



NEW HAMPSHIRE Hospital

19A

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January 7, 2016

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

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, authorize the Department of Health and Human Services (DHHS), New Hampshire Hospital (NHH) 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. This request is projected to increase funding by \$465,127 for the balance of five months of FY 16 and \$1,164,798.96 in FY 17. Funds are available due to vacancy savings in 05-00095-094-940010-8750-010. This enhancement would be effective upon Governor & Council approval through January 13, 2018 or period of 24 months from date of such approval, whichever is later.

EXPLANATION

The demand for acute psychiatric services provided by NHH continues to exceed the staff resources available. The acuity level of patients admitted continues to rise as they are required to wait in community hospital emergency departments for the specialized services NHH provides. NHH has had extreme difficulty recruiting nurses as can be seen by the current vacancy rates in nursing positions (Table 1 below). Through November 2014, 10% of nursing positions were vacant and one year later 30% are vacant. The problem is exacerbated by the fact that NHH is recruiting an additional twelve nurses to staff the new Inpatient Stabilization Unit authorized in the SFY16/17 biennium. NHH has the following positions requiring licensure as a registered nurse currently paid from the Institutional Nurse (N130) pay scale and the corresponding vacancy rate comparing last year to current.

State	NHH Registered Nurse Positions			
	LG	Authorized Positions	Vacant Nov 2015	Vacant Nov 2014
Nursing Director	34	1	0	0
Asst. Nurse Director	29	2	0	0
Registered Nurse I	19	13	2	5
Registered Nurse II	21	16	12	2
Registered Nurse III	23	50	13	1
Nurse Specialist	25	17	7	1
Nursing Coordinator	27	13	1	1
Nurse Practitioner	28	3	0	0
Lic. Practical Nurse	18	2	0	0
Totals		117	35	10
Vacancy Rate			29.9%	10.4%

Although construction of the ten bed Inpatient Stabilization is complete, it remains unopened because NHH has been unable to recruit and hire the twelve additional nursing staff authorized in the current budget cycle that are necessary to provide patient care. There are currently thirty five (35) nursing vacancies in the N130 pay scale at NHH as shown above. These vacancies have created a crisis in staffing that has made it necessary to require every NHH registered nurse to work a minimum of eight hours of mandatory overtime per two week pay period, in addition to the regular hours. This 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 dangerous environment. Despite efforts to recruit new nurses, only twenty five (25) were hired over the past two years. During that time, forty (40) nurses left their jobs at NHH.

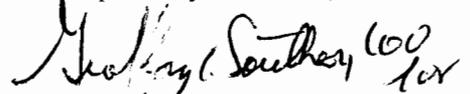
Growing demand for healthcare services from an aging population, coupled with an aging nursing workforce has created a significant nursing shortage not only in New Hampshire but across the United States. The American Association of Colleges of Nursing (AACN) notes that a combination of more people from 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 twenty six (26) percent by 2020, according to the U.S. Bureau of Labor Statistics". Schools of nursing have been unable to train enough new nurses to keep pace with the growing shortage due to a lack of adequate faculty, facilities and clinical placement sites. It is projected that there will be approximately seventy seven hundred (7,700) job openings for registered nurses in New Hampshire by 2020. Psychiatric nursing will not fare well during this crisis as it is a specialty that is generally not preferred and one that is often feared because of the stigma associated with mental illness. Psychiatric nursing attracts less than 10% of nurses because it requires specialized knowledge, sophisticated communication ability, complex problem solving skills and hazardous working conditions.

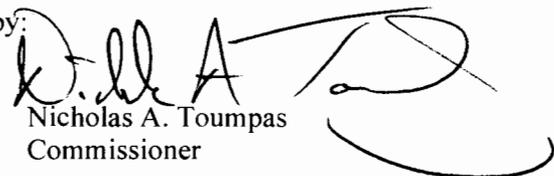
Registered nurses searching for jobs in southern New Hampshire today will find numerous opportunities. Other hospitals in the Concord area as well as statewide are offering basic compensation that is 10% - 17% higher for experienced nurses than the pay scale for institutional nurses afforded by the state classification system and some have hired nurse recruiters into full time positions. Hospitals are also offering sign-on bonuses and/or tuition assistance and student loan payments in an effort to fill and retain staffing. Such creative recruitment strategies are not available as enticements to work at NHH. As shown in Table 2 below, the state's salary schedule is not competitive with Concord and statewide hospitals. Recruitment for evening and night shifts are even more difficult to the higher shift differentials paid in other hospitals as well.

If this request is not approved, the shortage of nurses will lead to more vacancies as nurses continue to take positions at other hospitals because of compensation and personal safety. NHH will continue to not have the ability to open the ISU but it may also necessitate the reduction of existing beds in order to maintain safe nursing practices as well as the ability to keep patients safe while under NHH's care.

Table 2
 Department of Employment Security
 New Hampshire Occupation Employment & Wages – 2015
 Versus NHH Salaries

		May-15 Estimated Employment	Entry Level Wage	Median Wage	Experienced Wage
<u>Registered Nurse</u>	SIC 29-1141				
Concord		1,590	\$24.24	\$30.87	\$35.85
Statewide		12,390	\$24.41	\$31.31	\$36.21
State Wage	RN I		\$25.73		
Step 4	RN II			\$28.48	
	RN III				\$31.14
State vs Concord Market			105.4%	90.9%	83.2%
<u>Nurse Practitioner</u>	SIC 29-1171				
Concord		100	\$34.89	\$44.98	\$50.40
Statewide		750	\$38.27	\$47.75	\$54.47
State Wage			\$33.93	\$39.57	\$45.43
State vs Concord Market			95.3%	88.0%	90.1%

Respectfully submitted,

 Robert J MacLeod, DHA, FACHE
 Chief Executive Officer

Approved by:

 Nicholas A. Toumpas
 Commissioner

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01/07/2016 01:37 PM

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Subject RE: Enhancement

Thank you for submitting your justification letter and supporting wage documentation to support a 15% enhancement for the registered nurses at NH Hospital who are compensated on the Institutional Nurse (N130) pay scale.

Under Personnel Rule 904.01(a), an appointing authority may request a temporary increase in the compensation of a class by submitting a comparison of salaries in the appropriate industry and geographic location, including occupations which are comparable to the state classification for which the increase is sought.

I have reviewed the wage and compensation materials you submitted for positions in similar occupations, and find you have met the documentation requirements of the Personnel Rules. Therefore you may proceed to Governor and Council with your request for this temporary 15% enhancement for the registered nurses at NH Hospital who are compensated on the Institutional Nurse (N130) pay scale, for a period not to exceed 24 months.

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