

**TESTIMONY
OF
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CONNECTICUT HOSPITAL ASSOCIATION**

**COMMITTEE ON HIGHER EDUCATION AND EMPLOYMENT ADVANCEMENT
February 13, 2003**

Good afternoon Senator Hartley, Representative Kerensky, and members of the Committee on Higher Education and Employment Advancement. My name is Kim Hostetler and I am Vice President and Chief of Staff for the Connecticut Hospital Association. I appreciate this opportunity to present testimony today.

Healthcare providers in Connecticut have been dealing with a worsening workforce shortage for several years. In 2000, the Connecticut Hospital Association Board of Trustees created an ad hoc committee to examine and address the issue. The committee found that decreasing supply and increasing demand for healthcare workers was reaching a critical point in nursing, allied health and other support services.

The committee concluded that we need short term and long term solutions that are innovative and collaborative at the local, state and federal levels. The committee issued recommendations for a work plan to the CHA Board in September 2001 that included:

- Completing a communications and public relations campaign to increase awareness of the shortage;
- Securing additional resources for attracting and retaining the most talented people;
- Participating in a comprehensive statewide marketing and public relations campaign to recruit a new generation of healthcare professionals;
- Collaborating to enhance healthcare educational programs and opportunities;
- Identifying and sharing best practices for healthcare workforce retention;
- Exploring alternative care delivery systems and staffing models;
- Proposing a statewide system to track and monitor healthcare workforce planning issues;
- Continuing outreach and coordination of efforts with other entities.

In 2001, the Office of Health Care Access (OHCA) released its report, *The Health of Connecticut's Hospitals*, in which workforce shortage issues were noted in the *Issues or Key Performance Drivers* sections on 26 of Connecticut's 31 acute care hospitals. As the report confirmed, staff shortages were already affecting hospital capacity and care. Shortages were resulting in service cutbacks such as cancelled elective surgeries and delayed diagnostic tests. Shortages were resulting in patient diversions and delayed admissions. Lack of adequate regular staff has had a significant operating margin impact on our hospitals due to the required use of agency staff and overtime.

During 2001-2002, CHA participated in the Workforce Issues Work Group of the Commission on the Future of Hospital Care in Connecticut. In January 2002, the Work Group submitted its recommendations, which were accepted by the full Commission. Those twelve recommendations were included in the Commission's report to the legislature this year and are attached in their entirety to this testimony.

So what has happened since?

For the past two years, Connecticut hospitals have focused considerable attention on recruitment and retention, developing and enhancing an array of strategies, including providing substantial salary increases to shortage professions. That focused effort, coupled with the downturn in the economy, has resulted in a drop in hospital nurse vacancy rates from 12% to 10% to under 9% in two years.

But it is a short-term improvement that will be inadequate to meet future demands. The demographics and future vacancy projections are shocking.

- The Health Resources Services Administration (HRSA) published its latest nursing study in July 2002. HRSA predicts dramatic national shortage increases resulting from a projected **40% increase in demand and only a 6% increase in supply**. Connecticut's projections are worse.
- According to HRSA, Connecticut vacancy rates are projected to move from 12% in 2000 to **34% in 2010 to 46% in 2015 to 55% in 2020**. HRSA forecasts that Connecticut will have the ***fifth worst*** nurse vacancy problem in the country.
- According to HRSA, factors driving nursing demand are:
 - ✓ Increasing population
 - ✓ Increasing percentage of elderly
 - ✓ Increase in medical advances
 - ✓ Trends in healthcare financing (more people have coverage and more people have disposable income to spend on healthcare)
- Factors depressing nursing supply are:
 - ✓ The decreasing number of RN graduates
 - ✓ An aging RN workforce
 - ✓ A decrease in relative income for nurses (though that is changing in Connecticut)
 - ✓ Alternative job opportunities

Similar demographics and trends apply to our other workforce shortage professions. For hospitals, the most significant shortage areas remain:

- nursing
- radiology
- pharmacy
- medical records coders

Today, staff shortages are occurring at a time when our hospitals are busier than ever. Patient census numbers continue to rise, emergency department visits have been increasing steadily for the

past six years, and keeping hospital departments consistently staffed at appropriate levels is increasingly difficult. (Patient census 10-year trend charts for Connecticut hospital inpatient admissions, ambulatory surgery, total outpatient visits and emergency department visits are attached.)

CHA has tracked hospital vacancy rates for certain professions for many years. New January 2003 data will be available next month, but multi-year trend data through early 2002 continues to show increases in vacancies for many positions, despite the **temporary** improvement that has been made in some areas, particularly nursing (discussed above).

**Nursing and Allied Health Vacancy Rate Data
6 Year Summary for Key Positions**

| Position | 2002 | October 2001 | January 2001 | 2000 | 1999 | 1998 | 1997 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 19 hospitals | 23 hospitals | 24 hospitals | 21 hospitals | 17 hospitals | 14 hospitals | 22 hospitals |
| Staff Registered Nurse | 8.59% | 10.31% | 11.60% | 7.49% | 6.18% | 5.31% | 3.77% |
| Unlicensed Assistive Personnel | 5.83% | 6.60% | N/A | 7.15% | 6.85% | 8.49% | 2.69% |
| Radiologic Technologist | 9.24% | 8.34% | 11.20% | 5.93% | 5.32% | 1.78% | 0.58% |
| Radiation Therapy Technologist | 21.62% | 10% | 7.40% | 6.43% | 9.29% | 17.46% | 3.08% |
| Nuclear Medicine Technologist | 15.94% | 15.26% | 15.70% | 4.82% | 3.37% | 2.17% | 0.00% |
| Respiratory Therapist | 6.37% | 3.69% | 4.30% | 5.10% | 6.33% | 9.38% | 3.34% |
| Pharmacist | 3.67% | 6.64% | 8.30% | 6.79% | 6.17% | 16.12% | 8.57% |
| Physical Therapist | 5.38% | 7.79% | N/A | 6.70% | 2.84% | 5.68% | 9.60% |
| Medical Record Coder | 13.24% | 9.57% | 18.20% | 11.36% | 13.30% | 12.38% | 5.52% |
| Surgical Technologist | 9.62% | 6.30% | 15.20% | 8.38% | 5.00% | 13.46% | 7.44% |

Source: *CHA Nursing and Allied Health Vacancy Rate Surveys – 1997 – 2002*

To combat their staffing shortages, Connecticut hospitals have invested in a variety of special recruitment and retention strategies that have proven successful during the past two years. They include:

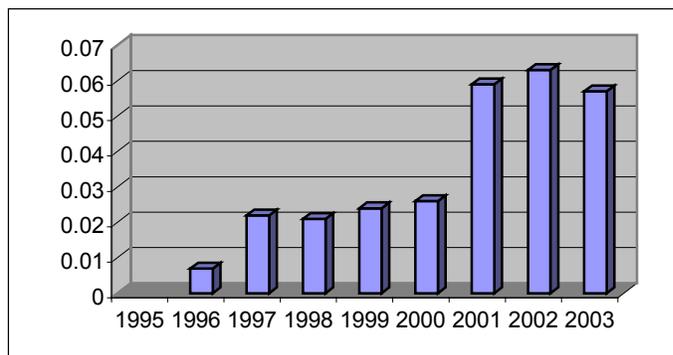
- flexible scheduling options and weekend options,
- extended orientation programs and residency programs,

- hiring bonuses,
- adjustments to hiring rates,
- across-the-board pay increases,
- referral bonuses,
- accelerated benefits eligibility,
- clinical ladders,
- additional tuition reimbursement and scholarships,
- school partnering/mentoring programs,
- and, to a lesser degree, foreign recruitment.

Some of our hospitals have implemented multiple wage rate increases during the past two years in an attempt to stay ahead of the recruiting curve for certain shortage-impacted professions. So in addition to vacancy rate evidence, wage rate increases are indicating a significant and growing shortage. Compensation survey data for 2003 indicates wages have continued to spike in key shortage areas. Year-to-year staff RN wage growth that had been in the 1-2% range for several years has been in the 6% range for the past three years.

Staff Registered Nurse Wage Trends in Acute Care Hospitals

| Year | Number of Institutions Reporting | Number of Incumbents | Average Hourly Wage | Increase |
|------|----------------------------------|----------------------|---------------------|----------|
| 1995 | 34 | 11,231 | 21.47 | |
| 1996 | 31 | 10,611 | 21.62 | 0.7% |
| 1997 | 30 | 10,120 | 22.1 | 2.2% |
| 1998 | 28 | 10,343 | 22.56 | 2.1% |
| 1999 | 31 | 10,443 | 23.11 | 2.4% |
| 2000 | 31 | 10,699 | 23.72 | 2.6% |
| 2001 | 28 | 10,218 | 25.13 | 5.9% |
| 2002 | 30 | 10,641 | 26.71 | 6.3% |
| 2003 | 30 | 10,858 | 28.24 | 5.7% |



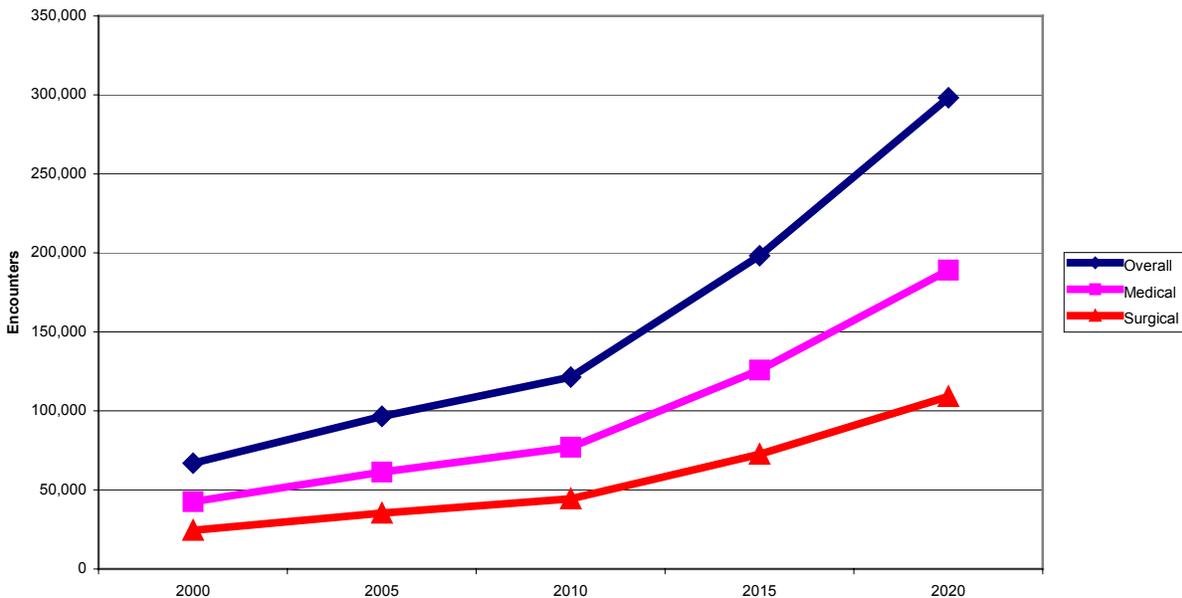
Sources: *Connecticut Hospital Association Annual Compensation Surveys, 1995 – 2003.*

In addition to nurses, hospitals made significant increases to pay rates during the past two years for pharmacists, medical technologists, radiologic technologists, radiation therapy technicians, nuclear medicine technologists, ultrasound technologists, medical records coders, and others. These

substantial increases to hospital wage bases have affected operating margins, contributing to the 2002 Connecticut hospital operating margin average of .34% for an industry that should have sustained 4-6% margins to remain financially viable.

Our projections for future healthcare demand are equally alarming. Using existing hospitalization rates and census data, CHA recently conducted a preliminary study to project hospitalizations for the age 65 and older patient population through the year 2020. People over 65 years of age made up 13.8 percent of Connecticut's population in 2000, but accounted for 29.2 percent of all inpatient hospitalizations in that year. Connecticut's 65 and older population is projected to continue increasing over the next two decades, reaching 17.5 percent in 2020, according to the Connecticut Office of Policy and Management. This study indicates that Connecticut's acute care hospitals can be expected to experience a more than **four-fold increase** in utilization by the age 65 and older population during the next 20 years, with hospitalizations increasing from 66,966 in 2000 to 298,237 in 2020 (*see graph below*).

Figure 1. Projected inpatient hospitalizations among patients 65 and older



What does this all mean for Connecticut's healthcare system?

- That we need to address this growing crisis in a careful and coordinated way.
- That delay in implementing solutions will lessen our chances of addressing the patient care crisis without dangerous impact to quality and patient safety.
- That an inclusive, collaborative, public/private partnership approach focusing on marketing healthcare careers, expanding educational resources and ensuring adequate resources for providers is essential.

The good news is that enrollment in nursing programs is increasing in Connecticut. That is not yet the case for many critical allied health programs. The bad news is that we have a healthcare education capacity issue and both providers and educators are underfunded.

What do we need?

- Additional resources to make education more accessible and manageable.
- Fair and adequate funding for providers to ensure they are able to attract, thoroughly train, and retain qualified workers.
- Focused resources for early underlying skills and education preparation.
- A database of healthcare workforce and demographic data gleaned from licensure renewal.
- Integration of healthcare into the state's short and long term workforce and education planning initiatives.
- All possible paperwork reduction.
- Continued exploration of alternative staffing models where possible.
- And continued collaborative efforts between state agencies, employers, professional trade associations, educators and others in the ongoing monitoring, evaluation and assessment of healthcare workforce shortages in Connecticut, and, of course, in efforts to address such shortages.

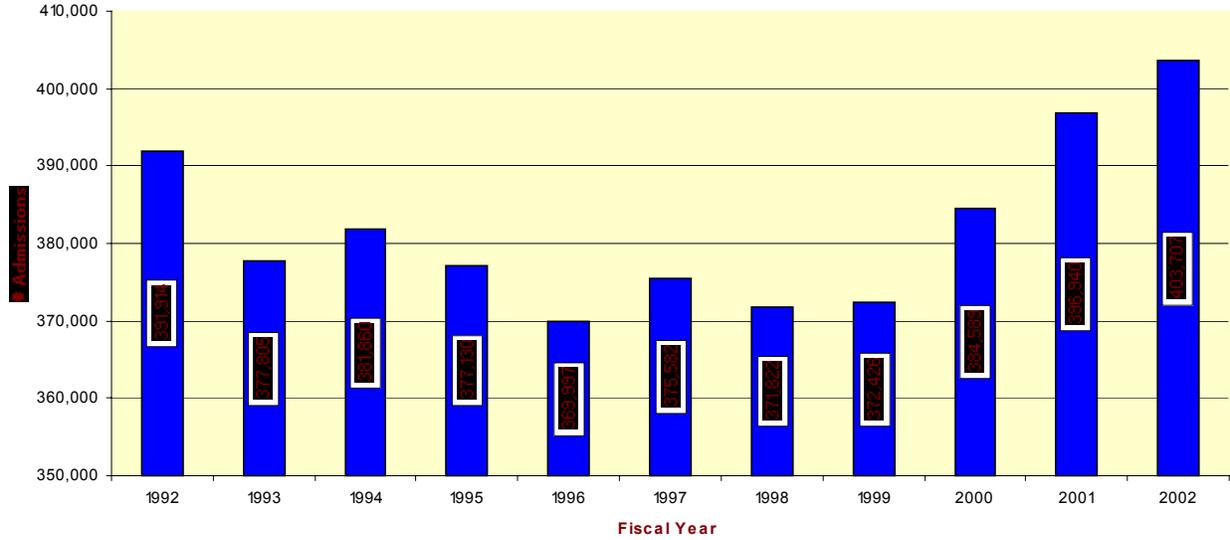
We look forward to working with members of the Committee on ways to proactively address the state's healthcare workforce shortage.

Thank you.

CHA Patient Census Report Utilization Trends 1992-2002 Connecticut Hospitals

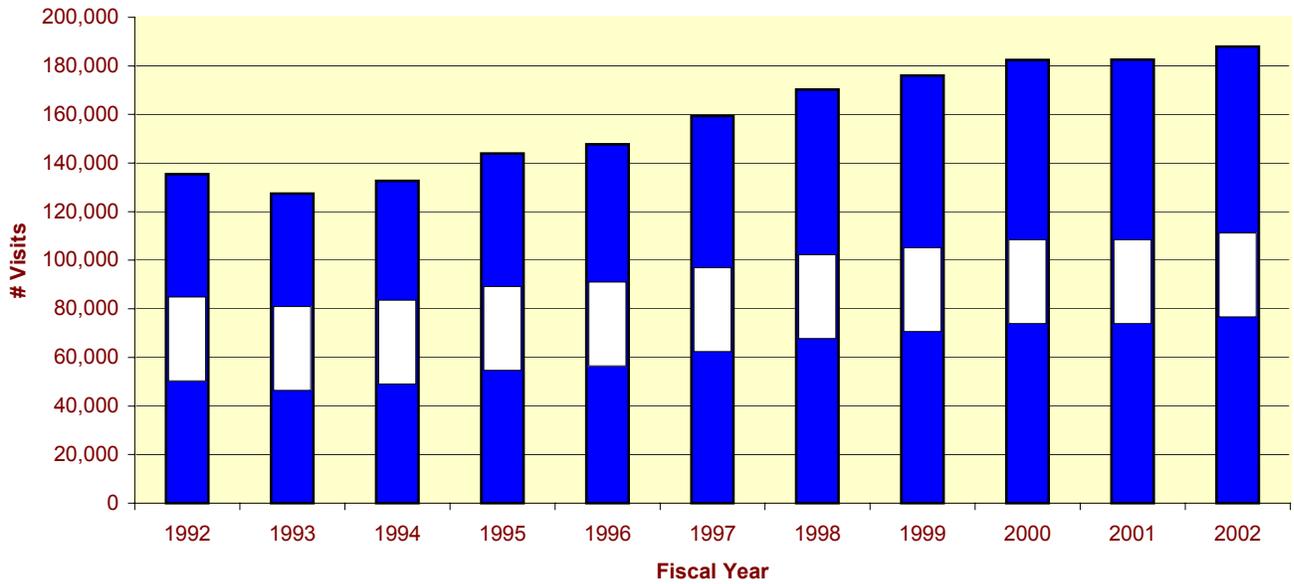
Inpatient Admissions

Connecticut Short Term Acute Care Hospitals 1992 - 2002



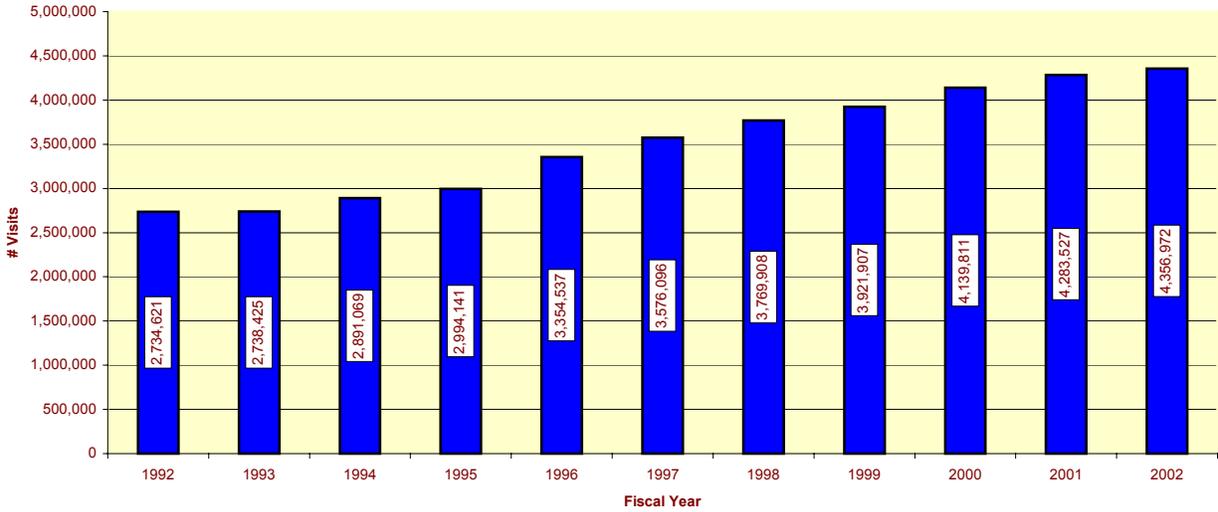
Ambulatory Surgery Visits

Connecticut Short Term Acute Care Hospitals 1992 - 2002



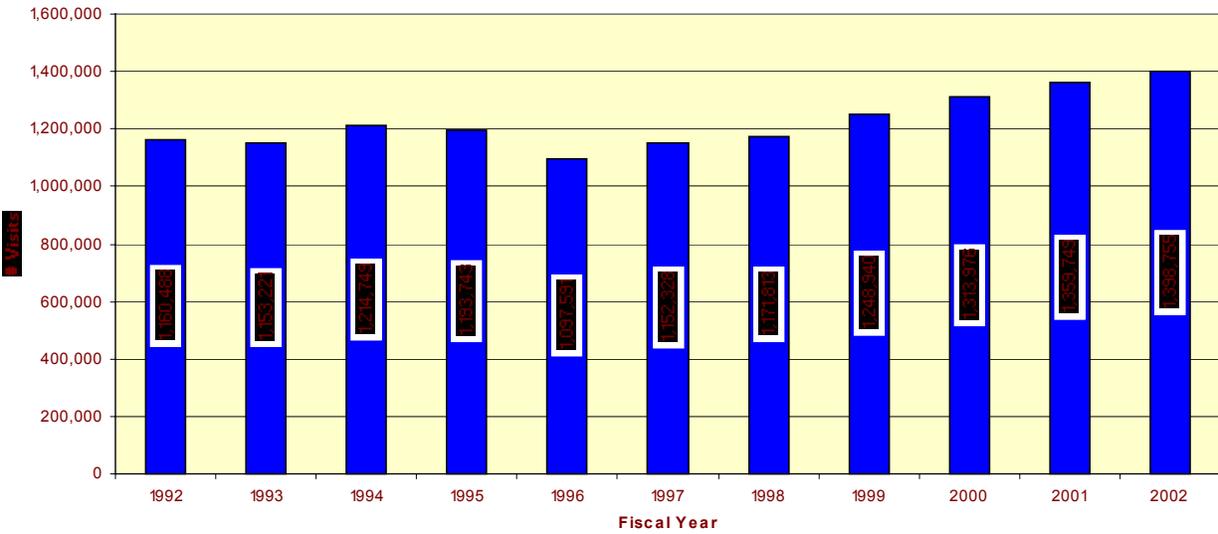
Total Outpatient Visits (includes ED)

Connecticut Short Term Acute Care Hospitals 1992-2002



Emergency Department Visits

Connecticut Short Term Acute Care Hospitals 1992 - 2002



Commission on the Future of Hospital Care in Connecticut Workforce Issues Work Group

Recommendations January 2002

The Workforce Issues Work Group of the Commission on the Future of Hospital Care in Connecticut convened its first meeting on October 9, 2001 with a charge to develop recommendations to alleviate the current nursing and allied health care workforce shortage in Connecticut. The Work Group met again on October 22, November 5, and November 19, 2001, and heard presentations by the Connecticut Hospital Association, the Connecticut Department of Labor, the Connecticut Department of Public Health, the Nursing Career Center of Connecticut, the Connecticut League for Nursing's Articulation Oversight Committee, the Office of Workforce Competitiveness, the State Board of Examiners for Nursing, and by a member of the American Hospital Association Workforce Commission.

The Work Group heard testimony about and discussed shortages in the healthcare professions of nursing, pharmacy, radiology and diagnostic imaging, laboratory science, and others. Common issues include an abundance of career alternatives, lack of perceived value/appeal of healthcare careers, aging current workforce, workload and work design issues, and a lack of diversity in the workforce (limiting access to candidate populations of male and minority workers).

At the outset, the group agreed that focusing on supply issues would be most productive. There was agreement that broadening the base of potential workers is essential, as is partnering between healthcare employers, educators, and agencies involved with workforce development. While there is universal concurrence regarding the importance of work environment in the success of retention strategies, the work group agreed that a focus on supply would be most constructive since staff shortages are often the most significant contributor to work environment stress. The group also agreed that success of workforce initiatives will require collaboration and cooperation between management and the entire workforce.

The Work Group thus makes the following recommendations to the Commission on the Future of Hospital Care in Connecticut:

- 1. Seek out and take full advantage of all existing sources of educational assistance for students in nursing and allied health programs in Connecticut, and where none exists, secure additional resources to make education more accessible and manageable.** It is essential that today's students, particularly non-traditional students, have adequate support services in place to enable them to complete their healthcare education program. Collaborate with public and private sectors to develop new/creative solutions to meet defined financial needs:
 - Identify and take advantage of all financial resources available (grants, scholarships, loan forgiveness) for non-traditional students pursuing nursing or allied health education who have minimal financial resources for education. Expand eligibility criteria for existing state assistance to such students where possible.
 - Ascertain availability of access to Connecticut's childcare and transportation systems. Supplement and expand such resources where required to ensure adequate support to students who are juggling work, school and family.
 - Link financial support to a future commitment to work in the Connecticut healthcare system for a designated period of time.

- The Connecticut Department of Public Health (DPH) should research the existence of additional federal funding and loan forgiveness programs that may be available for registered nurses and students enrolled in other health professional educational programs as well as the feasibility of participating in such programs.
 - DPH should pursue a federal waiver (Public Health Service Act, Section 3381, 42 U.S.C. 254q-1 as amended; National Health Service Corps. Amendments Act of 1990, Title II, Public Law 101-595) that will allow Connecticut to expand its loan repayment program to include nurses in federally designated underserved areas. Although the Connecticut General Statutes were amended to include registered nurses in the State Loan Repayment Program, registered nurses are not eligible to receive federal and state matching funds under this program. Under federal guidelines, registered nurses were not included in the list of disciplines eligible to participate in the State Loan Repayment Program in 2001.
2. **To the degree possible, fully access existing resources and where not available, secure additional resources for providers of nursing and allied health education in Connecticut in order to expand programs where enrollment capacity is already exceeded and to increase flexibility in scheduling.**
- Expansion of off-hours programs is essential for non-traditional students currently employed.
 - The ability to attract additional faculty to staff such off-hours programs is critical. Educators and healthcare employers should explore, utilize and encourage the dual appointment concept. Educators need to be flexible in the use of non-traditional faculty, and healthcare employers should encourage qualified staff to participate as faculty as a retention/ professional development mechanism.
 - Educators must also be able to provide requisite support services for students, especially adequate scholastic support (via tutoring, study groups, counseling).
 - Expansion of the use of technology and Web-based education is essential.
 - There was much discussion on the entry into practice question for nurses; while members agreed that as hospitals' patient populations have become more complex, an increase in the number of BS-prepared nurses would be preferable, they also recognized that in today's shortage environment, getting licensed nurses on staff has become the top priority. As a result, a focus on securing additional resources for Associate's Degree nursing (ADN) programs where enrollments are highest is appropriate with the understanding that a clear articulation process and support for ongoing education (through hospital tuition assistance, scholarships, etc.) is essential.
3. **Provide additional resources for hospitals to ensure they are able to attract and retain qualified healthcare workers by providing competitive salaries, adequate staffing levels, and thorough training and orientation programs.**
- Training and orientation programs must be expanded to ensure a successful transition from education to practice (hospitals must have resources to maintain trainees in such orientation or "residency" programs rather than incorporating them into the regular staffing schedule).
 - Expand federal Graduate Medical Education (GME) training funding for teaching hospitals to those providing education and training to nurses and certain allied health professionals as well as physicians.
 - In order to ensure an adequate flow of candidates into healthcare education programs, hospitals must have resources to implement or expand job shadowing programs and related outreach programs (e.g., Explorer Scout programs).
 - Hospitals must focus on retention strategies and mechanisms, including creating career paths across the spectrum of healthcare professions.

4. **Focus resources on underlying skills and preparation. Work with all levels of education to ensure early recognition of healthcare work as a good career option and ensure that students have the basic educational background necessary. Enhance the elementary and secondary curriculum, focusing on math and science and on health and health careers.**
 - Pilot an existing tested curriculum enhancement model such as National Health Science Curriculum.
 - Encourage both schools and healthcare providers to participate in community service assignments for students.
 - Consider mandatory volunteer requirement of 20 hours for all graduating high school seniors.
 - DPH, through its Office of Public Health Workforce Development, should continue to collaborate with local and statewide partners (e.g., local health directors, state agencies, professional trade organizations, hospitals, institutions of higher education, the Department of Education, local primary and secondary school systems) to provide educational sessions and mentoring programs within primary and secondary schools.
 - Address the lack of diversity in healthcare professions by actively recruiting and providing development and outreach programs to target populations, particularly to those for whom a healthcare career would be perceived as well paid and upwardly mobile.

5. **Remove remaining barriers to effective, comprehensive, articulated healthcare education.** While there has been much work done on LPN to RN and RN to BSN nurse articulation in Connecticut (which is now managed through the Connecticut League for Nursing's Articulation Oversight Committee), there remain barriers that need to be examined and addressed where possible. They include the 10-year requirement (nurses must have graduated from a validated LPN or RN program within the last 10 years), the lack of credit for work experience, the requirement for many students to take challenge exams to earn credit, accessibility, and lost time from current work. There is also no articulation process for CNAs interested in pursuing a career as an LPN or RN. Both CNAs and LPNs are a rich source of candidates for RN or allied health programs since they are already interested in the field and have a good sense of the work environment. DPH, the State Board of Nurse Examiners and other interested parties should also work with nursing and allied health educational institutions to address advancement tracks and to develop innovative approaches to bringing new students into nursing and allied health programs in addition to fostering an environment that encourages nurses and other healthcare professionals who are not working or not working in healthcare to return to work in Connecticut's healthcare system.

6. **Ensure that state agencies have adequate resources to automate the license renewal process in Connecticut for nurses and other healthcare professionals to ensure efficiency and access to critical licensure and demographic data.**
 - DPH should continue to research participation in national databases.
 - **DPH should continue working with representatives of nursing and other healthcare professions and boards to address issues related to the licensure and re-licensure processes.**

7. **Hospitals and other healthcare employers should fully participate in all elements of Connecticut's workforce development system.**
 - Hospitals should seek representation and participate actively on local Workforce Investment Boards and with the Connecticut Employment and Training Commission.

- Hospitals should collaborate wherever possible with the Governor's Jobs Cabinet and all state workforce agencies.
8. **Address the key issues of regulation and paperwork reduction.** The current generation of workers is not interested in working in a repetitive, paper-flooded environment when all their experience and preparation has been computer-based. A 50% reduction in the paperwork required of nurses on the floor would virtually address the current nursing shortage. Eliminate duplicate regulation and inspection requirements and standardize certain patient information systems where practical. (Most of this work must be done at a federal level given the comprehensive and costly approach required.)
 9. **The healthcare industry, both labor and management, should work together to continue researching and analyzing current staffing practices and identify functions performed by licensed staff that do not require the level or ability of a licensed practitioner** (e.g., preparing and maintaining staffing schedules, filing documents, arranging for ancillary services such as blood work and radiology, passing fluids, transporting patients and other similar tasks), and continue exploring alternative staffing models and models of care that take appropriate advantage of skill mix.
 10. **Monitor and support actions to modify regulations or statutes at a state and national level that inhibit continued employment past a certain age.**
 11. **Complete additional research on nursing and allied healthcare attrition rates to determine causes for lack of successful program completion.**
 12. **Continue all collaborative efforts between state agencies, employers, professional trade associations, educators and others in the ongoing monitoring, evaluation and assessment of healthcare workforce shortages in Connecticut, and more importantly, in efforts to address such shortages.**
 - Recognize and support the Nursing Career Center of Connecticut as a major force in nurse recruitment, retention and career enhancement, and use it as a model for other healthcare professions.
 - Consider creating such a "center" to coordinate all statewide efforts for healthcare workforce shortages and healthcare careers.