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## Minnesota Hospital Association Releases Annual Report on Minnesota's Health Care Workforce

# Hiring reaches an all-time high among hospitals and health systems, workforce diversity shows growth, but challenges remain

June 12, 2023, Saint Paul, Minn. – The Minnesota Hospital Association (MHA) today released its annual Workforce Report, which tracks workforce trends for Minnesota's hospitals and health systems. While the 2023 report shows some measurable improvements, such as an all-time high for hiring direct patient care staff (since report year 2017,) increasing diversity of staff, and declining turnover, it also illustrates continuing challenges in Minnesota's health care workforce.

"The daily hard work and focus of health care leaders on continuous recruitment, retention, and enhancing diversity is showing results with improvements noted in key metrics since last year's report," said Dr. Rahul Koranne, president and CEO of MHA. "In order to ensure access to health care for current patients and for generations to come, this work needs sustained support from the state."

Key findings from the 2023 report include:

## **Hiring and Exits:**

- Hiring reached an all-time high with the addition of 13,963 health care workers, including the hiring of 5,520 RNs, 560 Physicians, and 7,883 Other Clinical Staff, in report year 2023 – a year-over-year increase in all three categories.
- In addition, since report year 2022, hiring for Certified Nursing Assistants (CNAs) increased by 38% (2,014 hires), hiring for RNs increased 23% (5,520), and hiring is up 32% for Medical Assistants (719 hires).
- Despite the increase in hiring for these jobs, there's still a significant need for health care
  workforce. Several factors, including pay increases, enhanced recruitment and retention
  tactics, and a waning pandemic, have led to a 10% decrease in vacancy rates since the
  report year 2022, however, vacancy rates in report year 2023 remain high (17%):
  - Medical Assistants 57% with 554 open FTEs
  - Other Clinical Staff 18% with 3,114 open FTEs
  - o RN 17% with 2,532 open FTEs
  - CNAs 14% with 304 open FTEs
  - Physicians 13% with 312 open FTEs

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- Exits among health care workers decreased from a high of **15,624** employees leaving in 2021 to **12,840** departing in 2022. (This data only captures employees who left a position; it is not a measurement of a career exit.)
  - Most of these exits occurred among full-time employees, with 6,028 full-time workers departing in 2022.
  - o Fewer RNs left **4,913** in 2022 compared to **5,451** in 2021.
  - o 644 Physicians left in 2022 compared to a high of 1,302 in 2021.
  - o 7,283 Other Clinical Staff left in 2022 down from 8,871 in 2021.
- Despite a high vacancy rate, Minnesota hospitals and health systems were able to add 1,123 more employees than exited. This is the first year since 2019 when hiring exceeded exit numbers.

## **Diversity**

- A continuing focus on ensuring health care staff mirror the communities they serve
  resulted in an increase of 6.5% in overall diversity among Minnesota health care
  employees from report year 2022 to report year 2023.
  - Minnesota's hospitals and health systems have increased the number of Black, Indigenous, and People of Color (BIPOC) representation in the health care workforce by 84% since report year 2017.
  - In addition to a 9% increase in the diversity of metro-area health care workers to 20% in report year 2023, non-metro (outside the 13-county metro area) diversity grew 14% in report year 2023, and 124% since report year 2019.
- Job categories with the most diversity (employees who identify as BIPOC) are CNAs (41%), followed by Rehabilitation Registered Nurses (36%) and Nursing Station Technicians (34%).

## More employees opting for part-time employment

- Overall, 55% of Minnesota health care workers work full-time (32 or more hours per week), while 32% of health care workers are opting for a part-time schedule (between 8 and 32 hours per week), and 13% are choosing a casual schedule (less than 8 hours per week).
  - More than half (57%) of RNs do not work full-time, with a 7% increase in the number of RNs choosing a casual schedule in report year 2023 from report year 2022.
  - In addition, in report year 2023, there was a 10% increase in the number of Physicians opting for a casual schedule. 72% of Physicians work a full-time schedule.
  - There was a slight decrease (2%) in the number of Other Clinical Staff opting for a part-time schedule, while there was a 7.5% increase in the number of Other Clinical staff working a casual schedule in 2023 versus 2022.

For access to the complete report, visit: MHA 2023 Workforce Report.

Minnesota's Department of Employment and Economic Development (DEED) <u>reports</u> more than 45,000 job vacancies in the health care sector. MHA's Workforce Report captures almost 6,000 open positions just in hospitals and health systems – a 17% vacancy rate.



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Building the health care workforce remains a primary area of focus for MHA as we continue to assist members in addressing this critical challenge through service, advocacy, and data-led improvement.

### MHA advocates for:

- Government reimbursements that support the struggling financials of hospitals and health systems, recognize the importance of retaining the current workforce, and invest in building it for the future. Medicare reimburses hospitals at 20% below cost on average and Medicaid at 27% below cost, creating a financial model that is not sustainable.
- Loan forgiveness and scholarships for students in all areas of health care, including allied health professionals.
- Significant investment to build the health care workforce pipeline, including programs for career laddering, inspiring and exposing students to health care careers at an earlier age.
- Accelerated entry into the professional workforce by simplifying the administrative processes at the health care licensing boards, especially the board of nursing.

Each year, MHA member hospitals and health systems are asked to submit demographic data for 40 direct patient care jobs. This year's Workforce Report includes data from 82,971 health care workers employed at 105 hospitals, health systems, clinics, and other facility settings and is based on 81% of MHA members. The report, developed by MHA, shows trends and benchmarks in Minnesota's health care landscape and serves as a critical tool for workforce analysis and making decisions on how best to support health care staff.

#### **About MHA**

The Minnesota Hospital Association (MHA) represents Minnesota's hospitals and health systems, which employ more than 127,000 people, provide high-quality care for patients, and meet the needs of communities. Since 1917, MHA has worked to provide Minnesota's hospitals and health systems with the resources, best practices, and guidance to provide an exceptional patient experience and high-quality, affordable care that extends beyond the hospital's walls.