

STATUS OF NURSING SUPPLY AND DEMAND IN IOWA : 2004
A Presentation to the Government Oversight Committee
Prepared by the Center for Health Workforce Planning
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BACKGROUND

The adequacy of nurse supply varies throughout the United States, with a general consensus that at the national level there is currently a moderate shortage of registered nurses (RNs). In 2004, the National Center for Health Workforce Analysis in the Bureau of Health Professions, Health Resources and Services Administration (HRSA), said the current shortage of RNs will continue to grow in severity during the next two decades if current trends prevail, and that some states will face a more severe shortage than others.

At the national level, the number of licensed RNs is projected to remain relatively constant between 2000 and 2020. The number of licensed RNs is projected to increase slightly through 2012, but then start declining as the number of retiring RNs exceeds the number of new graduates.

Baseline supply and demand projections suggest that if current trends continue, only 64 percent of the demand for full-time equivalent (FTE) RNs in the U.S. will be met in 2020, as compared to 2005 when 90 percent of demand will be met. By 2015, every state is projected to experience some level of shortfall. In Iowa, the shortfall of nurses is projected to increase from 8 percent (2,300 RNs) in 2005 to 27percent (9,100 RNs) in 2020. This number is almost one fourth of Iowa's current number of actively licensed RNs.

Projected FTE RN Shortfall for Iowa and the U.S. by Year: 2000 to 2020

	2000	2005	2010	2015	2020
Iowa	7% (-1,900)	8% (-2,300)	11% (-3,400)	18% (-5,800)	27% (-9,100)
U.S.	6% (-110,800)	10% (-218,800)	17% (-405,800)	27% (-683,700)	36% (-1,016,900)

The U.S. Bureau of Labor Statistics has recently projected the health occupations with the largest job growth between 2002 and 2012. For the first time in recent history, registered nurses top the list of the 10 occupations with the largest projected growth. The need for registered nurses is expected to increase significantly to

replace the retiring workforce. Nationally, more new positions are expected to be created for registered nurses than for any other occupation.

In Iowa, the driving forces behind supply and demand reflect every national trend. Factors unique to Iowa include the following:

- the economic challenges of a rural state with small, independent farming communities
- a static population between the ages of 18 and 24
- a relatively high proportion of elderly Iowans with multi-system and accessibility needs
- a growing population of new Iowans employed in low income jobs who are not academically prepared to enroll in nursing programs
- a significant tuition and loan burden for students in pre- and post-licensure nursing education programs
- low pay in the health fields related to Medicare reimbursement rates in Iowa
- departure of newly licensed registered nurses in pursuit of higher wages
- aggressive recruitment of students and nurses by states experiencing acute shortages.

IOWA'S RESPONSE TO THE NURSING SHORTAGE

The Center for Health Workforce Planning was created in 2002 in the Iowa Department of Public Health, Bureau of Health Care Access, fueled by the efforts of Senator Harkin, Governor Vilsack's Task Force on Nursing Shortage, the Iowa Council of Nurses, the Iowa CareGivers Association and others.

Federal funding to support the center is administered through the Bureau of Health Professions, Health Resources and Services Administration, U.S. Department of Health and Human Services. The purposes of the center are to:

- assess and forecast health workforce supply and demand
- address barriers to entry into health careers
- support strategies developed at the local level that prevent shortages
- engage in activities that promote and assure a competent, diverse health workforce in Iowa.

The center's work is guided by an advisory committee representing Iowa's health workforce, including nurses and nursing assistive personnel; education and training programs; practice settings that encompass acute, ambulatory, long-term and home health care; public and private partners; and community leaders. The committee provides consultation from the field, guides the center's long-term plan and evaluation, and serves as a conduit to policy makers, legislators and stakeholders.

In its first year, the center facilitated a nursing and nursing assistive grant program providing \$838,152 to a total of 44 individuals, employers, health care organizations

and education programs across Iowa. The grant supported mentoring programs for new nurses and nursing assistive personnel, incentives for recruitment and advancement, and demonstration projects that model best practices for recruitment and retention.

Iowa’s Current Nursing Workforce

To assess the status of the current workforce the center undertook the following activities, producing white papers, issue briefs and calls to action. All reports are posted on the web and distributed to selected stakeholders.

- Surveyed 1,320 employers in Iowa’s hospitals, long-term care facilities, clinics, home health agencies and assisted living facilities that employ nurses and nursing assistive personnel, and reported findings about staffing, salaries, vacancies, length of employment and strategies to stem shortages
- Surveyed 435 employers in Iowa’s nursing homes and reported the recommendations of a focus group to improve recruitment and retention
- Conducted an online survey of all nursing program directors and faculty to address the supply and demand for nurse educators in Iowa under the guidance of a statewide forecasting group
- Surveyed 1,175 RNs and LPNs between the ages of 51 and 60 and shared strategies for retention in patient care settings identified by a focus group
- Created a profile of Iowa’s nursing home administrators at the request of the Bureau of Professional Licensure to assess risk for shortage
- Initiated an annual trend analysis of RN and LPN supply and education using Iowa Board of Nursing licensure data beginning in 1986
- Initiated an annual trend analysis of Iowa’s hospital-based health workforce in partnership with the Iowa Hospital Association

Projecting the Supply of RNs in Iowa

National projections for Iowa identify a moderate decline in the supply of RNs by 2020 based on the number of new graduates, net cross-state migration and attrition from the RN population.

Baseline FTE RN Supply for Iowa and the U.S. by Year: 2000 to 2020

	2000	2005	2010	2015	2020	% Change 2000 to 2020
Iowa	25,200	26,300	26,600	26,000	25,000	-1%
U.S.	1,890,700	1,942,500	1,941,200	1,886,100	1,808,000	-4%

While the national supply model is a powerful tool, it was not designed to address all factors that impact Iowa’s supply of nurses. The state has taken independent action

to integrate RNs into a nationally recognized health professions tracking inventory maintained by the University of Iowa, Carver College of Medicine, Office of Statewide Clinical Education Programs (OSCEP). In a 13 county region of north central Iowa, the RN Tracking System now includes over 1,600 actively licensed RNs, combining data collected by the licensure board with information provided by employers and nurses in all settings. The inventory provides new information about part-time employment hours and licensed nurses who are professionally inactive. Sustained funding will permit the inclusion of all actively licensed registered nurses in Iowa within five years.

Projecting the Demand for RNs in Iowa

National projections for Iowa identify a significant increase in the demand for RNs by 2020 based on changing demographics, patient acuity, economic factors, and various characteristics of the health care environment.

Baseline FTE RN Demand for Iowa and the U.S. by Year: 2000 to 2020

	2000	2005	2010	2015	2020	% Change 2000 to 2020
Iowa	27,100	28,600	30,000	31,800	34,100	26%
U.S.	2,001,500	2,161,300	2,347,000	2,569,800	2,824,900	41%

The center is working in partnership with the Iowa State University Department of Economics to provide new information about health care utilization patterns and demographics in Iowa. The project expands the work of the national model by identifying the actual demand for health care services exhibited by the people who live, work and require end-of-life care in Iowa.

IOWA OUTCOMES

The federal funding provided to the Iowa Department of Public Health, and new statewide partnerships, are directly contributing to the following changes in 2004:

- a new mechanism for online entry of certified nursing assistant test scores into the state database allowing same-day entry into the workforce
- a strategic plan to enhance e-learning access to health occupations education by nursing students and faculty members
- a network of local experts who have demonstrated success and share tools to improve recruitment and retention of nurses through mentoring programs, internships, and curricula to assist re-entry of inactive nurses into practice
- a statewide plan to increase representation of racial and ethnic minorities, immigrants and refugees into the health workforce
- new ergonomic equipment to prevent injury to nurses and others who provide direct patient care in nursing homes and home health agencies

- new learning resources for nursing education programs to accommodate increasing enrollments
- a loan repayment program for nurses who graduate from Iowa programs and remain in the state to practice and teach nursing
- a leadership role in developing a national forum for state nursing workforce entities that will provide access to best practices and funding opportunities.

CHANGES IN IOWA'S NURSING WORKFORCE

Total Number of RNs and LPNs

There are 38,464 actively licensed RNs in Iowa, an increase of 373 RNs since last year. About 92 percent reside in Iowa and 80 percent are employed in nursing.

There are 10,093 actively licensed LPNs in Iowa, an increase of 321 since last year. About 94 percent reside in Iowa and 70 percent are employed in nursing.

There are 1,461 nurse practitioners in Iowa, an increase of 605 since last year.

Since 2001, younger nurses between the ages of 23 and 32 have experienced the greatest net increase of any age cohort. The largest percentage of RNs licensed in Iowa range in age from 43 to 52. Sixty percent are 43 years of age or older.

Hospital-Based Nursing Workforce

The number of full-time RN vacancies in Iowa's hospital-based workforce has declined by 39 percent since 2001 and the number of part-time vacancies has declined by 25 percent. There are approximately 800 vacant RN positions at this time.

The number of projected RN vacancies in Iowa's hospital-based workforce has declined. Approximately 1,900 full-time and 1,400 part-time vacancies are projected between 2004 and 2006.

The percentage of hospitals able to fill vacant RN positions in fewer than 30 days has steadily increased over the past three years.

Long-Term Care Nursing Workforce

RN vacancies in the long-term care setting appear to be stable at 10 percent. LPNs demonstrate the highest vacancies in this setting at 14 percent. Employers report a 12 percent vacancy rate for unlicensed assistive personnel.

Approximately one half of long-term care employers report their RN and LPN vacancy situation as unchanged since 2002, and one third report it has improved.

RN positions remain the most difficult to fill with 37 percent of long-term care employers reporting 60 days or longer to fill a vacancy.

Wages

Employers in all settings report increased wages for RNs and LPNs since 2001.

Wages for unlicensed personnel appear to have remained stable.

Nursing Education

There are a total of 80 board-approved nursing education programs in Iowa, including 2 new baccalaureate and one new master's program. A total of 1,601 licensees identify their highest degree as a master's in nursing, an increase of 49 since last year.

Approximately 2,400 students were admitted to Iowa's undergraduate RN programs during the last academic year, an increase of 30 percent compared to the previous year. Approximately 1,700 graduated, an increase of 20 percent compared to the previous year. There are over 500 potential nursing students on waiting lists.

Iowa's nursing programs project 128 faculty vacancies (24 full-time, 39 part-time and 65 adjunct) in the 2004 –2005 year. When asked to compare their present need for nursing faculty to the previous year, 76 percent report a need for more nursing faculty.

More than 80 percent of programs report that nursing student enrollments have increased in the current academic year. No programs report a decline in enrollments. The most frequently reported impact is increased faculty workload followed by more students in the classroom, increased need for support services, new or longer admission waiting lists and more clinical groups. Most program directors report their institution is being impacted in all these ways.

RECOMMENDATIONS

While Iowa is not experiencing a severe shortage of nurses at this time, the state should plan wisely for the next decade. Priorities include preparation and support of nursing faculty, loan repayment to nurses who practice in Iowa, attention to workplace environment, succession planning to replace the large cohort of experienced nurses who will soon retire and preparation of students from diverse backgrounds for success in a nursing career.

The center is currently in its third project period, having received a total of \$2.8 million in federal funding since October 2002. The project period for the center will end on August 31, 2005. The federal earmark to our state has been a gift and a

beginning. Additional assistance from the state in the following areas would facilitate a strong nursing workforce in Iowa.

- Continuation of the center in the Iowa Department of Public Health to collect, trend and report data about the health Iowa's workforce, conduct surveys and focus groups, and produce online reports, white papers, issue briefs and calls to action
- Expansion of the RN Tracking System conducted by the University of Iowa, Carver College of Medicine, Office of Statewide Clinical Education Programs, to incrementally add all actively licensed RNs in Iowa by 2009
- Expansion of the new Nurse Loan Repayment program announced by Governor Vilsack and Iowa Student Loan in February 2004 for RNs who practice and teach in Iowa

CONCLUSION

On behalf of the Center for Health Workforce Planning, I thank you for your support in building the strong nursing workforce that is needed to provide access to health care by all Iowans. With your support, we will continue to incorporate its activities into the ongoing work of the Iowa Department of Public Health and provide the information needed by legislators and public policy makers to make informed decisions.

I hope you will visit our web site. I welcome your questions.

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