

***Help Wanted:
The Hospital
Workforce
Shortage
Crisis***

Presentation Overview

- **Hospital Challenges**
- **Workforce Shortages**
 - Present
 - Future
- **School of Allied Health issues**
- **AHA Commission on Workforce**

Hospital Challenges

Competing pressures

Forces Increasing Costs

Rising labor costs

System-development requirements

Increased acuity of patients

Technology and drug costs

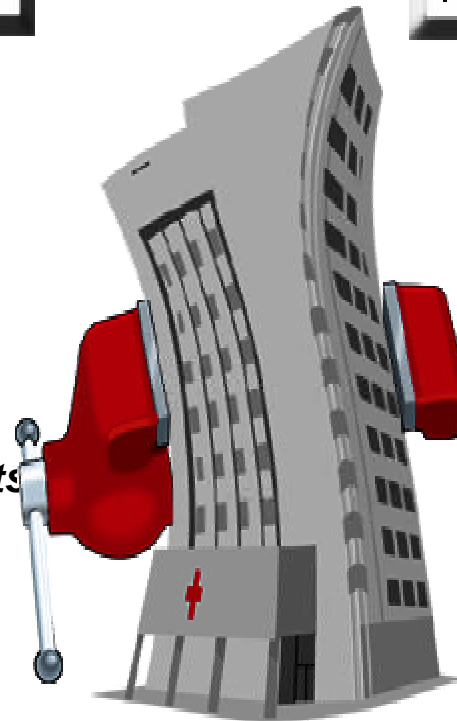
Forces Decreasing Revenue

Managed care

Switch to other care settings

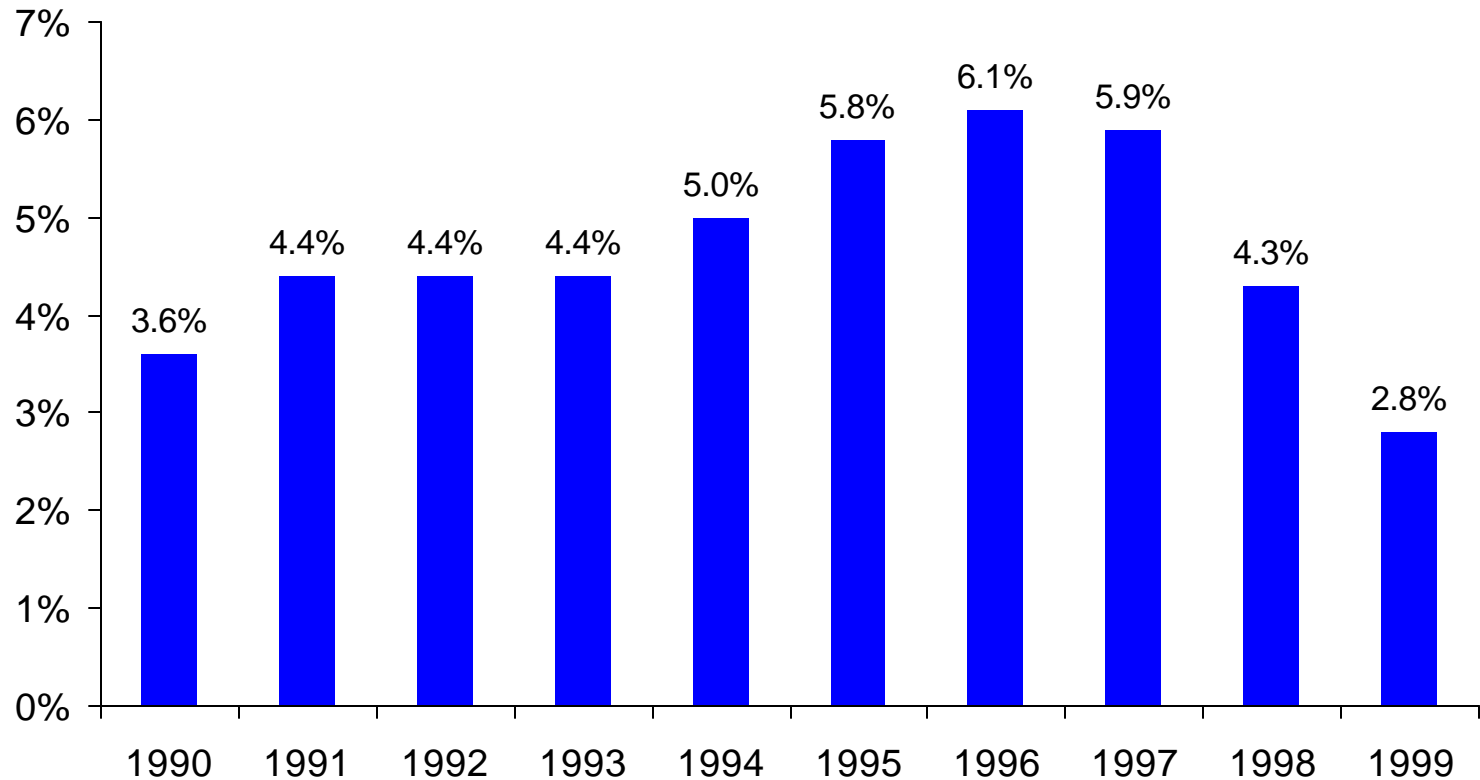
Competition

Medicare/Medicaid reimbursement cuts



Hospital total margins dropped to a 10-year low in 1999

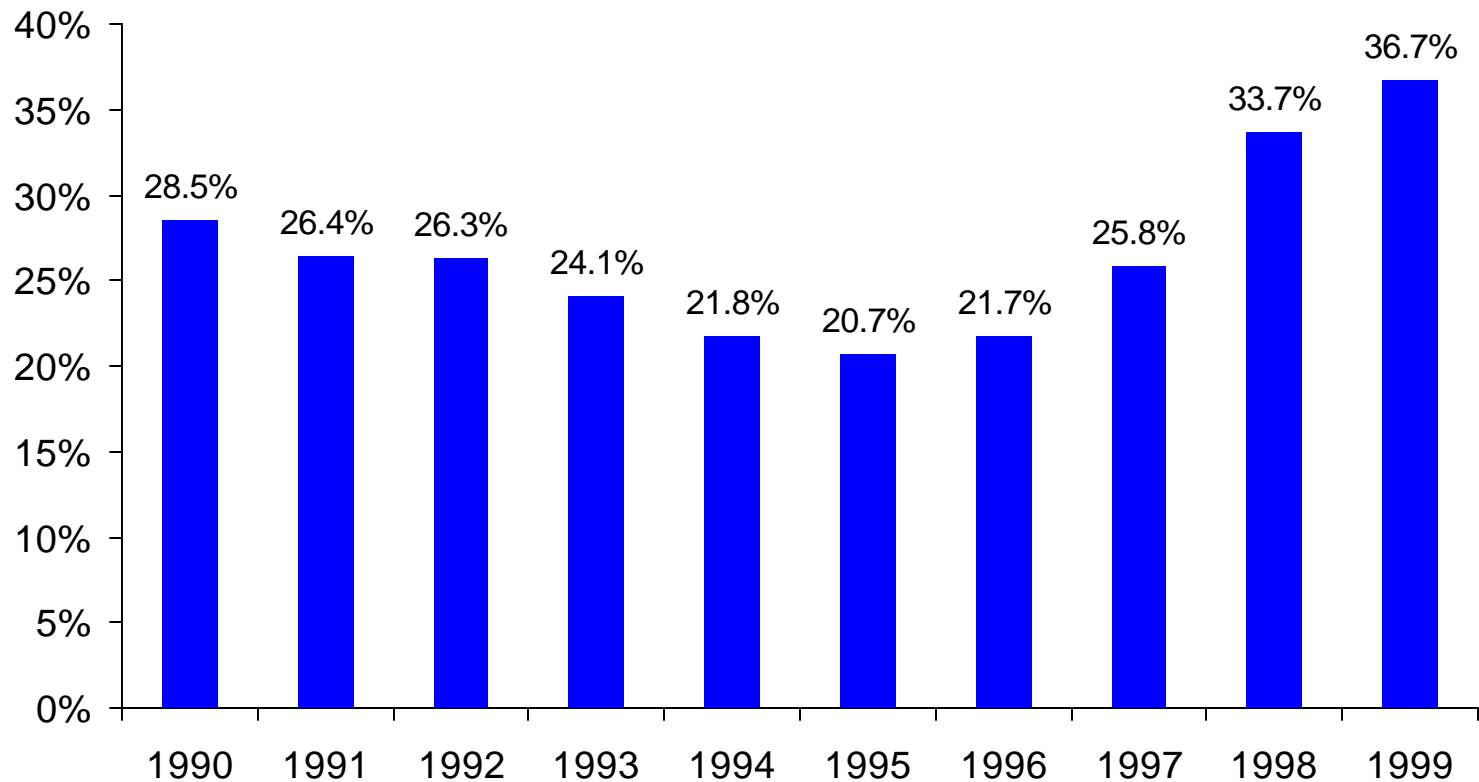
Hospital total margins: 1990 to 1999



Source: MedPAC analysis of Medicare cost reports

Larger proportion of hospitals losing money

Percent of hospitals with *negative* total margins: 1990 to 1999

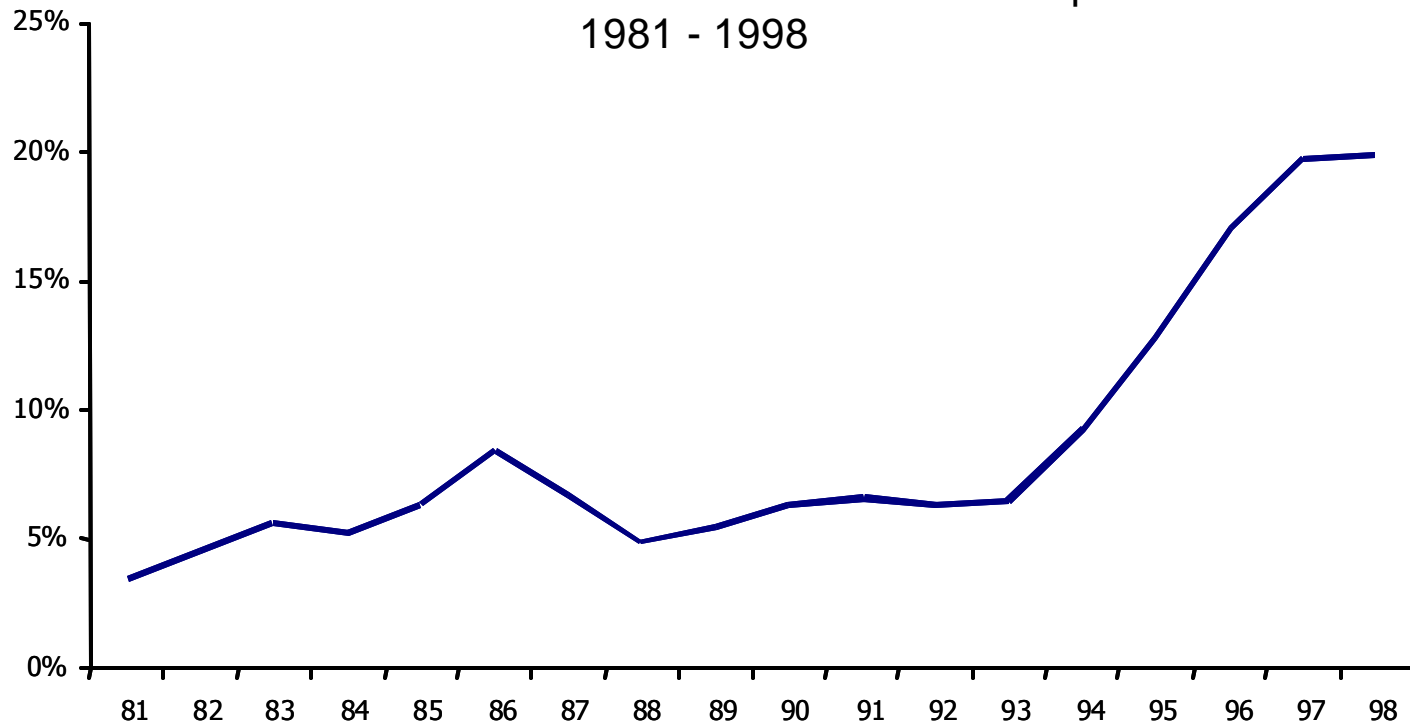


Source: MedPAC analysis of Medicare cost reports

Drug costs are increasing for consumers and hospitals

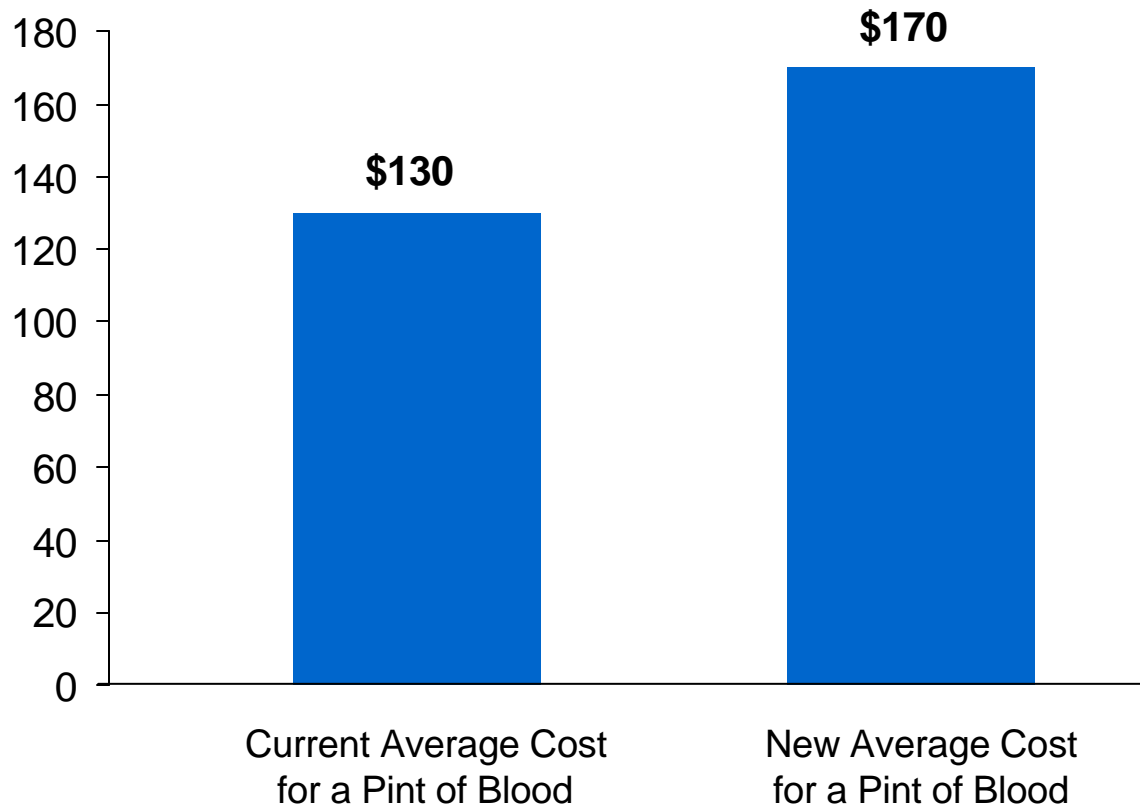
Prescription drug spending is a key driver of increased health care cost.

Growth in Total Prescription Drug Spending
as a Percent of Total Growth in National Health Expenditures
1981 - 1998



Improved technology and patient safety investments add costs to health care

The cost of a pint of blood will increase 31% beginning July 1, 2001



Source: AHA Analysis

Other Hospital Challenges

- Regulatory Overburden
- Quality – Accountability
- Access/Coverage for Increasing Uninsured
- Consumerism
- Workforce Shortages

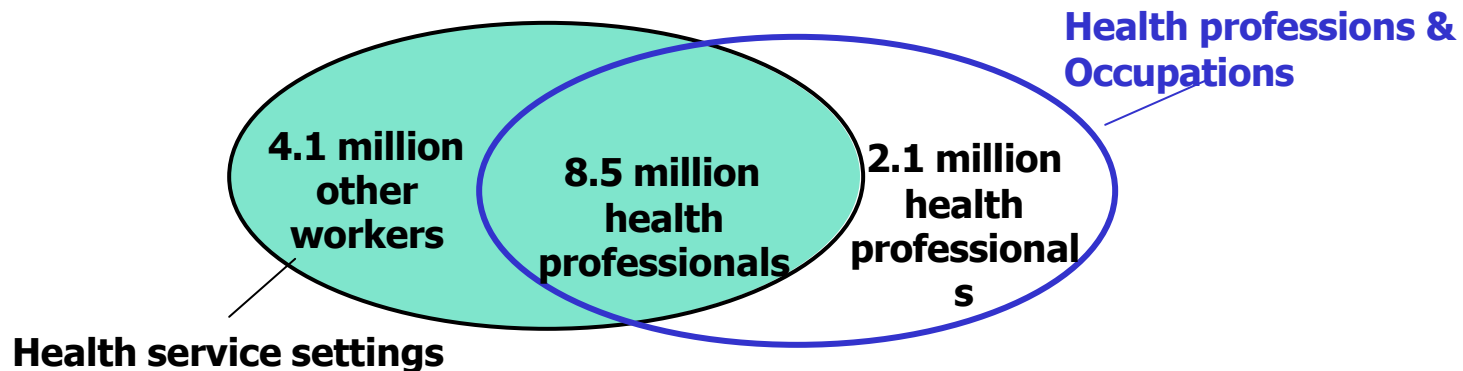
Hospital Workforce Shortages: The Present Situation

A current shortage of all health care workers...

- Nurses
- Pharmacists
- Rad Techs/Lab Techs
- Food Service Workers
- Housekeepers
- Therapists

Health Care Employs 1 in 10

The US Health Workforce, 1999

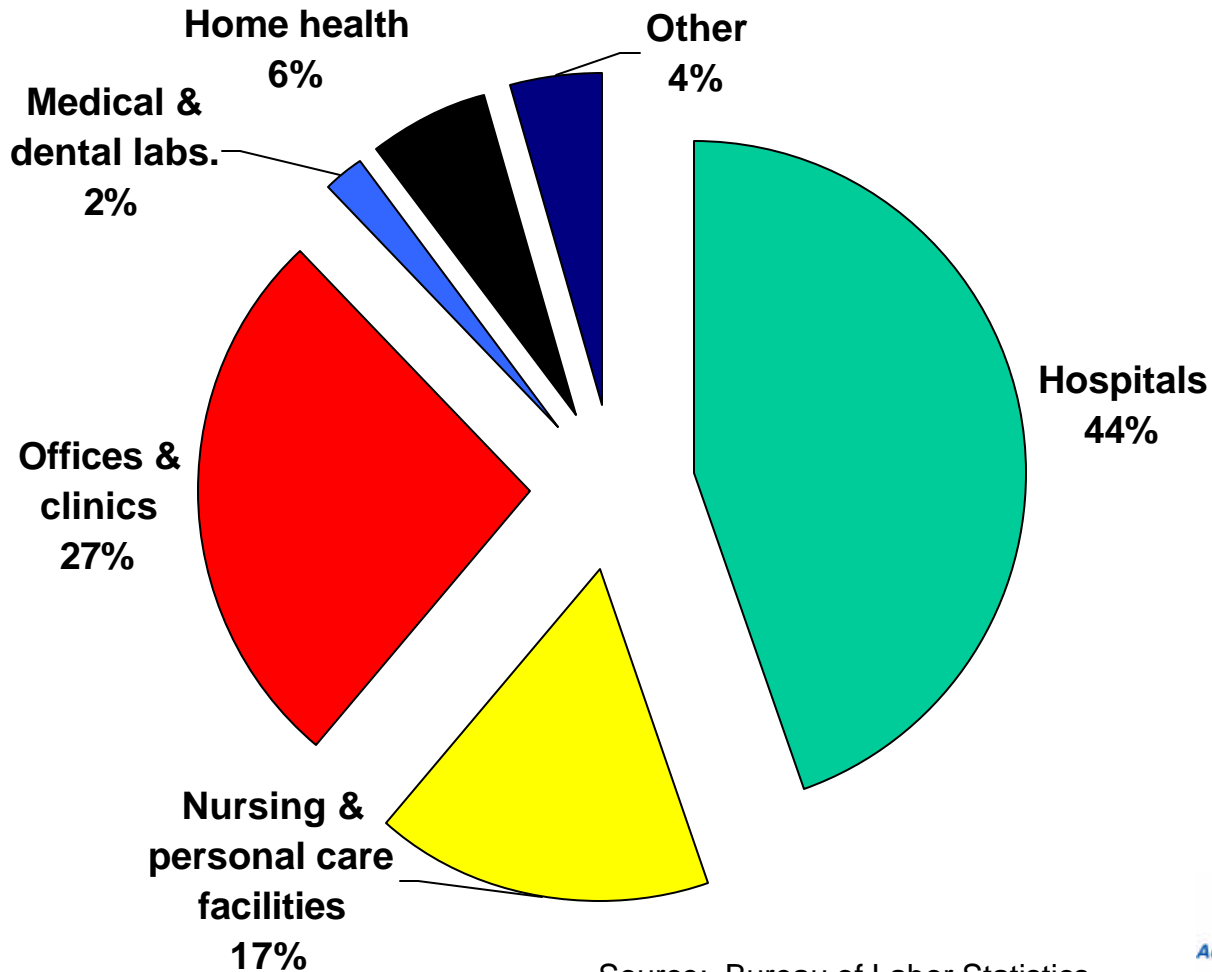


	Health professional	Other Workers	Total
Health service setting	8,485,358	4,064,745	12,550,104
Other work settings	2,103,557	124,713,945	126,817,502
Total	10,588,915	128,778,690	139,367,605

Health professionals working in health service settings	8,485,358	6.1%
Health professionals working in other settings	2,103,557	1.5%
<u>Other workers in health service settings</u>	<u>4,064,745</u>	<u>2.9%</u>
US health workforce	14,653,661	10.5%
US civilian labor force	139,367,605	100.0%

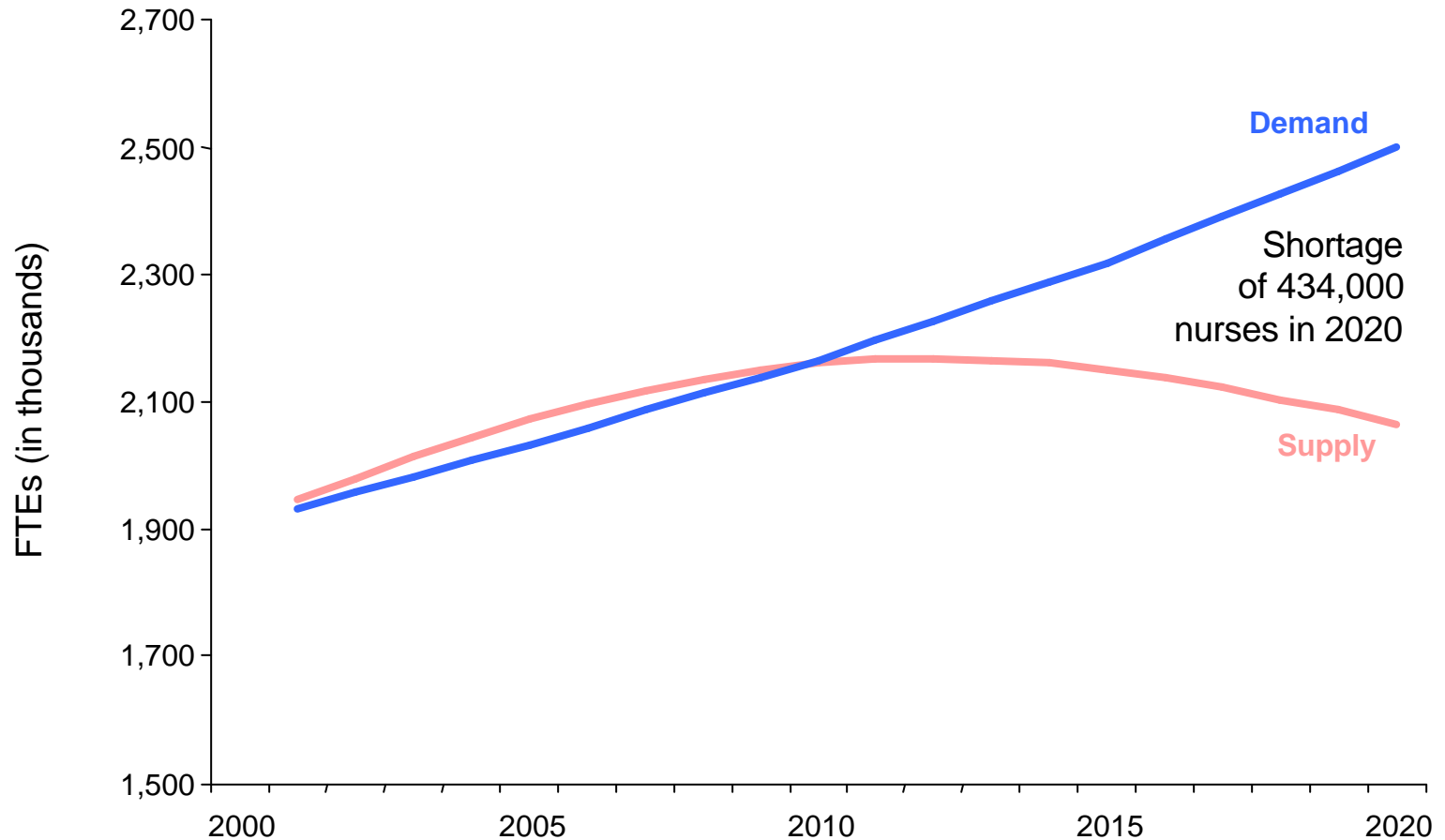
Hospitals Employ over 40%

Health Services Employment by Place of Work, US, 1998



Source: Bureau of Labor Statistics

RN Shortage Projections



Source: Buerhaus PI, et. al. JAMA, 2000; 283: 2948-2954.

Regional & State of Kansas: The Present Situation (% vacancy)

- **OR Technician (16%)**
- **Nuclear Medicine Technologist (14%)**
- **Nursing Assistants (11%)**
- **Ultrasound Technologist (10%)**
- **Respiratory Technologist (10%)**
- **EMT (9%)**
- **Radiology Technician (8%)**
- **Clinical Nurse (RN) (6%)**
- **Licensed Practical Nurse (5%)**
- **Pharmacist (5%)**

Source: KHA

Reasons for Shortage:

- **Aging of the Workforce**
- **Fewer Choosing Health Careers**
- **Smaller Population for Replacements**
- * ■ **Disfavored Work Environment**
- **High Stress, High Accountability Job Requirements**
- **Demanding Educational Preparation**
- **Salaries not Competitive**

Reported Workforce Shortage Impacts:

- **ED Overcrowding**
- **Reduced Beds Staffed**
- **ED Diversion**
- **Increased Patient Waiting Time to Surgery**
- **Cancelled Surgeries and Outpatient Appointments**
- **Decreased Outpatient Capacity**

KU School of Allied Health Application and Enrollment

Year	1994 -95	1995 -96	1996 -97	1997 -98	1998 -99	1999 -00	2000 -01	2001 -02
Applicants	757	729	699	579	496	474	302	270
Accepted	246	221	191	225	226	245	167	NA
Matriculated	NA	NA	NA	188	192	188	150	143
Total Enrollment	534	499	481	451	465	466	414	381

Reasons for Decreased Applications in School of Allied Health

- **Curriculum / entry level degree changes**
- **Perception of few job opportunities in the rehabilitation professions**
- **Concern for job security due to continual changes in managed care and Medicare reimbursement**
- **Students electing to go into higher paying technology-related fields**
- **Perception / reality that healthcare is a stressful place to work**
- **Limited recruitment, marketing and scholarships**

AHA Commission on Workforce for Hospitals and Health Systems 2001-2002

Commission Composition

- **Chair:** Peter Butler, President and CEO, Methodist Health Care System, Houston, TX
- **27 commissioners**
 - Members inside and outside health care delivery
 - More women, minorities, youth
 - Health professions, human resources, education, labor, special experts

Commission Charge: Bold Recommendations

- **Increase recognition that people are a key, strategic resource.**
- **Fully value and invest in retention, recruitment, and development of caregivers and support personnel.**
- **Expand interest in health care careers and educational programs.**
- **Make hospitals and health systems “employers of choice.”**