Nurse Residency Programs

A Critical Part of The Future of Nursing, Part 2

In the last issue of the Journal for Nurses in Professional Development, we introduced this column that exists to provide professional development specialists with news, tips, reports, how-tos, and ideas relating to the rapidly evolving world of nurse residency programs (NRPs) and the new graduate transition into practice experience. Over the past decade or so, NRPs have gained an ever-increasing presence within the nursing world and health care, in general, with endorsements, recommendations, and even mandates coming from academia, industry, and other high-level advisory agencies that are heavily vested in nursing. Most recently, the Institute of Medicine (IOM, 2010) made the implementation of NRPs a key recommendation in its report on *The Future of Nursing: Leading Change, Advancing Health.*

Implement nurse residency programs. State boards of nursing, accrediting bodies, the federal government, and health care organizations should take actions to support nurses’ completion of a transition-to-practice program (nurse residency) after they have completed a pre-licensure or advanced practice degree program or when they are transitioning into new clinical practice areas (p. S-9).

The report also defined three action steps accompanying this recommendation: (1) implement NRPs across “all practice settings”; (2) fund them in a sustainable, long-term manner; and (3) evaluate and research their effectiveness (p. S-10). The first column addressed the first action step; this column addresses the other two.

**SUSTAINABLE FUNDING FOR NRPs**

The IOM report stated that “health care organizations, the Health Resources and Services Administration (HRSA) and Centers for Medicare and Medicaid Service (CMS), and philanthropic organizations should fund the development and implementation of nurse residency programs across all practice settings” (p. S-10). At the same time, the report also acknowledged that implementation “will take time, resources, and a significant commitment from nurses and other health professionals; policy makers at the federal, state, and local levels; foundations; and other key stakeholders” (p. 7-3). Most NRPs today are housed in larger hospitals and health systems because they have operational budgets that can accommodate NRP development and can actualize the financial benefits that come from reduced new nurse turnover in the organizations. This financial return on investment is a very real issue for healthcare systems, as the money spent replacing nurses who leave an organization shortly after hire is essentially wasted on recruiting and training new nurses to fill these vacancies. *The Future of Nursing* report cited as an example:

> …in one hospital, the total cost for a residency program is $95,100, with a cost per resident of 2,023.91. Given that the average cost of replacing just one new graduate RN is $45,000, a return on investment can be significantly dependent on a reduction in RN turnover (p. 3–32).

The report cited several examples in the growing body of evidence where the cost savings from reduced new graduate turnover is greater than the cost of the NRP itself, which establishes a positive return on investment and justifies its benefit to the organization.

Outside of the nominally (and privately) funded acute care arena, however, sources of funding markedly diminish. In its report, the IOM appealed to HRSA and CMS to help fund NRPs for advanced practice registered nurses and those outside of acute care. The Patient Protection and Affordable Care Act allocates approximately $200 million over a 4-year period to a demonstration project designed to subsidize the costs of clinically training advanced practice registered nurses to provide primary, preventive, transitional, and chronic care (p. 3–34). In addition, the report identified funds dedicated to nursing education within the CMS Graduate Medical Education fund, which totaled approximately $130 million in 2006 and noted that approximately “half of all Medicare nursing funding [about $65 million] went to five states that have the most hospital-based diploma [pre-licensure] nursing programs. The diploma programs in these states directly benefit from receiving these funds. Most
states, however, and most hospitals do not receive Medicaid funding for nursing education. The committee believes it would be more equitable to spread these funds more widely and use them for residency programs that would be valuable for all nurses across the country” (p. 3–34).

EVALUATE AND RESEARCH THE EFFECTIVENESS OF NRP

In making the appeal to implement NRPs, the report affirmed that the recommendation is “supported by a level of evidence necessary to warrant its implementation. This does not mean, however, that the evidence currently available is sufficient to guide or motivate implementation.... Before agreeing to reorganize care and training in a way that supports nursing residencies, hospitals will likely want to understand the true costs of such programs, as well as the key ingredients for their success” (p. 7). Therefore, “health care organizations that offer nurse residency programs should evaluate the effectiveness of the residency program in improving the retention of nurses, expanding competencies, and improving patient outcomes” (p. S-9).

Here, the report calls for a greater understanding of the three key outcomes of NRPs: retention, competency, and patient outcomes. To date, new graduate retention/satisfaction is, by far, the most studied and reported. There is a lot in the literature on how new graduates feel about their transition into practice and the ways NRPs reduce new graduate turnover by helping reduce stress, enhance feelings of professional comportment, and increase new graduates’ commitment to stay at an organization and in the nursing profession. The other two NRP outcomes—expanding competency and improving patient outcomes—are much more difficult to quantify, and consequently, there is little in the literature at present to help NRP designers know what elements of an NRP do the most good at developing competency and whether the NRP has a positive impact on patient outcomes. In short, NRPs do a lot of good for new graduates’ comfort level and satisfaction, but whether they actually help new graduates be better nurses or provide better care for patients has yet to be shown. Obviously, the NRP models of the future will be those that can show all three outcomes: retention, competence, and patient outcomes.

SUMMARY

As mentioned in the last issue, the statement by the IOM about needing to “understand the true costs of such programs, as well as the key ingredients for their success” is exactly the reason why this NRP column was established. The intent is to provide professional development specialists with a central source of information that can help them design, implement, and evaluate an NRP or modify and update an existing one to keep abreast of new knowledge and understandings in a quickly developing arena.

The Future of Nursing gives a fitting summary to this month’s column and provides a fitting vision for future ones: “Given the demographic changes on the horizon, in order to increase educational capacity, improve education outcomes, and better prepare graduates for the seismic shifts likely to occur in practice, there is an urgent need to develop and test new pre-licensure clinical education models including postgraduate residencies” (p. I–59).

Until next time...

Reference