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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH
GLENCLIFF HOME

Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

393 HIGH STREET, PO BOX 76, GLENCLIFF, NH 03238
603-989-3111 Fax: 603-989-3040
TDD Access: 1-800-735-2964
www.dhhs.nh.gov/glenciff

July 18, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, pursuant to New Hampshire RSA 99:8, Increases for Recruitment Purposes, and in accordance with Per 904.01 of the Rules of the Division of Personnel, Request for Temporary Increase, to implement a fifteen percent (15%) base hourly wage enhancement to nursing staff currently paid under the Institutional Nurse (N130) pay scale for recruitment and retention purposes at Glenciff Home. This request is projected to increase funding by \$452,300 in State Fiscal Year 2018 and \$458,200 in State Fiscal Year 2019. Funding for this increase was included in the Department's State Fiscal Years 2018 and 2019 operating budget. We are requesting the effective date of this enhancement be made **retroactive** to July 1, 2017 through June 30, 2019 upon Governor and Executive Council approval. 100% General Funds.

Funds are in the following account for State Fiscal Years 2018 and 2019.

05-095-091-910010-57100000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: GLENCLIFF HOME, PROFESSIONAL CARE

STATE FISCAL YEAR	CLASS	TITLE	ACTIVITY CODE	AMOUNT
2018	010-500100	Personnel Services-Perm	91571110	\$316,100
2018	050-500109	Personnel Services-Temp	91571110	\$32,984
2018	010-500100	Personnel Services-Perm	91571120	\$89,753
2018	050-500109	Personnel Services-Temp	91571120	\$13,463
2019	010-500100	Personnel Services-Perm	91571110	\$320,223
2019	050-500109	Personnel Services-Temp	91571110	\$33,414
2019	010-500100	Personnel Services-Perm	91571120	\$90,924
2019	050-500109	Personnel Services-Temp	91571120	\$13,639
			Grand Total:	\$910,500

EXPLANATION

Glenciff Home (GH) has been experiencing an increasing amount of difficulty in filling and retaining nursing positions in the current labor market, which is evidenced by the current vacancy rates in nursing positions (Table 1 below). The local and State unemployment rate was at a 16-year-low of 2.6 percent last year and is currently at 2.8 percent according to Business NH magazine, which indicates the economy is at full employment. Consequently, employers, including GH, are pursuing "passive" candidates for vacant positions. Passive candidates are employees who are not actively seeking employment. To be successful in recruiting passive candidates and to retain current nurses, GH must be competitive with the other health care facilities in the State in regards to compensation.

Adding to the vacancy rate concerns, nursing staff are increasingly eligible for retirement consistent with the State employee population. Recently, GH had 2 nurses retire and have another 7, or 23%, of our nurses who will be eligible to retire in the next 3 years.

Table 1 below illustrates the trend and the sharp increase in the vacancy rate at GH. GH has had 3 nurses transfer to other State Agencies.

Table 1: Glencliff Home Nurse Positions					
State Title	LG	Positions	July 1 st	July 1st	July 1st
			2016	2015	2014
Director of Nursing	34	1	0	0	0
Registered Nurse I-III	19-23	18	3	2	0
Licensed Practical Nurse I-II	21	8	2	0	0
Nursing Coordinator (shift)	27	3	2	0	0
Nurse Coordinator (training)	27	1	0	0	0
Totals		31	7	2	0
Vacancy Rate			22.60%	7.50%	0%

There are currently 7 nursing vacancies in the N130 pay scale at GH, as shown above. These vacancies have created an increase in use of Overtime (OT) for nursing staff. In the 3 months in which GH lost 4 nurses (2 retired, 1 State Agency, 1 Other Facility), the use of OT more than doubled. Of the remaining 3 vacancies, 2 have been vacant for a year, and 1 has been vacant for 4 months. This increase in use of OT is despite efforts such as increasing the use of Medication Nursing Assistants (MNAs). MNAs are licensed nursing assistants who have completed additional training allowing them to administer medications under the supervision on an RN. Knowing the nursing shortage was eminent; GH provided an in-house course to increase our number of MNAs from 8 to 12.

GH has had to mandate OT for the first time in years. The increased use of OT is expensive, and more troubling, it has the potential to negatively impact the quality of care provided by a group of dedicated nurses who already work in a stressful, demanding, and challenging environment. Additionally there is the concern of “burning out” nurses who can find better compensated employment.

Many factors contribute to GH not being able to effectively compete in the nursing labor market. First and foremost, State salaries are not competitive with area employers. Table 2 below shows the salaries in the local labor markets compared to the State salary schedule N130. GH is significantly low in compensation for Registered Nurses, especially any nurse with experience (13-16%). While, GH appears comparable in compensation for LPNs, LPNs are becoming scarcer as most Nursing Educational institutions are no longer offering LPN programs. Additionally to recruit “passive” LPN candidates, GH needs an increase to entice them to consider changing employment.

Not shown in the table is the fact that wages for nursing positions at GH are 15% below other State Agencies: Nurses at New Hampshire Hospital (NHH), Veteran’s Home, and Department of Corrections have received a 15% enhancement for the same reasons that GH is making this request. This requested enhancement for GH would bring equity to all DHHS institutional nurses. While NHH has had some success recruiting nurses, 7 hired in the first year since they received the enhancement, GH is expecting to have more success due to our location in the State, not being in the very competitive area of Concord.

Table 2			
Department of Employment Security			
New Hampshire Occupation Employment & Wages – 2016			
Versus GH Salaries			
	Entry	Mean	Experienced
Registered Nurse	RN I - Step 1	RN II - Step 4	RN III - Step 4
GH Wage	\$23.24	\$28.48	\$31.14
Laconia-Belmont	\$25.31	\$32.35	\$35.87
<i>Difference</i>	-8.9%	-13.6%	-15.2%
Plymouth Area	\$24.65	\$32.22	\$36.52
<i>Difference</i>	-6.1%	-13.1%	-17.3%
Dartmouth Hitchcock	\$24.63	\$30.79	\$36.94
<i>Difference</i>	-6.0%	-8.1%	-18.6%
State Wide	\$24.90	\$32.92	\$36.24
<i>Difference</i>	-7.1%	-15.6%	-16.4%
	Entry	Mean	Experienced
LPN	LPN I - Step 1	LPN II - Step 1	LPN II - Step 4
Stage Wage	\$20.65	\$22.35	\$25.23
Laconia-Belmont	\$21.08	\$23.09	\$24.11
<i>Difference</i>	-2.1%	-3.3%	+4.7%
State Wide	\$19.22	\$23.42	\$25.52
<i>Difference</i>	7.4%	-4.8%	-1.2%
<i>LPN wages not available for Plymouth Area</i>			

Growing demand for healthcare services from an aging population, coupled with an aging nursing workforce has created a significant nursing shortage not only in New Hampshire but across the United States. The American Association of Colleges of Nursing (AACN) notes that a combination of more people from the baby boomer generation living longer, the advancing age of registered nurses heading for retirement and fewer seats available in nursing school classrooms underlies the nursing shortage in the U.S. and that “employers must engage creative recruitment strategies to attract and maintain qualified nurses, particularly registered nurses, where job growth is expected to rise by 26% by 2020,” according to the U.S. Bureau of Labor Statistics. In New Hampshire the Economic and

Labor Market Information Bureau is projecting the growth rate of job openings to be 19% for RNs and 24% for LPNs, which will create even more competition between health care providers. When using Medicare's Nursing Home Compare site, there are 22 other Nursing Homes listed in the vicinity of GH as well as three hospitals, including Dartmouth Hitchcock Medical Center. Additionally, GH has to overcome the stigma related to being a facility that specializes in providing services to people with mental illness. While GH is a Centers for Medicare and Medicaid Services (CMS) certified nursing facility, we serve only individuals that have a mental illness or developmental disability as well as the medical need for long term care. GH only accepts applicants that have been rejected by at least two other nursing facilities. When it comes to recruitment, many nurses are hesitant due to the perceived difficulty of the related mental health behaviors.

GH will continue our urgent recruitment efforts, such as advertising in local and State wide newspapers, posting on the NH.gov website, placing advertisements in professional publications and websites, attending job fairs, and serving as a Plymouth State University nursing clinical site.

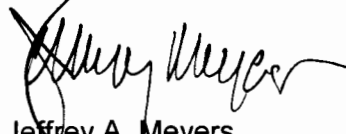
If this request is not approved, the shortage of nurses will lead to more vacancies as nurses retire and continue to take positions at other health care facilities due to higher wages. As positions take longer to fill and more positions become vacant, the increased workload on existing employees will have a detrimental effect on the quality of care as well as increase the likelihood of more staff turnover.

Respectfully submitted,



Katja S. Fox
Director

Approved by:



Jeffrey A. Meyers
Commissioner