



NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

Program Evaluation: Nursing Expansion and Workforce

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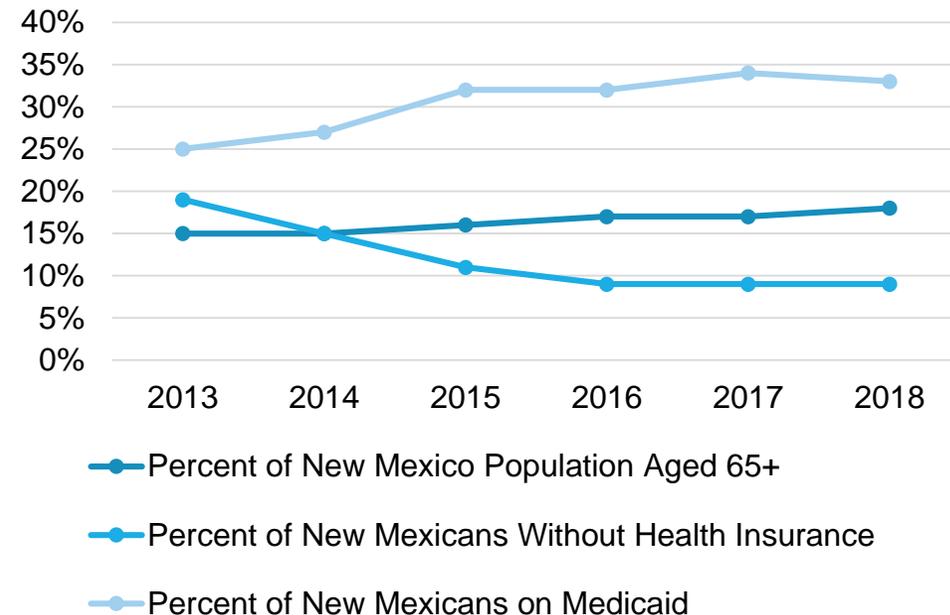
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Background: Growing Supply and Demand for Nurses Amidst a Changing Healthcare Landscape

- The number of nurses licensed in New Mexico has nearly doubled over the past 25 years.
- An aging population and increased Medicaid and insurance coverage are driving the need for medical care.
- The U.S. Health Resources and Services Administration estimates the national demand for registered nurses will grow by 28 percent from 2014 to 2030.

**Aging and Health Insurance Trends in
New Mexico**



Source: Kaiser Family Foundation and American Community Survey

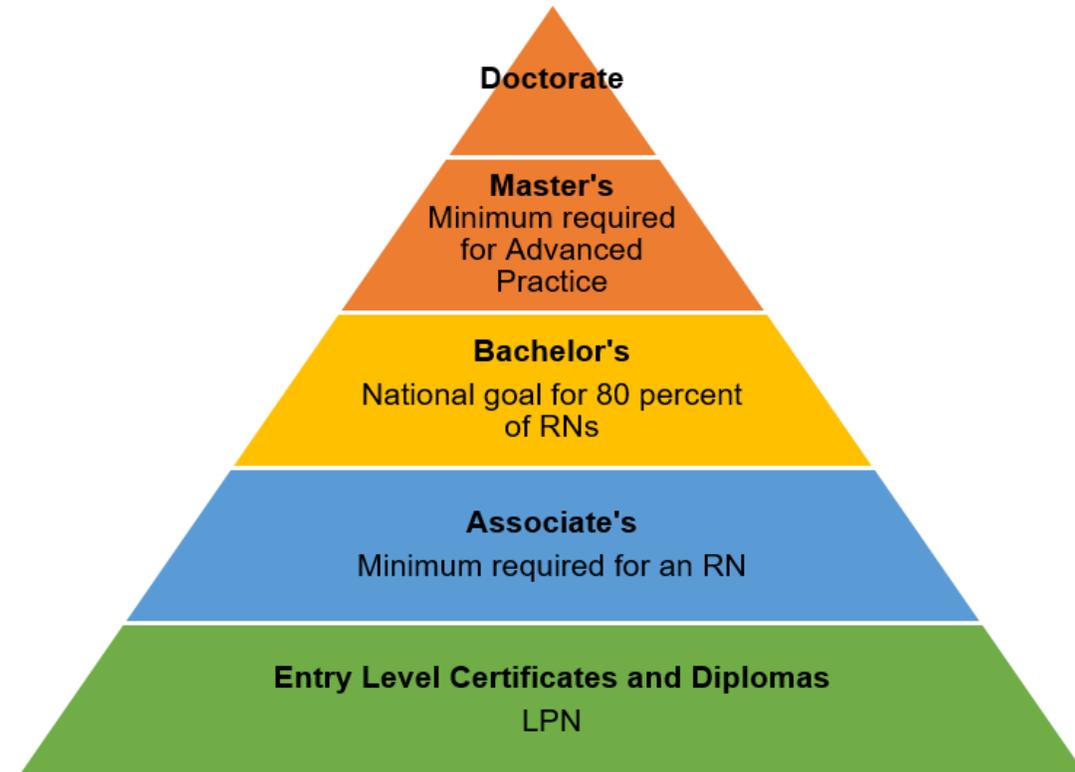


Background:

The Nursing Profession has Multiple Licensure Levels and Degrees

- **Pre-licensure programs** prepare nurses for the national nursing licensure exam. **Advanced nursing programs** prepare nurses to become an advanced practice nurse.
- All pre-licensure programs must be approved by the state Board of Nursing.
- New Mexico has 21 pre-licensure nursing education programs, 17 of which are at state-funded higher education institutions.

Levels of Nursing Degrees and Licensure



Source: BON



Background: State Funding for Higher Education Institutions

Nursing programs at state-funded higher education institutions receive funding from:

- Appropriations to institutions for discretionary instruction and general (I&G) operations
- Line-item appropriations for specific research and public service projects (RPSPs)





Finding 1:

State Investment Has Yielded More New Mexico-Educated Nurses, but Could Better Target Barriers to Further Growth

Nurse Expansion Appropriations Helped Increase Nursing Graduates, Enrollment, and Faculty Salaries

- The Legislature has allocated a cumulative \$120 million to higher education for nursing program expansion since FY01.
- As nurse expansion appropriations have grown, so has nursing enrollment and graduates.
- Average nursing faculty salaries increased by 17 percent since FY14, but remain below clinical pay while overall faculty numbers remain flat

Nursing Line-Item Appropriations, Course Enrollment, and Graduates

Category	FY14	FY15	FY16	FY17	FY18	FY19	FY14-FY19 Change	
							#	%
Nursing Line-item Appropriations (in millions)	\$4.3	\$8.0	\$8.4	\$7.8	\$7.7	\$7.7	\$3.4	78%
Fall Nursing Course Enrollment	5,683	5,950	6,838	7,095	7,443	7,434	1,751	31%
Nursing Program Graduates (Associates Degree and Above)	1034	987	980	1182	1283	1383	349	34%

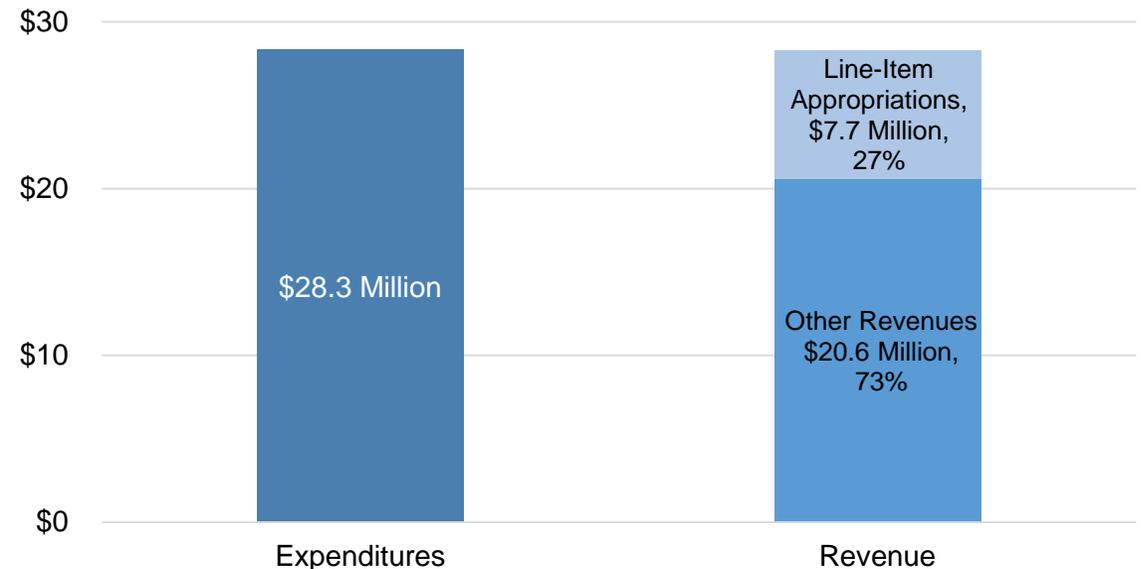
Source: LFC analysis of HED data.



Continuing Nurse Expansion Appropriations Could be Streamlined for More Efficiency

- Nurse expansion RPSPs fund over a quarter of core program operations.
- HED review could identify nurse expansion appropriations to roll into I&G appropriations.
 - Advantage: administrative efficiency
 - Disadvantage: Up to institutions whether to fund nursing programs at the same level as with line-item appropriations
- Potential solutions:
 - Consider nurse expansion requests based on targeting critical needs and gaps for capacity building
 - Competitive grants from program development enhancement fund

New Mexico Statewide Nursing Program Expenditures and Revenue, FY19



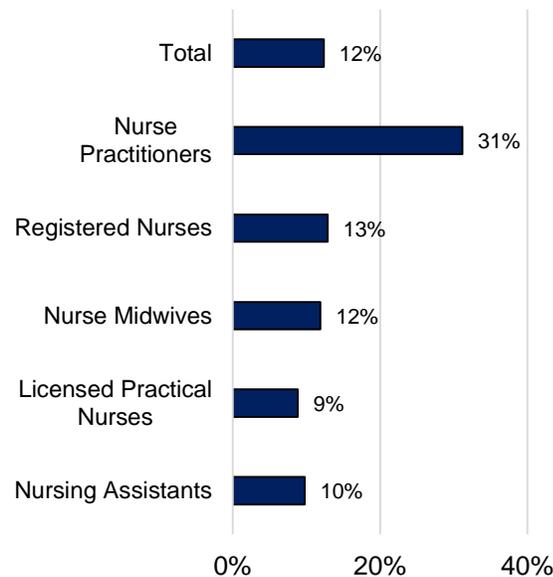
Note: Other revenues include tuition and fees, state I&G appropriations, property tax levies, and federal funding. Revenues are not disaggregated at the instructional program level in reports of actuals.
Source: LFC analysis of HEI reports of actuals and LFC budget files.



Efforts to Increase Nursing Bachelor's Degrees are Successfully Responding to Projected Growth in Demand

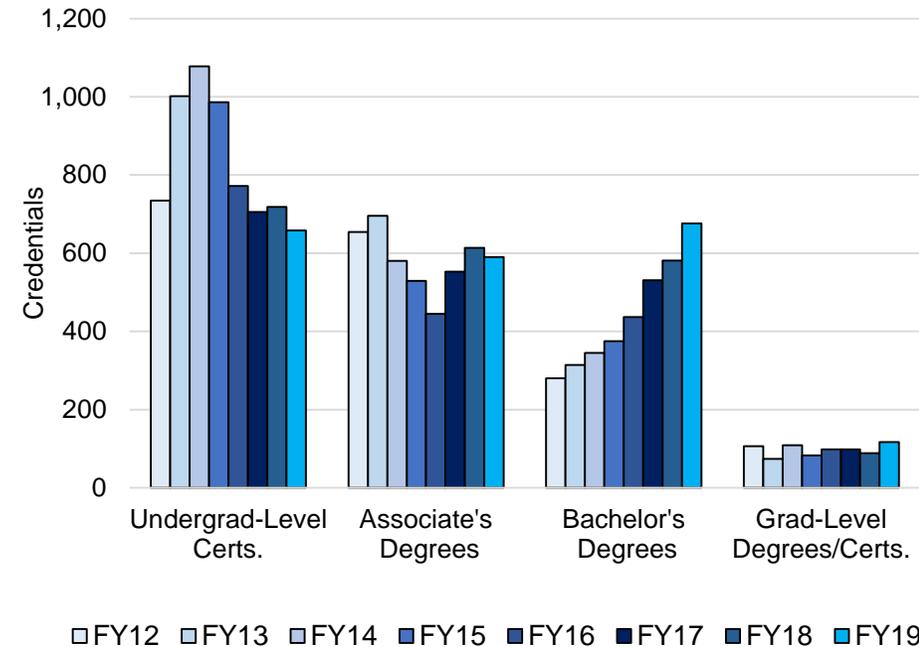
- Growing demand for all levels of nursing, but especially those requiring a degree.
- Nursing bachelor's degrees awarded have increased 1.5x since FY12 while advanced degrees remain flat.
- The New Mexico Nursing Education Consortium (NMNEC) has aligned curricula across 12 institutions, encouraging pathways to BSN attainment.

Projected Growth in Employment Opportunities for NM Nurse Occupations, 2016 to 2026



Source: LFC analysis of DWS data

Nursing Credentials awarded from New Mexico Higher Education Institutions, FY12-FY19



Source: LFC analysis of HED data.



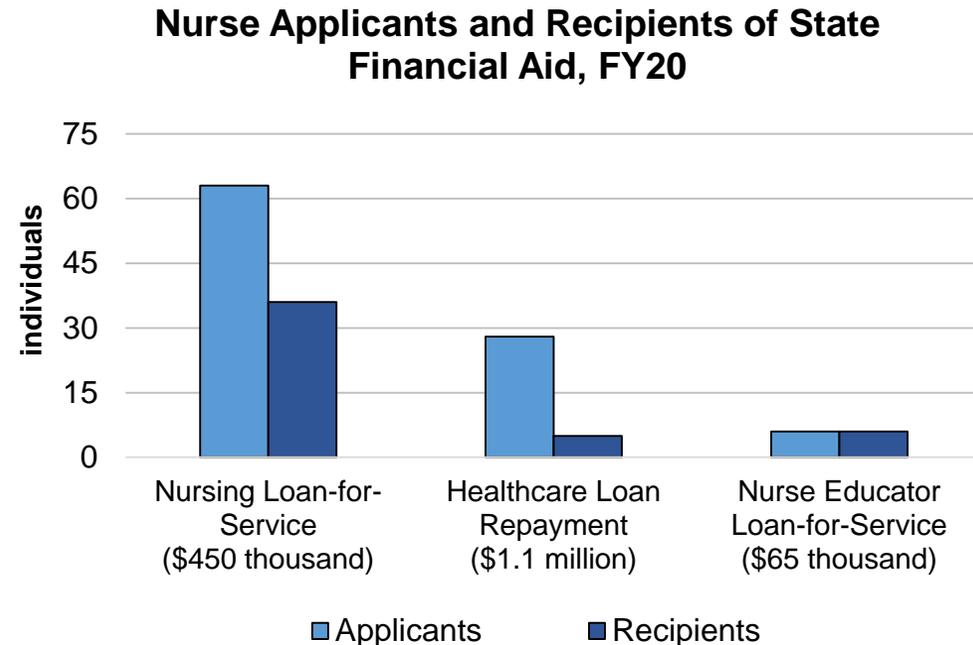
New Mexico's Nursing Education Programs Face Interruptions and Challenges During the COVID-19 Pandemic

- Online classes to minimize the risk of COVID-19 transmission.
- Interruptions in clinical training as hospitals, long-term care facilities and other clinical placement sites pivot attention to the pandemic.
- Virtual, rather than laboratory-based, clinical simulations.
- The Board of Nursing has taken certain measures to mitigate the pandemic's workforce effects, such as issuing graduate permits for not-yet-licensed graduate nurses to practice under supervision.



Expanding Targeted Financial Aid Programs for Nurses Could Increase Nurse Retention in Underserved Areas

- Applications for state financial aid programs targeted at nurses exceed available funding (roughly \$1.6 million in FY20).
- An additional \$754 thousand would have been needed to fund all applicants for state nursing financial aid in FY20.
- A modest increase in Board of Nursing surcharges could also add to scholarships from the Nursing Excellence Fund and HED loan repayments for advanced practice nurses.
- Research from Pew Charitable Trusts indicates that loan repayment and loan-for-service programs are effective at retaining healthcare professionals in underserved areas.



Source: LFC analysis of HED data.
Note: Healthcare loan repayments are available for nurse practitioners and other healthcare professionals.



Limited Availability of Clinical Placements Outside Major, Urban Hospitals Constrains Program Capacity

- Nursing programs are required to provide supervised clinical experiences for their students.
- Key barriers to clinical placements in the state include a lack of clinical faculty, difficulty securing rural or non-hospital placement sites, and no centralized clinical placement data.
- Preceptors are nurses who mentor and supervise student nurses or newly licensed nurses in clinical settings.
- Certain incentives (such as waiving Board of Nursing fees) could induce more nurses to serve as preceptors.

Key Constraints to Clinical Placements in New Mexico

- There is **no centralized system that coordinates clinical placements** between higher education institutions and providers. An association could serve this role.
- There are **not sufficient part-time faculty to serve as clinical faculty** at clinical sites.
- **LPNs have the hardest time finding clinical placement sites.** It can take creativity to identify new kinds of clinical placement sites, such as schools or daycare centers.
- **Finding clinical placement sites outside of metro areas and hospital settings is the most challenging.** Rural hospitals and providers often lack capacity to accommodate students.

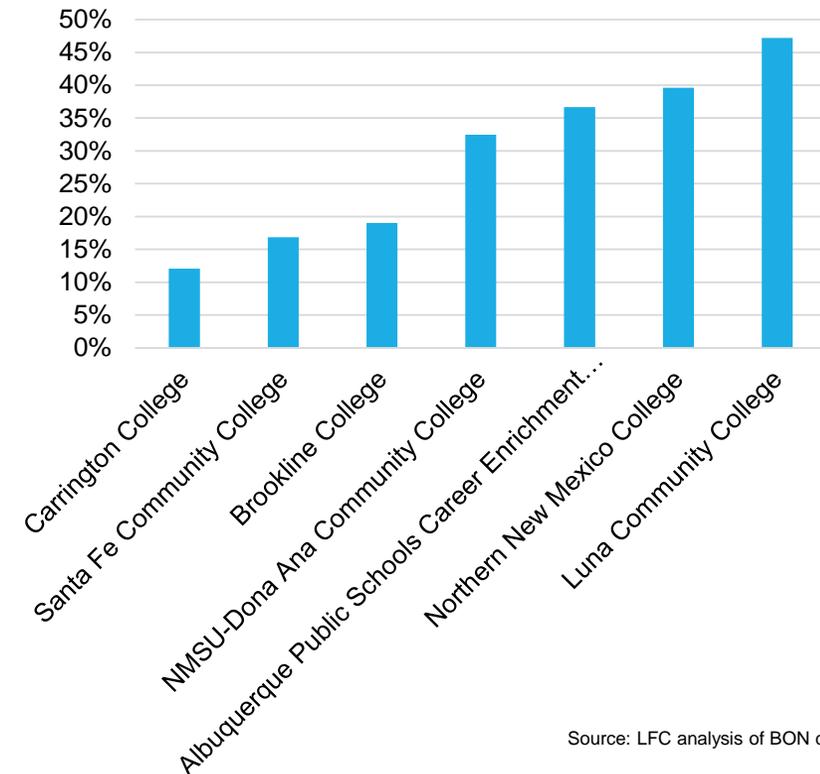
Source: LFC structured interviews or written surveys with UNM, CNM, NMSU, NMSU-DACC, WNMU, Navajo Tech, NMNEC, and NM Hospital Association



Applicant Preparedness Remains an Obstacle to Expanding the Capacity of Nursing Education in New Mexico

- 40 percent of applicants to pre-licensure programs were not admitted due to a lack of program capacity or not meeting admissions requirements.
- Only seven programs reported the share of applicants not admitted because they did not meet requirements.
- The BON could require more detailed admissions and attrition data from institutions to help understand and address applicant preparation.

Percent of Nursing Applicants Who Did Not Meet Admissions Requirements (2019)



Source: LFC analysis of BON data



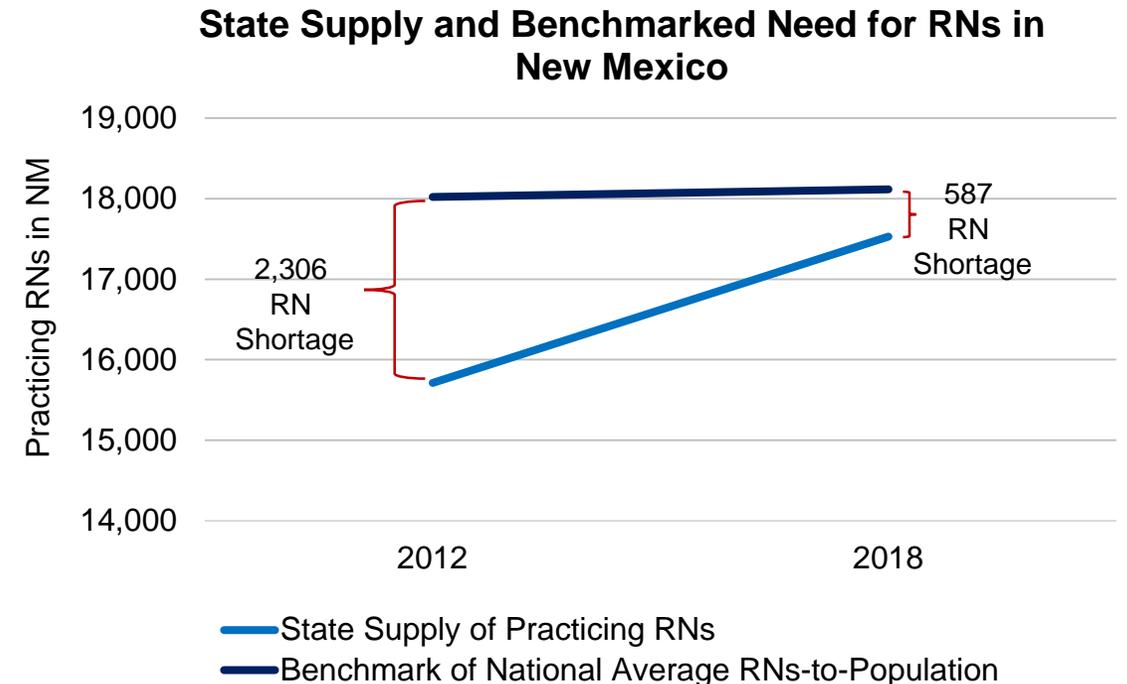


Finding 2:

As the State's Supply of Nurses Grows, More Work is Needed to Align it With Demand

New Mexico's Nursing Workforce is Nearing Benchmarks for Supply, but Existing Reporting Lacks Context

- New Mexico Healthcare Workforce Committee annual reports show an overall increase in nursing supply statewide.
- The Committee uses a benchmark based on national averages of nurses per capita.
- The state is closer to meeting this benchmark, but that does not mean needs are being met, especially outside urban areas where most health care occurs.
- Additional data on demand and population health could inform strategies to connect supply with unmet demand.



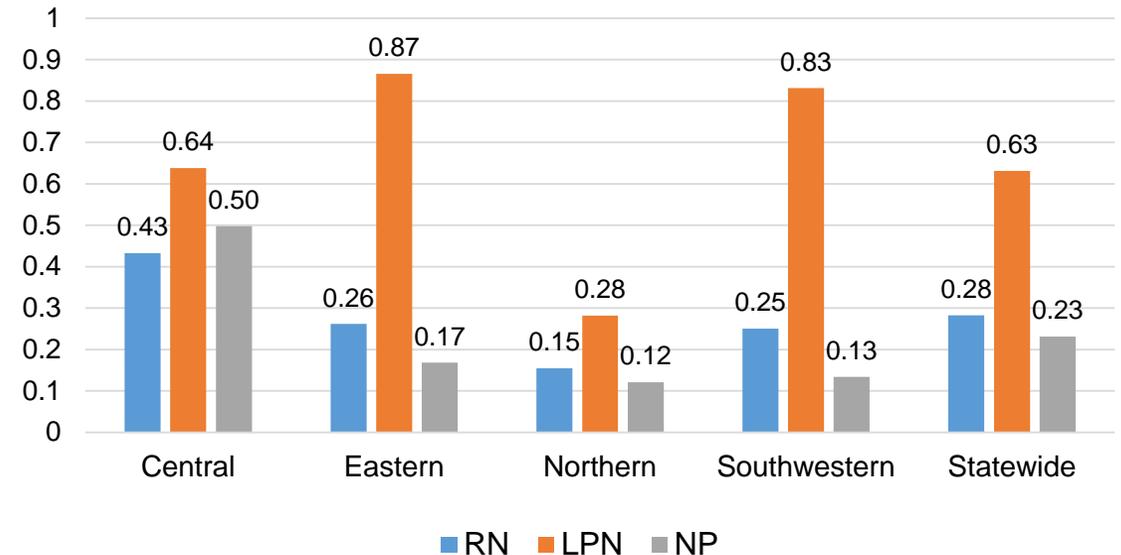
Source: LFC analysis of New Mexico Healthcare Workforce Committee data.



Growth in Advanced Practice Nurses, Critical for Access, Still Falls Well Short of Employer Demand

- Nurse practitioners and clinical nursing specialists grew 59 percent since 2012.
- Nurse practitioners can be critical to fill primary and specialty care gaps.
- Fewer than 1 candidate per open nursing position at all levels indicates more nursing jobs than available nurses.
- Unmet demand for all types of nurses is greatest in Northern New Mexico, a region with some of the most challenging health outcomes in the state.

Estimated Candidates* per Nursing Job Opening by Region and Nurse Type (2020 Q1 Monthly Average)

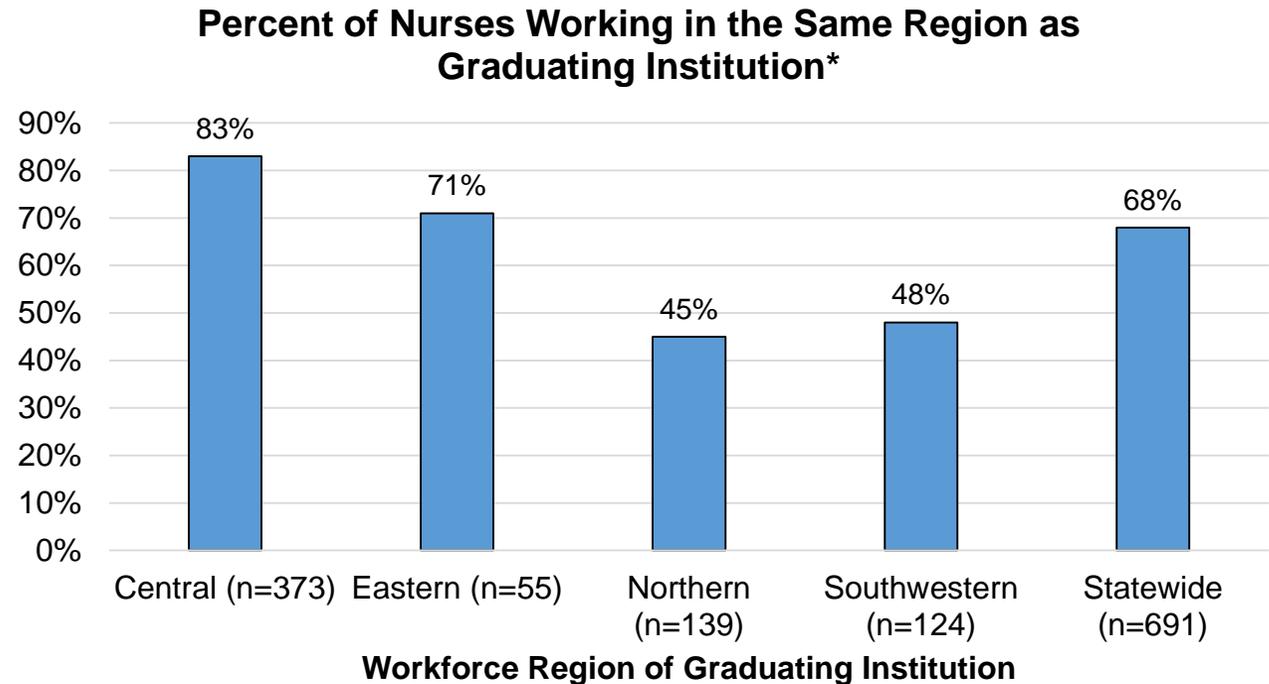


*Estimated candidates include licensed nurses in the Board of Nursing database with an employment status of "unemployed, seeking work as a nurse."
Source: LFC analysis of DWS and BON data



The Albuquerque Metro Area Disproportionately Draws Nurses from Other Regions with Unmet Demand

- Over half (57 percent) of all nurses practicing in New Mexico work in the Central workforce region (Bernalillo, Sandoval, Torrance, and Valencia counties).
- The Central workforce region accounts for 43 percent of the state's population.
- Nurses educated in other regions are less likely to stay there to work after graduation.



* Reflects the percentage of nurses in BON's licensure and workforce database who (1) earned their primary nursing degree or credential from a public institution in New Mexico, (2) have an initial licensure date for their current level of licensure in 2017, and (3) have an active license as of March 2020.

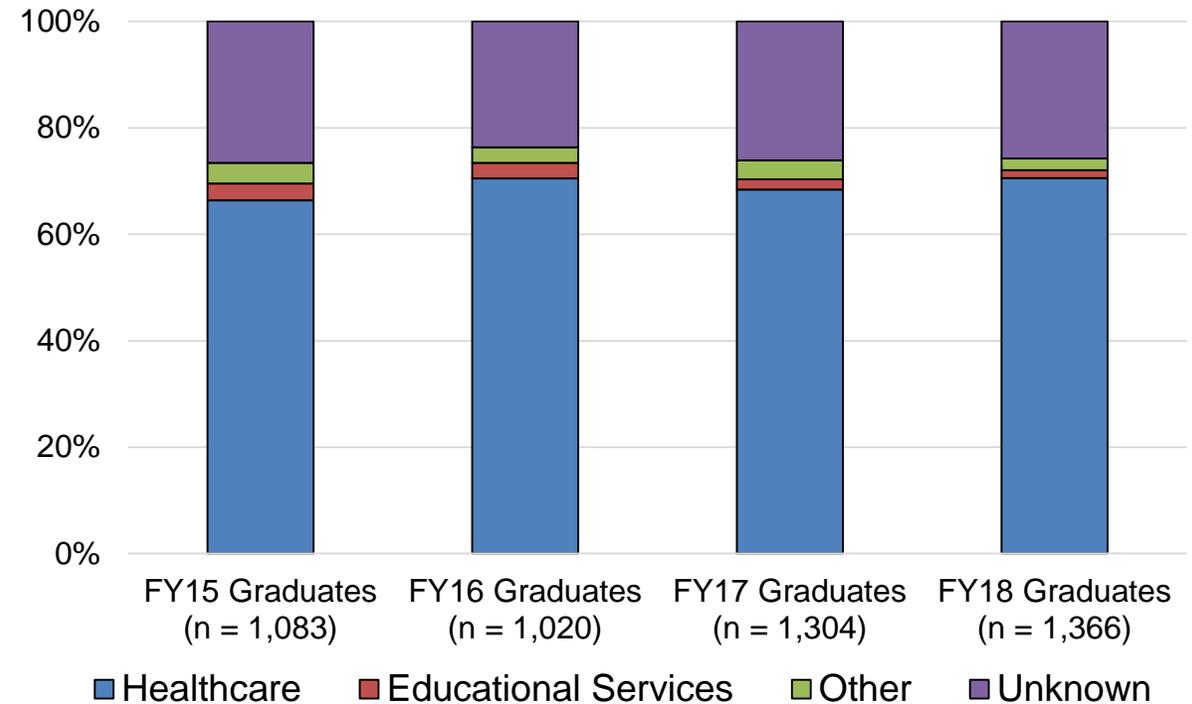
Source: LFC analysis of BON data



Most New Mexico Graduates Stay in the State to Work, but Targeted Initiatives can Improve Retention in Certain Settings

- Over 65 percent of nursing graduates from New Mexico public higher education institutions were employed in the state healthcare system one year after graduation.
- Evidence-based transition to practice programs such as nurse residencies can improve nurse retention, but are not as prevalent in nonhospital settings.
- It is impossible to know whether New Mexico's participation in the enhanced Nurse Licensure Compact results in a net gain or loss of nurses.

Employment Sector of New Mexico Nursing Graduates One Year After Graduation



Source: LFC analysis of HED-DWS data.



Key Recommendations

The Legislature should consider...

- Putting future nurse expansion funds into the program development enhancement fund for HED to award grants on a competitive basis;
- Increasing targeted financial aid for nurses by approximately \$750 thousand in FY22 or future fiscal years to meet demand; and
- Amending Chapter 24, Article 14C NMSA 1978 to require the Healthcare Workforce Committee to work with the Department of Workforce Solutions to incorporate demand-side factors in its analyses.

The Higher Education Department should...

- Modify administrative rules so I&G-related RPSPs are rolled into main I&G appropriations if an RPSP's funding has remained flat; and
- Consider all requests for nurse expansion based on addressing identified capacity building needs

The Board of Nursing should...

- Work with pre-licensure nursing programs to develop standardized measures to quantify and track clinical placements and identify providers with which nursing programs have clinical placement agreements;
- Quantify and track academic preparedness of admitted and denied nursing students; and
- Promulgate a rule creating a data system for employers to voluntarily report the employment of nurses whose primary residence and state of licensure is outside New Mexico

The Healthcare Workforce Committee should...

- Reassess its benchmark for nurses to encompass additional factors beyond per-capita employment rates, including provider demand and population health characteristics





For More Information

LFC Program Evaluation Unit

- <http://www.nmlegis.gov/lcs/lfc/lfcdefault.aspx>
 - Program Evaluations
 - Progress Reports