

# Hospital Workforce Report



A report by the Wisconsin Hospital Association

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## Executive Summary

High quality, accessible and affordable health care is critically important to the residents of Wisconsin. The ability to provide that care is dependent on attracting, training, and maintaining an adequate workforce. It is unlikely that an adequate health care workforce will exist in the future unless both immediate and sustained actions are initiated today.

Wisconsin has an aging population with increasing health care needs and a small number of 18 year olds entering the workforce. Finding new workers, increasing the capacity to train new recruits, and ensuring the successful work life of existing workers are all issues that must be addressed.

In an era where health care costs are an increasing consideration for employers, consumers and health care providers, it is also important to recognize the impact that workforce shortages have on cost.

### Current Situation

Recruiting and maintaining the workforce necessary to deliver patient care is a major concern for hospital administrators. Positions in some occupations are in very short supply, while others are easier to fill. Experienced employees with specialized skills are less available, and they are harder to recruit on a statewide basis. Filling physician vacancies remains challenging for many hospitals, as noted in WHA's Physician Task Force Report issued in March 2004. Obvious solutions to staffing, such as the use of temporary staff, bonuses, salary increases and richer benefit packages are options, but they drive up the cost of health care.

### Future Situation

While the current situation is problematic, the future could be much more alarming. The number of people between the ages of 54 and 65 is growing six times faster than the rest of the population according to U.S. census data (*Wisconsin State Journal*, September 30, 2004). The aging of Wisconsin's population delivers a one-two punch to the health care industry. Key positions in many hospitals are filled by older employees, who will retire soon. In addition to seeing knowledgeable and experienced employees retire, hospitals will be recruiting from a pool of applicants that is not large enough to fill all the vacant positions.

This reality will necessitate the use of new strategies to ensure that there is access to care. Wisconsin schools that educate health care workers have increased their capacity. But these enrollment increases are not sufficient to create the number of workers needed in the future. Long waiting lists still exist and interested learners are still being turned away. Complicating this is the fact that faculty members in these educational settings are reaching retirement age, creating vacancies in the faculty today that are hard to fill, which will turn into a woefully inadequate situation in the future.

### What Needs to be Done?

1. *Continue efforts to create interest in health care careers.*
2. *Interest new audiences in health care careers.*
3. *Expand capacity.*
4. *Encourage new educational strategies.*
5. *Create and develop faculty.*
6. *Obtain and retain funding.*
7. *Support new entrants into the health care workforce.*

Finding a viable, long-lasting solution to ensuring an adequate health care workforce will require collaboration among health care providers, educators at all levels, university and technical college administrators, and state government officials.

## Introduction

High quality, accessible and affordable health care is important to the residents of Wisconsin. The ability to provide that care is hinged on attracting, training, and maintaining an adequate workforce. There is concern that the current health care workforce may not be adequate to meet today's demand, and an even greater concern that the educational and clinical communities are not positioned to meet future demand.

Wisconsin's population is aging at a dramatic rate. While Wisconsin's total population is expected to increase nearly 20 percent from 2000 to 2030, its retirement-aged population (65 or older) will climb more than 30 percent to 1.3 million persons. This older population creates two issues. First, older people use more health care services as they deal with chronic illness and the aging process itself. Second, this population includes many people who are employed in health care. If these workers retire before replacements enter the workforce, Wisconsin's capacity to provide the additional care required by the population will be seriously diminished.

The issue of rising health care cost makes the workforce issue much more complex. Affordable, accessible health care is dependent upon having personnel available to provide it to patients when it is needed. Cost awareness is a critical part of the health care workforce picture.

This report summarizes data on the current health care workforce and the projected future needs. It also offers recommendations for those who train and hire members of this workforce.

## The Current Workforce Situation

The health services industry is the second largest employer in Wisconsin, with a total of 222,760 people employed in health care related occupations. Wisconsin hospitals employ 103,900 workers, 47 percent of the total employees in the industry.

Today hospitals are pressed to keep positions filled. A review of newspaper classified ads, or the number of on-line health care job sites reveals many open positions and job opportunities for those in health care. Hospitals carefully track open positions created by resignations, retirements and the creation of new jobs. Keeping vacancy rates low for key positions, such as registered nurses, is always a challenge. More than 30,000 nurses work in Wisconsin hospitals. The currently reported vacancy rate of 6.2 percent means that nearly 2,000 positions are vacant. For other positions, the growth outstrips the availability of individuals prepared to fill them, which is the situation for pharmacists and medical coders. Even one unfilled position in a key occupation can seriously hinder a hospital's ability to help patients.

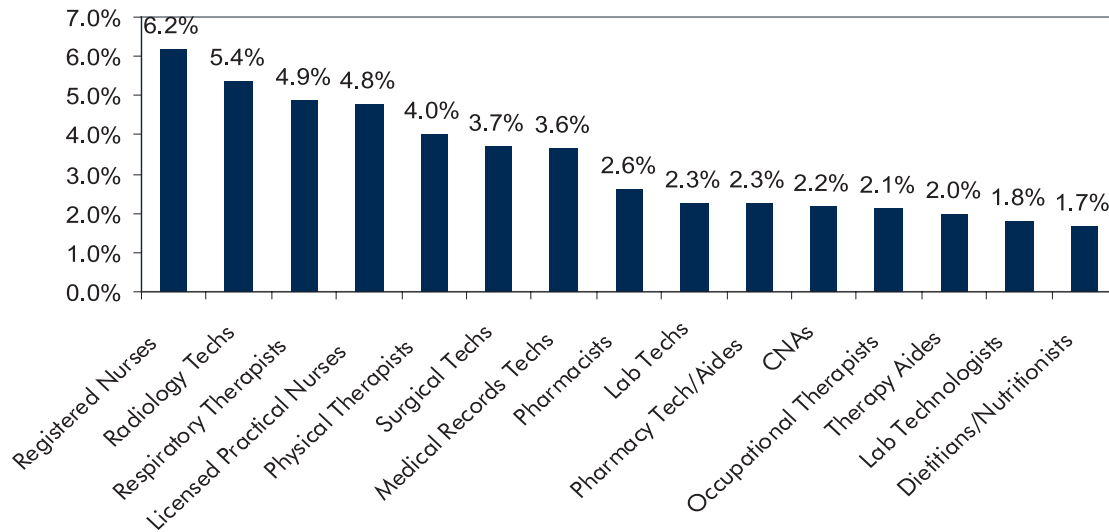
The Wisconsin Hospital Association monitors position vacancy rates. Rates for 2003 are displayed on page 3.

For the patient, a vacant position can result in care being delayed, a transfer to another hospital, or the inability to access care. Adding to the problem is that today, some critical positions are already difficult to fill. These positions include:

- Registered nurses with experience and special skills in intensive care, emergency care and surgery
- Surgical Technologists
- Physical Therapists
- Pharmacists
- Laboratory technologists and technicians
- Medical imaging and ultrasonography technicians
- Medical coders

## Vacancy Rates for Selected Wisconsin Hospital Professions Statewide

Source: 2003 WHA Hospital Personnel Survey



On a recent survey, hospital leaders told WHA that next to reimbursement issues, workforce is the issue “most likely to keep them up at night.” With good reason. Vacant positions reduce a hospital’s ability to respond to the health care needs of their communities and add stress to the work environment. The following factors contribute to growing concerns about the health care workforce:

- A downward trend in enrollments in health care education programs, such as nursing, which have only recently experienced a reversal.
- An aging health care workforce that faces significant retirements and the related loss of experience and expertise in the workplace.
- The growing demand for health care services from a maturing Wisconsin population.
- Advances in technology that are creating focused workforce needs in areas like medical imaging and information management.

## Age of the Health Care Workforce

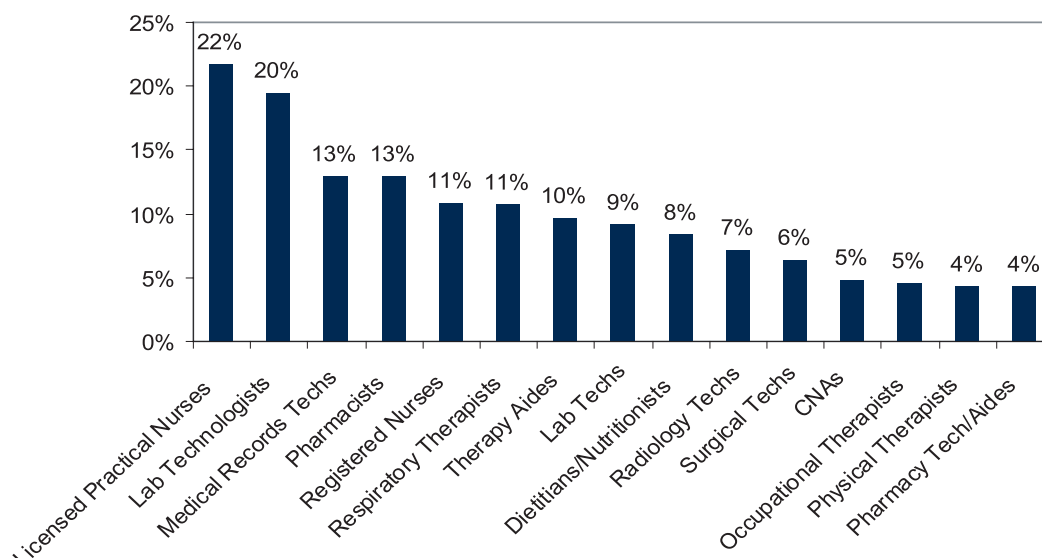
While it is widely known that Wisconsin is home to an aging population, it is also a fact that today’s health care workers are already relatively old and retiring at a rate that will exacerbate future shortages. As an example, in 2000 the average Wisconsin resident was 36.3 years old while the average registered nurse was 44.7 years old.

The age of the health care workforce is of concern for two reasons. With age, workers increase the risk of personal injury associated with lifting, and are less physically able to tolerate long periods of standing and shift rotations. Secondly, these workers will soon retire. In an environment that already struggles with vacancies, the problem will grow dramatically as the number of younger workers available to replace retiring staff is far below what is needed. The number of Wisconsin hospital workers over 55 years of age by position is shown in the graph on page 4.

Wisconsin hospitals are systematically assessing potential retirements. There are anecdotal reports by hospitals where all or nearly all of the members of a single department may become eligible for retirement at the same time. Hospitals are making accommodations for their more experienced, often older, employees to stay in place to ensure they have the expertise to train the “next” generation of workers. This has required that they address issues related to ergonomics, job description, and incentives for the more senior employees to stay in the workforce.

## Health Professionals at Least 55 Years Old in Wisconsin Hospitals

Source: 2003 WHA Hospital Personnel Survey

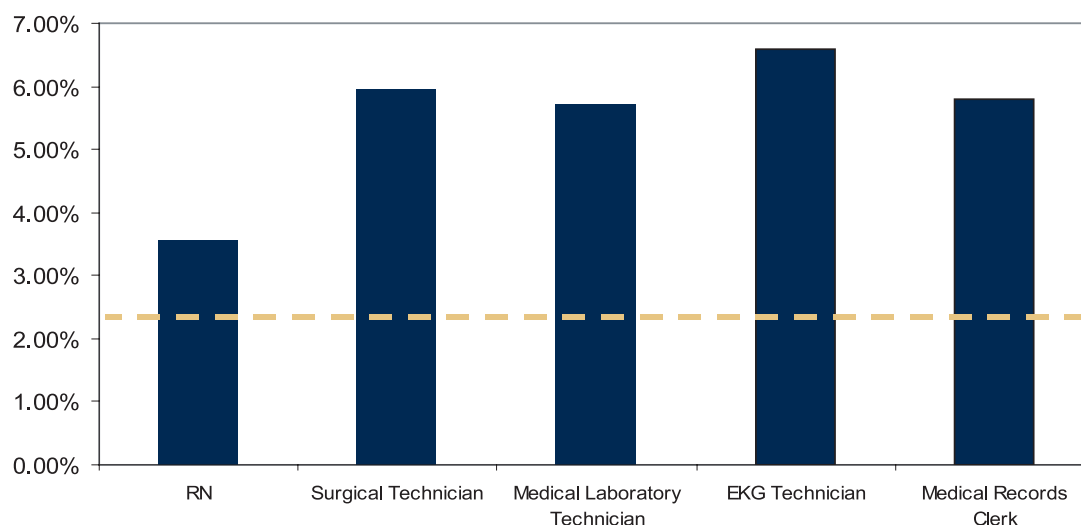


## Health Care Costs and the Workforce

Costs are a critical factor in today's health care environment. In 2003, 50 percent of hospitals' operating costs were directly related to personnel expenses. Workforce shortages have a direct and negative impact on costs. If staff cannot be hired locally, temporary staff acquired through staffing agencies may be necessary, an extremely expensive solution to a staffing shortage in any department. Competition for employees will increase dramatically as demand for services increases faster than the supply of workers available to provide them. As a result, health care providers may be forced to offer bonuses, higher salaries and increased benefit structures to continue to provide the same level of services in the communities they serve. All are costly solutions that must be funded by patient revenue, and they will have a profound impact on insurance rates.

## 2002-2003 Salary Change Compared to CPI

Source: WSHHRA 2004 First Quarter Survey



Educational solutions to workforce shortages also have an impact on health care costs. If hospitals are asked to contribute to educational expenses directly or indirectly, those contributions must also be funded by consumers of health care. If hospitals cannot fund these efforts, most likely the cost of expanding and enriching educational opportunities in health occupations will be borne by the taxpayers in Wisconsin. Wisconsin's taxpayers and the political environment make that an unpopular strategy.

## The Future Workforce Situation

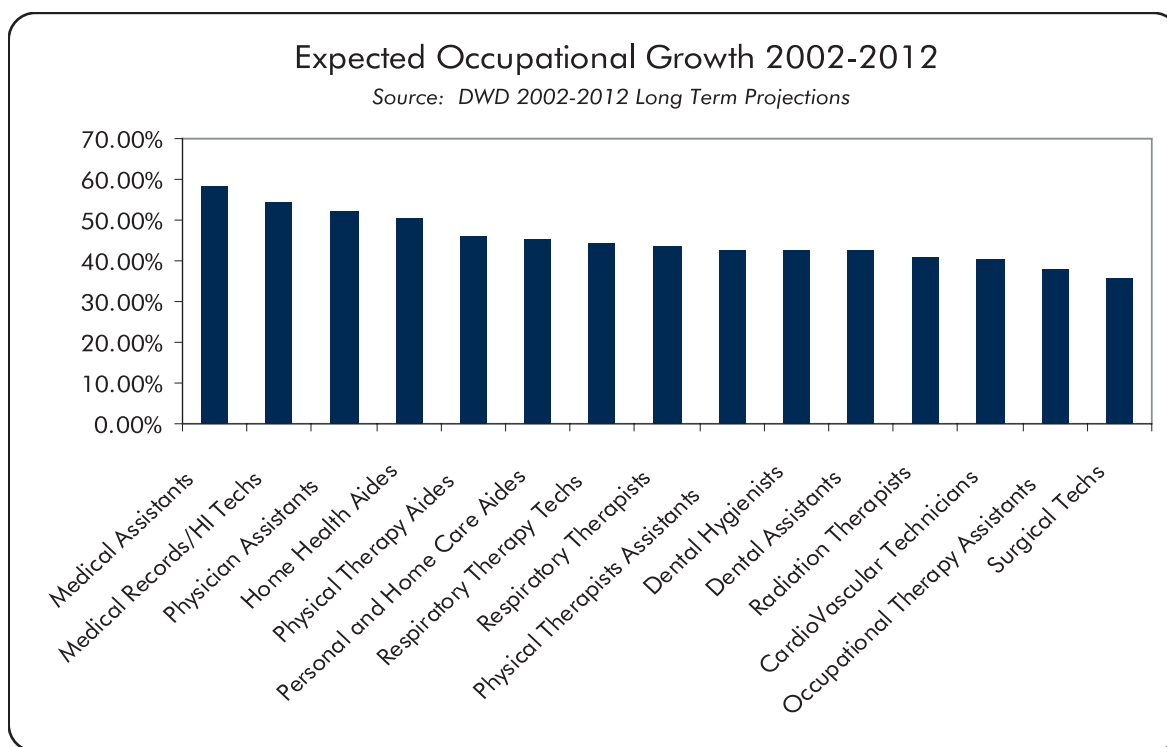
The magnitude of the health care workforce shortage becomes more serious as the future comes into focus. The Wisconsin Department of Workforce Development (DWD) creates 10-year labor projections. Most recently published in 2004 for the period of 2002 thru 2010, DWD's data indicates that by 2012 health care will be the industry with the largest number of jobs. The predicted addition of 67,430 health care positions reflects a 30 percent growth in jobs over the 10-year period compared to only a 13 percent growth for Wisconsin jobs overall during the same time frame.

### Most New Positions

DWD indicates that two of the ten occupations adding the most new positions in those 10 years are in health care (registered nurse and nursing aides/orderlies). Registered nurses alone are expected to have 2,430 new jobs created per year for the next 10 years, which will leave Wisconsin with a net deficit because currently fewer than 1,800 new nurses join the workforce each year. Registered nurses are predicted to become the fourth largest occupational group in the state with 61,130 full time equivalent positions by 2012.

### Fastest Growing Occupations

While nursing will create the most new jobs, other health occupations, while not as large in sheer number as the nursing workforce, are expected to surpass the nursing rate of growth. Fifteen of the 30 fastest growing occupations are in health care. Four are expected to grow at rates greater than 50 percent; 12 at rates exceeding 40 percent. These figures indicate that large numbers of new health care workers will need to be found to meet care needs for the next 10 years. Individual occupational growth rates for those occupations are shown in the chart below.

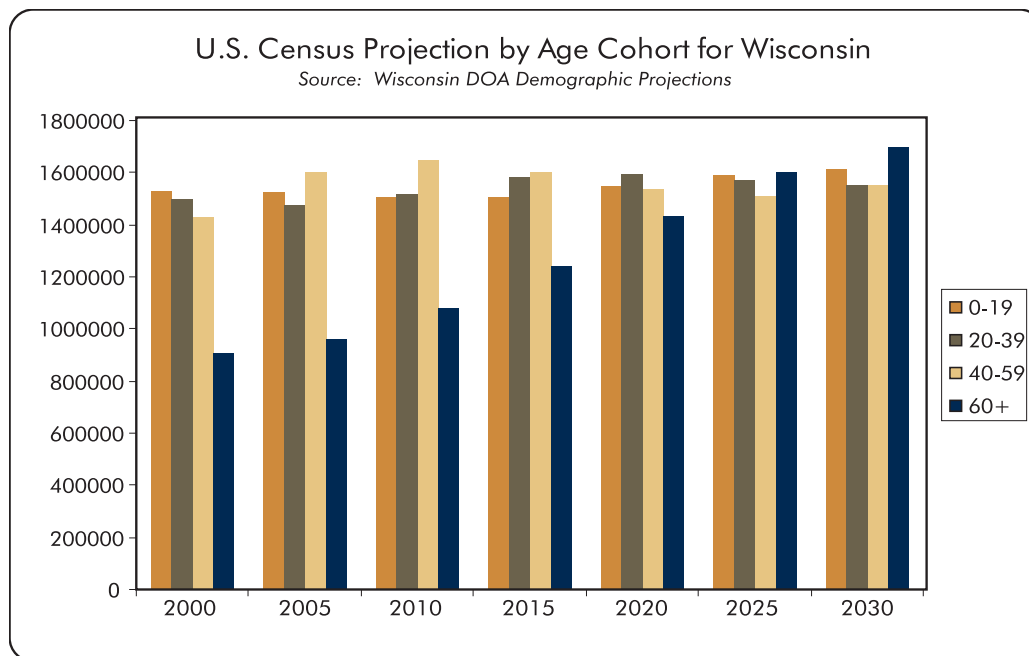


These alarming growth rates in health care occupations serve as an early warning that there is much work to be done to ensure that an adequate workforce exists to staff Wisconsin hospitals in the near future.

The physician workforce is of special concern. A joint task force of the Wisconsin Hospital Association and the Wisconsin Medical Society predicts a conservative 13 percent shortage of physicians by 2015. It takes more than 10 years to educate a physician, so even if steps are taken today to increase the number of physicians, the impact won't be felt for over a decade.

## **Advancing Age Brings More Demand for Health Care**

As people get older, they consume and demand more health care than a younger population. Wisconsin residents over the age of 60 are the most rapidly growing segment of population as shown by the U.S. Census Bureau data below.



Wisconsin's 2003 Annual Survey of Hospitals indicates that people over the age of 55 constitute 22 percent of the population but account for 31 percent of all hospital discharges and consume 51 percent of the inpatient days. When these statistics are examined in light of population growth, it is easy to see that health care use by older Wisconsin residents will grow at a dramatic rate.

## **What Efforts Are Underway?**

Training more people—faster—for health care occupations has been the focus of much attention by both educational and health care institutions. Wisconsin hospitals are doing an impressive job of:

- Encouraging school age children to consider health careers
- Offering incentives such as tuition reimbursement and flexible scheduling for incumbent workers to pursue educational opportunities
- Bringing educational opportunities to the facility, neighborhood, and community
- Becoming involved in local technical college boards, workforce boards, and informing local political leaders of the workforce issues
- Communicating with their employees, their patients and their communities about the issue
- Encouraging local educational institutions to increase the number and size of their training programs
- Offering numerous scholarships

- Contributing resources to local educational institutions, such as classroom space, lab facilities and encouraging employees who possess a master's degree to teach

These efforts have had the intended impact on training. In addition, local workforce boards are responsible for assisting displaced workers into new careers. All 11 of the Wisconsin Boards have started to fund initiatives that offer health care career options to displaced workers. Technical schools, private schools and university programs have all increased enrollments. Educational programs have expanded the choice of classes to include non-traditional hours and formats so that people who hold full-time jobs can earn college credits. Cooperative and creative arrangements between hospitals and educational facilities have resulted in small scale implementation of innovative ideas and the implementation of new programs.

## What Is WHA Doing About The Issue?

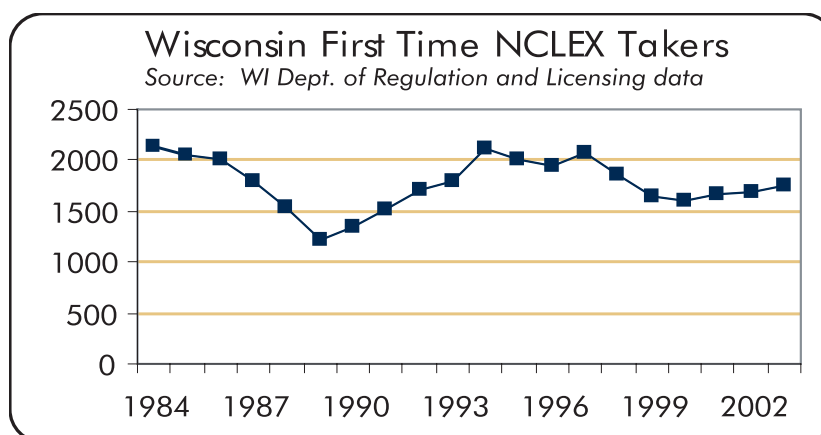
The Wisconsin Hospital Association has been educating the legislature, state government and the public so they understand the nature of the workforce shortage and recognize that a shortage of health care workers is a threat to the health care safety net that hospitals provide in their communities.

The time to fix a health care workforce shortage is now, not when the crisis is at hand. WHA has:

- Worked to improve credit transfer between the Wisconsin Technical College System and the University of Wisconsin System. New transfer agreements are in place and progress continues to be made.
- Helped plan and promote the Healthcare Apprenticeship Program that trains health care workers through a combination of on-line technical college coursework and supervised on-the-job experience.
- Focused attention on the waiting lists of qualified and interested students unable to begin educational programs because of school limitations.
- Brought critical leaders together to develop solutions to physician workforce issues.
- Developed with the Wisconsin Society of Healthcare Human Resource Administration a best practices workshop, creating a forum for organizations to share what is working and learn from each other.
- Initiated a free job posting service that is published in both print and on-line formats.
- Participated in ongoing work at the Department of Workforce Development, keeping health care issues in the forefront and encouraging progress toward solutions.

## Is It Enough?

Despite the efforts made to date, and the progress made, the issues are not resolved. As an example, the DWD report indicates that more than 2,400 new registered nurses per year will be required to meet the 2012 prediction. The number of nurses taking the RN licensure exam for Wisconsin in 2004 was 1,755, which is not adequate to meet the projected demand, nor does it even return Wisconsin to the level of RNs that were in Wisconsin in the 1990s.



Current efforts will not . . .

- Result in an adequate workforce by 2010, the year that the first members of the baby-boom turn 65 and retire.
- Allow enough potential learners on waiting lists into educational programs.
- Create the faculty needed to staff educational programs and support clinical experiences for students.
- Increase the size of the physician workforce to allow medical access for all Wisconsin residents.

## What Needs to be Done?

1. **Continue efforts to create interest in health care careers.** The number of youthful members of society entering the workforce is small, and they have many career options. It is important to make health care careers visible, available and attractive. Youth at every level of education need to be introduced to health careers. In addition, individuals who are seeking a second career and workers who have been displaced from other industries must be targeted and recruited for health care occupations.
2. **Interest new audiences in health care careers.** Health care has never attracted minority populations, and it does not reflect the current demographics of the state. To find adequate numbers of individuals to fill coming vacancies and meet Wisconsin's health care needs will require that the growing Hispanic, Hmong, Native American and Black members of society be recruited into the workforce.
3. **Expand capacity.** The current educational system does not have the capacity to meet future needs in the health care industry. As an example, there are not as many nurses graduating now as there were in the 1990s. Medical school enrollments and graduations have been stable for more than 10 years while all population and health care service utilization figures have increased. Additional capacity is necessary to create a health care workforce and to allow those in the profession to pursue the additional education necessary to maintain and increase knowledge and skill.
4. **Encourage new educational strategies.** Even with additional capacity in existing programs, the needs of some potential students will not be met. Those working full time, living in non-urban communities, and those with other family obligations need more options for weekend, evening, on-line, and/or video-conference learning. Technology now offers a range of learning possibilities, but more will be needed in the future.
5. **Create and develop faculty.** Members of the faculty for educating health care professionals are older than the aging workforce. Technical school nursing faculty average 57 years of age and university nursing faculty are not far behind. Incentives to enter a teaching career, flexible educational paths to advanced degrees and creative use of practicing experts will all be necessary in the future.
6. **Obtain and retain funding.** The State of Wisconsin's budget problems cannot be ignored, however, it is important that no current funding be lost and that additional possibilities be explored. Clinical education will always be expensive because unlike other professions, it requires laboratory facilities and time in a clinical setting.
7. **Support new entrants into the health care workforce.** The transition to the work environment is a critical time for new professionals. It is important that that transition is successful and that health care employees, once they are in their profession, do not become disillusioned with health care work or the work environment. Strong orientation programs, peer support, guidance and support are critical elements of successful entry programs.

## Summary

The first step in solving the health care workforce shortage has been taken—the public, the legislature and students are aware of the opportunities that health care offers. Cooperation among stakeholders has led to good progress, but much remains to be done. It is critical to maintain and accelerate efforts to grow the Wisconsin health care workforce to ensure that health care remains affordable and accessible to the residents of the Badger State.

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