



**Reimagine Nurse Staffing:  
A Paradigm Shift with Nurses Lounge**

# Overview:

The U.S. healthcare system is facing a growing crisis in nurse staffing, marked by a nationwide shortage of qualified nurses and escalating reliance on expensive per diem staffing agencies. With per diem staffing fees projected to double from \$4 billion to \$8 billion by 2033 (Market.us), hospitals are under increasing financial pressure to maintain safe and adequate nurse coverage.

This white paper explores why traditional staffing models, built on high agency fees are proving unsustainable and ill-equipped to adapt to the evolving needs of healthcare facilities and makes the ***case for a paradigm shift toward a subscription-based, on-demand staffing model.***

By leveraging mobile app technology and offering unlimited access to a float pool of local nurses for a flat monthly fee, this innovative approach has the potential to reduce costs, improve operational flexibility, and build a more resilient nursing workforce for the future.

...the case for  
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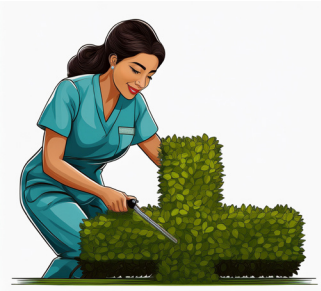
# The Nurse Staffing Crisis: A Growing Challenge

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The U.S. healthcare system is in the midst of a nurse staffing crisis driven by several converging factors:

- **On-going Shortage of Qualified Nurses:** The American Nurses Association estimates over 1 million replacement nurses are needed by 2030 to replace nurses leaving the workforce primarily by retirement and burnout.
- **Rising Costs of Per Diem Staffing:** As the nursing shortage grows, staffing agency fees in the U.S. are projected to double from \$4 billion in 2024 to \$8 billion by 2033, straining hospital budgets (Market.us).
- **Burnout and Turnover:** High workloads and inadequate staffing ratios contribute to nurse burnout, with turnover rates in some hospitals exceeding 20% annually.

These challenges threaten patient safety, increase financial pressures, and undermine the sustainability of healthcare delivery.



# The Nurse Staffing Industry: Current Landscape & Emerging Trends

Healthcare staffing is the largest part of the US staffing industry and has been a critical component of the healthcare system as it addresses workforce shortages and ensures patient care continuity.

## As of 2023:

- There were 2,900 nurse staffing agencies.
- 100 firms generating over \$50 million each in healthcare temporary staffing revenue.
- Collectively the 100 largest firms accounted for 90% of the market share totaling approximately \$47.3 billion in revenue.\*

## Top U.S. Staffing Firms by Revenue: \*

1. **Aya Healthcare** - \$8.87 b
2. **Medical Solutions** - \$3.36 b
3. **AMN Healthcare** - \$3 b
4. **CHG Healthcare** - \$2.79 b
5. **Amergis** - \$2.48 b
6. **Jackson Healthcare** - \$2.44 b
7. **Cross Country Healthcare** - \$1.92 b
8. **Ingenovis Health** - \$1.58 b
9. **HealthTrust Workforce** - \$1.02 b
10. **Prolink** - \$973 m

## Investment in On-Demand Staffing Platforms

The nurse staffing landscape is evolving with the emergence of mobile app-based on-demand platforms that streamline the staffing process. Since 2020, over 20 nurse staffing platform agencies have attracted investments exceeding \$100 million with a substantial portion spent on attracting nursing talent.

These platforms allow agencies to become more efficient (less recruiters sitting in office calling nurses) and allows them to scale nationally faster. What has not changed, however, are the hourly agency fees.

\*Staffing Industry Analysts, Scribd

## Impact of Staffing Agencies on Nurse Compensation

Staffing agencies play a pivotal role in determining nurse compensation. During the COVID-19 pandemic, the demand for travel nurses surged, leading to increased wages and agency fees. Agencies typically charge hospitals rates that are 25% to 75% above the wages paid to contract nurses. This markup covers administrative costs, recruiter commissions, and other overheads. While nurses benefit from higher pay rates, hospitals face escalating staffing expenses that are prompting concerns about the sustainability of such staffing models.\*

### Convolutud Market

Additionally, with the introduction, success and growing adoption of on-demand mobile staffing platforms by both staffing firms and job seekers, the nurse staffing industry has now grown to be highly convoluted with so many apps presently on the market.

### In Summary:

Today, an approximately \$16 billion dollar US staffing industry sits in-between healthcare facilities and the local nurses next door.

The staffing industry profits from acting as an intermediary, often adding significant cost while not necessarily increasing the supply of nurses. Despite advances in technology and communication, hospitals still rely heavily on these third-party middlemen to fill shifts with nurses who may live just miles away. It's a dynamic that raises the question of whether more streamlined, transparent, and cost-effective models could realign costs and reduce unnecessary spending.



\*Becker's Hospital Review



# Nurses Lounge: A New, Scalable Model

Given the scale and trajectory of the nursing shortage and the projected doubling of per diem staffing agency fees from \$4 billion to \$8 billion by 2032—tweaking current market solutions is unlikely to be enough. The problem is systemic and escalating, which calls for entirely new solutions built on fresh ideas and proven technology.

- 1. Current Models Are Cost-Prohibitive:** Traditional staffing agencies operate on high-margin, per-shift fees that strain hospital budgets without addressing the underlying workforce supply issue. As demand increases, so will the facility's costs—potentially to unsustainable levels.
- 2. No Incentive to Solve the Root Problem:** The current system benefits intermediaries more than facilities or nurses. Agencies profit from scarcity and churn, not from workforce stability, retention, or innovation in staffing flexibility.
- 3. Technology and Platform Models Offer New Paths:** A modern, subscription-based on-demand platform with direct access to qualified nurses will disrupt these inefficiencies and offer hospitals cost-effective, scalable, and sustainable solutions.

## The Mission of Nurses Lounge:

- Aggregate and connect the US nursing profession, (nurses and major stakeholder organizations) on a single platform.
- Maximize the distribution of information to highly targeted audiences.
- Create a highly efficient marketplace with the ability to provide more effective nurse-oriented educational and employment products and services while saving hospitals potentially millions a year in staffing fees.



# Nurses Lounge: A Transformative Solution

Nurses Lounge is set to transform per-diem staffing from a necessary expense into a strategic advantage by leveraging proven technology with the introduction of NurseFlexPool.com. The Nurse FLEX Pool is an on-demand Staffing Platform as a Service (SPaaS) for acute and post-acute healthcare facilities that offers unlimited access to a curated pool of qualified nurses for a low monthly subscription.

## Key Features:

- **Flat Monthly Fee:** Hospitals gain unlimited access to a pool of local nurses for a predictable monthly subscription, eliminating high agency markups.
- **Facility Workforce Platform:** A unified digital marketplace for facilities that streamlines posting open shifts, nurse recruitment, and shift scheduling.
- **NurseFlexPool:** Nurses Lounge ensures all nurses that join the NurseFlexPool meet state license requirements providing consistent quality and compatibility with hospital needs.
- **Internal Integration:** Nurse Flex Pool creates a continuity-of-care that allows the substitute nurses to seamlessly align with the internal team as they become familiar with the facility, process, patient care techniques, etc.



# Nurses Lounge: Massive Savings for the Industry

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For example, a 250-bed hospital facility will greatly benefit from switching to a \$5,000 monthly subscription model. A model that includes a curated float pool allowing for unlimited hiring rather than relying on traditional per diem or travel staffing agencies that charge high hourly markup and permanent placement fees.

- **Massive Cost Savings:** With some facilities spending well over \$2 million annually with staffing agencies, a flat subscription fee of \$60,000 annually will dramatically reduce operating costs. Additionally, there are no placement fees charged to hire nurses out of the flex pool network.
- **Predictable Budgeting:** A consistent monthly subscription allows for stable financial planning and eliminates the unpredictable spikes in agency expenses as well as no longer having to pay overtime.
- **Operational Flexibility:** Unlimited access to nurses ensures the hospital can quickly and efficiently fill open shifts, maintain safe staffing levels, and avoid overworking full-time staff—ultimately improving patient care and staff satisfaction.
- **Local Focus:** The Nurse Flex Pool minimizes the need for expensive staffing agencies and addresses concerns about the staffing industry acting as a costly intermediary between local hospitals and nearby nurses.

## Conclusion

To meet the demands of the coming decade -- a paradigm shift is needed -- one that re-frames how we think about healthcare labor markets. The Nurses Lounge subscription-based on-demand staffing solution offers a sustainable, cost-effective, and flexible alternative that aligns with the evolving needs of today's healthcare facilities.

By uniting the nursing profession on a single platform, Nurses Lounge is uniquely positioned to lead this paradigm shift that alleviates control by a middleman as well as substantially reduces financial pressures on health facilities while building a resilient nursing workforce for the future.

This report has been prepared and circulated for general information only and presents the authors' views of general market and economic conditions and specific industries and/or sectors. The information contained in this report was obtained from various sources, including third parties, that we believe to be reliable, but neither we nor such third parties guarantee its accuracy or completeness. The information and opinions contained in this report speak only as of the date of this report and are subject to change without notice.



## How We Got Here

In 2001 Mr. Armes took over a nursing job board named NursesLounge.com. He then launched a monthly direct mail magazine sent to 35k RNs in the DFW market.

At that time, John Gavras, then president of DFWHC, gave Mr. Armes a business plan that suggested all the DFWHC member hospitals pool their nurse employees to draw temporary staff from. There would only be a small hourly mark-up fee to cover expenses and was designed to substantially reduce each hospital's growing staffing costs. However, the plan was never implemented even though Mr. Gavras felt confident that if a business could launch something similar, it would save his hospital members millions in staffing fees.

Mr Armes kept the business plan for all these years and today, with the emergence of on-demand staffing technology, an updated version of Mr. Gavras's business plan as proposed in this white paper can finally be brought to market. Complete with the ability to save healthcare facilities millions in staffing fees annually.



## **Author: Tim Armes, CEO and Co-Founder of Nurses Lounge**

Tim Armes, after the sale of Jobs.com (that he founded in late 90's) to Monster.com, took over a nursing job board named NursesLounge.com. He then launched a direct mail monthly magazine sent to 35k RNs in the DFW market. The magazine was 100% supported by nurse recruitment ads placed by DFW hospitals.

With the growing success of online platforms, NursesLounge.com website was re-launched as a Professional Network for Nurses.

Tim Armes graduated with a BBA in Accounting from the University of Texas at Austin and began his career with the public accounting firm Ernst and Young where he earned a CPA Certificate.





Learn more at

**[www.NURSESLOUNGE.com](http://www.NURSESLOUNGE.com)**