Health care and the economy

With elective surgery down, ORs reduce hours, try to avoid layoffs

The recession is bringing changes in OR staffing. Managers who have seen elective surgery fall are asking staff to reduce their hours and trying to avoid layoffs. Vacant positions, once hard to fill, are evaporating. Some veteran nurses are postponing retirement.

Major elective procedures in orthopedics and spine could decline by double digits in 2009, according to one forecast (sidebar).

The impact of the economic downturn varies by area of the country. But there are common threads: Staffs worry about their jobs, and managers are under intense pressure to meet productivity numbers.

“The effect really depends on the geographic location and size of hospital—you can’t generalize,” says Lilee Gelinas, RN, MSN, FAAN, vice president for nursing, for VHA Inc, the 1,400-member hospital alliance.

The biggest impact she is seeing is involuntary reductions in hours for full-time employees.

“The 40-hour employee is being pushed back to 32 hours and the (biweekly) 80-hour employee to 72 hours,” she told OR Manager. RN vacancy rates have fallen to 1% or 2% or even to 0% in some areas.

“Traveling nurses have taken full-time jobs. Part-timers have gone full time. Nurses who planned early retirement have delayed that,” Gelinas says. Cutbacks of ancillary personnel mean nurses must perform extra duties like transporting patients and making trips to the pharmacy.

Though the recession’s impact is uneven, Gelinas says the psychological effect is being felt everywhere—staff members are feeling vulnerable. She advises nurse leaders to take steps to listen and support them (sidebar).

OR managers adjust

OR managers whose volumes have dropped are also coping by not filling vacancies, reducing staff hours, and taking steps to avoid layoffs.

In Peoria, Illinois, big-equipment manufacturer Caterpillar Inc, which employs 2,800 workers, has had rolling layoffs. OSF Saint Francis Medical Center has seen its elective volume fall, but the ORs have not had layoffs.

“We are calling staff off and asking them to leave early. We’re having to make adjustments almost daily,” says Shelly Cunningham, RN, BSN, CNOR, clinical manager of surgery.

Up and down in Ohio

Ohio illustrates the varying local impact. The state’s jobless rate in February was 9.4%, compared to 8.1% nationally, but ranges widely from 18% to 6.3%, depending on the county.

In Zanesville, Ohio, east of Columbus, surgery was up by 100 cases over a year ago for the Genesis HealthCare System, though the county’s unemployment is at 12.9%.
“We’ve been pairing with the physicians and have recruited a new neurosurgeon,” says Lisa Fordyce, RN, MHA, CNOR, director of surgical services for 13 ORs located on 2 campuses. She was trying to fill 3 vacancies, for an RN, surgical technologist, and OR assistant.

The picture is different for Akron General Medical Center, a Level I trauma center with 18 ORs in Akron in northeast Ohio, where surgical volume was down by 2% compared to the same period last year.

“We thought it would be off in orthopedics and maybe some GYN, but we are seeing it in most services,” says the director of surgical services, Patricia Stedman, RN, MSHA, FACHE.

The local economy is depressed. “We are similar to southeastern Michigan. We’ve lost a lot of manufacturing over the years,” she says. Akron is also in a highly competitive health care market between Cleveland and Pittsburgh.

Stedman is hearing from physicians’ offices that people are putting off elective surgery because they don’t want to be away from work. They worry their job won’t be there when they get back.

She has adjusted to the lower volume by reallocating OR block time and condensing cases into 16 staffed rooms, with 1 available for emergencies.

The OR’s PRN pool has dried up as nurses who were not getting enough hours have sought steadier work, a potential problem when she needs to flex staffing up again.

Though the health system recently laid off 145 FTEs, Stedman has been able to adjust OR staffing by not filling 3.5 FTE vacancies. With a unionized staff, managers are restricted in reducing staff hours, but volunteers are always willing to go home early.

A volunteer list

A voluntary furlough plan helps in adjusting staffing at Lehigh Valley Hospital-Cedar Crest, a Level 1 trauma center in Allentown, Pennsylvania. Having worked hard on recruitment and retention, OR leaders wanted a plan that could help them adjust yet keep staff satisfaction high through volume fluctuations. The idea for the voluntary furloughs came from the department’s professional practice council.

To be proactive, managers post the schedule a week in advance and ask for volunteers to take time off if needed. Volunteers are sought from the 3 shifts and from full-time, part-time, and per diem staff.

“When we finalize the surgical schedule at 12 noon the day before, we look at the volume, look at the volunteers, and staff accordingly,” says Tammy Straub, RN, MSN, CNOR, CRNP, administrator of preoperative services. Staff are asked to be flexible. For example, if a person does not want to be furloughed, and someone is needed on the night shift, the person is asked to take that shift.

With the volunteer list, furloughs don’t fall disproportionately on the same shift or groups of staff.

“This has helped us to meet department needs while maintaining staff retention and satisfaction,” Straub says.

First assistants and productivity

One challenge managers are facing in meeting productivity numbers is surgeons’ requests for first assistants, notes Kathleen Miller, RN, MHSA, CNOR, senior perioperative clinical consultant for Catholic Health Initiatives (CHI), a Denver-based system with 80 hospitals in 20 states.
Hospital executives don’t always understand that the assistants are necessary to recruit and retain surgeons. OR directors need to be prepared to defend that, she says. One hospital was able to woo a new surgeon, partly because it promised him an assistant.

“The procedures he does would bring in $2 million a year, and an assistant costs $60,000 to $70,000. Why wouldn’t you want to do that?” she asks.

Nationally, CHI has reduced positions by about 1,200 since December 2008, through layoffs, reducing hours, and not filling vacancies.

Miller is advising CHI’s perioperative directors on ways to reduce staffing with the hope of avoiding layoffs.

One option is to ask full-time staff to reduce hours by 0.2 FTE for the time being. “Then as your volume increases, you may be able to bring them back. Of course, you still have to pay benefits,” she says.

Another suggestion is to consider reducing staff in support roles like clerical personnel, transporters, and nursing assistants. Another tactic is moving service line coordinators back into full-time OR positions instead of filling vacancies.

Nurses flock in

Managers used to recruiting difficulties are suddenly seeing a shift in nurses’ behavior.

DeNene Cofield, RN, BSN, CNOR, says she recently had 25 applicants for one same-day surgery position in her organization, Tanner Health System in Carrollton, Georgia, near Atlanta.

“People are flocking in from ambulatory surgery. They say they can’t get their hours in. They want to come here for overtime or extra hours.”

She’s concerned health care hasn’t seen the full brunt of job losses on surgery yet. Many laid-off workers still have COBRA health care coverage, which doesn’t expire for 18 months.

Avoiding RN layoffs

A national expert on the nursing workforce, Peter Buerhaus, RN, PhD, FAAN, of Vanderbilt University, says he thinks hospitals will do everything they can to prevent RN layoffs.

Research over the past few years has shown nursing makes a difference in the quality of care.

“If you increase the numbers and kinds of nurses in your institution, you decrease the risk of poor outcomes,” he says.

Those findings could play to nursing’s advantage at a time when hospitals are under economic pressure to reduce adverse events.

A major question is whether hospitals will maintain the managerial and ancillary support that enables nurses to continue providing care effectively.

—Pat Patterson
Supporting the staff

Three issues to address, suggested by VHA’s vice president for nursing, Lillee Gelinas, RN, BSN, MSN, FAAN:

Offer employee assistance

Make sure employees know the hospital’s employee assistance program is available for counseling and support.

Keep listening

Stay close to the pulse of the workforce with open forums and listening sessions.

Unions are using this as a time to capitalize on staff worries.

“Some unions are saying, ‘If you had a union in here, they wouldn’t be able to reduce your hours,’” Gelinas notes.

Put ‘stuff before staff’

Has the OR done everything it can to reduce supply costs? Is the cost of physician preference items like orthopedic implants being addressed?

“You are seeing hospitals confronting physician preference items now even more,” she says.

Many physicians are realizing their product choices have an impact on the hospital’s costs and could affect the staff’s employment.

Forecast for elective surgery

The major elective procedures, orthopedics and spine, could decline by 13% and 20% in 2009 compared with 2008, according to a forecast from Sg2, a Chicago-based company.

Outpatient surgery, down by 5% by the end of 2008, could be down by more than that this year, Sg2 and others predict.

Patient visits to physician offices were also off by about 22% by the end of 2008, meaning fewer patients are entering the health care system and potentially deferring surgery. An increasing number of patients are accessing care through the emergency department.

But the impact is varied.

“We have heard mixed reactions from clients across the country,” says Steve Miff, PhD, vice president at Sg2.

“Some are doing well and are able to maintain or even grow volumes. Others are very much challenged and have seen a decrease in inpatient and outpatient surgery.” The impact depends on the local economy, competition, and consolidation.