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Survey of Leading Healthcare Executives Identifies Top Factors Impacting Nurse Turnover

Nursefinders, Inc. quarterly nurse staffing survey also finds dismal outlook for reaching sufficient staff levels, future turnover

Arlington, Texas — November 22, 2005 — Nursefinders, Inc. today announced the third-quarter findings of its Quarterly Nurse Staffing Survey. The survey uncovers the top ten factors impacting nurse turnover according to the survey panel of nearly 100 leading healthcare executives throughout the United States. In addition, the survey found that a large portion of healthcare executives feel it is unlikely they will reach sufficient staffing levels in the near term, despite efforts to attract nurses through increased hourly wages and referral bonuses. These are just a few of the major findings resulting from the survey. Click here for the full report: www.nursefinders.com/press.

Top Factors Having Major Impact on Nurse Turnover

According to a panel of healthcare executives, the following factors have the greatest impact on nurse attraction, retention and turnover.

Top Factors Having Major Impact on Nurse Turnover	
<u>Factor</u>	<u>% of Respondents Who Rated Factor as Having Major Impact</u>
1. Work-Related Stress	57%
2. Patient Care Load/Staffing	56%
3. Effectiveness of Direct Manager	53%
4. Scheduling Options	51%
5. Recognition	51%
6. Compensation	41%
7. Participation in Decision Making	33%
8. Competence of Clinical Staff	31%
9. Growth Opportunities	24%
10. Ancillary Support Personnel	22%

Despite Work-Related Stress Topping List of Turnover Factors, a Quarter of Healthcare Facilities Increased Overtime in Third Quarter

According to the Nursefinders survey, 28% of healthcare facilities increased overtime expenditures in the third quarter of 2005. Overtime, however, has been shown to increase work-related stress and turnover. In a joint study by *NurseWeek* and American Organization of Nurse Executives (AONE), of RNs who observed an increase in turnover among experienced nurses, 66% believe the turnover is due to increases in overtime and double shifts for nurses.

Patient Care Load/Staffing Levels Major Influence on Nurse Satisfaction and Turnover

Patient care load/staffing ranked second in terms of having a major impact on nurse attraction, retention and turnover, according to the Nursefinders survey. A number of similar studies support this finding, and also find a link between inadequate staffing and patient care, even preventable deaths, in healthcare facilities. For example, in a joint study by *NurseWeek* and AONE, of those RNs that have witnessed a negative impact on the quality of patient care in their facility, 74% believe it is a result of a greater number of patients per nurse. Also, a study published by the *Journal of the American Medical Association*, concluded that preventable hospital deaths increase when nurses are assigned more than four patients, yet many nurses report caring for as many as 15 to 20 patients at a time.

Nursefinders, Inc. Chief Executive Officer Bob Livonius commented, "Facilities struggling with staffing shortages, especially during high demand periods, such as flu season and wintertime, may find

themselves increasing overtime and patient care loads far beyond what they would consider to be ideal levels. Given the potential consequences, we encourage employers to prepare in advance for high demand periods through strategic workforce planning and by proactively securing staffing agency contracts. These actions can alleviate staffing shortages and ensure high standards of patient care remain in tact.”

Agency Nurses Found to be as Qualified as or More Qualified than Permanent Staff Nurses

In addition to alleviating a staffing quandary, agency nurses have proven to be a resource for quality health care. A recent study by the University of Pennsylvania on behalf of the American Staffing Association finds that nurses working in temporary positions are at least as qualified, and perhaps more so, than permanent staff nurses and that outcomes for patients in hospitals employing temporary nurses are positive.

Despite Increasing Hourly Wages and Referral Bonuses, Facilities Struggle to Reach Sufficient Staffing Levels

The Nursefinders survey finds nearly one-quarter (24%) of healthcare facilities need to hire more than 15 nurses in the fourth quarter of 2005 in order to reach sufficient staffing levels. Many facilities continue to increase hourly wages as a means of attracting much needed nurses. The survey reports a steady increase in hourly wage expenditures over the past two quarters with 49% of facilities increasing hourly wages in 2Q and 55% in 3Q. When comparing year over year expenditures, 71% of facilities report an increase in hourly wages. In addition, more facilities report increases in referral bonuses this quarter, rising to 21% in 3Q from 12% last quarter.

Most concerning, the survey finds that 36% of respondents believe it is somewhat or very unlikely they will reach sufficient staffing levels in third quarter of 2005.

Nurse Turnover Remains High

Thirty-nine percent of healthcare facilities estimate that a minimum of five to 15 nurses have resigned or terminated employment with their facility during the third quarter of 2005. Taking into account similar findings for second quarter of this year, this means a large portion of healthcare facilities may lose 25 to 60 nurses in 2005 alone. Based on an average cost of \$65,000 per RN turnover, the financial impact to facilities could range anywhere from approximately \$1.6 million to nearly \$4 million.

“There is a potentially costly impact of these turnover findings both financially, and most importantly, to patient care,” said Livonius. “We are particularly concerned for the impact on smaller healthcare facilities, given that the near majority of our respondents have less than 200 nurses on staff and a loss of up to 60 nurses annually can be devastating.”

The Nursefinders, Inc. Quarterly Nurse Staffing Survey is conducted with a panel of 96 healthcare executives, each representing unique healthcare facilities which vary in revenue size and number of beds, including hospitals, long-term acute care and others, from across the country.

About Nursefinders, Inc.

Nursefinders, Inc., headquartered in Arlington, Texas, was founded in 1974 and provides medical staffing services to more than 4,200 hospitals, nursing homes and clinics across the country. Nursefinders has a system-wide network of approximately 120 offices in the United States providing RNs, LPN/LVNs, and other health care and medical clerical professionals for staffing needs. We're proud to say that through innovative systems, and with the dedicated work of our professionals, we've become one of the most respected medical staffing companies and the largest provider of Vendor Managed Services (VMS) and Managed Staffing Programs (MSP) in the United States. Additionally, Nursefinders' Patient Care Division provides home health services for all age groups from newborn care to senior living services from 25 locations nationwide. Nursefinders prides itself on hiring only the most highly qualified professionals. For more information on the company, visit www.nursefinders.com.

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