Leading Healthcare

Protecting Michigan's Healthcare System and Access to Patient Care

Opposition to Mandated Nurse Staffing Ratio Legislation

Healthcare organizations are focused on addressing staffing challenges and implementing nurse staffing models that provide the best care for their patients and communities. Senate Bills 334–336 and House Bills 4550–4552 propose registered nurse (RN) staffing requirements that do not solve existing staffing shortages and restrict important access to healthcare services for Michigan patients.

Instituting a one-size-fits-all mandate negates the ability of a hospital to use diverse, flexible care teams to meet the acuity needs of their patients and communities. Instead, it creates the untenable situation of harming hospitals for accepting patients who need care if the hospital is already at the legislatively mandated ratio. Hospitals unable to risk punitive fines will place their emergency departments on diversion, creating delays by transporting patients a greater distance to receive care at other facilities.

The legislation requires hospitals to find RNs from a limited talent pool to meet the statutorily implemented and fixed ratios. The nurse shortage is largely driven by the aging workforce, as the baby boom generation continues to enter retirement, much like many other sectors of the Michigan economy. According to the Michigan Annual Survey Data Examining the Supply of and Demand for Nurses, 32.3% of licensed RNs in Michigan are 55 years of age or older. Nationally, the country has a shortage of 1.1 million nurses, with the Bureau of Labor Statistics projecting about 200,000 additional RNs are needed from 2022 to 2032. Michigan needs more nurses because the population is aging significantly, with inadequate growth in the labor market. According to the Citizens Research Council of Michigan, Michigan's working age population of 18- to 64-year-olds will decline through 2030, while the 65 and older population grows 30%. Just as the younger workforce, including nurses is declining, Michigan faces an increasing the need for healthcare workers to care for the aging population.

Throughout Michigan, hospitals have adopted nationally accepted staffing ratios, designed by nursing organizations, and based on safety and patient acuity levels. Mandated statewide staffing directives will result in limiting the services hospitals can offer to their communities when a ratio is unmet. If a hospital cannot staff a care unit in the hospital, that unit could close. This means delaying patient care because limited beds are available. It also means hindering a hospital's ability to respond to a crisis in the way that ensures best patient outcomes for fear of violating Michigan law. The staffing ratio legislation has the potential to close 5,100 Michigan hospitals beds, 23% of the statewide hospital capacity, to reach compliance with the proposed staffing ratios.

Mandatory nurse staffing ratios aren't a concern for hospitals alone. These ratios create a dangerous ripple effect to the access to all types of healthcare. Other healthcare providers will face an even more challenging task of hiring nurses. The RN talent pool is finite; nursing homes, rehabilitation facilities, physician practices and other healthcare settings will all feel new pressure as hospitals push to recruit and hire every available RN in the state. Each of these

healthcare providers face difficulty hiring RNs today; hospitals will have no choice but to hire RNs from other healthcare sectors to maintain bed capacity.

The Michigan Health & Hospital Association (MHA), in collaboration with the undersigned groups, oppose the legislation listed above. Enacting punitive penalties on hospitals does not solve the workforce crisis. To ensure hospitals and health systems can continue delivering high quality care, the Michigan Legislature could enact these solutions to solve nurse staffing shortages:

- Bring Michigan into the national Nurse Licensure Compact to reduce barriers for out-of-state nurses to move to and practice in Michigan immediately.
- Increasing eligibility for Michigan Reconnect by lowering the age requirement to 18 and older.
- Funding innovative approaches to workplace violence prevention in healthcare settings to complement the passage of House Bills <u>4520</u> and <u>4521</u> that increase penalties for violence committed against healthcare workers.

Michigan hospitals, health systems and other providers continue to implement measures to support healthcare workers and address staffing shortages These include increased compensation, expanded partnerships with post-secondary education institutions, providing emotional well-being support, modernizing scope of practice rules and creating recruitment public awareness campaigns. The Michigan Legislature plays a vital role in this work, particularly in the appropriation of funding in recent years towards the recruitment, retention and training of healthcare workers.

All healthcare providers take concerns of their nurses extremely seriously. However, government-mandated staffing ratios are not a proven solution to staffing shortages, nor are they shown to improve quality of care. Mandating staffing ratios is not practical when Michigan currently does not have enough nurses to fill the 8,438 open positions in hospitals alone. Hospitals will need to hire more than 13,000 nurses if this legislation becomes law. Additionally, data collected from hospitals shows that implementing the strict ratios as proposed could drive up healthcare costs by more than \$1 billion, putting an even greater burden on employers and impacting economic development.

Legislatively-mandated nurse staffing ratios implemented in California more than two decades ago demonstrate this is not an effective solution to staffing shortages. According to <u>data</u> from the Bureau of Labor Statistics, Michigan has a greater number of nurses per capita today than California. Despite having staffing ratios, California continues to have a <u>shortage of 40,000 RNs</u>, demonstrating they are suffering from the same problem as all other states in the country and the presence of legislatively mandated staffing ratios has done little to improve the size of the workforce. Meanwhile, Michigan outperforms California in hospital quality, as Michigan has both a higher percentage of 4- and 5-star hospitals than California (49% to 35.3%) and a lower percentage of 1- and 2-star hospitals (18.4% to 38.7%), according to <u>CMS Care Compare Hospital Overall Star Ratings</u>.

Every day chief nursing officers and other nurses make nurse staffing decisions based on the decades of expertise and training and on the safety and acuity levels of their patients. Flexibility in staffing models allow hospitals to react to sudden changes in how sick patients are, increasing demand of patients in the emergency department and sudden workforce needs, such as illness or bereavement. Instituting this legislation would remove professional expertise and agility from staffing decisions. It instead places providers in a difficult predicament of

determining the risk of violating ratio to care for more patients arriving at a facility or satisfying ratio and going on diversion, sending patients in need of care to neighboring facilities, without any promise of whether that facility has the appropriate number of RNs to care for them. Overall, the time it takes for patients to receive care will increase significantly and these types of difficult decisions will happen often if mandated staffing ratios are implemented.

Thank you for your consideration of this request. The MHA and our coalition partners will assist in every appropriate way to implement solutions to Michigan's healthcare workforce shortage.

Please contact Adam Carlson at the MHA (<u>acarlson@mha.org</u>) if you have any questions about this issue.



































