CALIFORNIA'S HEALTH WORKFORCE CHALLENGES & OPPORTUNITIES

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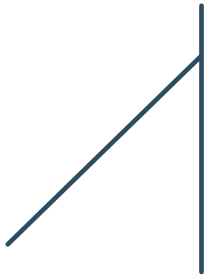
CALPERS BOARD OF DIRECTORS MEETING

California Health Care Foundation

Workforce Shortage: Scope of the Problem

- **Physician shortages are widespread:**
  - 5 of 9 CA regions fall below minimum national standards for supply of primary care providers per capita – *includes geriatricians*.
  - National problem, yet CA supply is declining *faster* than other states.
  - Troubling trends among other specialties: OB/GYN, General Surgery
- **Reported or projected shortages in many other disciplines:**
  - Registered nurses
  - Pharmacists
  - Behavioral health
  - Medical assistants



Insufficient core supply
Maldistribution: wrong geo.
Unwilling to work for avail pay or conditions

Minimum Standards for Primary Care Physicians, Per Capita	
Below	Inland Empire
Below	San Joaquin Valley
Below	Northern Sierra
Below	Central Coast
Below	Los Angeles County
Borderline	Orange County
Borderline	San Diego
Sufficient	Sacramento
Sufficient	Bay Area

Sources: Department of Health Care Access and Information, Health Workforce Research Data Center Annual Report to the Legislature January 2023, CHCF Almanac: Physicians a Portrait in Practice (2021); pcc-evidence-report-2023.pdf (thepcc.org)

What caused California's health workforce shortage?

Median age of California resident is 37

Median age of California Dentist is 52

Median age of California physician is 53

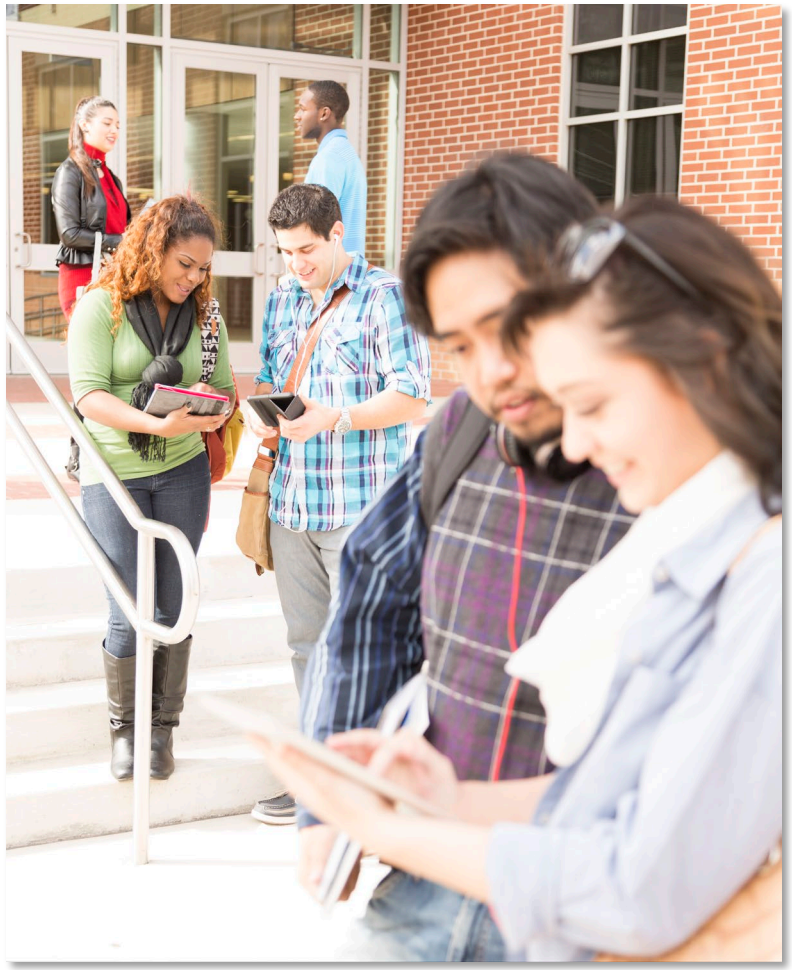
In the rural north, median age of California physician is 59

- Supply and demand imbalance:
  - Aging population with increasing needs for care
  - Increasing load of mental health and substance use disorders with increasing needs for treatment
  - Aging workforce:
    - 35% of physicians, 23% of nurse practitioners, and 14% of physician assistants are 60 years or older.
    - 45% of psychiatrists and 37% of psychologists are over age 60 years and are likely to retire or reduce their work hours within the next decade.

Innovations such as telehealth, multi-state compacts, and new roles help with some of these challenges, but they are insufficient to address gaps.

Sources: Department of Health Care Access and Information, Health Workforce Research Data Center Annual Report to the Legislature January 2023, CHCF Almanac: Physicians a Portrait in Practice (2021); pcc-evidence-report-2023.pdf (thepcc.org); California's Current and Future Behavioral Health Workforce Healthforce Center at UCSF

What caused California's health workforce shortage?



- **Generations of *under*-investment in health education and training:**
  - California ranks **46 among the 47 states** and territories with medical school enrollment, per capita; and **29 of 50** for residency slots, per capita.
  - Only 25% of qualified applicants for bachelors of nursing programs could be enrolled in 21-22.
- **Increasing debt loads (304k dentistry, 208K medicine, 48k nursing), which dissuade entrance into health and push students from primary care into specialty practice.**
  - Driven, in part, by rapid increase of private, for-profit training programs.

Sources: Department of Health Care Access and Information, Health Workforce Research Data Center Annual Report to the Legislature January 2023; BRN School Survey Interactive Dashboard (ca.gov); Physician Workforce and Medical Education in California (ucop.edu) (2020); Here Today, Gone Tomorrow: California's Bottlenecked Education Pipeline Leaks Needed Latino/x and Black Medical Students (chcf.org) (2023).

Multiple *recent* factors are worsening the shortage:

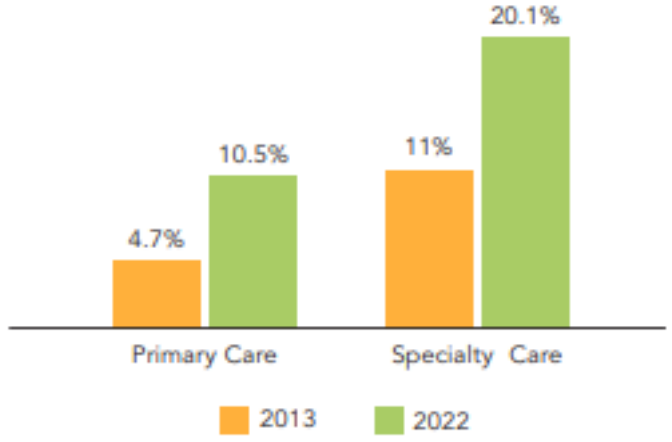
- California's high-cost of living is driving health workers to other states
- Minimum wage laws are driving health workers to other industries
- COVID-19 fueled burnout, early retirement, and departures:
  - 2020: exits *surpassed* new licenses for vocational nurses.
  - 2021: exists *increased* for both physicians and registered nurses.
  - 2022: turnover and vacancy time *increased* for nearly all positions at Community Health Centers.

Sources: Department of Health Care Access and Information, Health Workforce Research Data Center Annual Report to the Legislature January 2023; California Primary Care Association (2023)

Negative Impact on Communities

- **Workforce shortages limit access to care:**
  - 11.4 million Californians live in a Primary Care Health Professional Shortage Area; nearly 2/3 are Latino/x, Black, or Native American.
  - Trouble finding, care, extended wait times, additional transportation
- **Workforce shortages contribute to poor population health:**
  - California ranks **44** in the nation for prevention and treatment:
    - **50** for children without a medical and dental preventive care visit
    - **48** for diabetic adults without an annual A1c test
    - **46** for youth with major depressive episode who did not receive mental health services

Figure 1. The Share of Californians Experiencing Difficulty Finding Medical Care



Source: "AskCHIS," UCLA Center for Health Policy Research.

CHCF Health Policy Survey (2023)

More than half **(55%)** of those who tried to make a mental health care appointment in the last year reported unreasonable wait times.

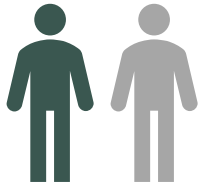
The 2024 CHCF California Health Policy Survey - California Health Care Foundation

Sources: Jill Yegian, *The Case for Investing in Primary Care in California*, CHCF (custom data request, HCAI), April 2022; Commonwealth Fund's Health System Performance Scorecard

California's health workforce does not reflect the racial, ethnic, or linguistic diversity of our state.

- Latinos/x represent 39% of California's population but are under-represented in *every* workforce category and region among 47 licensed health professionals.
- The most troubling and pervasive gaps are among physicians.
- To reach population parity, CA would need an additional 37,000 Latino/x physicians.
- Today, we produce just 1,725 physicians a year.

In California:



45% of residents identify as Black/Latino/x

14% of medical school graduates identify as Black/Latino/x

<9% of practicing physicians identify as Black/Latino/x

California's nursing workforce demonstrates similar underrepresentation as nurses move through their education and careers.

Sources: Race & Ethnicity of California's Health Workforce – HCAI (July 2023); Growing and Supporting Black/African American and Hispanic/Latinx Professionals in California's Medical and Nursing Workforces: Emerging Insights from a Study of Pathway Programs (urban.org)

For California, lack of language concordance is a particular pain point.

- California residents speak more than 200 languages:
  - 44% of households speak a language other than English
  - 19% report speaking English "less than very well"
- More than a quarter of Californians are immigrants from dozens of nations, bringing a level of diversity across multiple dimensions, the highest percentage of any state.
- While providers report multilingual capacity, many lack medical fluency.
- Translation and interpretation services are required by law and available, but not always accessible or supportive.

"It's like having your wings cut out. The first thing I ask is if the doctor will speak Spanish, if they don't, I do not schedule an appointment"

UCLA Latino Physician Shortage in California: Patient Perspectives (2019)

Sources: Johnson et al., Race and Diversity. *Limited English Proficient Consumers*, State of California Department of Justice, n.d.

How does diversity and representation improve population health outcomes?

- Improved access
- Greater trust
- Better communication
- Higher patient satisfaction
- More effective care
- Fewer disparities

- When the race or ethnicity of a patient matches that of their physician, patients have greater satisfaction and trust, and in some cases, receive more effective care.
- The ability to speak the same language decreases poor clinical outcomes due to miscommunication.
- Regardless of specialty, Black, Latino/x, and Pacific Islander physicians in California are more likely to practice in medically underserved and health shortage areas compared to their white counterparts. They are also more likely to accept Medicaid.

California Future Health Workforce Commission, 2019

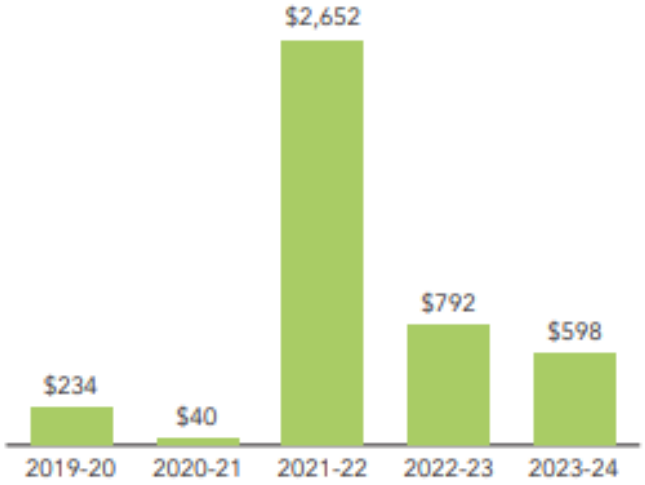
Blueprint for Action

- 24 leaders from health, education, employment, labor, and government; sponsored by health philanthropy.
- Co-chaired by the then UC President Janet Napolitano and Dignity Health President & CEO Lloyd Dean.
- Issued 10 Priority Recommendations for Action; $3 billion investment to strengthen the supply, distribution, and diversity of healthcare workers.
- Significant progress, including:
  - Established Department of Health Care Access and Information
  - Expanded primary care and psychiatry residencies
  - Expanded scope for nurse practitioners
  - California Medicine Scholars Program (pipeline)
  - Developed Psychiatric Mental Health Nurse Practitioner Program
  - Reimbursement for Community Health Workers/Promotores

What's helping?

- Significant investments from the state in health workforce development:
  - Residency expansion
  - Loan repayment for clinicians
  - Retention payments during pandemic
  - Behavioral health workforce
- Openness to revise health education (Master Plan, CCC, CSU expansion)
- Growing support from health plans and delivery system:
  - Significant increase in loan repayment (LA Care)
  - Support for post-graduate placement and training (Partnership Health Plan)
  - Latino Physician Shortage Initiative (Health Net/Cetene)
  - Sutter Health / Charles Drew University

Figure 2. Significant New State Funding for California Health Workforce Programs (in millions)



Notes: Figures reflect enacted budget totals for the state fiscal year and do not include adjustments made in following budget agreements. Totals include pandemic-related workforce stipends and retention payments, but do not include increases in health care provider payment rates.

Source: Author's analysis of legislative and administrative documents from the Department of Finance and the Legislative Analyst's Office.

June 2024 budget formalized ~$800 million in cuts to workforce funding proposed in earlier budgets; significant impacts expected on nursing, social work, and GME.

Workforce Actions: What helps, generally?

1. Increase opportunities for Californians from all backgrounds to enter health professions.
2. Support students on their education and training pathway and help them return to provide care in their home community and other underserved communities across the state.
3. Strengthen the skill set of the existing workforce to meet Californians' evolving health needs.
4. Support the existing workforce to improve well-being and retention and prevent early exits from the workforce.

CHCF's Strategic Focus: Expand and diversify California's health workforce

Goals (2023-2034):

1. Ensure California has the health workforce it needs to deliver timely, high-quality, and culturally- and linguistically-responsive care to Medi-Cal members.
2. Ensure that people of color and people who are bilingual can grow in health professions.

Scale the Pipeline

- Expand the ability of proven pipeline and pathway programs to support specific populations of students (e.g., rural students) and high-priority disciplines (e.g., behavioral health, midwifery) that are not currently well served.
- Support convenings, inventories, and other cross-cutting efforts to help proven pipeline and pathway programs continue to scale and maximize existing funding from the state and philanthropy.
- Identify mechanisms for reducing barriers to entering the health professions (e.g., costs, advising).

Modernize Education and Training

- Reduce the time and cost of education.
- Create community-oriented training options.
- Deploy interdisciplinary training approaches that enable integrated care capabilities.

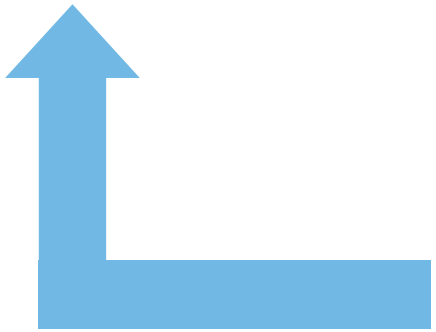
Create Growth Opportunities

- Create stackable education and training options that allow health workers to "level up" (e.g., receive a certification) or progress to a higher-paying role (e.g., certified nursing assistant to registered nurse).
- Test models for connecting educators and employers to make career transitions effective, certain, and low-cost.
- Increase concordant faculty, mentors, and role models.

Specifically, what might a purchaser do? Consider…

Increase opportunity & interest (long-term benefit):

- Targeted investments (regionally or by discipline) in pipeline and pathway programs.
- Scholarship fund for place-committed individuals, specific disciplines, or language concordant learners.



Operationalize well-being and retention (immediate benefit):

- Financial
  - Loan forgiveness or repayment programs
  - Salary supplements (primary care, rural, setting specific)
  - Practice start-up, improvement, or maintenance grants
- Contractual
  - Evaluate contracts, plan arrangements, and benefit design structures to equalize revenue generation opportunities between primary care/specialty care and physical/behavioral health care
  - Support expanded roles, integrated care, and team-based care – reimbursement for doulas, CHWs
  - Prioritize predictable, population-based payments
  - Reduce administrative burden – make working in health care *easier* (mutlipayer agreement on synchronized measures, payment)

THANK YOU

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Workforce - California Health Care Foundation (chcf.org)