

UNIVERSITY OF HAWAI‘I SYSTEM

ANNUAL REPORT



REPORT TO THE 2009 LEGISLATURE

INTERIM REPORT

BY

HAWAI'I STATE CENTER FOR NURSING

ACT 173, SLH 2008

November 2008

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INTERIM REPORT BY THE HAWAII STATE CENTER FOR NURSING
ACT 173, SLH 2008 (SB2146 SD2HD1 CD1)
October 2008**

**I. LONGITUDINAL STUDY OF GRADUATE REGISTERED NURSES IN
HAWAII PROGRESS REPORT**

BACKGROUND

The State of Hawai'i is experiencing a nursing shortage which is expected to worsen as seasoned veterans and boomers retire from the profession. According to the recent report *Projected Registered Nurse Workforce in Hawaii 2005-2020*¹ an estimated shortfall of 1,447 nurses by 2010 and 2,669 nurses by 2020 is projected. Several key factors have been identified that impact on the growing shortage of nurses. Factors such as the state population growth rate, the proportion of individuals ageing at a higher rate than most states in the rest of the nation and the large percentage of nurses (61%) who are 41 or older which will impact supply and demand. As the boomer generation moves into retirement age in the next 5 years an increasing number of these nurses will transition toward retirement while the last of the veteran nurses (60 years and older) will have retired from the profession.

PURPOSE

The purpose of this longitudinal study which began collecting data in May-June 2006 is to examine new graduate registered nurses employment patterns and perceptions of their jobs in the first 3½ years of their nursing career in Hawai'i.

AIMS

The project aims to identify and describe the transitional experiences of new nurses from their graduation as student nurses until approximately three and half years after graduation.

ONGOING DATA COLLECTION

Data collected to date is not analyzed or reported to ensure continued validity over the duration of the project. However, to provide insight into the status of the project baseline sampling of cohorts is provided below. Data collection of the same participants occurs over five time points: at graduation (baseline), 6 months, 18 months, 30 months, and 42 months.

PROGRESS TO DATE

Individuals agreeing to continue are followed-up and surveyed at 6 months, 18 months, 30 months, and 42 months. The project will complete the 18-month cycle with the December 2008 mail out to cohort#3. Completion of the data collection phase of the project for all three cohorts will occur after mail out of the final survey (i.e., 42-month survey to cohort#3) in December 2010.

¹ LeVasseur, S.A., "Projected Registered Nurse Workforce in Hawaii 2005-2020." Hawaii State Center for Nursing: Honolulu, Hawaii, January, 2007.

II. FUNDING ALTERNATIVES THAT WILL ENABLE THE CENTER TO CONTINUE ITS OPERATIONS AND SERVICES

BACKGROUND

The State of Hawai'i, with a population of 1.2 million people on four islands, is geographically isolated and home to the most ethnically diverse population in the nation. Our communities range from urban in Honolulu to rural on our neighbor islands. The health care system is fragile with the cost of care increasing; hospital margins are some of the lowest in the country and there are chronic shortages of providers in the health care workforce. Concerned regarding the upcoming nursing workforce shortage, a coalition of labor organizations, employers, and educators developed the concept for the Hawai'i State Center for Nursing. Envisioning the creation of a neutral venue to focus efforts, Hawai'i nursing organizations advocated fiercely for the Hawai'i State Center for Nursing. The 2003 State Legislature authorized funds to create and house the Center at the University of Hawai'i at Mānoa School of Nursing and Dental Hygiene. The Governor-appointed Advisory Board includes nursing groups, labor, and employers. Since beginning operation in 2005, the Center has taken the lead role in collecting and analyzing data on the nursing workforce, conducting research on best practices and quality outcomes, and developing plans and initiatives for recruitment and retention of nurses. Consequently, we have increased public awareness regarding nursing, established successful partnerships, and made substantial gains in addressing present and future state nursing need. In 2008, Act 173 was signed into law providing for an extension of the sunset clause for the Center for Nursing until 2014 allowing significant and essential work to continue.

NURSING WORKFORCE SHORTAGE

The Nursing Shortage in Hawai'i

Forecast data indicate Hawai'i can expect a dramatic demographic shift related to its aging population over the next 15 years, and it will occur at a pace twice that of the rest of the country. Between 2000 and 2020, the number of people aged 60+ living in Hawai'i will increase by almost 75%. People aged 85 and older will increase by 121%. By 2020, one out of every four people will be 60 years or older and one out of 40 people will be 85 years or older.² State trends indicate these demand factors are currently impacting and will continue to contribute to the shortage. These will deepen as the baby boomer generation consumes greater portions of healthcare services and the aging nurses retire from the profession.

This aging phenomenon will directly impact Hawai'i's nursing workforce. As revealed in the 2007 Hawai'i Registered Nurse (RN) Survey³, >60% of *active* RNs are moving into their 50s and 60s and will gradually retire from the workforce over the next 15 years. This loss of nurses will be proportionally greater on the neighbor islands (Hawai'i, Kauai, & Maui). If current trends continue, demand for RNs in Hawai'i by 2020 is expected to grow by 28%, while growth in supply of RNs is expected to be only 8.9%.⁴ This represents a shortage of

² Executive Office on Aging. (2007). *Hawaii State plan on aging 2008-2011* Honolulu: State of Hawaii.

³ LeVasseur, S. A. (2008) *Registered Nurse Survey 2007*, Hawaii State Center for Nursing, Honolulu, HI

⁴ LeVasseur, S. A. (2007). *Projected Registered Nurse Workforce in Hawaii 2005-2020*, Hawaii State Center for Nursing, Honolulu, HI

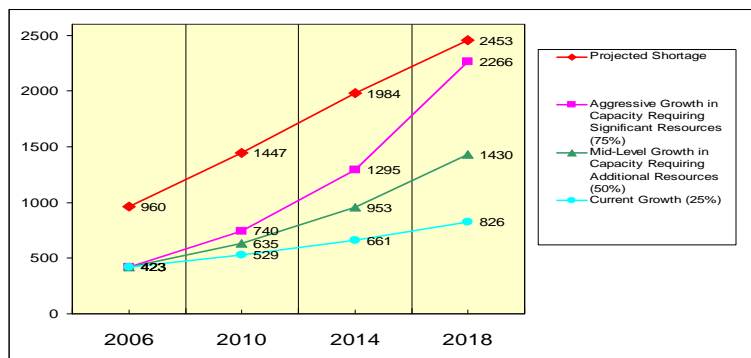
approximately 2,670 registered nurses and will be equivalent to the loss of all RNs at the two major health centers - Hawai'i Pacific Health and The Queen's Medical Center.

Challenges for Nursing Education and Practice

In Hawai'i, we have eight nursing education programs that together produce approximately 400 new graduates each year. While many graduates want and choose to remain in Hawai'i, mainland employers are beginning to recruit heavily in the state. Anecdotal data indicates increasing numbers of graduate nurses leave Hawai'i to accept positions in California, Washington, and Texas. The geographic isolation of Hawai'i makes it difficult for us to fill vacancies resulting in dependence on contract nurses, particularly in specialty areas and long-term care.

The University of Hawai'i nursing programs and Hawai'i Pacific University have significantly increased enrollments. Figure 1 below shows the level of growth in entry-level nurses projected to meet demand by 2018. However, **the state faces a number of nursing education capacity challenges**. These include difficulties filling faculty positions (63%), followed by the lack of clinical sites for clinical placement for nursing students (63%), and the lack of classroom space (50%).

Figure 1. Projected Nursing Shortage & Growth in Education Capacity to Meet Need



In the 2004, 2005, and 2006 school years, a lack of faculty, clinical sites, and classroom space continue to impact enrollments. In 2005-06 the percent of qualified applicants not enrolled into nursing programs was significant: (a) Associate degree 70%; (b) Bachelor degree 27%; (c) Masters 29%, and (d) PhD 31%.⁵ Programs continually report difficulties in filling faculty positions with specialty expertise such as pediatrics 38%, obstetrics 25%, and mental health 25%.

The legislative mandate for the Center is to address complex system problems to alleviate the nursing shortage on a long term basis. Projects and Initiatives are not short term. The following is a brief list of current work of the Center by legislative mandate as we seek to address the nursing shortage:

⁵ LeVasseur, S.A. (2007). Nursing Education Programs 2005-2006. Hawaii State Center for Nursing, Honolulu: HI.

Collect and analyze data regarding the current and future status and trends of the nursing workforce

- Annual surveys conducted of 100% of Hawai'i nursing programs to determine data and trends in educational capacity
- Survey in collaboration with the Board of Nursing on supply and characteristics of Hawai'i registered nurses conducted in 2007 with plans to repeat biennially
- Survey conducted in 2008 of licensed practical nurses (LPNs) to determine supply and characteristics
- A fact sheet provided annually on the nursing workforce to inform policy makers and stakeholders
- Strategic Plan (5 year) completed to guide work of the Center

Conduct research on best practice and quality outcomes

- Hawaii Partners in Nursing: *Recruitment and Retention in Long Term Care* funded by Robert Wood Johnson Foundation (\$275,000) with matching funds of \$125,000. (HMSA Foundation, \$105,000; Hale Makua, \$5,000; Queen Emma Nursing Institute, \$5,000; and the Center for Nursing, \$10,000)
- Health Resources Services Administration (HRSA) granted funded project to retain neighbor island students in associate degree nursing programs (\$972,000)
- Small grants provided to support research and develop education capacity
- Chair, Pacific Institute of Nursing Conference, 2009, to focus on advancing practice, education, and research

Develop a plan for implementing strategies to recruit and retain nurses

- Leadership Development Program implemented; 213 nurses in the staff role have participated from acute and long term care facilities throughout the state with 85 more scheduled before the end of 2008
- New graduate internship/preceptor model developed and implemented with 7 acute care hospitals to increase new graduate RN employment opportunities and retention. Site license funded by the HMSA Foundation to allow program extension statewide
- Career fair held in 2008 for student nurses and new graduates statewide to be expanded to include all nurses in 2009

Research, analyze, and report data related to the retention of the nursing workforce

- Conducted a survey of 100% of Hawai'i nurses to focus on reasons for turnover
- Implemented a five year longitudinal survey of new graduate RNs (now in year 3)
- Report submitted to the Legislature in response to SCR 76, on nurse staffing including a comprehensive review of the literature: *Nurse Staffing and Patient Outcomes: Examining the Evidence in Acute Care and Nursing Homes*

A LOOK AT NURSING WORKFORCE CENTERS NATIONWIDE

There are currently 29 states that have nursing workforce centers. The missions of these Centers vary by state, but generally they conduct research and collect data on the state of the

local nursing workforce, as well as support nursing workforce development, policy and programs.

Based on a survey conducted by the Forum of State Nursing Workforce Centers in 2008, funding for staff, infrastructure, and projects for the Centers come from the following categories:

- 6 Centers are partly funded by **General Funds within their state budget**, while 3 Centers are funded *solely* in this manner;
- 7 Centers are funded by a **Fee on RN & LPN licensure**, while 2 are *solely* funded in this way;
- 7 Centers are partly funded by **Donations**;
- 15 Centers are partly funded by **Grants**;
- 3 Centers are partly funded by **Fundraising**;
- 21 Centers are funded by a **Combination** of the above categories.

FUNDING FOR THE HAWAII STATE CENTER FOR NURSING

The Center is dependent upon a variety of revenue sources to accomplish the mission and legislative mandates. Multiple sources of funding have allowed the Center to address the nursing workforce issues that underlie the current and future shortage with many strategies and approaches. Because the shortage is a complex systems problem that will not be solved by a short term “quick fix”, a multifaceted approach that engages a wide segment of the community is essential.

Center for Nursing funding comes from revenue from nursing license fees; in-kind support from the University of Hawai'i School of Nursing and Dental Hygiene (SONDH); grants from federal sources and private foundations; and business models based on cost sharing.

RN/LPN License Fees and Operating Costs

Funding for operational expenses is provided by a \$40.00 surcharge on all RN and LPN licenses. This includes that for newly licensed nurses and for the biennial license renewal. This funding allows for essential costs to be covered including the personnel (3) identified in the legislation.

Operating expenses include personnel costs, printing, travel, program costs, conferences, and grants for nursing related research projects.

Operating expenses will rise due to wage increases, inflation, and advances in technology. This will place much additional pressure on the Center to be successful in obtaining other funding from various sources on an ongoing basis.

In-kind Donation

Support for some of the infrastructure expenses comes from the University of Hawai'i School of Nursing and Dental Hygiene (SONDH) as in-kind donations and consists of office space and systems support including human resources, procurement and accounting. The Office of Research Services (ORS) provides support for grants administration.

Grants and Foundation Funding

The Center has sought additional funding through federal grants and local and national foundation support for specific projects. This has allowed us to expand our efforts to meet the legislative mandate. Grants are not utilized for infrastructure or essential expenses, but are targeted to specific projects and initiatives, are time limited and are generally funded for multiple years. Consequently, viability of the Center through 2014 remains critical to attract both grants and community partnerships.

- The Hawai'i Partners in Nursing: *Addressing Recruitment and Retention in Long Term Care* is grant funded by Robert Wood Johnson Foundation at \$250,000. Matching funds from the community (Hale Makua, Queen Emma Nursing Institute) equal \$115,000 for a total of **\$365,000**
- HRSA (Human Resources Service Administration) has provided **\$972,000** to support neighbor island nurse education and development
- Hawai'i Nurse Internship Program (HNIP), Preceptor Development Program was funded for a site License from the Vermont Nurse Internship Program by HMSA Foundation for **\$52,000**
- Travel for neighbor island staff nurses to attend the initial leadership program was funded by AlohaCare
- Travel expenses funded for ten participants for the National Education Capacity Summit Team by Robert Wood Johnson Foundation

Community Partnerships and Cost Sharing

The Center for Nursing has provided leadership to develop and implement projects based on evidence and best practices. Implementation is often done in a pilot project with community partners to determine efficacy and feasibility in Hawai'i. Multiple projects are able to continue with partners sharing expenses for continued implementation. This allows sustainability as well as a high level of engagement and participation with the practice community.

Examples are:

Leadership Development Program for staff nurses is an ongoing program made possible by participation from hospitals and long term care facilities state wide. The pilot program was funded by the Center and ongoing expenses are shared among participants.

Hawai'i Nurse Internship Program, Preceptor Development was made possible by 7 hospitals from our state who participated in implementation costs. The pilot program and the subsequent site license were funded by the Center and HMSA Foundation.

CONCLUSION

The Center has made every effort to diversify the basic operational funding that comes from the RN/LPN license fees. This report demonstrates that in-kind support from UHSONDH, grants, foundation funding and cost sharing with community partners has been essential to the work which has been accomplished. The funding stream from RN/LPN licenses allows the Center to have continuity over time and to demonstrate stability and long term viability to funders and community partners. Without this, there would be no possibility of additional funding.

Our diversified funding is also consistent with that of many other Centers across the nation. Most Centers have a dependable revenue source either from license fees or from general funds within their state budget that provides the operational funding and allows additional funding to be generated.

In consideration of funding alternatives, the Center conducted a cost analysis to determine the feasibility of lowering the RN/LPN license fee from \$40.00 biennially to \$30.00 and scenarios were created to determine financial viability. The feasibility analysis demonstrated that a lower license fee would not cover operational expenses and would require that essential personnel and services be reduced over time. This would adversely affect the ability of the Center to accomplish its mission and implement the strategic plan.

The Center for Nursing has been given a mandate by the State of Hawai'i to address the nursing shortage by providing workforce data, focusing on recruitment and retention of nurses, and conducting research on best practices and quality outcomes. Our current and varied sources of funding allow us to systematically address each of the mandates and to build sustainable projects in the community for the long term.