

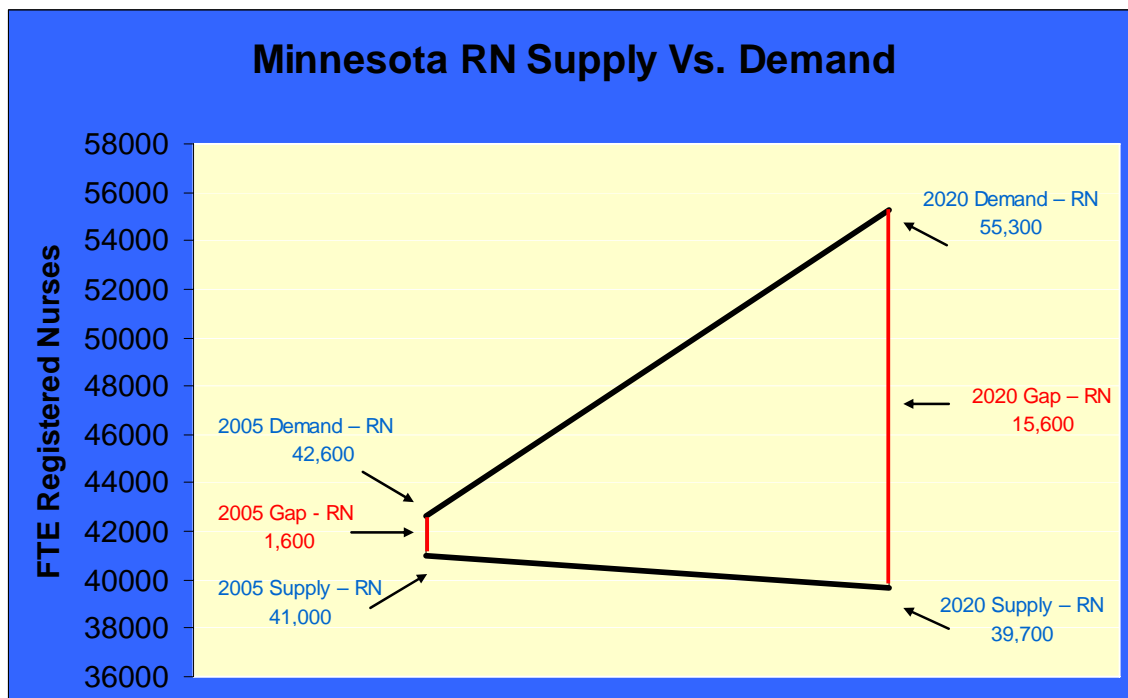


Health Care Work Force

MHA addresses projected work force shortfall

Defining the Problem

Projected demographics show that there is a work force shortage which will challenge all businesses to operate at the current capacity. The hardest hit professions are in the technical trade areas where skill levels are not easily learned and are highly regulated. Health care employment fits into that field of employment. While computer professionals can learn by working on a job, health care employees need to follow strict educational protocol until they can provide services to patients. Many health care employees in the hospitals are required to be certified, registered or licensed. There is no way to circumvent the regulatory requirements of health care staff, short of changing the law. The graph below identifies the growing need for more nurses for Minnesota. A shortage of over 8,000 nurses is projected for the year 2020. The vacancy rate for nurses is projected to be 14.6 percent in 2020. As one can see, the demand is increasing, while the supply is decreasing.



Source HRSA 2005

Other statistics show that the shortage of RNs is expected to grow relatively slow until 2010, when it is expected to reach 12 percent. And by 2015 the shortage is estimated to be 20 percent. If not addressed and if current trends continue, the shortage is projected to grow to 29 percent by 2020.¹

The work force shortage isn't limited to the Registered Nurses. Similar shortages are also expected in areas such as laboratory scientists, radiological technicians, and other auxiliary professionals. This would present a greater impact on smaller hospitals that may only employ one lab professional. A single vacancy in their facility could close a hospital until the position is filled.

Finally, there are many service positions, such as clerical, food service, and housekeeping positions that are facing shortages as well. The problem is that many other industries are competing for these workers. An example of this is the casinos in Minnesota. They need many service workers and can afford to compensate them more than hospitals can.

The Minnesota Department of Employment and Economic Security released data which shows the current job vacancies by industry in Minnesota. The health care industry leads all other industries with 19 percent job vacancies.



Source: MNDEED

The challenge of maintaining an adequate number of quality health care workers continues to impact all hospital operations. If the shortage continues and steps are not taken, serious consequences could occur including a rise in communicable diseases, increased health care costs, and decreased access and quality of care.

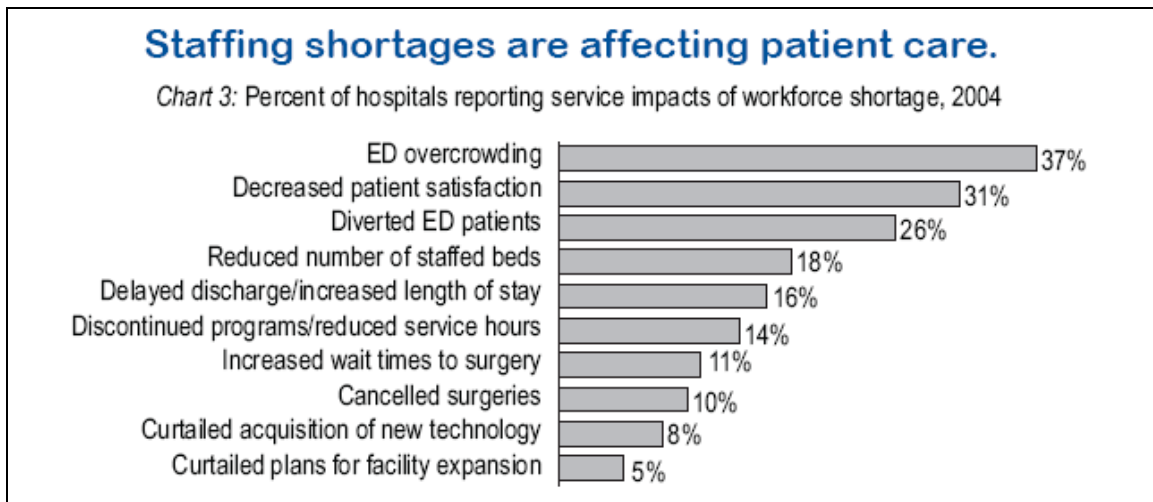
¹ National Center For Health care Workforce Analysis, July 2002, Bureau of Health Professions, HRSA

MHA association goals:

Patient safety

- Work duration, overtime and number of hours worked per week have significant effects on patient errors.²
- High patient acuity levels, coupled with a shortage of nurses, pose serious challenges for the delivery of safe and effective hospital nursing care.³

The American Hospital Association reported the effects of staffing shortages on patient care. The figure below shows the different areas that are being affected in hospitals throughout the nation. The percentages below are based on the responses from the *Telling the Hospital Story* survey of 2005. There were 700 hospitals that responded to the survey.



Source: American Hospital Association, 2005

Reimbursement and finance

- In Minnesota, labor accounts for 51 percent of hospital operating costs.⁴
- Employee shortages in coding, billing and collections have a direct effect on the ability for hospitals to collect receivables.⁵

Administrative simplification

- Emergency department nurses spend 50 percent of their shift completing paperwork. For surgery and inpatient acute care, every hour of patient care requires 36 minutes of paperwork. One hour of skilled nursing care results in 30 minutes of paperwork.⁶
- The four cities with the tightest nursing markets contain the five hospitals with the highest level of productivity.⁷

² The Working Hours of Hospital Staff Nurses and Patient Safety Health Affairs, Vol. 23, Issue 4, 202-212, 2004

³ Downsizing the Hospital Workforce, Health Affairs 15, No. 4 (1996)

⁴ Minnesota Department of Health, October 2002 report to the Minnesota Legislature

⁵ American Hospital Association Study, "Impact of Workforce Shortages" 2002

⁶ "Patients or Paperwork?: The Regulatory Burden Facing America's Hospitals" AHA, 2001

⁷ Eastaugh, Steven R., "Hospital Nurse Productivity," Journal of Health Health care Finance

Increasing capacity to care for patients

- Work force shortages are contributing to decreased access, decreased quality and higher costs of care.⁸
- Hospitals reporting time on diversion at 20 percent or more had an average vacancy rate for registered nurses of 16 percent.⁹

Working toward a solution

With all of the data projecting serious work force shortages in the Minnesota health care industry, the next step is to develop a plan to minimize the impact of the work force shortfall. The Minnesota Hospital Association Workforce Development Committee is determined to work toward the solution.

This committee is comprised of 25 members representing a mixture of rural and urban hospitals. Because of the specialty nature of the subject matter, the committee is a member mixture of CEOs and hospital human resource experts. Since its inception in 2000, the primary goals of the committee have been:

- **Recruitment:** Increased supply of qualified health care workers.
- **Retention:** Promote best practices to keep current employees.
- **Re-imagining:** Re-evaluate current workflow to make best use of resources.
- **Educate policy-makers:** Provide health care leaders with trends and current data on recruitment, retention and the best use of resources.

These four work force goal areas will continue to lead the efforts for the next five years. Much focus has been given to recruitment and retention. With some nursing schools turning away prospective students and allied health education programs such as clinical lab scientist closing, the task force has prioritized transforming the education process as one of the top two strategies in addressing health care work force issues.

⁸ Making Sense of the System: How States can use Health Work Force Policies to Increase Access and Improve Quality of Care, September 2003

⁹ Overcrowded Emergency Departments Leading to More Diversions, Longer Wait Times, July 2002 AHA press release