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## Wisconsin Health Care Workforce Faces Perfect Storm: Aging Population, Labor Shortages, Record Unemployment and Regulatory Burdens

WHA 2018 Health Care Workforce Report provides recommendations to maintain access to high-quality health care

Today, the Wisconsin Hospital Association (WHA) released its [2018 Wisconsin Health Care Workforce Report](#), which provides recommendations to ensure the state’s workforce remains up to the challenge of providing high-quality care for an aging population. Solutions in this 15<sup>th</sup> annual report address issues posed by a rapidly changing and increasingly complex health care environment.

The report recommends that Wisconsin:

- Attract entry-level workers to climb health care career pathways to fill in-demand positions such as registered nurses, surgical technicians, and nurse anesthetists;
- Implement strategies to more quickly grow our supply of physicians;
- Reform state law to allow advanced practice providers (APPs) to fully use their education, training and experience to fill the physician gap; and
- Leverage the use of technology to maintain access to health care in communities across Wisconsin.

“Like most industries, health care is grappling with labor shortages in key areas, but unlike most industries, demand for health care is largely a function of demographics rather than economic cycles,” said WHA President and CEO Eric Borgerding. “Wisconsin’s over 65 population is expected to double by 2030. This means increasing demands on and for the health care workforce during a period of record unemployment and a diminishing labor force.”

Wisconsin’s Aging Population			Health Care Expenditures	
<b>50+</b>	<b>20%</b>	<b>8%</b>	<b>75%</b>	<b>95%</b>
is the statewide age of family practitioners and internists who will be among the first to retire as Wisconsin’s aging population increases the demand for health care.	of the population will be over the age of 60 in <u>every</u> county in Wisconsin by 2030.	of Wisconsin health care CEOs believe we will have enough physicians in 10 years to meet the health care demands of an aging population	of health care expenditures are attributable to chronic diseases in the U.S. every year.	of health care spending for older people is attributed to chronic conditions.

“Despite advances in technology, health care is still a very labor-intensive business,” Borgerding said. “In 2017, labor costs comprised 45% of Wisconsin hospital expenses, totaling nearly \$8.8 billion and up 7.3% in two years. That’s a big number, but so are other operating expenses like supplies, pharmaceuticals, purchased services, utilities etc. Those expenses totaled \$9.4 billion in 2017 – up 16% in two years. It’s not getting cheaper to deliver health care.”

“Wisconsin faces an aging population and health care workforce, and lagging government reimbursement rates,” said Ann Zenk, Vice President of Workforce and Clinical Practice. “With record low unemployment and increased vacancy rates, we simply do not have the labor force we need to meet increasing health care demands. An aging population needs more physicians to manage chronic health care conditions, especially in primary care. Policymakers, health care leaders, health care educators, and other key stakeholders can tackle this worrisome equation together by acting with urgency now to implement solutions that protect access to high-quality health care in the future.”

## KEY ISSUES AND RECOMMENDATIONS

**Wisconsin's physician supply needs to grow faster.** WHA-crafted graduate medical education (GME) grants enacted in 2013 and administered by the Wisconsin Department of Health Services are gaining traction in growing our physician pipeline.

Since the launch of the GME grant initiative in 2013, 10 new residency programs have been created and nine existing programs have expanded in 36 counties across Wisconsin as a direct result of the WHA-spearheaded matching grant program. Estimates show there will be more than 100 additional physicians enrolled in Wisconsin-based residency programs by July 2020.



"WHA's 'Grow Our Own' equation shows that a Wisconsin student completing medical school in Wisconsin and a GME residency in the state has an 86% likelihood of staying to practice," said Zenk. "But, with the pathway to practice taking a decade or more, Wisconsin's physician workforce cannot grow fast enough to keep up with the increased demand of an aging population and the increased retirements of an aging workforce."

**RECOMMENDATION:** Wisconsin policymakers must continue to sustain state funding to support GME creation and expansion.

**Wisconsin is increasingly reliant on advanced practice providers.** WHA analysis shows that advanced practice clinicians have stepped up to fill the gap created by physician shortages, with hospital employment doubling in the last decade. Such rapid growth could have resulted in severe shortages, but advanced practice providers (APPs) have not only responded with growth in numbers, the profession has expanded education, training and experience to provide a broader spectrum of care.

State and federal policy changes have also supported expansion of APP practice. For instance, APPs are now allowed to serve on hospital medical staffs, as well as admit and care for hospitalized patients. There is more work to be done.

"Outdated Wisconsin statutes that specify 'physician' leave APPs in limbo and create barriers to care – care that education, training and experience make them well qualified to provide," said Zenk. "Wise use of the workforce means distributing the responsibility for patient care among a multi-disciplinary team with all team members working to the top of their training, education and experience."

**RECOMMENDATION:** Hospitals, health systems, and APP professionals must identify barriers to APPs practicing to the full extent of their education, training and skill, and policymakers must break these barriers down.

**Telemedicine adoption must be supported and accelerated.** As provider shortages worsen in many areas of the state, it is simply impossible to extend the physical presence of a physician. For instance, 55 of 72 Wisconsin counties have a psychiatrist shortage, and 15% of Wisconsin's psychiatrists are age 65 or older. With a professional pathway of more than a decade, many psychiatrists will retire before the supply can be replenished, leaving countless Wisconsin citizens out of reach of care for their behavioral health needs. Telemedicine can help put behavioral health care, and other specialty care, in reach for all.

Government regulations and reimbursement for telemedicine currently require a health care brick and mortar setting with a nurse or other provider using technology to assist with the examination. This coordination can be time consuming and create wait time for the patient and the assisting clinician. Site requirements also add transportation costs as Medicaid enrollees travel from their home to a clinic or hospital telemedicine site.

"Telemedicine is a safe tool for the delivery of high-quality, cost-effective health care, and can create access in rural and urban underserved areas," said Zenk. "Wisconsin rules and regulation need to catch up to the innovations that health care and technology experts have made to use telemedicine to the fullest extent."

Telemedicine has a proven track record in Wisconsin. Advanced practice nurses and physician assistants caring for hospitalized patients can consult with their physician partners via telemedicine. Specialists can see patients in multiple settings from one location using smart phone technology. Remote patient monitoring helps free up caregivers to spend more time at each patient's side. Technology has advanced and is easier to use with a broader range of capabilities; capabilities that current rules and reimbursement don't allow Wisconsin to make full use of.

**RECOMMENDATION:** Payers and policymakers must remove site limits to reflect the current capabilities of technology to support access to care wherever the patient is. Medicaid reimbursement for telemedicine should be treated the same as in-person care.

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**Entry-level vacancy rates remain high.** Record low unemployment increases competition for workers and drives up turnover and vacancy rates for entry-level positions, such as certified nursing assistant. Nearly one in 10 nursing assistant positions remains unfilled. Hospitals and health systems also invest to help health care professionals leave entry-level positions to climb career ladders. These factors increase the expense of maintaining the hospital workforce, and reimbursement has not kept up – Wisconsin’s Medicaid rate is the second lowest in the nation.

**RECOMMENDATION:** Payers and policymakers must increase reimbursement commensurate with increases in health care’s highest expense—wages. Employers and educators must take advantage of the opportunity allied health and advanced practice training grants provide to support career pathways.

**Good health care policy attracts physicians to Wisconsin.** Nowhere is that more apparent than the impact Wisconsin’s positive practice environment has had on Wisconsin’s physician supply. Analysis by WHA and by the Wisconsin Council on Medical Education and Workforce (WCMEW) in 2011 and 2016 showed that more physicians were leaving Wisconsin to practice in other states than were entering Wisconsin to practice. However, 2018 projections indicate Wisconsin has reversed that trend.

Doctors are choosing Wisconsin because our peer review protection encourages physicians and organizations to work on improving the quality of health care. Wisconsin’s balanced medical liability environment is attractive to physicians because it ensures fair compensation and protects patients, physicians, and employers by capping non-economic damages and creating a compensation fund.

**RECOMMENDATION:** Lawmakers must ensure that Wisconsin’s positive practice environment is protected.

**Patients and providers must navigate complex care.** Outpatient visits have increased more than 30% in less than 10 years, and patients and providers require information, support and coordination to navigate between different locations of care. Electronic health records are essential as patients and providers travel between care settings, but when combined with increasing reporting mandates from state and federal agencies, they create increased complexity, added expense, and multiply workforce requirements. Primary care physicians spend more than half their workday interacting with electronic health records, and an average-size hospital dedicates 59 full-time employees to regulatory compliance.

Short-term workarounds, like scribes who enter information into computerized health records, help providers spend more time with patients, but health care organizations, technology experts, and policymakers must collaborate to develop long-term solutions.

**RECOMMENDATION:** Educators, employers and technology experts must collaborate to develop long-term solutions to break down silos of care and better integrate electronic health records. Policymakers must reduce regulatory burdens, such as redundant or non-essential data entry and submission.

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