



Safe Staffing leads to Savings for Hospitals

Savings from Safe Staffing



- **Raising the proportion of RNs** by increasing RN staffing to match the top 25% best staffed hospitals **would produce net short term cost savings of \$242 million.** (Health Affairs, January/February 2006)
- **Improving RN-to-patient ratios from 1:8 to 1:4 would produce significant cost saving** and is less costly than many other basic safety interventions common in hospitals, including clot-busting medications for heart attacks and PAP tests for cervical cancer. (Medical Care, Journal of the American Public Health Association, August 2005)
- Johns Hopkins University researchers found that **hospitals with fewer RNs in intensive care units at night incurred a 14% increase in costs.** (American Journal of Critical Care, November 2001)
- Harvard researchers cite a **3% to 6% shorter length of stay for patients in hospitals with a high percentage of RNs, reducing costs.** (Nurse Staffing and Patient Outcomes in Hospitals, Harvard School of Public Health, 2001 report)
- **The average workload that accompanies an increase in one single patient for an individual nurse leads to a 23% increase in burnout and 15% increase in job dissatisfaction.** Meanwhile, the cost to replace an RN is about **\$42,000** for each general medical/surgical unit RN, and \$64,000 to replace each specialty RN. (Journal of the American Medical Association, October 23/30, 2002)

Safe Staffing: A Needed Priority for an Increasingly Profitable Hospital Industry

- **Hospitals had a 5.2% profit margin in 2004.** According to available data, 2005 profit margins appear to be at or above 2004. (USA Today, Oct 27, 2006)
- **Pennsylvania's hospitals' had record profits in 2005 - over \$1 billion.** Hospital profit margins rose in by a full point, from 3.22% in 2004 to 4.61% in 2005. (Pennsylvania Health Care Cost Containment Council)
- **Aggregate hospital profits in 2004 nationally climbed to an all-time record of \$26.3 billion,** with net profit margins at a six year high. (Modern Healthcare, November 7, 2005)
- From 1993 through 2004, **\$157 billion was consumed by mergers and acquisitions in the hospital industry** – an average of \$402,000 per bed, the highest ever.
- **Nationally, hospitals expended \$146.3 billion from 1993-2003 on information technology programs** while asserting that costs had to be cut elsewhere.