



Podcast



HEALTHCARE INDUSTRY GROUP

HUMAN CAPITAL & WORKFORCE MANAGEMENT

The Future of Travel Nursing – Episode 2

Transcript

[00:00:27] Bianca A. Briola: Hello, and welcome to the Alvarez & Marsal Healthcare Industry Group Human Capital and Workforce Management podcast. In this podcast series, we discuss the most pressing workforce issues facing healthcare leaders. I'm Bianca Briola, leader of the healthcare human capital and workforce management practice at Alvarez & Marsal, and I am joined today by my co-host, Kristy Anwuri, a director in our practice.

[00:00:50] Kristy Anwuri: Hi, everyone. Great to meet you, Earl. Excited for today's podcast.

[00:00:54] Bianca: Earl, I have to say, I have been looking forward to this conversation for weeks now, mostly because I just want to hear what you have to say to our questions. I'm so interested, and as you know, we're going to be talking to other healthcare leaders and some travel nurses to get their perspective on this topic. We're joined by Earl Dalton here, Chief Nurse Officer of Health Carousel, a healthcare staffing and workforce agency. Earl, I think that we're really interested on your different perspective of the future of travel nursing, so thank you for joining us today, and welcome to the show.

[00:01:29] Earl Dalton: Yes. It's a pleasure to be here. Thanks for having me.

[00:01:32] Kristy: Tell us about Health Carousel and your role in the company.

[00:01:36] Earl: Sure. Health Carousel is a healthcare staffing company that has several different platforms. We provide locum tenens, which is doctors, PAs, and NPs to organizations that are in need. We also have a domestic travel nurse, a traditional travel nurse platform where we place healthcare nurses in all types of settings in all of the states and coast to coast. Then we have an international nurse branch as well where we recruit nurses from over 62 countries to come into the United States and work again from coast to coast in the all of the states. Altogether, we have about 3,600 or so healthcare professionals that are working on the ground in various settings, and my job is to help support those people as the chief nurse officer of Health Carousel.

[00:02:31] Kristy: Just in follow up to that, what did the past few years look like for you and Health Carousel in light of COVID and everything else post-COVID as well?

[00:02:39] Bianca: Have you been busy, Earl?

[00:02:42] Earl: That's a great question. I'm sure you're hearing very similar answers from other guests that you're having on your program. I think probably the biggest thing I could make is that none of that went as planned. The two years have been a rewriting of the books. We saw the massive changes that we would see over the last couple of years. Like



most companies, it's been our job to help support healthcare and rewrite a playbook along the way where things changed incredibly rapidly.

We had to go through phases where there was concern for our own employees and our own health and lockdowns and all of those sorts of things, then evolve into how do we manage our own workforce against this virus and all of the changes they're in. That certainly changed how we did business, but not lost on us is the incredible duty we have to the nation really to provide travel nurses. It's a large sector of the industry and you can imagine how demand went up as the demand for healthcare went up and COVID cases increased across our country.

Really it was two things for us. It was really rewriting an internal playbook on how the company would operate inside of a COVID world combined with the urgency and the duty to all of our hospital partners to get the nurses they needed to care for people through the pandemic.

[00:04:16] Kristy: Did you see demand for locums actually increase as well or would you say the demand was more on the travel nurse side?

[00:04:26] Earl: Kristy, what I would tell you is there's what we call in healthcare an acute on chronic situation here. There's been a chronic illness for some time now around people retiring. As we've seen a shrinking workforce, really lots of professions within healthcare have been on a slow burn of crisis. Not enough people to do the work, finding ways through certainly locums, and those sorts of things, travel nursing, to find solutions to continue to care for their communities.

That problem certainly has existed for quite some time, and every year it escalates because more and more people retire in those years. That problem was already burning and was already a big talking point between our hospital partners and us here at Health Carousel. Then you sprinkle on a good old pandemic on top of that where we're twofold. A lot more patients are coming to the hospital and we saw lots of staff going down with COVID, through exposures and then actually having the illness.

That double whammy certainly created a very [inaudible 00:05:43] situation on what was already a very chronic situation. While I do believe the pandemic is waning at least for the moment, the last big curve, the last big spike that we saw is certainly on the decline. We're just back to still full hospitals and the demand for healthcare is up. Our locums division is thriving. There's just not enough physicians, PAs, and NPs to carry the work right in. That's been popular and continues to be popular.

[00:06:17] Kristy: What are the misconceptions that the general public tends to believe about travel nursing or just the industry in general?

[00:06:24] Bianca: Ooh, this is a good one.

[00:06:25] Earl: Right. It is a good one. It is. The shiniest thing that people can see is the disparity in pay. Contingent labor forces work out individual and unique contracts with the hospital for a very, very short period of time. They do that through an increase in demand. They were able to increase their earning and income against what permanent staff can make. I think there's a connotation there that became incredibly negative, that these travel nurses were coming in and making a lot more money, but really the reverse is actually true.

What became true is that there isn't a community in the United States that could survive based on the strength of its permanent staff. Like all industries, whether you're looking at tech engineering, construction, the need to make it all work depends on contingent labor,

people who can parachute in and do the work and then parachute out when the work is no longer there.

While I think there was certainly some attention and focus on this increased earning opportunity for contingent labor nurses, their need could never be understated. Take anywhere in USA, I will quote the New York City example because it just strikes me. Over a weekend, some of the largest health systems there had to quadruple their amount of ICU beds. Well, there just aren't enough nurses in the city to be able to expand over the weekend. There are quadruple the number of ICU nurses available.

What it meant was that across the nation, and lots of critical care nurses answered the call and went to New York and helped save what was a very trying time there. If you recall, due to the density of the city, COVID hit that city incredibly hard. All of a sudden, there aren't enough troops. There just aren't enough people on the ground to be able to deal with that. If you think about the strength of staffing companies, they're really good at logistics.

They can move nurses quickly around the country, and they're really good at procuring that talent. Getting a nurse is half the battle, getting a nurse to a city that is rapidly expanding its service, literally over just a couple of days, is an incredible skill to have. In many ways, healthcare gets saved by travel nurses. Thank God they exist. Without them, healthcare would have really taken a big hit during the COVID times. People have to refer that care in this country transacts through the hands of a nurse.

For all of the orders and all of the ways in which we theoretically write and take care of patients, that care actually happens through the hands of a nurse. The delivery system depends on them. The need to have them and be able to maneuver quickly around the country, it's never been more important.

[00:09:36] Bianca: We talked a little bit about what it looked like during COVID. What's happening now? Has demand waned? Are fewer nurses wanting to travel because there's less incentive or they miss their family? Are organizations moving away from travelers? Is there still continued need? There's multiple scenarios that I can think of. What are you seeing out there in the market?

[00:10:00] Earl: What I would tell you is, we're back more to the chronic situation. We talked about an acute on chronic situation where certainly that acute situation, as it applies to COVID, is waning for right now. The end for that is certainly on the decrease. With that, we are seeing not so much a decrease in the number of jobs, the number of employment opportunities for travel nurses. We are seeing a reworking of the rates of pay for those nurses and the length of contract for those nurses.

We're back to treating the chronic illness that existed in the beginning, which is the continuing retirement, the continuing exit of people out of healthcare, and needing to fix that. I was actually just at AO&L last week, which is the big conference related to mostly chief nurse executives and that sort of thing. The hospitals continue to be full. Even though it's not COVID-related cases as much anymore, the demand for care is still incredibly high. With that comes the need for continued contingent labor solutions.

[00:11:15] Kristy: Obviously, the demand was high during COVID, it's going to be high post-COVID, and it'll return to this situation. The question I have is related to rural nursing areas, areas that can probably only get staffed by a travel nurse. How did they compete for these big city jobs versus these rural jobs in COVID and post-COVID?

[00:11:38] Earl: Great great question, Kristy. What I would tell you is that there is a raging debate over this. If you think about all of the healthcare providers in any one state, so pick a

state, there are different abilities to pay contingent labor. Some are incredibly lucrative systems. They have a lot of resources and power to outbid fellow facilities around the state, and eventually, this trickles down to lower ability to pay payers for those services.

This will continue to play out. It is a raging debate right now. I wonder if it won't lead ultimately to new-formed partnerships where lesser ability to pay people join systems just for the market power, being able to do that, and the sharing of resources. I think this will continue to drive innovation and change in the landscape of healthcare. A great question, Kristy, because it's a raging debate right now around what do you do if the hospital up the road can outbid you for the nursing service, and then you just can't get in that particular rural region if you can't get the care.

That problem's not solved. It is being actively discussed in legislature and places like that in government about what is the correct thing to do here, but in this system we live in, which is not a governmentally controlled system, ultimately this is a free market system. As long as that continues the rage, those that can pay will do better than those who have the inability to pay.

[00:13:19] Bianca: Along those lines, let's get your crystal ball out. You're talking about potential legislation and we hear about this a lot. Do you think that legislation to regulate or cap travel nursing is going to come to fruition? Do you think that's going to happen?

[00:13:36] Earl: I don't, Bianca. I think that ultimately happens, and I'll tell you why. That sort of legislation right now is being proposed in four or five states. I think this is one of those big bang things. I think it's either everybody needs to do it and create a new uniform system of competition for healthcare providers, but if only certain states do it, really those states then probably are just hurting their ability to get nurses.

If you rate cap what a nurse, what a doctor can make, or if any of that turns out to be true, then what you'll see is less people choosing that particular state to go to work in. That's just going to hurt their ability to recruit nurses to that region. Why would a nurse go to a state where they're rate capped when the next-door state is open for them to go to? The market will work around that as long as there's a workaround.

I don't see the country any time soon coming together that this is what all of them want to do together in unison. There's not really a nursing organization, there's not really a healthcare organization that unites our country that way. It literally would be 50 different states needing to find a group that came together and wanted to work through and process a rate-setting methodology.

[00:15:05] Bianca: It reminds me a little bit of Nursing Compact. The states that don't have Nursing Compact, they struggled particularly in the beginning recruiting and pulling in out-state nurses. It would require some sort of global agreement.

[00:15:22] Earl: Yes.

[00:15:22] Bianca: Last question for you, again, with that crystal ball, what is the future of travel nursing look like? What does it look like?

[00:15:32] Earl: Again, if you go back to and subscribe to that rate of retirements out of healthcare is astronomical. The amount of 65 on up people that are retiring is exponential and its curve not linear. If you subscribe to that and then you also understand that the 65 and older age group then are lining up at the front door and demanding care, these are larger consumer demographics. The 65 and older are large consumers of healthcare and there's loads of them leaving the bedside.

They're getting out of hospitals. What I think we'll continue to see is that travel nursing is a growing sector of the healthcare delivery model inside of the United States. I think most hospitals play out a scenario where they're trying to get rid of travelers, trying to down that population. I just don't think that is what we will see certainly between now and about 2032, 2033. If you look at math of age, we're going to continue to see people in that retirement bucket, and then we're also going to see that 65 and older population increase.

The demand for healthcare will continue to rise and the need for healthcare delivery through the hands of a nurse will continue to increase, and on seasonal flow in the absence of a pandemic or a crisis of that nature, you will continue to see the need for a contingent labor solution to your healthcare staffing needs.

[00:17:04] Bianca: What I'm hearing you saying is that contingent nursing labor or contingent labor is going to have to be a tool in a toolbox to make sure that care delivery goes off seamlessly.

[00:17:16] Earl: Right. In fact, the big trend we're seeing is that you need a strategic partner in this. Most hospitals now are actively reviewing who has the right elements of a partnership that we can sub this out to, somebody who could take on this work. It's not a competency most hospitals have. They don't really know how to do that very well. What we're seeing is an increased partnership and an understanding that this is the future, and, therefore, these folks need to be let in.

[00:17:50] Bianca: So good. Thank you, Earl. This has been so educational for us. We appreciate your time and loved your perspective. We can't wait to talk to our other interviewees to learn a little bit about what they think the future of travel nursing looks like, but I can tell why you're in your position. This is so visionary and very strategic. Thank you again for your time.

[00:18:11] Earl: Great talking to you Kristy. Take care, folks.

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