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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
NEW HAMPSHIRE HOSPITAL

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October 26, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 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 renew 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 \$474,494 for the balance of five months in State Fiscal Year (SFY) 2018; \$1,188,183 in SFY 2019 and \$594,092 in SFY 2020. Funds are available in 05-00095-094-940010-8750-010 for SFY 2018/2019 as this enhancement was budgeted for the entire biennium. Funds are anticipated to be available in SFY 2020. This enhancement would be effective upon Governor & Council approval or January 14, 2018, whichever is later, through January 13, 2020 or period of 24 months from date of such approval, whichever is later. 34% general funds, 46% Other Funds, 20% Federal Funds

EXPLANATION

The demand for acute psychiatric services provided by New Hampshire Hospital (NHH) continues to exceed available staff resources. The acuity level of patients admitted to NHH has continued to rise due to a number of factors, which include long waiting periods in community hospital emergency departments, increasing medical co-morbidities related to an aging general population and increasing level of dangerousness related to co-morbid use of illegal substances. NHH has continued to have extreme difficulty recruiting Nurses and Nurse Practitioners - see Table 1. New Hampshire Hospital (NHH) has the following positions that require licensure as a registered nurse and those positions are being paid from the Institutional Nurse Pay Scale (N130). A 15 % enhancement to the Institutional Nurse (N130) pay scale was enacted in January of 2016 for New Hampshire Hospital nurses. It has proven to be an effective tool for addressing the nursing shortage, with the vacancy rate decreasing from 30% in October 2015 to 12% in September 2017.

Table 1

	NHH Registered Nurse Positions				
	State LG	Authorized Positions	Vacant Oct 2015	Vacant Sept 2016	Vacant Sept 2017
Nursing Director	34	1	0	0	1
Asst. Nurse Director	29	2	0	0	0
Registered Nurse I	19	13	2	2	3
Registered Nurse II	21	16	12	6	5
Registered Nurse III	23	50	13	3	1
Nurse Specialist	25	17	7	3	3
Nursing Coordinator	27	13	1	2	1
Nurse Practitioner	28	3	0	1	0
Lic. Practical Nurse	18	2	0	0	0
Totals		117	35	17	14
Vacancy Rate			30%	16%	12%

There are currently fourteen (14) Registered Nurse vacancies at New Hampshire Hospital. Eight of the fourteen vacancies are for second shift and two are for night shift positions, which are traditionally the most difficult to fill. The vacancies have created increased stress for Registered Nurses who must regularly work mandatory overtime – in addition to their regular hours. This is expensive, and more troubling, it negatively impacts the quality of care provided by a group of dedicated nurses who already work in a stressful, demanding and dangerous environment. The added stress related to working additional hours over a long period of time is taking its toll on the current workforce, whose average age is close to the national average of 50. Despite intensive efforts to recruit new nurses, NHH has been unable to fill all vacant nurse positions.

Nursing Shortage:

Growing demand for healthcare services from an aging population, coupled with an aging nursing workforce, has created a significant nursing shortage in New Hampshire and across the United States. The American Association of Colleges of Nursing (AACN) notes that the 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 retain qualified nurses, particularly registered nurses, where job growth is expected to rise by 26 percent by 2020, according to the U.S. Bureau of Labor Statistics.” Older nurses who put off early retirement during the recent economic recession are now nearing their seventies and are more than ready to retire from their demanding job environments. 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 continuing crisis, because 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 7% of nurses because it requires specialized knowledge, sophisticated communication ability, complex problem solving skills and tremendous self-confidence to work with people who are in crisis under stressful and hazardous conditions.

Competitive Market:

Registered nurses searching for jobs in southern New Hampshire today will find numerous opportunities. Other hospitals in the Concord area are offering basic compensation that is 10%-17% higher for experienced nurses than pay scales 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 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 is particularly difficult for evening and night shifts, due to the higher shift differentials paid in other hospitals, as well.

Table 2

New Hampshire Employment Security: New Hampshire Occupational Employment & Wages – 2016
 Greater Concord Area, June 2016. <https://www.nhes.nh.gov/elmi/products/documents/wages-conc.pdf>

	Entry Level Wage	Median Wage	Experienced Wage
Registered Nurses SIC 29-1141			
Concord Area	\$25.29	\$32.25	\$36.98
Statewide	\$24.90	\$32.07	\$36.04
State Wage RN I Step I	\$23.71		
RN II Step 4		\$29.05	
RN III Step 4			\$31.77
State Wage vs Concord Market	93.75%	90.0%	85.9%
Nurse Practitioners SIC 29-1171			
Concord Area	\$36.94	\$45.15	\$50.41
Statewide	\$41.46	\$52.35	\$56.83
State Wage Step I	\$34.61		
Step 4		\$39.39	
Step 8			\$47.27
State Wage vs Concord Market	93.6%	87.2%	93.77%

Should Governor and Council determine to deny this request, New Hampshire Hospital would be unable to adequately recruit and retain staff negatively impacting patient care.

Area served: NHH Acute Psychiatric Facility.

Source of funds: 34% general funds, 46% Other Funds (provider fees) and 20% Federal Funds made available under the Social Security Act, Section 1923, Payment for Inpatient Hospital Services Furnished by Disproportionate Share Hospitals.

In the event that federal funds become no longer available, additional general funds will not be requested to support this request.

Respectfully submitted



Lori A. Shibinette
Chief Executive Officer, NHH

Approved by



Jeffrey A. Meyers
Commissioner, DHHS