

Request for Board Action Details

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| Title: | Bonuses and Financial Incentives to Hire and Retain Registered Nurses at the Ramsey County Care Center | | |
| Sponsors: | Social Services | | |
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| Attachments: | 1. Resolution | | |

| Date | Ver. | Action By | Action | Result |
|------------|------|------------------------|----------|--------|
| 11/16/2021 | 1 | Board of Commissioners | approved | Pass |

Sponsor: Social Services

Title
Bonuses and Financial Incentives to Hire and Retain Registered Nurses at the Ramsey County Care Center

Recommendation

1. Direct the County Manager to develop and communicate to the Ramsey County Board of Commissioners a short-term plan that is focused on serving current residents without a concern for increasing census to maximize revenue during the current COVID-19 wave of increased transmission and human impact.
2. Direct the County Manager to develop long-term recommendations, to be presented to the Ramsey County Board of Commissioners in a workshop during the first quarter of 2022, regarding Care Center operations beyond the short-term plan to managing through the current COVID-19 wave of increased transmission.

Background and Rationale

The [Ramsey County Care Center \(RCCC\)](https://www.ramseycounty.us/residents/assistance-support/assistance/seniors/ramsey-county-care-center) <<https://www.ramseycounty.us/residents/assistance-support/assistance/seniors/ramsey-county-care-center>> is a nursing home facility that provides long-term and transitional care services. RCCC is a critical element of the healthcare continuum, creating patient choice for those leaving a higher level of care. RCCC is required, based on the case mix rating of each resident, to have a minimum staff to resident ratio. In the past, RCCC has contracted with temporary staff to meet the minimum staffing ratios and has also offered shift incentives when nursing staff pick up unscheduled shifts to cover nursing shortages.

Hiring and retaining nursing staff has been challenging in the past, and the COVID-19 pandemic has exacerbated the problem as the availability of healthcare professionals has reached unprecedented shortages across the state and in the country. The long-term staffing shortage has impacted RCCC's intake, patient care and its ability to operate at full capacity. RCCC has not been at full capacity since March 2020.

With a full complement of Registered Nurse (RN) staffing, RCCC could serve as many as 135 individuals. RCCC currently has an ongoing shortage of six to ten nurses, and occupancy is capped at roughly 109 individuals. By limiting bed capacity, RCCC has had to turn away hospital referrals. During a six-day period

ending in July 2021, the number of hospital Transitional Care Unit referrals that were turned away represented an estimated loss in monthly revenue of \$129,600. The current healthcare crisis and hospital referral patterns support an increase in nursing staff to ensure RCCC is operating at full capacity and is not losing revenue.

Over the last year, RCCC has sought to hire and maintain qualified nursing staff through direct hire, nursing pool agencies and website postings. In 2021, Human Resources supported RCCC administration in an application, review and interview process that resulted in 12 job offers and zero hires. While the RCCC RN pay range may be in line with other organizations, many have added incentives or reach past salary mid-range to compete in the current market. On August 12, 2021, there were over 2,500 jobs for RNs within 25 miles of St. Paul posted online. The *Indeed.com* job search website revealed that Long-Term Care, Transitional Care Facilities, Home Health Care, Hospitals and RN Staffing agencies were offering hiring incentives including sign-on bonuses ranging from \$6,000 to \$20,000, as well as weekend and on-call differentials, and pick-up shift incentives ranging from \$4 to \$10 per hour for nurses.

RCCC administration recommends the following financial incentives to hire and retain RNs in the current, very competitive market be offered applicable through 2022 with the option of continuing in 2023 based on increased revenue:

1. Offer RNs a "Sign-on Bonus" of up to \$8,000 paid out over 2 years as follows:
 - a. Upon Hire: \$1,000
 - b. 6 months: \$1,500
 - c. 1 year: \$2,000
 - d. 2 years: \$3,500
2. Offer a referral bonus for all RCCC employees who source the successful hiring of RNs up to \$1,000 paid as follows upon agreement between the Union and Employer as outlined in a Memorandum of Agreement:
 - a. 6 months: \$500
 - b. 1 year: \$500
3. Offer an incentive for unscheduled shifts picked up as follows:
 - a. RNs (excludes temporary and Licensed Practical Nurses) paid a \$5.00 per hour differential (\$40 for 8-hour shift) for unscheduled shifts picked up when the employee works an open shift in addition to their regular schedule at the request of RCCC Administration, Director of Nursing, or Designated Authority.

County Goals (Check those advanced by Action)

☒ Well-being

☐ Prosperity

☒ Opportunity

☐ Accountability

Racial Equity Impact

RCCC serves individuals who are referred from hospitals and need admittance for skilled nursing services. Currently, 82% of admissions are Ramsey County residents, 12% are Washington County residents, and 6% are residents of other counties. The majority of staff (59% of 206 individuals) are also Ramsey County residents. The current staff is comprised of 51% who identify as racially and ethnically diverse and 49% who identify as White. Once approved, this action will improve terms and conditions of employment that support attraction and retention of a diverse workforce.

Community Participation Level and Impact

RCCC is a critical part of the hospital to home continuum of care. Hospitals depend on Transitional Care Units to receive eligible patients 24 hours a day, seven days a week. This patient flow priority allows patient and family choice, timely discharge from the hospital to community care, financial stewardship of funds, and the guarantee of the right level of care at the right time. RCCC can best serve the community when it is operating at full capacity.

RCCC Administration and Labor Relations met with the impacted labor union bargaining units regarding the referral bonuses to be offered to all represented and unrepresented employees at the RCCC who refer an RN who is hired by the RCCC. A Memorandum of Agreement outlining the referral bonus has been provided to AFSCME Local 1076, Local 151, and Local 8 as well as the Operators and Boiler Union Local 70, and these unions will engage their internal approval processes by a vote of membership.

☒ Inform ☒ Consult ☐ Involve ☐ Collaborate ☐ Empower

Fiscal Impact

RCCC is a Cost Reimbursement Facility and revenues are maximized when it is operating at full capacity. The current nursing shortage has capacity capped at 109 beds. It would take four additional RNs to increase the number of beds to 115; to increase the number of beds to 120, six additional RNs would be needed.

The three fiscal components of the Request for Board Action are.

- Bonus incentives for the new nurses (the payment of which is spread over a two-year window).
- Referral bonuses for RCCC staff who source the successful hiring of nurses (payment of which is paid over one-year period).
- An offer of monetary incentive to RCCC RN staff for unscheduled shifts picked up, proposed at \$5 per hour/shift picked up.
- The three incentives will be reevaluated between department and Finance on an annual basis.

The first two components were factored into the table below; however, the third component was not because it was much harder to come up with an estimated projection of shift differential trends/history (RCCC has trouble having staff pick up hours so no existing history to work with, hence the need for incentive).

| | Additional New Transitional Care Unit Clients | Estimated Monthly Revenue Generated per Nurse | Estimated Monthly Revenue Generated Based on Number of Nurses Hired | Cost of Hire (Salary, Benefits, Bonus, O & Referral Bonus) Year 1 | Cost of Hire (Salary, Benefits, Bonus & OT) Year 2 | Breakeven Point When Revenue Generated per Nurse Covers Expense of New Hires |
|---|---|---|---|---|--|--|
| Scenario #1 Hire 4 Nurse & Increase # of Beds to 11 | 6 | \$18,135 | \$72,540 | \$539,238 | \$531,238 | 7.5 months |
| Scenario #2 Hire 6 Nurse & Increase # of Beds to 12 | 11 | \$22,165 | \$132,990 | \$808,858 | \$796,858 | 6.1 months |

NOTE: It is estimated to take four weeks to hire, another two weeks to orient and on-board, and one-two weeks to get in position and be fully integrated.

County Manager Comments

No additional comments.

Last Previous Action

On December 22, 2020, the Ramsey County Board approved an hourly shift incentive for unclassified nursing department employees who pick up an unscheduled shift (Resolution B2020-266).

On March 24, 2020, the Ramsey County Board approved master contracts for temporary nursing services (Resolution B2020-067).

On April 16, 2019, the Ramsey County Board approved a temporary expansion of nursing department additional compensation (Resolution B2019-089).

Attachments

1. None.