

Calculation of Annual CNA Turnover Replacement Cost

Facility Name: _____ Completed by: _____

To calculate the Annual CNA Turnover Replacement Cost, first determine the direct costs. Items with asterisks are costs that will be added on the last page of this tool; items with no asterisks are data or calculations that feed into the cost:

STEP 1: Determine Direct Costs

Replacement Costs

CNA new-hire hourly rate:

***Advertising cost:**

Calculation: Enter the cost of placing an ad in the local newspaper for three days, including Sunday

***Cost to interview and screen applicants:**

***Cost to call and check references:**

Calculation: Multiply the hourly rate for the interviewer and the person checking references by the time taken for these activities

***Cost of employee physical:**

***Cost of TB test:**

***Cost of Hepatitis B vaccination:**

***Cost of drug screen:**

***Cost of hiring bonus or employee referral bonus:**

***Cost of criminal background check:**

Staff Vacancy Costs

Average agency CNA hourly rate:

Average CNA hourly rate:

Average overtime/double-time hourly rate:

Calculation: Multiply the average CNA hourly rate by 150% to get the overtime rate and by 200% to get the double-time rate. Next, add the overtime and double-time rates together and divide by two.

STEP 1: Continued

Average length of time to fill vacant position (in days):

Calculation: Randomly select five CNAs who departed at least two months ago. In each case, add up the number of days their positions remained vacant by counting the number of days from the last day of employment to the first day the newly hired replacement CNA was out of orientation. Add the five numbers together, then divide by five to determine the average number of days to fill a vacant position.

***Average excess cost of filling the average number of vacant shifts:**

Calculation: Using the same five CNAs from above, determine how the vacant shifts were covered during the period each of the CNA positions was vacant. Add up the total number of shifts where agency staff covered the shifts. Next, take the total number of agency shifts and multiply it by the average agency hourly rate. Then multiply this number by 8 (hours per shift).

Do the same for OT/DT; add the total number of shifts filled that led to overtime and double time. Multiply this by the average OT/DT rate. Then, multiply this by 8 (hours per shift).

Finally, subtract the normal labor costs associated with covering these vacant shifts by FT regular staff from the costs above.

Training and Orientation Costs

Number of hours of classroom orientation:

Average number of CNAs in each orientation class:

Average wage of classroom orientation teacher:

***Cost of classroom orientation, per CNA:**

Calculation: Multiply the average wage of orientation teacher by the total number of classroom orientation hours. Divide this number by the average number of CNAs in each orientation class.

Average number of hours spent in on-the-job orientation:

***Cost of on-the-job orientation:**

Calculation: Multiply the average wage of new hire by the average number of hours spent in on-the-job orientation.

Step 2: Calculate total replacement & turnover costs

Add all calculations with an * to get the total direct costs to replace one CNA.

Advertising cost:	
Cost to interview and screen applicants:	
Cost to call and check references:	
Cost of employee physical:	
Cost of TB test:	
Cost of Hepatitis B vaccination:	
Cost of drug screen:	
Cost of hiring bonus or employee referral bonus:	
Cost of criminal background check:	
Average excess cost of filling the vacant shifts:	
Cost of classroom orientation:	
Cost of on-the-job orientation:	
TOTAL direct cost to replace one CNA:	\$

Note: The industry average direct cost to replace one CNA is: \$2,500.00

Step 3: Calculate annual CNA turnover cost

Using your CNA Turnover Rate (from separate worksheet), determine how many CNA terminations there were last year. Multiply that number by the Total Direct Replacement Cost (above) to determine your annual cost of turnover.

Example: 55 CNA terminations X \$2,500 = \$137,500 Annual CNA Turnover Cost

Annual CNA Turnover Cost:

Dorie Seavey(Paraprofessional Healthcare Institute) (October 2004) The Cost of Frontline Turnover in Long-Term Care. Washington, DC: Better Jobs Better Care, Institute for the Future of Aging Services. Available at: <http://www.directcareclearinghouse.org/download/TOCostReport.pdf>

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