

# Shifting care: Will the promise of health care jobs be fulfilled?



**JOB SHIFT:** As health care shifts from costly hospital-based treatment to more ambulatory and home-based, preventative care, growth areas for jobs within the industry are changing. In the illustration, a nurse practitioner treats an elderly woman in the comfort of her home. PBN ILLUSTRATION/LISA LAGRECA

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Christopher Farias is a full-time registered nurse at Rhode Island Hospital and a per-diem worker at the Visiting Nurse Association of Rhode Island.

At 28, he has his feet in health care's past and present – and eyes firmly focused on the future of a rapidly changing industry marked recently by hospital consolidations and now subtle occupational shifts designed to serve an aging population in a post-Great Recession economy.

At the moment, he said, "it seems like patient care through my home-care job is growing faster [than nursing in hospitals]."

He's right.

While local health care job growth has been stagnant in recent years, it is likely to resume at least modestly for an industry that last year employed more than 67,000 people in the private sector and accounted for just over 14 percent of all Rhode Island jobs.

But where the care and jobs are is clearly shifting, according to state data and local health care industry researchers and observers.

"Between the strengthening economy and Obamacare, preventive and elective health care consumption is likely to rise," said Theresa Devine, a lecturer in public policy and a labor economist at Brown University. "The baby boomer also continues to age, consuming more health care. Both of these developments can be expected to result in employment growth. Based on recent trends, much of this employment is likely to be outside hospitals and other inpatient facilities."

Steady ambulatory job growth over the past decade is translating nationally and in Rhode Island into greater demand for better-paying advanced-practice jobs for nurse practitioners, physician assistants and hospitalists, economists and employers say. And demand for lower-paying home health aides, personal care and certified nursing assistants is also more pronounced, according to employers and the R.I. Department of Labor and Training.

While some of these workers are employed at hospitals, the trend is toward settings such as home care, outpatient clinics and offices at physician groups. Thus, Farias' plans to pursue studies to become a certified registered nurse anesthetist are more than an investment to move up the pay scale to a more specialized job (he currently grosses slightly more than \$65,000 per year). Those skills are going to be in demand outside a hospital as well as in traditional settings.

Still, the Rhode Island health care sector grew only slightly between 2010 and 2014, by 500 jobs, while the overall economy grew in Rhode Island by 19,300 jobs, according to Devine's research, meaning health care accounted for less than 2.3 percent of the overall gain.

"What you have is: the declining employment in the hospitals is merely offsetting the gains in ambulatory employment," she said. "Looking forward ... hospitals are not going to be expanding in the future. Ambulatory care should expand because of the aging population.

"What I would like to know is, will that [decline] in hospital care taper off?" she said.

'TUMULTUOUS TIME'

DLT data show that while private hospital employment increased between 2005 and 2010, it steadily declined between 2010 and 2014, from 24,643 to 23,300. Over the decade, however, private hospital employment did increase by 797 jobs. Meanwhile, between 2005 and 2014, there was a progressive increase of 1,130 ambulatory jobs, while over the decade, nursing and residential care facilities saw a gain of 195 jobs.

Health care facilities in Rhode Island, like most other states, have undergone consolidation or acquisition in the last decade – notably Landmark Medical Center in Woonsocket, Westerly Hospital and Memorial Hospital in Pawtucket. Westerly Hospital was acquired by L+M Healthcare, Memorial was absorbed by Care New England, while the Landmark Medical Center is owned by Prime Healthcare Services.

According to Michael Souza, president of the Hospital Association of Rhode Island, hospitals in the state had a collective operating loss of \$58 million in fiscal 2013 and made only \$12 million in 2014, a two-tenths of a percent operating margin.

The reasons for the challenges of 2013 include the costs of uncompensated care for the uninsured, and lower Medicare and Medicaid payments compared to other states. In fiscal 2014, changes in federal health care law insured more people and HealthSource RI, the state's health-insurance exchange, helped direct people to the right coverage, Souza said. HARI is among those lobbying against Gov. Gina M. Raimondo's proposed \$90 million in state Medicaid cuts – which would be accompanied by matching federal cuts, putting the total at \$180 million.

"Hospitals have had little or no profit at all and there's more proposed state budget cuts," Souza said.

Others are still trying to digest the impact of Raimondo's budget proposal.

"This is a very tumultuous time [in the state]," said Lifespan's Mark Montella, senior vice president of external and strategic affairs for the state's dominant health care employer.

"A lot of relationships are being reviewed and assessed," he said. "The goal is to be a health care system of choice, not just a collection of hospitals. And to build value over volume. And to look for continued opportunities and potential partners as we think about post-acute and pre-hospital care. That is the goal, but it is going to be a very challenging time over the next two-and-a-half to three years."

Between 2001 and 2010, Lifespan as a system added 3,200 jobs and spent \$1 billion in infrastructure, with systemwide operating margins in the best years at 3.5 percent, he said. Between 2011 and 2014, Lifespan added 1,280 new jobs, but 800 of those are associated with a partnership with Gateway Healthcare Inc., a Pawtucket behavioral health care nonprofit. Systemwide operating margins at the highest during that time reached 1.5 percent, according to Gail Leach Carvelli, Lifespan director of media relations. Infrastructure spending for that period was not available, but Lifespan did spend \$100 million on Lifechart, a new electronic health record system that went live last month, Carvelli said.

What has evolved and challenged Lifespan since 2009 is "a sizeable shift" that includes state regulation of how hospitals contract with insurers, as well as the beginnings of reduced operating margins, Montella said.

Partnering with outpatient clinics or physician groups to better coordinate care and successful outcomes is one way to try and stay viable, he says.

Care New England agrees, said Marilyn Walsh, senior vice president and chief human resources officer. With an increasing elderly population, home-based care is becoming more prevalent, Walsh added.

The VNA of Care New England, which focuses on home-based care, joined Care New England in 1999, and that is proving fortuitous for CNE as the demand for those services escalates, said Nancy Roberts, the VNA's president and CEO. The average daily census has grown to 1,200 in 2015, an increase from 800 in the fall of 2013.

The growth is a result of requests from patients but also CNE's acquisition of Memorial Hospital in 2013, she said.

Across the health care sector, the "value over volume" mantra means managing healthier populations of patients as opposed to simply charging fees for service, Montella and Walsh say.

JOB SHIFT

Coastal Medical Inc., an independent physicians group based in Providence, has experienced "explosive" growth in the past several months, said Dr. G. Alan Kurose, the organization's president.

Formed in 1995, the group has expanded to include seven internal medicine practices, and serves more than 120,000 patients, relying on 84 physicians and 27 nurse practitioners and physician assistants and 440 support staff. The firm has 19 locations in Rhode Island. In addition, new jobs are being created behind the scenes, he said, for medical assistants, for instance, who reconcile the records for former and current medication prescriptions for patients.

Another area of growth is in outpatient clinics like MinuteClinics being established across the country by Woonsocket-based CVS Health Corp. Rhode Island has five clinics, and two more will be opening soon in Providence and Westerly, said Cheryl Smith, 57, a state practice manager for the clinics.

There are typically two advanced practitioners at each clinic, she added.

"If you just think about the primary care physician shortage, there's great opportunities for the nurse practitioner and physician assistant to fill that void," Smith said.

While nurse practitioners can earn anywhere from \$39.71 an hour to \$54.17 an hour in Rhode Island, according to DLT, jobs like certified nursing assistants, or CNAs, are at the lower rung of the pay scale. Yet they are one of the fastest-growing occupations. They can be found in outpatient settings, but like registered nurses, are also in residential facilities.

At the Westview Nursing and Rehabilitation Center in West Warwick, Hugh Hall, the center's administrator, is not looking to expand his staff. He's blessed, he says, with very low turnover for a workforce of 155 that cares for 120 residents.

In the past 15 years, wages have increased for CNAs to about \$11.50 an hour, and those with more experience can earn into the low \$20s per hour, he said.

"CNAs are going to continue to be a strong need," he added. "There'll be lots of different settings for them to perform services in."

Demand for physician assistants is likewise robust, says George Bottomley, Johnson & Wales University's director of the Center for Physician Assistant Studies, which welcomed its first class of 23 students in May 2014. (There's also a new PA program at Bryant University.)

Federal projections showed a 38 percent growth rate for PA jobs through 2022, he said.

He consulted with Lifespan and CNE before shaping the program, and those systems anticipate integrating PAs into their health care teams, as well as in clinical rotations, he said. With growth in these jobs and settings, the role of nurses, so desperately sought 20 years ago, is going to experience a resurgence as older professionals retire, said Hall and Rhode Island nursing school deans. What will be different is where you find them – not necessarily in hospitals and nursing homes, Hall said.

"The emphasis is going to be on prevention and management of chronic illness so nurses are going to be in new roles ... in the community," said Jane Williams, dean of the Rhode Island College School of Nursing.

#### **GROWTH INDUSTRY?**

As ambulatory and home-based care shift into growth mode, however, the question remains: are the coming opportunities going to help the state add more good-paying jobs, or is the

continuing transformation of the health care sector going to make growth uneven and unpredictable?

Sam Mirmirani, chairman of the economics department at Bryant University, has researched health care policy and says DLT projections reliably depict the health care sector as "still playing a major role in job growth," though not necessarily in the next few years.

DLT forecasts an overall increase in health care employment of 10.4 percent between 2012 and 2022. Hospital employment could increase by 9.9 percent, DLT reports, while nursing and rehabilitation facility jobs are forecast to increase 23.3 percent and ambulatory care is projected to rise 18.8 percent.

Although employment growth has slowed for hospitals and flat-lined for nursing and residential facilities, "it is going to pick up in momentum as we become fully entrenched in implementing the Affordable Care Act," Mirmirani said. "Rhode Island is paralleling the national trends."

In particular, there will be growth in new jobs that are not accounted for in DLT projections, he said, such as code administration, quality control, regulatory compliance, medical records, health IT specialists, and data mining.

How much? The collective change will be "significant enough to make a dent into unemployment," he said.

At the same time, he warns that the impact from state cuts to Medicaid and hospitals will likely mean some pain and unemployment – an impact hospitals will have to address by diversifying into home-based care, where more growth lies, he says.

Elizabeth H. Roberts, secretary of the R.I. Executive Office of Health and Human Services, said meeting the demands of a larger insured population likely will lead to "a rise in demand for primary care providers and community-based care professions. We are also hopeful that our efforts to innovate and modernize Medicaid and maintain [HealthSource RI] as a state-run exchange will support growth in health IT."

But building financial pressures, at least in the short term, make layoffs more likely than job growth, fears Virginia M. Burke, president of the Rhode Island Health Care Association, which oversees many residential nursing facilities in the state.

"The state's nursing facilities employ around 8,800 people," said Burke. "On an average day, we care for 8,026 patients. [Raimondo's] proposed funding cuts will result in staff layoffs [of] 250 to 275 jobs."

Bruce Cummings, president and CEO of L+M Healthcare in New London, Conn., the parent company of Westerly Hospital, said while the latter has experienced a successful turnaround after being in receivership, the future of the health care workforce in Rhode Island as a whole is uncertain.

Since the day L+M Healthcare acquired Westerly Hospital and its 642 employees, on June 1, 2013, that number has dropped slightly, registering 628 last month. At the same time, the number of registered nurses has increased from 167 then to 173 today.

"We're retaining nurses," Cummings said. "Having said that, we're certainly nervous about these trends in health care and shifts. Probably every hospital CEO in the country is."

Farias, the Rhode Island Hospital RN who also works per diem outside the hospital, enjoys the challenge of caring for patients in the community, even though being "out there by yourself is tough."

And he has confidence in his ability to adapt to the changing health care landscape.

"Home care and community nursing [are] growing pretty rapidly," he said. "I feel like there'll always be a need for that." •