



The Facts on Sharp's RN Turnover Crisis

San Diego Deserves to be Cared for by Well-Trained, Experienced Nurses

Nurses are at the bedside every day. They see how the crisis in turnover leads to unsafe staffing and threatens safe patient care.

Nurses are patient advocates by calling and by law. They are struggling to get management and the public to hear.

Management is out of touch with patient care at the unit and bedside level. They have the resources to address the crisis. They admit to the problem in private. But in public they try to cover the truth with false "facts" and misinformation.

The public would be far safer if Sharp management would listen to their own nurses.

"I'm in the Emergency Department at Sharp Chula Vista. I can think of 25 nurses we've lost in the last year. That's about two per month and it's a real concern. Industry-wide it's rare for nurses with less than one year to be assigned to the ED, but we have nurses with seven months' experience training new grads. The ED moves so fast and there's so much to learn, it took me three years before I felt truly comfortable."

—Samantha Ciechanowicz, RN
Chula Vista ED, 5 years

SUMMARY: Sharp Has a Crisis and Can Afford to Fix It

The facts tell the story:

- Sharp RN turnover is steadily escalating: from 438 RNs leaving in 2012 to 700 in 2016.
- RN turnover hurts patient care and will cost Sharp \$50 million in 2016
- Sharp has masked its turnover problem with:
 - Excessive overtime, escalating from the equivalent of 172 RNs in 2015 to 250 in 2016
 - Escalating use of travelers, from 250 in 2015 to 302 so far in 2016
 - Making it difficult for RNs to take meals and rest breaks
- The crisis comes from Sharp's failure to pay wages competitive in the San Diego market
- Sharp's own wage figures demonstrate their overuse of overtime to mask the RN shortage
- Sharp has a profit margin of 12.3% or \$338.4 million in 2016—way above its competitors in the San Diego market, who are hiring away Sharp's RNs with their higher wages.
- Sharp's own proposed solutions to the crisis are inadequate and have been rejected by Sharp RNs

Sharp Professional Nurses Network (SPNN)

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FACT: Sharp RN Turnover is Steadily Escalating

Sharp is on pace to lose nearly 700 nurses this year. That's almost two nurses a day.

RN turnover rates have increased by about 100 more nurses per year since 2013.

Year	RN Turnover
2016 at current rate	679
1/4/16 to 10/3/2016	509
1/6/15 to 1/4/16	605
1/1/14 to 1/6/15	514
1/3/13 to 1/1/14	439
1/3/12 to 1/3/13	438

Source: Sharp's own employment data for all bargaining unit RNs, provided to the union each month as a legal requirement for administration of the contract.

Why the Public Should Care

Nurse turnover has a direct negative impact on patient care. It leaves hospitals understaffed—which is unsafe for patients and against the law—and creates dangerous experience gaps.

Sharp's most critical units have been hardest hit: Emergency Departments (ED), Intensive Care Units (ICU) and Labor & Delivery (L&D), particularly night shift.

Turnover is highest among the most experienced nurses, leaving many critical units full of new, relatively inexperienced nurses training newer, less experienced nurses.

Sharp's own employment data reveals that one of every three clinical nurses at Sharp today has four or fewer years of experience. Most nurses acknowledge it takes four to five years to become seasoned.

Fully a third of Sharp nurses are not seasoned.

"In Labor & Delivery we've lost 80 RNs in two years. I have seen excellent, experienced nurses leaving at rates that far exceed my first decade at Sharp. Most shifts we're understaffed." We're asked to take care of multiple high risk patients and somehow make it work. Somehow, because I love what I do, I balanced care so that I was there for them every moment they needed."

—Alana Lawler, RN
Mary Birch L&D, 15 years

FACT: RN Turnover Will Cost Sharp \$50 million in 2016

RN turnover has been estimated to cost a hospital 1.3 times a departed nurse’s annual salary.

A conservative estimate of Sharp’s turnover costs for active RNs based on that figure:

Turnover Cost	Year
\$50,000,000	2016 at current pace
\$37,496,417	2016 (actual turnover through September)
\$45,217,718	2015

Negative patient care impacts and financial costs from high RN turnover include:

- Potential patient errors
- Compromised quality of care
- Poor work environment and culture, dissatisfaction, distrust
- Loss of organizational knowledge
- Decreased productivity
- Overtime costs for existing staff nurses
- Paying for agency nurses
- Vacancy costs, e.g., closed beds, diversion of patients to other hospitals, etc.
- Recruitment and hiring costs
- Termination costs for departing nurses
- Costs of additional turnover due to poor work environment

Sources: Jones, C., Gates, M., (September 30, 2007) “The Costs and Benefits of Nurse Turnover: A Business Case for Nurse Retention” OIJN: The Online Journal of Issues in Nursing. Vol. 12 No. 3, Manuscript 4. Employment and wage data provided monthly by Sharp to the union for all bargaining unit RNs.

FACT: Sharp RNs Have Amassed 348,672 OT Hours in 2016

Sharp RN overtime and double-time hours for the last two years:

OT and DT Hours	Year	= How Many Full-Time RNs
348,672	2016 through September	186
321,666	2015	172

Through September of this year, the amount of overtime and doubletime Sharp RNs have amassed is equivalent to 186 full-time, 12-hour shift nurses. Annualized, this equals 250 nurses for all of 2016.

On its face, this indicates a severe shortage of nurses to work regular, scheduled shifts at Sharp.

In fact, when Sharp is short RNs on a unit, they send out text messages offering overtime to nurses who want to pick up extra shifts, or sometimes doubletime if the need is severe. Sharp has been doing that so often that many RNs are getting burned out and turning down the double pay for extra work. One recent text said that a night shift ICU had no nurses and needed RNs on an emergency basis.

Sharp has been using excessive overtime to mask its nurse shortage, the result of escalating turnover.

Sources: Wage and hour data supplied by Sharp to the union for all bargaining unit RNs. Text offers for extra shifts provided to union by RNs.

FACT: Sharp Has Used 302 Travelers Already in 2016

Sharp has masked its nurse shortage by using 302 “Travelers”—agency nurses on six to eight week contracts—so far in 2016, up from 234 for all of 2015. 111 travelers are currently working at Sharp.

Sharp Grossmont’s ED—a critical unit—has already used 43 travelers this year. 26 are there now.

2016 Nurse Shortfall	As Shown By
250	OT Numbers
111	Travelers Currently Working
361	Total

As revealed by use of OT and travelers, Sharp is currently short at least 361 nurses.

Source: Data supplied by Sharp management in response to Union’s Request for Information (RFI) in bargaining.

FACT: RNs Missed 14,936+ Meals & Rest Breaks in 2016

Missed meals and rest breaks present two dangers to patient safety:

- Not enough nurses to meet safe nurse-to-patient ratios
- Tired, stressed nurses.

Sharps RNs were awarded penalty pay for 14,936 reported missed meals and rest breaks already in 2016. In 2015, the number reported was 15,117. The actual number is undoubtedly much higher. RNs are often pressured to clock out and work through meals and rest breaks; or may fear retaliation if they report missed meals and rest breaks.

Short staffing is the only reason for RNs to miss breaks. A fully staffed unit includes a resource RN to cover for nurses who need time off the clock to rest and de-stress.

The worst offending unit, with 2,625 penalty hours paid this year, is Mary Birch’s L&D, the same unit which lost 80 RNs in the last two years. There’s a strong correlation between missed breaks and RN turnover.

Sharp has masked its nurse shortage due to high turnover by making it difficult and at times impossible for RNs to take meal and rest breaks.

Source: Wage and hour data supplied by Sharp to the union for all bargaining unit RNs

FACT: Failure to Pay Competitive Wages = High Turnover

Sharp's RN wages are not competitive with comparable hospital systems in the San Diego market.

Sharp RNs have a wage grid in their contract which sets hourly pay per years of experience—as do the RNs at Kaiser Permanente and UCSD, two comparable San Diego hospitals with union contracts.

It takes a Sharp RN 22 years to reach \$52 per hour. It takes a Kaiser RN two years to reach that same wage.

Years Experience	Hourly Wage	Hospital
2	\$52.20	Kaiser Level III RN
8	\$52.58	UCSD Clinical Nurse 3
22	\$52.20	Sharp Clinical Nurse

Recently Kaiser posted 35 Emergency Department positions to staff their brand-new facility opening in April, 2017. UNAC/UHCP has been told privately by Kaiser management that 45 current Sharp ED nurses have applied for the openings.

New grads who apply at Kaiser are often told to go work at Sharp for their training, then come back to Kaiser after a year or two for higher pay.

Sources: Union contract wage grids from Sharp, Kaiser and UCSD. Private conversation with Kaiser management.

Email to Sharp CEO Mike Murphy from a Sharp Manager

(Not with the Union)

June 17, 2016

"Since I became a nurse and was hired at Sharp in 2006, I have lived and breathed the Sharp Experience...The pay/benefit gap has now become so large that I have decided to take the Sharp Experience with me to UCSD where I will be paid what I am worth...I personally know more than 20 RNs and HCP/HCAs who are actively seeking employment outside of Sharp...I hope this serves as a wake-up call...Please make sure others like me are not forced to make the same decision."

—Amy Schultz, MSN, RN, PHN, NE-BC

FACT: Sharp's Own Wage Figures Prove the RN Case

The average salary for all full-time, 12-hour shift nurses in the Sharp RN bargaining unit is \$85,097.

Sharp's Wage Data Fails Scrutiny

In its October 28 press release declaring impasse in negotiations, Sharp claimed: "(T)he average RN salary at Sharp is \$100,416, as confirmed by employee W-2 data..."

The only possible way this could be true is by including overtime and doubletime earnings from RN W-2's.

By including overtime and doubletime earnings in their salary figures without flagging them as such, Sharp is masking the truth:

- Their regular, full-time wages are well below comparable hospitals in the San Diego market
- They're using excessive overtime to mask their crisis in nurse turnover and understaffing

"Why should the San Diego community care how much Sharp nurses make? Because pay is linked to retention, and retention is linked to quality care."

—Denise Duncan, RN, RN
President, UNAC/UHCP

"If this were just about money for us, we would have left Sharp years ago. Remember, we're the ones who stayed. We want to fix this."

—Christina Magnusen, RN
Grossmont, SICU, 8 years

Sources: Current 2016 wage rates and FTE (full-time employee) status for all bargaining unit nurses, provided to the union by Sharp management each pay period. Sharp's October 28, 2016 press release.

FACT: Sharp Can Afford to Solve Their Turnover Crisis

Sharp's profit margin is by far the highest among the three major hospital systems in San Diego.

System	FYE 9-30-14	FYE 9-30-15	FYE 2016 thru 8/31 (First 11 months)	FYE 2016 In Dollars
Sharp	8.0%	10.35%	12.3%	\$388.4 million
Scripps	6.03%	5.02%	-	-
Kaiser	2014: 3.9%	2015: 2.9%	-	-

Sharp can well afford to pay wages competitive with these hospital systems to attract and retain experienced nurses.

Sources: IRS 990 tax returns; Sharp FY 2016 internal statement of revenue and expense

FACT: Sharp's Proposed Solution is Entirely Inadequate

Sharp's so-called Last, Best and Final wage proposal fails to address the gap in RN wages between Sharp and San Diego's comparable hospital systems.

Sharp's claim that its proposal will mean 16-26% increases depends on:

- Lumping three years into one—its proposed first year raise is 7%
- A so-called clinical ladder which has been soundly rejected by Sharp nurses

Sharp's clinical ladder proposal:

- Would grant raises to a minority of RNs
- Awards only temporary raises that can be taken away in subsequent years
- Could lead to pay cuts for some nurses
- Is subject to management favoritism, because dependent on subjective criteria

Sharp's clinical ladder proposal will not stem their RN turnover crisis, because it will not attract or retain nurses.

Sources: Sharp's "Last, Best and Final" contract proposal. Online survey of Sharp RNs.