

March 18, 2025

County of Ventura Board of Supervisors

Subject: Authorization for the Purchasing Agent or Designee to Increase or Decrease the Individual Contract Amounts for Specified Nurse Registries as Needed, Provided that the Aggregate Amount Paid for Temporary Nurse Staffing Services Does Not Exceed \$24,575,007, an Increase of \$5,600,000 for FY 2024-25 and \$22,117,507 for FY 2025-26; Authorization for the Auditor-Controller to Process the Necessary Budgetary Transactions; and Delegation of Authority to the Purchasing Agent or Designee to Make Limited Modifications and Extend the Term of the Agreements Consolidated in the Pool. (Recommendation #2 Requires 4/5ths Vote).

Recommendations:

1. That your Board authorize the Purchasing Agent or designee to increase or decrease the individual contract amounts for the specified nurse registries as needed, provided that the aggregate amount paid for temporary nurse services does not exceed \$24,575,007, an increase of \$5,600,000 for FY 2024-25 (Table 1) and \$22,117,507 for FY2025-26 (Table 2).
2. That your Board authorize the Auditor-Controller to process the budgetary transactions necessary to revise appropriations and revenue as follows (Requires 4/5ths vote):

VCMS, Fund E500, Division 3300:

INCREASE	Charges for Services	\$5,600,000
INCREASE	Services & Supplies	\$5,600,000

3. Authorization for Purchasing Agent or designee to amend the agreements consolidated in the pool (Table 1 FY2024-25, and Table 2 FY2025-26) to (a) implement corrections, clarifications, and business entity name changes (excluding Taxpayer ID Number), (b) add new services and make technical adjustments, provided that these changes align with the original purpose of the agreement and do not incur additional costs to the County. All amendments are subject to review and approval by County Counsel.

4. Authorization for the Purchasing Agent or designee to extend the term of the agreements consolidated in the pool (Table 1 FY2024-25, and Table 2 FY2025-26) by amendment, for up to two (2) additional periods of one (1) year each following the completion of the current agreements term, on the same or more favorable terms and conditions (with any changes in the Scope of Work to be consistent with the original purpose of the agreement). All extensions would be subject to all necessary prior appropriations and other budgetary approvals by your Board and review and approval as to form by County Counsel.

Fiscal Impact:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenues	\$5,600,000	\$22,117,507
Costs	\$5,600,000	\$22,117,507
Net County Cost	\$0	\$0

Funding Source: VCMC Operating Revenues/Collections

Match Requirement: None

Table 1: Nurse Registry Services – Funding Pool – FY2024-25

Contains the requests for FY2024-25 for Nurse Registry Services (Pooled)						
Registry	Contract / Purchase Document	Exhibit No.	Recommendation	FY 2024-2025	FY 2024-2025	FY 2024-2025
				ENCUMBRANCE	INCREASE or <DECREASE>	TOTAL ENCUMBRANCE
Budget Unit 3300						
AB Staffing Solutions, LLC	8449 / MA ABSTAFFINGSOFY2*MA02	N/A	1	\$300,000	\$125,000	\$425,000
AMN Healthcare, Inc.	7273 / MA AMNHEALTHCARFY*MA01	N/A	1	\$1	\$0	\$1
Aya Healthcare, Inc.	9048 / MA AYAHEALTHCARFY2*MA03	N/A	1	\$18,675,000	\$5,475,000	\$24,150,000
Cross Country Staffing, Inc. dba Cross Country Healthcare Services	8947 / MA CROSSCOUNTRYFY2*MA04	N/A	1	\$1	\$0	\$1
Huffmaster Crisis Response Inc.	8787 / MA HUFFMASTERCRFY2*MA02	N/A	1	\$1	\$0	\$1
Medical Solutions, LLC	8360 / MA MEDICALSOLUTFY2*MA02	N/A	1	\$1	\$0	\$1
MLee Healthcare Staffing and Recruiting Inc. dba McCall and Lee, LLC	8693 / MA MLEEHEALTHCAFY2*MA01	N/A	1	\$1	\$0	\$1
SnapMedTech, Inc. dba SnapNurse	8965 / MA SNAPMEDTECHIFY2*MA01	N/A	1	\$1	\$0	\$1
FY 24-25 NURSE POOL RESERVE				\$1	\$0	\$1
Total				\$18,975,007	\$5,600,000	\$24,575,007

Table 2: Nurse Registry Services – Funding Pool – FY2025-26

Contains the requests for FY2025-26 for Nurse Registry Services (Pooled)						
Registry	Contract / Purchase Document	Exhibit No.	Recommendation	FY 2025-2026	FY 2025-2026	FY 2025-2026
				ENCUMBRANCE	INCREASE or <DECREASE>	TOTAL ENCUMBRANCE
Budget Unit 3300						
AB Staffing Solutions, LLC	8449 / MA ABSTAFFINGSOFY2*MA02	N/A	1	\$0	\$425,000	\$425,000
AMN Healthcare, Inc.	7273 / MA AMNHEALTHCARFY*MA01	N/A	1	\$0	\$1	\$1
Aya Healthcare, Inc.	9048 / MA AYAHEALTHCARFY2*MA03	N/A	1	\$0	\$21,692,500	\$21,692,500
Cross Country Staffing, Inc. dba Cross Country Healthcare	8947 / MA CROSSCOUNTRYFY2*MA04	N/A	1	\$0	\$1	\$1
Huffmaster Crisis Response Inc.	8787 / MA HUFFMASTERCRFY2*MA02	N/A	1	\$0	\$1	\$1
Medical Solutions, LLC	8360 / MA MEDICALSOLUTFY2*MA02	N/A	1	\$0	\$1	\$1
MLee Healthcare Staffing and Recruiting Inc. dba McCall and Lee, LLC	8693 / MA MLEEHEALTHCAFY2*MA01	N/A	1	\$0	\$1	\$1
SnapMedTech, Inc. dba SnapNurse	8965 / MA SNAPMEDTECHIFY2*MA01	N/A	1	\$0	\$1	\$1
FY 24-25 NURSE POOL RESERVE				\$0	\$1	\$1
Total				\$0	\$22,117,507	\$22,117,507

Discussion:

The Health Care Agency (HCA) leverages registry and traveling nurses to address short-term staffing gaps, offer supplementary assistance during census and patient acuity fluctuations, and alleviate the challenge of vacant, hard-to-fill nursing positions. By partnering with nurse staffing services vendors, HCA ensures prompt and seamless fulfillment of these sudden needs, effectively preventing staffing shortages and ensuring uninterrupted patient care access. The allocation of the requested increase is justified as follows:

Registry Utilization in High-Census Units

To address the staffing needs arising from higher-than-planned patient census across several units, we have had to rely heavily on registry staff:

1. Pediatric Unit: In October 2024, the pediatric unit moved to a larger 16-bed space, necessitating additional staff. Agency nurses are being used to fill this need.
2. ICU2: This unit has sufficient planned staffing for only two (2) registered nurses (RN) per shift but has recently adapted to house DOU patients (1:3 level of care), which requires one (1) extra nurse around the clock. These additional FTEs are being provided by agency staff.
3. Service expansion in GI lab: the addition of a GI Lab at Santa Paula Hospital requires an additional two (2) nurses, also being provided by agency staff.

4. Growing Emergency Department volumes: Both VCMC and SPH Emergency departments have seen a climbing census year over year. In order to operate without creating additional positions, agency staff is used to meet these volumes.

Contract Flexibility

HCA contracts with several nurse staffing services vendors to ensure the provision of full care and complete services for the patients we serve and to ensure compliance with State-mandated nurse staffing ratios. Therefore, we request flexibility for the Purchasing Agent to reallocate funds as needed among the registries listed in Table 1 and Table 2.

Fiscal Stewardship

The average rate for travel RN is currently \$95 per hour, which is on par with our average nursing rate of \$94.87 per hour for all RNs. The \$95 per hour rate is significantly lower than a Senior or Circulating RN and just over a RN II.

Despite utilization of agency nursing staff, the FTE per Adjusted Occupied Bed remains the same if not slightly lower this year than the prior year. A similar trend is seen with the Labor Cost per Adjusted Patient Day demonstrating that the hospital is managing its labor costs, whether employee or registry.

The FY 2024-25 adopted budget included \$18,975,007 for nursing registry. For the reasons noted above, we project a \$5.6 million increase for a revised nurse registry spend of \$24,450,007. A budget adjustment is requested to cover the \$5.6 million increased registry costs. The increased cost is offset by increased net patient services revenue (NPSR) as a result of the hospital census during the first six months being higher than budgeted. The NPSR for VCMC is projected to exceed budget by \$11.0 million in FY 2024-25, which more than covers the projected increased registry costs.

For comparison, the FY 2024-25 projected spend for nurse registry of \$24.57 million is a \$2.49 million decrease (9%) compared to the FY 2023-24 spend of \$28.02 million, and a \$7.12 million decrease (22%) compared to the FY 2022-23 spend of \$31.69 million.

Additionally, HCA is projecting a budget of \$22,117,507 for FY 2025-26, reflecting a 10% decrease compared to the FY 2024-25 budget.

Hospital leadership will continue efforts to reduce nurse registry spending with its multifaceted approach to increase recruitment with the nurse residency program, outreach to nursing schools, and regular nurse recruiting events.

Strategic Plan Priority:

The item presented in this Board letter supports the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goal of providing access to quality healthcare required for our community to thrive.

This Board letter has been reviewed by the County Executive Office, Auditor-Controller's Office, General Services Agency Procurement Services, and County Counsel. If you have any questions regarding this item, please contact John Fankhauser, M.D., Chief Executive Officer, at (805) 652-6058.



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