

ASA American Staffing Association

Insights and Trends in Allied Health Care Staffing

ASAP^{Pro} WEBINARS

June 27

ASA American Staffing Association

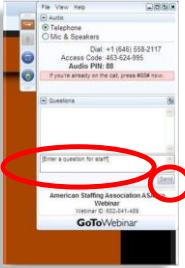
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 - Type your questions into the Questions panel and click Send.





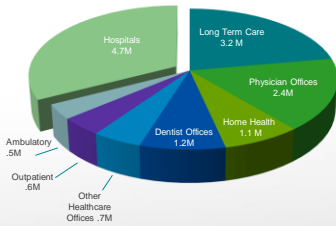
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Healthcare Employment in the Industry



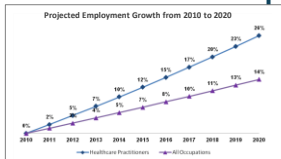
- 14 Million people employed in the Healthcare Industry in the United States
- Includes non-medical personnel
- Hospitals employ 34% of the total
- Healthcare Staffing expected to be a 10 billion dollar industry in 2013

Source: Bureau of Labor Statistics, 2011 industry report

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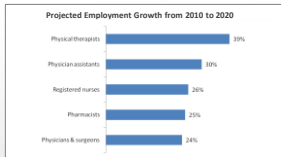


Healthcare Employment Growth



Long-term macro growth drivers:

- Aging Baby Boomers
- Increasing life expectancy
- Technology advances
- Healthcare reform



Healthcare labor shortage in 2025:

- Physician shortage: 130,600
- Registered nurse shortage: 260,000

Source: Bureau of Labor Statistics, August 2012; BLS Monthly Labor Review January 2012; Association of American Medical Colleges, October 2010; Buerhaus, Peter, Health Affairs June 2009

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Healthcare Employment in the Industry

5 Year Growth Projections

INDUSTRY SECTOR			
Total Healthcare	11%	Diagnostic Labs	14%
Home Health Care	32%	Physician Offices	10%
Outpatient Care	27%	Long Term Care	10%
Ambulatory Care	16%	Dentist Offices	7%
Mental Health	15%	Hospitals	7%

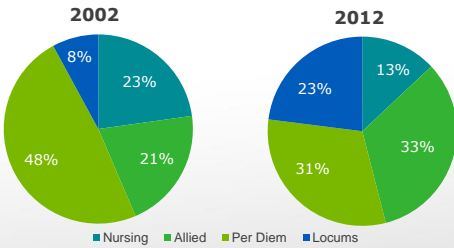
Source: Bureau of Labor Statistics, 2011 industry report

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Health Care Professions

Over the past ten years, the Allied healthcare staffing market has grown to reflect an increasingly larger percentage of the overall healthcare staffing market. In 2012, Allied is projected to be the single largest staffing segment for the first time since tracking the data in 2002, representing 33% of the overall market.



Source: Staffing Industry Analysis



Allied Health Professions

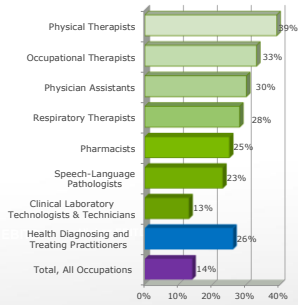


Allied Health is used to identify a cluster of health professions, encompassing as many as 200 health careers:

- 5 million allied health care providers in the U.S.
- More than 80 different professions
- Approximately 60% of all health care providers work in the allied space
- Allied health is involved (directly or indirectly) with patient health
- Some allied health professionals practice independently, others work as part of a healthcare team.



Projected Outlook of Top Allied Occupations

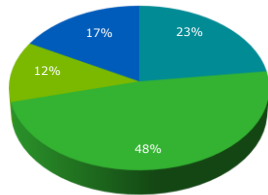


Source: Employment Projections Program, U.S. Department of Labor, U.S. Bureau of Labor Statistics.

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PT/OT Demand By Setting 2013

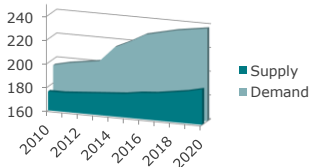


■ Acute Care ■ Skilled ■ Outpatient ■ HHC

11 APTA 2012 projection using an attrition rate of 3.5%.



Physical Therapy Supply / Demand



By 2020, the Bureau of Labor Statistics (BLS) projects physical therapist employment growth of 39%

Existing Jobs: 185,440
 Number of Jobs added by 2020: 77,400
 Unemployment Rate: 1.8%

APTA 2012 projection using an attrition rate of 3.5%.



Occupational Therapy Workforce



The U.S. Department of Labor's Bureau of Labor Statistics projected employment of occupational therapists to increase by 33% between 2010 and 2020

Existing Jobs: **108,800**
 Number of Jobs added by 2020: **36,400**
 Unemployment Rate: **0.4%**

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Therapy Current State



Impact of Legislation:

October 1, 2012	Cap
4 major changes listed below make up the majority of the impact:	January 1, 2013 New reporting requirements
	March 1, 2013 Sequestration
	April 1, 2013 Multiple Procedure Payment Reduction (MPPR)

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Drivers of Increased Demand for Advanced Practice Providers

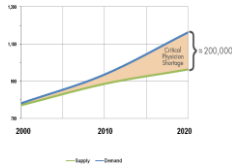
- Healthcare Delivery Model Changing – Physician-Centric vs. Team Based Care
- Healthcare Reform – Expanded Access to Healthcare
- Physician Shortage – Need to Fill in the Gap
- Lower Cost



Team based medical care = better patient outcomes



Expanded Access to 32 million people



Source: US Department of Health and Human Services, Physician Supply and Demand Projections, 2006

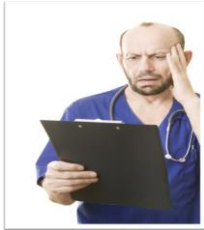
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Health Reform

How Many More Primary Care Doctors Needed?



32 million newly insured patients
 X
 2 additional patients visits per year
 =
64 million patient visits
 divided by
 4,000*
 =
16,000 additional primary care doctors

Source: MGMA (Primary Care doctors average 4,000 patient encounters/year)

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Physician Shortage

Residency Choke Point



Medical School Enrollment: 18,000+ and growing
 Residency: 25,000 and stagnant
 In practice: **Negative growth by 2016**

Looming Shortages



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Source: Association of American Medical Colleges



Physician Shortage

A Fragmented Workforce

- ✓ Full-time
- ✓ Part-time
- ✓ Hospital based
- ✓ Practice based
- ✓ "Remote" (telemedicine)
- ✓ International Medical Graduates
- ✓ Employed
- ✓ Independent
- ✓ Concierge
- ✓ Locum Tenens



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Source: The Physicians Foundation - A Survey of America's Physicians: Practice Patterns and Perspectives - Sept 2012



Physician Shortage Fewer Hours Worked



- Physicians see 16.5% fewer patients per day than in 2008
 - 100 million fewer patient encounters
- Physicians work 6% fewer hours
 - Equivalent to loss of 44,250 FTEs
- Paperwork consumes 22% of MD time
 - Equivalent to loss of 165,000 FTEs
- Employed physicians see 17.35% fewer patients per day than "owners"
- Female Physicians see 13.7% fewer patients per day than males
- Physicians less than 40 see 4% fewer patients than those over 40

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Source: The Physicians Foundation - A Survey of America's Physicians: Practice Patterns and Perspectives - Sept 2012



"Mid-Level" Becomes "Advanced Practice"

- Nurse Practitioners
- Physician Assistants

- Certified Nurse-midwives
- Certified Registered Nurse Anesthetists
- Clinical Nurse Specialists
- Doctors Of Oriental Medicine
- Homeopathic Physicians
- Medical Psychologists
- Naturopathic Physicians
- Optometrists
- Pharmacists



Nurse Practitioners and Physician Assistants

Represent Two of the Fastest Growing Occupations in Healthcare

- PA - Top 10 jobs in Healthcare*
- 37% projected growth in PA by 2018*
- 13% projected growth in NP by 2018*

*Source: - NY Times - April 2011 - salary and growth rate
BLS Occupational Outlook Handbook - October 2011

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Is Advanced Practice the Answer?

- Extending Capacity

- Increased Access to Care - Extend Work Hours
- Improved Quality of Care - More Time with Patient
- Increased Volume of Patient Encounters

- Observing Cone of Complexity

- Physicians Focus on Patients with More Complex Conditions
- Pre-op or Post-op Care, Follow Up

- Increasing Patient Satisfaction

- Quality Measures (ACO's)
- Reduced Wait Time
- Preventing Readmissions Through Follow Up



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Source: Association of American Medical Colleges



Cost Effective



- ACO's - Pay for Performance

- Volume of Population/Patients
- Efficient Teams
- Proven Quality Measures

- Efficient Processes (Physician-Centric vs. Team Based)

- More Patients Seen
- Residents Hours Reduced to Improve Quality
 - NP's/PA's Supplement - Improve Quality

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Cost Effective

-Recruitment/Retention of Physicians

- Team Based Model is Now Widely Accepted
- Utilized in Medical Schools
- Work Life Balance

- Revenues Generated at Lower Compensation



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Evolving Adoption - Barriers

- Lack of Role Clarity

- Prescriptive Authority
- Ordering Procedures
- Interpreting Tests
- Supervisory Guidelines
 - State
 - Federal
- Scope of Practice
- Turf Wars
- Quality Perceptions



- Physician Adoption

- Patient Adoption/Acceptance

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Deficits Expected in NP and PA Supply

83,000 Physicians Assistants
2/3 in Specialties
1/3 in Primary Care
Median Salary: \$91,000

155,000 Nurse Practitioners
75% in Primary Care
25% in Specialties
Mean Salary: \$93,310



A 20% Deficit of by 2025

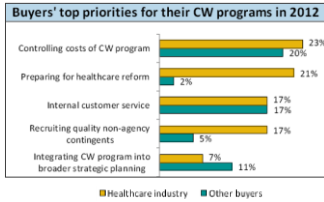
Source: American Academy of Physician Assistants, American Academy of Nurse Practitioners, "Physician shortage isn't the only looming one," Advance for Nurse Practitioners & Physician Assistants, July 28, 2011



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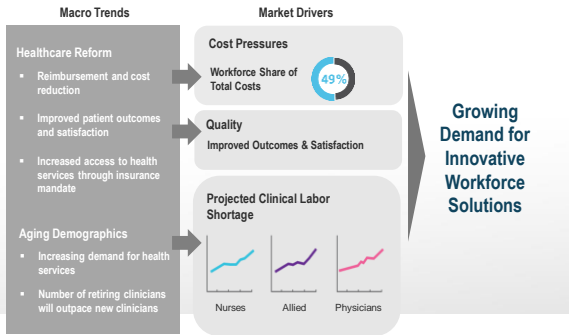
Healthcare Buyers Top Priorities in Contingent Labor Management

- Healthcare Buyers much more concerned with preparing for healthcare reform
- Less awareness and application of contingent labor programs than other industries
- Increase importance on recruitment of quality candidates for core labor need.



Source: 2012 SIA Healthcare Buyers Survey – North America

Forces Driving Increased Opportunity



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Significant Penetration in MSP & RPO Expected

Solution	In place	Planned in next 2 years	No plans
Recruitment process outsourcing (RPO)	20%	30%	50%
Managed services programs (MSP)	10%	30%	60%
Vendor management systems (VMS)	50%	38%	12%

Key Benefits of Outsourced, Centralized Staffing & Recruitment Model:

- **Increased fill rates** and accountability
- Achieves **better spend management** through:
 - Efficient mix of labor
 - Eliminate "maverick spend" through central reporting
 - Standard bill rates and contract terms
- **Reduced SG&A** through streamlined contacts, invoicing, best practices
- Supports clients' goals to **expand health services and improve patient care, while reducing costs**

Source: Staffing Industry Analysts 2011 CW Buyer Survey discussed at September 2011 Healthcare Staffing Summit

CWS COUNCIL

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Thank You for Attending

- Today's webinar has been recorded
- Recording will be available within two days
- Qualifies for legal continuing education credit

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- July 18: **Playing It Safe—Workplace Safety Obligations of Staffing Firms and Their Clients**
- July 25: **Maximize the Short- and Long-Term Value of Your Firm**

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