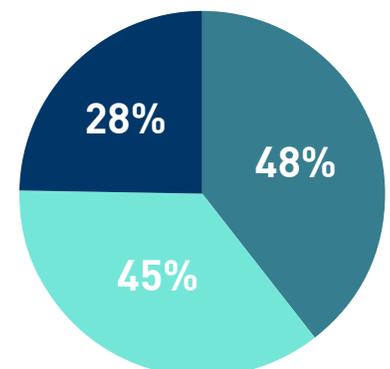
WHY FACILITIES HIRE TRAVEL NURSES:

[Respondents surveyed allowed to choose more than one]

Seasonal Needs

Local Nursing Shortage

Facility Growth



[Source: KPMG Study: http://www.natho.org/pdfs/KPMG_2011_Nursing_LaborCostStudy.pdf]



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RESEARCH DEBUNKS MYTH SURROUNDING EXPENSE AND QUALITY OF TEMPORARY NURSING STAFF

A recent article in Emergency Medicine News takes a closer look at the misconception that temporary nursing staff is expensive, lacking in quality and can even put patients in jeopardy. This disparaging myth, which was perpetuated by an article in The Los Angeles Times, was based on the mistaken belief that staffing agencies feature less than satisfactory credentialing and background screening processes. The publication's exposé also seemed to insinuate that nurses who had trouble obtaining or maintaining permanent employment elsewhere were more likely to apply to and be hired by temporary staffing agencies.

Large studies looking at temporary nurses in hundreds of hospitals have since proven this to be a fallacy and have shown that in fact, mortality rates are actually higher when hospitals do not utilize supplemental nursing staff. Temporary and travel nurses help prevent burnout in permanent, full-time nursing staff, and burnout is widely known to decrease both job satisfaction and quality of patient care. Additionally, a closer look at individual temporary or travel nurses reveals that they are highly qualified and experienced, and their exposure to a variety of clinical settings is often considered particularly useful when it comes to helpful suggestions for improvement in the facilities they serve.

(Source: http://journals.lww.com/em-news/Fulltext/2015/12000/Special_Report__Temporary_Nurses_Bad_for_Quality_.4.aspx)

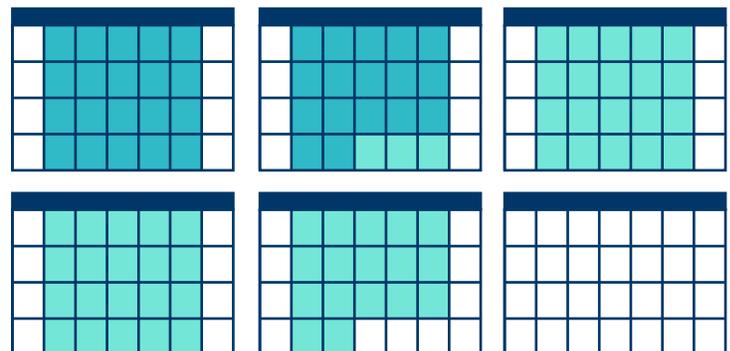
QUALITY OF CARE, NOT COST, MOST IMPORTANT FACTOR WHEN CHOOSING TO USE TEMPORARY STAFF

When it comes to choosing supplemental staff, a mere 10% of surveyed facilities indicated that cost played a role in their decision to hire. While the flexibility provided by temporary staff was cited as important by more than a quarter of respondents, quality was the most important factor, especially in light of new reimbursement models directly tied to patient satisfaction and outcome. The majority -- 64% of respondents -- said quality was the most important factor when it comes to choosing supplemental nursing staff. The time required to hire and train a full time nurse is often months long, and experienced temporary staff are widely used in the interim to ensure continuous coverage and prevent burnout of regular, full-time staff. Responding facilities indicated the ideal full time/travel nurse ratio is 90/10.

TIME NEEDED TO:

- fill permanent nursing position:**
37 days/7 work weeks
- train permanent staff:**
90 days/3 months

{ 6 Month Period }



(Source: KPMG Study: http://www.natho.org/pdfs/KPMG_2011_Nursing_LaborCostStudy.pdf)