

2004

Review of Temporary CRNA Staffing Trends





Summary Report

2004 Review of Temporary CRNA Staffing Trends

Overview

This report marks the second Review of trends in temporary CRNA staffing presented by Staff Care. The purpose of the annual Review is to quantify trends and attitudes in the temporary staffing industry and provide a useful benchmark for CRNAs, physicians, and healthcare executives alike.

The 2004 Review is based on search assignments through locum tenens search firms, searches conducted by healthcare facilities, and survey data collected from locum tenens physicians and healthcare facilities. For the 2004 Review, we contacted 8,200 administrators, departmental directors, and human resources staff members at healthcare facilities nationwide and received 723 completed surveys, for a response rate of 8.8 percent. We contacted 6,130 CRNAs known to have worked temporary assignments in 2002-2003 and received 909 completed surveys, for a response rate of 14.8 percent. Industry data was gathered during the 2003 calendar year, with surveys conducted between February 2 and February 20, 2004. Data regarding spending for services, fill rates, and other items reflecting the industry as a whole are based upon staffing industry figures and a random sample of independent hiring by healthcare facilities.

The temporary CRNA market differs from the temporary physician and mid-level markets in many respects. CRNAs consider temporary work as a valid, long-term career option. Their motivation to enter the market and their observations regarding the value of their work and treatment by others vary little by experience level or gender. At times, however, their perceptions diverge from administrators and directors who employ and work alongside interim CRNAs.

The breakdown by region, setting, and specialty:

Healthcare facilities surveyed

Total: 723

Northeast (145) Southeast (159) Southwest (103) Midwest (174) West (142)

CRNAs surveyed

Total: 909

Part I - The Locum Tenens Industry

Rapid increases in demand and cost reached the inevitable boiling point in 2002. Those responsible for hiring temporary CRNAs showed a high degree of frustration while providers expressed significant contentment with their own situations and little concern for administrators struggling to balance cost and coverage.

In 2003, however, costs stabilized. The frustrations and divergent attitudes so evident in the 2003 Review (2002 data) have diminished markedly, due in part to a more stable cost structure, in part to an increase in staffing efficiency, and to a number of other factors. Administrators still consider cost a major obstacle to the recruitment of temporary providers, but their objections slipped from 2002 levels. Five years ago, as demand for temporary services accelerated, CRNAs earned \$55 per hour, on average, in a locum tenens role. By 2002, many CRNAs demanded \$90 to \$100 per hour. Pay rates in 2003 hovered around the 2002 levels. From the other perspective, providers remain content in their interim role, thanks to their continued earning capabilities and the availability of opportunities. Their responses to questions in this Review amount to an overwhelming affirmation of the temporary lifestyle.

It may be that an industry marked by dramatic change is reaching toward equilibrium. Fill rates topped 60 percent, provider options narrowed slightly, demand remained strong—an indication of a market emerging from an unpredictable period. A few issues remain, however, which we will highlight in the following sections.

Note that percentages presented in this report are rounded to the nearest full digit.

CRNAs Working Locum Tenens (estimate):	4,613	
Opportunities/CRNA:	1.06 daily	5.38 annually
Shifts Available, Per Day	1,157	
Fill Rate:	2003: 61%	2002: 59%

Average Number Of Days Per Year Filled By Each Locum Tenens CRNA: 55.6

Note: Opportunities per CRNA measures the average number of assignments available to a locum tenens provider each time he or she conducts a search, excluding the assignment he or she accepts. Accounting for overlap and other conflicts, the annual figure measures the assignments available per year, on average, to a locum tenens provider, excluding the accepted assignments.

CRNA Usage: Top Ten States by Days Demand, Per Day

<i>2003</i>		<i>2002</i>	
North Carolina	74.4	North Carolina	
Louisiana	58.1	California	
Tennessee	55.5	Texas	
Wisconsin	54.1	Illinois	
California	53.8	Pennsylvania	
Pennsylvania	48.3	Wisconsin	
New York	47.2	New Mexico	
Texas	46.6	Florida	
Illinois	42.6	South Carolina	
South Carolina	39.3	Indiana	

CRNA Usage: Top Ten States by Days Filled, Per Day

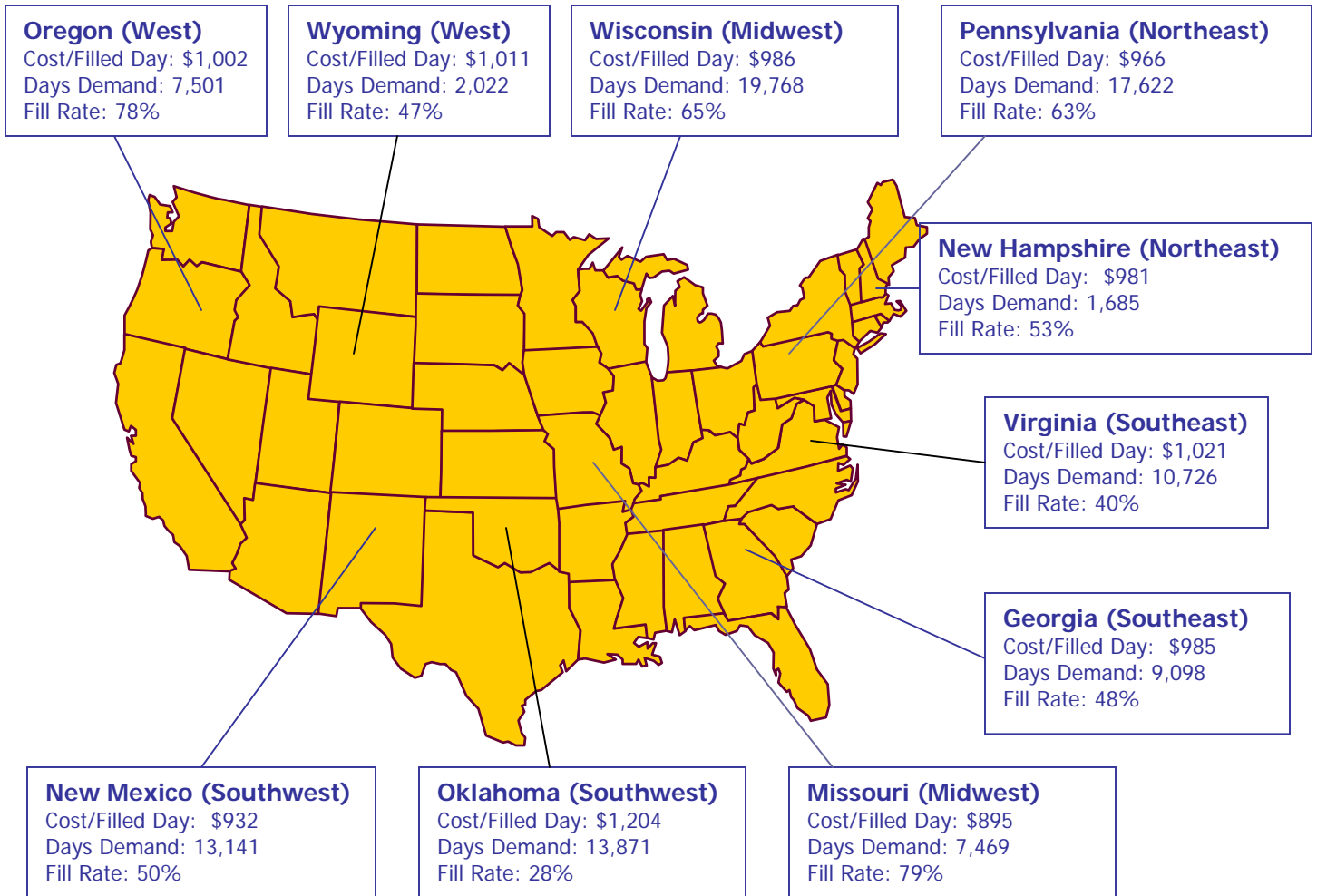
<i>2003</i>		<i>2002</i>	
North Carolina	51.5	North Carolina	
Louisiana	49.4	California	
Tennessee	41.4	Texas	
California	37.2	Pennsylvania	
Texas	37.1	Louisiana	
Wisconsin	35.1	New Mexico	
Pennsylvania	30.5	Missouri	
South Carolina	29.6	Indiana	
New York	24.9	South Carolina	
Maine	23.0	Wisconsin	

CRNA Usage: By Fill Rate, Top Ten States (2003)

Louisiana	85%	Hawaii	75%
Texas	80%	South Carolina	75%
Missouri	79%	Tennessee	74%
Oregon	78%	Indiana	71%
New Jersey	77%	Florida	70%

The following chart illustrates the variety in the locum tenens CRNA market place. Demand represents the number of vacant days in facilities within each state in 2003. Fill rate establishes the percent of all days actually covered by a temporary CRNA. Cost per filled day averages all costs associated with search and coverage, including travel and overtime. These numbers are compared to averages from each region. **Northeast:** CT, DE, DC, ME, MD, MA, NH, NJ, NY, PA, RI, VT, WV. **Southeast:** AL, FL, GA, KY, LA, MS, NC, SC, TN, VA. **Midwest:** IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI. **Southwest:** AZ, AR, NM, OK, TX. **West:** AK, CA, CO, HI, ID, MT, NV, OR, UT, WA, WY.

Locum Tenens CRNA Usage: Selected States



West
 Cost/Filled Day: \$1,074
 Avg Demand: 4,443
 Fill Rate: 62%

Southwest
 Cost/Filled Day: \$1,005
 Avg Demand: 12,875
 Fill Rate: 64%

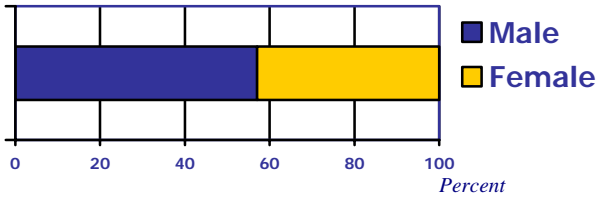
Midwest
 Cost/Filled Day: \$1,064
 Avg Demand: 7,857
 Fill Rate: 55%

Northeast
 Cost/Filled Day: \$1,026
 Avg Demand: 7,222
 Fill Rate: 60%

Southeast
 Cost/Filled Day: \$1,025
 Avg Demand: 12,250
 Fill Rate: 63%

Who Works As A Locum Tenens CRNA?

Gender

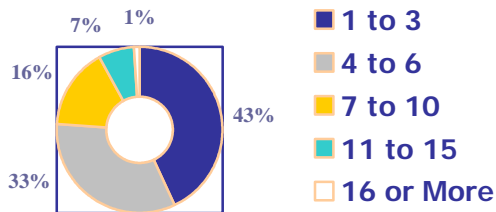


Years Experience

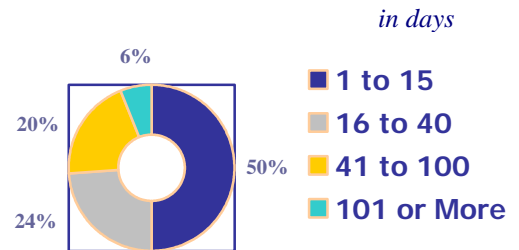
	2003	2002
Just out of school/training	5%	2%
1-5 years	15%	17%
6-10 years	25%	24%
11-20 years	22%	35%
More than 21	33%	22%
Ten or fewer	45%	43%
11 or more	55%	57%

	2003	
	Male	Female
Just out of school/training	5%	5%
1-5 years	15%	15%
6-10 years	25%	26%
11-20 years	22%	22%
More than 21	33%	32%
Ten or fewer	45%	46%
11 or more	55%	54%

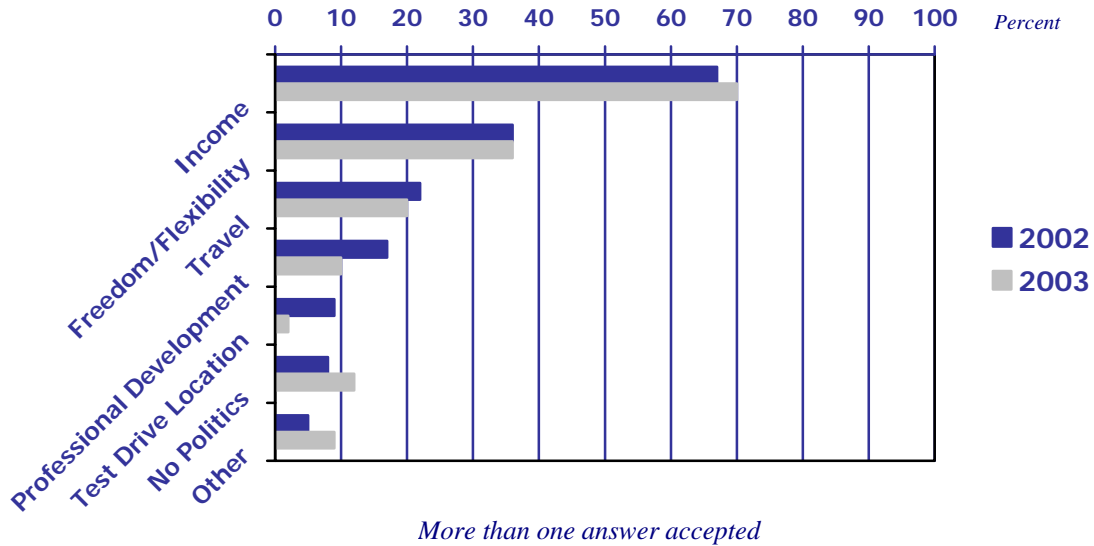
How Many Assignments Per Year



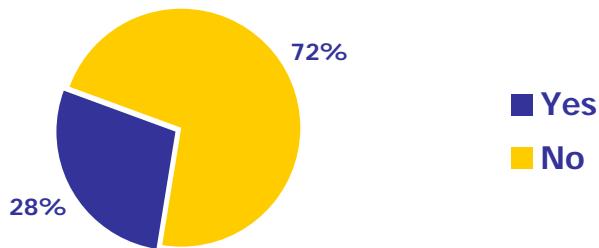
Preferred Assignment Lengths



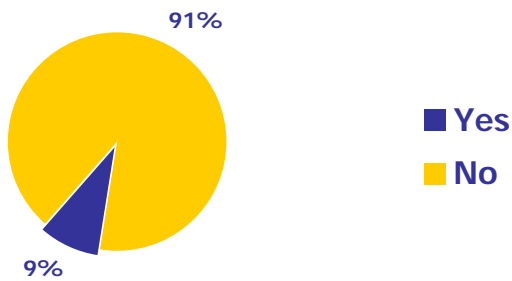
Why Work On A Locum Tenens CRNA Basis?



Are You Currently In A Permanent Position?



Are You Currently Looking For A Permanent Position?



How Long Have You Practiced On A Temporary Basis?

	2003	2002
Less than 1 year	34%	36%
1-3 years	33%	24%
More than 3 years	33%	40%

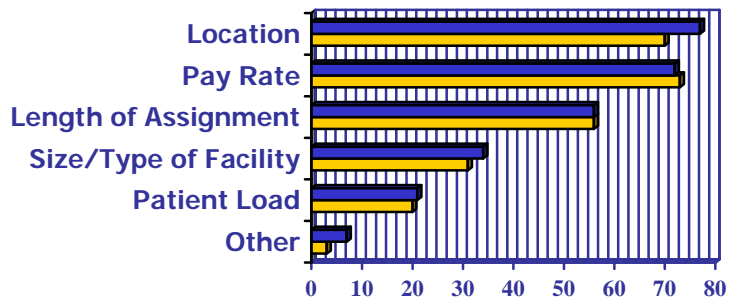
How Long Do You Intend To Practice On A Temporary Basis?

Until I find a permanent position	6%	8%
Less than 1 year	4%	5%
1-3 years	26%	19%
More than 3 years	64%	68%

How Do You Select A Firm?

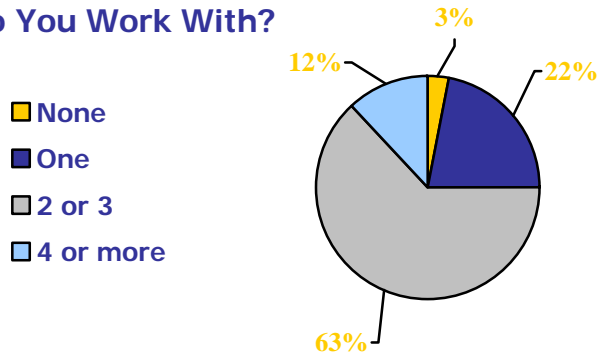
	2003	2002
Pay rates	72%	73%
Location of opportunities	69%	71%
Customer Service	44%	56%
Number of opportunities	34%	36%
Reputation/name recognition	32%	35%
Malpractice insurance	26%	36%
Other	7%	3%

How Do You Select An Opportunity?

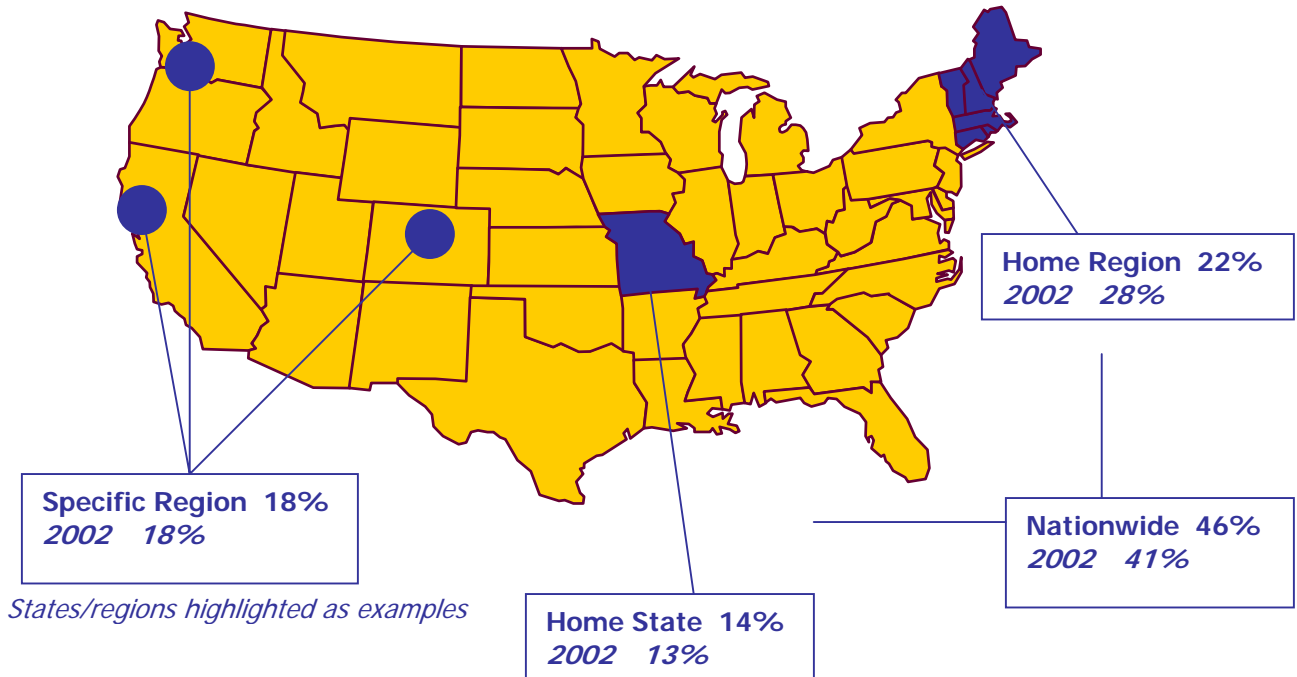


More than one answer accepted

How Many Firms Do You Work With?



How Far Are You Willing To Travel?



As A Locum Tenens CRNA, Are You:

Accepted by colleagues?

	2003	2002
Yes	93%	94%
No/Tolerated	7%	6%

Accepted by patients?

Yes	100%	100%
No/Tolerated	0%	0%

Accepted by physicians?

Yes	94%	n/a
No/Tolerated	6%	n/a

Accepted by administration?

Yes	94%	97%
No/Tolerated	7%	3%

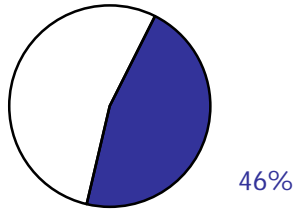
Which Websites Do You Use When Conducting A Search?

None	44%
Gaswork.com	40%
Staffing Firm Sites	4%
All Others	12%

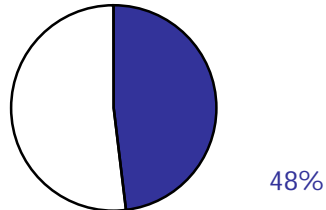
(All Others: Locumtenens.com, Physicianwork, Gasjobs, CRNAwork).

What Is Your Greatest Value To A Facility?

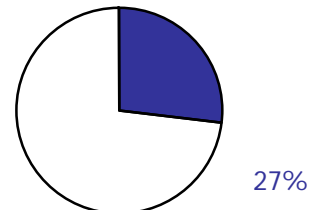
Maintain Patient Care



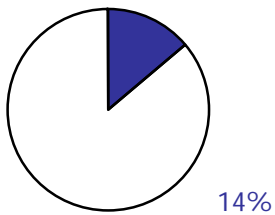
Generate Revenue



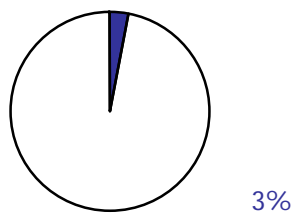
Prevent Staff Burnout



Not Certain



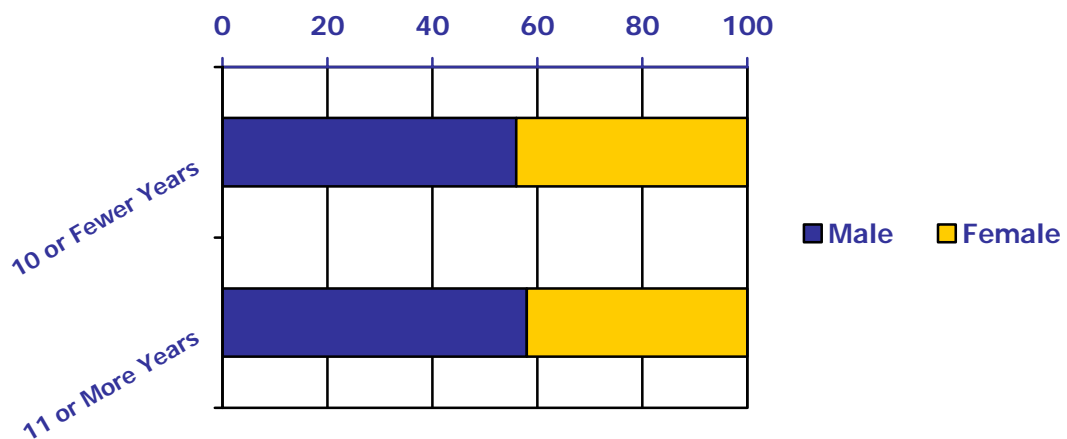
Other



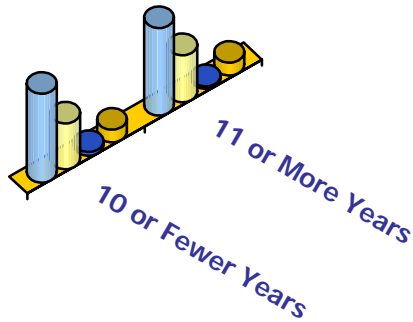
More than one answer accepted

Locum Tenens CRNAs, By Experience Level

How Long Have You Practiced On A Locum Tenens Basis?

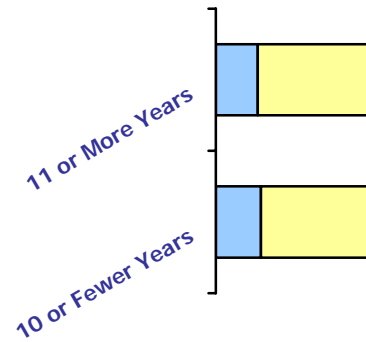


Why Practice On A Locum Tenens Basis?



Income
 Freedom/Flexibility
 Test Driving
 Professional Development

Are You Currently In A Permanent Practice?



Yes
 No

As A Locum Tenens CRNA Are You Accepted . . .

By colleagues?

	10 or Fewer	11 or More
Yes	92%	93%
No/tolerated	8%	7%

By Patients?

	10 or Fewer	11 or More
Yes	100%	100%
No/Tolerated	0%	0%

By Physicians?

	10 or Fewer	11 or More
Yes	93%	94%
No/Tolerated	7%	6%

By administration?

	10 or Fewer	11 or More
Yes	93%	95%
No/tolerated	7%	5%

What Is Your Greatest Value To The Hiring Facility?

	10 or Fewer	11 or More
Generate revenue	49%	47%
Maintain patient care	45%	47%
Prevent staff burnout	25%	28%
Not certain	14%	15%
Other	3%	2%

Part I - Trends and Observations

Two items stand out when comparing data from 2003 and the previous year. First is a growing perception amongst temporary CRNAs that healthcare facilities use their services in order to generate—or at least maintain—revenue. When asked in last year's study to assess their value to a hiring facility, 60 percent of CRNAs listed the continuation of patient care as a benefit, while 34 percent stressed the financial impact. This year, a mere 46 percent mentioned patient care, while 48 percent considered revenue as a primary benefit. As we shall see, their views differ from those expressed by administrators.

The second item of note is the emphasis placed on staff burnout. More than a quarter of all locum tenens CRNAs list the prevention of staff burnout as a benefit of interim coverage. This time administrators agree, with 27 percent referring to over-stressed staff when considering the benefits of temporary providers.

The first item may result from a more stable wage market. After daily rates almost doubled over a four-year period, traveling CRNAs experienced more moderate increases between 2002 and 2003, prompting many providers to recognize issues beyond the provision of care. At the same time, however, CRNAs seem to consider their daily rates reasonable, despite the stabilization. Indeed, 70 percent cite income as a reason for working on a temporary basis, and 32 percent claim that a temporary practice has no drawbacks. Market stability, an increase in fill rates, and other signs suggest near equilibrium. This emerging sense of security is rather interesting. Industry data indicates a narrowing in the gap between supply and demand and greater satisfaction amongst both providers and administrators. At the same time, heavy use of overtime, the question of revenue, and concerns regarding cost indicate rumblings of uncertainty. Clearly a severe shortage persists. Temporary coverage alleviates some of the problems created by a CRNA shortage, but not all.

Otherwise, and contrary to locum tenens physician staffing, the attitudes expressed by temporary CRNAs are cohesive, varying little by experience level or gender. For example, 33 percent of younger providers, 32 percent of older, 32 percent of males and 33 percent of females have worked more than three years on an interim basis. Either 69 percent or 70 percent, depending upon the segment, consider income as a key factor motivating their entrance into the locums market.

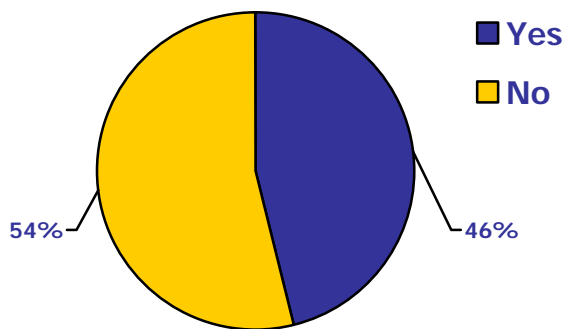
Rarely does this much agreement exist—although another side exists to the supply/demand equation.

Part II - The Need For Locum Tenens: Demand and Hiring

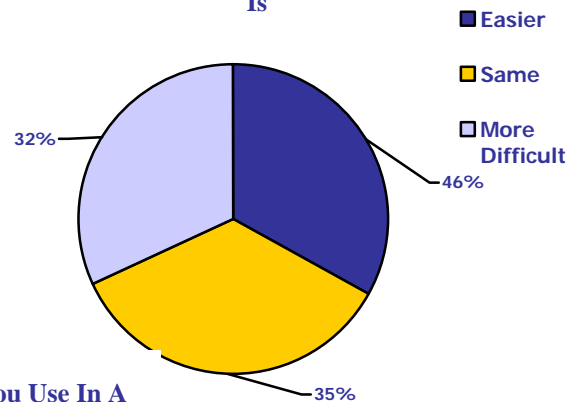
Temporary CRNAs filled over 250,000 vacant days in 2003. Clearly supplemental staffing has become an important feature of the modern healthcare industry.

The following portion of the 2003 Review is based survey responses from 723 administrators, directors, and others responsible for recruiting.

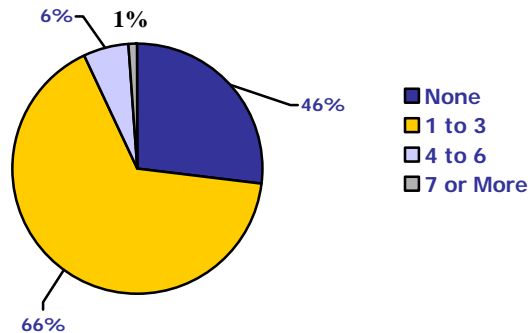
Are You Currently Searching For Locum Tenens Coverage?



Compared To Last Year, Filling A Need Is



How Many Interim CRNAs Do You Use In A Typical Month?



Why Consider Locum Tenens CRNAs?

	2003	2002
Loss of staff	69%	62%
Vacation/CME coverage	52%	58%
Adding staff	23%	53%
Increase in patient base	12%	1%
Test marketing need	3%	0%
Other	5%	5%

More than one answer accepted

What Are The Benefits Of Using Locum Tenens CRNAs?

	2003	2002	
Continued patient care	61%	55%	
Immediate availability	51%	56%	<i>More than one answer accepted</i>
No lost revenue	30%	53%	
Prevent staff burnout	27%	18%	
Other	3%	9%	

What Are The Drawbacks Of Using Locum Tenens CRNAs?

Cost	80%		<i>More than one answer accepted</i>
Familiarity with practice	25%		
Learning Procedure	11%		
None	2%		

Are Locum Tenens CRNAs Accepted By Colleagues?

	2003	2002
Yes	91%	82%
No/tolerated	9%	18%

Are Locum Tenens CRNAs Accepted By Administration?

Yes	88%	n/a
No/Tolerated	12%	n/a

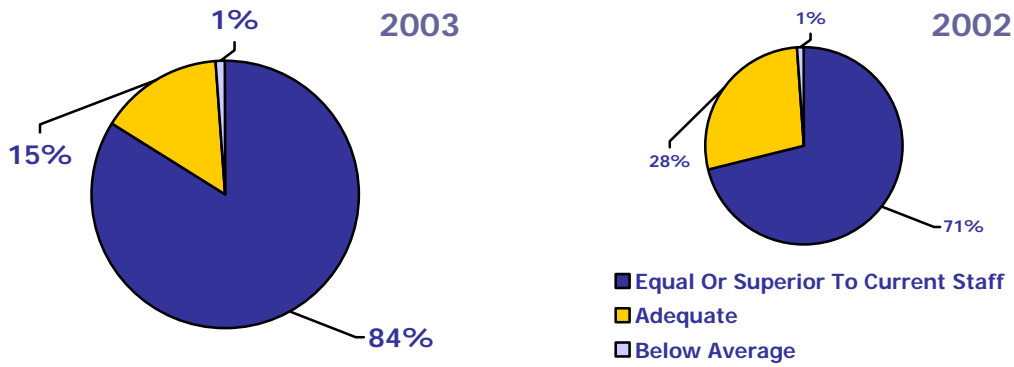
Are Locum Tenens CRNAs Accepted By Physicians?

Yes	87%	82%
No/tolerated	13%	18%

Are Locum Tenens CRNAs Accepted By Patients?

Yes	98%	94%
No/tolerated	2%	6%

What Is Your Perception Of The Skill Level Of Temporary CRNAs?

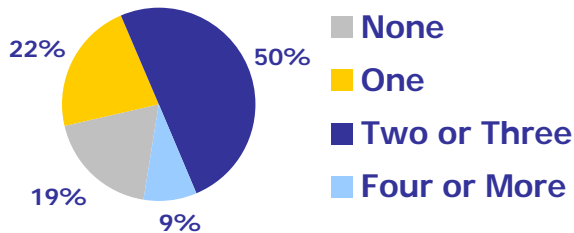


What Are The Most Important Factors In Selecting A Staffing Firm?

	2003	2002
Promptness/availability of candidates	53%	71%
Cost	50%	61%
Quality of candidates	41%	47%
Customer Service	26%	17%
Malpractice insurance	5%	18%
Contract flexibility	12%	9%
Other	2%	4%

More than one answer accepted

When Conducting A Search, How Many Firms Do You Work With:



Is The Value Of Locum Tenens:

	2003	2002
Worth the cost?	91%	85%
Not worth the cost?	9%	15%

Part II - Trends and Observations

At the end of 2002 it would have been irresponsible to suggest that administrators—those directors, physicians, human resources, and other professionals responsible for hiring—could possibly upgrade their perception of temporary CRNA coverage.

After all, data from that year revealed a surprising level of frustration, particularly over the cost of interim coverage. More than 90 percent of those responding to last year's Review cited cost as a drawback when seeking temporary CRNA coverage. Such concerns reverberated through 2002, affecting perception when it came to other issues, such as the acceptance of interim providers in the workplace. While CRNAs reported overwhelming acceptance, administrators were more likely to rate temporary providers as merely tolerated.

In 2003, however, perceptions changed dramatically. Concerns over cost dipped to 80 percent—the only market segment in healthcare staffing experiencing such a shift. Assessment of skill level climbed, with 83 percent rating locum tenens CRNAs as equal or superior to current staff compared to 71 percent a year earlier. In addition, administrators recognized greater levels of acceptance across the board. Complaints over malpractice and licensure virtually disappeared.

Nothing from the 2003 Review anticipated such a shift. Even the mid-year 'white paper' analysis of industry trends, also presented by Staff Care, failed to recognize the change in attitude, instead forecasting a stagnant year for the CRNA market. A couple of key factors account for the turnaround: an increase in fill rates and, more importantly, a stable and more predictable cost structure. Note in regard to the former that promptness in supplying candidates once held the top spot when facilities evaluated staffing firms, with 71 percent of administrators citing its importance in the 2003 Review. That figure tumbled to 53 percent in the current Review—an indication that staffing firms are beginning to satisfy demand to a reasonable extent. Cost remains a primary concern, but it even slipped as a means of selecting a staffing firm, from 61 percent in last year's Review to 50 percent for the 2004 study.

Quality is not in dispute. Nor is the value of locum tenens CRNAs questioned. Unanimity exists when both sides discuss demand, value, skill level, and other fundamental aspects of locum tenens. Providers maintain patient care and revenue, prevent burnout amongst overworked staff at facilities suffering shortages, and play a necessary role in the healthcare industry.

And now, it seems, frustration over rising costs have been alleviated . . . somewhat.

For more information regarding this survey, please contact:



Irving, Texas Salt Lake City, Utah

866-756-0002

www.staffcare.com

5001 Statesman Drive Irving Texas 75063

Proud sponsor of the Country Doctor of the Year award