



GREATER WASHINGTON
Board of Trade

Who Cares?

Examining Greater Washington's
Health Care Workforce

Executive Summary



A Study by the Greater Washington Board of Trade's Health Care Task Force • June 2005

EXECUTIVE SUMMARY

Every eight seconds another of the 80 million American baby boomers celebrates their 50th birthday. Unlike any previous demographic or social revolution, this 'age wave' will force the redefining and rebuilding of many of our current institutions, structures, and relationships — none more so than health care.

Bruce Clark, co-founder of Age Wave LLC¹

INTRODUCTION

Why should area businesses care about who provides care for us now and in the future?

In 2003, US health care spending exceeded \$1.6 trillion dollars or about 15 percent of the gross domestic product. Nationally, more than half of Americans receive their health insurance through their employers. And from 2000 to 2003, **employers' health insurance costs increased an average of 12.5 percent annually.**² General Motors openly attests that the most expensive single item in any new vehicle is not steel or technology but the \$1500 in health care costs they provide their employees. It has become increasingly clear to the private and public sectors that there is no single variant that can control health care costs. **Rather, for businesses to remain competitive, and for workers and retirees to be healthy, it's necessary for them to work on multiple fronts to find a cure.**

Since health care is a labor-intensive industry, salaries and benefit expenses are key determinants of its providers' financial viability. Numerous studies have shown that persistent workforce shortages lead to increased competition for labor which results in higher wages, increased incentives and the expense of high cost contract employees.³ As a consequence, communities across the country are trying to address health care workforce shortages.

One of the greatest challenges facing the US health care industry is the **inadequate supply of skilled health care workers.** This trend will accelerate dramatically in the coming years due to increased demand on the health care system from a growing and aging population. If the supply of skilled health care workers is not addressed, it will have adverse consequences for patients, and for the financial health of every public and private institution in the country.

While Greater Washington extends across multiple geographic and political boundaries (Northern Virginia, Suburban Maryland and the District of Columbia), these jurisdictions make up a single regional economy which shares one labor force. As a result, the health care workforce challenges facing Northern Virginia are not separate from those facing neighboring suburban Maryland and DC. Because of the fluidity of the workforce, Greater Washington's **shortages must be addressed through a coordinated, regional effort.**

¹ "NBCH Seventh Annual Conference Celebrates Employer Coalitions as Catalysts for Change" Press Release online: <http://www.nbch.org/resources/news093002.cfm>

² Connolly, Ceci. "15 Illnesses Drive Up Costs." *The Washington Post*. August 25, 2004; pg. A.03

³ Aiken, Linda and Claire Fagin. October 1997. "Evaluating the Consequences of Hospital Restructuring." *Journal of Medical Care*, American Hospital Association, Volume 35.

To better understand Greater Washington's health care workforce challenges, opportunities and successes, the Greater Washington Board of Trade commissioned FutureWorks, a regional economic development consulting firm to conduct an analysis of the region's health care workforce. The project's three objectives were:

- 1) **Assess national trends and best practices:** Review national health care workforce trends and challenges; identify emerging and effective strategies that address workforce shortages.
- 2) **Assess regional needs and existing programs to address these needs:** Outline the region's health care occupational needs and document employment trends; review existing health care workforce training efforts throughout Greater Washington.
- 3) **Develop recommendations:** Identify potential opportunities to align regional efforts, create institutional linkages and expand current programs and/or initiatives throughout Greater Washington.

KEY FINDINGS

- Today, Greater Washington's workforce does not contain enough active health care professionals to fill all the jobs currently open in the region. For all 23 health care professions examined in this study, **educational and training institutions are not graduating enough students to fill current openings.**
- Among the 23 health care occupations identified for this study, it is estimated that between 2000 and 2010 the **top five fastest-growing occupations nationally** will be:
 1. Medical assistants
 2. Physical therapist aides
 3. Medical records and health information technicians
 4. Occupational therapist assistants and
 5. Dental assistants
- Among the 23 health care occupations identified for this study, it is estimated that between 2000 and 2010 **the five occupations with the most annual openings in Greater Washington** will be (numbers reflect annual openings)⁴:
 1. Registered nurses (1,461)
 2. Nursing aides, orderlies, and attendants (655)
 3. Licensed practical and licensed vocational nurses (482)
 4. Medical assistants (371), and
 5. Dental assistants (242)

REGIONAL CHALLENGES

- **Regional Fragmentation:** Across Greater Washington there is little coordination and collaboration between and among health care employers, educational and training institutions, government workforce investment organizations and social service providers. This lack of coordination along with the competition between these institutions for health care workers, financial resources, clinical space, and faculty/instructors has resulted in an inefficient use of resources.

⁴ See Appendix A for a brief description of each of the 23 health care occupations selected for this study.

- **Supply Shortages:** Greater Washington’s health care education and training institutions face a number of challenges-including shortages of faculty and clinical sites-that limit their capacity to meet the demand for health care professionals, particularly in the highest-demand occupations.
- **Lack of Skill Development and Career Readiness:** The skills and career readiness for a significant number of youth and adults across Greater Washington are inadequate. Hospital officials indicated in interviews that nursing and allied health graduates simply are not prepared well enough for today’s health care workforce needs.
- **Need for Stronger Social Support Network:** To more effectively recruit, retain and help health care professionals advance along a career ladder, Greater Washington needs to develop a more integrated social support network across the region that helps its residents deal with issues such as affordable workforce housing, career and/or family counseling, childcare, financial assistance, mentoring, transportation, etc.

RECOMMENDATIONS

The Greater Washington Board of Trade and its partners, academic institutions, businesses, government entities and social support agencies, are well-positioned to play a significant role in addressing the regional challenges causing health care workforce shortages.

Because the Greater Washington Board of Trade has strong relationships with private, public and nonprofit sectors, its Health Care Task Force should serve as the catalyst to **develop a regional effort to ensure there is an adequate supply of well-qualified health care workers.**

Three areas of work are required to advance this goal:

1. **Raise Awareness:** Educate stakeholders throughout Greater Washington on: the health care workforce shortage and its effects on cost and quality; health care career opportunities; and promising practices for sustainable health care workforce solutions.
2. **Convene the Region:** Provide a forum for all stakeholders to come together to examine best practices, and develop sustainable, collaborative approaches to tackling the region’s health care workforce shortages.
3. **Advocate for Change:** Develop a policy agenda that supports regional efforts to increase recruitment, training, and retention of health care workers.