

# BRINGING VALUE TO THE HEALTHCARE INDUSTRY

How we can reduce turnover among Nurses and make  
the healthcare Industry more effective.





## Preface

This Whitepaper will enlighten the public about the increased turnover rate in the Nursing Industry and how this has drastically affected the nation's economy in general. The nurse turnover (pre-COVID) causes systemic stresses for provider organizations and clinicians alike (CNA's 100% per year, R.N.s 25% leave the profession within the first three years altogether). Caregiver stress leads to burnout, absenteeism, and medical errors, crippling facility budgets, and forcing providers to introduce creative recruiting and retention strategies that further strangle their resources. We understand these challenges because our founders are clinicians and health administrators, not just opportunists looking to cash in from the lessons learned by healthcare workers; we know this because we are experts. In this white paper, we also discuss the benefits of staff retention and our solution, which we have developed to help Nurses work more conveniently and enjoy special incentives during this turnover period.

## About GapNurse

GapNurse is a technology platform that seamlessly connects independent professional nurses and nurse assistants with healthcare facilities looking to fill short-term and permanent assignments. Our leadership team includes owner-operators from home health & hospice, skilled nursing, and assisted living facilities, with extensive experience in chronic, acute, and post-acute care planning, treatment, and management. To learn more about GapNurse, send us an email at [admin@GapNurse.com](mailto:admin@GapNurse.com). You can also visit our website [www.GapNurse.com](http://www.GapNurse.com) for more inquiries.

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## 1. Executive Summary

The Healthcare Staffing industry is currently experiencing an onslaught of challenges, including increasing medical complexities, limited resources for clinician training, an intense regulatory environment, and a generation of experienced nurses retiring without adequate replacements. Healthcare in the U.S. is a \$7 Trillion (and growing) industry, with 65-75% of all expenses being Labour and Benefits related. Turnover adds additional stress to the industry and the U.S. economy as a whole. This year (2020), the U.S. is 1 Million nurses short (this doesn't include the COVID-19 fallout, which only makes matters worse). Meanwhile, the population is aging quickly, with people > 70 years having two or more chronic illnesses and in need of some form of nursing care, making it a PERFECT STORM!

Now The Big Question is: What Solution Do We Have?

In an outlook Survey conducted by the Home Care News from December 2019 to January 2020, nearly 550 healthcare staffing agency representatives responded to the following issues:

- The most significant challenges facing the industry in 2020
- The largest growth areas where providers can thrive
- The most significant drivers of technology adoption
- The impact of increased turnover on the home-bases care business in everything from technology platforms to therapy utilization.

This survey's results showed that a combination of staffing challenges and changing payment models would bring about executive decisions within the home health and home care industry in the coming years. GapNurse introduced an innovative new technology platform that addresses staffing challenges head-on, with cost reduction and user adaptation ease as its underlying priorities.

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## 2. The Cost and Effects of Turnover in the Nursing Industry

The cost of nurse turnover can have a considerable impact on a hospital's profit margin. According to the 2016 National Healthcare Retention & R.N. Staffing Report, the average cost of turnover a nurse ranges from \$37,700 to \$58,400. Hospitals can lose \$5.2 million to \$8.1 million annually. The turnover rate for R.N.s continues to rise. Turnover statistics for bedside R.N.s in 2014 were 16.4 percent, and they rose to 17.2 percent in 2015. Behavioral health and emergency medicine and surgery nurses also have a high turnover rate, but certified nursing assistant (CNA) nurses recorded the highest ratio at 23.8 percent.

As of March 2016, Streamline Verify ranked healthcare as a third of the top three industries with the highest turnover rates. Streamline Verify also found that 43 percent of newly licensed nurses who work in hospitals leave their jobs within three years. Additionally, 33.5 percent resign after two years, and 17.5 percent work for only one year. The overall vacancy rate for nurses is a little over 7 percent. When nurses leave a healthcare organization, they create a vacancy that can affect the cost of operation. The vacancy is also costly to other nurses, who may have to work overtime and experience burnout due to long hours and a high patient load.

A report published by Nursing Solutions, Inc. found that the average time it takes to fill a nursing position is 85 days – and more than three months for a specialized nursing position. The costs associated with filling a vacancy can include the following: employing in-house recruiters, job postings, applicant tracking systems, and hiring third-party staffing firms, not to mention the toll it places on existing staff with overtime requirements and emotional stresses.

The definition of nurse turnover costs (and benefits) can be especially problematic. For example, several turnover cost classifications were proposed, including direct or indirect (Buchan & Seccombe, 1991; Jones, 1990; O'Brien-Pallas et al., 2006; Stone et al., 2003), visible or invisible (Advisory Board, 1999), and pre-hire and post-hire (Jones, 2004). These classifications define broader categories within which subcategories, such as advertising and recruiting costs, or orientation and training costs. These varying conceptualizations may, in part, explain the variability in turnover costs reported.



According to the Journal of Nursing Administration, it may cost \$82,000 to replace a nurse. Afterward, onboarding and training require additional time and money.

Also, an increase in turnover will put most elderly citizens at risk because of the expanding population of citizens over the age of 65. The U.S. market for elder care services will exceed \$700 billion in 2026, assuming there is a large enough workforce to contribute to the healthcare industry. The rising prevalence of dementia, Alzheimer's, heart disorders, respiratory ailments, and mental disorders is contributing to growth and activity in the long-term care setting over the coming years. While home healthcare dominates the market in terms of revenue, other care sectors, including hospice, assisted living, nursing care, and independent living, fuel provider expansion. There is a need to end the ongoing turnover and develop strategies that will actively motivate nurses to engage in their jobs.

### 3. Benefits of Staff Retention

There are several benefits of staff retention in the nursing industry, including patient safety, quality of care, patient satisfaction, nurse satisfaction, and nurse safety. A variety of retention strategies are under consideration to improve nurse retention. benefits of retention, such as becoming a nursing employer of choice.

These strategies include, but are not limited to: changing the work environment by providing robust and top-level nursing leadership and supportive nursing supervision throughout the organization; involving nurses in decision making related to patient care delivery and practice; re-designing nurses workspaces to be more ergonomic and less physically demanding; creating a culture of safety; limiting nurses work hours; ensuring safe staffing levels; offering flexible work schedules and employment opportunities such as job sharing, and improving nurses wages.

Through the successful implementation of such retention strategies, HCOs may, in turn, incur certain downstream benefits of retention such as becoming a nursing employer of choice.

Homecare also provides seniors with the choice to age at home- this is where most of them would prefer to be- and promotes peace of mind and wellness for family caregivers. It reduces the healthcare system's cost by improving health outcomes, strengthening preventive care, and lowering hospital admissions and readmissions. And home care is good for our nation's economy, creating jobs in a fast-growing industry.

### 4. Our Solution

Here at GapNurse, we are on a mission to overcome ongoing staffing challenges, and revive the health industry, spiraling out of control. Our FOCUS is and has always been - SIMPLIFICATION. We have developed a complex technology that is simple to use and caters to both existing employees and independent contractors available to care for people in need. Our goal is to provide Nurses and health workers with a comfortable and stress-free working environment.

We find the best matches between licensed caregivers and the facilities who need them. Nurses using the GapNurse Mobile App can select their schedule and choose assignments that match their skills, experience, and comfort level. The platform makes it easier for these Clinicians to choose jobs based on their credentials, licenses, and skills. They can store these credentials on our platform in their secure vault for easy retrieval when needed. The technology allows providers to lower their recruiting and retention costs while offering clinicians higher hourly pay and even same-day pay. Nurses gain more experience and have an opportunity to discover specializations as they become introduced to various medical disciplines.

The logo for GapNurse, featuring the word "GAP" in blue and "NURSE" in green, both in a sans-serif font.



Nurses gain access to all these features through the GapNurse mobile app available on Google Play or the Apple Store. [These videos](#) explain how the app can help you take back control of your work schedule without the hassle of computer programs and wasted time on paperwork.

For Facility Managers, the GapNurse platform offers a proprietary portal for posting assignments to both employees and thoroughly vetted independent contractors and matched as shifts require. The distribution of orientation and training materials happens at the speed of light, and employee response eliminates employee favoritism concerns. Facility Managers easily meet or exceed required staffing ratios by clinicians who want to work. The app also features a geolocation service that makes it easy for a nurse, who may be unfamiliar with an assignment location, to get to the site without hassle. To review additional features, view this [video](#).

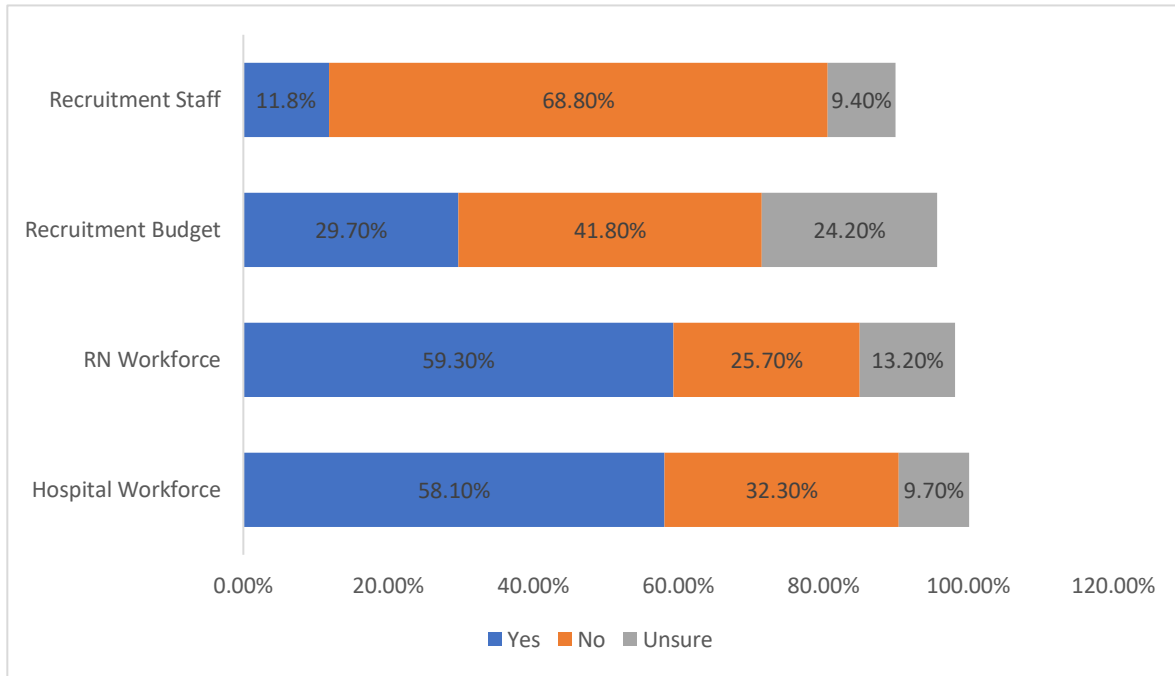
## 5. Projected Need in the Workforce

With the increased demand in Labor, so many hospitals have introduced new approaches that are costly when dealing with staffing. The most popular strategies used to meet the scheduling needs include increasing reliance on agency/travel staff, overtime, internal resource pools, and authorizing critical staffing pay.

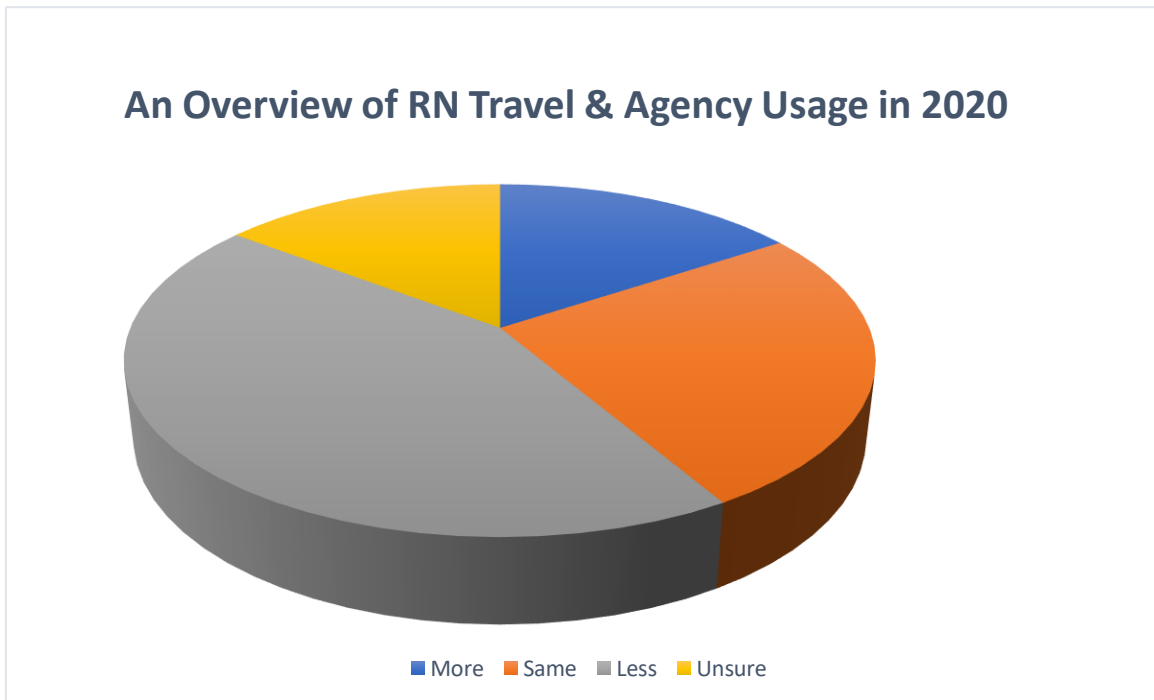
In 2019, healthcare jobs continued to grow and are trending up for 2020, with 58% of hospitals anticipating an increase in their total labor force and 59% projecting to increase their R.N. complement. This mandate to hire more employees will further strain Talent Acquisition. While hospitals expect to grow their total and R.N. workforce, only 29.7% anticipate an increase in the recruitment budget, and only 11.8% plan to increase their recruitment staff. Currently, the ratio of budgeted Full-Time Equivalents (FTEs) in Human Resources to hospital employees is 1:149.

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Here is a projected increase for hospitals in 2020.



To improve margins, hospitals plan to control labor costs by decreasing reliance (45.7%) on travel and agency staff. When comparing the cost difference between employed R.N.s vs. travel R.N.s, the amount is staggering. For every 20 travel R.N.s eliminated, a hospital can save, on average, \$1,412,000. When viewed against recruitment costs or agency fees, one can see the savings immediately.





## 6. Why GapNurse

GapNurse is NOT a staffing agency but a technology platform that solves staffing issues. Realizing how damaging staffing agency fees and minimums can be to a healthcare budget, we built GapNurse as a modern alternative to an outdated staffing model. Through advanced technology, GapNurse matches well-qualified (meaning we included compliance and background checks in the platform) clinicians (RNs, LPNs, CNAs, Med-Assistants) with healthcare facilities (skilled nursing, assisted living, home health agencies, hospice agencies, and the like) for short-term and temporary assignments.

We understand that healthcare is about people caring for people, but we also recognize that compliance and budgeting enable our care. With well over a century of direct patient care experience, our mission is to seamlessly connect empowered healthcare workers with those facilities who value their skills and expertise to promote a safe, affordable and trustworthy community of care.

Nurses who participate in the GapNurse program run through extensive background checks, so facilities can rest assured that they receive the highest quality caregivers. Once vetted, nurses select assignments that fit their schedules and their level of comfort as a nurse. In addition to increased flexibility, the GapNurse platform promotes lower patient costs-of-care, higher and same day pay, and access to online learning tools and continuing education.

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## 7. Conclusion

The COVID-19 Pandemic has only served to demonstrate how fragile the U.S. healthcare ecosystem is. The public now sees shortages of health workers, the urgent need for safety, increasing medical complexities, an aging population, and financial restraints. Our brave healthcare workers have stepped up and faced these challenges, and now there must be a program in place that supports these essential caregivers. GapNurse strives to help employee retention by eliminating systemic stresses in the clinical labour force. Healthcare organizations that encourage flexibility, higher pay, and employees' opportunities to work within their comfort zones will reap the benefits of these priorities. For example, a quantifiable measure of the severity of a hospital's vacancy rate is contract labor and overtime usage. As we have learned from historical data, an increased turnover rate will bring about pressure within the organization. It is essential that the management identify contract labor costs as an aggregation of high importance within the position control system and not see it as an expense in the operation process. To strengthen the bottom line, hospitals need to build up the retention rate within the staff, keep the vacancy rate balanced, improve on recruitment initiatives, and regulate their labor expenses. Building and retaining a quality workforce is crucial to reducing the healthcare industry's increased rate of turnover. That's why GapNurse is here.