

Hospital and Health System Workforce and Economic Contributions



America's hospitals and health systems are at the center of their communities, both as providers of critical services and as large – and often the largest – employers. They train tomorrow's health care providers and cultivate future leaders by building and expanding their dynamic workforces to effectively keep pace with health care trends, evolving technology and broader socio-cultural trends.

Hospital and health system leaders are focused on a number of emerging trends in the hospital and health system workforce. Just a few examples include: professional shortages; burnout; workplace violence; the evolving workforce; and a diverse and inclusive workplace. Although hospitals and health systems face challenges, there also are significant opportunities to improve care, motivate and re-skill staff, and modernize processes and business models that reflect the shift toward providing right care at the right time in the right setting.

A National Snapshot of the Hospital Workforce

In 2018, America's hospitals and health systems treated 143 million people in emergency departments, provided 623 million outpatient visits, performed over 28 million surgeries and delivered nearly 4 million babies.¹ Every year, hospitals provide vital health care services to hundreds of millions of people. However, the importance of hospitals to their communities extends far beyond the health care services they provide.

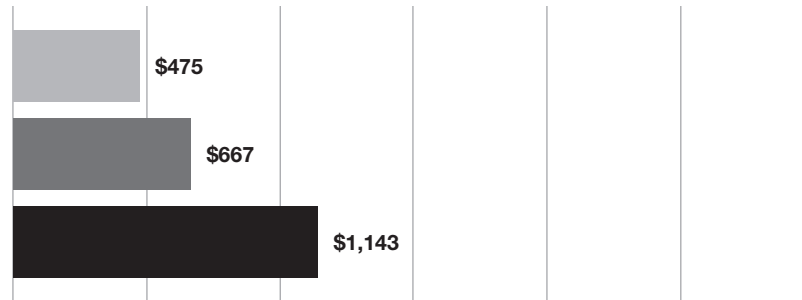
Hospitals are significant national employers – more than 6 million individuals work for hospitals in full- or part-time positions. Hospitals also purchase \$1,010 billion in goods and services from other businesses per year, creating additional economic value for the community. In fact, with these ripple effects included, each hospital job supports almost two additional jobs, and every dollar spent by a hospital supports roughly \$2.30 of additional business activity in the economy. Overall, hospitals support 17.3 million jobs, or one out of nine jobs, and \$3.3 trillion in economic activity.² (Figures 1 and 2)

¹ American Hospital Association. (2018) Annual Survey of Hospitals.

² American Hospital Association analysis using BEA RIMS-II (2007/2016) multipliers for hospital NAICS Code 622000, released Mar. 2018, applied to American Hospital Association Annual Survey data for 2018.

Figure 1: Impact of Community Hospitals on U.S. Economy (Billions), 2018

Impact of Wages and Salaries



Impact of Expenditures on the Economy

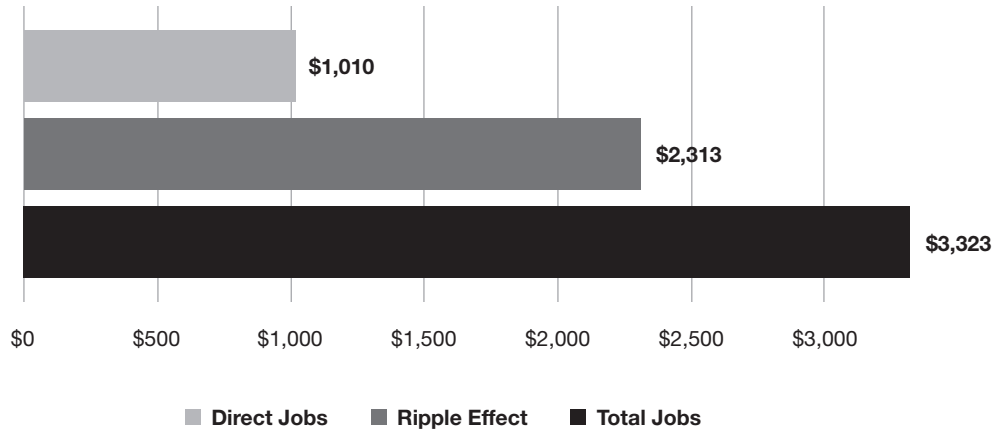
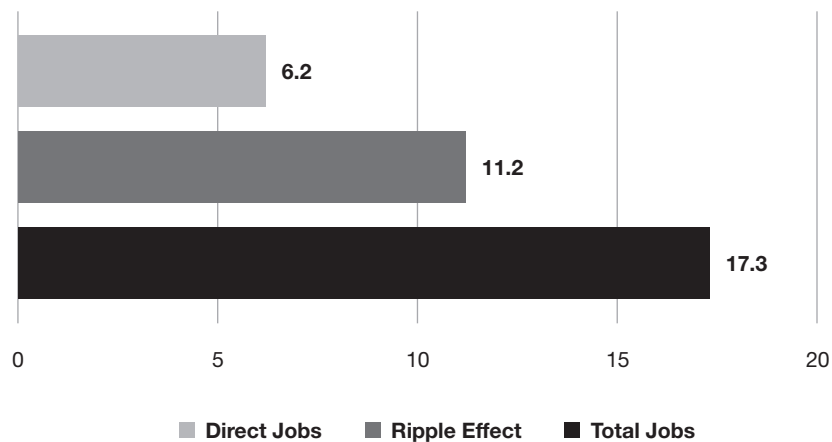


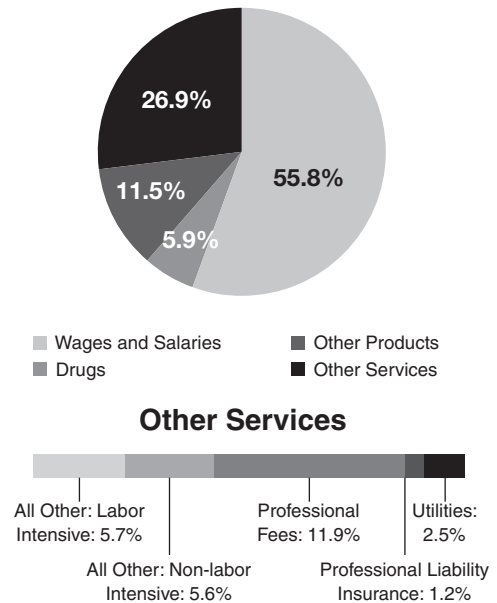
Figure 2: Impact of Community Hospitals on U.S. Jobs (Millions), 2018



Delivering high-quality care to communities across the country requires hospitals to assemble a qualified and skilled workforce, by far the largest cost in hospital patient care. Wages and salaries comprise 59% of the inpatient prospective payment system hospital market basket, with all other services, drugs and other medical products collectively accounting for only 41% of inpatient costs.³ (Figure 3)

Practitioners and technicians make up the vast majority of the hospital workforce, accounting for roughly 3.3 million employees, with another 800,000 in health care support professions, such as certified nurse assistants. In contrast, only 700,000 hospital employees are in office and administrative support positions, 200,000 are in management and 100,000 are in business/finance positions.⁴ (Figure 4)

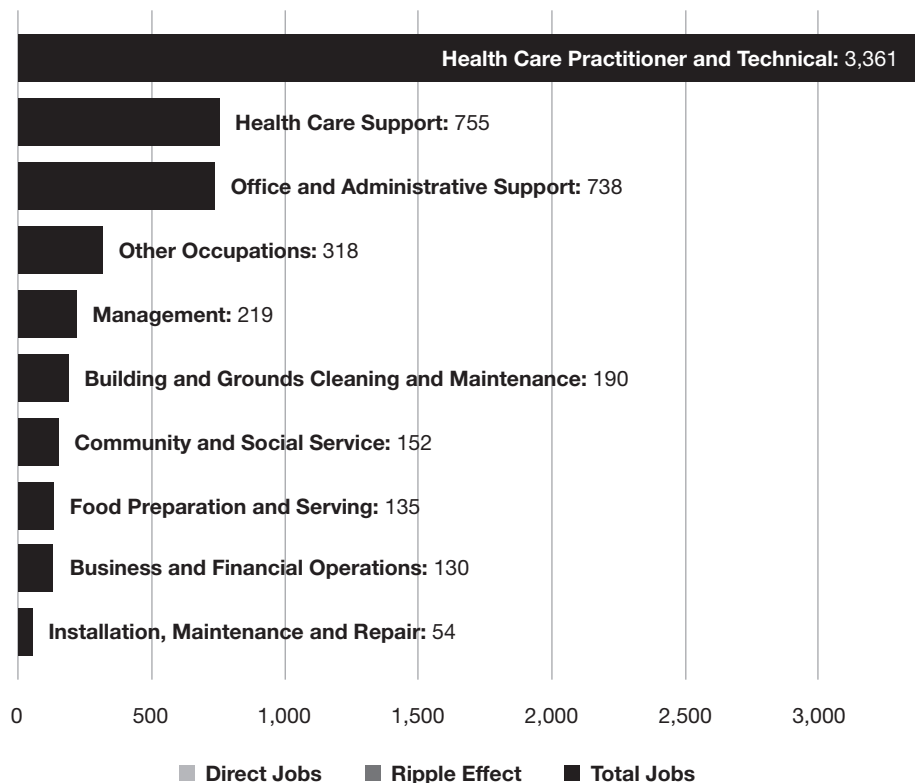
Figure 3: Percent of Costs in the Inpatient Prospective Payment System Hospital Market Basket, 2018



³ American Hospital Association analysis of Centers for Medicare and Medicaid Services data, using base year 2014 weights.

⁴ Bureau of Labor Statistics. "National Industry-Specific Occupational Employment and Wage Estimates."

Figure 4: Hospital Employment by Occupation Type, 2017



Although total hospital employment has grown in recent years, it has remained stable relative to overall utilization. However, the share of certain employees engaged in direct patient care has grown. For example, the number of full-time equivalent hospital employees per thousand adjusted admissions remained stable from 2009 to 2018, while the number of full-time equivalent registered nurses per thousand adjusted admissions increased from 19.4 to 21.3. (Figures 5 and 6)

Figure 5: Full-time Equivalent Employees per Adjusted Admissions, 2009-2018

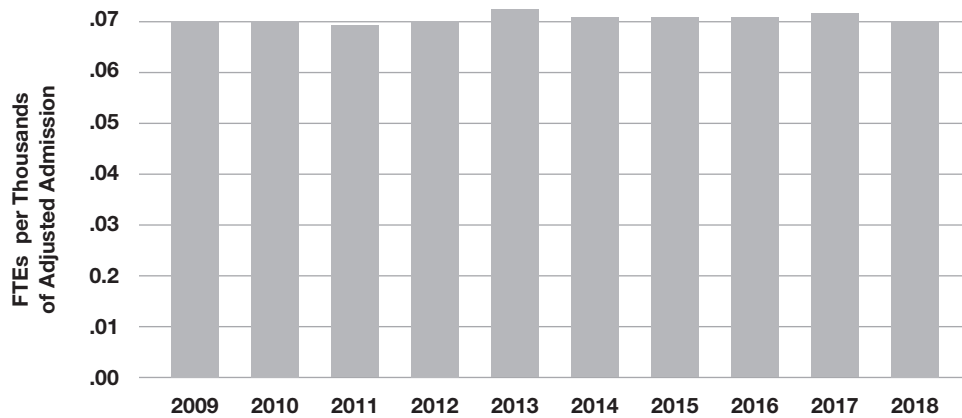
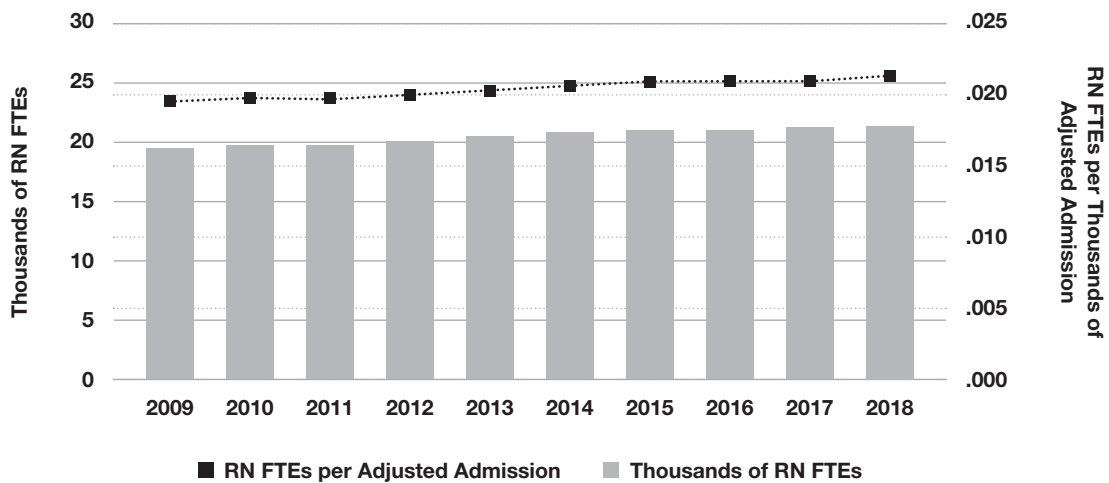


Figure 6: Number of RN FTEs and RN FTEs per Adjusted Admission, 2009-2018



Workforce Trends

Professional Shortages

A skilled and robust workforce is essential to the delivery of high quality care. A major obstacle to building and nurturing a talented and dedicated workforce is the shortages in many key health care professions. These shortages can strain a hospital's care delivery and finances, aggravate other workforce challenges, such as burnout, and lead to costly mitigations. According to the Bureau of Labor Statistics, the health care sector added 402,000 jobs from November 2018 to October 2019, but these additions have not alleviated the need for more qualified individuals.^{5,6}

Hospitals are implementing numerous strategies for improving recruitment and retention, including retention and three-year completion bonuses, as well as tuition reimbursement. Hospitals also employ a variety of incentive programs to address shortages. Centering recruitment and retention processes on the hospital's mission and emphasizing the importance of service to others also are key strategies.⁷

Burnout

Across the U.S. economy, Americans are working more and exhibiting signs of burnout. The health care workforce is not immune to this nationwide problem. A recent National Academy of Medicine study identifies an imbalance in which the demands of a clinician's job are greater than the resources available to complete the job effectively. The result is that between 35% and 54% of U.S. nurses and physicians have symptoms of burnout, which it characterizes as high emotional exhaustion, high depersonalization (e.g. cynicism) and a low sense of personal accomplishment from work.⁸

Hospital workers may be especially susceptible. A 2012 Truven study notes that hospital employees have 9% higher health care costs than the rest of the U.S. workforce – a finding that raises questions about the impacts of job-related emotional and physical stress.⁹ A 2019 Medscape survey found that roughly 40% of physicians claimed to have symptoms of burnout. Another recent study on nurse burnout reports 15.6% of nurses having such symptoms.¹⁰ Long hours and increasing administrative tasks were cited as the primary causes.¹¹

⁵ Bureau of Labor Statistics. "Employment Situation Summary."

⁶ Bannow, Tara. "Health care hiring continued to slide in May," modernhealthcare.com, Jun. 07, 2019.

⁷ AHA interviews with hospital and health system leaders.

⁸ National Academy of Medicine. "Taking Action Against Clinician Burnout: A Systems Approach to Professional Well-Being," Oct. 2019

⁹ Truven Analytics, Hospital Employees Are Less Healthy, More Likely to be Hospitalized than the General Workforce, According to Truven Health Analytics Study, truvenhealth.com, 2012.

¹⁰ Brusie, Chaunie. "Study Reveals Alarming Statistics on Nurse Burnout," nurse.org, Apr. 07, 2019.

¹¹ Advisory Board. "Daily Briefing – Physician Burnout in 2019, charted," advisory.com, Jan. 18, 2019.

Workplace Violence

In 2014, the Government Accountability Office reported that the rate of serious workplace violence incidents was more than five times greater in health care than in the general workforce. Further, Bureau of Labor Statistics data show that violence-related injuries are four times more likely to cause health care workers to take time off from work than other kinds of injuries.¹² Working with 106 hospitals, the Occupational Health Safety Network examined 2012 to 2013 data and found that nursing assistants and nurses had the highest workplace violence injury rates per 1,000 full-time equivalent workers.¹³ A national survey of emergency medicine residents and physicians published in the *Journal of Emergency Medicine* found that 78% of emergency medicine physicians reported being targets of workplace violence in the prior year.¹⁴

To combat violence in the hospital setting, hospitals and health systems have installed cameras and security-call buttons; limited work-area access to people with badges; limited guest hours; installed metal detectors; increased police presence; implemented de-escalation training and emergency preparedness; and taken a variety of other steps.¹⁵ In 2018, 57% of hospitals offered workplace violence prevention programs.¹⁶ According to a 2017 AHA report, hospitals spent an estimated \$1.1 billion in security and training costs to prevent violence within their facilities, plus \$429 million in medical care, staffing, indemnity and other costs resulting from violence against hospital workers.¹⁷

The Evolving Workforce

Hospitals have sought to ensure that care is delivered in the right setting at the right time. For a variety of reasons, health care is increasingly delivered outside of traditional settings and is evolving to team-based models of care. Care continues to shift away from inpatient settings, with a decrease in inpatient admissions of 1.7 million between 2009 and 2018.¹⁸ Hospitals and health systems are deploying a number of new care models and technologies to supplement the workforce in supporting this shift, including: team-based models that combine physicians with Advanced Practice Providers and nurses; telehealth; artificial intelligence; and other emerging technologies, such as connected and cognitive devices, electroceuticals, targeted and personalized medicine, robotics, 3D printing, big data and analytics, blockchain and automation.

¹² The Joint Commission. "Sentinel Event Alert – Physical and verbal violence against health care workers," jointcommission.org, Apr. 17, 2018.

¹³ Occupational Safety and Health Administration. "Workplace Violence in Healthcare, Understanding the Challenge," <https://www.osha.gov/Publications/OSHA3826.pdf>

¹⁴ Phillips, James. "A Safe Space: Violence Toward Emergency Department Providers Isn't Just Part of the Job," *Journal of Emergency Medicine*, June 28, 2016, <https://www.acepnow.com/violence-toward-emergency-department-providers-isnt-just-part-job/2/?singlepage=1>

¹⁵ Coutre, Lydia. "Health care workers face violence 'epidemic,'" modernhealthcare.com, Mar. 11, 2019.

¹⁶ American Hospital Association. (2018) Annual Survey of Hospitals.

¹⁷ Durkin, Mollie. "Hospitals fight back against violence," acphospitalist.org, Dec. 2017.

¹⁸ American Hospital Association. (2018) Annual Survey of Hospitals.

A Diverse and Inclusive Workforce

The U.S. is in the midst of major demographic changes. The Census Bureau projects that by 2045 the U.S. will be “majority-minority;” that is, non-Hispanic whites will account for less than half the population.¹⁹ As the U.S. becomes more diverse, the health care workforce also must reflect the diversity of the community. Hospital leaders must recognize that their communities and organizations are diverse, and strategies to address health equity should encompass wide inclusiveness of veterans, multi-generations, and people of diverse religions, disabilities and sexual orientation.²⁰

Research shows workforce diversity leads to increased racial and ethnic minority patient choice and satisfaction.²¹ The changing face of America makes it imperative to ensure the workforce is culturally competent, and that equitable access to care is provided for all people and communities. Hospitals have made some progress in increasing workforce diversity, but there remains significant room for improvement.

Hospitals are building on existing diversity initiatives. Diversity recruitment and inclusion programs are a field norm and often include developing hiring goals, mentoring employees from minority backgrounds, and employing recruiters from diverse communities to identify minority candidates for open positions. As discussed in a bi-annual study conducted by AHA’s Institute for Diversity and Health Equity, successful diversity promotion and disparities reduction strategies within a health care setting can address disparities by engaging communities, prioritizing diversity in leadership and governance, and delivering quality, culturally competent care.²²

Conclusion

A robust, skilled hospital workforce is essential to delivering high-quality care. The economic impact of hospitals extends beyond direct employment and has a ripple effect on the well-being of local economies and communities. As large employers, hospitals face the same national economic and societal trend as other industries. The unique role of hospitals and health systems in ensuring the health of their communities – both medically and economically – compounds the importance of addressing hospital workforce challenges.

¹⁹ Frey, William H., Brookings Institution Metropolitan Policy Program, “The US will become ‘minority white’ in 2045, Census projects,” <https://www.brookings.edu/blog/the-avenue/2018/03/14/theus-will-become-minority-white-in-2045-censusprojects/>, March 14, 2018.

²⁰ American Hospital Association. “The Imperative for Strategic Workforce Planning and Development: Challenges and Opportunities,” aha.org, 2017.

²¹ LaVeist TA and Nuru-Jeter A. Is Doctor-Patient Race Concordance Associated with Greater Satisfaction with Care? *J Health Soc Behav.* 2002 Sep;43(3):296-306. PubMed abstract: <https://www.ncbi.nlm.nih.gov/pubmed/12467254>.

²² American Hospital Association. “Diversity and Disparities: A Benchmarking Study of U.S. Hospitals in 2015,” diversityconnection.org, 2016.

