



*Vacancy and Turnover  
In  
NM Hospitals:  
Report of Survey*

*June 2007*

Committed to Excellence, Grounded in Caring  
3200 Carlisle NE, Ste 223  
Albuquerque, NM 87110  
Office: 505-889-4518 Cell: 505-604 NMCN (6626)  
[nmnursingexcellence.org/info@nmnursingexcellence.org](http://nmnursingexcellence.org/info@nmnursingexcellence.org)

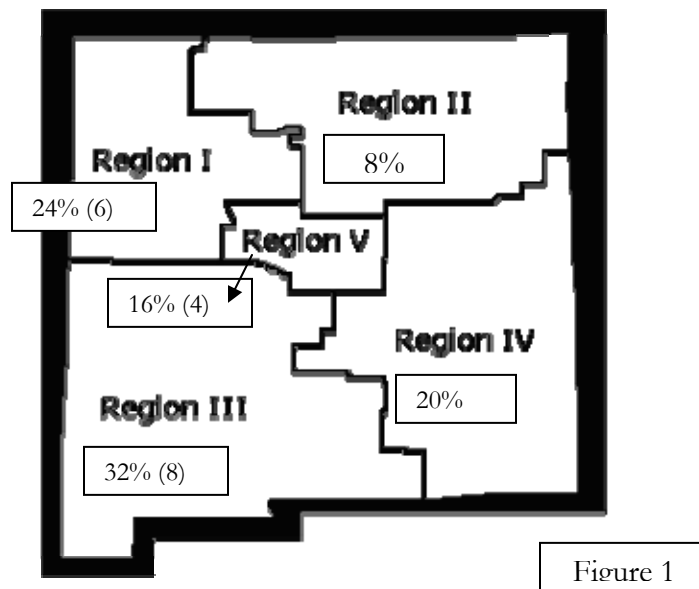
**Status of New Mexico Nursing: Vacancy and Turnover June 2007**

In June 2006, the New Mexico Center for Nursing Excellence (NMCNE) and the New Mexico Organization of Nurse Executives (NMONNE) partnered to identify 2 indicators of the nursing work/practice environment. Vacancy and turnover rates were chosen as the first indicators. A survey was developed to include vacancy and turnover information and other identified areas of inquiry.

The survey was distributed through the New Mexico Hospital Association (NMHA) and was completed through an online survey tool. This online survey method was chosen to protect identification of specific health care facilities and proprietary information. It is acknowledged that these results are primarily of acute care facilities and represent the employment setting of approximately 50% of New Mexico nurses. Not all respondents answered every survey question. The percentage shown is the percentage of the responses for any given question.

**Demographics of Respondents**

**Geographic Distribution.** Twenty-five (25) surveys were completed, representing 62.5% of NMHA members. Respondents were asked to identify their location by regions of the state. All five regions were represented. Figure 1 indicates respondents' geographic distribution.



**Type of Health Care Facility:** Seventy-six percent (19) were acute care facilities, 4% (1) was a long-term care facility, 4% (1) identified as a home/hospice facility; and 16% (4) identified as “other”. Those in the “other” category were psychiatric facility (1), critical access hospital (2) and skilled nursing facility/intermediate care facility (1).

**Fiscal Year.** The respondents were asked to identify their fiscal year.

January – December	652% (15)
July – June	30.4% (7)
September – August	4.3% (1)

### Nursing Position Vacancy

NMONE and NMCNE arrived at the following definitions in determining vacancy rates:

FTE: 2080 hours per year.

Direct RN: Registered Nurses (RNs) with direct patient care as their primary job description, to include internal float pool personnel.

Direct LPN: Licensed Practical Nurses (LPN) with direct patient care as their primary job description, to include internal float pool personnel.

Indirect: Positions that are not direct patient care (administrative [chief nursing officer, managers], quality assurance, education, utilization review). These positions must require licensure as a nurse to be included.

Travelers: Positions filled by travelers were to be reflected as vacancies. Travelers are staff hired through an agency and are not direct employees.

For RN, LPN, and indirect care staff, respondents were asked to provide raw numbers for vacant FTEs and filled FTEs for the most recent fiscal year. Respondents were also asked to provide the number of Traveler FTEs.

**Assumptions:** It is assumed that respondents followed the definitions in providing the requested data. It is also assumed that vacant FTEs + filled FTEs = total nursing FTEs.

**Calculation of Vacancy Rates.** There are 2 methodologies used when calculating vacancy rates in the labor market. The *average facility vacancy rate* is the average of the vacancy rates  $[(vr_1 + vr_2 + \dots + vr_n)/n]$  of all facilities. This method gives each facility equal weight despite varying number of jobs and vacant positions. The *position vacancy rate* is most often used when looking at the total need of the labor market as it looks at the total of all facilities' budgeted positions and vacancies (total of all vacancies/total of all vacancies + total of all filled positions). This method accounts for the varying size of organizations. Both methods will be reported.

**RN Vacancy.** Twelve (11) respondents provided a complete data set of both vacant and filled FTEs allowing for analysis.

Average Facility Vacancy Rate. The facility vacancy rate ranged from a low of 5.8% to a high of 76.9%. The average facility vacancy rate was 30.6%; the median was 22.9%.

Position Vacancy Rate. The position vacancy rate is 10.7%, with 292.7 FTEs needed to fill vacancies across 12 facilities.

Traveler FTEs. The 12 respondents reported a total of 222.9 Traveler FTEs, with an average of 18.76 FTEs (median: 8.3).

**LPN Vacancy:** Of the 20 responses, 3 indicated they did not have LPN FTEs and 12 did not provide a complete data set. Of the remaining 5 responses, only one indicated vacant LPN positions with a rate of 66.7% (facility vacancy rate), and used 4 traveler FTEs. Because of only one respondent, no position vacancy rate was calculated.

**Indirect Vacancy:** Six responses allowed for analysis.

**Average Facility Vacancy Rate.** The facility vacancy rate ranged from 0 to 50%, with the average 17.5% and the median 8%.

**Position Vacancy Rate.** The position vacancy rate is 5.5% with 8.1 FTEs needed to fill indirect positions across 6 facilities.

There was no indication that traveler FTEs were used to fill vacant positions.

### Nursing Turnover

NMONE and NMCNE arrived at the following definitions in determining turnover rates:

NLB = Nursing Licensed Bodies (RNs + LPNs)

Terminations = employees leaving due to retirement, termination, resignation, to include full and part time employees. This includes internal float pool personnel.

Respondents were asked to provide counts of terminations and average nursing licensed bodies (NLB) for the most recent fiscal year.

**Assumption.** It is assumed that respondents answered questions using the given definitions. Turnover rates are arrived at by: number of terminations/average number of NLB. Note: One response reflected a 282% turnover rate; as this data could not be verified and significantly impacted the overall results, it was not included in the turnover rate calculations.

**Turnover Rates.** Seventeen respondents provided data as requested. Facility turnover rates ranged from a low of 5.3% to a high of 100%. The average facility turnover rate was 23.2%, with the median 15%. For an industry perspective, there were 927 terminations for 5,284.5 NLB, for an overall turnover rate of 17.5%.

### Nurses With BSN

**The Number of BSN Nurses.** The survey asked the number of nurses with Bachelor of Science in Nursing (BSN) degrees, in raw numbers. Ten (9) respondents provided counts with one response expressed in percentage. The following question asked for the total number of registered nurses. Seventeen (17) responses were received. Due to the nature of the survey tool, answers for the 2 questions could not be matched. Because of this, the percent of BSN nurses was not able to be calculated.

**Differentials for BSN.** The survey asked if the facility offered differential pay for having a BSN. Of those responding to the question (19), 21.0% do provide differentials and 78.9% do not. Of

those responding yes, differentials ranged from \$0.50 to \$1.50/hr with one facility using a percentage of pay as the differential.

***Encouraging BSN Education.*** Respondents were asked what strategies they used to encourage BSN education. With 76% (19) of survey takers responding, strategies primarily focused on financial assistance, scheduling assistance, and recognition of BSN in career ladders. Figure 2 shows actual responses.

**Figure 2: Strategies to Promote BSN Education**

- Clinical ladder recognition of BSN, tuition reimbursement, scholarships, affiliation with UNM, support of UM SON with organizational support of Master Clinicians.
- Career Ladder
- Communication, encouragement, school allowance
- Clinical advancement program
- Stress continuous learning.
- Tuition reimbursement, auxillary scholarship, flexible schedule
- The Clinical Advancement Program is a three tiered pointage system that provides RNs incentives to pursue education
- Tuition Reimbursement
- Offer tuition assistance. Will try to accommodate their work time with their class time.
- Yes. We accommodate anyone's schedule that is interested in pursuing school, within reason and taking into consideration staffing needs.
- Scholarship monies, clinical ladder points, preferred credential with some promotions
- Tuition reimbursement, scholarships, schedule assistance, BSN required to advance
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### Impact of Nurse Staffing On Access

Of the 19 responses, 68.4% indicated that nurse staffing had impacted access to care over the last fiscal year, while 36.8% indicated that nurse staffing had no impact on access. Of those reporting an impact on access, 90% said the impact was temporary, while 10% said it was permanent. The nature of the impact on services and access is outlined in Figure 4. The average daily census ranged from 5 to 599.63, with the mean average daily census being 101.54 and the median 55.

**Figure 4. Impact of Nurse Staffing on Access to Care**

- Extended waits in the ED due to unstaffed vacant beds, transfers in and out of system due to unstaffed beds.
- Limited ICU nurses.
- Too many patients, not enough beds or people.
- We can advertise for weeks without any interest in our nursing positions.
- Reduced capacity and increase holding of ER and PACU.
- Additional beds are being created as we can staff with trained nurses. Currently working on building a stronger internal flexible labor pool.
- Unavailable ICU beds due to lack of staffing. Unavailable medical surgical beds due to lack of staff on occasion.
- Our hospital was on divert a couple of times.
- Occasionally the census is beyond 15 patients, at which time we divert admissions to a facility 85 miles away.
- During winter months, we were frequently on divert status for critical care due to staffing shortages.
- We have transferred to other facilities if the level of care required was not available.
- We have held patients in the ER while awaiting bed availability or staffing to care for the patient.

### Conclusion

Conclusions cannot be drawn for the overall nursing workforce, as this survey represented only acute care facilities. Including long term care, home care, hospice care, public health and other ambulatory settings, and other sectors of the health care industry that employ nurses would most likely paint a different picture of the nursing workforce. This might be especially true for LPNs, as the majority of LPNs are employed in settings other than acute care hospitals.

#### Vacancy

When analyzing the 2004-2014 New Mexico Department of Labor nursing workforce projections and the New Mexico Board of Nursing 2006 report of licensed nurses residing in New Mexico, it would appear at first glance that New Mexico has a sufficient supply of registered nurses. This survey casts doubt on those numbers, with facility vacancy rates averaging 30.6% and a position vacancy rate of 10.7% with 297 positions needed across 12 hospitals. Sixty-eight percent (68%) of respondents indicated that nursing staff shortages were impacting access to care. For comparison, in a 2007 report, the American Hospital Association reported the average registered nurse vacancy rate at 8%, with a shortage of 116,000 RNs nationally. In 2001, The New Mexico Consortium for Nursing Workforce Development reported a statewide nursing (RN) vacancy rate of 18% with 673

vacancies statewide. In a report “Nursing Vacancy Rates: North Carolina Hospitals”, the North Carolina Center for Nursing (June, 2005) indicated a vacancy rate of 4-8% was the desired range.

### **Turnover**

Turnover rates also impact health care facilities by incurring significant recruiting, training and orientation costs, as well as the potential loss of professional and organizational experience. The results of this survey showed the average facility turnover rate was 23.2%, with the median 15%. From an industry perspective, there were 927 terminations for 5,284.5 registered nurses and licensed practical nurses for an overall turnover rate of 17.5%. By comparison, the national average turnover rate in 2000 was 21.3% (American Association of Nurse Executives, 2002, para 4), the average turnover rate for Texas in 2005 was 15.6% (Texas Department of State Health Services, 2005, para 2), and the average turnover rate for North Carolina in 2007 was 17.7% (Lacey & McNoldy, 2007, para 3).

To take the discussion one step further, the literature supports an estimated cost of 75% to 200% of the average salary to fill a nursing position (Jones, 2005, Comparison of Current and Earlier Studies, para 6). These costs include termination costs, temporary hire costs, hiring costs, orientation and training costs, and reduced productivity costs of new hires. To calculate an estimated cost of the reported 927 terminations in this study the following assumptions were made:

- a. Because the reported 927 terminations included both registered nurses (RNs) and licensed practical nurses (LPNs), it is assumed that 94% are RNs and 6% are LPNs. This distribution is derived from NM Board of Nursing data (NM Board of Nursing, 2007, p. 28).
- b. The average RN salary in NM is \$58,846; the average LPN salary is \$41,424 (NM Dept of Work Solutions, 2007)
- c. A conservative estimate of 75% of salary would result in a cost of \$44,135 per RN termination and \$31,068 per LPN termination
- d. For RN turnover:  $\$44,135 \times 871$  terminated RNs (94% of 927) = \$38,441,585.00
- e. For LPN turnover:  $\$31,068 \times 56$  terminated LPNs (6% of 927) = \$1,739,808.00
- f. This results in an estimated turnover cost of \$40,181,393.00 to replace 927 terminations in 17 hospitals.

The discussion of vacancy and turnover provides some insight into acute care facilities in New Mexico. A system for further and ongoing research is needed to achieve a more comprehensive picture of employment trends and issues in New Mexico’s health care settings.

### **Education**

This survey indicated that a majority of facilities are actively engaged with schools of nursing in their communities, providing clinical sites, clinical faculty and financial support. Additional research is needed to establish the numbers and percentage of BSN nurses in the workforce. Employers encourage registered nurses to obtain Bachelor of Science degrees in nursing (BSN) primarily through career ladders, financial assistance and flexible scheduling – few facilities responding to the survey paid a differential for having a BSN. With increasing research indicating the impact of the

nurses' education level on patient outcomes and the need for BSN nurses for the faculty pipeline, exploring opportunities to encourage and facilitate BSN education is appropriate.

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