



STATEMENT OF RECORD PRESENTED TO

The House Committee on Veterans' Affairs
Subcommittee on Health
Subcommittee on Oversight and Investigation

Hearing On VHA Recruitment and Retention:
Is Bureaucracy Holding Back a Quality Workforce?

STATEMENT OF:

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May 17, 2023

Overview

I would first like to thank Mariannette J. Miller-Meeks, M.D., Chairwoman of the Committee of Veterans' Affairs Subcommittee on Health, and Jen Kiggans, Chairwoman of the Subcommittee on Oversight and Investigations, for the opportunity to submit this statement of record concerning the VHA's recruitment and retention processes and whether bureaucracy is holding back the recruitment and retention of a quality clinical workforce at VHA facilities.

Established in 1985, AMN Healthcare is the largest publicly traded healthcare workforce management, staffing and technology solutions organization in the United States, with over 250,000 placements of nurses, physicians and allied healthcare professionals in permanent and temporary positions made in 2022. We implement and operate a portfolio of integrated solutions and technology platforms that enable the talent acquisition process, drive compliance, and reduce costs, building a sustainable workforce and improving the patient experience. We have partnered with thousands of private sector, not-for-profit, and community-based hospital systems, medical groups, urgent care centers, retail clinics and other healthcare facilities nationwide, developing and executing technology-enabled healthcare staffing solutions on their behalf. Our clients include some of the largest and most recognizable healthcare organizations in the United States.

Over the course of 38 years of providing healthcare workforce management, staffing, and technology solutions, AMN Healthcare also has partnered with VHA facilities throughout the country. In the previous three and a half years, we have worked with 71 VHA facilities, either directly or as a subcontractor, staffing temporary physicians and advanced practice professionals such as nurse practitioners, physician assistants and certified registered nurse anesthetists. During that time, we filled approximately 3,600 provider days and estimate that providers placed by AMN Healthcare handled from 36,000 to over 54,000 patient encounters.

In addition, we have worked with hundreds of other government-sponsored or supported healthcare facilities. These include numerous Federally Qualified Health Centers (FQHCs), Indian Health Service (IHS) facilities, and Department of Defense facilities. In May 2021, AMN was awarded a prime IDIQ contract by the Federal Emergency Management Agency (FEMA) Eastern Zone to support a nationwide COVID-19 vaccination effort, which required us to demonstrate an ability to deploy at least 2,500 licensed medical professionals at any given time to various locations around the nation within 96 hours. This operation included medical personnel recruitment, vendor management technology, licensing and credentialing, predictive scheduling, travel/housing and transportation, and billing and reporting. Our fill rate of medical personnel was 98.2% for 228 unique Task Orders, successfully achieving FEMA's mission. AMN received an "Exceptional Rating," FEMA's highest rating designation, for this effort.

AMN Healthcare is nationally noted for its healthcare workforce management and staffing expertise and conducts a continuing series of surveys and produces white papers, speaking presentations, podcasts, and other initiatives to provide the healthcare industry with workforce trend data and insight. Given its expertise, AMN Healthcare has been invited to submit statements of record to House Subcommittees on two prior occasions.

Before commenting on VHA recruiting and retention practices specifically, I will first briefly address the current market conditions and context in which VHA and all other healthcare facilities seek to recruit and retain healthcare professionals.

Market Context: An Era of Workforce Shortages and Diminishing Access

Today, healthcare professional workforce management takes place within the context of growing worker shortages and patient access to care challenges. The Association of American Medical Colleges (AAMC) projects a shortage of up to 124,000 physicians by 2034 (*The Complexities of Physician Supply and Demand*, Association of American Medical Colleges, June 2021), while the consulting firm McKinsey projects a shortage of between 200,000 to 450,000 nurses by 2025 (*Assessing the Lingering Impact of COVID-19 on the Nursing Workforce*, McKinsey, May 11, 2022). AMN Healthcare survey data indicates that 85% of healthcare facilities are experiencing a shortage of allied healthcare professionals such as therapists, radiologic technologists, laboratory technologists and others (*Survey of Allied Healthcare Professional New Graduate Hiring Patterns*, AMN Healthcare, October 2022).

These shortages are contributing to patient access to care challenges, including increasingly prolonged physician appointment wait times. While the VHA has been cited in the past for long physician appointment wait times at some of its facilities, protracted wait times also are prevalent in the private sector. In its 2022 *Survey of Physician Appointment Wait Times and Medicare and Medicaid Acceptance Rates*, AMN Healthcare tracked the time it takes to schedule a new patient physician appointment in 15 large metropolitan areas. Averages for select specialties and metro areas are cited below:

Average Physician Appointment Wait Times in Select Specialties and Cities

Metro Area	Specialty	Time in Days
Portland	Cardiology	49
Minneapolis	Dermatology	72
Philadelphia	Obstetrics/Gynecology	59
San Diego	Orthopedic Surgery	55
Boston	Family Medicine	40

Source: *Survey of Physician Appointment Wait Times and Medicare and Medicaid Acceptance Rates*. AMN Healthcare. October 2022

The average wait time to schedule a new patient physician appointment for all cities and all specialties is 26 days, up by 8% from 2017 and up by 24% from 2004, the first year the survey was conducted. It should be noted that expanding physician appointment wait times are being experienced in large metro areas that features some of the highest ratios of physicians per capita in the country. It may be presumed that physician appointment wait times are longer in areas with fewer physicians per capita.

Workforce Volatility and Increasing Competition for Healthcare Professionals

Shortages of healthcare professionals have been endemic in the U.S. for a number of years and are unlikely to abate for the foreseeable future.

What is new is the sharply spiking volatility within the existing healthcare workforce. The COVID-19 pandemic saw a societal shift in how workers view their relationship to employment, with many reassessing how, when and where they work, and often opting to leave their current jobs.

The resulting “Great Resignation” has been particularly acute among healthcare workers. In January 2023 there were 554,000 voluntary quits in the healthcare sector, with an annualized quit rate of 32%, according to the U.S. Bureau of Labor Statistics. AMN Healthcare survey data indicates that 30% of nurses are likely to leave the profession as a result of the COVID-19 pandemic. Only 40% of nurses plan to continue in their current roles. Among hospital employed nurses, the number planning to continue in their current role is only 15%, an alarming statistic for both VHA and private sector hospitals (*Survey of Registered Nurses*. AMN Healthcare. May 2023). Many physicians and other types of healthcare professionals have expressed a similar desire to either leave their profession altogether or seek a different employer or role.

As a result, employee turnover has become a major challenge for hospitals nationwide, with annual nurse turnover now at 27%, and physician turnover running at from 8% to 14% or more. In a 2022 survey conducted by the American College of Healthcare Executives (ACHE), hospital CEOs ranked personnel shortages as their number one concern, ahead of finances, which had been identified as their top concern for the previous 18 years.

Personnel shortages in healthcare are occurring at a time when a growing number of entities are competing for the services of a limited number of healthcare professionals. Major retail outlets are establishing large healthcare networks, while a rapidly growing number of urgent care centers, private equity groups and insurance companies also are vying for healthcare professionals, along with traditional private sector hospitals, medical groups and the VHA.

Worker shortages, turnover, and increased competition from new market entities have combined to create the most challenging and competitive healthcare recruiting environment in recent memory.

A National Healthcare Staffing Reassessment

Today we are seeing an environment in which healthcare organizations of all kinds, from large for-profit and not-for-profit health systems to individual physician offices, are reassessing their staffing practices and methods to align with rapidly evolving market conditions. They are seeking to make the recruiting process more efficient and user friendly, the onboarding process more seamless, and working conditions more rewarding in order to attract and retain the best talent. The VHA is certainly not alone in its efforts to self-evaluate and to enhance its ability to recruit and retain a quality workforce in an increasingly competitive landscape and should be applauded for doing so.

I will now review VHA recruiting and retention practices as AMN Healthcare has observed them.

VA Facility Recruiting Methods and Challenges

In our work with VHA facilities, AMN Healthcare and its divisions have encountered several recurring challenges that have impeded our ability to recruit medical professionals.

The first and most important is the recruiting process itself, as administrated by the various VHA facility human resource departments. Given current market conditions, a sense of urgency and the ability to be agile is critical to recruiting success. Physicians, physician assistants, nurse practitioners, registered nurses and other healthcare professionals recruited by VHA typically also are receiving competing job offers from many other organizations.

The majority of VHA facilities with which we have worked remain hindered by the prolonged time needed to process candidates who have been selected for VHA employment through security and other bureaucratic requirements. Processing times at VHA facilities to receive clearance on hiring candidates often can run as long as six months. By contrast, efficiently run private hospitals typically turnaround the same level of paperwork in no longer than four weeks. In the private sector, this process often occurs concurrently with the recruiting process.

These waiting times do not include the process required to approve candidate interviews before a job offer is made. The process to approve candidate interviews may be channeled through four or five individuals who have a variety of duties and may not appreciate the urgency of approving physician interviews quickly. In AMN Healthcare's experience, it may take up to three months to schedule two to three interviews for the same position. It also may be difficult for candidates to submit required information, and their applications may be rejected without the candidate's knowledge for lacking certain information. Candidates simply do not hear back and assume they did not get the job.

Once recruitment is completed, credentialing healthcare professionals through the VHA adds considerable time to candidate onboarding. Private healthcare facilities also struggle to credential candidates efficiently, but the credentialing process at many of the VHA facilities with which we have worked is particularly cumbersome and often characterized by a lack of urgency and responsiveness.

Without an efficient, timely method for screening, credentialing, and responding to candidates, VHA is losing well qualified and motivated candidates to employers who do have such systems in place.

Compensation and Incentives

Compensation offered by VHA and other government affiliated healthcare facilities typically is less than what is offered in the private sector, a circumstance unlikely to change due to government budgetary constraints. However, given the other benefits VHA can offer, it can still be competitive as long as the compensation is reasonable within the current market range for the particular discipline and specialty, which often is not the case.

Compensation is particularly prone to fluctuations in the market for locum tenens physicians. Per diem rates paid to locum tenens physicians by specialty may vary significantly and change rapidly in short periods of time. In AMN Healthcare's experience, VHA facilities can be slow in acknowledging these fluctuations and distinctions in compensation among various medical specialties.

Since compensation is not likely to be the top selling point for VHA positions, it is necessary to communicate effectively to candidates that VHA opportunities have significant advantages that make them attractive even if salaries are not always commensurate to those in the private sector, a topic addressed below.

Strategic Staffing Model

It should be noted that the VHA's strategic staffing model, particularly as it applies to physicians, often is weighted toward the use of temporary/locum tenens physicians and against the recruitment of permanent physicians. Assignment lengths for locum tenens physicians at VHA facilities are typically six months and often longer, so that locum tenens physicians are, in effect, being used to fill permanent openings. However, this results in an expensive over-utilization of locum tenens physicians, who are intended to be a supplement to the permanent staff and not a long-term solution to staffing shortages.

In AMN Healthcare's experience, the VHA also appears to under-utilize advanced practitioners such as NPs and PAs in favor of a more physician-driven model. The use of NPs and PAs has rapidly accelerated in the private sector in order to address physician shortages and more efficiently allocate care in team-based delivery models.

RFP and Contracting Process

The VHA Request for Proposal (RFP) process can be an additional impediment to efficient recruiting. Once the open bidding period closes, it may take months for the contract to be awarded, during which time many candidates who have expressed interest in VHA work have moved on to other offers. Streamlining this process would create considerable efficiencies in cases where the VHA is working with contractors and subcontractors.

Opportunities for Process Improvement

Healthcare facilities nationwide that are grappling with staffing challenges are adapting new methods and technologies to streamline their recruiting process and enhance their recruiting and retention success. Many of these innovations also could be adapted by VHA facilities, including:

- **Proactive Workforce Planning.** Healthcare staffing at many hospitals and other healthcare facilities often is siloed by provider type, with no enterprise level plan to integrate physician, nurse, and allied healthcare professional staffing into one strategic effort, embracing both permanent and contingent staffing models. An integrated staffing plan can identify inefficiencies, appropriately allocate resources, and establish lines of communication and accountability to ensure consistent staffing plan implementation and evaluation.
- **Predictive Analytic Technology.** Advances in software allow healthcare facilities to accurately project their permanent, contingent, and float pool staffing needs by anticipating fluctuating patient demand. This technology has proven effective in reducing redundant staff scheduling, double-shifts, and over-time,

realizing significant cost savings, improving staff satisfaction and reducing burn-out.

- **Online Application Tools.** Prior to the pandemic, AMN Healthcare considered a 30-day window to accept and process healthcare provider applications for open positions to be efficient. Today, the entire process often takes as little as one day and is completed entirely by providers through hand-held devices driven by artificial intelligence that automatically matches open positions to candidate preferences. Through tools such as AMN Healthcare’s “Passport” mobile app, healthcare facilities can ensure the kind of rapid provider application process that is needed to secure candidates in today’s highly competitive market.
- **Accelerated Credentialing.** Online automation and standardization have allowed a growing number of healthcare facilities to reduce their credentialing process times from months to weeks or days.
- **Virtual Onboarding.** Similarly, the process of onboarding healthcare professionals and providing them with orientation and training was previously measured in weeks or months. Through virtual platforms, health systems can standardize and virtually deploy their onboarding and employee provisioning process to be completed in one to two days, significantly accelerating the presence of caregivers at the bedside, reducing costs and improving quality of care.
- **Telemedicine.** The COVID-19 pandemic also greatly spurred the adaptation of telemedicine, which has proven effective at distributing the workforce more efficiently and extending the healthcare providers reach, helping rural and other medically underserved areas. The hybrid practice model, which combines the best attributes of in-person care and telemedicine, has proven to be both efficient and popular with healthcare providers and patients. The option of practicing telemedicine, either full-time or in a hybrid model, is an increasingly important incentive healthcare facilities are using to recruit and retain candidates.
- **Employment Flexibility.** A growing number of hospitals today are experimenting with flexible staffing models intended to give their providers more flexibility and choice over where and when they choose to work. These may include internal staffing agencies and/or float pools in which hospitals offer nurses their own travel staffing platforms through which they can work temporary assignments, or scheduling apps that allow providers to choose their own schedules. Today, schedule flexibility and the ability to tailor a work setting to their interests is as important to candidates as competitive compensation – in some cases, more important.

The VHA Value Proposition

As was stated above, many healthcare professionals and workers of all types are reassessing where, when, and how they work. Healthcare professionals, in particular, are seeking alternatives to traditional work roles and settings. This creates an

opportunity for the VHA, which offers an attractive alternative for many healthcare providers who may not have previously considered VHA employment.

The VHA typically offers many of the job characteristics healthcare professionals seek, including set hours, generous vacation times, the security of government employment, an absence of reimbursement and practice management challenges, freedom from the stress of malpractice claims and personal financial liability, and, most important, a rewarding sense of mission. In AMN Healthcare's experience, these features are able to attract numerous mission-driven candidates once they are aware of them. The challenge for the VHA is to make its value proposition better known and to streamline its recruiting, credentialing, and onboarding process.

Conclusion

In closing I would like to state that while the institutional recruiting challenges VHA is facing are daunting, they are shared by many hospitals, health systems, and medical groups nationwide. Healthcare facilities in the private sector also struggle with implementing streamlined systems for processing candidates, with offering competitive incentives and with workforce attrition. The entire healthcare industry is putting renewed focus and priority on addressing personnel shortages, and therefore this is an opportune time for VHA to respond to these pervasive challenges.