

"This issue focuses on nurses who work in hospitals"

This issue completes one cycle of *Nursing Counts*. The first issue focused on nursing homes; the second issue on ambulatory/home health care and this issue focuses on the nurses who work in acute care hospitals. With all of the talk of the nurses moving into the "community," most nurses (60% in 1996 [Moses, 1997]) work in hospitals. One frequently asked question is: Are there enough nurses in hospitals? There are two reasons often identified that there may not be enough nurses in hospitals. First, hospitals may have laid off RNs, or at least not replaced those who have resigned, as a result of downsizing or restructuring. Second, a more recent concern is whether there are enough RNs in the marketplace that are willing or able to work in a hospital setting. This second reason leads to additional questions. Is there another nursing shortage? Does the supply of nurses meet the demand? And is the cycle of shortage/surplus moving toward a shortage?



One of the difficulties in understanding the nursing workforce is the lack of available current data. Another is the way data are collected. For example, in many cases the category "hospital" nurses includes those who work in the outpatient department as well as those who work in acute care units. Thus, a hospital with a large outpatient department may have a very different RN count than a hospital with a small outpatient department. In addition, many hospitals use per diem nurses. Data on these nurses are difficult to obtain. When my students ask how many RNs work in New York City hospitals in 1999, I do not have a good answer—perhaps 34,000. Is that enough? Do hospitals want to hire more?

Aside from surveying hospitals, there are two approaches to estimating if we are entering another shortage period. First, in a shortage hospitals use signing bonuses, when a hospital pays a nurse a flat fee—often about \$5,000—for agreeing to work at the hospital for at least a certain time period. A second gauge is the number of classified ads measured by column-inches in local newspapers. I hear more often that hospitals in specific geographic areas, such as Washington, DC, are offering a signing bonus for RNs with certain categories of hospital experience. I consistently read the *New York Times* and see that inches of advertising for RNs has increased dramatically. I keep watching and so should you.

Christine Kovner, Editor

Moses, E. (September, 1997). The Registered Nurse Population, March 1996, Findings from the National Sample Survey of Registered Nurses. Health Resources and Services Administration. U. S. Department of Health and Human Services.

FAST FACTS

Hospital Staff

- ▶ 3.8 million full- and part-time workers were employed in non-federal short-term hospitals in 1997.¹
- ▶ Employee benefits made up a larger percentage of total compensation for hospital workers than for U. S. workers in general in 1998.²
- ▶ There were 467 workers per 100 adjusted census in 1997.¹
- ▶ 76% of hospital workers were women compared to 46% of workers in the U.S in 1998.²

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Forthcoming...

**Summer 1999:
Nursing Homes**

There was a slight decrease in the number of full-time employees (-0.4%) offset by a rise in part-time employees (1.8%) resulting in approximately a steady level of FTEs from the first quarter of 1997 to the first quarter of 1998.²

Labor accounted for over half of all hospital expenses in 1997.¹

Registered nurses (RNs) still represented the largest single occupation in hospitals in 1997 accounting for 23% of all workers, while licensed practical nurses (LPN) were 4%.¹

Full-time-equivalent (FTE) RNs increased by 3.6% from 1993 to 1997. During that same time FTE LPNs decreased by 7.8%.¹

Sources:

1. American Hospital Association (1999). *Hospital Statistics*. Chicago: Author.
2. American Hospital Association (Summer 1998). *Emerging Trends*, 14(2).

Counting Nurses

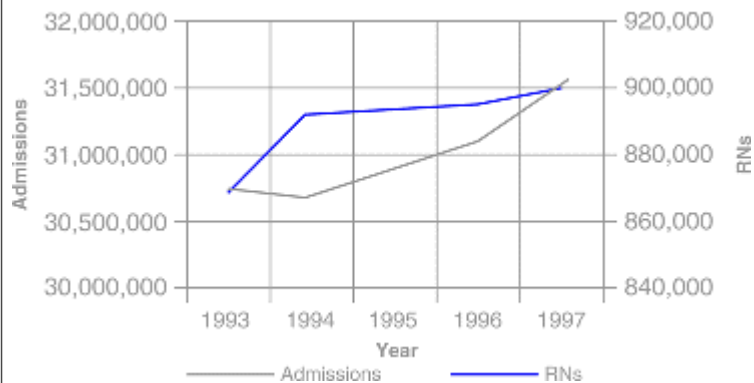
Frequently when I travel within the United States, I hear that there is an overall nursing shortage, that there is a nursing shortage in particular geographic regions, or that one will occur shortly. What do people mean when they say there is a *shortage*?



Christine T. Kovner
PhD, RN, FAAN

Three terms are commonly used when discussing counting nurses: supply, demand and need. Supply and demand are economic terms. The supply of RNs is the number of RNs available to work or who are working at the PREVALING WAGE. Demand for RNs is the number of RNs employers are willing to employ or who are employed at the PREVALING WAGE. The key factor is prevailing wage. As wages increase, supply often increases. RNs who did not consider it worthwhile to work for \$20 per hour, may think it worth working for \$30 per hour, and thus supply would increase. Need, on the other hand, is a

Table 1 — FTE RNs And Annual Patient Admissions By Year



Source: American Hospital Association (1999). *Hospital Statistics*. Chicago: Author.

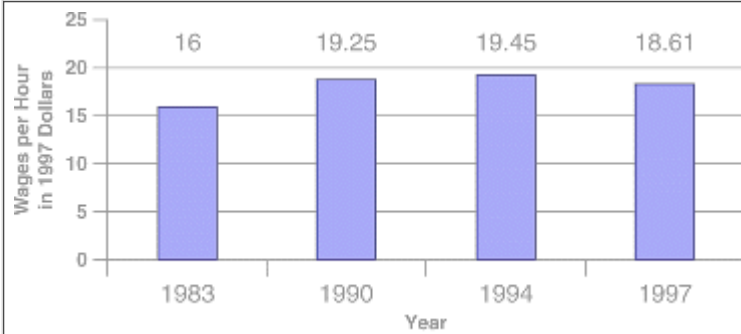
Table 1 shows that the number of full-time-equivalent registered nurses in hospitals increased substantially from 1983 until 1997. At the same time the number of admissions also increased substantially and by 1997 outpaced the increase in registered nurses. Admitting a patient to a patient care unit often is more time consuming than caring for a patient who is already on the unit.

Table 2 — Average Hospital RN Hourly Wage By Year

subjective judgement about the ideal or appropriate number of RNs required to provide a desired set of health services REGARDLESS OF WILLINGNESS OF EMPLOYERS TO PAY.

Economists define shortage as a situation in which demand exceeds supply and a surplus as a situation in which supply exceeds demand. We in health care muddy the water by saying there aren't enough RNs. Does that mean we need more? Or that demand exceeds supply? The staff at *Nursing Counts* will be careful how we use these words as we move through RN shortage/surplus cycles.

— Christine T. Kovner



Source: Buerhaus, P. & Staiger D. (1999) Trouble in the nurse labor market? Recent trends and future outlook. *Health Affairs*, 18. (1) 217.

Table 2 shows the average per hour wages for registered nurses who worked in hospitals from 1983 until 1997. The average wages have been inflated to 1997 dollars.

Nursing Home Resident Transfers to Hospitals

Every year, approximately one in three long stay nursing home residents is transferred to a hospital emergency room or is admitted to a hospital, often for minor conditions. These transfers cost Medicare well over \$1 billion annually. Given that between 40% and 76% of nursing home to hospital transfers are thought to be unnecessary, Medicare could accrue substantial cost savings by improving care delivered in nursing homes.

Of the 1.5 million elderly people who reside in over 17,000 nursing homes, about 750,000 are long term residents (stays >30 days). These residents are very old (average age 83) and have severe functional, physical and cognitive disabilities. Over 60% have a diagnosis of dementia.

Nursing homes generally transfer long-stay residents who become unstable, have an acute condition or are dying to an emergency room or to the hospital. Annual nursing home to hospital transfers range between 17% and 34%: 17% (Brooks et al, 1994); 25% (Fried & Mor, 1997); 28% (Murtaugh & Friedman, 1995); 34% (Mor, 1998). Of transfers, 84% resulted in an admission followed by return of the resident to the nursing home, (Murtaugh & Friedman, 1995), 12% result in the death of the resident in the hospital and 4% to other (e.g., home) (Murtaugh & Friedman, 1995). O