



Healthcare Association
of New York State



DEVELOPING REAL SOLUTIONS FOR THE HEALTH CARE WORKFORCE CRISIS

*A Special Report of the
Healthcare Association of New York State and
the New York Organization of Nurse Executives*

A critical issue facing health care is the availability of staff in hospitals, nursing homes, and home health agencies. A broad spectrum of workers is in short supply in both clinical and educational settings. Although the workforce shortage is seen and felt across many professional, clinical, and other disciplines, the nursing shortage has understandably attracted the most attention.

Workforce shortages have a real impact on patient care and health care providers, as the ability to deliver timely, quality care is stressed. While periodic shortages are relatively common, the current shortage has been long in duration and is likely to worsen. Most troubling are the demographic trends--an aging population and a shrinking proportion of working-age individuals.

THE DEMAND FOR NURSES IS INCREASING

- The health care needs of “baby boomers” are growing. New York State’s population age 65 and older increased by 25% between 1980 and 2000. The population over age 80--the frail elderly needing the most intense health care services--is expected to double by 2020.
- According to the New York State Department of Labor, the total number of jobs needed in health care is expected to grow 18% by 2012--over twice the rate of growth for all other occupations.
- Preliminary projections from the U.S. Department of Health and Human Services indicate that nationally, there are 2.9 million licensed nurses; however, there continues to be a movement of the nurse population toward older age groups. For example, in 2004 the age group with the largest estimated number of RNs was the 45 to 49 year group.
- More than a quarter of the nursing workforce is 50 years old or older. The U.S. Census Bureau highlights that nurses that are 50 years of age and older accounted for the biggest growth in nurse employment between 2001 and 2003.

NEW YORK’S SUPPLY OF NURSES IS DECREASING

- The average age of a working nurse in New York State is 48, which is two years higher than the national average. Nearly 38,000 RNs--or almost one-quarter of the current workforce--will retire within the next five years, according to the New York State Education Department.
- The nursing workforce is aging out of the profession and this trend will worsen in the coming years. In 2002, 77% of working nurses were over age 40.
- Demographic shifts in the population will lead to a diminishing pool of workers. New York State’s population of 18- to 24-year-olds declined by 24% between 1990 and 1999.
- Nurse educators are in short supply and the average age of a nursing faculty member is 53. For the fall 2003 semester, approximately 2,100 qualified associate degree nursing school applicants were turned away due to lack of faculty and other resource considerations, according to a survey of the New York State Council on Associate Degree Nursing Educators.
- According to a Healthcare Association of New York State (HANYS) survey, the vacancy rate for RNs has remained high at over 10% since 2002.

HEALTH CARE PROVIDERS ARE WORKING HARD TO ADDRESS THE NURSING SHORTAGE

Faced with this long-term shortage, health care providers have taken proactive steps to attract and retain staff. Hospitals and health systems have turned to a number of innovative approaches such as growth opportunities, employee recognition programs, and other meaningful steps to enhance the working environment. These actions are part of broader efforts to improve job satisfaction, employee morale, and retention and to make the working environment safer and healthier for patients and employees. Innovative approaches to attract and retain staff include:

- Improving compensation and benefits; providing longevity pay scales, bonuses and incentives, flexible working hours; and, providing childcare.
- Offering a variety of professional development opportunities such as career ladders, tuition reimbursement, preceptor programs, cross-training, and continuing education.
- Providing employee recognition programs to reward commitment, success, and service excellence.
- Maintaining appropriate staffing--tailored to meet changing patient needs. HANYS and NYONE are committed to proper staffing.
- Utilizing technology to reduce stress, fatigue, and occupational injuries while increasing the time spent on patient care.

In 2003, HANYS conducted a pilot program with hospital members on a Nurse Retention Initiative to determine work environment priorities. The findings from the pilot program were shared throughout the state. From 2004-2005, under a Nurse Retraining Grant, HANYS assisted fourteen hospitals in measuring the levels of engagement of their nursing staff. The grant enabled the facilities to create action plans to assist them to build an engaged nursing staff and identify links between engagement and retention.

HANYS also offers a series of educational programs to provide hospitals and health systems with opportunities to share successful experiences in attracting and retaining employees. This *Excellence in Workforce: The Journey to Success* has trained nearly 750 individuals from over 150 facilities.

The New York Organization of Nurse Executives (NYONE) has conducted a *Best Practice Program* to identify, recognize, and share member successes with nurse leaders across the state. These exemplars continue to disseminate their enhanced environmental strategies at NYONE's Annual Leadership Conferences. In addition, NYONE has provided nationally recognized experts at continuing education programming to enhance the knowledge base of its membership.

STATE ACTION IS NEEDED TO CREATE A NURSING INCENTIVE POOL

HANYS and NYONE believe that it is critical to address the workforce shortage with both long-term and short-term solutions. A number of proposals, which NYONE and HANYS support, have been introduced in the State Legislature that would provide student scholarship and loan forgiveness programs. NYONE and HANYS also recommend that New York State undertake two specific initiatives:

- the Nurses for the Future Program; and
- the Nursing Advantage Program.

Nurses for the Future Program

The Nurses for the Future Program would provide funds to schools of nursing and health care providers to ensure an adequate infrastructure to prepare future generations of nurses. Under this program, funds would be provided to:

- **EXPAND AND/OR MAINTAIN SCHOOLS OF NURSING.** While increases in graduation levels are projected for the next few years (30.3% between 2004 and 2006) 59% of all nursing programs in New York State had to turn away qualified applicants. Individuals were turned away due to lack of faculty as the major reason, a limited number of clinical practice sites, and lack of on campus space. HANYS and NYONE recommend that funding be provided to schools of nursing to enhance the salaries of nursing faculty, to enhance recruitment and retention, and pay for equipment and other capital infrastructure. This investment is critical to ensure the necessary capacity to educate qualified applicants as nurses.
- **SUPPORT PARTNERSHIPS BETWEEN HEALTH CARE ORGANIZATIONS AND SCHOOLS OF NURSING.** The salary differential between clinical and educational settings fails to provide an incentive to nurses to serve as faculty. However, many clinical staff are qualified to serve as instructors for clinical rotations. Funding for partnerships between health care providers and schools to compensate organizations or individuals for instructional resources would fill a critical need.
- **CREATE EARLY MENTORING PROGRAMS.** Under mentoring programs, school districts and health care providers would work in partnership to contribute to New York State's capacity to educate nurses. Outreach strategies to students beginning in elementary grades can introduce them to the world of health care and its possibilities. Funding programs such as the Empire Promise Program would enhance the development of mentoring programs.
- **ENCOURAGE THE ESTABLISHMENT OF NURSE RESIDENCY PROGRAMS.** As a student completes a nursing program, a residency program could help to ensure a smooth transition from education to the practice setting. NYONE and HANYS recommend that funding be provided to develop programs as a bridge to the reality of practicing nursing in the acute and long-term care settings.
- **DEVELOP CLINICAL ADVANCEMENT PROGRAMS AND IMPROVE ACCESS TO EDUCATION.** Developing new skills and expertise should be encouraged. Accessing educational opportunities should be as easy as possible for nurses by offering programs on-site

and/or making an investment to modernize educational programs through Internet-facilitated distance learning programs.

Nursing Advantage Program

The State Department of Labor has identified nursing as a critical shortage area. HANYS and NYONE recommend that the Legislature invest in nurses by creating a number of tax-related incentives for individuals who choose nursing as a career.

- **NURSING EDUCATION TAX CREDIT.** An education tax credit would encourage nurses to further their education and remain current within their field. A tax credit could be provided for the unreimbursed costs related to continuing education, credentialing, or certification. Costs could include tuition and fees, books, course-related supplies, and childcare.
- **LONGEVITY TAX CREDIT.** A longevity tax credit would encourage nurses to remain in nursing and would be provided to individuals who provide nursing care in a health care organization or who teach nursing. A tax credit could be structured in a variety of ways. For example, a tax credit could be provided to individuals after a specified number of years of continuous practice/teaching within New York State. NYONE and HANYS suggest specifying a minimum number of hours worked to qualify, and requiring an employer's verification.
- **INCOME TAX CREDIT.** Federal tax law currently authorizes an educator's tax deduction of \$250 that can be taken even if the individual does not itemize tax deductions. For individuals who provide nursing care in a health care setting, HANYS and NYONE recommend a nursing income tax credit of up to \$250 per year, rather than a deduction, to provide greater value in relation to unreimbursed expenses for certain materials, supplies, and equipment.

ASSESS THE IMPACT OF NEW REGULATIONS ON NURSING AND THE HEALTH CARE WORKFORCE

Solutions are needed to attract more people to health care careers and to make more efficient use of the staff health care providers currently employ. While proper documentation of care is obviously important to ensuring quality of care, health care professionals spend an extraordinary amount of time and effort fulfilling requirements that take them away from providing direct patient care. A PricewaterhouseCoopers study has determined that for every hour of patient care delivered:

- emergency department care requires an hour of paperwork;
- home health care requires 48 minutes of paperwork;
- surgery and inpatient care require 36 minutes of paperwork; and
- skilled nursing care requires 30 minutes of paperwork.

HANYS and NYONE recommend that regulatory agencies provide a "workforce impact statement" when proposing new regulations. Workforce impact statements would provide an assessment of the direct and indirect impacts of a proposed regulation on the estimated resources needed to comply with the proposal.

HEALTH CARE PROVIDERS ARE COMMITTED TO ENHANCING PUBLIC ACCOUNTABILITY

New York State health care providers are committed to public accountability and to providing the highest quality health care for every patient and resident. In a rapidly changing health care environment, the appropriate use of highly trained professionals remains critical to ensuring the provision of quality patient care. Well-trained and appropriately credentialed personnel are needed to work along side and under the direction and supervision of licensed caregivers. The focus must be to ensure that all caregivers are skilled and competent to provide the level of care they are assigned.

At the federal level, the Centers for Medicare and Medicaid Services (CMS) have been working to develop standardized, uniform measurement systems that are grounded in medical evidence, well-tested, designed to inform consumer knowledge and decision-making, and stimulate improvements in care.

Hospitals are working actively with CMS, the Joint Commission on Accreditation of Healthcare Organizations, and the American Hospital Association through the Hospital Quality Alliance to design a system for public reporting of hospital quality that will provide consumers with the consistent, structured information they need to make informed health care decisions and contribute to improving the quality of patient care in New York State.

Under the CMS Hospital Quality Initiative, which is tied to the Medicare Prospective Payment System “marketbasket” inflation adjustment, hospitals currently submit data for ten specific measures for the care of heart attack, heart failure, and pneumonia patients. Additional measures will be added on a wider range of hospital services, including data on patient perspectives and prevention of infections.

These measures represent care provided by an interdisciplinary team. However, nurses have a key role in the successful implementation of these practices. For instance, patient assessment and continuous reassessment/monitoring of condition, medication administration, and discharge instruction, reflect some of the crucial activities that are performed by the professional nursing staff.

In January 2006, the State Department of Health (DOH) published quality data that New York hospitals submit to CMS. By utilizing the CMS data, DOH assured that the state and federal governments have consistent data that are scientifically grounded in medical evidence. Going forward, this initiative could serve as a foundation for the development of a state-coordinated, centralized data resource that would provide consumer-friendly performance information and be specific for New York’s health care community and patient population.

Likewise, CMS has ongoing nursing home and home health care quality initiatives. Under the CMS Nursing Home Quality Initiative and the Home Health Quality Initiative, providers submit data on several measures that are compiled and publicly reported on CMS’ Nursing Home and Home Health Compare Web sites. Some measures such as pressure ulcers and pneumonia/influenza vaccines are required reporting in a setting-specific form by hospitals, nursing homes, and home health care agencies alike.

The state can hold facilities accountable for outcomes. The CMS data would serve as the foundation for New York State and is being complemented with other hospital-specific data that are collected by DOH including data on cardiac surgery, angioplasty, incident reporting, the new state infection reporting law, and other performance improvement initiatives conducted by DOH. Ultimately, the availability of uniform and coordinated data would be of great value in serving the information and decision-making needs of health care consumers.

Objections have been raised to specific legislation that would mandate staffing ratios, restrict unavoidable overtime, or require the reporting of a variety of staffing and clinical information. HANYS and NYONE continue to urge the Legislature to reject this kind of legislation.

- Ratio and unavoidable overtime legislation would inappropriately constrain health care providers' ability to remain flexible in responding to the needs of their communities.
- These bills are not real solutions. Passage would make workforce problems worse by:
 1. Reducing the ability of health care providers to ensure access and quality of care. Patients and their families expect to receive care when it is needed and not at the mercy of a standard number of staff. Nurse leaders seek to adjust staff based on patient need rather than arbitrary numbers.
 2. Substituting an arbitrary number of staff without regard of the preparation/ability of that staff. Nurse preparation and experience are essential considerations in allocating staff.
 3. Staffing levels vary appropriately across facilities, and patient care units are a function of individual and aggregate patient needs and staff and facility characteristics.
 4. Confusing the real issue—that there truly is a workforce shortage.
- While HANYS and NYONE support efforts toward greater accountability, we believe that the type of information required by certain ratio legislation would not provide the public with useful information for consumer decision-making. Outcome information (discussed above) is a more suitable measure of quality.

CONCLUSIONS--ENACT REAL SOLUTIONS

NYONE and HANYS look forward to a continuing partnership with the New York State Legislature in our efforts to recruit and retain health care workers. We ask state policymakers to advance longer-term solutions and to focus on initiatives that:

- Invest in people by creating incentives for individuals to choose and grow in nursing as a career;
- Support and invest in the development and education of nurses--today and tomorrow; and
- Create a statutory/regulatory framework that enhances the ability to provide quality patient care.

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