Building Tomorrow’s Health Care Workforce: State Strategies For Today

The United States is facing one of its worst nursing shortages in years, with demand far outpacing supply. Other health care professionals - such as pharmacists, dentists and geriatricians - are also becoming scarce, with rural areas especially hard hit.

While the shortage of health care workers is bad now, it is only likely to become worse in the future. With the aging of the population, many health care professionals will retire, just as demand for health care services is projected to rise sharply. If current projections hold true, by 2020, some areas of the country will be experiencing a workforce deficit as high as 20 percent to 45 percent.

Compounding the problem is the difficulty health care is having attracting and keeping qualified workers. Managed care, liability concerns, job stress and other factors have resulted in dissatisfaction among current health care personnel, with workers either finding new jobs or discouraging others from choosing this career path.

As part of its Health Policy Monitor teleconference series, on December 3, 2002, The Council of State Governments hosted “Building Tomorrow’s Health Care Workforce: State Strategies For Today.” This teleconference invited experts from around the country to reflect on the trends affecting the health care workforce, offering best practices from the field. Panelists included:

• Dr. Edward O’Neil, Director, Center for the Health Professions, University of California, San Francisco
• Senator Paula Hollinger, Maryland State Senate
• Barbara Blakeney, President, American Nurses Association
• Dr. Jim Bentley, Senior Vice President for Strategic Policy Planning, American Hospital Association

Supply vs. Demand

Demographic changes are one of the primary drivers of the anticipated health care workforce shortage. For example, many of the registered nurses (RNs) who entered the workforce in the 1970s are approaching retirement age. In fact, according to the American Hospital Association’s Commission on Workforce for Hospitals and Health Systems, the average age of nurses in the year 2000 was 47 years old. These baby boomers’ retirement will only exacerbate the current shortage.

A quick recovery is unlikely, given the size of the generations that follow (Figure 1). “Because the generation trailing the baby boomers, and even one generation behind that, is a smaller cohort, there will be more competition for these entry-level workers,” said Dr. O’Neil. In addition to nursing, this competition will likely affect allied health care professionals such as lab and medical technologists, radiology technicians and nursing aides, as well. Even professions such as pharmacy and dentistry are beginning to feel the strain. “The most pressing concern, however, is the one that we face right now and in the future in nursing,” Dr. O’Neil added.

Data from the General Accounting Office support this conclusion. “Between 1983 and 1998, the number of RNs in the workforce under age 30 fell by 41 percent, compared to only a 1-percent decline in the number under age 30 in the rest of the U.S. workforce.” The number of new nurses entering the workforce is also declining dramatically. According to the GAO, in 1996, 97,679 individuals passed the national RN licensing exam. By 2000, that number had fallen 23 percent, to 74,787. This last statistic highlights another supply problem: faculty for nursing programs. “The average age of the nursing faculty is in the mid-50s, and, in several states, 25 percent to 50 percent of the nursing faculty is actually eligible to retire,” said Blakeney. “If we don’t have enough nursing faculty, no matter how many people we get interested in being nurses, we’re not going to be able to prepare them.”

The Legacy of Cost Containment

The rise of managed care and the implementation of cost-containment strategies over the last two decades have also seriously affected the industry’s ability to retain and recruit qualified workers. Job dissatisfaction continues to be a problem, with staffing levels, heavy
workloads, use of overtime, an insufficient number of support staff, and pay being the problems cited most often. A recent survey by the Federation of Nurses and Health Professions found that “half of the currently employed RNs who were surveyed had considered leaving the patient-care field for reasons other than retirement over the past two years.” For states looking to increase nurse staffing levels, this flight cannot be ignored.

“There is a huge number of nurses today who are licensed to practice, who have practiced for a number of years, and who are no longer practicing,” said Blakeney. “If we could bring even half of those nurses back into the workforce, it would buy us some significant time to be able to beef up the educational infrastructure and to be able to recruit younger people into the discipline.”

Hospital populations have also changed. Because of advancements in treatment and pressure to keep costs down, hospitals are able to either release patients earlier than they could have 20 years ago, or treat them on an outpatient basis. “The type of care that patients need when in the hospital has become more acute,” Blakeney noted. “Today, if a patient is in the hospital, they are there because they require skilled nursing care.”

Rural Health Care

Although rural areas have struggled for years to fill health care vacancies, and the projected shortage is expected to only increase staffing problems, many of the most creative responses to staffing shortages are coming from this sector. “Experiencing difficulties has actually left rural hospitals better equipped to deal with the shortage,” said Dr. O’Neil.

Solutions adopted by rural health care institutions include the following:

- building sustainable career ladders within local hospitals;
- networking with other employers in the area to find employment for spouses of health care workers;
- exploring ways to employ dislocated workers for second careers in health care;
- sharing health professionals with other institutions; and
- training individuals already living within the community.

Rural health care has also been proactive in creating networks to foster research and share best practices. In 1991, the Office of Rural Health Policy (ORHP) - part of the Health Resources and Services Administration within the U.S. Department of Health and Human Services - began offering matching grants to states so they could create their own rural health policy centers. Now in all 50 states, these offices track and report state trends, help rural agencies recruit and retain health care professionals, provide technical assistance to agencies wanting to apply for additional funding, and coordinate activities of interest to rural health care providers. The ORHP also funds six Rural Health Research Centers that examine the difficulties rural institutions face in providing quality, affordable health care.

A directory of State Offices of Rural Health and State Rural Health Associations is available on the ORHP Web site at http://ruralhealth.hrsa.gov/funding/associations.

Partnering for a Solution

Finding a solution to health care workforce shortages will likely involve many partners. “The complexity of issues is not something that can be responded to in a unilateral fashion just by state government, just by education, just by the industry, the management end of the hospital sector, by the profession or by labor,” said Dr. O’Neil. “The closer collaboration between education and management, between labor and management, and even between education and labor, is going to be one of the ways in which we’re going to get out of this situation,” he added.

In Our Hands: How Hospital Leaders Can Build a Thriving Workforce, a report by the American Hospital Association’s Commission on Workforce For Hospitals and Health Systems, offers five recommendations for those who have a role in improving and building a stronger workforce:

- Foster Meaningful Work: Redesign job responsibilities, processes and procedures to create a more rewarding work experience.
With their work and leave."

The colleges do, we will simply bring people along who are dissatisfied with their work and leave."

If [hospital executives and leadership] don’t address the hospital end of this problem, no matter what state government does, no matter what
scholarship programs are important incentives for individuals considering entering one of the health professions experiencing shortages. In addition, because training programs for health professions are among the most expensive programs for universities and community colleges, states can also invest money in expanding educational programs. "State governments that provide assistance on a flat, per-student basis, are really discouraging the community colleges and universities from expanding those programs," Bentley noted. Finally, states can play a role in creating opportunities for those already in the profession to advance their careers.

Increase retention. States must also decrease the number of individuals leaving the health professions because of job dissatisfaction. Topics such as mandatory overtime, whistleblower protection, minimum staffing ratios, etc. are receiving national attention, but other factors - including ergonomics, compensation and benefits, and improved training for supervisors - may play a role as well. It is important that policy makers understand what the problems are in their state and take appropriate action.

Understand demand. A health care workforce shortage offers policy makers an excellent opportunity to examine worker productivity and scope of practice. Job redesign, reducing the amount of paperwork, and encouraging technologies that increase efficiencies are all part of addressing the demand for workers.

Raise the profile of health professions. States should invest in strategies designed to overcome the negative attitude that may prevent some people from entering a health care profession, especially nursing. Private companies and foundations see the benefits of these campaigns. Johnson & Johnson is funding “The Campaign for Nursing’s Future,” a multiyear program designed to attract more people to nursing through advertising and scholarships. The campaign is supported by a Web site - www.discovernursing.com.

Establish workforce centers. Many states are developing health workforce centers to improve data collection and assessment of supply and demand. These centers are able to track trends and develop short- and long-term strategies for dealing with the crisis. Some states have turned to other countries to shore up workforce numbers. While this is a viable strategy, it may contribute to job dissatisfaction. "Nurses who have been with institutions may feel resentful of nurses being brought in from outside the country," said Sen. Paula Hollinger. Even though it may mean more staff, there is the perception that the newly arrived nurses are getting more benefits than those who have already been working for a while. The same can be said of agency nurses. “Full-time nurses are very resentful of the agency nurses that are brought in for more pay, that name their own hours, and walk off when the shift is through,” Sen. Hollinger added.

At the federal level, the Department of Health and Human Services administers several programs to help attract individuals to the health care workforce. In addition to the Rural Health Research Centers discussed above, the Health Resources and Services Administration oversees the National Health Services Corp, a program focused on increas-

**Figure 2. 2020 Registered Nurses Shortage Projections**

<table>
<thead>
<tr>
<th>Top Ten States, By Number</th>
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<tbody>
<tr>
<td>1 California</td>
<td>120,695</td>
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<tr>
<td>2 Florida</td>
<td>61,146</td>
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<tr>
<td>3 Texas</td>
<td>52,076</td>
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<tr>
<td>4 New York</td>
<td>44,611</td>
</tr>
<tr>
<td>5 Pennsylvania</td>
<td>40,381</td>
</tr>
<tr>
<td>6 New Jersey</td>
<td>37,519</td>
</tr>
<tr>
<td>7 Tennessee</td>
<td>36,205</td>
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<tr>
<td>8 Georgia</td>
<td>32,043</td>
</tr>
<tr>
<td>9 Washington</td>
<td>25,451</td>
</tr>
<tr>
<td>10 Massachusetts</td>
<td>25,382</td>
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<tr>
<td><strong>Total U.S.</strong></td>
<td><strong>808,416</strong></td>
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<thead>
<tr>
<th>Top Ten States, By Percentage</th>
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<tbody>
<tr>
<td>1 Wyoming</td>
<td>63.3</td>
</tr>
<tr>
<td>2 Idaho</td>
<td>59.1</td>
</tr>
<tr>
<td>3 Alaska</td>
<td>58.1</td>
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<tr>
<td>4 New Mexico</td>
<td>56.8</td>
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<tr>
<td>5 Connecticut</td>
<td>54.9</td>
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<tr>
<td>6 Delaware</td>
<td>51.5</td>
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<tr>
<td>7 Tennessee</td>
<td>48.5</td>
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<tr>
<td>8 Rhode Island</td>
<td>47.5</td>
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<tr>
<td>9 Oregon</td>
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</tr>
<tr>
<td>10 California</td>
<td>45.8</td>
</tr>
<tr>
<td><strong>Total U.S.</strong></td>
<td><strong>28.8</strong></td>
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- **Improve the Workplace Partnership.** Increase retention by strengthening the employer-employee relationship and making human resources a top priority.
- **Broader the Base.** Increase the diversity of the health care workforce to better reflect that of the general population.
- **Collaborate with Others.** Identify solutions through partnerships between hospitals, physicians, educational institutions, government, business, labor and communities.
- **Build Societal Support.** Increase awareness of the role hospitals play within a community, and the importance of ensuring a viable health care infrastructure.

Dr. Jim Bentley stressed the importance of these suggestions. “If [hospital executives and leadership] don’t address the hospital end of this problem, no matter what state government does, no matter what the colleges do, we will simply bring people along who are dissatisfied with their work and leave.”

**Strategies and Best Practices**

In response to the health care workforce shortage, especially the shortage of nurses, states have undertaken a number of initiatives.

- **Invest in education and training.** Loan forgiveness, grants and scholarship programs are important incentives for individuals considering entering one of the health professions experiencing shortages. In addition, because training programs for health professions are among the most expensive programs for universities and community colleges, states can also invest money in expanding educational programs. “State governments that provide assistance

**Additional Resources**

- CSG’s Health Policy Monitor Web site - www.csg.org (keyword: workforce shortage)
- American Association of Colleges of Nursing - www.aacn.nche.edu/CaringProject/
- American Hospital Association - www.aha.org
- American Nurses Association - http://nursingworld.org
- Bureau of Health Professions, HRSA - http://bhpr.hrsa.gov/healthworkforce/default.htm
- Center for the Health Professions, University of California, San Francisco - www.futurehealth.ucsf.edu/
State Actions

Florida (HB 519/ SB 1618): In 2001, the Florida Center for Nursing was established to create a statewide strategic plan for nursing manpower, bring together key stakeholders, and promote a positive image of nursing. The Center was funded with money from the state ($250,000 initially) that must be renegotiated each year. Nurses also have a chance to offer voluntary contributions.

Kentucky (SB 289): In 2002, Kentucky passed a law creating a Nursing Workforce Foundation. The Foundation brings together representatives from a variety of areas, including colleges and universities and nursing associations, to address recruitment and training issues. The law also requires all nursing schools in the state to submit annual plans for increasing enrollment.

Louisiana (SSR1): In 2002, the Louisiana Senate passed legislation calling for a study of the possibility of developing a specialized high school curriculum with emphasis in the medical science field.

Maryland (SB 537, HB 329, HB 590): Legislation prohibiting mandatory overtime was passed in Maryland in 2002 (SB 537). Maryland also passed HB 329, the Health Care Worker Whistleblower Protection Act, and HB 590, which requires the Statewide Commission on the Crisis in Nursing to identify a technology-driven point of care application.

South Dakota (SB 58): In 2002, the legislature passed a law establishing a Nursing Workforce Center to monitor the supply and demand for nurses in the state, evaluate the effectiveness of nursing education, and promote strategies to improve the workplace environment for nurses. The center is funded by nurses through licensure renewal fees.

The private sector has also helped develop innovative solutions to the crisis. As an example of public-private collaboration, in December 2001, HCA - The Health Care Company and the U.S. Department of Labor partnered to provide training for employees displaced from an industry by the September 11, 2001 attacks or their aftermath. Program participants are guaranteed employment at HCA facilities. To learn more about this program, visit www.hcacares.com.

Conclusion

Workforce shortages of this magnitude do not have quick fixes. Because it takes time to train or retrain workers for a profession, policy makers and stakeholders at all levels must address the issues now in order to prevent a more severe health workforce crisis in the years to come.

2 Ibid.
3 Ibid.

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