

White Paper

THE ART OF WAR

How the Strategic Use of Rapid Response[®] Travel Nurses Helps You Win

Strategies for Hospital Executives

By Jason Godley



 **fastaff**
Travel Nursing

The Art of War: How the Strategic Use of Rapid Response® Travel Nurses Helps You Win

Strategies for Hospital Executives

Today, hospital executives are faced with an interminable list of demands from a variety of stakeholders – the outcomes of which are consequential. The U.S. hospital industry is transforming from one with a focus on patient volumes to one with a mindset of value-based outcomes. This transition, coupled with political, economic and regulatory uncertainty is adding further pressure to the hospital C-suite. To be sure, executives have expended considerable time and money tackling the difficult task of cost cutting while also improving quality of care.

According to research by Frost and Sullivan,¹ hospitals will seek (through 2020) to provide high-quality care at affordable cost through improved efficiencies and *judicious management of manpower* and resources. As the number one line item in the P&L, labor costs are the topic of fierce conversation in every hospital administration office. Naturally, nurse staff and their contingent workforce brethren find themselves in the crosshairs of these important discussions. Beauty is in the eye of the beholder. For many, “judicious management” means advanced planning—that is, the strategic use of travel nurses. For the enlightened, such planning can result in winning before a patient even sets foot in the emergency room. In “The Art of War,” the well-known book on war (and business), the author Sun Tzu sums it up clearly: “Victorious warriors win first and then go to war, while defeated warriors go to war first, then seek to win.” Winning is *planning*.

Success in today’s environment requires executives to have nurse staffing solutions that deliver operational flexibility at a lower cost. While the traditional travel nurse-staffing model offers numerous benefits, many of the attributes inherent to this solution can conflict with the notion of operational flexibility. Conversely, the Fastaff Rapid Response® staffing model offers executives a tool that enhances the success of advance planning while also providing flexibility and reducing total cost. The Fastaff Rapid Response® model offers several often overlooked and misunderstood attributes:

- Guaranteed delivery, often in ten days or less
- Expertise in filling hard-to-fill specialties
- Flexible-length assignments (i.e., not fixed at 13 weeks)
- 4-shift cancellation notice with no fees

These factors, unique to Fastaff’s Rapid Response® nurse staffing model, inherently yield operational flexibility, which improves margins. Used strategically, deployment of the Rapid Response® model can also improve the quality of patient care while reducing cost.

“Success in today’s environment requires executives to have nurse staffing solutions that deliver *operational flexibility* at a *lower cost*.”



THE ARITHMETIC

Many executives intuitively appreciate the merits of the Rapid Response® model. That said, intuition is usually inadequate for most critical decisions. Jeff Immelt, the Chairman of GE said, "Because in most companies, arithmetic rules...it's just arithmetic in the end." To this end, the application of analytics to a handful of scenarios clearly shows the potential economic benefits of the strategic use of Rapid Response®.

RENTAL CARS AND FLEXIBLE-LENGTH ASSIGNMENTS

Have you ever rented a car for a seven-day family vacation and had the rental car company insist that you retain and pay for the vehicle for four weeks instead of one? Similarly, why contract to use a travel nurse for a 13-week assignment when the expected census spike is projected to be six weeks? The examples in Figures 1 and 2, illustrate the financial benefits of a hospital staffing a six-week census spike with nurses on 13-week assignments, compared to nurses staffed on a six-week assignment through Rapid Response®. Overall, the value of flexible-length assignments can come from expected *and* unexpected core staffing or patient census fluctuations. Notwithstanding the premium Rapid Response® hourly rates, hospitals would realize a savings of 20% with Fastaff. In addition, total available patient hours under the Rapid Response® model exceeds the traditional approach by more than 10%. Furthermore, recall that the Fastaff Rapid Response® model has a four-shift cancellation notice with no fees. From a modern finance perspective, this feature is effectively an embedded call option—the value of which is the amount of potential *overspend* that would have occurred had the census spike been shorter under a fixed-length, non-cancellable contract.

"...hospitals would realize a savings of 20% with Fastaff."

FIGURE 1
TRADITIONAL TRAVEL NURSE COMPARED TO FASTAFF RAPID RESPONSE

| Traveler Type | Nurse Count | Assignment Length | Hours/Week | Assumed Rate | Total Invoice |
|--|-------------|-------------------|------------|--------------|-----------------|
| Traditional | 6 | 13 | 36 | \$80 | \$224,640 |
| Fastaff Rapid Response® | 5 | 6 | 48 | \$125 | \$180,000 |
| Savings | | | | | \$44,640 |
| % Savings | | | | | 20% |
| Total Hours Worked During 6 Week Census Spike - Traditional | | | | | 1,296 |
| Total Hours Available During 6 Week Census Spike - Rapid Response® | | | | | 1,440 |
| Additional Patient Care Hours Available | | | | | 144 |
| % of Extra Patient Care Hours Available | | | | | 11% |



Figure 2 below shows the range of cost savings based on an indicative range of traditional travel and Rapid Response® hourly bill rates.

FIGURE 2 TRADITIONAL TRAVEL NURSE COMPARED TO FASTAFF RAPID RESPONSE® – RANGE OF HOURLY RATES

| | | Total Assignment Savings | | | | | | |
|-------------------|------|--------------------------|----------|----------|----------|-----------|------------|------------|
| | | Rapid Response® Rates | | | | | | |
| | | \$110 | \$115 | \$120 | \$125 | \$130 | \$135 | \$140 |
| Traditional Rates | \$65 | \$24,120 | \$16,920 | \$9,720 | \$2,520 | (\$4,680) | (\$11,880) | (\$19,080) |
| | \$70 | \$38,160 | \$30,960 | \$23,760 | \$16,560 | \$9,360 | \$2,160 | (\$5,040) |
| | \$75 | \$52,200 | \$45,000 | \$37,800 | \$30,600 | \$23,400 | \$16,200 | \$9,000 |
| | \$80 | \$66,240 | \$59,040 | \$51,840 | \$44,640 | \$37,440 | \$30,240 | \$23,040 |
| | \$85 | \$80,280 | \$73,080 | \$65,880 | \$58,680 | \$51,480 | \$44,280 | \$37,080 |

| | | Total Percentage Saved | | | | | | |
|-------------------|------|------------------------|-------|-------|-------|-------|-------|-------|
| | | Rapid Response® Rates | | | | | | |
| | | \$110 | \$115 | \$120 | \$125 | \$130 | \$135 | \$140 |
| Traditional Rates | \$65 | 13% | 9% | 5% | 1% | (3%) | (7%) | (10%) |
| | \$70 | 19% | 16% | 12% | 8% | 5% | 1% | (3%) |
| | \$75 | 25% | 21% | 18% | 15% | 11% | 8% | 4% |
| | \$80 | 29% | 26% | 23% | 20% | 17% | 13% | 10% |
| | \$85 | 34% | 31% | 28% | 25% | 22% | 19% | 16% |

Note: Shaded area represents scenarios where the traditional travel and Rapid Response hourly rate relationship is unlikely due to a variety of factors including complexity of specialty.

PEAK POWER AND ALIGNING TRAVEL NURSES WITH AVERAGE DAILY CENSUS

For decades, the utility industry has effectively matched power supply with electricity demand in light of periods of high variability, otherwise known as managing "peak power." The Rapid Response® model can yield similar benefits to hospitals by enabling executives to better match changes in the average daily censuses (demand) with nurse capacity (supply). For this discussion, nurse capacity is simply the strategic combination of a hospital's own nurse staff, traditional travel nurses, and Rapid Response® nurses. Using this approach can reduce total spend on all nurse labor as show in the following scenarios.

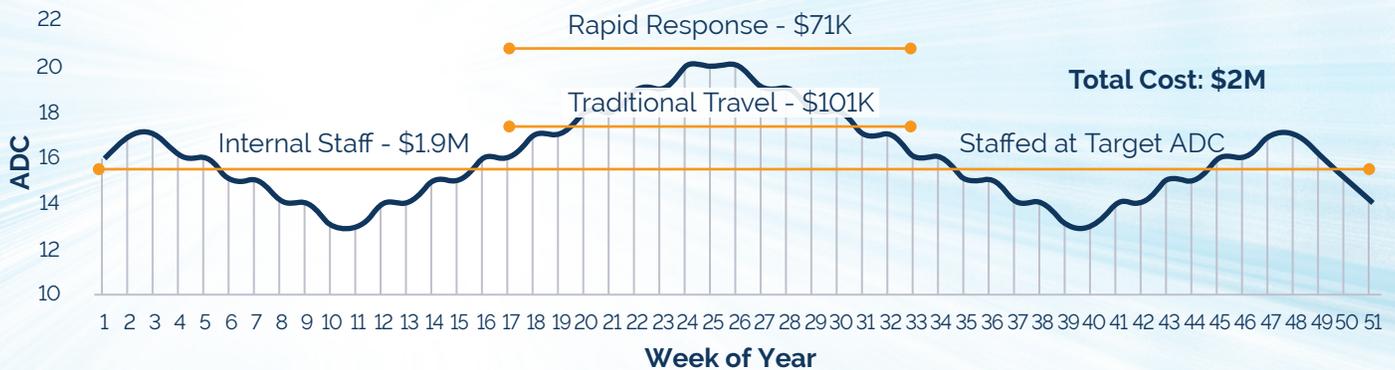


In Scenario 1 – Traditional Only, a hospital utilizes traditional travel nurses for census spikes above the average daily census for the year. In Scenario 2 – Traditional & Rapid Response®, a hospital modestly reduces traditional travelers and augments its staffing plan with Rapid Response® nurses. Scenario 2 yields a total nurse savings of approximately \$30K and a contingent nurse savings of 15%. See the Appendix for further details supporting this analysis.

FIGURE 3
SCENARIO 1 – TRADITIONAL ONLY



FIGURE 4
SCENARIO 2 – TRADITIONAL & RAPID RESPONSE®



ROCKET SHIPS AND REVISITING THE 70/30 MODEL

Elon Musk, the Silicon Valley entrepreneur and founder of Tesla, SunPower, and SpaceX, has been able to design and manufacture commercial-grade rockets for just 15% of the cost of the closest competitor.² One factor contributing to this outcome was improvements made by the consumer electronics industry over the preceding decades. These off-the-shelf, low cost technologies were *complementary* enablers of SpaceX's success.

Conversely, it is worth positing that the 70/30 staffing model (70% in-house staff, 30% contingent) failed in part due to a lack of such complementary industry attributes. Specifically, contingent nurse agencies did not deliver, hard-to-fill specialties remained vacant, and hospital float pools were difficult to manage. The Rapid Response® model changes the paradigm and opens the potential to revisit the 70/30 framework.



First, over 70% of Fastaff's placements are in hard-to-fill specialties, including NICU, PICU, CVICU, CVOR, ICU, ER, OR, Cath Lab, etc. Partnering with an agency who can reliably deliver in this area can help eliminate concern over keeping valuable beds filled and patients cared for. Second, the Fastaff Rapid Response® model guarantees delivery of a nurse, often in 10 days or less. For unexpected census spikes, changes to vacation, absences, etc., the comfort of a partner who can deliver *nurses on demand* in a time of need is invaluable. Finally, things change. Here, a four-shift cancellation notice with no fees is the ultimate insurance policy to scale down nurse capacity *at no cost*. These attributes are clearly relevant to the ongoing debate around achieving a more flexible operating model at a lower cost; collectively, these factors will deliver the foundation for a reliable 70/30 staffing model.

IN GOOD COMPANY

While finding oneself in the company of Sun Tzu, Jeff Immelt and Elon Musk may be a compelling proposition, we at Fastaff hope that the arguments made in this white paper challenge hospital executives to question the status quo and to remain curious about how to better solve their nurse staffing needs. As shown above, some straightforward arithmetic demonstrates that the Fastaff Rapid Response® model offers operational flexibility at an overall lower total cost of patient care. To be sure, these analyses are illustrative. As such, Fastaff would welcome the opportunity to analyze your raw data and quantify how the Rapid Response® model can benefit your organization.

To further discuss our savings model, contact our Client Services team by emailing HelpNow@Fastaff.com

1. Frost & Sullivan. "The Transformation of the American Hospital: 2015–2020."
2. Fernholz, Tim. "What it took for Elon Musk's SpaceX to disrupt Boeing, leapfrog NASA, and become a serious space company." Quartz Media. <https://qz.com/281619/what-it-took-for-elon-musks-spacex-to-disrupt-boeing-leapfrog-nasa-and-become-a-serious-space-company/>



Jason Godley

Jason Godley is the Chief Financial Officer of Fastaff Travel Nursing and U.S. Nursing Corporation. In leading the finance organization of one of SIA's Largest and Fastest Growing staffing companies, Godley calls upon nearly two decades of financial leadership across public accounting, investment banking and operations. Godley has extensive experience working with private-equity backed organizations, as well as M&A and capital raising, having completed over \$5.0 billion in transactions. His industry experience spans technology, data centers and healthcare staffing with significant time spent in Silicon Valley, Europe and Asia. Godley earned a BS in Accounting with honors from the University of Wyoming and an MBA with high distinction from the University of Michigan. He is also an iPEC Certified Professional (life) Coach.

As a former collegiate club rugby player, Godley has personally studied the Art of War from the scrum, with character-building doses of victory as well as agony.



Appendix

Assumptions

| Facility | |
|--|-----------|
| Unit | Telemetry |
| Beds | 20 |
| Average Daily Census (Target Staffing) | 16 |
| Hours Per Patient Day (HPPD) | 6 |

| Staff Nurses | |
|-----------------------------|----------------|
| Base Hourly Rate | \$41 |
| Benefits Burden/Staff Nurse | 15.0% |
| Benefits | \$6 |
| Total Rate/Hour | \$47.00 |
| OT Rate/Hour | \$70.49 |
| Average Shift Length | 12 |
| Number of Shifts/Day | 2 |

| Travel Nurses - Traditional | |
|-----------------------------|------|
| Average Shift Length | 12 |
| Number of Shifts/Day | 2 |
| Bill Rate | \$80 |

| Travel Nurses - Rapid Response® | |
|---------------------------------|-------|
| Average Shift Length | 12 |
| Number of Shifts/Day | 2 |
| Bill Rate | \$120 |

*Note: Assumptions illustrative and used for indicative analysis.
Bill rates indicative and reflect blended ST / OT rates.*



1 Quarter

Week

| Week of Quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Week of Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Beds | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Average Daily Census (ADC) | 16 | 16 | 17 | 17 | 16 | 16 | 15 | 15 | 14 | 14 | 13 | 13 | 14 |
| Target Staffing ADC | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Patient Hours/Shift | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Nurses/Shift | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Total Nurses/Day (24 hr period) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Total Nurse Cost/Day (24 hr period) | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 |
| Staff Nurse Cost/Week | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 |

Traditional Model

| | | | | | | | | | | | | | |
|-----------------------------------|-----|-----|-------|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Staffing Over/(Under) ADC | - | - | (1.0) | (1.0) | - | - | 1.0 | 1.0 | 2.0 | 2.0 | 3.0 | 3.0 | 2.0 |
| Nurses Needed/Shift | - | - | 0.25 | 0.25 | - | - | - | - | - | - | - | - | - |
| Total Nurses/Day Needed | - | - | 0.50 | 0.50 | - | - | - | - | - | - | - | - | - |
| Traditional Travel Staffed | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Traveler Cost/Day | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Traveler Cost/Week | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Total Traditional Model - Total Cost

Rapid Response® Model

| | | | | | | | | | | | | | |
|----------------------------------|-----|-----|-------|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Staffing Over/(Under) ADC | - | - | (1.0) | (1.0) | - | - | 1.0 | 1.0 | 2.0 | 2.0 | 3.0 | 3.0 | 2.0 |
| Nurses Needed/Shift | - | - | 0.25 | 0.25 | - | - | - | - | - | - | - | - | - |
| Total Nurses/Day Needed | - | - | 0.50 | 0.50 | - | - | - | - | - | - | - | - | - |
| Traditional Travel Needed | | | | | | | | | | | | | |
| Rapid Response Needed | | | | | | | | | | | | | |
| Traveler Cost/Day | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Traveler Cost/Week | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| RR Cost/Day | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| RR Cost/Week | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Total Rapid Response Model - Total Cost

Total Rapid Response Model - Total Cost

Note: For weeks 3, 4, 47 and 48, short staffing solved by alternative means.



2 Quarter

Week

| Week of Quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Week of Year | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| Beds | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Average Daily Census (ADC) | 14 | 15 | 15 | 16 | 16 | 16 | 17 | 17 | 18 | 19 | 19 | 20 | 20 |
| Target Staffing ADC | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| Patient Hours/Shift | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Nurses/Shift | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Total Nurses/Day (24 hr period) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Total Nurse Cost/Day (24 hr period) | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 |
| Staff Nurse Cost/Week | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 |

Traditional Model

| | | | | | | | | | | | | | |
|-------------------------------------|-----|-----|-----|-----|-----|---------|---------|---------|---------|----------|----------|----------|----------|
| Staffing Over/(Under) ADC | 2.0 | 1.0 | 1.0 | - | - | (1.0) | (1.0) | (2.0) | (2.0) | (3.0) | (3.0) | (4.0) | (4.0) |
| Nurses Needed/Shift | - | - | - | - | - | 0.25 | 0.25 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 |
| Total Nurses/Day Needed | - | - | - | - | - | 0.50 | 0.50 | 1.00 | 1.00 | 1.50 | 1.50 | 2.00 | 2.00 |
| Traditional Travel Staffed | - | - | - | - | - | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Traveler Cost/Day | \$0 | \$0 | \$0 | \$0 | \$0 | \$960 | \$960 | \$960 | \$960 | \$1,920 | \$1,920 | \$1,920 | \$1,920 |
| Traveler Cost/Week | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,720 | \$6,720 | \$6,720 | \$6,720 | \$13,440 | \$13,440 | \$13,440 | \$13,440 |

Total Traditional Model - Total Cost

Rapid Response® Model

| | | | | | | | | | | | | | |
|------------------------------------|-----|-----|-----|-----|-----|---------|---------|---------|---------|----------|----------|----------|----------|
| Staffing Over/(Under) ADC | 2.0 | 1.0 | 1.0 | - | - | (1.0) | (1.0) | (2.0) | (2.0) | (3.0) | (3.0) | (4.0) | (4.0) |
| Nurses Needed/Shift | - | - | - | - | - | 0.25 | 0.25 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 |
| Total Nurses/Day Needed | - | - | - | - | - | 0.50 | 0.50 | 1.00 | 1.00 | 1.50 | 1.50 | 2.00 | 2.00 |
| Traditional Travel Needed | | | | | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Rapid Response Needed | | | | | | | | | | 1.0 | 1.0 | 1.0 | 1.0 |
| Traveler Cost/Day | \$0 | \$0 | \$0 | \$0 | \$0 | \$960 | \$960 | \$960 | \$960 | \$960 | \$960 | \$960 | \$960 |
| Traveler Cost/Week | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,720 | \$6,720 | \$6,720 | \$6,720 | \$6,720 | \$6,720 | \$6,720 | \$6,720 |
| RR Cost/Day | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,440 | \$1,440 | \$1,440 | \$1,440 |
| RR Cost/Week | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,080 | \$10,080 | \$10,080 | \$10,080 |

Total Rapid Response Model - Total Cost

Total Rapid Response Model - Total Cost



3 Quarter

Week

| Week of Quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|-------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Week of Year | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 |
| Beds | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Average Daily Census (ADC) | 20 | 19 | 19 | 18 | 18 | 17 | 17 | 16 | 16 | 15 | 15 | 14 | 14 |
| Target Staffing ADC | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Patient Hours/Shift | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Nurses/Shift | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Total Nurses/Day (24 hr period) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Total Nurse Cost/Day (24 hr period) | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 |
| Staff Nurse Cost/Week | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 |

Traditional Model

| | | | | | | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----|-----|-----|-----|
| Staffing Over/(Under) ADC | (4.0) | (3.0) | (3.0) | (2.0) | (2.0) | (1.0) | (1.0) | - | - | 1.0 | 1.0 | 2.0 | 2.0 |
| Nurses Needed/Shift | 1.00 | 0.75 | 0.75 | 0.50 | 0.50 | 0.25 | 0.25 | - | - | - | - | - | - |
| Total Nurses/Day Needed | 2.00 | 1.50 | 1.50 | 1.00 | 1.00 | 0.50 | 0.50 | - | - | - | - | - | - |
| Traditional Travel Staffed | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | - | - | - | - |
| Traveler Cost/Day | \$1,920 | \$1,920 | \$1,920 | \$1,920 | \$1,920 | \$1,920 | \$1,920 | \$1,920 | \$1,920 | \$0 | \$0 | \$0 | \$0 |
| Traveler Cost/Week | \$13,440 | \$13,440 | \$13,440 | \$13,440 | \$13,440 | \$13,440 | \$13,440 | \$13,440 | \$13,440 | \$0 | \$0 | \$0 | \$0 |

Total Traditional Model - Total Cost

Rapid Response® Model

| | | | | | | | | | | | | | |
|---------------------------|----------|----------|----------|---------|---------|---------|---------|-----|-----|-----|-----|-----|-----|
| Staffing Over/(Under) ADC | (4.0) | (3.0) | (3.0) | (2.0) | (2.0) | (1.0) | (1.0) | - | - | 1.0 | 1.0 | 2.0 | 2.0 |
| Nurses Needed/Shift | 1.00 | 0.75 | 0.75 | 0.50 | 0.50 | 0.25 | 0.25 | - | - | - | - | - | - |
| Total Nurses/Day Needed | 2.00 | 1.50 | 1.50 | 1.00 | 1.00 | 0.50 | 0.50 | - | - | - | - | - | - |
| Traditional Travel Needed | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | | | | | | |
| Rapid Response Needed | 1.0 | 1.0 | 1.0 | | | | | | | | | | |
| Traveler Cost/Day | \$960 | \$960 | \$960 | \$960 | \$960 | \$960 | \$960 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Traveler Cost/Week | \$6,720 | \$6,720 | \$6,720 | \$6,720 | \$6,720 | \$6,720 | \$6,720 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| RR Cost/Day | \$1,440 | \$1,440 | \$1,440 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| RR Cost/Week | \$10,080 | \$10,080 | \$10,080 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Total Rapid Response Model - Total Cost

Total Rapid Response Model - Total Cost



4 Quarter

Week

| Week of Quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------------|----------|
| Week of Year | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 |
| Beds | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Average Daily Census (ADC) | 13 | 13 | 14 | 14 | 15 | 15 | 16 | 16 | 17 | 17 | 16 | 15 | 14 |
| Target Staffing ADC | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| Patient Hours/Shift | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Nurses/Shift | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Total Nurses/Day (24 hr period) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Total Nurse Cost/Day (24 hr period) | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 | \$5,263 |
| Staff Nurse Cost/Week | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 | \$36,884 |
| Total Annual Staff Nurse Cost | | | | | | | | | | | | \$1,915,900 | |

Traditional Model

| | | | | | | | | | | | | | |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-------|-------|-----|--------------------|-----|
| Staffing Over/(Under) ADC | 3.0 | 3.0 | 2.0 | 2.0 | 1.0 | 1.0 | - | - | (1.0) | (1.0) | - | 1.0 | 2.0 |
| Nurses Needed/Shift | - | - | - | - | - | - | - | - | 0.25 | 0.25 | - | - | - |
| Total Nurses/Day Needed | - | - | - | - | - | - | - | - | 0.50 | 0.50 | - | - | - |
| Traditional Travel Staffed | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Traveler Cost/Day | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Traveler Cost/Week | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Annual Traveler Cost | | | | | | | | | | | | \$201,600 | |
| Total Annual Traditional Model - Total Cost | | | | | | | | | | | | \$2,117,500 | |

Rapid Response® Model

| | | | | | | | | | | | | | |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-------|-------|-----|--------------------|-----|
| Staffing Over/(Under) ADC | 3.0 | 3.0 | 2.0 | 2.0 | 1.0 | 1.0 | - | - | (1.0) | (1.0) | - | 1.0 | 2.0 |
| Nurses Needed/Shift | - | - | - | - | - | - | - | - | 0.25 | 0.25 | - | - | - |
| Total Nurses/Day Needed | - | - | - | - | - | - | - | - | 0.50 | 0.50 | - | - | - |
| Traditional Travel Needed | | | | | | | | | | | | | |
| Rapid Response Needed | | | | | | | | | | | | | |
| Traveler Cost/Day | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Traveler Cost/Week | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Annual Traveler Cost | | | | | | | | | | | | \$100,800 | |
| RR Cost/Day | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| RR Cost/Week | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Rapid Response Cost | | | | | | | | | | | | \$70,560 | |
| Total Rapid Response Model - Total Cost | | | | | | | | | | | | \$2,087,260 | |

| | |
|-----------------------------|-----------------|
| Travel Nurse Savings | \$30,240 |
| % Savings | 15.0% |

