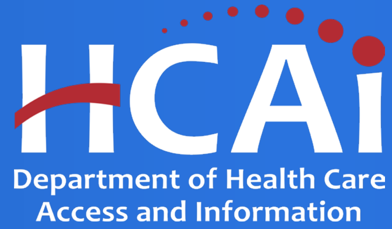



# Health Workforce Challenges and Opportunities in California

## Presentation to CalPERS Board

Libby Abbott, Deputy Director, HCAI Health Workforce

## Objectives

Introduction to HCAI

Overview of Health Workforce in California

Behavioral Health and Nursing Workforce Strategies

# HCAI's Vision and Mission

**Vision**

A healthier California where all receive equitable, affordable, and quality health care.

**Mission**

HCAI expands equitable access to quality, affordable health care for all Californians through resilient facilities, actionable information, and the health workforce each community needs.

# HCAI's purpose statement on workforce enables its vision and mission

HCAI enables the expansion and development of a **health workforce that reflects California's diversity,** to address supply shortages and inequities, by administering programs and funding and publishing actionable data about California's health workforce and training.

# 6 Guiding Principles for HCAI on Health Workforce

### Use data to drive our decisions – and enable other agencies and stakeholders to do the same
Supply accurate and insightful data to support HCAI and other agencies in targeted decision-making and funding allocation, and maintain robust, secure, and efficient data governance and storage

### Ground programs in evidence and evaluation
Leverage strong evidence and thorough evaluation as basis for strategy and programs, to ensure interventions will truly work

### Ensure all investments advance equity and ultimately improve patient outcomes
Ensure equitable access/outcomes for Medi-Cal members, communities of color, limited English proficient, low-income, rural and other underrepresented groups, as well as equitable access to economic mobility and career development for health workers

### Serve as good stewards of tax-payer dollars
Distribute funding efficiently and efficiently and strive to measure impact wherever possible, with a focus on long-term program sustainability

### Continue to learn as a team
Track impact so that programs can be changed over time be more effective, supported by a culture of learning where it is encouraged to take risks and to identify mistakes

### Think beyond silos; co-develop the statewide strategy and be a good partner
Generate common understanding of HCAI's and its partners' roles to create meaningful partnership where each entity brings its tools and expertise; facilitate development of a statewide strategy, with common guidance for all entities

**Aspirational**

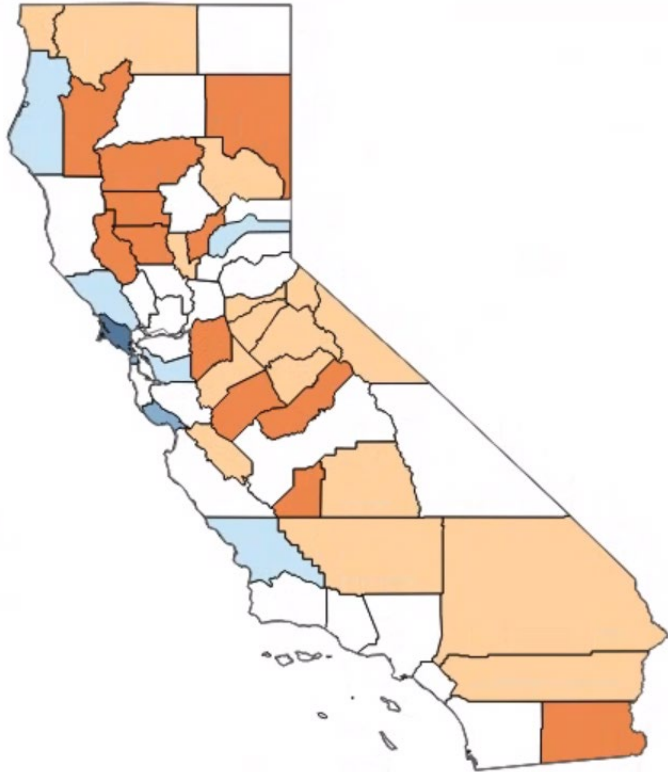
### Center the worker / learner experience
Consider the real, lived experiences and journey of individuals to better tailor interventions, balancing quantitative data with qualitative information about our current and future health workers



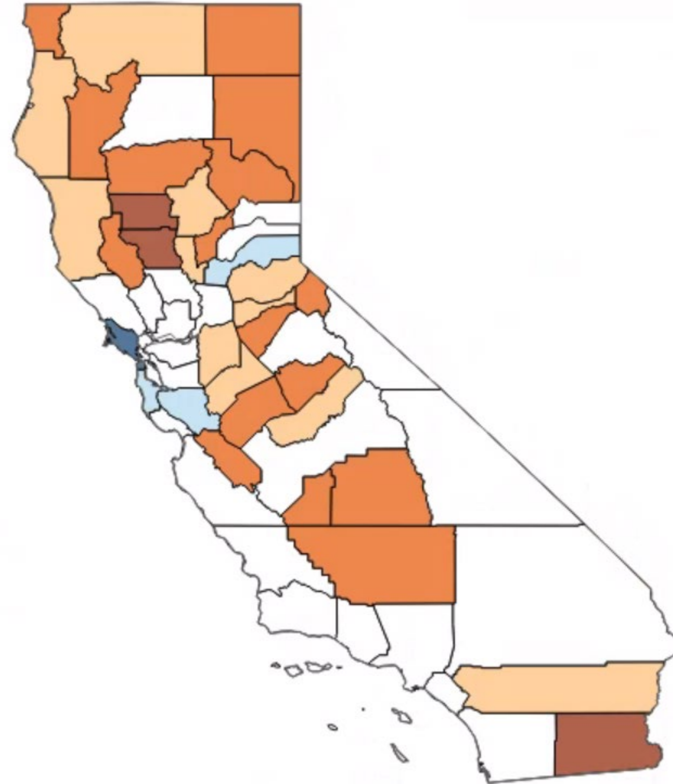
HCAI Department of Health Care Access and Information

# Statewide Challenges

Behavioral Health



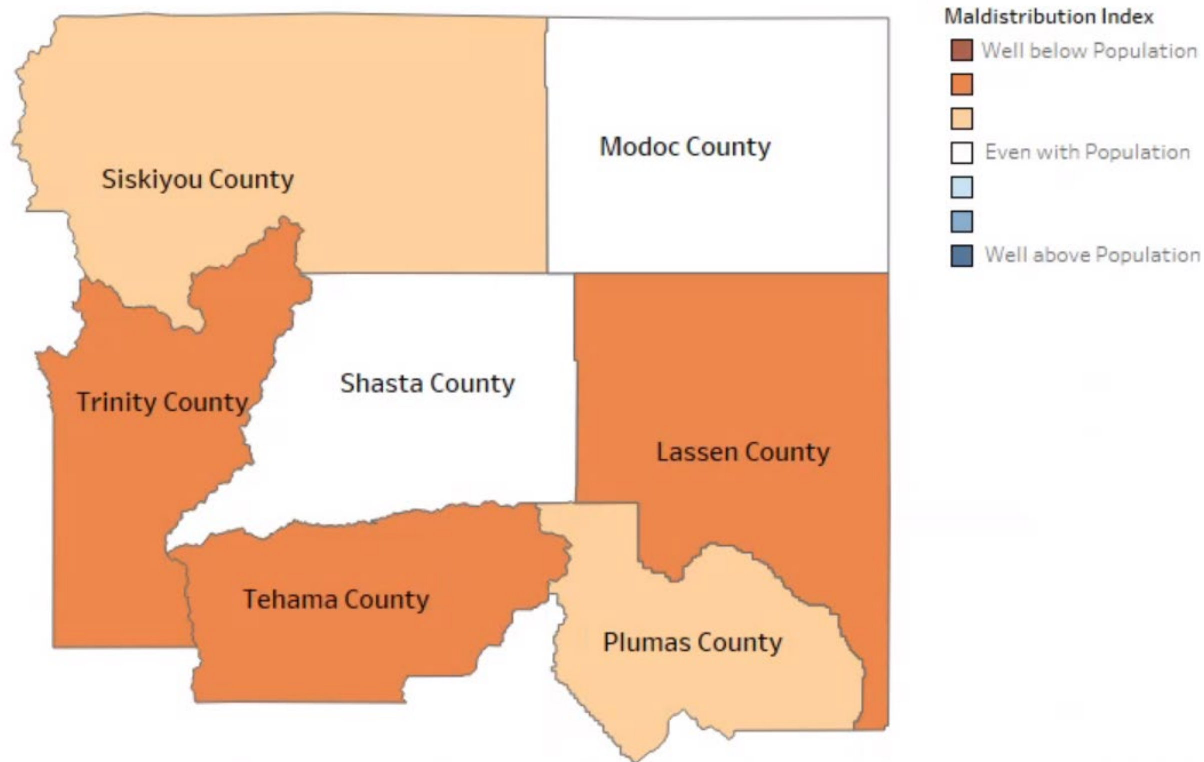
Medicine



**State Index**

- Medicine has more population maldistribution than behavioral health
- Maldistribution does not correlate to demand

# Rural Health Workforce




**Behavioral Health Index**

- Proportion of providers is even with proportion of the state's population in Modoc and Shasta County, but well below the population in Trinity, Tehama, Lassen
- Proportion of providers to demand may be uneven, HCAI is in the process of supply and demand modeling

HCAI Department of Health Care Access and Information

# HCAI's Health Workforce Covers Four Categories

*Focus area for initial effort*

BEHAVIORAL HEALTH

NURSING

PRIMARY CARE

ORAL HEALTH

*Key interdependencies between nursing & primary care to be managed throughout the process*



Pre-decisional & deliberative – not for distribution

# We are working on a data-driven strategy & model to address gaps in CA's behavioral health and nursing workforce

## Purpose

*Support the State and partner agencies to understand and equitably solve the supply/demand gap in nursing and behavioral health to better serve Californians*

## Key workstreams

**Strategic planning**: A **data-driven** strategy that identifies **innovative and tested best practices** to resolve persistent workforce gaps and create an **actionable roadmap with sequenced interventions**

**Supply, demand, & pipeline modeling:** **Thorough assessment** of California's behavioral health/nursing workforce through the **design, architecture, and build of an analytical tool** that enables continued use, and future improvements/expansions

**Socialization:** Support for **collaboration with stakeholders** and **sharing analytical results**

**Enablement:** **Enablement/training** throughout to support HCAI in continuing forward independently (e.g., on modeling tool, enablement workshops)

# **Why are there shortages?** | Several key barriers **constrain the pipeline** of behavioral health and nursing providers, contributing to shortages in supply

### **Insufficient training capacity** (primarily nurses)

- **Insufficient funding means public programs are unable to enroll all qualified students**, disproportionately impacting low-income students of color[1,2]
- **Faculty and clinical placement shortages**, particularly in nursing[3]
- **Unequal distribution of training programs** across regions and counties, due locations of schools

### **High tuition, lower perceived ROI** (primarily behavioral health)

- State budget cuts in higher ed led to **increased reliance on student tuition**, raising average student loan debt and disproportionately impacting students from underserved backgrounds[4]
- **Student loan debt can discourage low-income students** from pursuing behavioral health careers[5]

### **Life barriers to training & completion** (both)

- **Non-tuition barriers include:**
  - Limited childcare options, other caregiving, transportation needs, language barriers, etc.
  - Limited on and off-ramps to training process causing inflexibility
  - Perspective among many in the workforce that higher ed is "not for them"

***As we hear from learners and workers through additional interviews and focus groups,  we will add to this perspective***

1. Public Policy Institute of California (2013), "The Impact of Budget Cuts on California's Community Colleges"; 2. PolicyLink (2018), "Building an Inclusive Health Workforce in California: A Statewide Policy Agenda"; 3. Inside Higher Ed (2016), "Wanted: Nursing Instructors"; 4. AACN (2017), "Financing Graduate Nursing Education"; 5. GAO (2022), "Available Workforce Information and Federal Actions to Help Recruit and Retain Providers"
Source: California Future Health Workforce Commission (2019), "Meeting the Demand for Health"

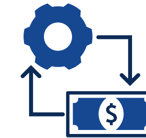
# **Why are there shortages?** | Multiple barriers exist to **retaining** behavioral health and nursing providers, which can also contribute to shortages in supply

## Workplace conditions
(both)

- **Providing care is physically and mentally stressful,** especially during and after the Covid-19 pandemic, contributing to burnout[1]
- **Provider shortages** in both behavioral health and nursing have also **contributed to higher patient loads**, increasing the pressure on remaining providers[2]

## Administrative burden
(both)

- **Providers' administrative burden is significant and growing,** lowering career satisfaction[3]
- Research demonstrates **that administrative burden is contributing to provider burnout**[4]




## Pay and benefits
(both)

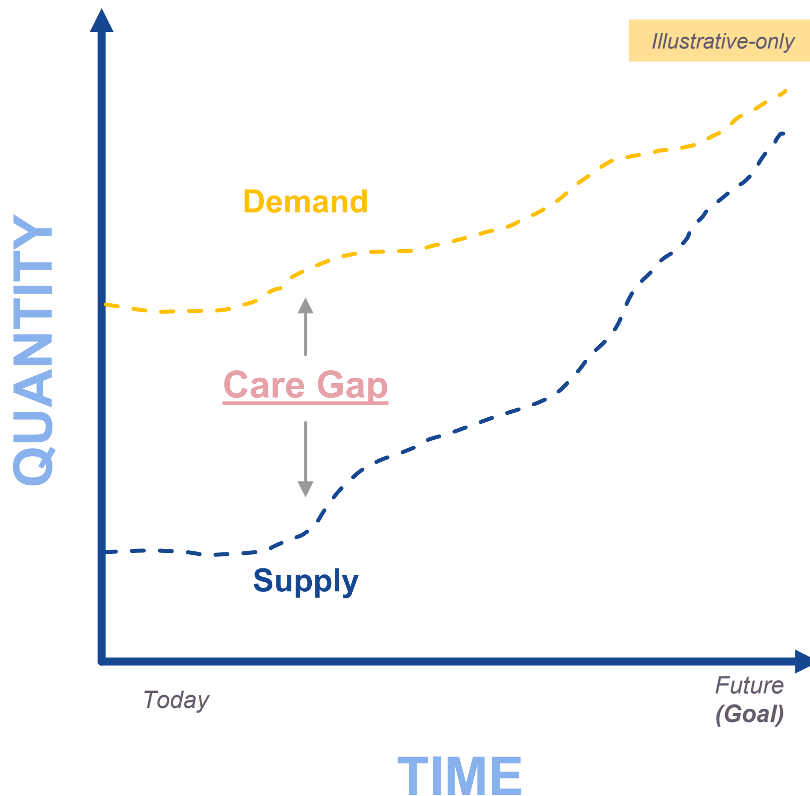
- **~33% of Californian nurses cite pay and benefits as a factor** in decision to leave principal nursing position;[1] **national nursing shortage opens other lucrative options** (e.g., travel nursing)
- Most behavioral health roles **have mean wages below California's average**[6], especially for certified roles
- **Public sector providers** (nonprofits, counties, schools) pay less than private sector and telehealth, but see increased demand, exacerbating unmet need in target populations[7]
- **Low reimbursement rates, high admin burden** discourages behavioral health providers from accepting insurance[5]

***As we hear from learners and workers through additional interviews and focus groups, we will add to this perspective***

1. UCSF (2024), "California Board of Registered Nursing 2022 Survey of Registered Nurses"; 2. APA (2022), "Psychologists struggle to meet demand amid mental health crisis"; 3. International Journal of Health Services (2014), "Administrative work consumes one-sixth of U.S. physicians' working hours and lowers their career satisfaction"; 4. National Academies of Sciences, Engineering, and Medicine (2019), "Taking Action against Clinician Burnout: A Systems Approach to Professional Well-Being." 5. California Health Report (2020), "Therapists Want to Provide Affordable Mental Health Care. Here’s What’s Stopping Them"; 6. BLS May 2023 California OEWS; 7. Cal Matters "Why California faces a shortage of mental health workers"

# Getting the right care to the right people starts with a robust understanding of supply, demand, and pipeline

## Supply currently lags demand in today's complex healthcare labor market …




## … with this care gap being driven by key interrelated factors:

**Total roles staffed / needed by specialty**

**Geographic distribution of providers & disease burden**

**Utilization patterns**
*(based on delivery channels available & care-seeking behavior)*

**Importance of culturally competent care**

**Insurance coverage**

**Education pipeline & licensure**

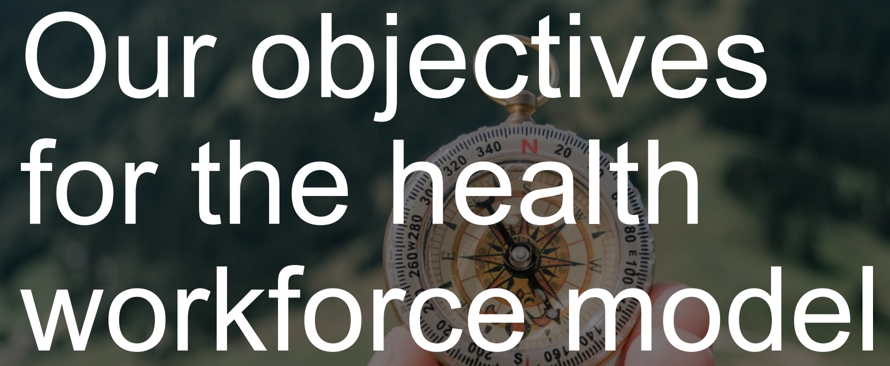
**Attrition rates**
*(e.g., migration, retirement, burnout)*

Creating a detailed Health workforce model enables HCAI to **develop a targeted set of interventions to close the care gap** & focus on **investment avenues** with the **greatest lasting impact**

*Additionally, it provides a replicable model for leverage across other use cases*


HCAI
Department of Health Care Access and Information

# Our objectives for the health workforce model

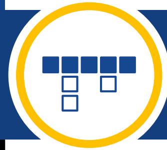


- Become a **leader and go-to source** for the health workforce supply and demand; serve as an **exemplar within California and nationwide**
- **Address health workforce shortages** before they emerge
- Drive **better and more targeted decision-making** for our funds and programs
- **Identify opportunities for collaboration** with other institutions and partners to solve identified gaps



HCAI
Department of Health Care Access and Information

# HCAI's modeling methodology is distinct from others across several dimensions, enabling us to get to role & geographic-level granularity



**Geographic and role granularity**

Highly granular with MSSA-level output and complete coverage of HCAI's priority professions

**Site-specific met demand**

Calculates met demand based on site of care and ideal staffing ratios

**Unmet behavioral health demand**

Calculates unmet behavioral health demand based on delta between disease incidence and treatment rates

**California-specific data**

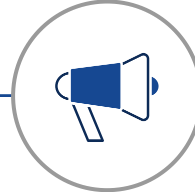
Key data sources are California specific, ensuring output meaningfully reflects California's health workforce and demand

Non exhaustive

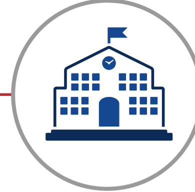
# Our model outputs will inform a set of future use cases

Use case: a ***practical action*** *(program, funding decision, partnership, etc.)* ***focused on areas of highest need (supply / demand gap, equitable lens)*** *informed by the data and analysis in our model*

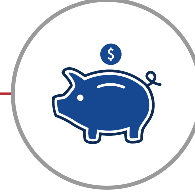
***Use cases will be targeted activities in specific geos, populations, and roles such as:***



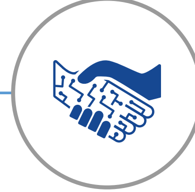
Investing in programs that **increase access to and interest in health workforce roles** *(e.g., apprenticeship programs, recruitment & marketing initiatives)*



Partnering with educational institutions to **expand & create training programs** *(e.g., increase Associate Degree in Nursing spots/acceptance criteria for students coming from key geographies)*



Directly **funding scholarships, loan replacement programs, and training programs** for students from underserved communities

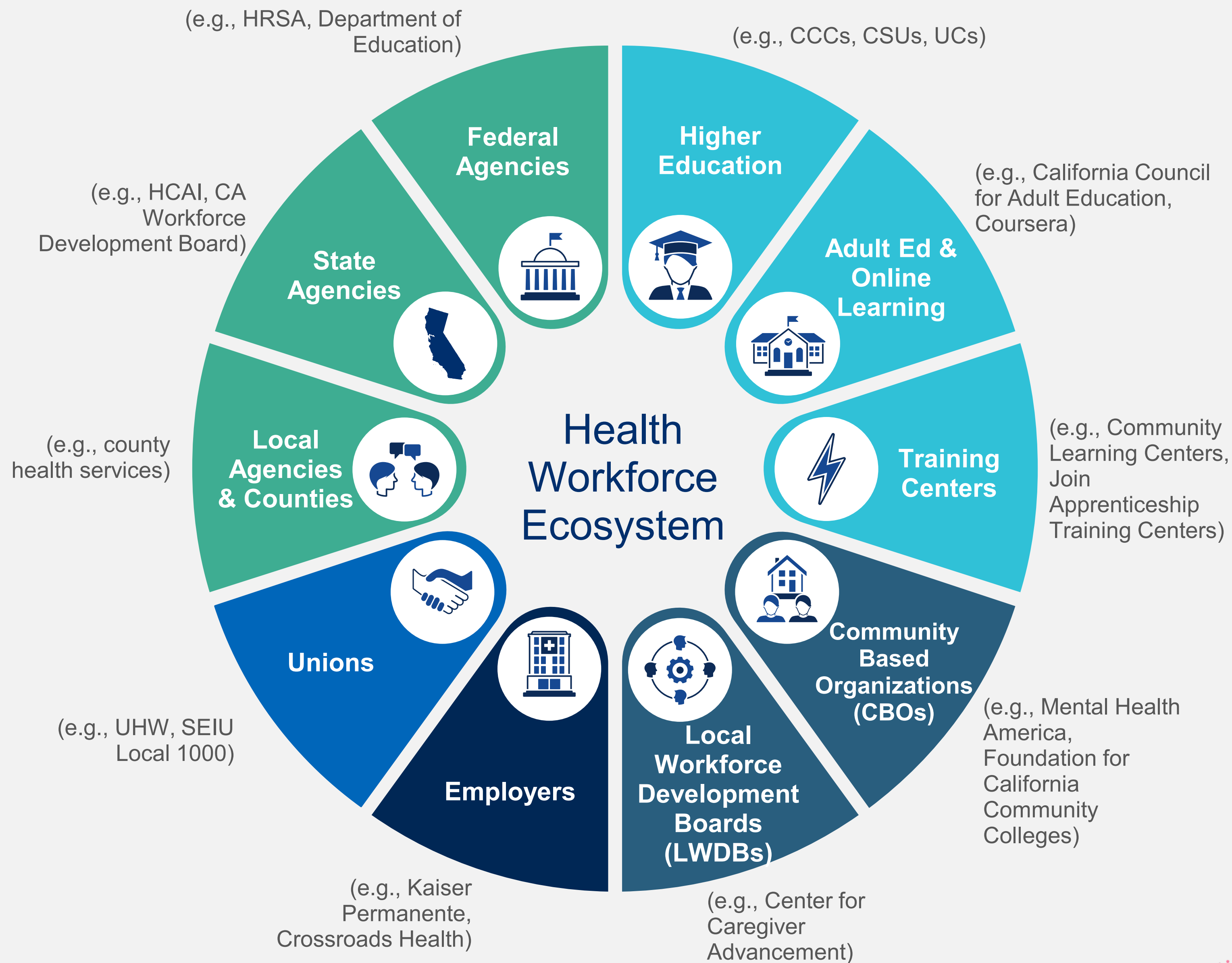


Partnering with educational institutions to **upskill health workforce** *(e.g., adult learner wraparound services)*

Partnering with employers to identify health workforce / recruiting needs and **promote hiring & retention initiatives**

***Over time, identified outcomes from use cases will inform future activities/interventions***

# HCAI is one part of a broader health workforce development ecosystem





HCAI Department of Health Care Access and Information

## How can CalPERS influence the health workforce supply/demand gap?

1. Through **direct influence on payers and health systems**: CalPERS is one of the largest purchasers for Kaiser, Sutter, and others; as such can influence these organizations.
   a. Contract negotiations and contractual language
   b. E.g., requirements for plans and systems to invest in "growing their own"
   c. E.g., integrated care teams (reduced burnout) and integration of behavioral health
   d. E.g., requiring adoption of outcome-based Alternative Payment Models (APMs) that facilitate the inclusion of diverse provider types and task shifting.

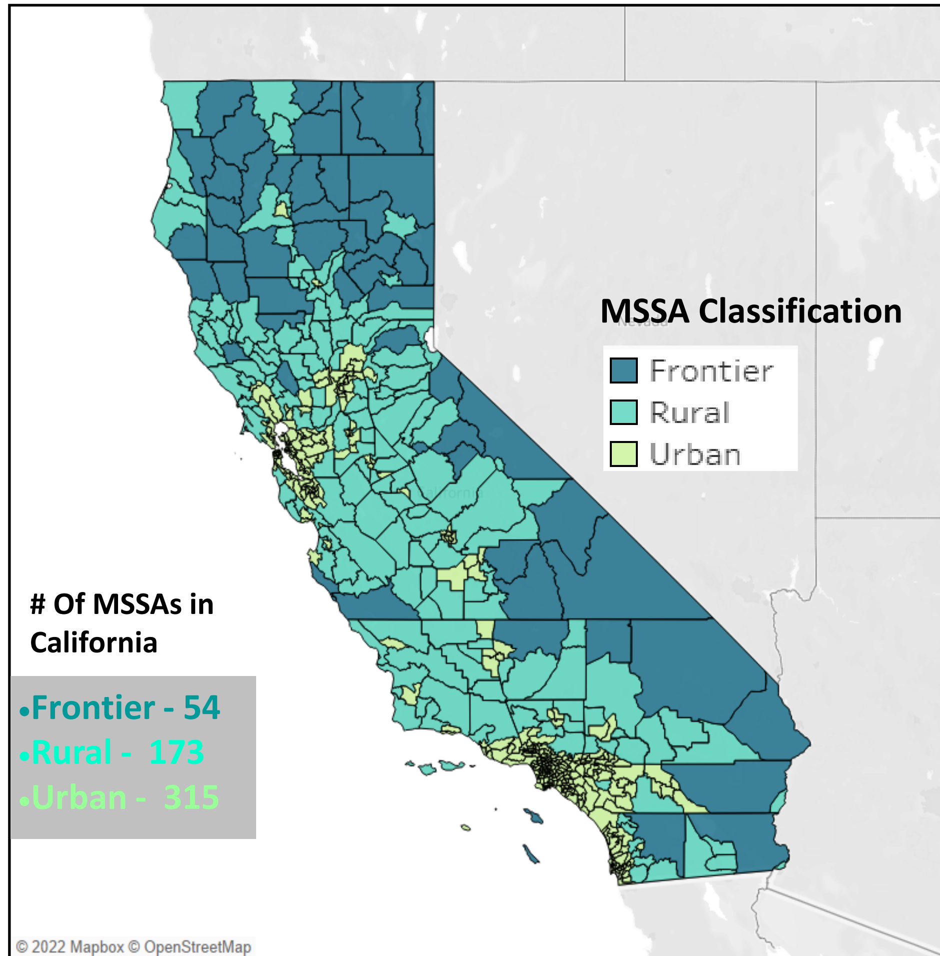
2. Through **data sharing** with HCAI
   a. E.g., health equity data, survey on access to care
   b. E.g., availability of behavioral health providers or primary care providers; member access to these services


HCAI
Department of Health Care Access and Information
Pre-decisional & deliberative – not for distribution

# Questions?

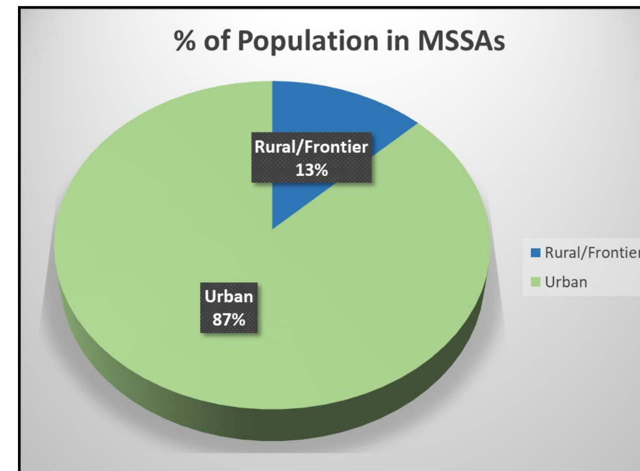

HCAI Department of Health Care Access and Information
Pre-decisional & deliberative – not for distribution

# How Rural is California?




**Rural –** A non-metropolitan density population density less than 250 persons per square mile, and no population center exceeds 50,000.

**Frontier –** Population density of less than 11 persons per square mile




*42%*

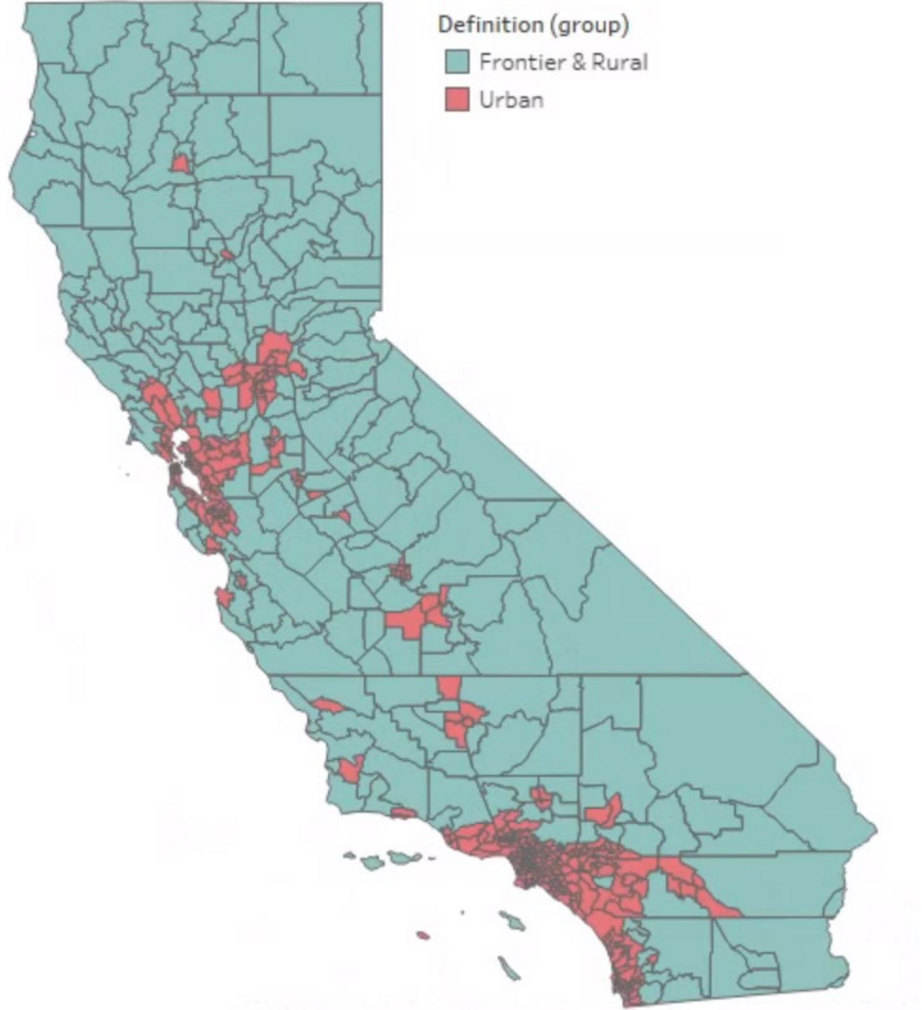
*of California MSSAs are identified as rural or frontier. There are a total of 542 MSSAs in California.*

**What are MSSAs?**

Medical Service Study Areas are composed of one or more census tract and generally align with "communities" in the sense of geographic, cultural, and sociodemographic similarities. MSSAs will not cross county lines and are identified by Urban, Rural or Frontier classification, determined by population.

HCAI
Department of Health Care Access and Information

# California Rural vs. Urban



# Scholarship and Loan Repayment Programs

- Provides students with support to finance their education while accepted or enrolled in a health professions program.
- Awardees agree to provide direct patient care to medically underserved areas or qualifying facilities upon completion of their education.

**Programs include:**

- Advanced Practice Healthcare Scholarship Program
- Allied Healthcare Scholarship and Loan Repayment Program
- Associate Degree Nursing Scholarship Program
- Bachelor of Science Nursing Scholarship and Loan Repayment Program
- County Medical Services Program Loan Repayment Program
- Licensed Mental Health Services Provider Education Program
- Licensed Vocational Nurse Loan Repayment Program
- Licensed Vocational Nurse to Associate Degree Nursing Scholarship Program
- Steven M. Thompson Loan Repayment Program
- Vocational Nurse Scholarship Program