

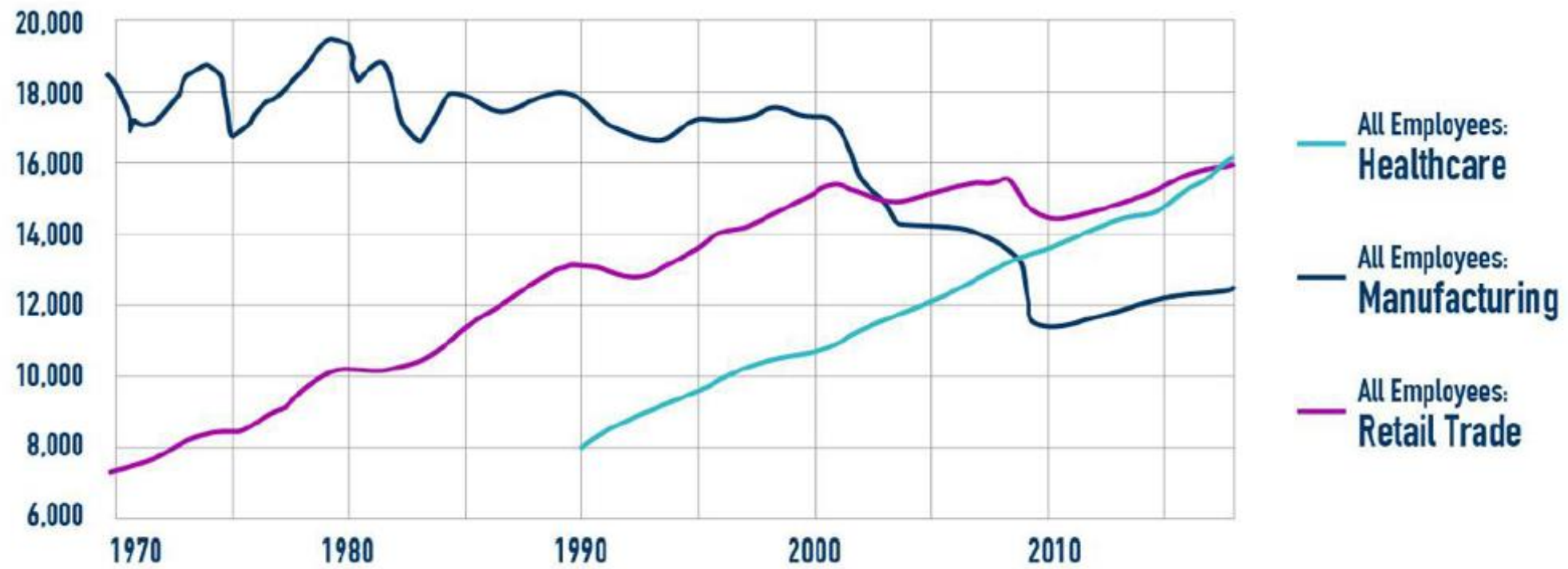


Health System Labor Management Challenges

Mike Wood
Co Founder, CEO connectRN

The healthcare sector employs more people than manufacturing and retail

NUMBER OF EMPLOYED PERSONS BY INDUSTRY 1970-2017

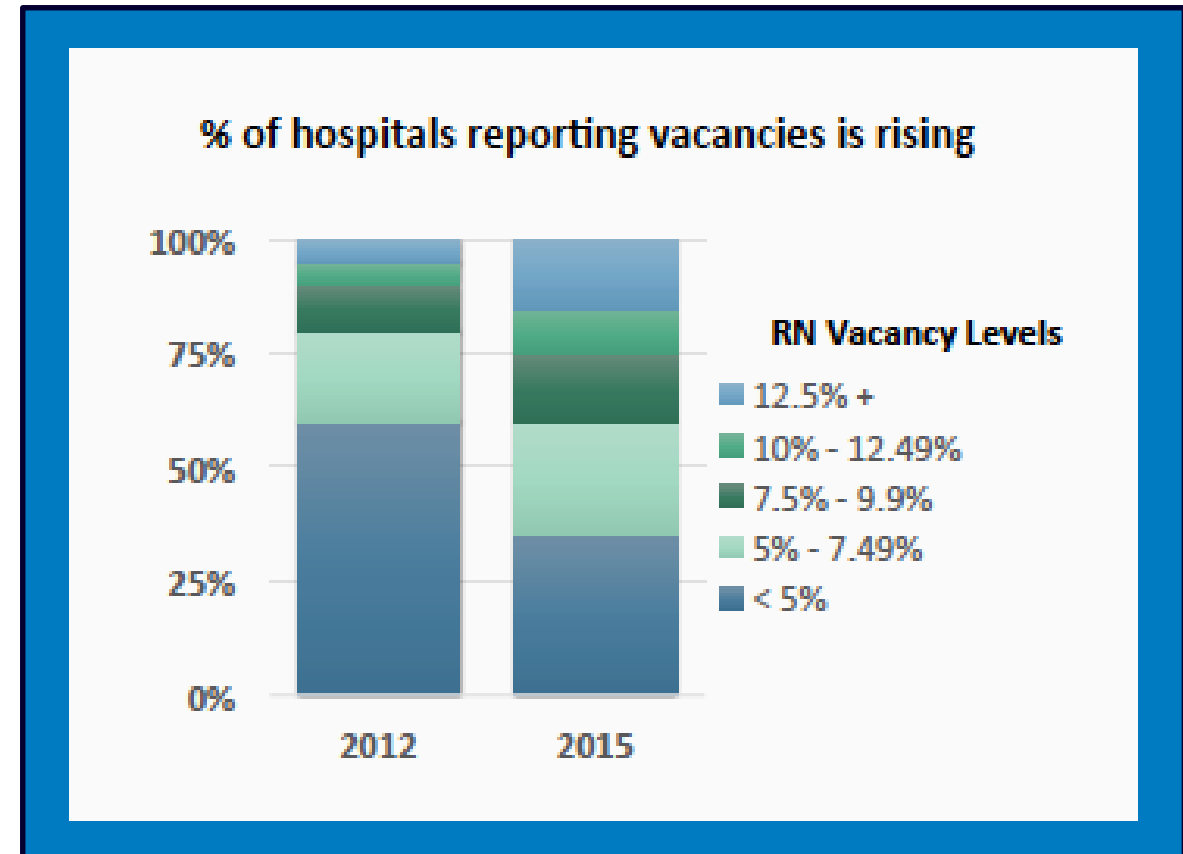


Drivers of Supply and Demand

- Healthcare workforce is growing
- Aging Population
- Legislation

SIGNIFICANT HEADWINDS TO PROVIDING ADEQUATE NURSE STAFFING

- Nurse Shortage Effects Hospital Throughput
- Aging population is requiring more frequent and inpatient care
- Demographic shifts are leading towards a larger proportion of nurses retiring than entering the workforce



**Health Resources and Services Administration*

Staffing Industry Growth: 10% CAGR

System cost structure is growing.
Increase in Travel Nurses

- Hospital systems supplementing with traveler nurses at a high cost
- Systems looking for ways to mitigate
- Look at the problem differently to solve issue



EXPECTATIONS HAVE SHIFTED



**Flexibility to plug
in when/where**



**Control your
schedule**



**Unlock excess
capacity**



SURVEYS OF NEWLY-LICENSED HOSPITAL-BASED NURSES HAVE SHOWN THAT

43% leave their first jobs within 3 years



The average **cost of a nurse turnover** is
\$36,000 – \$57,000

LEGACY STAFFING ALTERNATIVES: ASSUMES \$40 FT/PT HOURLY WAGE

	Overtime
Length of Assignment	N / A
Hours Per Week	Flexible
Bill Rate	\$60
Increased Expense	+50%
Implications	Burnout, Increased Cost



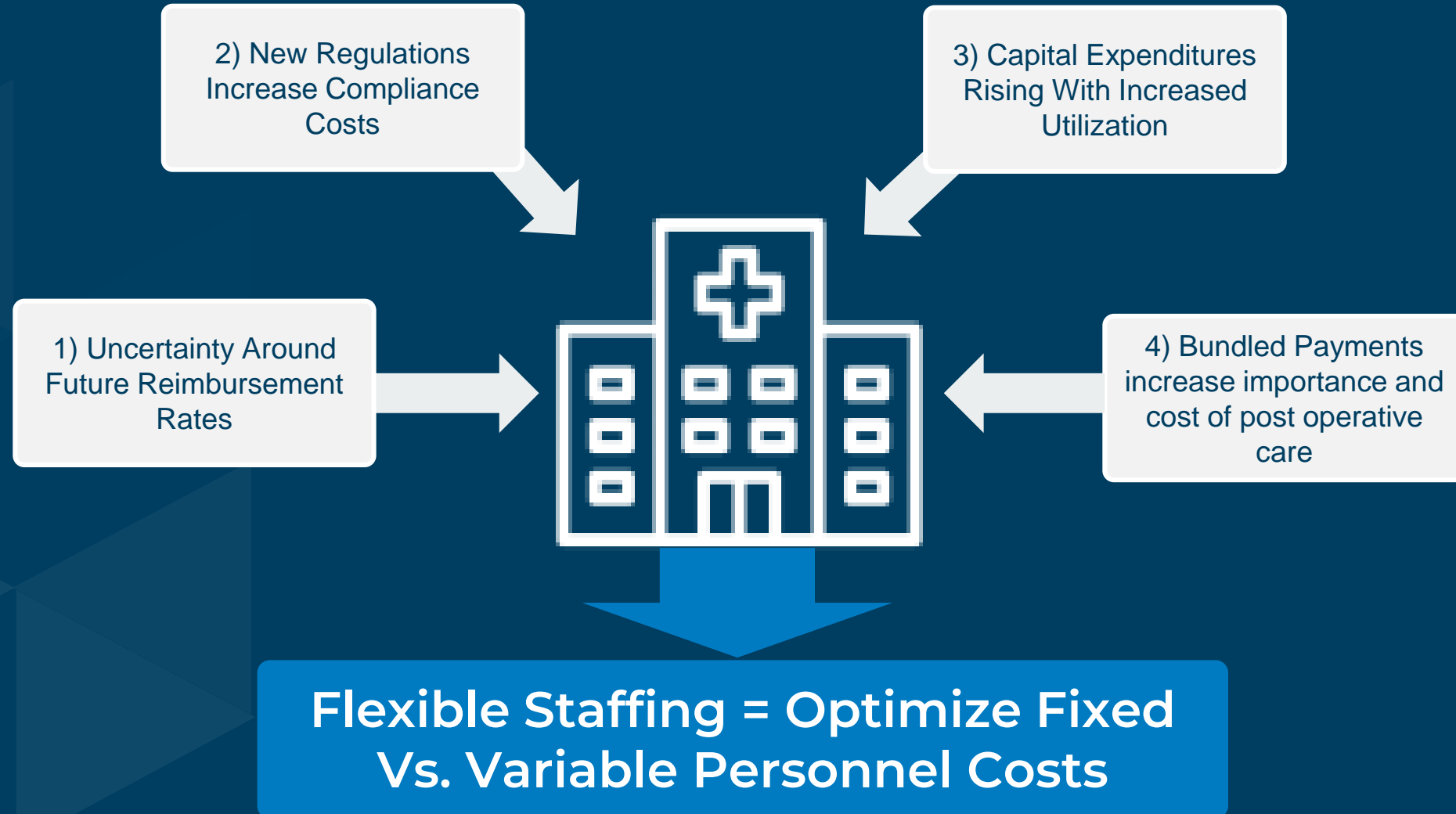
LEGACY STAFFING ALTERNATIVES: ASSUMES PT/FT \$40 HOURLY WAGE

	Overtime	Travel Nurse
Length of Assignment	N / A	13-26 Weeks
Hours Per Week	Flexible	36
Bill Rate	\$60	\$75
Increased Expense	+50%	+87.5%
Implications	Burnout, Increased \$	Increased \$, Perpetuating

Consistent Feedback From Health Systems:

- **Reduce reliance on travel nursing**
- **Develop large labor pool of clinicians and distribute them across health system**
- **Engage more nurses in my market**

Cost and Quality Pressures Driving the Need for More Efficient Staffing Solutions





REVOLUTIONIZING LABOR MANAGEMENT

**An enterprise level
solution:**

**Access the right nurse,
with the right skills at
the right time with the
right cost structure**

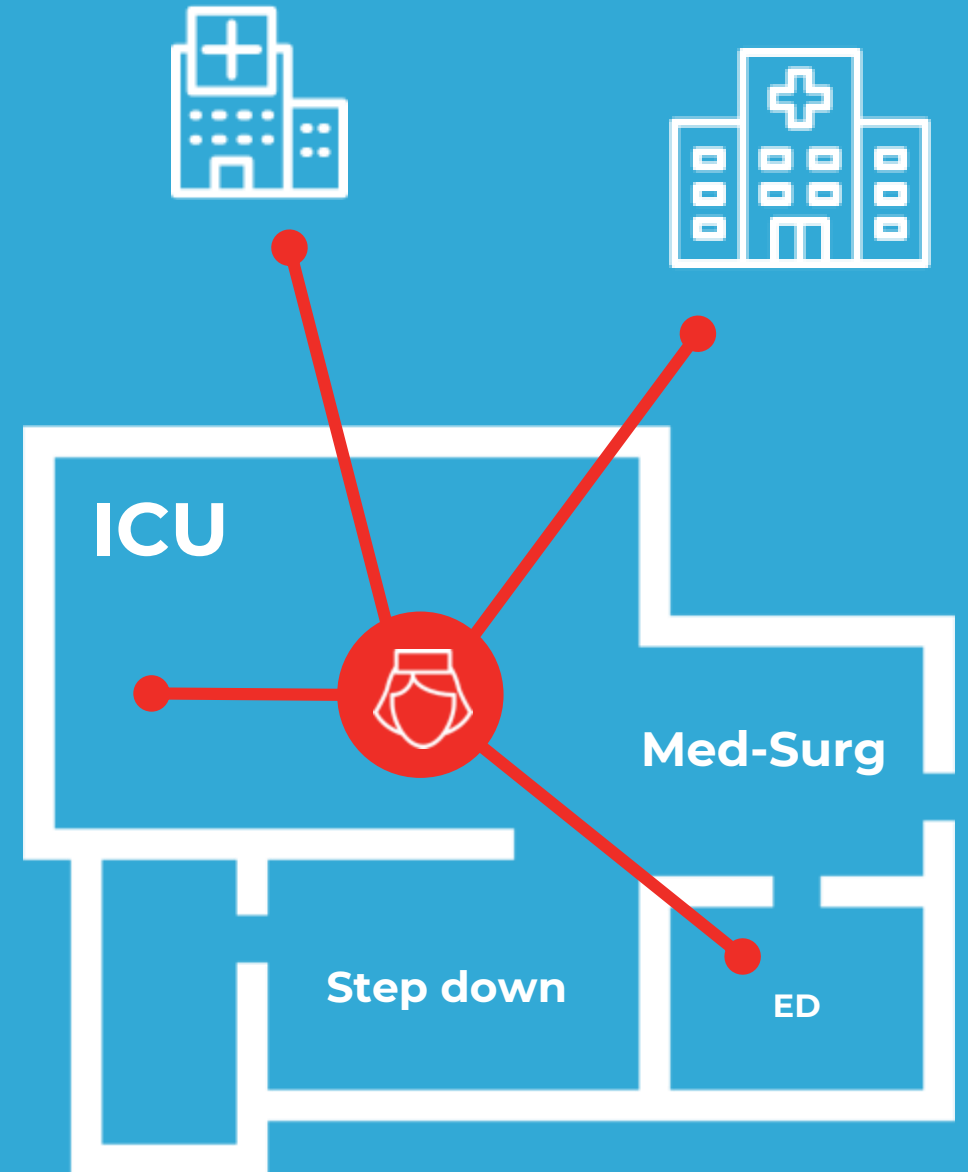


WHAT WE DO:

**#1 Maximize capacity
with your nurses**

#2 Predict shift openings

**#3 Increase supply of nurses to
your network**



HOW IT WORKS



Leverage platform to post your shifts

Dashboard-level metrics, availability, skills and data.



Fill shifts with *your nurses* first

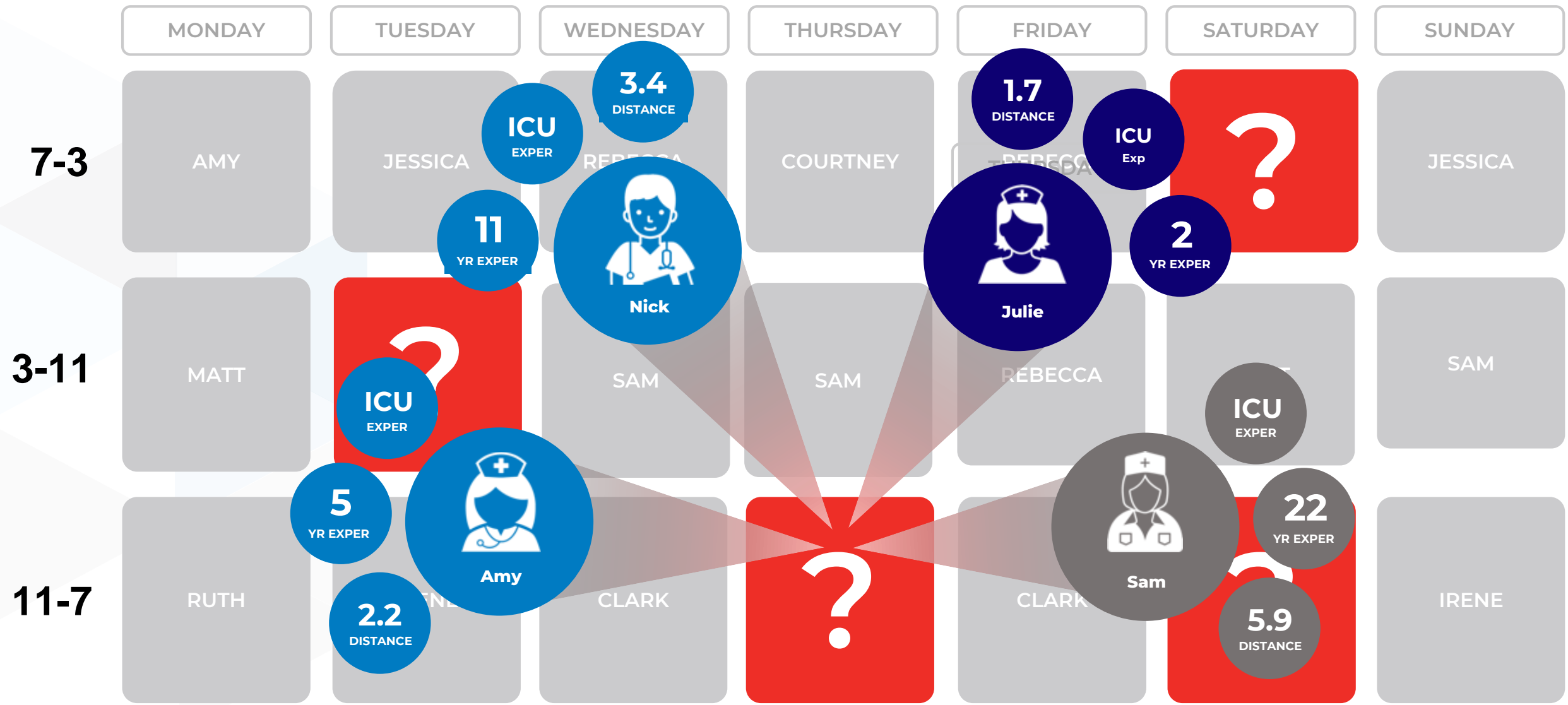
Artificial intelligence and machine learning unlock capacity within your own organization, increasing fill rates more efficiently.



Unfilled shifts filled by credentialed independent nurses enrolled on the platform

Increase reach by accessing excess capacity within market. Avoid Travel Nurse expenses.

HOW IT WORKS:



Administrator View

5 Nurses have applied!

10 Shifts have been completed

4 Shifts need review

connectRN

DashboardShift ListTimesheets

Josh

ms - North Clinic

TODAYMonday, June 6 2017DAYWEEKMONTHSearchPrint SummaryNew Shift

ing2

Add Shift

MENT	OPEN POSITIONS	SUPERVISOR	APPLICANTS	ACCEPTED APPLICANTS	NOTES
RN	2 of 5	Leona French	<div>Hannah Lynch</div> <div>Eva Watts</div> <div>Lucy Dean</div> <div>Irene Young</div> <div>Maria Nichols</div> <div>VIEW ALL APPLICANTS</div>	<div>Ida Hudson</div> <div>Ida Fitzgerald</div> <div>Leona Young</div> <div>Open</div> <div>Open</div>	<div>Nurse should speak spanish.</div>
05967RNHALL 1	0 of 3	Leona French	<div>Josephine Gross</div> <div>Charlotte Mason</div> <div>Alberta Kelley</div> <div>VIEW ALL APPLICANTS</div>	<div>Myrtle Jackson</div> <div>Evelyn Boyd</div> <div>Ida Fitzgerald</div>	<div>No notes</div>

9:00AM - 5:00PMOpen3

Add Shift

SHIFT ID	ROLE	DEPARTMENT	OPEN POSITIONS	SUPERVISOR	APPLICANTS	ACCEPTED APPLICANTS	NOTES
09357	LPN	HALL 1	3 of 3	Joel Stevens	<div>Hannah Lynch</div> <div>Eva Watts</div> <div>Lucy Dean</div> <div>VIEW ALL APPLICANTS</div>	<div>Open</div> <div>Open</div> <div>Open</div>	<div>Nurse should speak spanish.</div>
05967	NR	HALL 1	0 of 5	Aaron Meyer	<div>Josephine Gross</div> <div>Eva Watts</div>	<div>Myrtle Jackson</div> <div>Evelyn Boyd</div> <div>Glenn Hampton</div> <div>Harry Adkins</div> <div>Lula Sandoval</div>	<div>No notes</div>

HOW IT WORKS: NURSE



Opt-in for alerts on specific days and times.



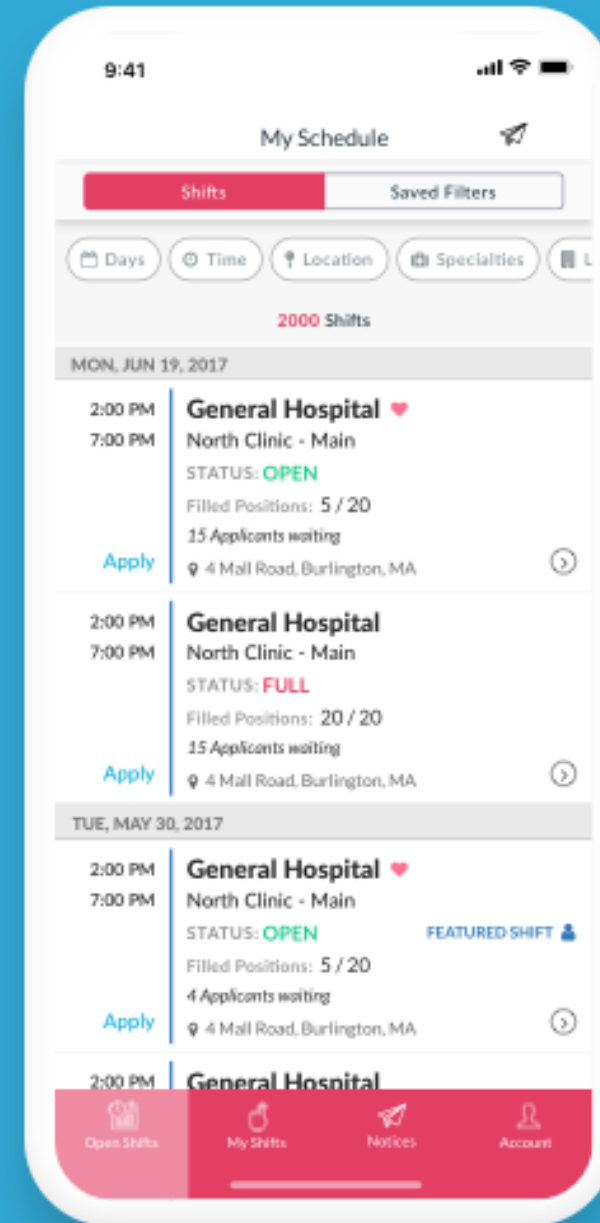
When a shift becomes available, decide to take it or not.



Gain experience in different healthcare settings.

THE TECH-ENABLED SOLUTION

Putting the choice, flexibility and control in the nurses hands



What we have learned...

Technology enables enhanced administrator and nurse experience and scale

AI: Shift vacancies are predictable

Nurses of all demographics increasingly want more freedom, flexibility and control over schedule

While comfort level with technology differs by segment/ life stage, the benefit of utility is a powerful motivator

Meeting nurses with shift preferences is more effective than a financial incentive

CONNECTRN VALUE PROP: AGENCY & OVERTIME SAMPLE

	Assumptive % of staff	# open positions	# hours per year per Nurse	Total with mix
System Spend (overtime)	47%	1981	2080	\$122,007,413
System Spend (Travel Nurses)	3%	1981	2080	\$9,899,152
connectRN replacing 50% Agency Overtime	50%	1981	2080	\$112,489,104
<u>System Savings</u>				<u>\$19,417,461</u>
System Recruitment Savings (Independent staff to fill positions)	10%	1981	2080	\$7,527,800
Total Savings				\$26,945,261

Assumptions

RN Average hourly rate –	\$42.00
Agency hourly rate	\$80.00
Overtime Costs	\$63.00
Vacant RN positions based on online posting on 8/1/18	1981
RN turnover rate (1350 RNs per year)	9%
Turnover costs	\$36-57K
1% Reduction in RN turnover rate	\$5.1M

THANK YOU