Allied Health Care Workforce Shortages in California

An Issue Summary

March 2011

The recession and lagging economic recovery have impacted employers and jobs in almost every industry segment. Many job reports focus on the health care sector as one industry that is adding jobs. At the same time, many news stories show a conflicting picture of workforce reductions within hospitals.

While the number of jobs across a broad cross-section of the U.S. health care industry may be increasing, job recovery in California’s hospitals is still lagging. A multitude of factors, including a growing and aging population, changing payer mix, reductions in the number of patients and elective procedures due to the recession, and significant payment shortfalls by both the Medicare and Medi-Cal programs, are resulting in the need for California hospitals to reduce their workforce in the near term. Workforce makes up more than 50 percent of total hospital costs.

The Workforce Shortage — A Long-Term Perspective

Despite the current economic challenges facing California’s hospitals, health care will be an economic engine for California in the future. However, this road to recovery has many challenges, including severe workforce shortages. Here’s a look at the reasons why.

- California’s population is expected to increase by 5 million people by the end of this decade.
- California’s population, and its health care workers, are aging and retiring. By the year 2020, 6 million people are projected to be 65 years of age or older.
- The “aging” of our population will result in an increased demand for health care services.
- Health care workers are also aging and retiring. As these trained workers retire or otherwise leave the field, it is estimated that California will need to educate nearly 1 million more allied health workers by 2030.
- Health care reform, when fully implemented, is expected to cover more than 2 million more Californians. This newly insured population will also increase the need for services.

When all of these factors are combined, California’s community hospitals are facing a perfect storm as they try to attract, train and retain an adequate supply of health care workers to meet the health care needs of California in the future.

**Top Health Workforce Needs**

During the past decade, shortages of primary-care physicians and nurses have been widely documented. California’s severe nurse shortage has led to initiatives that have helped reduce the shortages, yet California continues to rank 49th in the nation in terms of the number of RNs per capita – 585 registered nurses (RN) per 100,000 population as compared to the national average of 798 RNs per 100,000 population. While the nursing shortage in California will continue for the foreseeable future, another less publicized shortage of non-nursing allied health professionals is also threatening access to care.

It is anticipated that the fastest growing area of health care employment will be in the allied health workforce, with a projected 63 percent increase between 2010 and 2030. Allied health professionals include clinical laboratory scientists (CLSs), respiratory therapists, physical therapists, radiological technologists, pharmacy technicians and a host of diagnostic imaging professionals, including ultrasound and MRI technologists. Although pharmacists are not considered allied health professionals, the severe shortage of these professionals has a significant impact on hospital efficiencies and access to care.

**Clinical Laboratory Scientist**

According to a recent report released by the California Hospital Association’s (CHA) Healthcare Workforce Coalition, the greatest area of concern within the allied health workforce is the looming shortage of CLSs. These skilled workers are an integral part of the patient-care delivery team, conducting a wide range of diagnostic tests, from simple blood tests to genetic testing. Delays in diagnosis and treatment caused by the CLS shortage have the potential to limit access to care by increasing emergency room wait times and hospital lengths of stay, in addition to delaying surgeries and other procedures.

A survey of California hospitals conducted between January and May 2010, and analyzed by researchers at the University of California San Francisco Center for the Health Professions, shows that 844 CLSs (30 percent of the CLS positions reported in the survey) will be eligible for retirement by 2015. Yet the state only graduates approximately 125 CLS students per year. And these numbers do not include non-hospital worksites where CLSs also are employed (e.g., public health departments, outpatient laboratories, etc.).

**Pharmacists**

Overall, pharmacist vacancies are seen as having the greatest overall adverse impact on hospital efficiencies and access to patient care. Thanks to the miracles of modern drugs, today’s pharmacists play a vital role in helping patients live longer and healthier lives. Yet, as the CHA report shows, the number of pharmacists expected to retire within the next five years ranks third among all of the hospital workforce occupations, behind only CLSs and respiratory therapists.
**Physical Therapists**

Although physical therapists make up a relatively smaller component of the hospital workforce, this profession has the overall highest vacancy rate. This is concerning because beginning in 2015, physical therapists will be required to attain a doctorate degree (DPT) in order to obtain licensure in California. This could exacerbate the shortage because it will take students longer to complete the program.

**Training California’s Future Health Care Workforce**

Hospitals are critical partners in developing a solid health workforce. Hospitals statewide have been doing their part to increase the number of trained nurses, physicians and allied health professionals by investing millions of dollars in scholarships and loan repayment programs, providing adjunct faculty, and supporting mentors and preceptors for clinical training. Even the most financially stressed rural hospitals have contributed both financial and in-kind support to help develop the health workforce needed to serve their communities. As gaps in funding for education grow more severe, however, hospitals will not be able to continue increasing their contributions to fill these shortfalls.

**Recommendation**

Funding for health science education in California’s community colleges and universities is inadequate and results in limited capacity for training health professionals. It is widely known that California’s unprecedented budget crisis is forcing policymakers to make difficult decisions regarding funding for programs and services in the state. Even in this difficult environment, however, funding for California community colleges and public universities must be protected. These institutions provide the bulk of accredited educational programs for health professionals. Most of these programs require a low student-to-faculty ratio and a hands-on, clinical training component. As a result, these programs are more costly to operate, thus leaving them vulnerable to budget cuts. Once allied health programs are shuttered, they are very difficult and expensive to revive. Long-term planning requires budget cuts to be prioritized in a way that will not cripple California’s ability to educate allied health workers.

Additionally, new and innovative educational models must be developed and implemented if we are to address the statewide need for these important health care workers.

For a more detailed and complete set of recommendations, please reference the full report of key findings from the *CHA Allied Health Workforce Survey* at www.calhospital.org/critical-roles.