

Charting the course

Building a sustainable health care workforce for the state of New Jersey

September 2024



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NJHA
New Jersey Hospital Association

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Speakers during this session

Charting the course

Building a sustainable health care workforce for the state of New Jersey

9:50 a.m.–10:40 a.m.



Roselyn Feinsod

Principal
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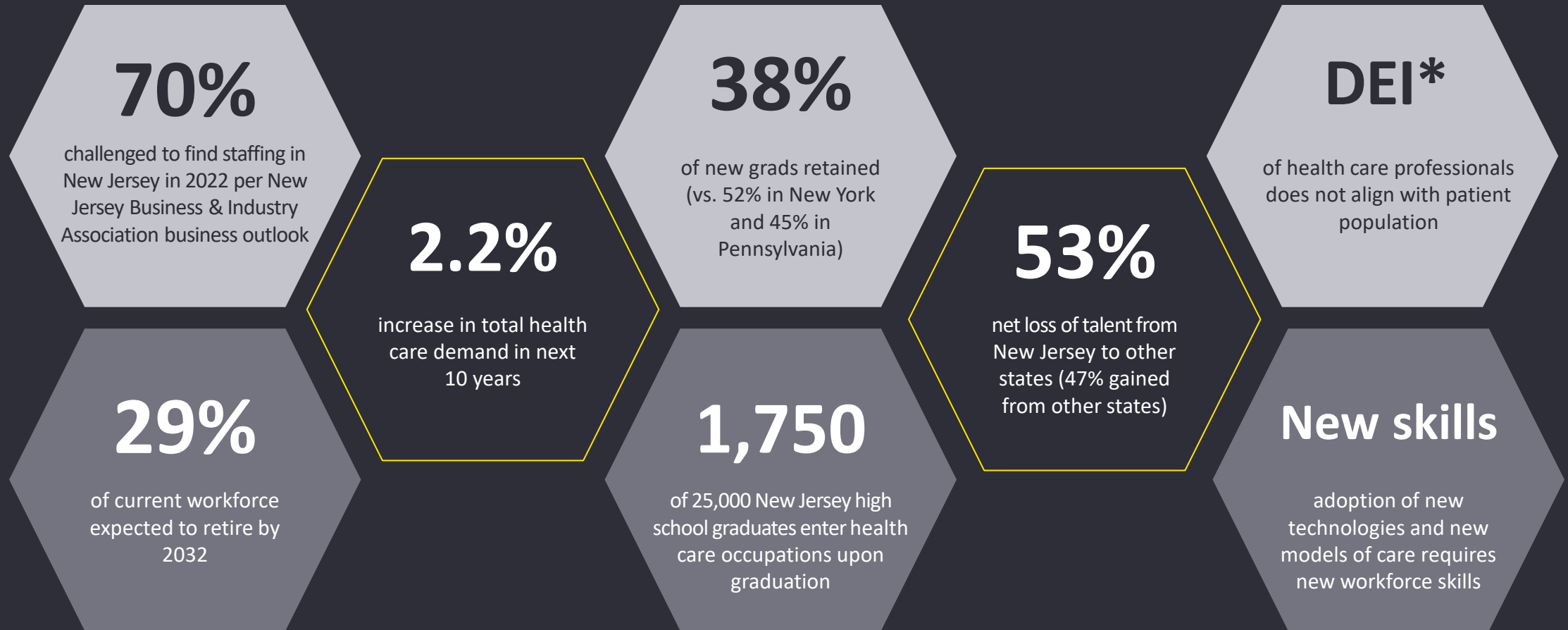
Cathleen Bennett

President and CEO
New Jersey Hospital
Association (NJHA)

Agenda

- 1 Introduction and welcome
- 2 Challenges in New Jersey health care workforce
- 3 NJHA and EY discovery and themes
- 4 Potential solutions
- 5 Lessons learned
- 6 Q&A

New Jersey has a range of challenges related to its health care workforce



Source:

Pytell, Jim, "Cultivating the Workforce of Tomorrow," *New Jersey Business Magazine website*, <https://njbmagazine.com/monthly-articles/cultivating-the-workforce-of-tomorrow/>; "Talent Insights extracts of New Jersey healthcare talent pool," *LinkedIn website*, April 2024; EY health care workforce assessment approach.

* Diversity, equity and inclusion.

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Which New Jersey health care staffing challenge has been the most difficult?

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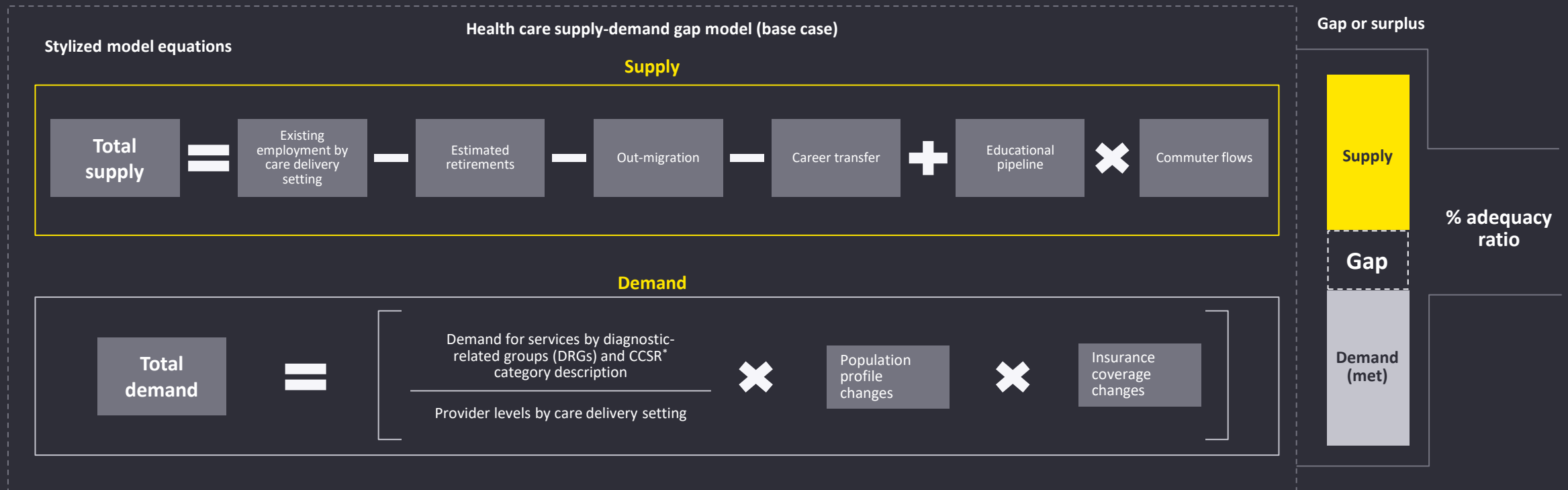


NJHA's study of the direct patient care workforce supply and demand model summarizes how much demand is met with supply through an adequacy ratio

31
health care occupations

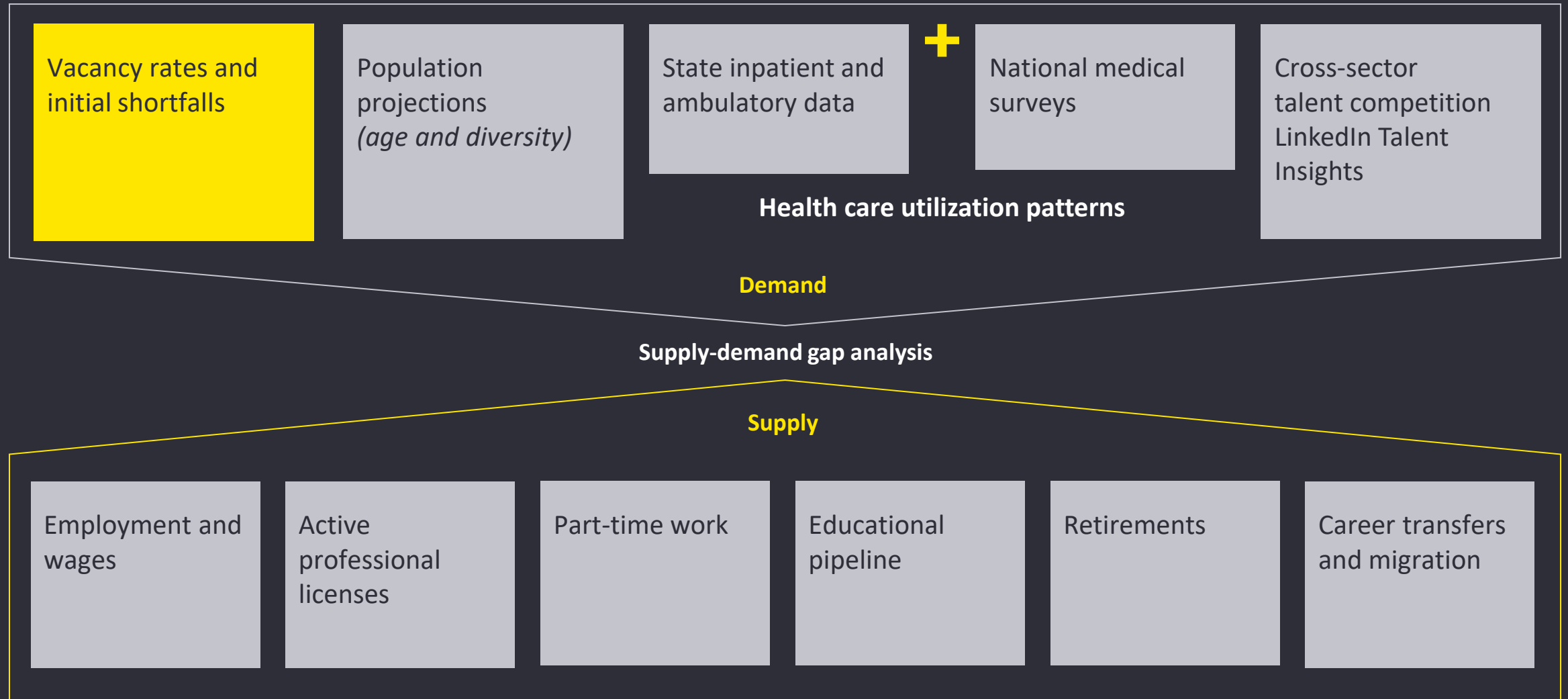
8
care settings
including four major groups (home, primary and ambulatory, hospital and higher acuity, and long-term care)

5
regions in New Jersey



* For example, see National Center for Health Workforce Analysis, Modeling Supply of Health Professionals, Washington, DC, U.S. Department of Health and Human Services, Health Resources and Services Administration, 2023. For a comparison of health workforce supply-demand modeling approaches, see Forte, Gaetano, "Why Health Workforce Projections Are Worth Doing," Association of American Medical Colleges, 29 June 2023. * Refers to procedures classified through Agency for Healthcare Research and Quality's Clinical Classifications Software (CCSR) system.

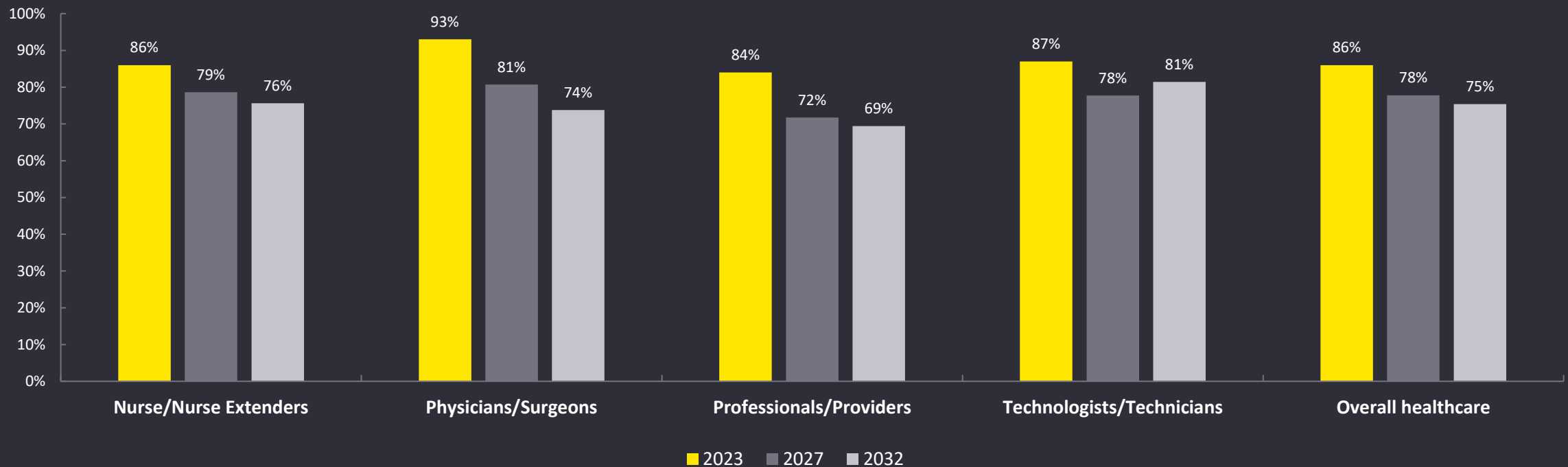
The supply and demand model leverages multiple health care and employment data sets from proprietary and government sources



Most New Jersey direct patient care occupations expected to face supply shortages by 2032, with adequacy ratios declining from 86% in 2023 to 75% in 2032

- Adequacy ratios, or the share of the demand for health care roles filled by the supply, will decline for many health care roles.
- Physicians and surgeons will see the sharpest declines, along with steep declines for professionals and providers and nurses and nurse extenders.
- Shortfalls will start to moderate after 2027 as New Jersey's population aging slows.
- Advanced practice nurses and nurse practitioners are an exception as the one field that may have a surplus.

Adequacy ratio of New Jersey direct patient care workforce by job family, 2023, 2027, 2032



Source: EY health care workforce assessment approach.

Supply and demand headwinds

Challenges

Demand

Recruitment and retention

- 28% of 2023 starting workforce expected to retire by 2032
- 35% of direct patient care workers are foreign born with both highly skilled and entry-level roles
- 15% to 17% estimated current vacancy rates for many positions
- 9%+ of starting supply per year transfers careers
- High vacancy rate positions affect both highly skilled and entry-level roles

New Jersey education pipeline lagging New Jersey health care demand

- 60% of physicians and professional graduates in New Jersey from out-of-state institutions, creating a need to attract highly educated workers outside New Jersey (or retain more in state)
- Only 1,750 of 25,000 New Jersey high school graduates enter health care occupations upon graduation, creating potential need to recruit and train entry-level nurse extender and technician positions
- 5% annually growth in New Jersey pipeline needed in New Jersey just to maintain status quo between supply and demand over next 10 years (absent other change)

Supply

Aging population

- 3.0% annual growth for New Jersey population 75+ compared with 0.3% for overall New Jersey population, which will increase demand for health care
- 2.5% average annual growth in demand for long-term care expected to 2032 vs. 1.0% overall

Mental health needs

- Demand for mental health care expected to increase at annual average growth rate of 1.7% per year through 2032 compared to 1.0% for all positions

Source: Estimates from EY workforce assessment approach

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How have you been addressing the explosion of mental (behavioral) health issues and the ties to staffing needs?

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Potential solutions: 1. Increase the educational pipeline

- Continue to partner with educational systems outside of colleges and universities.
- Provide New Jersey high schoolers with opportunities to choose a career in health care.
- Support students with successful degree completion.
- Offer clinical rotation partnerships.
- Establish new certification and degree programs.
- Improve tuition models.
- Subsidize New Jersey health care education programs where you can educate your own employees.



Potential solutions: 2. Enhance recruitment and retention

- Map out professional growth opportunities.
- Provide New Jersey high schoolers with opportunities to choose a career in health care.
- Understand how New Jersey compares to neighboring states in terms of actual and perceived total rewards and employee experiences.
- Ensure that New Jersey taps into trained health workers who live in the US and internationally.



Potential solutions: 3. Accelerate New Jersey health care and technological innovation with intelligent automation to support staffing pain points and quality

1. Enhance the growth sector of the economy and offer technology-based strategies with:
 - Virtual nursing
 - Artificial intelligence
 - Reskilling and upskilling, changing models of care
2. Use simulations and virtual reality to replace pre-licensure clinical hours.
3. Ensure NJHA and its members support the full potential of telehealth and adopt leading practices and connect to outcome metrics and adequacy.



Potential solutions: 4. Partner with government locally and nationally

- Focus on:
 - Apprenticeship programs
 - Grants
 - Tuition debt relief
- Break down silos between education, labor, health, human services, funding support



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What is the one thing you would like to see NJHA do first?

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Lessons learned

1

Health care talent patterns differ from overall workforce

- Higher degree of part-time work, reliance on immigrants, and large variation in skills and wages in health care compared with other industries

2

Cross-sector and cross-geographic competition

- Every day, New Jersey has net loss of 18,000 health care workers commuting to New York and Pennsylvania
- More than 20% of New Jersey health care workforce employed outside health care (e.g., schools, retail pharmacies, insurance carriers)

3

Long-term variability in retirement and migration patterns

- Varying retirement ages by position (e.g., > 50% probability of retiring at 60 years old for licensed clinical social workers compared with 7% for physicians and surgeons)
- Employees moving south to states like Florida for climate and lower taxes

4

Complex set of stakeholders

- A mix of employment in New Jersey hospitals and ambulatory centers and self-employment in health care provider offices
- Training institutions in traditional academic settings and within hospital settings

5

Regulatory barriers restrict cross-border movement of talent

- Highly regulated industry restricts supply in varying ways
- Licensing requirements vary by position and state (e.g., nurse practitioners and full-practice authority, uneven implementation of nursing compact)
- Hospitals and other employers have additional credentialing barriers to employment

How to move forward?

1 Prioritize actions

2 Gather stakeholders

3 Activate solutions

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