

State University of New York College at Buffalo - Buffalo State University

Digital Commons at Buffalo State

Juanita Hunter, RN & NYSNA Papers
[1973-1990]

Organizations and Individual Collections

1988

Nursing Shortage Lombardy Hearing; Series I; File 149

Juanita Hunter

Follow this and additional works at: <https://digitalcommons.buffalostate.edu/jhunter-papers>



Part of the [Health Law and Policy Commons](#), [History Commons](#), and the [Nursing Commons](#)

Recommended Citation

"Nursing Shortage Lombardy Hearing; Series I; File 149." Juanita Hunter, RN & NYSNA Papers [1973-1990]. Monroe Fordham Regional History Center, Archives & Special Collections Department, E. H. Butler Library, SUNY Buffalo State.

<https://digitalcommons.buffalostate.edu/jhunter-papers/210>

This Article is brought to you for free and open access by the Organizations and Individual Collections at Digital Commons at Buffalo State. It has been accepted for inclusion in Juanita Hunter, RN & NYSNA Papers [1973-1990] by an authorized administrator of Digital Commons at Buffalo State. For more information, please contact digitalcommons@buffalostate.edu.

#149 NURSING SHORTAGE LOMBARDY HEARING



TARKY LOMBARDI, JR.
49TH DISTRICT
CHAIRMAN
COMMITTEE ON HEALTH

THE SENATE
STATE OF NEW YORK
ALBANY
12247

JKH

MAR 23 1988

March 21, 1988

Dr. Juanita Hunter, Pres.
NYS Nurses Association
2113 Western Ave.
Guilderland, NY 12084

Dear Juanita:

Thank you for your participation at our March 16 workshop on the nursing shortage in New York State. We were especially impressed with the great array of talent gathered at this workshop and feel that the time spent was most worthwhile.

This was a particularly informative session which provided a great base of information on the causes of the shortage and recommendations to alleviate it.

The seriousness of this problem requires commitment at all levels and it is important that we all work together to develop solutions. We would like to keep in contact with you and think that your idea of forming regional groups to get together periodically is great.

We have enclosed a copy of the names and addresses of the workshop participants for your use.

We sincerely appreciate your contributions at the workshop and welcome any additional thoughts or information you may have.

Kindest personal regards.

Sincerely,

Tarky Lombardi, Jr.
Chairman
Health Committee

Kenneth P. LaValle
Chairman
Higher Education Committee

rh
Enclosure

#149 NURSING SHORTAGE LOMBARDY HEARING

PARTICIPANT LIST
NURSING SHORTAGE DISCUSSION WORKSHOP
MARCH 16, 1988
ROOM 711A, LEGISLATIVE OFFICE BUILDING

Grace Chickadonz, Dean
College of Nursing
Syracuse University
426 Ostern Ave.
Syracuse, NY 13244-3240

Jerold Cohen, R.N.
Director, Patient Services
Brookhaven Memorial Hospital
Medical Ctr. Home Health Agency
4 Phyllis Dr.
Patchogue, NY 11772

Ann Senisi, Coordinator
Nursing Health Occupations
Nassau Tech.
1196 Prospect St.
Westbury, NY 11590

Mary J. Brown
N.Y.S. Veteran's Home
Oxford, NY 13830

Dr. Juanita Hunter, Pres.
NYS Nurses Association
2113 Western Ave.
Guilderland, NY 12084

Jacqueline Rose Hott, Ph.D., R.N.
Dean, School of Nursing
Adelphi University
Garden City, NY 11530

Dr. Lenora McClean, Director
School of Nursing
SUNY Stony Brook --
Health Sciences Center
Stony Brook, NY 11794

Yvonne Conrad
Assistant Administrator
St. John's Episcopal Hospital
Route 25A
Smithtown, NY 11787

Wendy Lefkowich
Senior Director of
Continuing Health Care Ser.
Hospital Association of NYS
74 North Pearl St.
Albany, NY 12207

Ann Maxwell
Assistant Dir. of Professional
and Regulatory Services
Hospital Association of NY
74 North Pearl St.
Albany, NY 12207

Sandra Scudder, R.N.
Director, School of Nursing
Albany Medical Center
New Scotland Ave.
Albany, NY 12208

Alison Van Putte
Interim Associate Dean for
Nursing Practice
University of Rochester
601 Elmwood Ave.
Rochester, NY 14642

#149 NURSING SHORTAGE LOMBARDY HEARING

Dr. Elizabeth Mahoney, Chair
Department of Nursing
Russell Sage College
45 Ferry St.
Troy, NY 12180

Lorna McBarnette
Executive Deputy Commissioner
NYS Dept. of Health
Corning Tower
Empire State Plaza
Albany, NY 12237

Jean Moore, Director
Health Services Corp.
NYS Dept. of Health
Corning Tower
Empire State Plaza
Albany, NY 12237

Vida Behn
Associate Health Planner
NYS Dept. of Health
Corning Tower
Empire State Plaza
Albany, NY 12237

Dr. Milene Meigel
Executive Secretary of Nursing
State Education Department
Washington Ave.
Albany, NY 12234

Thomas Sheldon
Assistant Commissioner of
the Professions
State Education Department
Washington Ave.
Albany, NY 12234

Frances Wood, Director
Patient Care Services
NYS Health Facilities Assoc.
Suite 700
111 Washington Ave.
Albany, NY 12210-2213

Robert J. Murphy, Director
Governmental Affairs
NYS Health Facilities Assoc.
Suite 700
111 Washington Ave.
Albany, NY 12210-2213

Jean Pagsdale
Medical Personnel Pool
1735 Central Ave.
P.O. Box 13026
Albany, NY 12212

Robert Pagsdale, Director
State Relations
American Ped Cross
Hackett Blvd.
Albany, NY 12208

Gail Rosette, Supervisor
Nursing Education
State Education Department
Washington Ave.
Albany, NY 12234

Margaret Music, R.N.
Nursing Recruitment Office
Albany Medical Center
42 New Scotland Ave.
Albany, NY 12207

Terry Failing
Employment Services Manager IV
NYS Dept. of Labor
State Campus
Building 12, Room 266
Albany, NY 12240

Dr. Carol A. Brooks
Vice President for Nursing
L.I. Jewish Medical Center
Nursing Office
Lakeville Rd.
New Hyde Park, NY 11042

Pita Fogel
Assistant Administrator for
Nursing - Nursing Education
L.I. Jewish Medical Center
Lakeville Rd.
New Hyde Park, NY 11042

William Grattan, M.D.
Commissioner
Albany County Health Department
South Ferry and Green Streets
Albany, NY 12201

Patricia Anvaripour, R.N., C.N.A.A.
Planning Associate in Nursing
Mt. Sinai Hospital
One Gustave Levy Place
New York, NY 10029

Janet Mance, M.N., R.N.
Director of Legislative Program
NYS Nurses Association
2113 Western Ave.
Guilderland, NY 12084

#149 NURSING SHORTAGE LOMBARDI HEARING



TARKY LOMBARDI JR.
49TH DISTRICT
CHAIRMAN
COMMITTEE ON HEALTH

1ST FL.
Rm 129
2 PM

THE SENATE
STATE OF NEW YORK
ALBANY
12247

AGENDA NURSING SHORTAGE DISCUSSION WORKSHOP

11:00 A.M. - May 10, 1988
Room 711A, Legislative Office Building
Albany, New York

Introductions and Welcome

Summary of the New York State Labor-Health Industry Task Force on Health Personnel Report

Lorna McBarnette
Deputy Commissioner of the State Health Department

"New York State Legislature's Nurse of Distinction Award"

Sen. Tarky Lombardi, Jr.

Open Discussion

Workshop Participants

2:00 P.M. - Press Conference

Legislative Members
Workshop Participants

#149 NURSING
SHORTAGE LOMBARDY
HEARING

**The Nursing Shortage
and Salary Differences Across the State**

Senate Committee on Health
Senator Tarky Lombardi, Jr., Chairman

March 1988

Analyst: Robin B. Frank

INTRODUCTION

One of the most critical issues facing the health care delivery system is the availability of personnel in our hospitals, nursing homes and home health agencies. The manpower crisis is so severe that the entire health care system is struggling to recruit and retain sufficient staff needed to provide quality care. But rather than risk jeopardizing that care, some providers faced with a critical staff shortage have reduced services, delayed admissions or closed units.

The focus of this paper is the nursing shortage, with particular emphasis on salary trends across the State in hospitals, nursing homes and home health agencies. The effect of these trends on the nursing shortage, the efforts of providers to cope with this crisis and the sensitivity of our payment system to adjust will also be examined to the extent possible.

BACKGROUND

The reasons for the nursing shortage are varied and complex, and include, but are not limited to, the following factors:

- New career opportunities for women;
- Decreased enrollments in nursing schools;
- Changing demographics which affect both the potential supply of and demand for nurses; as well as
- Financial compensation.

These factors have been noted extensively by numerous sources, including the preliminary report to the Commissioner of Health from

#149 NURSING SHORTAGE LOMBARDY HEARING

2

the New York State Labor-Health Industry Task Force on Health Personnel. This report also indicated that the Task Force conducted a survey of health facilities in the State. "Forty-three percent of 1,327 facilities in the state responded to the survey...A total of 4,800 registered nurse positions were reported unfilled by hospitals, nursing homes and home health care agencies...Nursing homes reported high vacancy rates for licensed practical nurses. Over 900 vacancies were reported in hospitals and nursing homes."

In testimony submitted in May 1987 by Gordon M. Ambach, then Commissioner of Education, at a legislative hearing on nursing issues, he reported that the U.S. Department of Health and Human Services was projecting that by 1990 New York State would have an oversupply of 18,580 nurses. He further stated, however, that a shortage of 32,210 baccalaureate and higher degree RNs was anticipated, and that nationally 965,000 such nurses would be needed by the year 2000 with a projected supply of only 500,000.

Ironically, a shortage of nurses exists "while the hospital bed supply in New York State declined 27 percent from 1975 to 1985, and the number of RNs rose 28 percent...the number of RNs for each 1,000 occupied beds increased from 428 to 742 during the same period, an increase of 58 percent." Nationally, there are about 2.1 million licensed RNs and the number of employed nurses increased 55 percent from 1977 to 1984.

From all reports, however, and despite overall increases in the number of nurses, demand within hospitals as well as within long term care and community-based settings seems to be exceeding supply. The likelihood of a widening gap between supply and demand seems

3

probable as anticipated growth occurs in the elderly population while the potential resource from which to attract new nurses declines.

NURSING SALARIES

Serious concerns have been expressed about the impact of the nursing shortage on recruitment and retention, and the associated stress it places on both staff and patients. While the compensation package traditionally provided to nurses has long been viewed by many as insufficient commensurate with their responsibility, the magnitude of reported salary and benefit increases over the past year has alarmed health care providers who indicate that reimbursement has generally not kept pace with these increased labor costs.

Providers have indicated that starting salaries, in many cases, have dramatically increased. Attempts to address the problems associated with "salary compression," which has long plagued the nursing community, have also been reported. The following examples, excerpted from testimony presented at May 1987 legislative hearing on nursing issues, demonstrates this problem and the inequities which can arise between a new nurse, a more experienced bedside nurse and one with coordinating responsibilities.

A new graduate, let's call him John, applies to and is accepted by one of our institutions. His beginning salary is \$30,400 calculated as follows:

\$ 27,000	base salary
3,000	shift differential
400	education differential
\$ 30,400	

In addition, he is eligible to earn overtime...

John's colleague, Ann...has been employed in the institution for five years and is considered an

#149 NURSING SHORTAGE LOMBARDY HEARING

extremely competent practitioner...she is helping John gain the necessary experience to improve his skills. Ann, the more experienced practitioner, is making \$31,000 or \$600 more. Ann, too can earn overtime.

The Clinical Coordinator on John's and Ann's unit is Margaret. Because the institution follows a decentralized model, Margaret is responsible for budget preparation and control; staffing schedules; selection, development, and evaluation of staff; and for the overall quality of care provided to patients on her unit...She has a Master's Degree and...earns \$33,000. She is not eligible to earn overtime.

In the New York City area, some providers are pointing to the recent Lenox Hill settlement in which greater financial recognition was given to experienced nurses. Another economic issue of the Lenox Hill settlement included minimum starting salaries.

Recent increases for State-employed nurses, which emphasized geographic and shift differentials, now provide a more competitive financial package but may also have placed pressure on other health care providers to make similar adjustments. Several providers have stated that salaries offered to certain State-employed RNs are among the most competitive.

Increased prices, due to inflation, are accounted for in the Medicaid rate through application of the trend factor, a major component of which is labor. The labor component of the trend factor accounts for changes in salaries and benefits but has recently been criticized because of its apparent lack of sensitivity to the higher labor costs now being experienced by health care providers. This may be because the labor component is non-industry specific.

The salary information that follows illustrates some of the difficulties described above. Benefit packages such as child care and

housing were generally reported to be highly variable, and are not included below.

Hospitals

In a consolidated effort, the Central New York, Rochester Region and Western New York Hospital Associations conducted RN salary surveys during the period October 1986 through August 1987. The results indicate that over this ten-month period, RN hourly wages increased by an average of 6.3 percent (Central New York), 5.8 percent (Rochester Region) and 4.7 percent (Western New York). The following presents the hourly wages as of August 1987.

	<u>Minimum Range</u>	<u>Maximum Range (hourly)</u>	<u>Mean Rate</u>
Central Average	\$ 8.46	\$10.95	\$ 9.84
Rochester Average	8.69	11.34	9.90
Western Average	8.93	10.97	10.08
Combined Average	8.70	11.06	9.95

Discussions with one Capital District hospital indicated that its base salaries for new RNs increased from \$8 per hour in November 1986 to \$10.02 in October 1987. This represents an increase of 25 percent.

The Northern Metropolitan Hospital Association reported general salary ranges and indicated that wages for nursing personnel varied somewhat because of the heterogeneous nature of its region. Entry level salaries ranged from \$22,000 in the northern part of the region (e.g., Ulster County) to \$26,000 in the southern part of the region (e.g. Westchester County).

The Nassau-Suffolk Hospital Council surveyed 19 hospitals and found that RN starting salaries, after probation, ranged from \$25,174 to \$31,432. With five years experience, RNs in this region could

#149 NURSING SHORTAGE LOMBARDY HEARING

6

currently expect to earn \$28,000-\$35,985. Lower salaries were reported to be at community hospitals. See Appendix A for more detailed information.

Discussions with three hospitals in the New York City region revealed starting salaries for staff nurses with no experience of \$25,386 to \$27,840. Another institution reported a starting salary of \$28,300 (for a new, baccalaureate prepared RN) with potential growth to \$34,000 (after about six years). This particular institution also indicated that it was not experiencing the degree of difficulty in recruitment and retention as most hospitals.

In discussions with some hospitals and associations, difficulty with salaries for experienced nurses was cited as a major problem.

Both the Hospital Association of New York State and the Greater New York Hospital Association are currently conducting a thorough analysis of the nursing shortage which is expected to be completed in the near future. The results of these efforts should provide extensive information of the effects of the nursing shortage on hospitals in New York State.

Nursing Homes

The New York Association of Homes and Services for the Aging (NYAHSAs), which represents voluntary and public nursing homes, indicated that average starting salaries for RNs were \$20,000-\$21,000 upstate and \$25,000-\$26,000 downstate and increases of about 10 percent plus bonuses were being reported.

A labor affordability analysis was also conducted by NYAHSAs. The analysis compared trended costs from base year 1983 to 1986 dollars per hour for RNs, LPNs and aides/orderlies, and was based

7

on data from a nonrandom, nonstratified sample of voluntary, proprietary and public nursing homes. Based on this information, the average 1986 statewide price of nursing labor was about 3.7 percent above the price reimbursed. The Association indicated that analysis of 1987 data may demonstrate a larger gap.

The New York State Health Facilities Association, which represents proprietary nursing homes, conducted a nursing wage analysis from 1983 to 1988. Over 100 facilities responded to the survey. Results were segregated by HSA regions and, in general, indicated the following:

- In all but one HSA region, average wages for RNs and LPNs were in excess of the average hourly Medicaid reimbursement.
- In some regions, average Medicaid reimbursement for aides and orderlies exceeded average wages. In other regions, facilities averaged a loss.

More detailed information is provided in Appendix B.

Home Health Care

In early 1987, the Home Care Association (HCA) of New York State conducted a salary survey for caregiving staff, not supervisory or management. A correlation was found to exist between salaries and area population. HCA also indicated that salary variations due to agency size, type or auspice were found to be insignificant. Salaries varied tremendously across the State and, as might be expected, were generally higher in counties with a population of more than 500,000. More detailed information is provided in Appendix C.

In its Ad Hoc Task Force Report on the Human Resource Shortage, HCA indicated that Medicaid rates have prohibited home care agencies from offering competitive salaries for nursing staff. As

#149 NURSING SHORTAGE LOMBARDY HEARING

8

a result, home care agencies are also experiencing difficulty attracting nurses.

CONCLUSIONS

The available data shows that many providers are incurring labor costs beyond that recognized by the labor component of the trend factor. It also indicates that a great deal of money is flowing to new RNs and a major salary problem seems evident for more experienced nurses wanting to maintain bedside responsibilities.

At the same time, the State has recognized the need for certain salary adjustments for State-employed RNs which are reported, in some instances, to be among the most competitive available. This places pressure on other health care providers to make adjustments which may, in many cases, be in excess of the amount reimbursed through Medicaid.

What this data does not show is the sense of urgency and intense competition many have reported. This was expressed by the Greater New York Hospital Association, as follows, in its testimony at a legislative hearing on nursing issues in May 1987.

We have many quick fixes in place and I'm not convinced that will long-term answer all our questions. In some cases, we have the Wild, Wild West going on. We pay bounties to recruit nurses from one hospital to another; we provide a staff nurse with a certain amount of money if he or she can draw another nurse from another institution, another country, another place. We do a lot of foreign recruitment...we advertise constantly...and we have flexible scheduling times. We provide child care if and when we can, and we tout our proximity to cultural institutions. All of these are probably not long term solutions to the problem. As many have said before, there are several longer term solutions that need to be addressed and,

9

as a representative of the hospital profession, I could not leave...without discussing the reimbursement issue...as to the importance of compensating properly for the costs accrued when we recruit and retain adequately prepared nurses.

#149 NURSING SHORTAGE LOMBARDY HEARING

NOTES

Preliminary Report of the New York State Labor-Health Industry Task Force on Health Personnel, Report to the Commissioner of Health, January 1988.

Legislative Hearing on Nursing Issues, Testimony of David Axeirod, M.D., Commissioner of Health, May 1987.

New England Journal of Medicine, "The Nurse Shortage: Myth or Reality?" Volume 317, No. 10, September 3, 1987.

Legislative Hearing on Nursing Issues, Testimony of Elizabeth Somers, Greater New York Hospital Association, May 1987.

APPENDIX A Hospitals - Nassau/Suffolk

RN SALARIES

<u>HOSPITAL</u>	<u>JOB RATE</u>	<u>HIGH RANGE</u>
A	\$ 31,432	\$ 34,574
B	28,500	32,000
C	29,199	34,442
D	27,743	30,773
E	25,174-27,475	29,815
F	30,566	
G	26,730	35,985
H	30,244	31,999
I	29,599	31,231
J	25,500	28,000
K	29,430	34,000
L	28,080	
M	27,500	32,500
N	26,871	33,968
O	28,439	30,139
P	30,000	
Q	27,838	29,663
R	27,000	28,500
S	28,333	30,712

Source: Nassau-Suffolk Hospital Council, Inc.

#149 NURSING SHORTAGE LOMBARDY HEARING

APPENDIX B Residential Health Care Facilities - Proprietary

Medicaid Gain/Loss

	RNs	LPNs	A & O*
	(percent)		
Western New York	- 7.0	- 3.7	+ 7.4
Fingerlakes	- 8.5	- 5.4	+ 6.7
Central New York	- 3.8	- 4.7	+ 3.7
NY Penn	-16.4	- 4.0	- 3.7
Northeastern	- 8.5	- 8.0	- 1.4
Hudson Valley	-11.0	- 9.8	+ 1.1
New York City	+ 3.4	+ 9.9	+10.7
Nassau/Suffolk	-14.3	- 4.1	+ 2.5

Average Starting Salaries

	RNs	LPNs	A & O*
	(hourly)		
Western New York	\$ 8.54	\$ 6.26	\$ 4.14
Fingerlakes	8.97	7.13	4.42
Central New York	8.41	6.19	4.38
NY Penn	8.81	6.90	4.92
Northeastern	8.94	6.84	4.85
Hudson Valley	11.92	9.02	6.14
New York City	14.19	11.10	10.98
Nassau/Suffolk	14.25	10.50	8.28

* Aides and orderlies

Source: New York State Health Facilities Association, Nursing Wage Analysis, January 1988.

APPENDIX C

SALARIES OF NURSES EMPLOYED BY HOME CARE AGENCIES IN NEW YORK STATE BY POPULATION OF AGENCY SERVICE AREA

ANNUAL SALARIES

Position	No. of Agencies	Low end Low	Low end Mean	High end High	High end Mean
Nurse: Master's					
Entire State	39	14,000	23,938	37,000	26,373
Less than 100,000	8	16,693	19,755	29,400	20,439
100,000 - 500,000	16	14,000	22,933	32,000	25,372
More than 500,000	21	20,738	26,009	37,000	29,102
Nurse: Bachelor's					
Entire State	86	10,000	21,230	36,000	24,538
Less than 100,000	25	10,000	17,255	34,373	19,880
100,000 - 500,000	27	14,000	20,424	30,000	23,916
More than 500,000	34	16,900	24,794	36,000	28,315
Nurse: Associate's					
Entire State	60	11,485	19,576	31,534	22,527
Less than 100,000	24	12,430	16,591	28,500	18,468
100,000 - 500,000	15	11,485	18,317	30,216	22,478
More than 500,000	21	15,500	23,888	31,534	27,024
Nurse: Diploma					
Entire State	65	11,485	20,454	33,500	23,356
Less than 100,000	20	12,435	16,857	28,500	18,571
100,000 - 500,000	19	11,485	18,890	30,000	22,877
More than 500,000	26	14,560	24,363	33,500	27,185
Nurse: LPN					
Entire State	19	8,463	16,004	25,250	18,277
Less than 100,000	3	8,463	10,979	14,342	12,501
100,000 - 500,000	9	11,592	14,601	17,433	20,709
More than 500,000	7	14,957	19,962	25,250	21,716

Source: Home Care Association of New York State, Salary Survey, 1987.