

Primary Care: Issues in Montana

**Children, Families, Health and Human Services
Interim Committee
September 21, 2009**

MHA

Our Agenda

- **Who are the providers.**
- **Health care in Montana's economy.**
- **Workforce challenges facing health care providers.**
- **Recruitment and retention solutions to consider.**

Who We Are...

- **MHA is the principal advocate for the interests of members in their efforts to improve the health status of the communities they serve.**
- **MHA members provide the full spectrum of health care services, including:**
 - **Hospital**
 - **Nursing home & assisted living**
 - **Home health**
 - **Hospice**
 - **Physician**

MHA Membership

- **63 hospital members**
 - **47 Critical Access Hospitals**
- **38 members provide LTC**
- **30 members provide home health**
- **25 members provide hospice**
- **16 provide assisted living**

Health Care is a Success Story in Montana

- **Dedicated core of providers.**
 - **Strong community support.**
 - **Tradition of developing innovative solutions to health care problems.**
 - **Access even in remote areas.**
 - **Latest technology and treatment techniques available to all.**
 - **A good value.**
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Montana's Hospitals Serve Their Communities

- All but three licensed hospitals are not-for-profit.
 - Montana's hospitals provide:
 - Care at no charge to low-income -- \$102.9 million in 2008.
 - Financial assistance for many more.
 - Millions of dollars in additional community services provided at no charge.
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Nationally Health Care a Major Economic Force

- **Hospitals are the second largest private sector employer.**
- **Hospitals:**
 - **Spent about \$304 billion on goods and services from other businesses.**
 - **Support nearly one of 9 jobs in the U.S.**
 - **Support nearly \$2 trillion in economic activity.**

Health Care a Major Force in Montana's Economy

- Health care accounts for 16 percent of the gross state product -- \$4.9 billion.
- Health care is Montana's largest private sector employer:
 - Accounts for 13 percent of private sector jobs.
 - Will continue to grow in importance as the population of seniors grows.

Health Care is a Major Employer in Montana

Sector	Jobs	Payroll
Hospitals	19,986	\$905 million
Ambulatory Health Care Services	16,380	\$728 million
Extended Care	9,978	\$227 million
Social Assistance	9,863	\$161 million
Total	54,270	\$2.02 billion

Health Care Jobs Pay Well

Sector	Avg. Annual Wage
Ambulatory Care (clinics and other)	\$44,461
Hospitals	\$45,303
Nursing, residential care	\$22,732
Overall for state	\$37,499

Health Care Jobs Lead to More Jobs in Other Sectors

Sector	Jobs	Additional Jobs
Hospital	19,986	15,790
Physicians, dentists, other provider offices	12,232	8,725
Home health	2,154	646
Extended Care	9,978	3,792

Why is this Important?

- **Health care is a major driver of Montana's economy.**
- **Investing in health care workforce is:**
 - **Key to economic development.**
 - **Critical to meet the medical needs of the state's growing senior population.**
 - **Critical to fill the gaps of projected shortages.**

Health Care Providers Face Workforce Challenges

- **Persistent shortage of nursing staff, allied health professionals.**
- **Montana is in a national labor market – competes with urban areas for workers.**
- **Need for health care workers will increase in the future:**
 - **Aging population will have greater health care needs.**
 - **As workforce ages, shortages expected to worsen.**

Jobs in Health Care Projected to Increase in Next Decade

- Projected to grow more rapidly than overall employment – 25.9 vs. 17.7 percent -- between 2004 - 2014.
- Grew 5.4 percent from 2002-2005 vs. 6.5 percent for the state.

Where the Job Growth Will Occur – By Profession

Occupation	Projected Increase
Respiratory Therapists	44.4%
Medical Records	41.4%
Pharmacy Techs.	41.3%
PT Assistants	41.1%
Surgical Tech.	30.9%
RNs	29.7%
Occupational Therapists	29.5%
Nursing Aides, Orderlies	27.1%

Workforce Shortage Survey Vacancy & Turnover

- **Vacancy rate = current rate of vacant FTEs vs. budgeted positions**
- **Turnover rate = number of FTEs that left in the prior 12 months**

Vacancy Rates

	<u>2008</u>	<u>2009</u>
• APRN	13.3%	11.9%
• BSN – RN	5.9%	2.9%
• ADN – RN		8.0%
• RN –undistinguished		3.2%
• All RNs	7.1%	3.5%
• LPN	8.7%	6.9%
• CNA	10.2%	4.4%

Vacancy Rates

	<u>2008</u>	<u>2009</u>
• Pharmacists	5.9%	5.4%
• Pharmacy Techs		6.0%
• Physical Therapists	10.2%	6.8%
• PT Assistants	28.5%	19.6%
• Occup Therapists	1.1%	9.0%
• OT Assistants		0.0%
• Rad Techs	1.7%	1.1%

Vacancy Rates

	<u>2008</u>	<u>2009</u>
• Respiratory Therapists	0.9%	3.2%
• RT Assistants		0.0%
• Ultrasound Techs	12.5%	3.0%
• Surgical Techs	4.7%	1.5%
• Med/Clinical Lab Techs	4.7%	1.4%
• Lab Techs	5.9%	1.2%
• HIM Coder	18.1%	3.7%
• HIM Transcription		1.4%

Turnover Rates

	<u>2008</u>	<u>2009</u>
• APRN	10.0%	5.3%
• BSN – RN	12.2%	7.6%
• ADN – RN		15.5%
• RN –undistinguished		11.6%
• All RNs	12.3%	11.1%
• LPN	20.9%	13.3%
• CNA	43.0%	28.0%

Turnover Rates

	<u>2008</u>	<u>2009</u>
• Pharmacists	11.4%	10.0%
• Pharmacy Techs		16.8%
• Physical Therapists	7.9%	12.8%
• PT Assistants	9.0%	6.3%
• Occup Therapists	7.5%	9.2%
• OT Assistants		15.0%
• Rad Techs	8.7%	10.6%

Turnover Rates

	<u>2008</u>	<u>2009</u>
• Respiratory Therapists	9.1%	11.5%
• RT Assistants		31.2%
• Ultrasound Techs	8.5%	22.2%
• Surgical Techs	9.1%	18.2%
• Med/Clinical Lab Techs	8.4%	7.6%
• Lab Techs	17.7%	13.3%
• HIM Coder	11.2%	4.4%
• HIM Transcription		6.2%

Industry Turnover Percent Rates by Age & Gender

	19-21		22-24		25-34		35-44		45-54		55-64	
	M	F	M	F	M	F	M	F	M	F	M	F
	23.7	24.2	18.8	18.2	11.6	11.9	7.7	8.1	6.1	6.6	5.7	6.0

Shortages Boost Costs & Could Restrict Access

- **Workforce shortage leads to:**
 - **Higher staffing costs due to increased demand for finite supply of workers.**
 - **Use of temporary workers at two to three times the cost of permanent employees.**
- **No workers, no care.**

Money Spent For Select Strategies-All Positions

Strategy	Cost
• Overtime	\$8.1 million
• Traveler	\$18.8 million
• Per Diem	\$2.3 million
Total	\$29.2 million*

* MHA 2009 staffing survey (42 facilities)

Unexpected Impact of Recession

- Health care workers not retiring.
- Health care workers not moving.
- Some health care professionals reentering work force.
- Decline in travelers.
- ...But as economy improves this will all change.

Solutions: Increase Supply, Retain Workers

- **Increase training opportunities in University system, other venues:**
 - Stakeholders working with OCHE, SWIB, AHEC, DLI on proposals to increase supply.
- **Provider Initiatives:**
 - Scholarships, grants, loans, loan repay.
 - Attractive salary, benefit packages.
 - Provide safe work environment.
 - Become community employer of choice.

Solutions: Increase Supply, Retain Workers

- We need long-term commitment to workforce development.
- University system budget is the key to funding training programs.
- MHA working closely with OCHE, DLI, and other stakeholders to focus more resources on training programs.
- Loan repayment pool for allied health care professionals.

Solutions: Increase Supply, Retain Workers

- **Expanded role for two-year colleges.**
- **Distance learning to train in rural areas.**
- **Public-private partnerships to fund training.**
- **MHA education and skills training programs.**

Questions?

Thank you.

MHA

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