Einstein RNs First Contract

Overview of the Einstein Nurses Top Priorities for the First Collective Agreement
Proposed Agenda

• Introductions
• Nurses First Contract Proposal Presentation
  – Welcome Questions from Management
• Proposals for Immediate Consideration
• Lunch Caucus
• Management Responses to Opening?
• Some Core PASNAP Proposals
• Dates/Location?
Patient-Centered Unionism

We are a patient-centered union of RNs who care equally about the patient care, our profession & our community.
Values-Based Reimbursements

• Because values-based reimbursements rest on patient care outcomes, nurses should finally matter as much or more now than doctors to the bottom line, not just the patients.
2016

Core Concepts, Principles and Context for Negotiations
“The authors found that exposure to each shift of below-target staffing or high turnover was related to a 2% to 7% increase in mortality, with higher levels of risk if the high-turnover or below-target shift occurred in the first 5 days after hospitalization. For patients who were not in an ICU, this risk was increased by 12% and 15% during below-target and high-turnover shifts, respectively.”

Improved Nurse Staffing = Safe, High Quality Care

“After adjusting for patient and hospital characteristics, each additional patient per nurse was associated with a 7% increase in the likelihood of dying within 30 days of admission and a 7% increase in the odds of failure-to-rescue.”

-- “Hospital Nurse Staffing and Patient Mortality, Nurse Burnout, and Job Dissatisfaction”, Linda Aiken, PhD, RN, et al., Journal of American Medical Association, October 23/30, 2002
Improved Nurse Staffing = Safe, High Quality Care

• “A multivariate analysis of nurse staffing and patient outcomes reported that when RN staffing is increased, there were significant improvements in patient mortality following a medical or surgical complication. Additional data showed a decrease in pulmonary embolism, deep vein thrombosis, and sepsis. Further data revealed that higher staffing was linked to shorter lengths of stay.”

Improved Nurse Staffing = Safe, High Quality Care

• “Studies have shown that increases in RN staffing levels in general hospital units have resulted in a reduction of 5.7% in patient days. The trend toward higher RN staffing levels has been shown to decrease avoidable never events such as inpatient falls and hospital-acquired pressure ulcers.”

Improved Nurse Staffing = Safe, High Quality Care

• “Adequate nursing care is essential for health care quality and safety. Nurses are in a good position to detect patient problems...which is one reason that nurse staffing, nurse work environments, and nurse education appear to have significant effects on patient outcomes. Nurse surveillance, which involves the ongoing observation, assessment, recognition and interpretation of patient data, is a critical component of nursing care”

Improved Nurse Staffing = Safe, High Quality Care

“[Nurse] staffing levels have been a factor in 24 percent of the . . . sentinel events that have been reported to the Joint Commission as of March 2002.”

Less Turnover=Patient Safety

- Hospitals with high turnover rates (22-44%) have longer lengths of stay and higher patient mortality rates.

Less Turnover=Reduced Costs

• The cost of replacing a medical surgical nurse and a specialty nurse is estimated at $42,000 and $64,000, respectively.

  -- “Reversing the Flight of Talent: Nursing Retention in an Era of Gathering Shortage,” Nursing Executive Committee, 2000

This means that turnover costs for 100 Full Time Equivalent RNs range from $4.2 million to $6.4 million.
Fewer Errors = Reduced Costs

Average cost of medication error: $4,000 per incident

Average cost of postop infection: $14,000 per patient
Better Staffing Will Make Nursing More Attractive

“There are more fully qualified nurses who are not working in their field than there are doctors who are working...the shortage could be over tomorrow if the job were more attractive.”

- Mary O’Neil Mundinger, Dr.P.H., R.N., Dean of Columbia University School of Nursing in “America’s Nursing Crisis.”

Womans Day, October 7, 2003
It’s About Retention!

• Nationally, 1 in 5 hospital nurses report that they are planning to leave in the next year -- 1 in 3 nurses below the age of 30.
It’s About Retention!

There is an almost perfect correlation between hospital employee satisfaction and patient satisfaction.

-- “The Satisfaction Report,”
Key Priorities & Issues for Negotiations
Staffing & Patient Care

• We are proposing Nurse-to-Patient Ratios patterned on the California ratios law, backed up by academic findings

• And in response to the most overwhelming finding in our contract surveys: persistently short staffing
Staffing

- Ratios are not “the” solution in our proposals, they are a floor from which we can begin to discuss many additional ways to enhance quality care
- And they are #1 on Einstein RN’s lists of priorities
Have Adequate Staffing?

53.3% Always
35.8% Usually
6.0% Sometimes
4.9% Never
Enough Ancillary Staff?

68% Yes

30% No
Rank Order Priorities

- **Fair Treatment and Transparent Policies**
  - Very Important: 33%
  - Important: 12%
  - Less Important: 20%
  - Least Important: 18%
- **Fixing equipment issues**
  - Very Important: 38%
  - Important: 13%
  - Less Important: 23%
  - Least Important: 17%
- **Safety concerns**
  - Very Important: 42%
  - Important: 15%
  - Less Important: 23%
  - Least Important: 12%
- **Improvements in system of scheduling time off**
  - Very Important: 24%
  - Important: 22%
  - Less Important: 21%
  - Least Important: 11%
- **Improvements in call out/attendance/sick time procedures**
  - Very Important: 28%
  - Important: 23%
  - Less Important: 24%
  - Least Important: 18%
- **Better Scheduling/Cancellation/Pulling Procedures**
  - Very Important: 25%
  - Important: 23%
  - Less Important: 20%
  - Least Important: 11%
- **Improved ability to take breaks/lunches**
  - Very Important: 22%
  - Important: 22%
  - Less Important: 20%
  - Least Important: 15%
- **Improved Staffing**
  - Very Important: 65%
  - Important: 21%
  - Less Important: 23%
  - Least Important: 15%
New Grad Retention

- The number one reason that RN graduates report leaving their first job is due to patient care concerns such as unsafe patient ratios, working conditions that are not conducive to safe patient care, and not having enough time to spend with patients.

Recruitment & Retention

• We need to focus equally on recruiting new grads and retaining Einstein’s nurses as we do on recruitment

• We need multiple mechanisms to support & reward longevity from the structure of pay to retirement
Health Care Plan

• The healthcare plan is too expensive
• Without enough choice
• And dangerous if you leave the area
Wages

• We need a fair wage scale that rewards experience (including longevity)

• And acknowledges that the cost of living has increased dramatically in the past few years
Differentials & Call

• We need a differentials & call incentives that acknowledge the trade-off & sacrifice when it comes to family & social time

• We need to improve the differentials we have to stay in-line with the market
Housing in Philly is Expensive

- The cost of housing in Philly is expensive and increasing
- 24% increase 2010-2015
Housing in Philly is Expensive

- The cost of housing in Philly is expensive and increasing

Consumer Price Index - All Urban Consumers

- **Series Id:** CUUR1A02SAH
- **Not Seasonally Adjusted**
- **Area:** Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD
- **Item:** Housing
- **Base Period:** 1982-84=100
Childcare Costs Rising

Cost of Child Care in the State of:

Pennsylvania

COST OF CHILD CARE IN CENTERS AND FCC HOMES

- Infant: $11,978 (Center), $7,966 (FCC)
- Four-Year-Old: $9,119 (Center), $7,148 (FCC)
Philly is Among Most Expensive Cities in USA-9th

- Philadelphia is the 9\textsuperscript{th} most expensive city in North America — just behind Los Angeles and ahead of Chicago, Seattle, and San Diego
- Cost of living is 20\% higher in Greater Philly than EPI’s median family budget area

Average Family Budget Breakdown in Greater Philly

- Housing: 17.8\%
- Food: 12.3\%
- Child care: 19.2\%
- Health care: 14.1\%
- Transportation: 9.2\%
- Other: 14.5\%
- Taxes: 12.9\%
### Public $ Public Benefit

#### Einstein Healthcare Network

**Payor Mix in Net Patient Revenue**

<table>
<thead>
<tr>
<th></th>
<th>Twelve Months Ended June 30</th>
<th>Nine Months Ended 03/31/16</th>
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<tbody>
<tr>
<td>Medicare (Fee For Service)</td>
<td>24.8%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Medicare (Managed Care)</td>
<td>18.8%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Medicaid (Fee For Service)</td>
<td>8.3%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Medicaid (Managed Care)</td>
<td>8%</td>
<td>20.7%</td>
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<tr>
<td>Independence Blue Cross</td>
<td></td>
<td>17.9%</td>
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<tr>
<td>Commercial Managed Care</td>
<td>8.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Self Pay</td>
<td>1.7%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Other</td>
<td>2.3%</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
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**Public Funds=67.5%**

**All other=32.5%**
Fitch Affirms AEHN: Outlook Stable (April 2016)

• “EHN is positioned well for a transition to more value-based contracts given its cost structure and quality indicators. Furthermore, EHN's partial ownership interest in a not-for-profit HMO, Health Partners of Philadelphia provides strategic and increasing financial benefits, especially in the Medicaid HMO market given the expansion of benefits under the program.”

https://www.fitchratings.com/site/pr/1002498
Fitch Affirms AEHN: Outlook Stable (April 2016)

• “Medicaid expansion has resulted in a 30% enrollment increase which has reduced bad debt and charity care costs and is providing a financial boost from EHN's joint venture HMO investment.”
• “Current year financial performance through six months is slightly ahead of the prior year period.”

https://www.fitchratings.com/site/pr/1002498
Fitch Affirms AEHN: Outlook Stable (April 2016)

• As a result of this growth strategy and strong physician relations, patient volumes, particularly at EMCM have been healthy. From fiscal 2012-2015, inpatient utilization (admissions plus observation stays) increased at a healthy compound annual growth rate of 2.6%. Over the same three year period, outpatient visits jumped at a 5.6% compound annual growth rate.
Fitch Affirms AEHN: Outlook Stable (April 2016)

• These volume trends are notable given the greater Philadelphia area's inpatient hospital use rate reductions. This has led to a strengthened market position, with EMCP's inpatient market share in its primary service area growing slightly to 18% in fiscal 2015, from 17% in 2013. For EMCM, inpatient market share jumped to 24% in fiscal 2015 from 17% in the first year after opening.
“Short Term Losses at ECMC, Long Term Growth”

“The large net loss for Einstein Medical Center Montgomery was due primarily to debt incurred in building the hospital, which opened in September 2012.”

John George, Philadelphia Business Journal

http://www.bizjournals.com/philadelphia/morning_roundup/2016/05/phc4-philly-hospitals-lost-money-einstein-medical.html
“Short Term Losses at ECMC, Long Term Growth”

• In a statement Philadelphia-based Einstein Healthcare Network, the hospital's parent company, said: 'As a new institution, losses were anticipated in operating income and planned for as volume increased in both inpatient and outpatient programs and services. The figures reflected in the PHC4 Financial Analysis 2015 are due to the refinancing of the FHA bond debt that was used to build Einstein Montgomery.”

http://www.bizjournals.com/philadelphia/morning_roundup/2016/05/phc4-philly-hospitals-lost-money-einstein-medical.html
Our Standards as Philly Standards

- DCMH
- Hahnemann
- St Christopher’s
- Einstein
- Temple
Magnet

• High quality patient care outcomes and empowered, satisfied staff RNs are key ingredients to achieving real Magnet Status

• We think our proposals help facilitate the final accreditation
Values-Based Reimbursements

• “I know we are capable of doing better and we need to do better.”

• “We owe it to ourselves, and we owe it to the patients who count on us every day for quality, compassionate care.”

• Ruth Lefton, COO, 8-2-16 on the 2 Star CMS rating
Values-Based Reimbursements

- Nurses matter as much or more now, not just doctors
- Our proposals are aimed at improving the financial health because for the first time, the reimbursement system will start to value outcomes and that’s nursing care above all else
Let’s Work Together

Einstein
HEALTHCARE NETWORK
More than Medicine

PASNAP
Pennsylvania Association of Staff Nurses & Allied Professionals