

The Post-COVID Outlook for Idaho Health Care Workers



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The Post-COVID Outlook for Idaho Health Care Workers

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Executive Summary

The onset of the COVID-19 pandemic was a shock to the Idaho economy and its citizens, especially health care workers. This study analyzes the impact of COVID-19 on health care workers by comparing pre-pandemic, current and projected data in the areas of employment and wages, job postings, health care program completions and Idaho Department of Labor occupational and industry projections.

Additional insights were gained through interviews with stakeholders overseeing health care education programs, Idaho hospital and clinic administrators, and people who work for occupational and professional license boards.

A survey of health care workers measured the anticipated number of labor market and occupational exits for certain groups and, in the case of registered and licensed practical nurses, attempts to estimate what compensation level is required to retain these professionals if they are planning an exit.

Outlook and recommendations

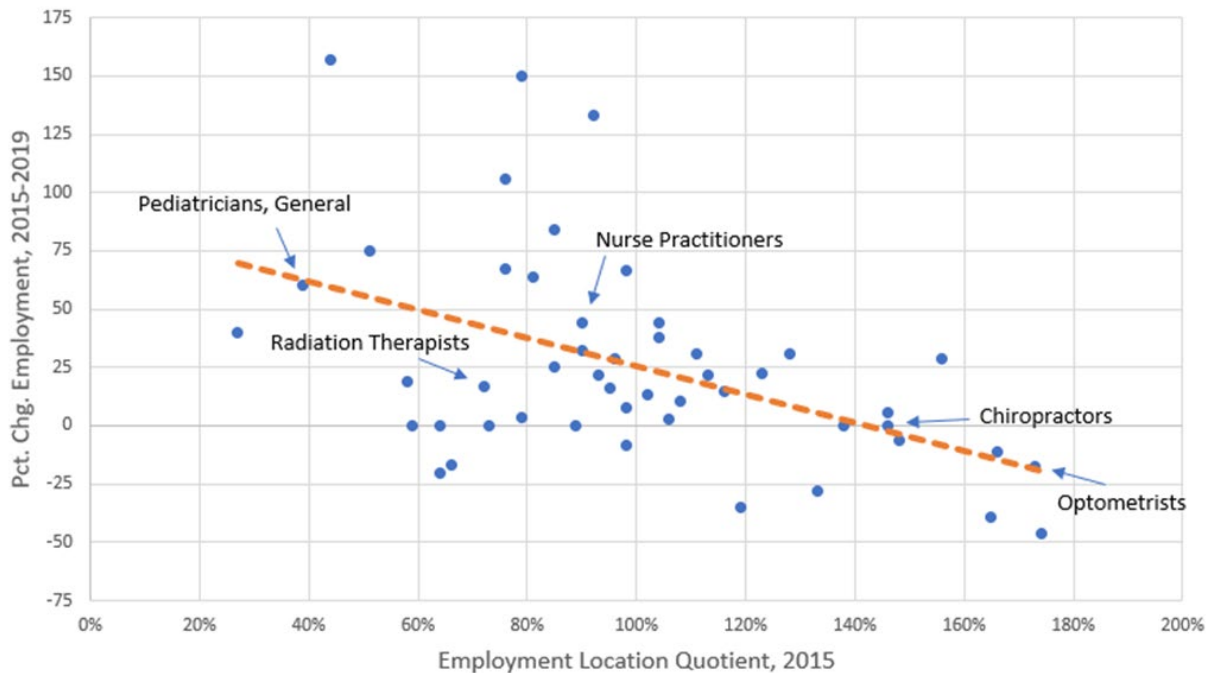
- While the long-term outlook will likely shift back to pre-COVID trends as many pandemic shocks subside, the **near-to-medium-term outlook will be one of acute shortages for specialized health care practitioners** — like physicians and surgeons — and ongoing shortages for several critical occupations including nurses and pharmacists.
- Efforts at expanding interest in health care-related occupations are important, but **education and training programs must be able to expand**. For many, expansion will require investments into classrooms and teaching technology, increased funding to hire and retain teaching faculty, and expansion of clinical training sites at local hospitals and clinics.
- Efforts must also focus on **attracting** trained health care workers from out-of-state. This will come at a considerable cost, given workers generally require additional compensation to relocate and Idaho wages already trail nearby states. Rising housing costs are also a barrier to entry for many health care workers.
- Efforts may be needed to **stem the outflow** of health care workers due to labor market exits and occupational transfers. Several references by stakeholders surrounding rising housing and education costs might help frame wider policy discussions as they constitute a set of general economic issues that closely relate to the ongoing health care worker shortage.

Pre-pandemic trends in Idaho

- Employment levels for Idaho health care practitioners, technicians and health care support workers were growing at a combined annual average rate of 8.9% several years prior to the pandemic — much faster than overall employment and population growth.
- Average annual wages for health care practitioners and technicians grew at 2.5% per year, slightly faster than Idaho's overall wage growth of 2.4%. Wage growth for health care support workers was considerably slower than average at 1.2%.

- This aggregate trend during the pre-pandemic period did not hold for all Idaho health care occupations. Those with high employment relative to the national average, like chiropractors and optometrists, saw slower employment growth or even declines, whereas occupations underrepresented in the labor force, like nurse practitioners, saw faster employment growth, as evidenced in Figure 1.

Figure 1: Employment growth vs. job concentration by occupation, Idaho 2015-2019



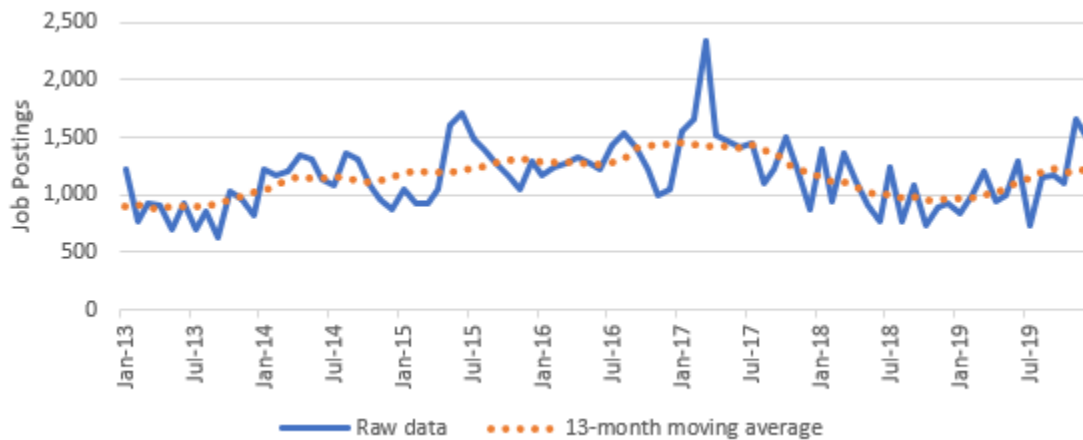
Data source: May 2015 and May 2019 Occupational Employment and Wage Statistics Surveys, U.S. Bureau of Labor Statistics.

Notes:

- The employment location quotient represents Idaho’s concentration for an occupation compared to the national concentration of the same occupation. A share for Idaho at 100% would be the same as the national concentration. Values greater than 100% indicate higher concentration compared to the nation, while values less than 100% indicate relative scarcity.
- Growth in average annual wages was stronger in occupations with slower employment growth or those where employment shrunk. Average wage growth was slower, and sometimes negative, in occupations where employment grew fastest. This suggests that wage growth may be driven more by the supply of workers, as opposed to demand.
- Even though underrepresented occupations grew faster over this period, many specialized groups of workers that were relatively scarce in 2015 remained so in 2019 — including general pediatricians, magnetic resonance imaging technologists, nuclear medicine technologists, radiation therapists and nurse practitioners.
- Job postings for health care-related occupations grew between 2012 and 2017 but dipped and plateaued between 2017 and 2019 (see Figure 2). Occupations in high demand relative to the

national average included critical care nurses and nurse assistants, dietitians and nutritionists, and radiation therapists.

Figure 2: Monthly job postings for health care practitioners and technical and health care support occupations, Idaho, January 2013 – December 2019



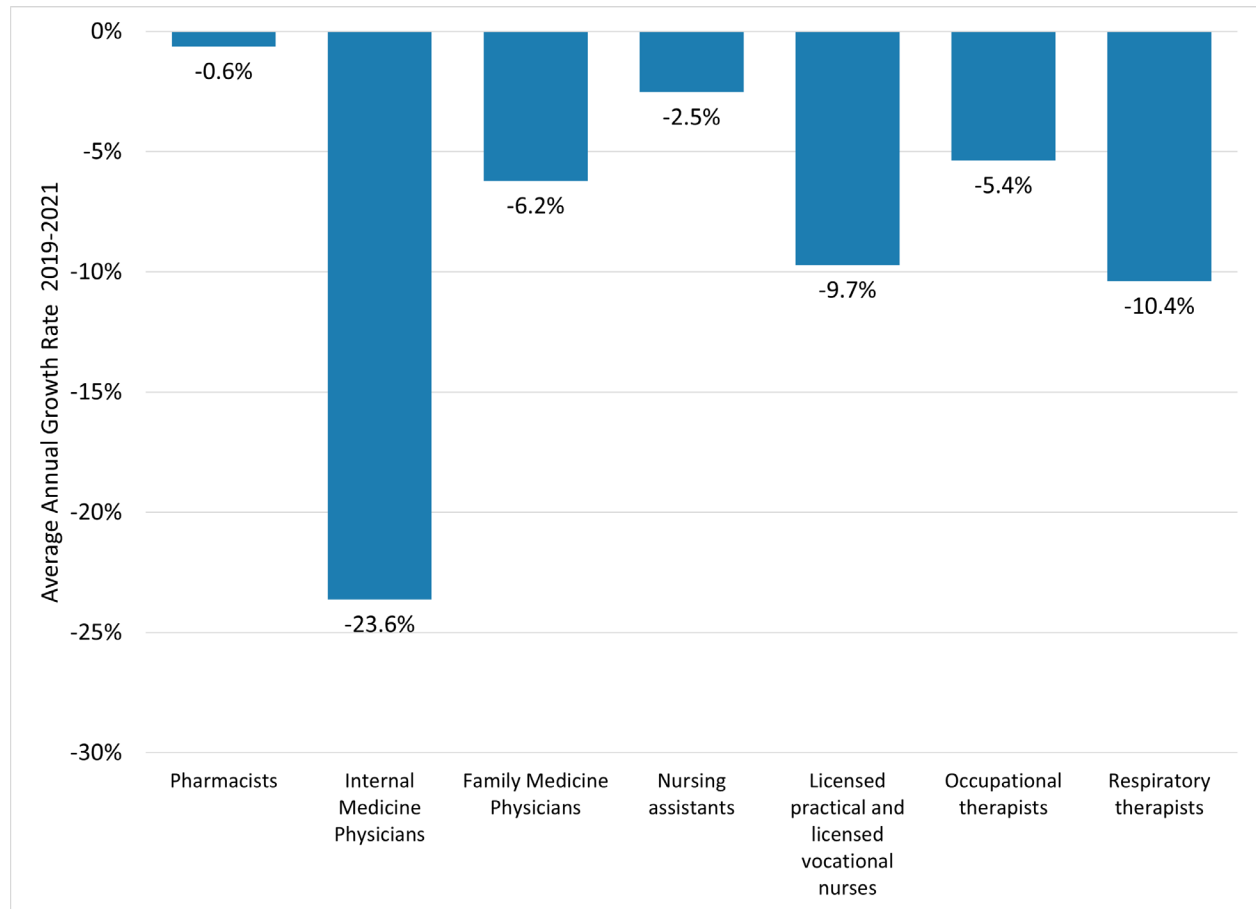
Data source: The Conference Board via Lightcast (formerly Emsi-Burning Glass).

- Health care-related education and training program completions grew at an average annual rate of 3.3% between 2015 and 2019, slower than employment growth overall. Among the fastest growing occupations were public health assistants and physical therapy assistants. Completion rates for registered nurses, on the other hand, tapered off, while pharmacy completions began to decline. Idahoans admitted to the Washington, Wyoming, Alaska, Montana and Idaho (WWAMI) medical program remained at 40 with an average retention rate of just over half.
- Health care occupations with the lowest projected turnover rates were generally those with the highest salaries, as occupational transfers “up the wage ladder” become increasingly less probable.

Pandemic trends

- The arrival of COVID-19 increased the demand for some occupations while the supply decreased because of accelerated retirements and occupational transfers due to burnout. These combined effects pushed wages up for health care workers and increased wage dispersion across occupations.
- Health care occupations where employment shrunk through the pandemic included general internal medicine physicians, family medicine physicians, licensed practical and vocational nurses, nursing assistants, pharmacists, and occupational and respiratory therapists (Figure 3).

Figure 3: Employment trends for select occupations in Idaho, 2019-2021

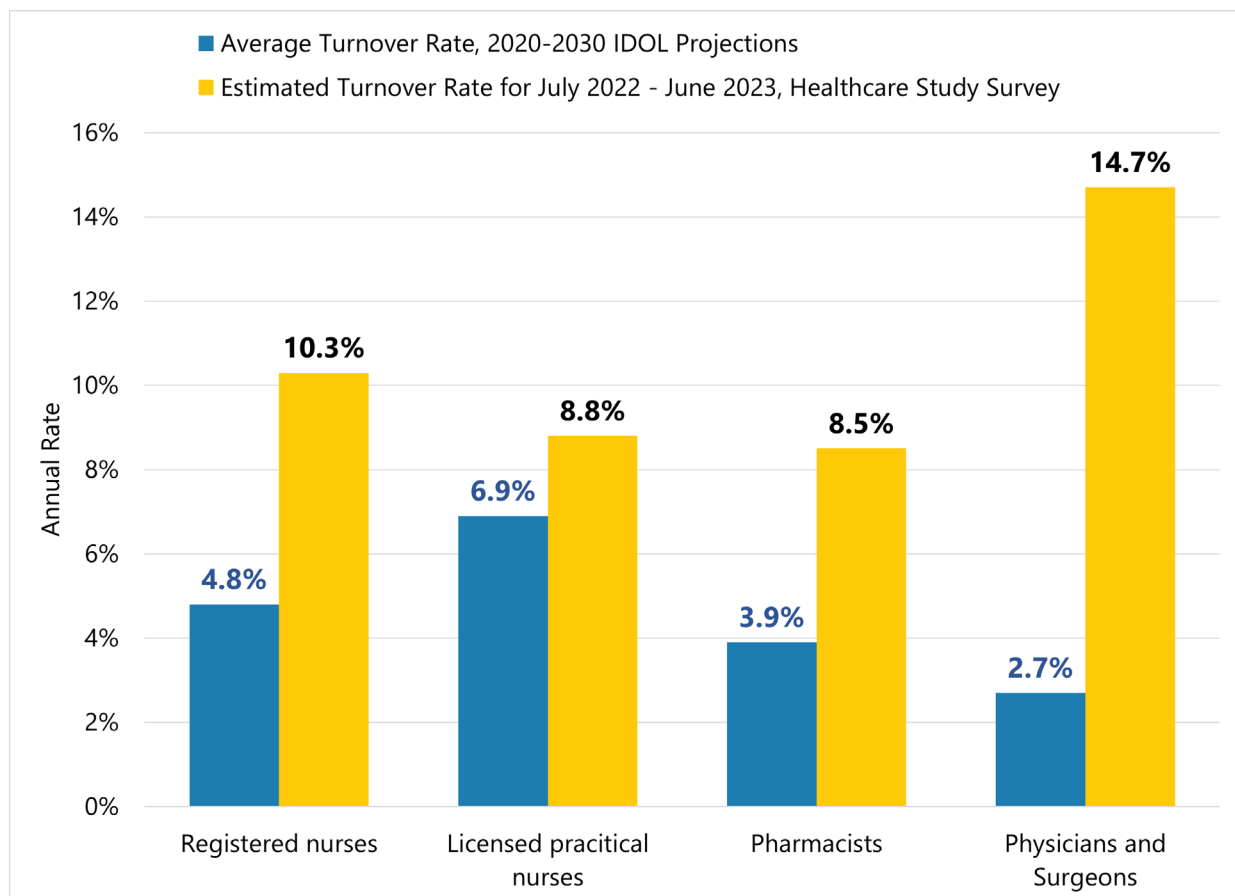


- Job postings for health care workers more than doubled from 2019 to 2021. Registered nurses grew the most in absolute terms, with large increases for respiratory therapists, respiratory therapy technicians and mental health professionals.
- Discussions with education stakeholders revealed the pool of qualified applicants for health care occupational training programs still generally exceeds the number of available admission spots. Present challenges to program expansion include recruitment and retention of teaching faculty, costs to upgrade and expand classrooms, and the lack of available clinical training sites within Idaho. Rising education costs — and consequently student loan balances — may be a barrier to entry as many workers may find salaries in the state unattractive compared to the cost of their degree.
- Discussions with the Idaho Hospital Association and a survey of its members found a rise in employee turnover. They identified nurses, especially RNs, as the occupation in most immediate need. Rising housing costs are one of many barriers to entry for hospital and clinic workers, with some candidates having to turn down job offers due to a lack of affordable housing. The Idaho Hospital Association also noted geographic disparities in hiring difficulties as well as fiscal constraints, with rural hospitals adversely impacted by both.

Surveying Idaho health care professionals

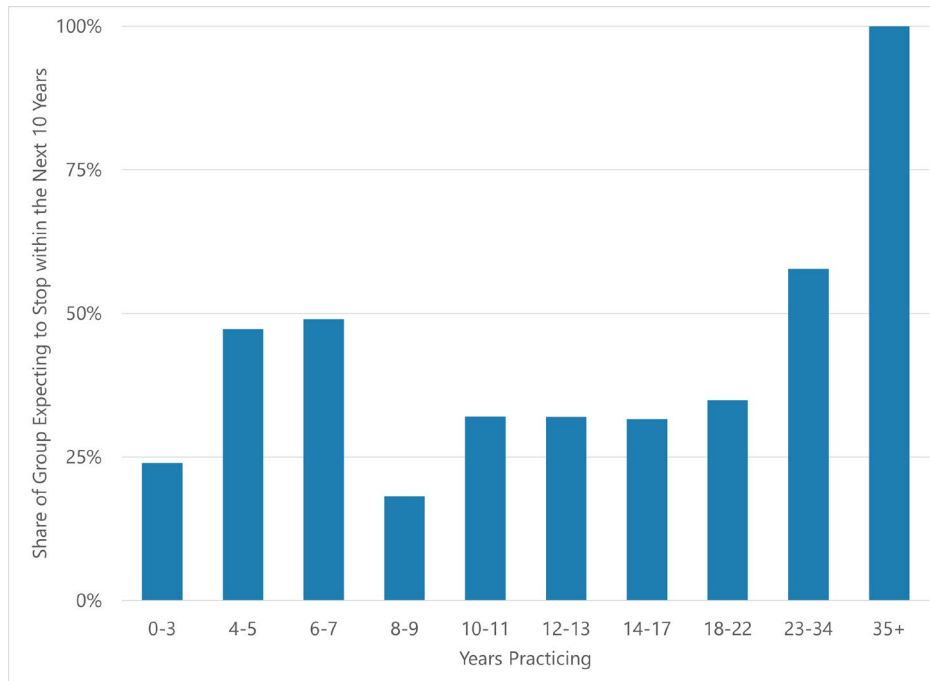
- A direct survey of health care workers through their respective license boards points to short-term occupational turnover rates in the coming year well above long-term Idaho Department of Labor projections based in part on data from 2020, before any developing data that might explain the consequences of the pandemic was available. Assuming entrant rates for new workers held to pre-pandemic rates, this could mean an outright decline in the supply for nurses (RNs and LPNs), pharmacists, physicians and surgeons (Figure 4).

Figure 4: Projected turnover rates by occupation



- Among Idaho nurses, the most common reasons cited for a labor market exit or occupational transfer were retirements, career changes or advancement, and moving out-of-state. In their open-ended responses many cite burnout and inadequate pay relative to costs of living. Notably, young and less-experienced nurses had an elevated likelihood of an exit relative to slightly older and more experienced nurses, as evidenced in Figures 5 and 6.

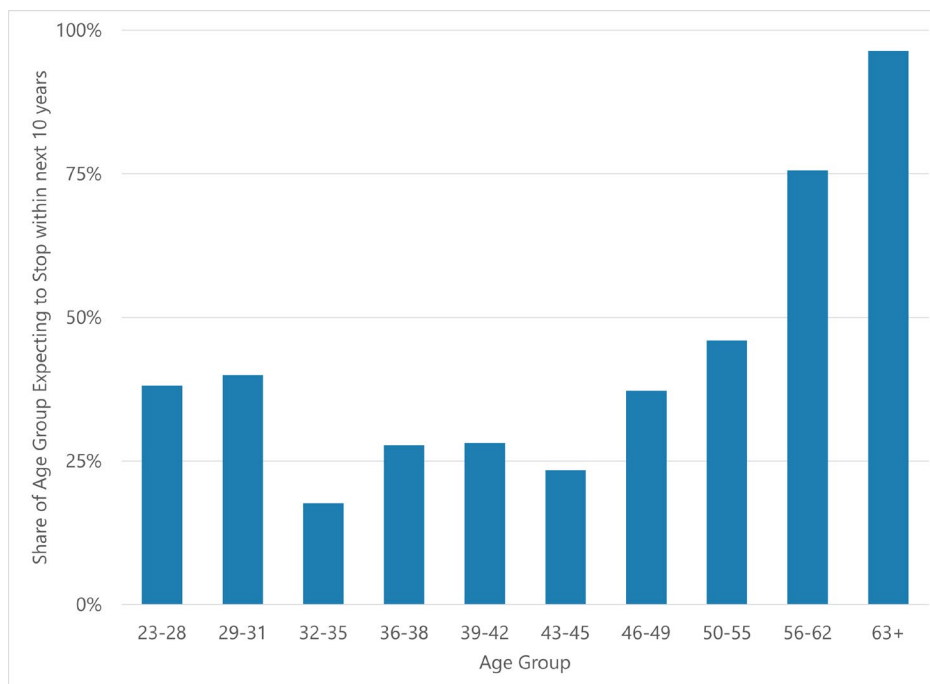
Figure 5: Share of Idaho RNs who expect to stop practicing by experience



Source: Survey of health care professionals, Idaho Department of Labor, 2022

Note: Sample size equaled 503 respondents

Figure 6: Share of Idaho RNs who expect to stop practicing by age



Source: Survey of health care professionals, Idaho Department of Labor, 2022

Note: Sample size equaled 503 respondents

- Idaho nurses who expect some form of occupational or market exit would require wages in the top 25% of their occupations to stay. The youngest and least experienced nurses (LPNs and RNs) looking for a career change would require slightly higher wages than older and more experienced nurses to stay.
- In general, young and less experienced RNs looking to move out-of-state would require a lower wage to stay versus older RNs looking to relocate. RNs from Utah and Wyoming may be persuaded to move at salaries comparable to their Idaho counterparts, but those in Nevada, Oregon and Washington would require considerably higher pay if they were to move to Idaho.
- For Idaho pharmacists, retirement constitutes the largest source of occupational turnover, followed by those relocating in search of career advancement as a distant second. Additional reasons cited by those anticipating a relocation are the relative ease of being a travelling pharmacist.
- According to Idaho physicians and surgeons, retirements make up the largest source of occupational exits, but relocation decisions are a close second with over half of all respondents anticipating a move.
- Among all the health care occupations surveyed, nurses, pharmacists, physicians and surgeons mentioned Idaho's cultural or political climate as a reason for a labor market exit or relocating out of state. A changing cultural and political environment are more difficult issues to tackle, with the flight of human capital as an unintended consequence of these shifts.

Learn more at labor.idaho.gov.

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