

Should MedStar Health create its own internal travel nurse program?

Context

One of the largest issues in healthcare currently is the shortage of critical staff members, primarily nurses. There are multiple reasons for this shortage ranging from inadequate pay to burnout. For a hospital or medical center to remain operational it must have a certain number of nurses in each of its units to provide patient care services. This staffing level is typically a ratio based on the number of occupied beds and the predicted need for available beds. If there are not enough nurses, then the hospital risks closing its doors and turning away patients – a major financial and PR debacle. Many nurses have been pulled away from hospitals to travel to nursing agencies where they have the flexibility to accept temporary nursing contracts from hospitals in desperate need of nurses. These contracted nurses travel to the hospital and staff the hospitals' units. The terms of the contract are very specific and often favor the nurse and their travel agency, limiting the hospital's ability to deploy the contracted nurse as they see fit across the hospital. In addition to the limited flexibility the hospital in need will have to pay a significant premium to the travel agency and travel nurse, often also paying for travel costs, room, and board on top of bonuses and a generous base salary. A travel nurse can often make double or triple the salary of their staff nurse counterparts. A phenomenon noted in the industry is nurses leaving a hospital to join a travel agency then the same nurse being contracted back to the hospital they left at two or three times the cost, less flexible contracts, and

One solution that some large systems have explored is to create a pool of internal travel nurses. Rather than contracting with a third-party agency, the hospital would hire nurses who would travel to different hospitals in their systems as they are needed. Similar to agency-bound nurses, these nurses would be paid at a premium and have the flexibility to choose their assignments. The system benefits by saving the premium price they would pay to agencies. It also attracts and retains nurses who would have left the system otherwise and have greater control of the staff training and usage. The nurses who join this internal travel nurse pool benefit by still receiving the higher pay, maintaining their flexible work schedule, and maintaining a relationship with a single system for future professional growth and opportunities.

Using a BOCR Model, I will determine if establishing this program is the most logical choice for MedStar in light of other possible alternatives and the system's strategic goals.

Decision Maker: The C-Suite Leaders at MedStar Health

Alternatives

- Do not create an internal travel nurse program and remain as is
- Create an internal travel nurse program
- Invest in other means to attract and retain traditional staff nurses

Strategic Criteria

- Cost Control: Reduce the cost of care
- Staffing Consistency: Consistent or predictable staff levels across the system
- Public Perception: Nurses and their professional association hold a lot of power in the industry and public opinion, any action chosen should be considered against the risk it poses to MedStar's reputation
- Innovation: Early adoption of new ways of providing care to patients
- Patient Outcomes: No matter the decision, patient health, and wellness should not be jeopardized. Any chosen decision should maintain or exceed the current standard of care.

Perspectives to Consider

Dept of Finance: CFO

- Manage relationships with suppliers and insurers
- Billing and Revenue Cycle Management
- Manage costs, revenue, and all financial concerns
- System perspective, very little human perspective
- Financial modeling and predicting

Dept of Ops: COO

- Scheduling
- Coordination between physicians, clinical staff and nonclinical staff
- Manages auxiliary services, access and patient experience (How do we get patients in the door happy and out the door happier?)
- Safety
- Public Relations
- General Administration

Dept of Nursing: CNO

- Manage nursing schedules
- Develop paths for upward mobility
- Develop talent pipelines with schools and internship programs
- Risk management and care oversight
- Direct care of the patient
- Liaison between the doctor/hospital and the patient
- Face of the hospital

Control Criteria Used

Benefits

Finance Department (CFO)

- Cost Control
- Patient Exp
- Reduce Staffing Costs
- Insurance Quality Negotiations
- Budgeting Accuracy

Nursing Department (CNO)

- Talent Acquisition
- Talent Retention
- Professional Development
- Innovation
- Flexible role
- Staff deployment

Operations Department (COO)

- Flexible Scheduling
- Predictable staffing
- Support staff volumes

Opportunities

Finance Department (CFO)

- Cost control
- Flexible budgeting
- New revenue stream
- Savings

Nursing Department (CNO)

- Cross training
- Growth tracks
- Leadership Opportunities
- Networking
- Avoid Burn out
- Innovation

Operations Department (COO)

- Competitive Edge
- Emergency Prep
- First Mover
- Internal marketing
- Outcomes
- Quality
- Safety

Costs

Finance Department (CFO)

- Auxiliary Costs
- Initial investment
- New positions
- Nurse Compensation package

Nursing Department (CNO)

- Buy-in
- Morale
- Public Opinion
- Training

Operations Department (COO)

- Leadership Bandwidth
- Legality
- Patient Exp
- Staff Exp
- Support staff morale

Risks

Finance Department (CFO)

- CMS Policies
- Private Insurer Policy
- Industry Collapse
- Industry Disruption
- Morale

Nursing Department (CNO)

- Community Sentiment
- Gov Intervention
- Industry Sentiment
- Professional Orgs
- Legal
- Nurse Sentiment

Operations Department (COO)

- Efficiency
- Quality
- Safety

- Training
- Support staff morale
- Risk of Unionization

Conclusion

Summary of Priorities

- Benefits: New Incentives
- Costs: As is
- Opportunities: Internal travel program
- Risks: Internal travel program
- Whole Model: Internal Travel Program

Sensitivity

Last Thoughts

Developing an internal travel program was found to be the overall best method to address the nursing shortage. A variety of factors influenced this:

- Public perception of nurses, Morale, & Reputation: Supporting and caring for nursing staff is very important to a hospital's well-being. Nurses have a tremendously influential professional organization and can sway public perception. In a competitive market like the DMV, maintaining a positive reputation is essential. By supporting a travel nurse program that allows nurses an option to earn more than traditional nurses rather than try to limit travel nursing as other systems do, MedStar adapts to the new industry reality and supports nurses.
- Staff & patient experience: It is essential to maintain superior patient experience and outcomes while maintaining the morale of support staff. Although support staff do not have the same public sway as nurses do, they are still influential and necessary to daily operations. Without a standing, permanent nursing staff, the professional relationships that help with morale and efficiency will suffer. Although this is a concern, the patient experience is improved by having more nurses on hand rather than accepting the shortage and record high nurse to patient ratio that the industry is currently experiencing.

