Emerging Trends in California’s RN Labor Market

April 19, 2016
Today’s presenters

- **Joanne Spetz**
  - Professor, Philip R. Lee Institute for Health Policy Studies, University of California, San Francisco

- **Judee Berg**
  - Executive Director, HealthImpact

- **Teri Hollingsworth**
  - Vice President, Human Resources Services, Hospital Association of Southern California

- **Nikki West**
  - Program Director, HealthImpact
Goals for this webinar

- Assess how rising demand for health care services is affecting demand for RNs in California
  - Learn how Chief Nursing Officers perceive the current RN labor market
  - Track the latest hospital vacancy and turnover data
  - Understand how recently-graduated nurses are faring
  - Address root cause for shortage of nurses in specialty roles
- Assess next steps for ensuring an adequate nurse supply
The work presented today is supported by...

- **Funders**
  - Betty Irene Moore Nursing Initiative
  - Kaiser Permanente Northern California Patient Care Services and Kaiser Permanente Nurse Scholar Academy
  - California Board of Registered Nursing

- **Acknowledgements & thanks to**
  - Association of California Nurse Leaders
  - California Student Nurses Association
  - California Hospital Association
  - Hospital Council of Northern & Central California
  - FutureSense Inc.
  - Hospital Association of San Diego & Imperial Counties
  - UCSF Staff & Interns: Tim Bates, Lela Chu, Lyubov Loza, Nachu Amah
What is going on in our RN labor market?

- Reports of nurse surplus 2009-now
  - Newspaper stories of new graduates who are unemployed
  - Shortage may not have ended in some states
- Emerging reports of shortage 2014-now
  - Anecdotes about using more contract nurses
  - Potential mismatch between needs and skills
- What will happen next?
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Survey of Chief Nursing Officers

- Fielded by UCSF
- Web-based survey with option to return paper survey via fax or email
- 8 surveys conducted
  - Fall 2010, Spring 2011, Fall 2011, Spring 2012, Fall 2012, Fall 2013, Fall 2014, Fall 2015
  - Fall 2015 survey: 210 facilities represented
Perceptions of employers: Overall labor market

<table>
<thead>
<tr>
<th>Year</th>
<th>High demand: difficult to fill open positions</th>
<th>Moderate demand: some difficulty filling open positions</th>
<th>Demand is in balance with supply</th>
<th>Demand is less than supply available</th>
<th>Demand is much less than supply available</th>
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</thead>
<tbody>
<tr>
<td>2015</td>
<td>40.1%</td>
<td>46.9%</td>
<td>6.8%</td>
<td>5.6%</td>
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<td>2014</td>
<td>18.4%</td>
<td>49.0%</td>
<td>13.1%</td>
<td>12.6%</td>
<td>6.8%</td>
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<tr>
<td>2013</td>
<td>8.6%</td>
<td>32.3%</td>
<td>18.7%</td>
<td>26.8%</td>
<td>13.6%</td>
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<tr>
<td>2012</td>
<td>5.5%</td>
<td>45.2%</td>
<td>19.8%</td>
<td>17.1%</td>
<td>12.4%</td>
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<tr>
<td>2011</td>
<td>4.7%</td>
<td>43.9%</td>
<td>6.8%</td>
<td>23.6%</td>
<td>20.9%</td>
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<tr>
<td>2010</td>
<td>5.3%</td>
<td>30.9%</td>
<td>11.8%</td>
<td>27.0%</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

- High demand: difficult to fill open positions
- Moderate demand: some difficulty filling open positions
- Demand is in balance with supply
- Demand is less than supply available
- Demand is much less than supply available
Differences across regions:
Overall RN labor market

- S. Border: 3.6
- Inland Empire: 4.0
- LA: 4.4
- Central CA: 4.3
- SF Bay: 4.3
- Sacramento & North: 4.2
Differences across regions: Experienced RNs

- Inland Empire: 2015 - 4.6, 2014 - 4.2, 2013 - 4.2
Differences across regions: New Grad RNs

- SF Bay: 2015 - 1.8, 2014 - 1.8, 2013 - 1.8

Bars represent values for each region and year.
Rural vs. urban perceptions

Higher number = more shortage
## Change in employment in the past year (2014 - 2015)

<table>
<thead>
<tr>
<th>Role</th>
<th>Increased employment</th>
<th>No change</th>
<th>Decreased employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNS</td>
<td>7.6%</td>
<td>86.4%</td>
<td>5.1%</td>
</tr>
<tr>
<td>LVN</td>
<td>15.9%</td>
<td>70.3%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Other RN</td>
<td>23.0%</td>
<td>69.9%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Aide/assistant</td>
<td>30.5%</td>
<td>65.0%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Staff RN</td>
<td>50.0%</td>
<td>35.8%</td>
<td>14.2%</td>
</tr>
<tr>
<td>NP</td>
<td>56.4%</td>
<td>39.1%</td>
<td>3.6%</td>
</tr>
<tr>
<td>New RN graduate</td>
<td>62.9%</td>
<td>29.4%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>
Hiring requirements and preferences,

- **No specific requirements**
  - 2015: 19.5%
  - 2014: 4.8%
  - 2013: 21.2%
  - 2012: 21.2%
  - 2011: 0%

- **Baccalaureate degree preferred**
  - 2015: 80.5%
  - 2014: 67.6%
  - 2013: 69.5%
  - 2012: 67.6%
  - 2011: 4.6%

- **Baccalaureate degree required**
  - 2015: 67.6%
  - 2014: 52.3%
  - 2013: 67.6%
  - 2012: 52.3%
  - 2011: 4.6%
Plans regarding BSN-educated nurses, 2015

- 75% plan to increase the share with BSN  
  (71% in 2014; 66% in 2013)

- 9% require that hired RNs obtain a BSN within a certain time  
  (12% in 2014)

- 39% require a BSN for promotion beyond staff nurse  
  (55% in 2014)

- 32% differentiate RN salary by education degree  
  (32% in 2014)

- 31% differentiate RN salary by advanced certification  
  (48% in 2014)
Challenges to increasing the share of BSN-educated RNs

- Most common barriers to increasing share with BSN:
  - Lack of interest among incumbent RNs
  - Lack of tuition reimbursement funds
  - Lack of funds for financial incentives
  - Lack of BSN programs in community
  - Low supply of BSN-educated RNs in community
Overall hiring expectations for the next year

![Bar chart showing hiring expectations from 2010-2011 to 2015-2016. The chart indicates the percentage of organizations expecting to hire fewer than last year, stay the same, or hire more than last year.](chart.png)
Expected RN hiring by care setting for next year (2015 - 2016)

- **Case management**: Increased hiring (62.0%), No change (36.8%), Decreased hiring (1.2%)
- **Long-term care**: Increased hiring (51.5%), No change (48.5%)
- **Home health**: Increased hiring (41.7%), No change (58.3%)
- **Ambulatory care**: Increased hiring (50.3%), No change (49.7%)
- **Inpatient care**: Increased hiring (66.7%), No change (30.4%), Decreased hiring (2.9%)
Hiring of newly graduated RNs, 2010-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Do not hire ever</th>
<th>Normally hire, but not this year</th>
<th>Hired this year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>8.7%</td>
<td>6.7%</td>
<td>84.6%</td>
</tr>
<tr>
<td>2011</td>
<td>8.0%</td>
<td>9.4%</td>
<td>82.6%</td>
</tr>
<tr>
<td>2012</td>
<td>9.8%</td>
<td>12.6%</td>
<td>77.6%</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>6.5%</td>
<td>76.0%</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>10.6%</td>
<td>82.9%</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>3.4%</td>
<td>90.3%</td>
</tr>
</tbody>
</table>

Legend:
- Orange: Do not hire ever
- Pink: Normally hire, but not this year
- Green: Hired this year
Percent of new hires that were new graduates

<table>
<thead>
<tr>
<th>Year</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2012</td>
<td>34%</td>
<td>6%</td>
<td>31%</td>
</tr>
<tr>
<td>Fall 2013</td>
<td>32%</td>
<td>15%</td>
<td>31%</td>
</tr>
<tr>
<td>Fall 2014</td>
<td>29%</td>
<td>7%</td>
<td>26%</td>
</tr>
<tr>
<td>Fall 2015</td>
<td>33%</td>
<td>20%</td>
<td>24%</td>
</tr>
</tbody>
</table>
Hiring of new graduates into non-RN roles

- 2013: 28.6%
- 2014: 31.7%
- 2015: 36.6%

Hire into non-RN roles
Residency programs for non-employee new graduates, Fall 2015

- 41 hospitals reported residencies for new graduates not guaranteed to be hired
  - Most offered 1-3 times per year
  - Most common capacity is 10-15 new grads
  - Most common length is 12-16 weeks
  - 68% paid program
- 81% of hospitals said 75-100% of residency completers were hired in last year
  - 14% said they hired less than 25%
Residency programs for non-employee new graduates, Fall 2015

- Rehabilitation
- Psychiatry
- Ambulatory care
- Pediatrics/neonatal
- Obstetrics/newborn
- OR/Peri-op
- Critical care
- Emergency
- Medical-surgical
Hiring expectations for new graduates

- 2011-2012: 59.7% (Increase), 18.7% (Decrease), 21.6% (No change)
- 2012-2013: 55.4% (Increase), 22.3% (Decrease), 22.3% (No change)
- 2013-2014: 61.1% (Increase), 14.8% (Decrease), 24.1% (No change)
- 2014-2015: 57.2% (Increase), 7.7% (Decrease), 35.1% (No change)
- 2015-2016: 49.2% (Increase), 3.5% (Decrease), 47.3% (No change)
Reasons for expected increase in new graduate hiring

- Lack of available experienced RNs
- Expected retirement of incumbent RNs
- Expansion of service lines
- Desire to build a pipeline to staff own clinical specialties
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Quarterly hiring of full-time personnel, HASC Survey, Fall 2013 - Fall 2015

194 responses
RN Vacancies, HASC Survey, 2010 - 2015

- Fall 2010: 3.4%
- Fall 2011: 4.0%
- Fall 2012: 3.2%
- Fall 2013: 4.2%
- Fall 2014: 4.8%
- Fall 2015: 6.9%

194 responses
Quarterly turnover of full-time personnel, HASC Survey, Fall 2013 - Fall 2015

<table>
<thead>
<tr>
<th>Staff RNs</th>
<th>Other RNs</th>
<th>LVNs</th>
<th>Aides</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3%</td>
<td>2.6%</td>
<td>3.7%</td>
<td>2.8%</td>
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<tr>
<td>3.2%</td>
<td>2.9%</td>
<td>3.3%</td>
<td>2.5%</td>
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<tr>
<td>3.4%</td>
<td>3.3%</td>
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<tr>
<td>3.1%</td>
<td>3.3%</td>
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<tr>
<td>2.8%</td>
<td>2.5%</td>
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</tbody>
</table>

194 responses
Per Diem, Contract, and Agency RN Staff as Percent of Current Staff

194 responses
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New RN Graduate Hiring Survey

- Statewide survey of new grads conducted in fall of 2015
- Collaborators:
  - HealthImpact
  - California Board of Registered Nursing
  - Association of California Nurse Leaders
  - California Student Nurses Association
- 50% random sample of new graduates from Sept 2014-Aug 2015
  - 12% response rate in 2015
- Funder: Kaiser Permanente Northern California Patient Care Services and Kaiser Permanente Nurse Scholar Academy
Findings from the 2015 New RN Graduate Hiring Survey

Percent of new graduates employed in nursing

- Fall 2010: 50%
- Fall 2011: 60%
- Fall 2012: 50%
- Fall 2013: 70%
- Fall 2014: 80%
- Fall 2015: 70%
Regional variation in employment

Employment Rates

LA County
SF Bay
Orange/Inland
N CA
San Diego/Imperial
Central Valley
Sacramento
N Sac Valley
Central Coast
Employment rate varies by education

*Small ELM response rate in the 2015 New RN Graduate Hiring Survey
Employment settings of new graduates

- Hospital Inpatient: 60%
- Hospital Outpatient: 14%
- Long Term Care/Rehab: 10%
- Home Health/Hospice: 2%
- Behavioral Health: 2%
- Community Clinic: 7%
- Other: 5%
- Corrections: 0%
Why are they not employed?

- No experience – 85%
- No position available – 37%
- BSN preferred or required – 30%
- Work experience not applicable – 26%
- Weak resume – 12%
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Background

- HASC serves the political, economic and educational needs of hospitals in Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara and Ventura counties
- 175 member hospitals and health systems
- Concerns raised regarding apparent shortage of specialty trained RNs
- Engaged HealthImpact to conduct root-cause analysis
- In January 2016, HASC convened a workgroup: HR, Nursing and Administrators
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Why is it hard to find experienced RNs for specialty positions?

What can be done about it?
HealthImpact Engaged to Assist: Southern California Hospitals Seeking a Solution

At request of Hospital Association of Southern California to serve its members

Workgroup of Hospital Leaders: HR, Nursing and Administrators Define Success:

- Collaboration across systems instead of competition
- Relationship building and strengthening existing connections
- Partnering with nursing schools
- Sustainable, long-term strategy
- Shared belief that newly licensed RNs DO need a formal transition to practice program
Process to Address Shortage

Series of meetings to build relationships

Survey instruments and scoring rubric

Article research and evidence to support work

Identify root causes

Validate

Develop recommendations
Progress to Date: Specialty Focus Areas

Extrapolated need across region for experienced RNs over 12 mo*:
Peri-operative – 1,072
Critical Care – 2,320
Emergency – 1,392
Labor & Delivery – 864
Neonatal ICU – 688
Care Coordinator and Case Manager – anticipated to grow

* 17 hospitals in workgroup representing 164 hospitals across HASC total membership
Root Causes Identified by Supply and Demand

1. Education insufficient for specialty role preparation, especially related to increasing acuity, complexity of care, quality and safety requirements.

2. Loss of experienced level specialty RN workforce.

3. Resource challenges, including cost of recruitment and hiring bonuses.

4. Intensity of specialty work environment, resulting in burnout.
### Which Strategies Make Sense Individually? For the Region?

**SCORING WORKSHEET**
For each category, score 1-4, with 4 being the best or most ideal

<table>
<thead>
<tr>
<th>Overall ability to address shortage</th>
<th>School-Employer Transition to Practice for New Graduate RNs</th>
<th>School-Employer Transition in Practice for Experienced RNs moving to new roles</th>
<th>Elective Course / Externship for Junior and Senior RN students</th>
<th>Dedicated Education Units for New Hire RNs</th>
<th>Dedicated Education Units for RN students</th>
<th>Academic-Practice Relationship-Building</th>
<th>Strategy:</th>
<th>Strategy:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to implement</td>
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<td>Time to implement</td>
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<td>Impact on internal staff / resources</td>
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<td>Benefit across various specialty areas</td>
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<td>Sustainability</td>
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<td>Other</td>
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Emerging Strategies

Pre-licensure: Specialty Immersion

Junior and Senior Year Elective

✓ Rigorous selection process

✓ Informed by regional demand for specific specialties

✓ Provided by school of nursing w/clinical site shared faculty

✓ Strengthen connection of students to potential employment post-graduation
Emerging Strategies

New Graduate and Existing RN Transition Program

Model developed through HealthImpact

✓ Schools/clinical sites partner

✓ Regional approach with option for multiple partners

✓ Schools provide didactic content, course credit, liability coverage

✓ Clinical sites provide preceptors

✓ Possibility of benefit to combining preparation of new grads with experienced RNs moving to new roles

✓ Faculty with right skill set essential
Emerging Strategies

**Case Management/Care Coordination Course for Experienced RNs**

- Regionally based
- Draw experienced RN participants from multiple hospitals
- Intensive course, held at convenient time for working RNs
- Share various aspects of case management/care coordination
- Possible blended format, faculty team
Multiple Answers

Stronger Academic/Practice Ties

- Joint appointments/shared positions in practice/academia
- Appointments to committees, task forces and project focused teams
The Future

Moving Forward

Collaborative approach

Building a sustainable solution

Expanding capacity

Strengthening academic/practice partnerships

Focusing on regional needs
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What is happening now?

- There is current and anticipated job growth
  - Inpatient care growth in census and higher acuity
  - Ambulatory care growth
- Shortage of experienced RNs
  - Operating Room
  - Labor & Delivery
  - Emergency Department
  - Intensive care
- Employers are avoiding new graduates
California RN graduations per year

- 2003-04: 6,158
- 2004-05: 6,158
- 2005-06: 7,158
- 2006-07: 8,158
- 2007-08: 9,158
- 2008-09: 10,158
- 2009-10: 11,291
- 2010-11: 10,291
- 2011-12: 10,291
- 2012-13: 10,291
- 2013-14: 11,291
Best supply and demand forecasts for RNs, 2015-2035

- Best Supply Forecast
- National 25th percentile FTE RNs/population
- OSHPD hours per patient day-based forecast
- Low Supply Forecast (low count & employment)
- National average FTE RNs/population
Concerns for workforce policy

- Will recent graduates who can’t find work leave California permanently?
- What education changes are needed to ensure new graduates have the right skills?
- Can we foster opportunities to gain on-the-job skills and to pursue additional education?
Solutions

- Employers: Invest in new graduate hiring
  - Less expensive than a shortage
    - Recruitment costs
    - Costs of patient care lapses
    - Costs of rapid wage increases

- Specific investments:
  - Continuing Education
  - Mentoring
  - Creative Hiring Practices
  - Volunteering
  - Transition to Practice Programs
Participation in Transition to Practice Programs

- Employer Provided Participation – 42.7%
- School of Nursing Provided Participation – 2.8

- 45.5% of New Graduates Participated in a Transition to Practice Program
Solutions

- Educators: Partner with employers
  - Offer electives in the clinical areas of shortage
  - Ensure streamlined education progression
- Policymakers: Maintain education capacity
  - Do not let enrollments drop
  - Support scholarship programs such as the HPEF programs
Check out the UCSF website!
http://rnworkforce.ucsf.edu

Welcome to RN Workforce: California's RN Labor Market

News

- Webinar Invitation: Emerging trends in CA's RN labor market - UCSF/HASC/Healthimpact
  Post date: April 8, 2016

WEBINAR INVITATION:
Emerging Trends in California's RN Labor Market

Date: Tuesday, April 19, 2016
Time: 9:00AM-10:00AM PST

Register now!
https://attendee.gotowebinar.com/register/8103790741262231042

Since 2008, there have been reports that newly-graduated California RNs cannot find work, and thus many are leaving the state for greener pastures. What is happening now? Will health care providers be able to hire all the RNs needed now and in the long term?

Join us for a webinar to discuss these questions and... Read more

- Save the Date! Upcoming webinar on trends in CA's RN labor market - UCSF/HASC/Healthimpact
  Post date: March 24, 2016

Our Mission

The registered nurse (RN) workforce is the largest group of health professionals in California, with over 371,000 licensed nurses. RNs work in every health care setting and provide care for millions of Californians every year. Active tracking of the supply of and demand for RNs is essential to ensure that there is an adequate number of nurses to meet future care needs. UCSF collaborates with organizations throughout California to collect and share data to support workforce planning.

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Forms ➔ Publications
Questions?

Thoughts?

Ideas?

Perspectives?