



Health Care Worker Shortages Persist

HANYS' Workforce Survey
Results for 2008

Nursing and Allied Health
Professionals



I N T R O D U C T I O N

New York State hospitals continue to be among the largest employers in the state and represent 42% of all health care sector employment. However, between 2002 and 2007, jobs in hospitals grew at a slower pace than other parts of the health care sector, according to the State University of New York Center for Health Workforce Studies (CHWS).

The economic recession has affected the health care delivery system in many ways:

- There has been a surge in the number of uninsured and underinsured who are delaying health care.
- Lack of access to capital has limited providers' ability to make needed investments in hospital infrastructure.
- Revenue shortfalls have resulted in staffing cuts, evidenced by more than 5,000 jobs lost across New York State hospitals since April 1, 2008, including several hospital closures.
- There is some short-term relief from workforce shortages, particularly among nurses, as staff have delayed retirement or re-entered the workforce.

CHWS predicts that once the economy recovers, hospitals and other health care sectors will likely see more job creation and a potential for a bigger gap between the supply and demand for many types of health care professionals.

HANYS surveyed hospital and health system members to assess current nursing and allied health professional shortages in calendar year 2008, to identify those professions that are most difficult to recruit and retain, and to quantify the resources that hospitals are providing to their communities. The results represent information from 117 member hospitals—a 62% response rate.

While the shortage of health care professionals in hospitals and health systems continues to pose a challenge for providers across the state, the dynamics of the current economic recession are evident in some of the survey results. Specifically, the results suggest that nurses and some health care professionals may be delaying retirement for the short term, or are not changing jobs.

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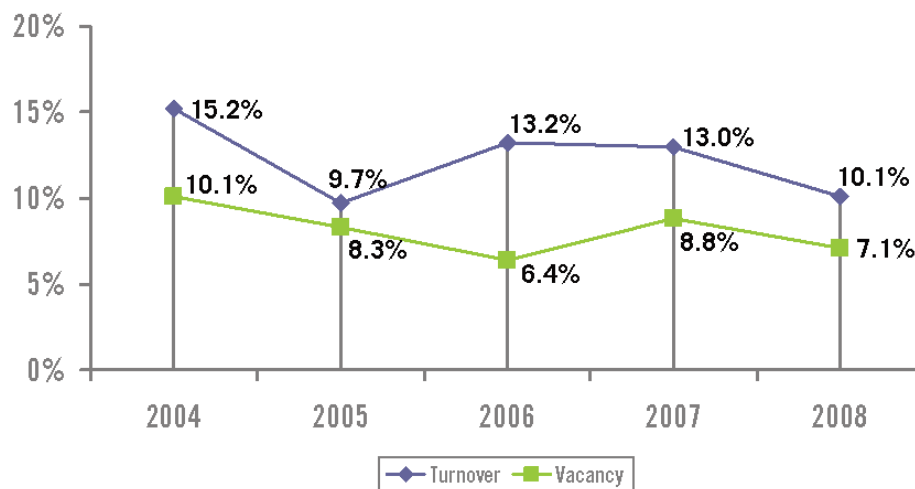
NURSING

RN VACANCY AND TURNOVER RATES

HANYS collected data on the number of full-time equivalents, excluding per diems, for all areas of the hospital related to budgeted positions, staffed positions, and permanent separations as of December 31, 2008. HANYS used this information to calculate vacancy and turnover rates.

The data show a decrease in both vacancy and turnover rates from the previous year for registered nurses (RNs).

Statewide RN Vacancy and Turnover Rates



New York's RN vacancy rate in 2008 was 7.1%, placing New York below the national average of 8.1%. Turnover rates decreased from the previous year, which is likely attributable to the current economy and people holding on to jobs that they already have.

REGIONAL RN VACANCY AND TURNOVER RATES

As can be seen in the following regional chart, the vacancy rates for RNs decreased between 2007 and 2008 in every region except New York City. HANYS believes this decrease in vacancy and turnover in the past year is in part attributable to the economic recession. In some instances, these decreases were dramatic. Anecdotal reports indicate that these trends have continued into 2009, as overall unemployment rates increase. Turnover rates consistently decreased across all regions as well. The lowest turnover rates were on Long Island.

| Region | Vacancy | | Turnover | |
|-------------------------|---------|------|----------|-------|
| | 2007 | 2008 | 2007 | 2008 |
| Western | 13.2% | 6.9% | 20.5% | 10.6% |
| Rochester | 10.2% | 4.5% | 13.5% | 9.9% |
| Central | 7.9% | 5.2% | 12.8% | 12.3% |
| Northeast | 9.2% | 7.6% | 18.7% | 11.0% |
| NorMet (Hudson Valley) | 6.2% | 5.3% | 12.9% | 9.1% |
| New York City | 8.2% | 9.3% | 9.8% | 9.8% |
| Long Island | 8.1% | 7.1% | 11.3% | 7.9% |

RN RETIREMENT AND SEPARATION FROM SERVICE

Respondents noted that RNs are projected to retire at a slower pace, compared to last year. However, this trend may be temporary because the average age of RNs in New York State is 48 and 16.9% are age 55 and older. So, while delayed, “baby boomers” will retire in great numbers—assuming the economy turns around later this year or next year—exacerbating the shortages.

| % RNs Projected to Retire in | 2007 | 2008 |
|------------------------------|-------|------|
| 1-3 years | 6.6% | 5.0% |
| 4-5 years | 10.0% | 4.0% |

Respondents indicated this year that only 4.3% of RNs were expected to retire within the next 12 months. This question was not asked in the 2007 survey.

RN RECRUITMENT AND RETENTION ISSUES

HANYS asked respondents about difficulty in recruiting and retaining experienced RNs, compared to newly graduated RNs.

Fifty-seven percent of respondents indicated that recruitment of experienced RNs was more difficult. Only 9.4% of respondents indicated difficulty recruiting newly graduated nurses. In the 2007 survey, 63% reported more difficulty in recruiting nurses in general; HANYS did not make a distinction between experienced and new graduates in 2007.

Recruitment of experienced nurses was far more challenging, as evidenced by the responses from selected regions of the state.

| Region | Percent Reporting Recruitment Difficulty |
|---------------|--|
| New York City | 80% |
| Central | 76% |
| Western | 62% |
| NorMet | 60% |

With respect to nurse retention, 33% of respondents indicated difficulty in retaining experienced nurses and 28% indicated difficulty retaining newly graduated nurses. These numbers are consistent with the CHWS study, which cites experienced nurses as among the most difficult professions to recruit.

Forty-seven percent of respondents in the NorMet region and 40% on Long Island reported more difficulty retaining experienced nurses.

NURSE EDUCATION

A lack of qualified nurse education faculty continues to be the biggest barrier to increasing the nursing supply. As the chart below indicates, very small percentages of nurses across the state have Master’s level degrees or Doctorates, a requirement for nursing faculty positions. According to the results of this survey, small percentages of RNs are pursuing advanced degrees that would make them eligible to become faculty.

According to CHWS, the supply of nurses is expected to increase by only 0.4% per year between 2005 and 2020, which is much slower than the 1.0% annual growth from 2000-2005. Given that New York State has higher inpatient, emergency department, and outpatient ambulatory utilization than the rest of the country, coupled with a growing and aging population, the nursing supply in the state will need to increase 8% to maintain current service levels.

NURSES BY HIGHEST DEGREE ATTAINED

The following chart represents the highest degree attained by nurses in hospitals statewide and regionally, as reported by respondents.

| Degree | New York State | Western NY | Rochester | Central NY | Northeast | NorMet | Long Island | NYC |
|-----------|----------------|------------|-----------|------------|-----------|--------|-------------|-------|
| Associate | 57.2% | 80.3% | 58.0% | 80.0% | 72.0% | 50.8% | 52.0% | 20.2% |
| Diploma | 4.5% | 1.5% | 11.2% | 1.0% | 4.2% | 3.7% | 8.5% | 10.0% |
| BSN* | 31.2% | 17.5% | 31.3% | 15.2% | 18.0% | 33.4% | 38.5% | 51.0% |
| MSN** | 3.0% | 3.0% | 2.3% | 1.7% | 3.0% | 3.3% | 3.0% | 5.6% |
| Ph.D. | 0.2% | 0.5% | 0.1% | 0.0% | 0.3% | 0.0% | 0.2% | 0.3% |

*Bachelor of Science in Nursing

**Master of Science in Nursing

New York City continues to have the largest percentage of BSNs, while Central New York continues to have the lowest. The numbers of advanced degrees are extremely low, which continues to fuel faculty shortages—the leading cause of nursing shortages across the state and the country.

The percentage of staff pursuing advanced degrees was low across the state, with the exception of licensed practical nurses (LPNs). Nearly 30% of LPNs are pursuing an RN degree. However, only 8% of RNs are pursuing a BSN degree and approximately 4.5% are pursuing either a Master’s or a Doctorate.

Compared to RNs across the state in all settings, hospitals have a much higher percentage of Associate/Diploma nurses (39.4% across all settings) and a much lower percentage of BSN nurses (43% across all settings).

BARRIERS TO PURSUING ADDITIONAL EDUCATION

When asked to identify the most significant barrier to pursuing an advanced degree, the reasons cited most frequently included:

| Reason | Percent Reporting |
|-------------------------------------|--------------------------|
| Family Responsibilities | 75% |
| Need for Financial Assistance | 60% |
| Courses Conflict with Work Schedule | 47% |

STRATEGIES EMPLOYED TO ENCOURAGE FURTHER EDUCATION

HANYS asked respondents what strategies were being employed to encourage staff to pursue advanced degrees. Ninety-six percent responded that they were providing tuition assistance, followed by scheduling changes (80%).

Other strategies included the following:

| Strategy | Percent Reporting |
|---------------------|--------------------------|
| Scholarships | 44% |
| Loan Forgiveness | 37% |
| Online Courses | 24% |
| On/Off-site Courses | 27% |

CONTRIBUTIONS TO THE EDUCATIONAL PIPELINE

HANYS asked hospitals again this year about their contributions to the educational pipeline. The questions were broken out into specific contributions including staff/faculty contributions, space/supplies, financial contributions, and simulation technology.

Seventy-five percent of respondents indicated that they are working in some capacity with local colleges to address nursing capacity issues. When broken down by specific category of contribution, the following was reported:

| Category | Percent Reporting |
|------------------------------|--------------------------|
| Space/Supplies Contributions | 67% |
| Staff Time Contributions | 41% |
| Simulation Technology | 39% |
| Financial Contribution | 31% |

IMMIGRATION ISSUES

Only 18% of respondents indicated that they hired nurses from foreign countries in 2008. In the NorMet region and Long Island, 33% of respondents reported hiring immigrant nurses. The majority of the nurses are being recruited from the Philippines and India, but only 74 nurses were actually hired from foreign countries in 2008. Of those, the majority are from India, the Philippines, and Canada. More than 300 nurses are in this pipeline, delayed due to immigration/visa issues.

ALLIED HEALTH CARE PROFESSIONALS

Many allied health care professions are in short supply, even though the growth in some of these professions has been significant. According to CHWS, licenses for the following professions have increased dramatically.

| Profession | % Increase from 2003 to 2007 |
|---------------------|-------------------------------------|
| Physician Assistant | 27.0% |
| Nurse Practitioner | 22.0% |
| Physical Therapist | 14.0% |
| Pharmacist | 13.4% |

Despite these increases in professional licensees, hospitals in the CHWS study reported that these very professions were the most difficult to recruit, mostly due to an ever higher demand for these categories of workers and competition for the existing licensees.

Hospitals responding to HANYS' survey continue to report significant difficulty recruiting and retaining certain allied health care professionals. The most difficult professions to recruit statewide were:

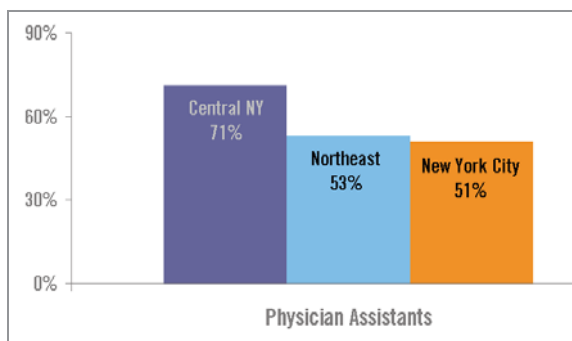
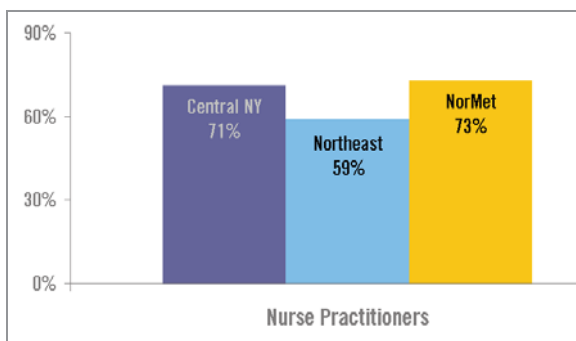
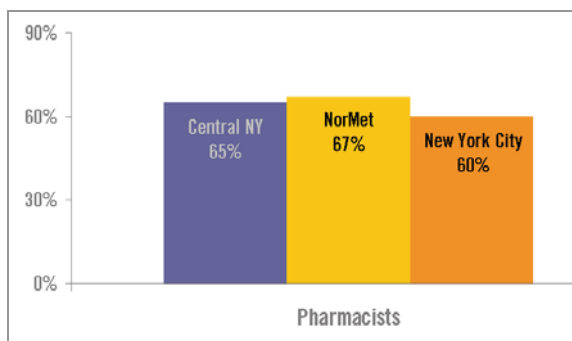
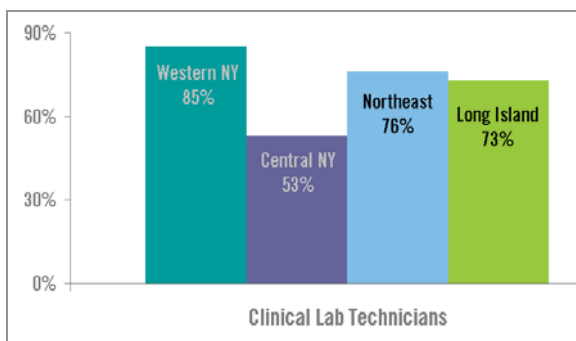
| Profession | % Reporting Difficulty |
|-------------------------|------------------------|
| Physical Therapist | 58% |
| Clinical Lab Technician | 57% |
| Pharmacist | 52% |

According to HANYS' survey, the most difficult professions to retain were:

| Profession | % Reporting Difficulty |
|----------------------|------------------------|
| Certified Nurse Aide | 32% |
| Physical Therapist | 31% |

Regionally, respondents reported much more difficulty recruiting certain allied health care professionals.

Difficulty Recruiting Allied Health Care Professionals, By Selected Regions



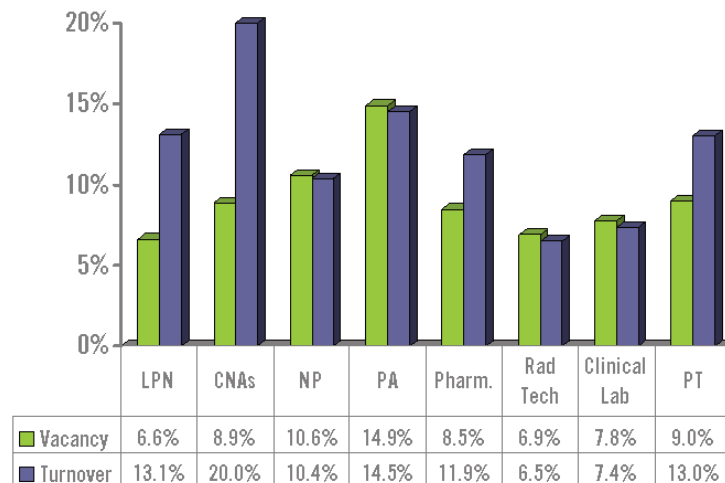
VACANCY AND TURNOVER RATES

HANYS' survey revealed that vacancy and turnover rates fluctuated by profession. The highest vacancy rates were reported for certified nurse aides (CNAs) (8.9%) and PAs (14.9%), while the vacancy rates for all other professionals averaged 8.1%.

Compared to data from 2007, both the vacancy and turnover for NPs decreased. The vacancy rate went from 13.8% in 2007 to 10.6% in 2008, and the turnover rates went from 17.9% to 10.4%.

Turnover rates were also lower than reported in 2007 for the following professions: LPNs, NPs, radiologic technicians (rad techs), and clinical lab technicians. Turnover rates for physical therapists (PTs) (13%) and CNAs (20%) stayed the same as in 2007.

Statewide Allied Health Professionals Vacancy and Turnover Rates



REGIONAL VACANCY AND TURNOVER RATE

Vacancy rates and turnover also varied by region. Western New York reported higher vacancy rates among LPNs (12.2%), and higher turnover rates for LPNs (17.5%), pharmacists (14.7%), rad techs (9.1%), and PTs (21.5%).

The turnover rate for CNAs in the Northeast was 30.6%.

For PTs in the NorMet region, the turnover rate was 15.2%, and in New York City it was 16.6%.

C O N C L U S I O N

Ongoing workforce shortages across the state continue to put pressure on health care providers as they struggle to deliver timely, quality health care services to the people in their communities. HANYS has been working with the membership and related organizations to develop effective strategies to address workforce shortages to implement both short- and long-term solutions. Short-term relief caused by the downturn in the economy will not last forever—the forecasted gap between workforce supply and demand will continue to grow, unless steps are taken to promote and develop health care careers.

Legislation has been introduced on both the state and federal levels related to workforce issues. HANYS continues to support legislation that would increase the state and federal commitments to nursing and allied health care professional shortages through workforce development programs, scholarships, loan forgiveness, and financial support for nursing education programs to increase the number of qualified faculty in nursing schools.

HANYS continues to oppose legislation that limits flexibility to ensure that nursing and other allied health care professional staff are best assigned to care for the mix of patients in their charge. These types of proposals do not address the real problem—ongoing workforce shortages.

