



## A safety ROI for healthcare organizations: The cost of doing nothing

The healthcare sector is growing faster than all other occupational groups. According to the US Bureau of Labor Statistics, the sector is projected to grow 16% and add 2.6 million new jobs through 2030. By contrast, the healthcare system is facing a nationwide staffing crisis<sup>1</sup> that is expected to worsen. According to the Bureau of Labor Statistics, it is anticipated that 500,000 nurses will have left the workforce in 2022, bringing the overall shortage to 1.1 million nurses, and there is no ready supply of trained professionals to replace the outgoing workforce.

For the immediate future, the demand for skilled labor vs. the available supply will result in labor shortages<sup>2</sup>. Important factors underlying these staffing shortages include increased levels of stress, burnout<sup>3</sup>, emotional exhaustion, and work-related safety concerns, including work related violence<sup>4</sup>.

Healthcare systems that implement safety solutions that address the root causes of the staffing crisis will have the best outcomes, including better staffing levels, lower costs, and higher ROIs.

## Employee turnover

The increasingly high employee turnover rate is a growing challenge for the healthcare sector. According to a recent survey by NSI Nursing Solutions<sup>5</sup>, the average turnover rate for nurses is 22.5%.

The NSI survey also reported the average cost of turnover for a registered nurse (RN) is \$52,350. Additionally, each percent increase in RN turnover will cost the average hospital an additional \$380,600 per year.

Clearly, managing turnover has a direct impact on a healthcare provider's ability to control costs and deliver quality care. Employee turnover leads to significant recruitment and hiring costs, which include expenses related to advertising job openings, onboarding, and training new employees.

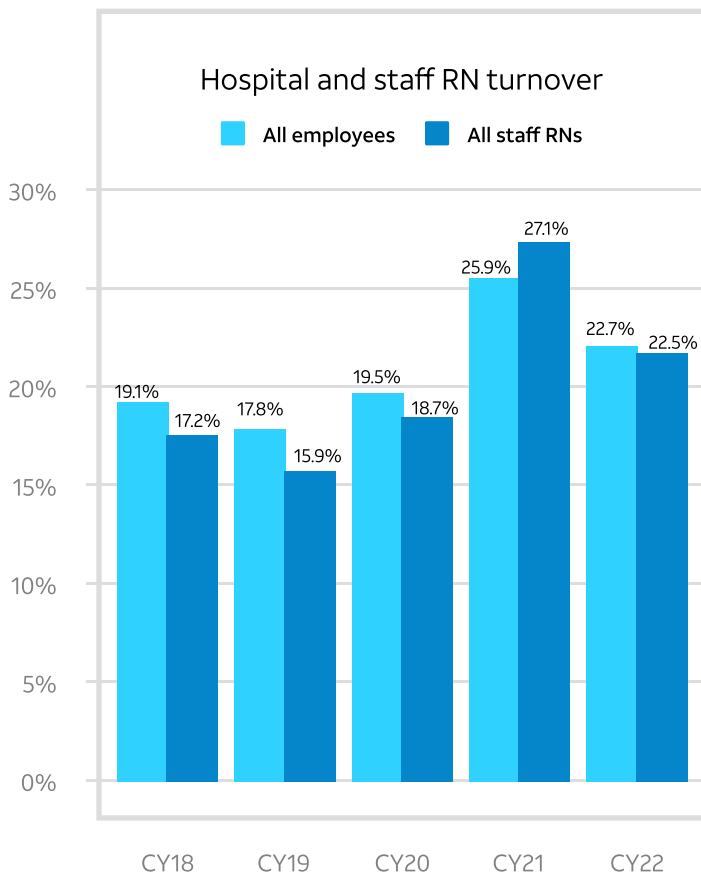
According to a study by the Society for Human Resource Management<sup>6</sup>, the process of replacing staff can cost up to **50-60%** of an employee's annual salary.

Employee turnover can lead to a loss of productivity, causing delays in patient care and other critical activities, leading to decreased morale and productivity among existing employees.

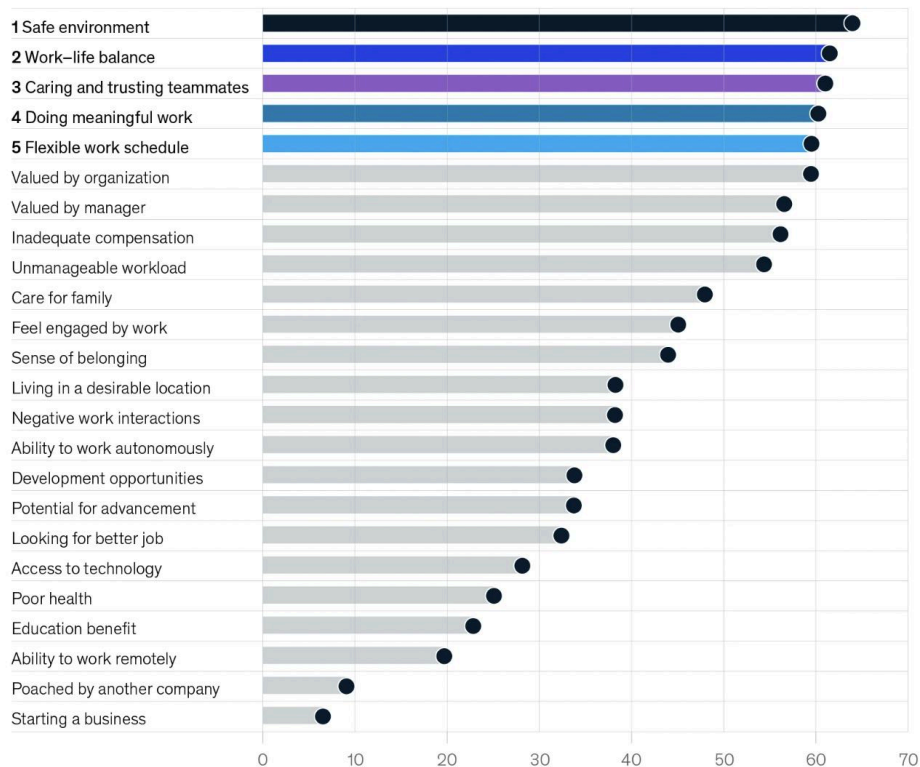
Replacing skilled labor is not only expensive but also challenging in today's market, especially with the labor shortage hitting the healthcare industry harder than most.

A recent study by McKinsey & Co.<sup>7</sup> revealed that nurses in the early and mid-stages of their careers identified a safe work environment as the most crucial factor influencing their decision to stay in their current position. This compelling statistic underscores the importance of deploying safety solutions that mitigate the unique risks faced by healthcare professionals. Failure to invest in adequate safety systems will lead to higher employee turnover rates with the associated costs.

By providing a work environment that prioritizes and invests in the safety of healthcare professionals, employers will be able to improve retention rates and productivity, bolster recruitment initiatives, and reduce turnover and retraining costs. Investing in safety solutions delivers a solid return on investment.



**Factors affecting surveyed nurses' decisions about whether or not to stay in current position,<sup>1</sup>**  
 % of respondents ranking factor as important (n = 710)




November 2021 frontline workforce summary, by McKinsey and Company.


## Safety and security costs


Although every workplace presents safety hazards, healthcare workers face significantly elevated safety risks, particularly as it relates to workplace violence. As referenced in the Online Journal of Issues in Nursing<sup>8</sup>:

In addition, home healthcare and hospice workers face unique additional risks associated with working in uncontrolled environments, in unfamiliar neighborhoods, and in isolated situations with patients or family members who may pose a threat.

Risk factors include drugs and alcohol, access to weapons, client dementia or mental illness, and solo work without backup such as an onsite co-worker.

 75% of the workplace assaults reported annually occurred in healthcare and social services settings.

 Healthcare workers are four times more likely to take time off work for workplace violence-related injuries than for other injuries.

 85% of non-fatal workplace violence-related incidents occur in healthcare or social service-related industries.

Workers also face community risks: robbery, believing nurses, therapists or hospice workers carry drugs or money, after dark travel, car theft and vandalism, and violence risks from family or friends in the patient's home.

Because violent incidents are routinely underreported<sup>10</sup>, many employers don't know the frequency/degree of violence faced by employees, and the impact it has on retention.

Only about 1 in 5 violent incidents are ever reported<sup>11</sup> in part due to:

- ✓ Embarrassment
- ✓ Organizational culture
- ✓ Tolerance
- ✓ Excusing the behavior of 'ill' clients

The National Institute for Occupational Safety and Health estimates workplace violence to cost \$151 billion annually, including expenses from lost productivity, legal/ medical fees, property damage, and security costs<sup>12</sup>. Given these stats, it's no surprise nurses rate workplace safety as the most important factor, and that healthcare burnout/turnover is so high.

## The Joint Commission

The Joint Commission is the nation's oldest and largest healthcare accrediting body, representing over 22,000 healthcare organizations. In acknowledgement of the unique safety risks faced by home healthcare field staff, the Joint Commission recently established new workplace violence prevention requirements for home healthcare organizations, effective January 2025.

In its rationale for adoption of the new regulations, which apply to all Joint Commission-accredited home care organizations, they stated:

*"The inclusion of safety and security incidents, particularly those related to workplace violence, in the home care organization's monitoring and reporting process is crucial as it demonstrates a commitment to recognizing and mitigating the risks associated with workplace violence, proactively manages these risks, enables staff protection and support, aligns with regulatory compliance, emphasizes a culture of safety, informs data-driven decision-making, and contributes to the overall well-being of both staff and patients."*

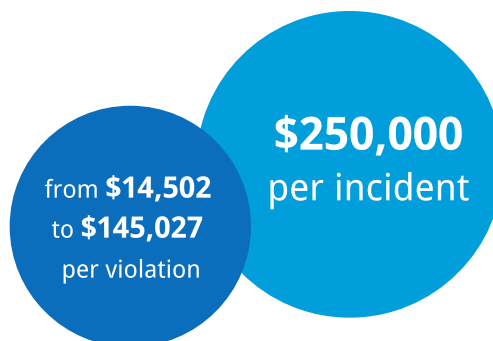
## Legal costs and compliance

Healthcare employers may face significant costs with legal issues arising from workplace accidents or incidents, including expenses related to hiring legal representation, court fees, and settlements awarded to employees.

According to the US Department of Labor<sup>13</sup>, workplace violence events cost employers an average of \$250,000 per incident. These figures do not capture hidden costs, such as emotional pain, depression, isolation and anxiety.

Failure to comply with safety regulations can result in costly fines and penalties. For example, the **penalties for non-compliance with OSHA14 regulations can be severe: \$14,502 to \$145,027 per violation.**

Additionally, legal issues and non-compliance can lead to increased insurance premiums for healthcare employers, as insurance companies may view organizations with a history of safety violations or accidents as a higher risk.



## Reputational damage

Workplace safety incidents can have a very negative impact on the reputation and trust of the organization. Once damaged, a poor reputation can cause patients, employees and investors to lose trust in the organization, leading to a loss of business and revenue.

Reputational damage can also make it challenging to attract and retain top talent, resulting in increased turnover costs. Considering the fact that skilled healthcare workers are already at a premium, organizations need to ensure that they are positioned as the sort of employer that healthcare professionals want to work with.

High-profile or frequent workplace safety incidents can create serious long-term issues for organizations and rebuilding a damaged reputation is costly, time-consuming, and diverts resources from other critical initiatives.

## Benefits of investing in workplace safety

According to the US Department of Labor<sup>15</sup>:

Employers that implement effective safety and health programs may expect to significantly reduce injuries and illnesses and reduce the costs associated with these injuries and illnesses, including workers' compensation payments, medical expenses, and lost productivity.

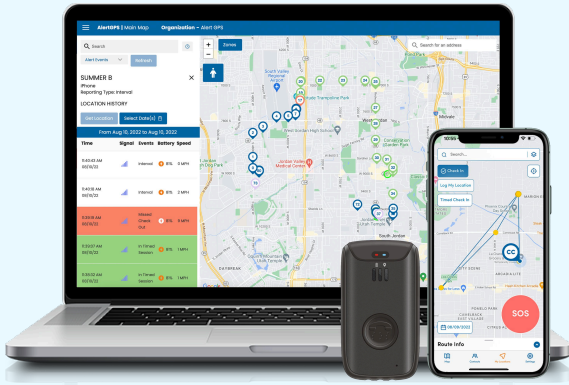
In addition, employers often find that process and other changes made to improve workplace safety and health may result in significant improvements to their organization's productivity and profitability.



By implementing an effective, user-friendly safety solution, healthcare employers can demonstrate organizational commitment to the well-being of their workforce. This can help alleviate underlying causes of stress, burnout, and job dissatisfaction. When workers feel safe and supported, they are more likely to be satisfied with their jobs, leading to increased retention rates and lower turnover and retraining costs.

Employers who prioritize workplace safety reap significant benefits, both in terms of reducing the costs associated with work-related violence and injuries, and in terms of enhancing their organization's productivity and profitability<sup>15</sup>.

AlertGPS provides employers with a proven and effective safety solution for healthcare and hospice workers that protects your workforce and saves your organization money. AlertGPS safety solutions strengthen organizational safety culture, build employee loyalty, align with regulatory requirements, and help reduce staff burnout and turnover.



## About AlertGPS

AlertGPS is a leading innovator in connected enterprise safety technology. Our solution offers the quickest way to locate, communicate and get emergency help to your mobile workforce. Our Safety Wearable Device and Mobile Safety App, available for smartphones and tablets, combined with our cloud-based alerting platform, proactively monitors and enables rapid communications and emergency response to workers who are injured or threatened.

At the simple touch of a button, a worker can quickly trigger a two-way emergency call to our 24/7 response center, with trained agents ready to dispatch help anywhere in the US or Canada. Our products and services are deployed and used nationwide by organizations in the healthcare, utilities, energy, delivery services and social services industries, as well as by the U.S. Military.

## FirstNet















AlertGPS' ActiveHalo+® device is FirstNet Trusted® and the Mobile Safety Apps are FirstNet Verified®.

FirstNet is the nation's only high-speed, broadband communications platform dedicated to and built for America's first responders and the extended public safety community. The FirstNet network features First Priority® that supports prioritized and efficient communications, as well as preemptive access to network resources for first responders during times of congestion.

FirstNet Trusted™ devices have met the standards for supporting the critical operational needs of public safety agencies and users who need tools that are highly secure, resilient, scalable, and available when needed. Subject to eligibility.

*FirstNet, FirstNet Trusted™ and the FirstNet logo are registered trademarks and service marks of the First Responder Network Authority.*

## Features:

-  One-touch SOS with 2-way voice
-  24/7 response and monitoring center with emergency dispatch
-  Location positioning with GPS, Wi-Fi + cell and BLE for indoor
-  Advanced privacy options
-  Safety companion
-  Customizable smart zones and threats zones
-  Registered sex offenders/predator alerts
-  Timed sessions with missed check-out alerts
-  Check-in button to report time and location
-  Fall detection with automatic SOS call
-  AT&T Nationwide network
-  OSHA compliance reporting
-  Secure IoT platform, SOC 2/HIPAA compliant
-  Easy-to-install BLE beacons to ensure room-level location accuracy (optional)

To learn more, contact your AT&T Account Manager.

## References

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