

1 Presentation by

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7 on

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9 **SB 284 Patient Safe Staffing Act**

10 to

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13 **New Mexico Legislative Health and Human Services Committee**
14 August 27, 2015
15 New Mexico Military Institute, Room 200 Auditorium, Roswell
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18 My name is Jack Needleman. I am the Wasserman Professor and Chair of the
19 Department of Health Policy and Management at the UCLA Fielding School of Public Health,
20 and I will be speaking today on nurse staffing in hospitals. For over 15 years, I have conducted
21 research on nurse staffing and quality of care in hospitals. My research has been used by the
22 Centers for Medicare and Medicaid Services, the National Quality Forum, the Joint Commission,
23 consumer groups such as AARP, and nursing organizations such as the American Nurses
24 Association to establish policy on staffing and endorse nursing-sensitive measures of hospital
25 quality. Three of my first authored papers on nurse staffing and quality of care and the business
26 case for nurse staffing have been designated patient safety classics by the US Agency for
27 Healthcare Research and Quality and my research was awarded the first Health Services
28 Research Impact Award from AcademyHealth, the association of the producers and users of
29 health services research. As a journal reviewer and member of committees for the Institute of
30 Medicine, the National Quality Forum and others, I have reviewed in detail the research of others
31 on staffing and quality.

32 I am very happy to be here and to discuss the need for and appropriateness of the staffing
33 legislation you are considering, and look forward to your questions and further discussion.

34 In my formal presentation, I want to discuss 5 key issues related to safe staffing
35 legislation. These are:

- 36 1. Nursing is complex, cognitively and managerially challenging work, a fact not
37 appreciated by public or frankly all health care executives
- 38 2. Nurse staffing matters: there is extensive evidence that nurse staffing levels influence
39 patient safety and outcomes such as death and hospital acquired complications
- 40 3. Patients are entitled to nurse staffing at levels that assure safe and reliable care
- 41 4. Higher, safer staffing is affordable
- 42 5. The right staffing levels vary from hospital to hospital and unit to unit, and is not one size
43 fits all, so hospital-staff jointly developed staffing models are good approach to assuring
44 right staffing

45 **1. Nursing is complex, cognitively and managerially challenging work,**
46 **a fact not appreciated by public or frankly all health care executives**

47 The public understands that nurse's work is physically and emotionally demanding, but
48 the public and often too many health care executives do not appreciate that the work of front line
49 nurses is cognitively, intellectually and managerially demanding.

50 What do I mean by cognitively and intellectually demanding? The stereotype of nurses is
51 that they deliver the care that is ordered, administer drugs, take vital signs, help patients eat or go
52 to the bathroom, and help them bathe. Nurses do this, and it is part of the fundamental work of
53 nurses. But there are other dimensions to the fundamental work of nurses.

54 When care is ordered, especially medicines, nurses are expected to review the order and
55 assure it is correct. Not just accurate, but appropriate and at the correct dose. If something is
56 ordered that is not delivered, whether it's a medicine or a physical therapy session or a meal, the
57 nurse is responsible for coordinating with the other services so that lapse is corrected and the
58 care is delivered. Nurses are responsible for preventing errors of commission and omission to
59 keep patients safe.

60 While doing basic care, nurses are also monitoring and assessing patients, determining
61 whether the patient is at risk for adverse events such as falls, pressure ulcers, disorientation and
62 delirium, and other risks to their health while hospitalized. Based on these assessments, they are

63 expected to identify and implement the appropriate evidence-based nursing intervention to
64 address these risks.

65 They are also assessing and monitoring whether the patient is progressing as expected
66 and if an intervention by a nurse or physician is needed to prevent a complication or avoidable
67 death and keep the patient safe. They monitor pain and take action to assure it is controlled.
68 They provide targeted education to patients and their families, prepare patients for safe
69 discharge, and provide emotional, psychological and existential support for patients, families and
70 other caregivers. It is common for patients on all types of units to also have behavioral health
71 issues that nurses need to evaluate and manage to keep the patient, the staff and others on the
72 unit safe. Nurses often are the principal coordinators of care across interprofessional teams that
73 include physicians, pharmacists, social workers and other providers.¹ I've included as Exhibit 1
74 a chart from a recent publication trying to characterize the full scope of a nurse's work with an
75 individual patient.² Nurses' work is complex and demanding.

76 Nurses' work is also managerially demanding. What I described in the paragraph above
77 is the expectations for a nurse with respect to each patient under her or his care. But hospital
78 nurses in medical-surgical areas may have four, five, six or more patients under their charge,
79 each expecting that level of care, each with his or her own list of work to be accomplished during
80 a given shift. These lists are dynamic, changing during a shift as patient conditions change, as
81 new patients are admitted and discharged, and as scheduled care or services by others are
82 disrupted. Nurses have the responsibility to assure that in this dynamic environment all the care
83 required for each patient is delivered, a challenge Patricia Ebright characterized as "managing
84 the stack."³ Just how complex the work can be is reflected in Exhibit 2, a diagram of one RN's
85 movements on a unit during just 50 minutes of one shift.

86 **2. Nurse staffing matters: there is extensive evidence that nurse staffing**
87 **levels influence patient safety and outcomes such as death and**
88 **hospital acquired complications**

89 The preceding discussion underscores the complexity of nurses' work and the cognitive
90 and managerial demands on nurses. There is a substantial body of research that indicates that
91 when hospital units are inadequately staffed, nurses may not have the time, training or

92 experience to carry out their work in a manner that keeps patients safe and allows for efficient
93 and effective delivery of care. I have recently summarized that research in an editorial for the
94 journal *Nursing Economic\$*.⁴

95 In its 1996 report on nurse staffing in hospitals and nursing homes, the Institute of
96 Medicine bemoaned the “serious paucity of recent research” on nurse staffing and quality.⁵
97 Since that report, the literature on staffing and quality in hospitals has grown substantially, and
98 documents the association of staffing levels and the mix of RNs and other staff with a wide range
99 of adverse patient outcomes and patient length of stay. The length of stay finding is particularly
100 important because it appears to be the result not only of increased adverse events but delays in
101 care due to nurse staffing and those delays add to hospital costs.

102 A 2007 meta-analysis of the studies of staffing and outcomes found consistent
103 associations of lower staffing with higher rates of adverse outcomes, including mortality,
104 hospital acquired pneumonia, surgical wound infection, sepsis, the need for cardio-pulmonary
105 resuscitation, and longer lengths of stay.^{6,7} I have included a key table from the Kane Medical
106 Care article that summarizes their findings as Exhibit 3.

107 Since the Kane 2007 meta-analysis summarizing the research on staffing, there have been
108 more studies confirming these findings and expanding the list of adverse outcomes to include
109 readmissions and lower scores on the CMS HCAHPS survey, both of which can affect hospital
110 payment under value-based payment rules. Similar findings have also been reported from
111 international studies.⁸

112 Because much of the research on staffing and outcomes comes from studies in which
113 higher staffed hospitals are compared with lower staffed hospitals, some have questioned
114 whether these relationships are causal. These skeptics suggest something else other than staffing
115 is the “real” source of these findings – higher staffed hospitals may have better doctors, or better
116 technology, or more commitment to quality.

117 There are strong and compelling reasons to believe these associations are causal, that it is
118 the staffing that matters. Causality is most convincingly demonstrated through randomized
119 controlled trials, but we will never have a randomized trial of nurse staffing. In the absence of a

120 trial, we can still draw inferences of causality from three sources – the quality of the research and
121 other efforts to control for other factors that might contribute to adverse outcomes or longer
122 length of stay, quasi-experiments where the equivalent of randomization is leading to variations
123 in staffing, and demonstrating the causal pathways by which nursing might be expected to affect
124 outcomes. We have all three.

125 First, these results have been replicated across a wide range of studies with different ways
126 of measuring staffing and different data sources. These studies have controlled for a wide
127 variety of other hospital factors including technology, teaching status (a measure of expertise and
128 physician quality), location (a measure of variations in physician practice), hospital accreditation
129 status, hospital ownership. Patient characteristics that might influence the outcomes being
130 studied are also controlled for with complex, detailed risk adjustment models. The “something
131 else” the skeptics posit as the “real” source have been controlled for and the association of nurse
132 staffing and patient outcomes remains strong.

133 Second, to directly address the causality question, my colleagues and I conducted a study
134 in a single large high quality and nationally recognized academic medical center.⁹ We had data
135 for each patient treated over a five year period, approximately 250,000 admissions. The hospital
136 had data on its staffing target for each unit for each shift based on its staffing model and
137 measures of patient acuity and need for nursing care, and the actual staffing on the unit for that
138 shift. Most of the time, approximately 80%, unit staffing was at or close to the target.
139 Approximately 20% of the time, for reasons beyond the control of hospital and nurse
140 management, RN staffing on a shift was 8 hours or more below the target; that is the unit was
141 down approximately one nurse on that shift. We had data on which unit a patient was assigned
142 for each shift and could count the number of below target shifts a patient was exposed to.
143 Everything else – the technology, the training and experience of the nursing staff, the quality of
144 the doctors and commitment of the hospital to high quality care – was the same. This is, I
145 believe, as close to a randomized control trial as we will see on this issue.

146 As patients were exposed to more below target shifts, their risk of dying in the hospital
147 increased. The higher risk of mortality was comparable to those observed in the cross-hospital

148 studies comparing high and low staffed hospitals, reinforcing the conclusion that the cross-
149 hospital studies are measuring causal relationships.

150 Third, research is demonstrating how nurse staffing levels and mix influences patient
151 outcomes. One of the key pathways, not surprisingly, is through missed care. Nurses on units
152 with lower staffing are more likely to report being unable to complete their work. Levels of
153 missed care are in turn associated with higher risks of adverse outcomes.

154 There are several well-validated measures of missed care, most completed by nurses, one
155 for patients.¹⁰⁻¹² These instruments cover the full scope of nursing discussed above – assistance
156 with activities of daily living; caring and emotional support; rehabilitation, instruction and
157 education; monitoring and safety; delivery of ordered care and documentation. Exhibit 4
158 presents the domains of the Basel Extent of Rationing Nursing Care instrument. Exhibit 5
159 presents the areas covered by the Kalisch Missed Care instrument and the percentage of nurses
160 reporting that the care is missed at least sometimes on their unit.

161 The research shows that when staffing is low, missed care increases.^{13,14} Other research
162 finds adverse outcomes increasing as missed care increases.¹⁵ A growing body of research
163 studies the links between staffing and missed care and missed care and outcomes simultaneously
164 and models the link between staffing, missed care and adverse outcomes.¹⁶⁻¹⁹ Collectively, this
165 research helps us understand how low staffing leads to adverse outcomes.

166 In summary, the evidence that low staffing and a smaller proportion of RNs in the
167 nursing work force increases adverse patient outcomes and extends length of stay is large and
168 continues to grow. Given the extent of controls in the research comparing hospitals, the single
169 hospital study using uncontrolled variations in staffing and mortality, and research examining
170 how low staffing influences outcomes through missed care, the question of whether the
171 association of staffing and outcomes is causal has been resolved. The association is causal, and
172 policy and management decisions should reflect this.

173 **3. Patients are entitled to nurse staffing at levels that assure safe and**
174 **reliable care**

175 There is considerable hope that competition among hospitals and public reporting of
176 quality measures will lead to improvement in care, and that with more information patients will
177 direct themselves to higher quality hospitals. We can call this the Consumer Reports model of
178 how to achieve higher quality care.

179 While I encourage the inclusion of staffing measures such as nurse staffing levels and
180 skill mix, falls rates, and other nursing sensitive measures in public reporting on hospitals in
181 systems like CMS's Hospital Compare, this is not a sufficient response to the need to assure safe
182 staffing. In many cases, such as when they are emergent and have called 911 for an ambulance or
183 because they live in a community served by only one hospital, patients have no choice in the
184 hospital to which they are admitted. Patients that don't have choice deserve safe and reliable
185 care.

186 Beyond this, nursing is a core service of hospitals. Hospitals exist because their patients
187 need round the clock nursing care. Every other service of the hospital can be and is provided on
188 an outpatient basis. A hospital should only operate if it can provide this core service well. Call
189 this the Underwriter's Laboratory model of quality. Patients do not want to assess how good a
190 hospital's nursing care is; they want to and generally do assume the nursing system will work.
191 Public policy should assure that this assumption is valid.

192 **4. Higher, safer staffing is affordable**

193 One of the issues often raised by opponents of staffing legislation is that the increased
194 staffing is too costly and unaffordable. Research does not support this. Indeed, it finds the cost
195 increases are modest and that there may be no increase in costs associated with a richer RN mix
196 or more nursing hours per patient day.

197 There are four key studies in the literature on this topic. Three are simulations of the
198 increased cost of nursing and the cost savings associated with shorter lengths of stay and reduced
199 adverse outcomes. I conducted the first published business case analysis in 2006²⁰ and expanded
200 it to include the cost savings of reduced nurse turnover in 2008.²¹ Dall and colleagues expanded

201 on the range of adverse outcomes in the 2009 study.²² The team from the University of
202 Minnesota led by Robert Kane who conducted the meta-analysis of nursing studies did its own
203 simulation of the costs and cost savings associated with increased staffing.²³ The results from all
204 of these studies were consistent. The costs of increasing the number of hours of nursing were
205 substantially but not fully offset by the cost savings from reduced length of stay and adverse
206 events, but the net cost increase was small. Increasing the proportion of the nursing staff that are
207 RNs (compared to Licensed Practical Nurses) was cost saving.

208 The fourth study by a team from the Rand Corporation directly compares costs per
209 admission in higher staffed versus lower staffed hospitals, controlling for other hospital
210 characteristics and patient characteristics that might influence costs of care.²⁴ As with the
211 simulation studies, a richer mix of RNs was associated with lower costs. What the Rand
212 researchers also found, however, was that the costs per admission in hospitals with higher hours
213 per patient day were not statistically significantly higher than in hospitals with fewer nurses. The
214 precise language from their research reads “Increases in nurse staffing levels were associated
215 with reductions in nursing-sensitive adverse events and length of stay, but did not lead to
216 increases in patient care costs. Changing skill mix by increasing the number of registered nurses,
217 as a proportion of licensed nursing staff, led to reductions in costs.... The study findings provide
218 support for the value of inpatient nurse staffing as it contributes to improvements in inpatient
219 care; increases in staff number and skill mix can lead to improved quality and reduced length of
220 stay at no additional cost.”

221 Looking only at the increased cost of nursing and ignoring the offsetting cost savings
222 from reduced length of stay, reduced readmissions and reduced adverse events provides a
223 misleading picture of the net cost of safe staffing levels. Given the offsetting cost savings, safe
224 staffing levels can be achieved with little or no net cost to the hospital.

225 For reference, I include the key table from my 2006 article as Exhibit 6 and the key table
226 from the Martsolf 2014 article (the Rand study) as Exhibit 7. I have annotated the Martsolf table
227 to explain what is being displayed.

228 **5. The right staffing levels vary from hospital to hospital and unit to**
229 **unit, and is not one size fits all, so hospital-staff jointly developed**
230 **staffing models are a good approach to assuring appropriate staffing**

231 The staffing needed on hospital units will vary depending upon the nature of the unit and
232 its patients, and can vary from day to day and shift to shift as the nursing acuity of patients
233 changes and admissions and discharges bring new patients with different needs to unit.
234 Hospitals respond to the need to adjust staffing in a variety of ways. Some hospitals, typically
235 larger hospitals with complex and changing case mix, have implemented data-driven acuity
236 systems like the QuadraMed AcuityPlus system that require entry of substantial amounts of data
237 on each patient each shift but allow them to adjust staffing to rapidly changing census and patient
238 mix. Other hospitals with less day to day variation in acuity may use a simple grid system,
239 which provides target staffing based on census. Some hospitals start with a grid but provide for
240 formal or informal adjustment to staffing based on the characteristics of the patients and
241 available nurses. The January-February and March-April 2015 issues of Nursing Economic\$
242 present a range of papers looking at the challenges and potential of creating local staffing
243 models.

244 In one hospital, several colleagues and I are evaluating a system which starts with a grid
245 but in which the unit charge nurse can adjust the staffing to better meet perceived needs. The
246 original plan as implemented was to leave the staffing adjustments to the complete discretion of
247 the charge nurse. The charge nurses, however, decided to collectively establish a set of criteria
248 for adjusting staffing as a way to pool their collective knowledge and assure consistency in
249 staffing approaches. The guidelines, for example, called for an additional RN if two of a series
250 of circumstances existed, such as three or more patients requiring isolation, three or more
251 patients requiring one-to-one feeding, one or more confused patients, six or more admissions or
252 discharges, or more than 50% float staff. The guidelines created similar criteria for an additional
253 patient care assistant (nurses' aide).

254 I cite this hospital not because its system should be adopted by others but to illustrate that
255 staffing models can be effectively developed with local input from nurse management, unit nurse
256 leadership and unit staff. Indeed other variants on this model of local development of a staffing

257 model could also be presented. This experience demonstrates the model for developing and
258 maintaining locally established staffing models envisaged by SB 284 is realistic and feasible.

259 Thank you for this opportunity. I look forward to your questions.

260 Exhibit 1: The Fundamentals of Care Framework, from Kitson et al, Journal of Nursing
 261 Scholarship, 2014
 262

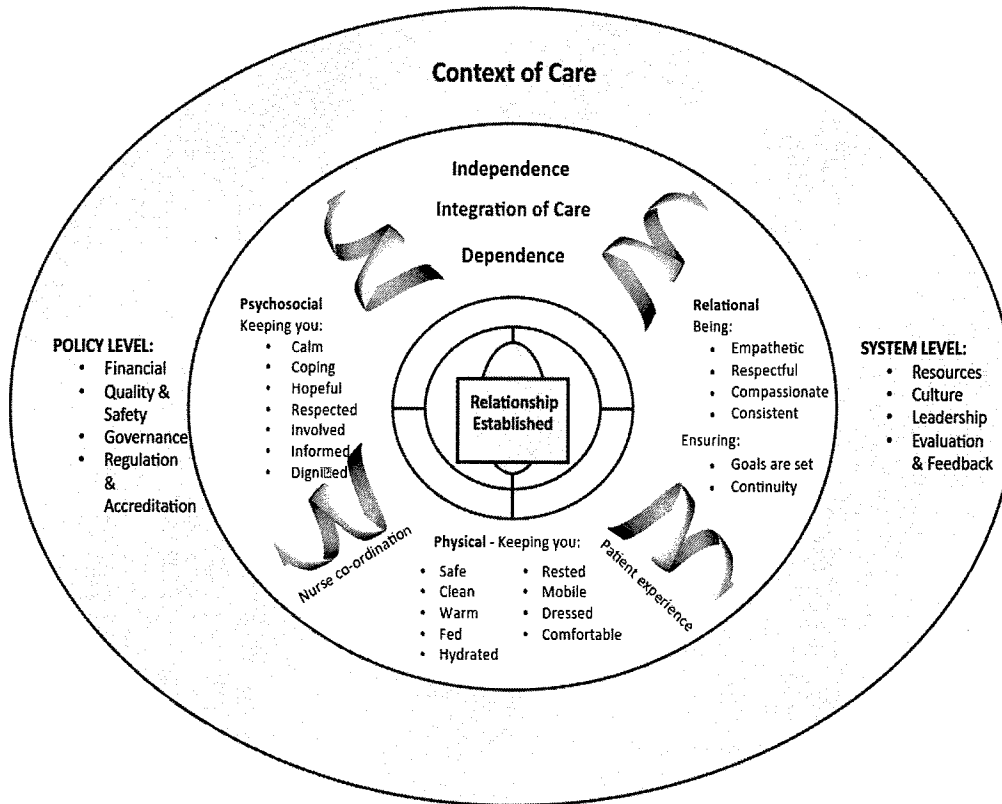
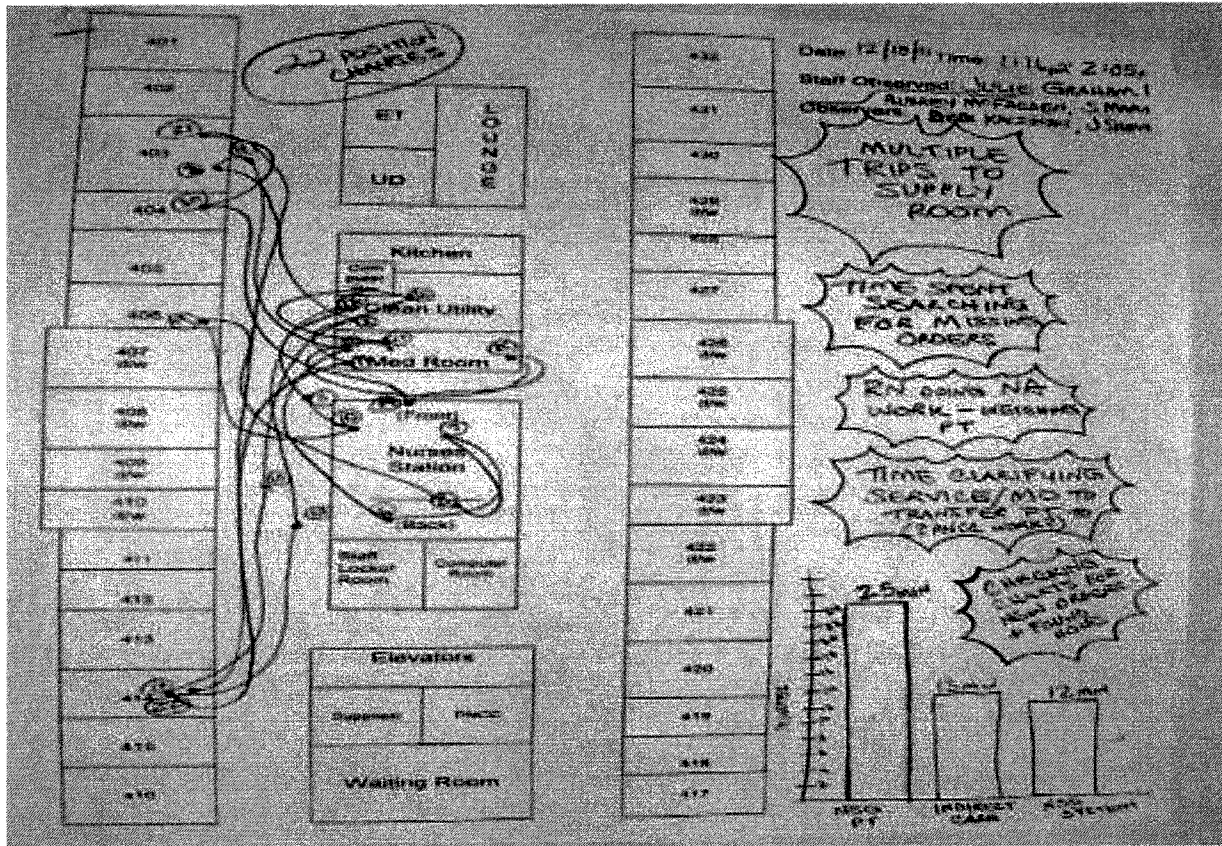


Figure 1. The fundamentals of care framework: Relational, integrative and contextual dimensions (Source: Kitson, Conroy, Kuluski, Locock, & Lyons (2013), reprinted with permission).

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264

265 Exhibit 2: Diagram of one nurse's movements through 50 minutes of a single shift



266 Source: Institute for Healthcare Improvement, TCAB How-to Manual on Nurse Time in Direct
 267 Patient Care, 2008
 268
 269

270 Exhibit 3: Table from Kane, et al, Medical Care, 2007 meta-analysis of association of increases
 271 in registered nurses and reductions in adverse events and length of stay

TABLE 1. Pooled Odds Ratios of Patient Outcomes Corresponding to an Increase of 1 Registered Nurse Full Time Equivalent per Patient Day*

Outcome	Studies	Odds Ratio (95% CI)	Attributable to Nurse Staffing Fraction of Events (%)	No. Avoided Events/1000 Hospitalized (95% CI)
All patients				
Mortality, hospital level analysis, all patients	5	0.96 (0.94; 0.98)	4.2	3 (2; 4)
Mortality, intensive care units	5	0.91 (0.86; 0.96)	9.2	5 (2; 8)
Mortality, surgical patients	8	0.84 (0.8; 0.89)	16	6 (4; 8)
Mortality, medical patients	6	0.94 (0.94; 0.95)	5.6	5 (4; 5)
Hospital-acquired pneumonia	4	0.81 (0.67; 0.98)	19.1	1 (0; 2)
Pulmonary failure	5	0.94 (0.94; 0.94)	6	1 (1; 1)
Cardiopulmonary resuscitation	5	0.72 (0.62; 0.84)	27.6	2 (1; 2)
Intensive care units				
Hospital-acquired pneumonia	3	0.7 (0.56; 0.88)	30.2	7 (3; 10)
Pulmonary failure	4	0.4 (0.27; 0.59)	60.3	7 (5; 9)
Unplanned extubation	5	0.49 (0.36; 0.67)	50.9	6 (4; 8)
Cardiopulmonary resuscitation	3	0.72 (0.62; 0.84)	27.6	2 (1; 2)
Relative change in length of stay	4	0.76 (0.62; 0.94)	24	7 (2; 11)
Surgical patients				
Failure to rescue	5	0.84 (0.79; 0.9)	16	26 (17; 35)
Surgical wound infection	1	0.15 (0.03; 0.82)	84.5	7 (1; 8)
Cardiopulmonary resuscitation	1	0.72 (0.62; 0.84)	27.6	1 (1; 2)
Nosocomial bloodstream infection	5	0.64 (0.46; 0.89)	36	4 (2; 5)
Relative change in length of stay	3	0.69 (0.55; 0.86)	31	14 (6; 21)

*An increase of 1 registered nurse full time equivalent per patient day would result in 8 additional registered nurse hours per patient day and an increased cost of \$24.57/h × 8 h or \$196.56/patient day.¹²² Attributable to nurse staffing fraction of events and number of avoided events per 1000 hospitalized patients were estimated assuming causality in the association.

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274 Exhibit 4: Domains of missed care from Basil Extent of Rationing of Nursing Care instrument

Items questionnaire abbreviated

1. Activity of Daily Livings (ADLs)
 - (1a) Bathing/skin care
 - (1b) Perform oral or dental hygiene for patients
 - (1c) Eating
 - (1d) Mobilization/changing positions
 - (1e) Managing body waste (urine, stool, vomit)
 - (1f) Changing bed linen
2. Caring–Support
 - (2a) Emotional or psychosocial support
 - (2b) Conversations with patients or their families
3. Rehabilitation–Instruction–Education
 - (3a) Toilet training
 - (3b) Activating/rehabilitating care
 - (3c) Education of patients/their families about self-care
 - (3d) Preparation for hospital discharge
4. Monitoring–Safety
 - (4a) Adequate monitoring of patients vital signs
 - (4b) Adequate monitoring of confused/impaired patients
 - (4c) Coping with the delayed response of a physician
 - (4d) Respond promptly to patient calls
 - (4e) Adequate hand hygiene
5. Documentation
 - (5a) Review patient documentation at the beginning of the shift
 - (5b) Formulate/update patient care plans
 - (5c) Documentation of performed nursing care

275
276 Source: Schubert, M., T. R. Glass, S. P. Clarke, B. Schaffert-Witvliet, and S. De Geest. 2007.
277 “Validation of the Basel Extent of Rationing of Nursing Care instrument.” *Nursing Research*
278 56(6): 416-24.
279

280 Exhibit 5: Rates of missed care reported by Kalisch using MISSCARE instrument

Table 3. Study 1 (n = 459) and Study 2 (n = 639); Part A Missed Nursing Care Percentages

Item A	Study 1		Study 2	
	Missed Care, % ^a		Missed Care, % ^a	
⇒ Ambulation 3 times per day or as ordered	83.6	88.7	⇒ Emotional support to patient and/or family	65.4 58.3
Assess effectiveness of medications	83.1	65.4	Patient bathing/skin care	63.1 57.7
Turning patient every 2 h	82.4	68.8	IV/central line site care and assessments according to hospital policy	61.9 54.0
⇒ Mouth care	81.9	82.6	⇒ Teach patient about plans for their care after discharge and when to call after discharge	57.6 28.4
Patient teaching about procedures, tests, and other diagnostic studies	80.4	68.7	Monitoring intake/output	57.0 54.6
PRN medication requests acted on within 15 min	80.3	54.0	Setting up meals for patient who feed themselves	50.3 50.8
Full documentation of all necessary data	79.3	73.9	Vital signs assessed as ordered	40.0 28.3
Feeding patient when the food is still warm	76.4	78.5	Focused reassessments according to patient condition	36.9 30.9
Medications administered within 30 min before or after scheduled time	74.6	66.0	Hand washing	30.2 48.4
⇒ Assist with toileting needs within 5 min of request	69.5	65.1	Bedside glucose monitoring as ordered	26.1 25.0
⇒ Response to call light is initiated within 5 min	65.5	69.6	Patient assessments performed each shift	17.0 13.0

^aPercentage of missed care used categories of occasionally, frequently, and always.

281 Source: Kalisch, B. J. and R. A. Williams. 2009. "Development and psychometric testing of a
 282 tool to measure missed nursing care." *Journal of Nursing Administration* 39(5): 211-9.
 283
 284

285 Exhibit 6: Estimates of avoided adverse outcomes, days and deaths associated with increased
 286 nurse staffing and costs of increased staffing and cost offsets from Needleman et al., Health
 287 Affairs, 2006²⁰
 288

Avoided Adverse Outcomes, Hospital Days, Costs, And Deaths If Proportion Of Registered Nurses (RNs) Or Number Of Licensed Nursing Hours Were Increased To The 75th Percentile Of Hospitals Studied, National Estimates Updated To 2002

	Option 1: Raise proportion of RNs from 75th percentile without changing number of licensed hours	Option 2: Raise number of licensed hours to 75th percentile without changing proportion of RNs	Option 3: Raise both proportion of RNs and number of licensed hours to 75th percentile
Number of avoided adverse outcomes			
Failure to rescue (major surgery pool)	354	597	942
Urinary tract infection	40,770	4,174	44,773
Hospital-acquired pneumonia	11,761	1,372	13,093
Upper GI bleeding	4,145	4,129	8,182
Shock or cardiac arrest	2,908	540	3,426
Total avoided outcomes	59,938	10,813	70,416
Hospital days avoided	1,507,493	2,598,339	4,106,315
Cost impacts (in millions)			
Cost savings assuming that 40% of hospital costs are variable			
Cost savings of avoided outcomes	\$ 73	\$ 17	\$ 89
Cost savings of avoided days	980	1,702	2,683
Total avoided costs	1,053	1,719	2,772
Net cost of increasing nursing	-242	5,819	5,716
Net cost as percent of hospital expenses	-0.1%	1.5%	1.4%
Cost savings assuming that fixed hospital costs are recovered (in millions)			
Cost savings of avoided outcomes	\$ 183	\$ 42	\$ 224
Cost savings of avoided days	2,450	4,256	6,707
Total avoided costs	2,633	4,298	6,930
Net cost of increasing nursing	-1,821	3,240	1,558
Net cost as percent of hospital expenses	-0.5%	0.8%	0.4%
Avoided deaths	4,997	1,801	6,754

SOURCE: Authors' estimates using data from J. Needleman et al., "Nurse-Staffing Levels and Quality of Care in Hospitals," *New England Journal of Medicine* 346, no. 22 (2002): 1415-1422, updated to 2002 based on 1997 and 2002 American Hospital Association annual survey data and on wage data for nurses employed in hospitals from the Current Population Survey.

NOTES: Urinary tract infection, hospital-acquired pneumonia, upper gastrointestinal (GI) bleeding, and shock or cardiac arrest and change in length-of-stay were analyzed for medical patients only. Failure to rescue was analyzed for surgical patients only. Cost savings of avoided outcomes and days are initially reduced by 60 percent based on research that only 40 percent of hospital costs are variable in the short run. Over time, fixed costs should be reduced to reflect changed volume. Estimates based on recovery of 40 percent of average costs and all average costs are presented. Net cost of increasing nurse staffing was calculated by subtracting total estimated cost savings due to avoided outcomes and days from cost of increasing nurse staffing reported in Exhibit 3.

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291 Exhibit 7: Table 2 from Martolf, 2014, presenting regression results of cost per admission on
 292 nurse staffing and other variables.

TABLE 2. Fixed Effect Model Results for Nurse Staffing, Length of Stay, and Total Cost Measures

Nurse Staffing Measures		Models	
		1	2
% with any nursing-sensitive adverse event			
A	Total no. discharges	11,754,487	11,754,487
	Total no. licensed nurses (RN+LPN) per 1000 inpatient days	-0.252* (-0.444, -0.059)	—
	All nursing staff (including aides) per 1000 inpatient days	—	-0.191* (-0.364, 0.019)
	Percentage of licensed nurses (RN+LPN) that are RNs	0.094 (-0.019, 0.206)	—
	Percentage of nursing staff (including aides) that are licensed nurses (RN+LPN)	—	-0.007 (-0.036, 0.021)
Length of stay			
B	Total no. discharges	18,466,880	18,466,880
	Total no. licensed nurses (RN+LPN) per 1000 inpatient days	-0.033* (-0.059, -0.007)	—
	All nursing staff (including aides) per 1000 inpatient days	—	-0.031** (-0.051, -0.011)
	Percentage of licensed nurses (RN+LPN) that are RNs	-0.009 (-0.021, 0.003)	—
	Percentage of nursing staff (including aides) that are licensed nurses (RN+LPN)	—	-0.001 (-0.004, 0.006)
Total cost (\$)			
C	Total no. discharges	16,971,758	16,971,758
	Total no. licensed nurses (RN+LPN) per 1000 inpatient days	166.5 (-35.0, 368.1)	—
	All nursing staff (including aides) per 1000 inpatient days	—	63.1 (-70.5, 196.7)
	Percentage of licensed nurses (RN+LPN) that are RNs	-87.0* (-153.6, -20.4)	—
	Percentage of nursing staff (including aides) that are licensed nurses (RN+LPN)	—	41.2 (-25.6, 108.0)

*0.01 ≤ P < 0.05.
 **0.001 ≤ P < 0.01.
 LPN indicates licensed practical nurses; RN, registered nurses.

293
 294 Note: This table presents regression results for three outcomes: the percent of patients with any
 295 nursing-sensitive adverse event (Block A), length of stay (Block B) and total cost (Block C).
 296 Two different models are run. Model 1 measures nurse staffing with only RNs and licensed
 297 practical nurses counted. Model 2 measures staffing including nurses' aides. The results are
 298 similar and I focus on model 1 and the total cost regression block C. For reference, the average
 299 cost per admission in the sample is \$11,141.

300
 301 If one looks at the line in Block C "total no. licensed nurses (RN+LPN) per 1000 patient days,"
 302 the estimated increase in cost per admission associated with an increase of 1 (the mean is 6.31), a
 303 16% increase in nurse staffing, is \$166.50, or 1.5%. But there is a wide range of uncertainty in
 304 this estimate, with the 95% confidence interval ranging from a cost reduction of \$35.00 to an
 305 increase of \$368.10. Given this broad confidence interval, the researchers conclude there is no
 306 statistically significant increase in the per admission costs. The 1.5% increase in net costs is
 307 consistent with the estimates from Needleman 2006 and Dall 2009.

308
 309 Similarly, if one looks at the line in Block C "Percentage of licensed nurses (RN+LPN) that are
 310 RN's", the estimate is that the cost per admission would decrease by \$87.00. The 95%
 311 confidence interval ranges from savings of \$153.60 to \$20.40, and the decrease is statistically
 312 significant. The researchers conclude there is a statistically significant decrease in costs per
 313 admission associated with a richer RN mix.

314
 315 The other controls in the model, not shown in the regression table, are extensive. They include at
 316 the patient level: the patient's sex, age, and the urban-rural classification of the patient's county
 317 of residence, primary payer, emergency department admission source, and multiple diagnostic
 318 codes. A hospital fixed effect was also included in the regression, accounting for variations in
 319 outcomes and costs across hospitals.

320

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