

# A Looming Crisis in Care

Hospitals<sup>1</sup> are busy places. In 2000, they cared for:

- 35 million admissions,
- 592 million outpatient and emergency visits, and
- 4 million births.<sup>2</sup>

While the care of these patients takes place in hospital buildings with state-of-the-art equipment, it is a large number of hospital staff who provide the care, keep the buildings running, and operate the equipment.

Fundamentally, hospitals are about people caring for people. In 2000, hospitals had 4.5 million full-time-equivalent employees, including caregivers<sup>3</sup> and support personnel<sup>4</sup>. In addition, there are hundreds of thousands of physicians, volunteers, and auxiliaries who work in hospitals.

Hospital workers are special people who are always there to respond when patients are at their most vulnerable. Society expects hospital workers to maintain the highest qualifications and to act selflessly, placing the best interests of the patient above all else. This is a unique public trust, one that should result in society placing a high value on all hospital workers. Unfortunately, compensation, schedules, and working conditions often do not support community expectations.

## TWO WORKFORCE SHORTAGES

Today, hospitals face two workforce shortages: an immediate need for workers across many job classes, and an even more threatening long-term shortage of qualified staff at the same time that demand for hospital services is growing rapidly. The current shortage is pervasive and growing:

- 89 percent of hospital CEOs are reporting significant workforce shortages.<sup>5</sup>

- Shortages are being reported in nearly every type of hospital job. When hospital CEOs were asked, “what are the job categories in which you are experiencing the greatest workforce shortage?”<sup>6</sup> they responded affirmatively as follows:

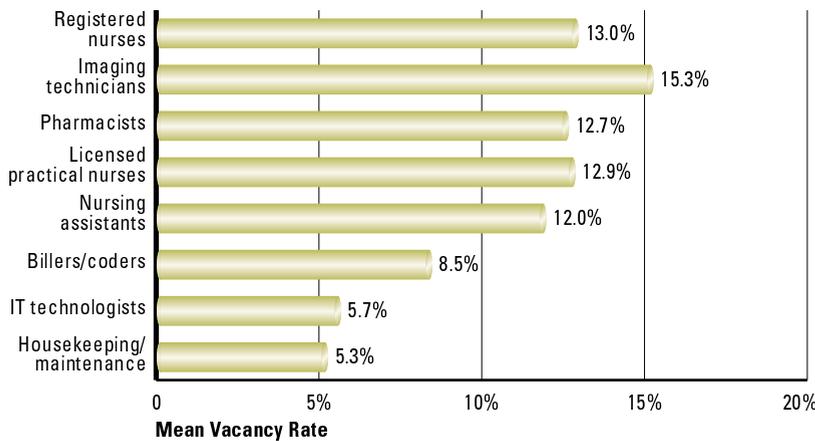
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### Job Categories in Which Hospitals Are Experiencing Workforce Shortages

Registered nurse	84%
Radiology/nuclear imaging	71%
Pharmacy	46%
Lab/medical technology	27%
Nursing/clinical aides	20%
Physical/occupational/speech therapy	11%
Housekeeping/maintenance	10%
Respiratory therapy	10%
Billing/coding	8%
Information systems	7%
Entry level (general)	7%
Dietary/food service	7%
Surgical	6%
Medical records/transcription	5%
Physicians	5%

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**Hospital Vacancy Rates — Fall 2001**



The reported shortages are significant, as shown above by hospital vacancy rates reported in the fall of 2001.<sup>7</sup>

In recent decades, hospitals have experienced periodic shortages of workers, especially nurses. In strong economic times, some people, especially working mothers, chose to work part-time, while others took advantage of the high demand for labor to explore new careers. But when the economy weakened and family finances destabilized, the attractiveness of working in hospitals increased and workforce shortages declined.

However, a slow economy will not eliminate either the current or projected shortages of hospital workers because of an underlying, long-term structural shortage that is being caused by the convergence of four significant demographic and societal trends.

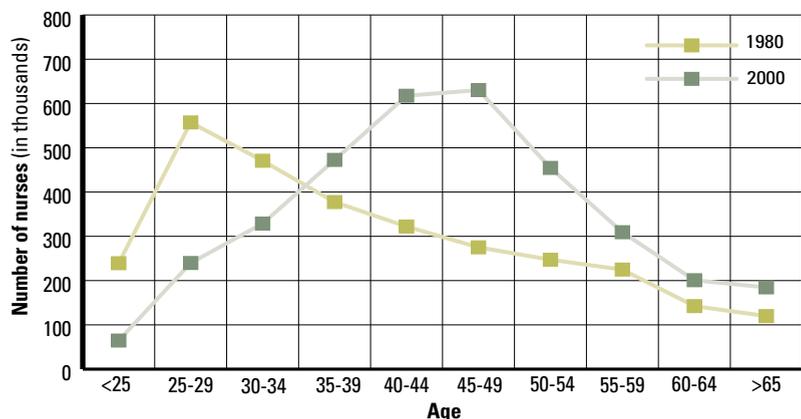
**1 The U.S. labor force is aging.**

**Median Years of Age of the U.S. Labor Force<sup>8</sup>**

Year	Median Age of Labor Force
1978	34.8 years
1988	35.9
1998	38.7
2008	40.7

Health is not immune from this trend and may be even worse off. For example, as the chart below demonstrates, in the past 20 years, the average age of a nurse has increased dramatically, and in 2000 it was 47 years.

**Age Distribution of the Registered Nurse Population, 1980 and 2000**



\*Source: HRSA, the Registered Nurse Population: National Sample Survey of Registered Nurses, March 2000\*

**2. The U.S. workforce is growing much more slowly than in past decades. There are fewer potential workers coming behind the aging “baby boom” generation.<sup>9</sup>**

**Annual Rates of Labor Force Growth, 1950-2025**

<b>Time Period</b>	<b>Labor Force Growth</b>
1950-1960	1.1%
1960-1970	1.7%
1970-1980	2.6%
1980-1990	1.6%
1990-2000	1.2%
2000-2015	1.0%
2015-2025	0.2%

**3. Today, health careers are perceived as less attractive for a number of reasons:<sup>10</sup>**

- In a manufacturing economy, health care was seen as high tech; in today’s information economy, young people see health care as low tech.
- In the 1960s and ‘70s, health care was safe, secure, and prestigious employment; in today’s labor market, health care is seen as chaotic and unstable.

- In a traditional society, health care was one of only a few employment options for women; in contemporary society, health care is one of many choices.
- In a long-stay hospital system, staff had strong, supportive relationships with patients; in a short-stay hospital system, staff are focused on disease protocols, regulatory compliance, and documentation.
- In a mass-production society, when production schedules controlled work hours, the 24 hours a day, 7 days a week demands of hospitals were seen as merely unattractive; in an information society where people schedule work to their own convenience, the 24/7 demands of hospitals are seen as unacceptable. The impact of 24/7 is heightened by the presence of short-stay, high-acuity patients who place continuous demands on hospital staff for care and support.

**4. Too many people in the current hospital workforce are dissatisfied.**

Most health care workers entered their professions to “make a difference” through personal interaction with people in need. Today, many in direct patient care feel tired and burned-out from a stressful, often understaffed environment, with little or no time to experience the one-on-one caring that should be the heart of hospital employment. They feel they have no way to change the situation. Some have decided to exit the hospital setting, while others are telling their friends and children not to go into health care careers.

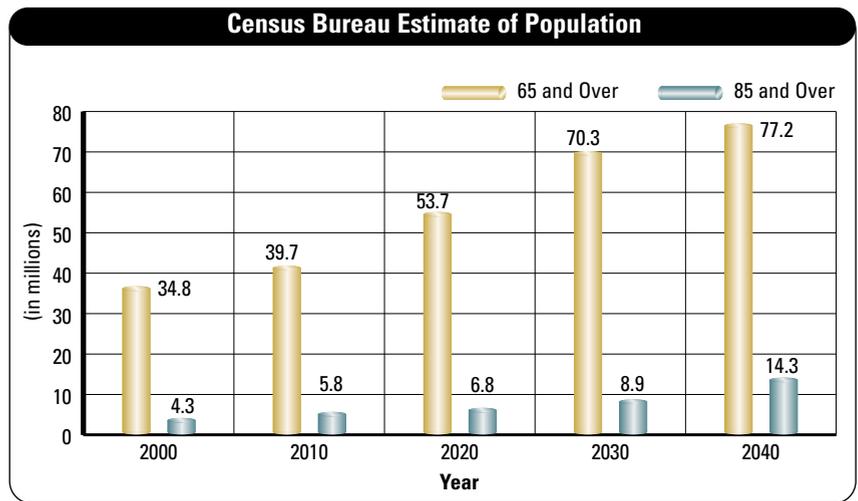
The Commission believes these trends foreshadow an ever-increasing workforce shortage unless hospital leaders act now to become employers of choice. An adequate supply of qualified workers is an essential component of any hospital’s critical success factors. A comprehensive and effective strategic human resources plan is as important to success as sound financial planning.

**A LOOMING CRISIS IN CARE**

Both the current and developing shortages could not come at a worse time. With an aging population and the “baby boomers” entering years of higher incidence of disease, the demand for health care services and the need for people to provide care are increasing significantly:<sup>11</sup>

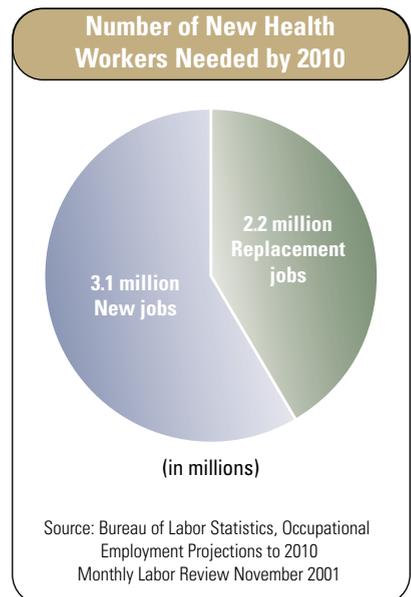
Percent of Population in:			
Age Group	1950	1998	2030
9 and under	20%	15%	13%
10-19	14	14	14
20-29	16	13	13
30-39	15	16	13
40-49	13	15	12
50-59	10	10	10
60-69	7	7	11
70-79	4	6	9
80 and over	1	3	5

Older Americans use more health services per capita than the general population, and their numbers will continue to rise dramatically:<sup>12</sup>

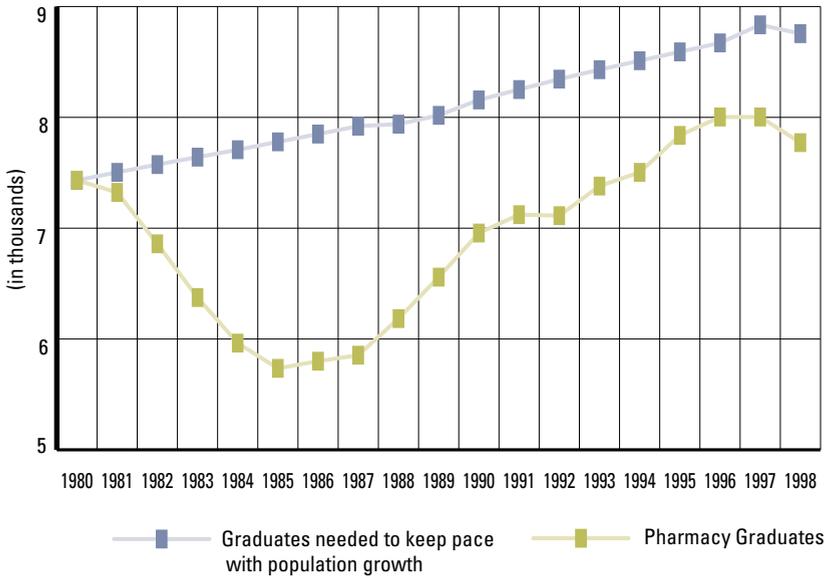


In fact, the Bureau of Health Professions projects that the number of health care jobs will need to grow from 10.9 million in 2000 to over 14 million in 2010 in order to meet increased demand. The rate of growth of new jobs in health care occupations is projected to 28.8 percent, more than twice the rate of employment growth projected for non-health occupations. Or, from another perspective, health occupations are forecasted to be 15 of the 30 fastest growing occupations in America. This growth in demand translates to the need for more than

5.3 million health professions workers to fill the job openings created by departures and new positions:<sup>13</sup>



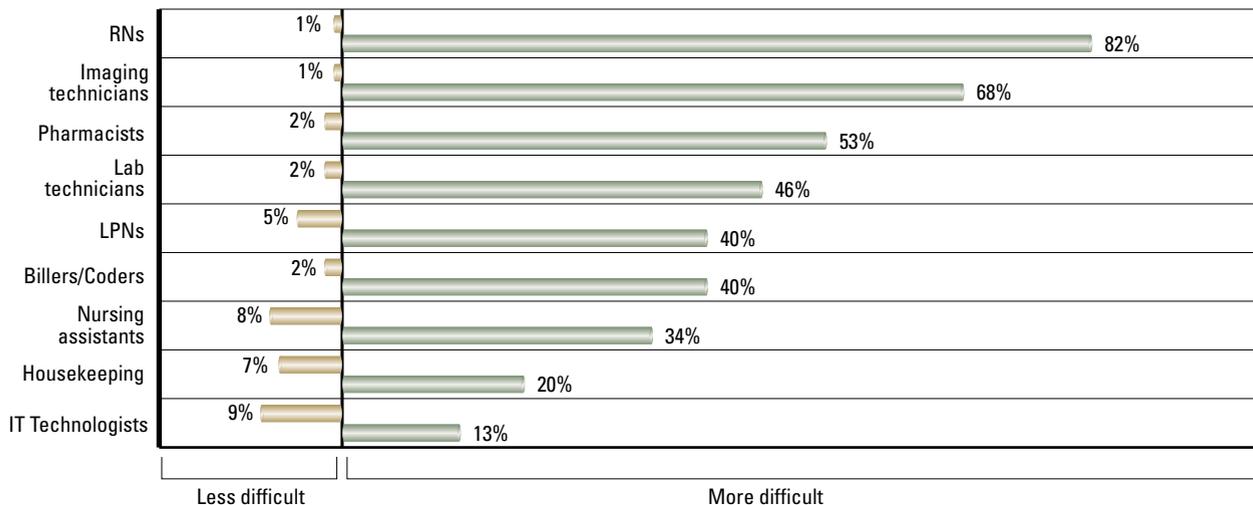
**Pharmacy Graduates Versus Number of Graduates Needed to Keep Pace with Population Growth, 1980-1999**



Yet, the supply is already not keeping up with the growing demand. While enrollments in educational programs have recently increased somewhat in some markets, overall enrollment in educational programs for health professions, whether hospital-based or in colleges and universities, has declined significantly. There are simply not enough graduates to fill existing or anticipated vacancies.

For example, 13 percent of all hospital pharmacy positions are reported as vacant.<sup>14</sup> Yet, the number of pharmacy graduates has not kept up with demand resulting from population growth for more than 20 years.<sup>15</sup>

**Percentage of Hospitals Reporting More or Less Difficulty Recruiting, 1999-2001**



And the problem does not relate to one type of worker; hospitals are having significantly more difficulty finding people to work in all types of hospital positions, as the chart above shows:<sup>16</sup>

The challenge is clear: the health care workforce is shrinking in relation to the growing demand for care. And even if enrollment in education programs for health professionals and support personnel increases, the hospital workforce shortage will not diminish if new graduates continue to rapidly leave the hospital setting. Unless these very clear trends are reversed, our nation will face a major health care crisis. Action is needed now!

The growing delays in hospital emergency room care are often caused by a shortage of personnel more than space or beds and are a likely precursor of the health care system's future if nothing is done.

- 1 The term “hospital” is used throughout the report to simplify the presentation. The Commission uses this term in its broadest sense of the range of inpatient, outpatient, diagnostic, primary, acute, and long-term care services provided through a facility(ies) or a health system.
- 2 Health Forum LLC, *Hospital Statistics 2002*. Chicago: Health Forum, 2002, Table 2.
- 3 For example: nurses, pharmacists, therapists, and some physicians.
- 4 For example: administration, medical records, housekeeping, and food service.
- 5 HSM Member Leadership Monitor. Telephone interviews conducted with hospital CEOs by an independent research firm and paid for by the American Hospital Association, July – October 2001.
- 6 HSM Member Leadership Monitor. Telephone interviews conducted with hospital CEOs by an independent research firm and paid for by the American Hospital Association, July – October 2001.
- 7 First Consulting Group, *The Healthcare Workforce Shortage and Its Implications for America’s Hospitals*. Fall 2001.
- 8 U.S. Department of Labor, *Working in the 21st Century*. June 2001.
- 9 U.S. Department of Labor, *Working in the 21st Century*. June 2001.
- 10 Board of Directors, American Society for Healthcare Human Resources Administration.
- 11 National Academy on an Aging Society. *Demography Is Not Destiny*. January 1999, p. 64.
- 12 Population Projections Program, Population Division, U.S. Census Bureau, Washington, DC.
- 13 The New York Center for Health Workforce Studies, *Health Care Employment Projections: An Analysis of Bureau of Labor Statistics Occupational Projections, 2000-2010*. January 2002.
- 14 First Consulting Group, *The Healthcare Workforce Shortage and Its Implications for America’s Hospitals*. Fall 2001.
- 15 Health Resources and Services Administration, *The Pharmacist Workforce*. Washington, DC: Department of Health and Human Services, December 2000, p. 45.
- 16 First Consulting Group, *The Healthcare Workforce Shortage and Its Implications for America’s Hospitals*. Fall 2001.