



HEALTH CARE IN WISCONSIN

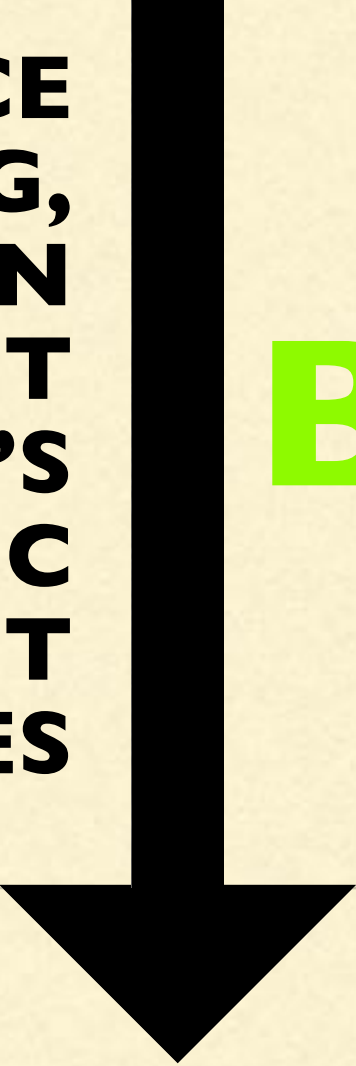
**Wisconsin Council on Medical
Education and Workforce
September 27, 2017**

WISCONSIN'S WORKFORCE CHALLENGES & OPPORTUNITIES

- **CONTEXT**
 - **COMPETITIVE WISCONSIN AND THE BE BOLD INITIATIVES**
 - **BE BOLD III: HEALTH CARE IN WISCONSIN**
 - **BE BOLD III: HEALTH CARE IN WISCONSIN: WORKFORCE**
 - **CHALLENGES**
 - **OPPORTUNITIES**
 - **NEXT STEPS**
-

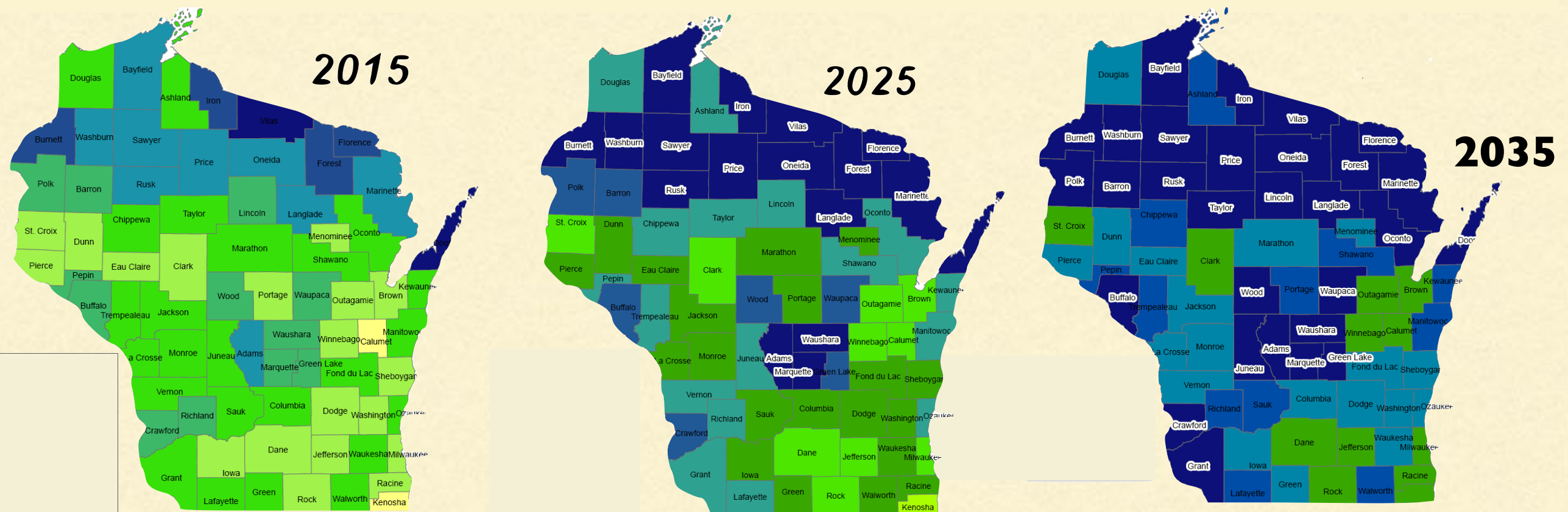
**WORKFORCE
TRAINING,
RETENTION
AND RECRUITMENT
MUST BE WISCONSIN'S
TOP ECONOMIC
DEVELOPMENT
PRIORITIES**

BECAUSE

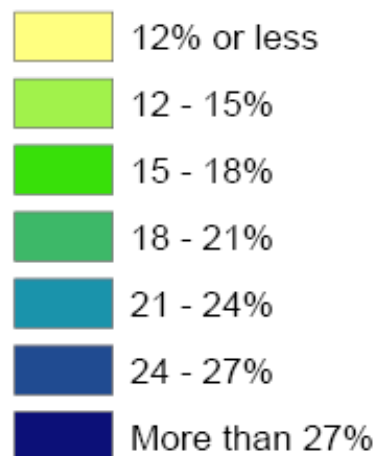


**WISCONSIN'S ELDERLY POPULATION IS GROWING.
WISCONSIN'S WORKFORCE POPULATION IS SHRINKING.
WISCONSIN'S TAX BASE IS ERODING.**

WISCONSIN'S ELDERLY POPULATION IS GROWING.

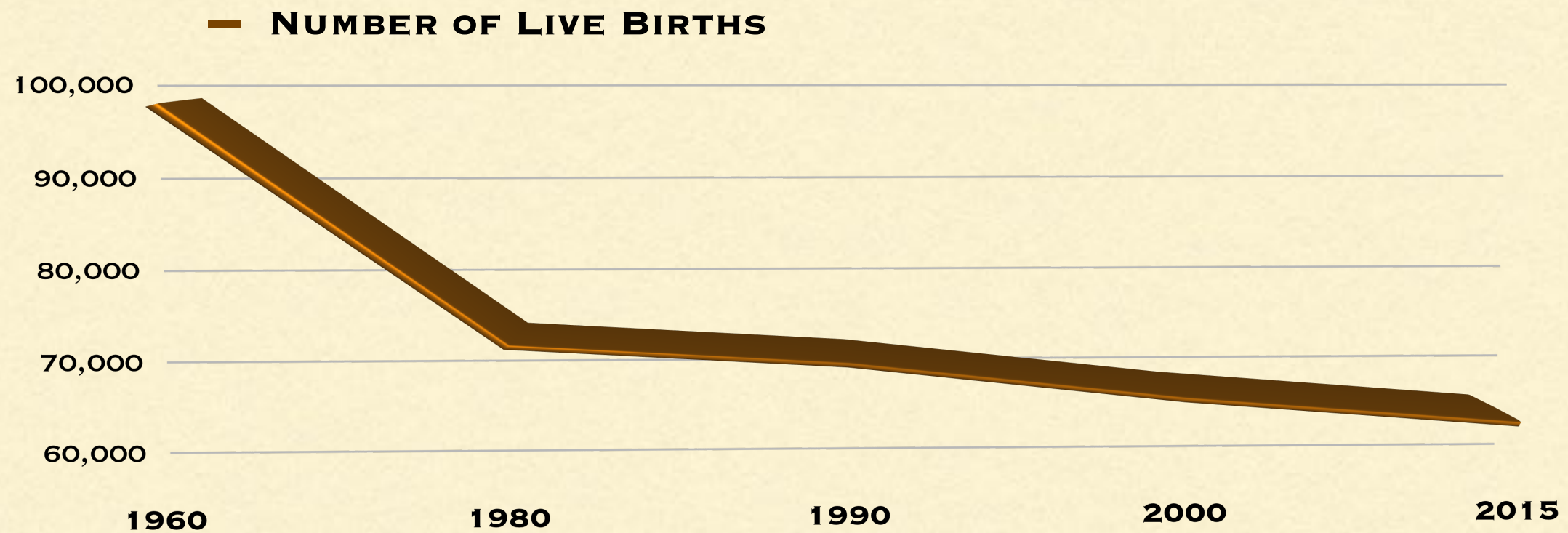
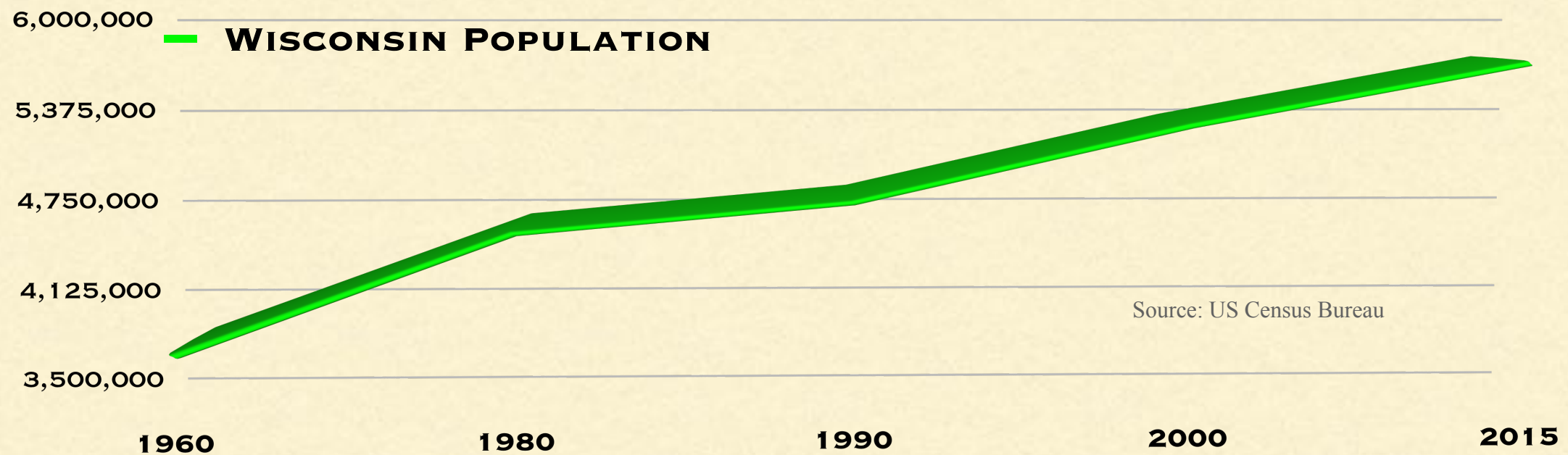


Percent Age 65+



- Pressure on need for/access to services - e.g., health care, transportation, senior services
- Pressure on local economy - e.g., fixed incomes, decline in full-time worker consumer spending
- Pressure on property tax base capacity - e.g., fixed incomes, erosion in rural housing market

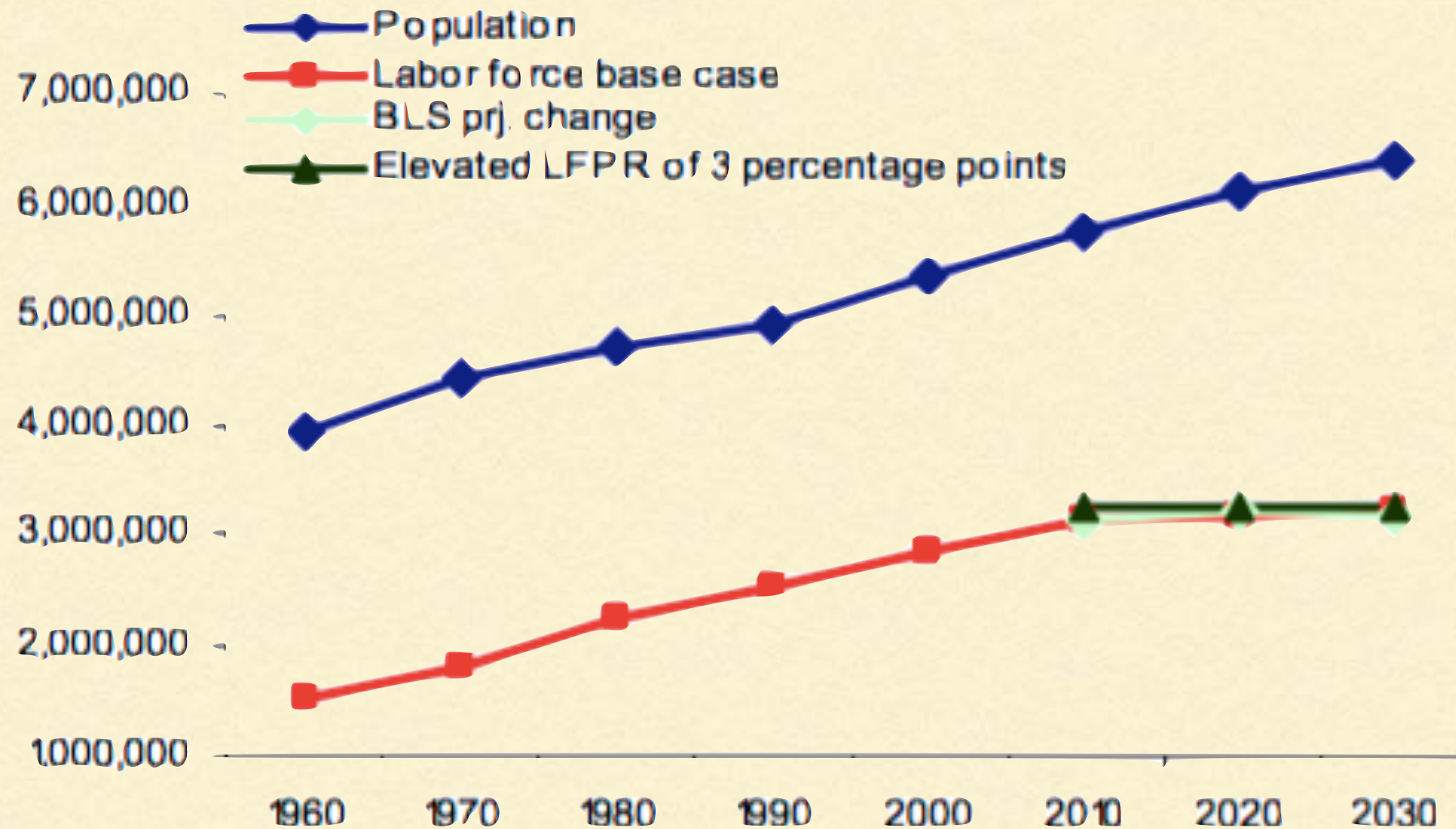
WISCONSIN'S WORKFORCE POPULATION IS SHRINKING.



Source: Wisconsin Department of Health Services

WISCONSIN'S WORKFORCE POPULATION IS SHRINKING.

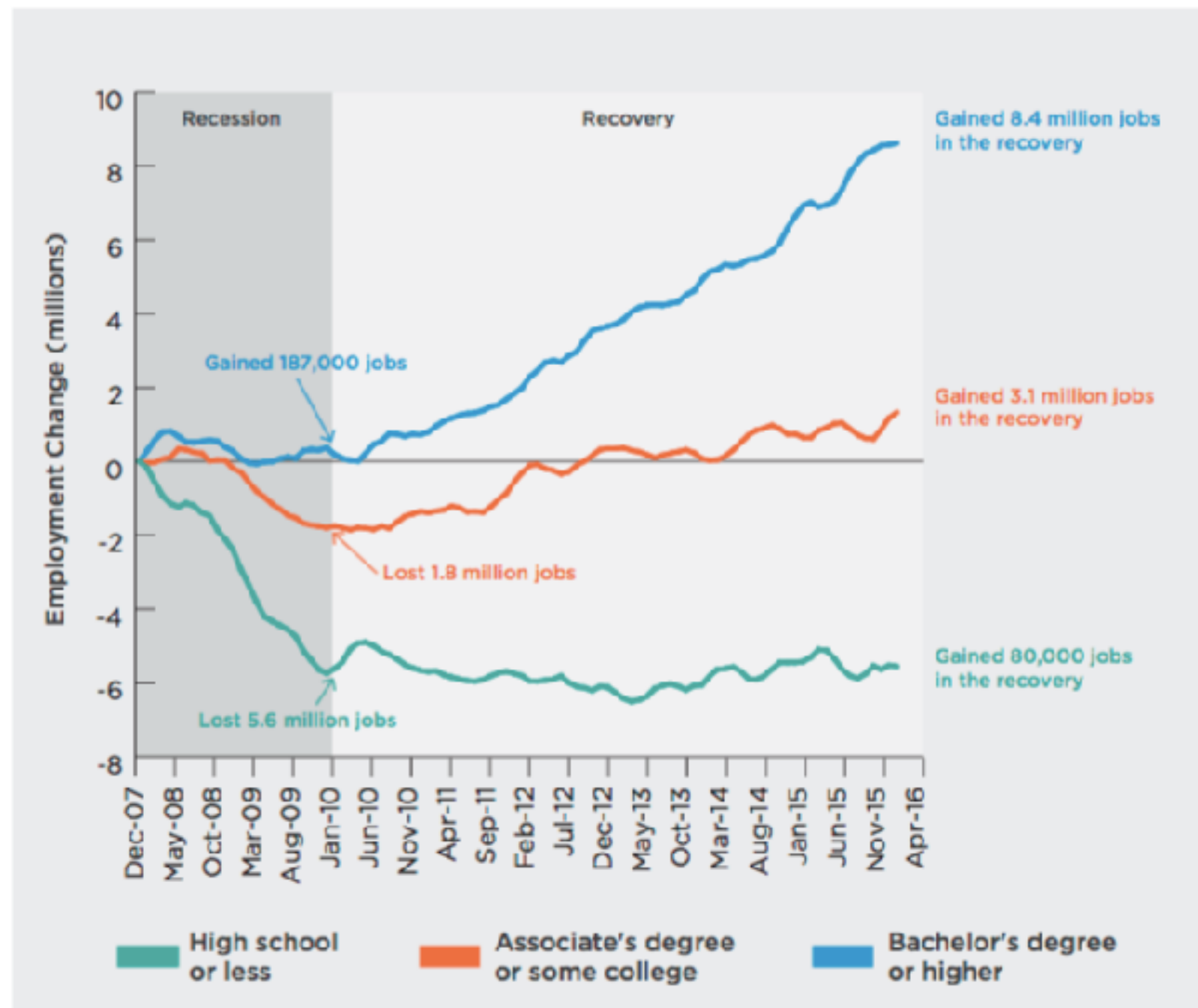
Exhibit 12: Wisconsin Labor Force: Historic and Projected



“Even with robust increases in LFPR, growth in Wisconsin’s workforce is limited at best. The pending situation is unprecedented and largely unalterable. The economic impacts are huge.”

Source: The Impact of Population Aging on Wisconsin’s Workforce, Office of Economic Advisors, Wisconsin Department of Workforce Development, 2009 http://worknet.wisconsin.gov/worknet_info/articles/impact_of_aging_population_paper12-2009.pdf

Figure I. Workers with a Bachelor's degree have added 8.4 million jobs in the recovery, but workers with a high school diploma or less added only 80,000 jobs after losing 5.6 million jobs in the recession.



Source: Georgetown University Center on Education and the Workforce analysis of *Current Population Survey* (CPS) data, 2007-2016.

Note: Employment includes all workers age 18 and older. The monthly employment numbers are seasonally adjusted using the U.S. Census Bureau X-12 procedure and smoothed using a four-month moving average.

MANUFACTURING INDUSTRY'S ROLLER COASTER RECOVERY

RECESSION DEC. 2007 - JAN. 2010



Manufacturing was one of the hardest hit industries during the recession, losing 2.7 million jobs.



- BACHELOR'S DEGREE OR HIGHER
- SOME COLLEGE/ ASSOCIATE'S DEGREE
- HIGH SCHOOL OR LESS



In the recovery, it recouped 1.7 million jobs, mostly for those with at least some college education.

RECOVERY JAN. 2010 - JAN. 2016

THE WASHINGTON POST

News Alert

Tue., Sep. 12, 2017 11:05 a.m.

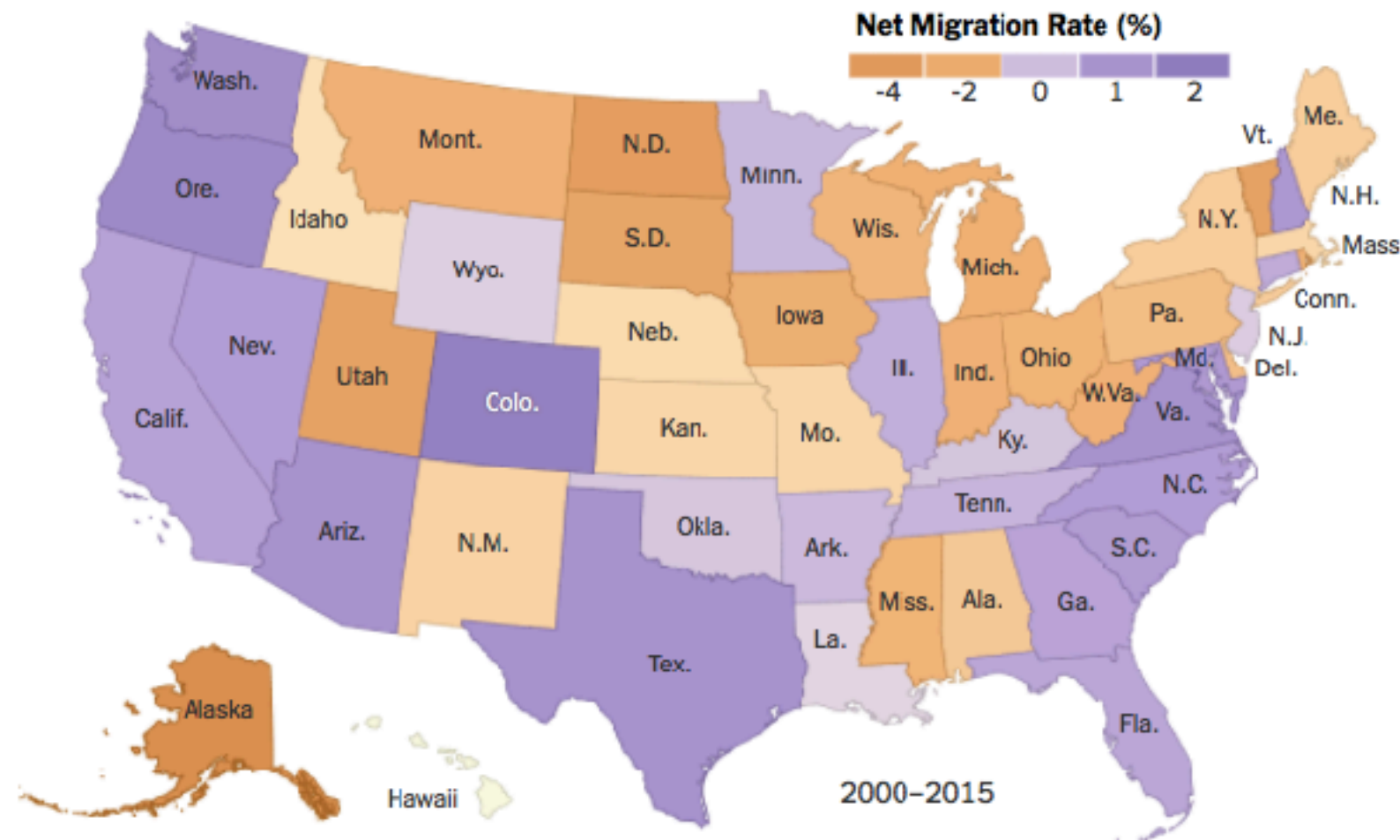
U.S. median income hit \$59,039 in 2016, the highest ever reported by Census Bureau

Middle-class household income set an all-time record last year, besting the previous high set in 1999, the U.S. Census Bureau reported Tuesday.

Median income is a key measure of the economic health of the U.S. middle class, which struggled during the slow economic growth of the early 2000s and was devastated by the 2008 financial crisis and subsequent recession.

Where Young College Graduates Tend to Move

Net migration of college educated people under 40



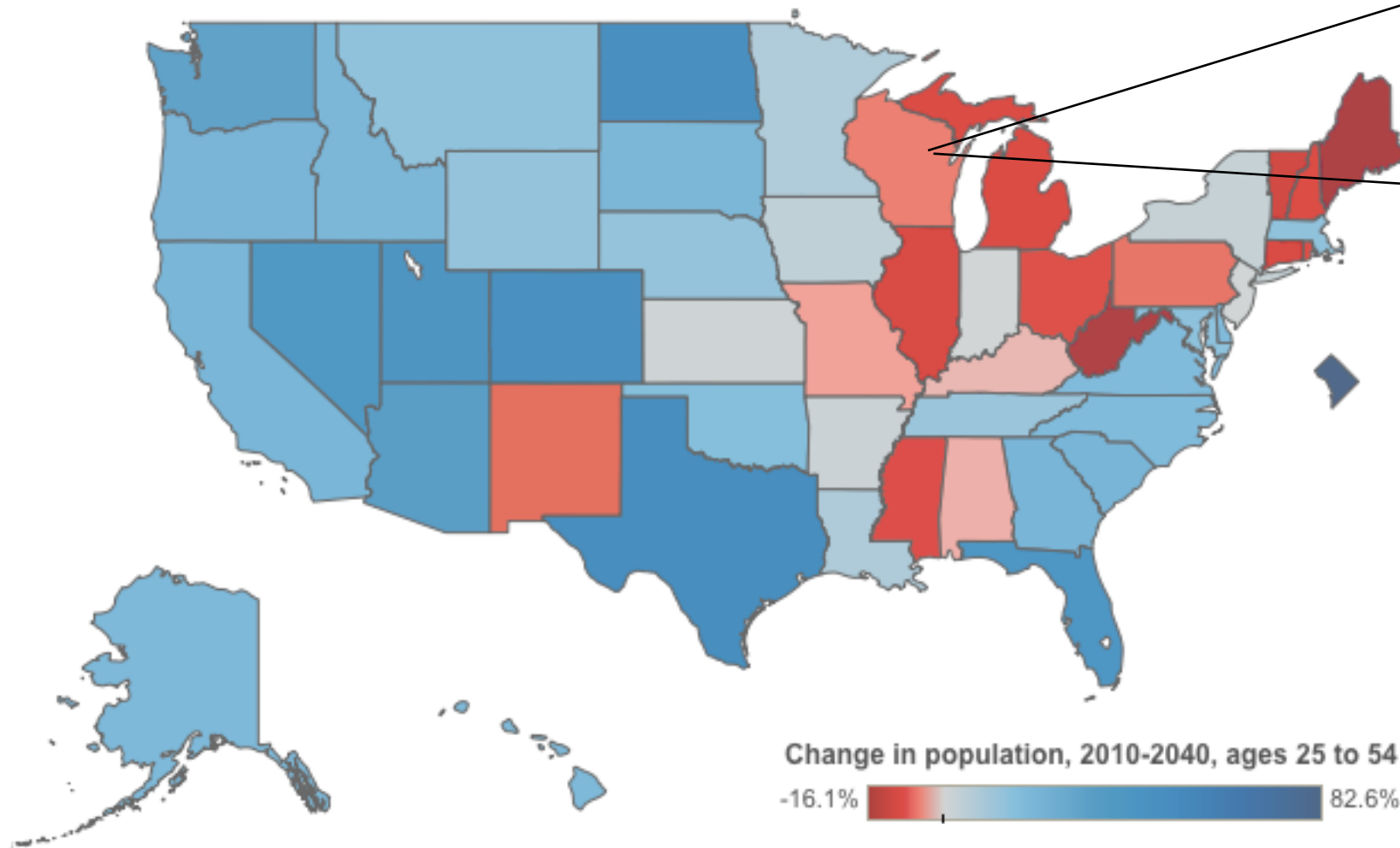
Note: Those who grew up in one state, went to college in another and then moved somewhere else are counted as migrating from the state where they attended college.

Source: IPUMS-USA, University of Minnesota

The map shows the total net migration figures for those with a college degree under 40 between 2000 and 2015. (People who grew up in one state, went to college in another and then moved somewhere else are counted as migrating from the state where they attended college.) Generally, Rust Belt and Midwest states like Ohio, Michigan and Iowa, and Plains states like South Dakota and Nebraska have seen the largest net losses in younger, college-educated people.

Change in Working-Age Population

The population of people at prime working age, 25 to 54, will grow by about 15 percent across the country from 2010 to 2040. But many Northeast and Midwest states will see that population decline. Hover over a state for details.



Stateline data visualization, May 2016 | Source: University of Virginia Demographics Research Group

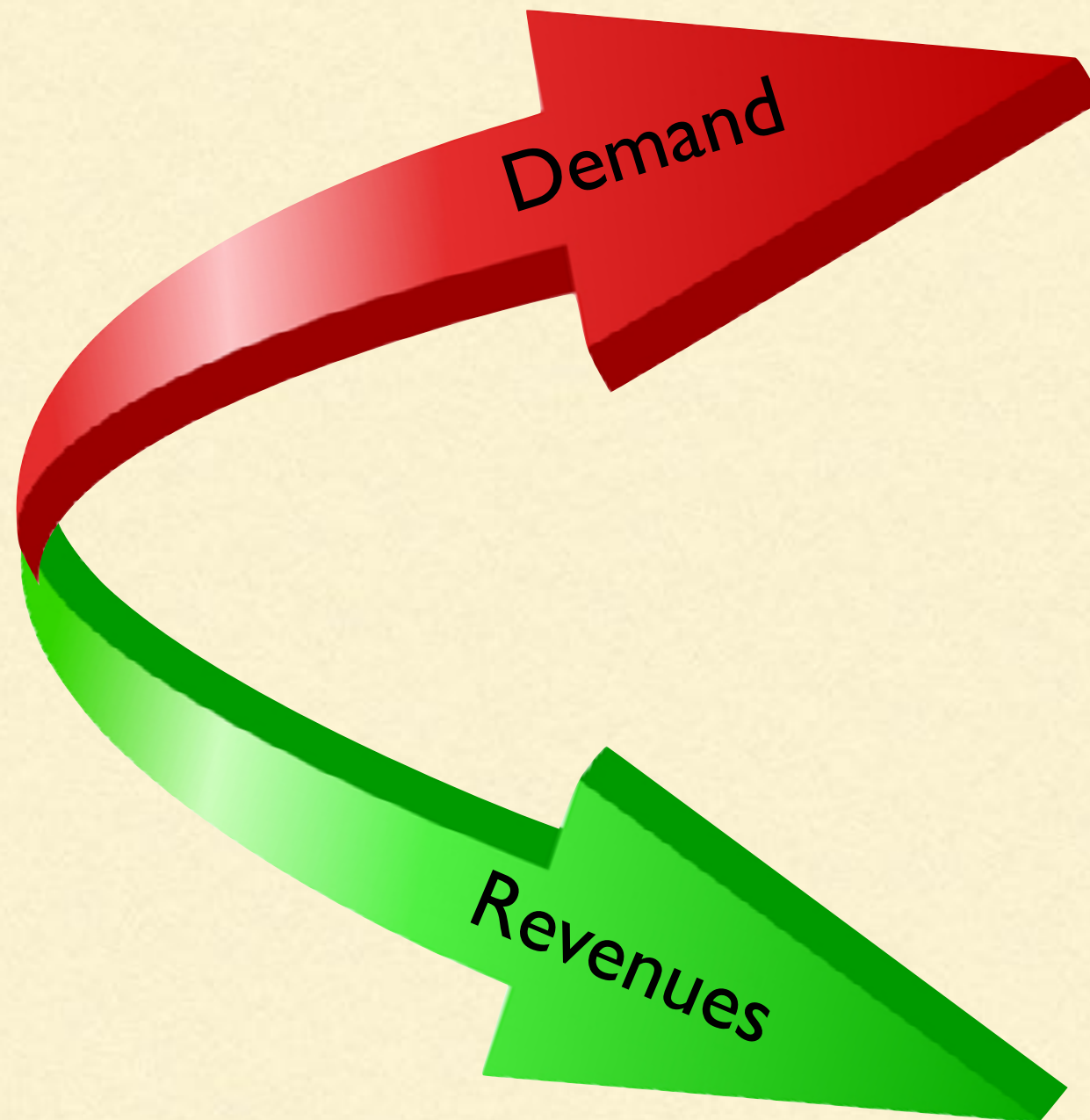
-5.1 % Decline in 25-54 Workforce
Workforce 2010 = 2,321,113
Workforce 2040 = 2,202,014

6% Increase in Total Population
Population 2010 = 5,686,986
Population 2040 = 6,042,354

Maine, Vermont and West Virginia will see their working-age populations drop more than 10 percent. Connecticut, Illinois, Michigan, New Hampshire, Ohio, Pennsylvania, Rhode Island and Wisconsin will see theirs fall more than 5 percent.

“You have young people moving out,” said Mark Mather, a demographer at the Population Reference Bureau, an international research center. “You are losing your skilled workforce. And so businesses don’t want to work there. And there is less demand for services. So everything feeds into itself, for a negative downward spiral.”

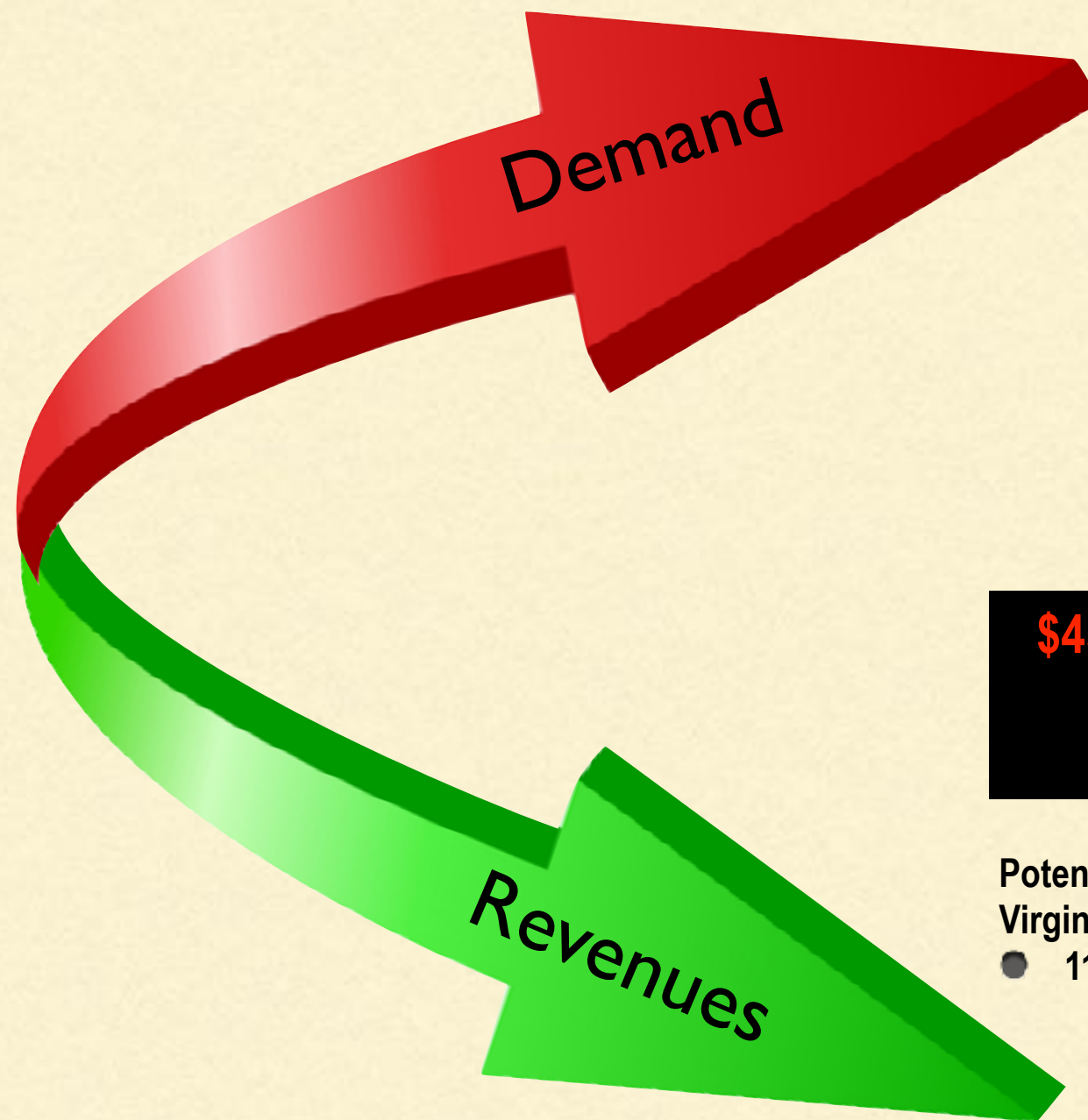
WISCONSIN'S TAX BASE IS ERODING



- Pressure on need for/access to elder services - e.g., health care, transportation, senior services
- Pressure on need for/access to urban and suburban services - e.g., more people, education, health care, public safety, quality of life

- Pressure on income tax base capacity - e.g., fewer workers, student debt, rising cost of living (gas, housing, insurance, food)
- Pressure on local economy - e.g., fixed incomes, decline in full-time worker consumer spending
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\$452 MILLION REDUCTION IN STATE AND LOCAL GOVERNMENTAL REVENUES ANNUALLY.

Potential Annual Income Tax impact of University of Virginia/Pew Trust projections

$$\begin{aligned} & \bullet \quad 118,000 \times \$45,617 = \$5,382,806,000 \\ & \qquad \qquad \qquad \qquad \qquad \qquad \times 5\% \\ & \qquad \qquad \qquad \qquad \qquad \qquad = \$269,140,300 \end{aligned}$$

Potential Annual Property Tax Impact of University of Virginia/Pew Trust projections

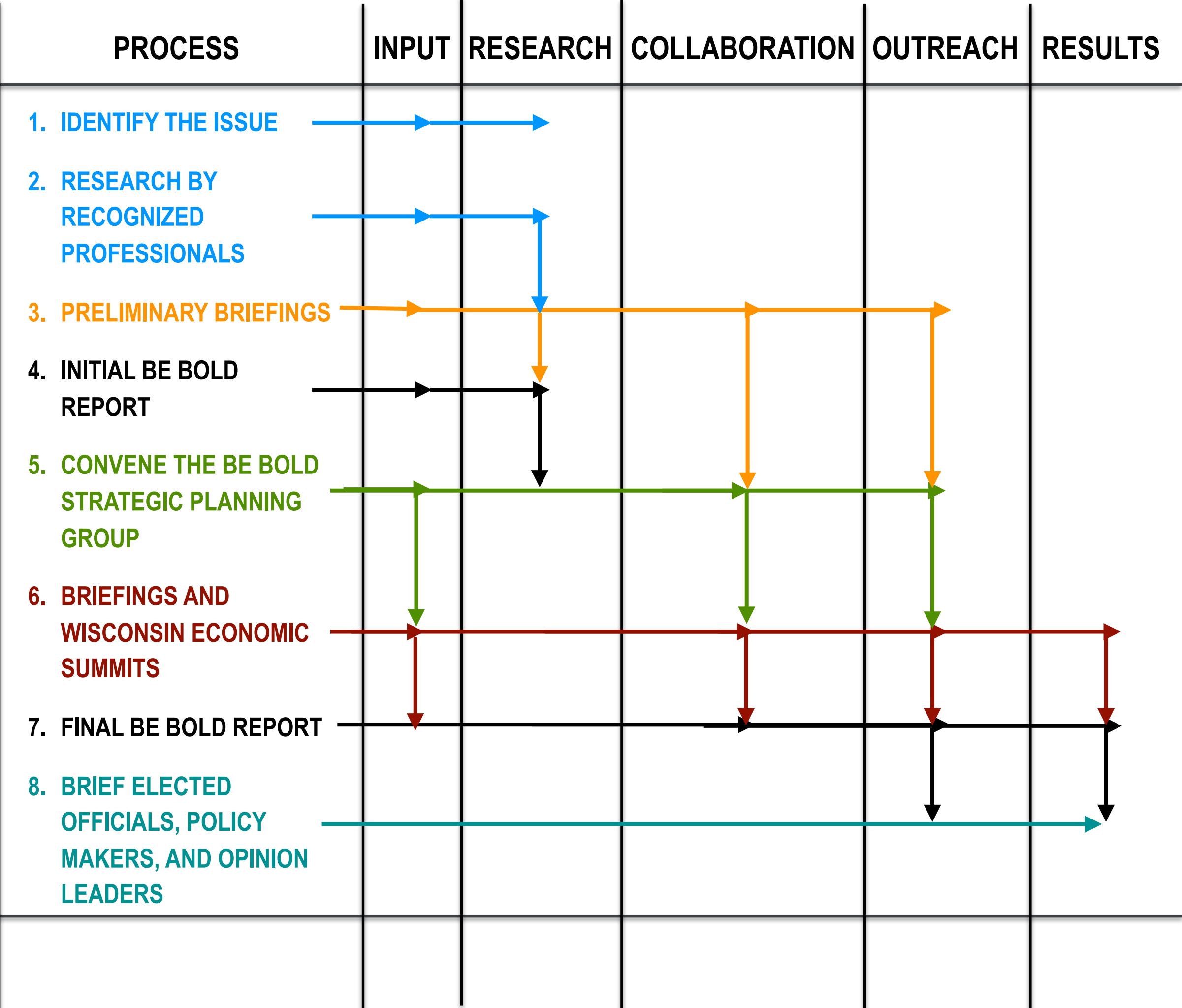
$$\begin{aligned} & \bullet \quad 118,000 \times 62\% \qquad = \qquad 73,160 \\ & \qquad \qquad \qquad \qquad \qquad \qquad \times \$2,500 \\ & \qquad \qquad \qquad \qquad \qquad \qquad = \$182,900,300 \end{aligned}$$



COMPETITIVE WISCONSIN, INC.

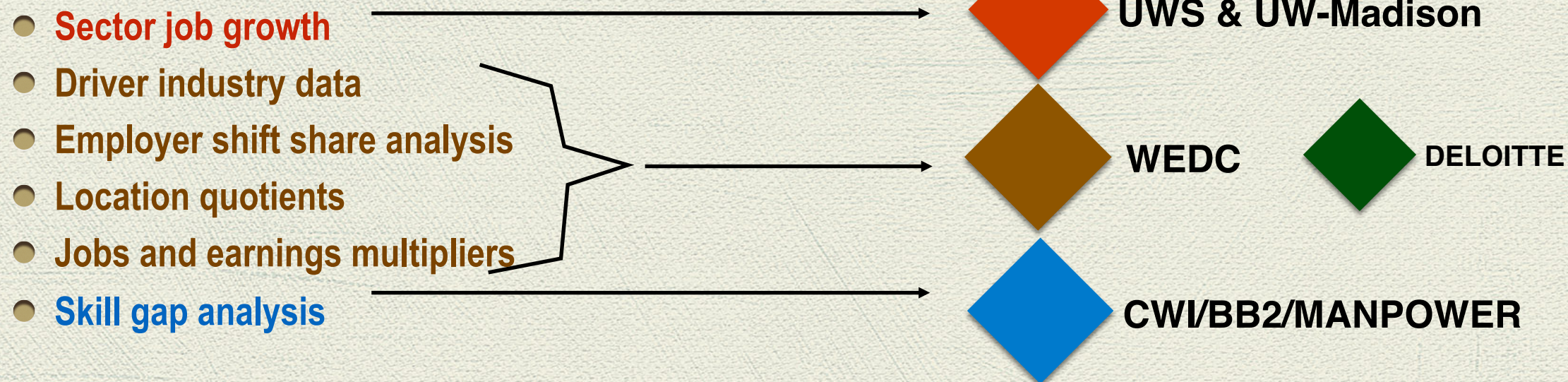
For more than three decades, CWI has engaged in powerful strategic analysis of Wisconsin's economic challenges and opportunities.

We do so as skilled business leaders, institutional managers and policy experts dedicated to identifying and advocating for policies and activities that will protect and improve Wisconsin's competitive position in the global economy.



TURBO-CHARGING WHAT'S WORKING IN WISCONSIN

PHASE 1: IDENTIFYING WHAT'S WORKING

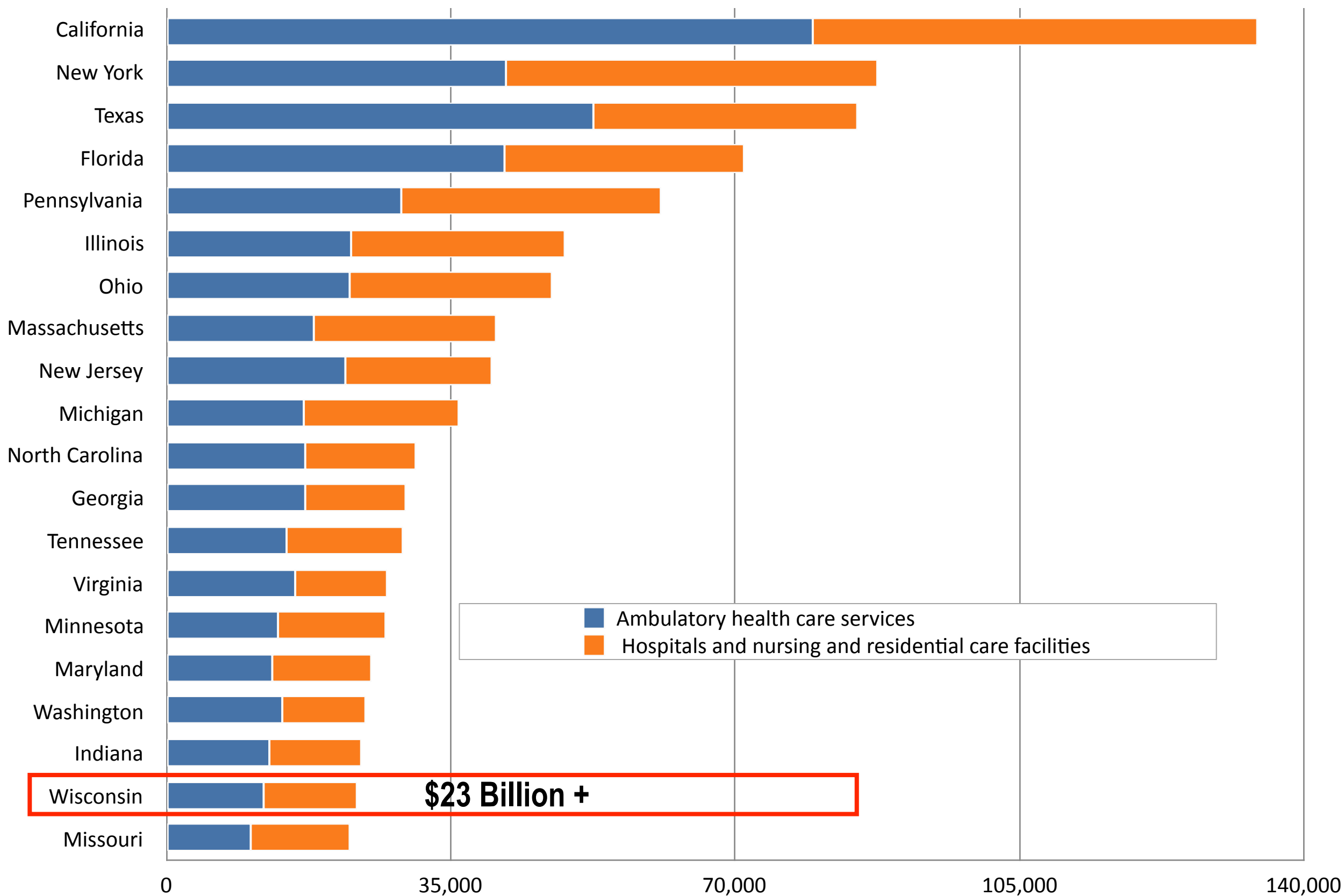


2 MAJOR OBJECTIVES

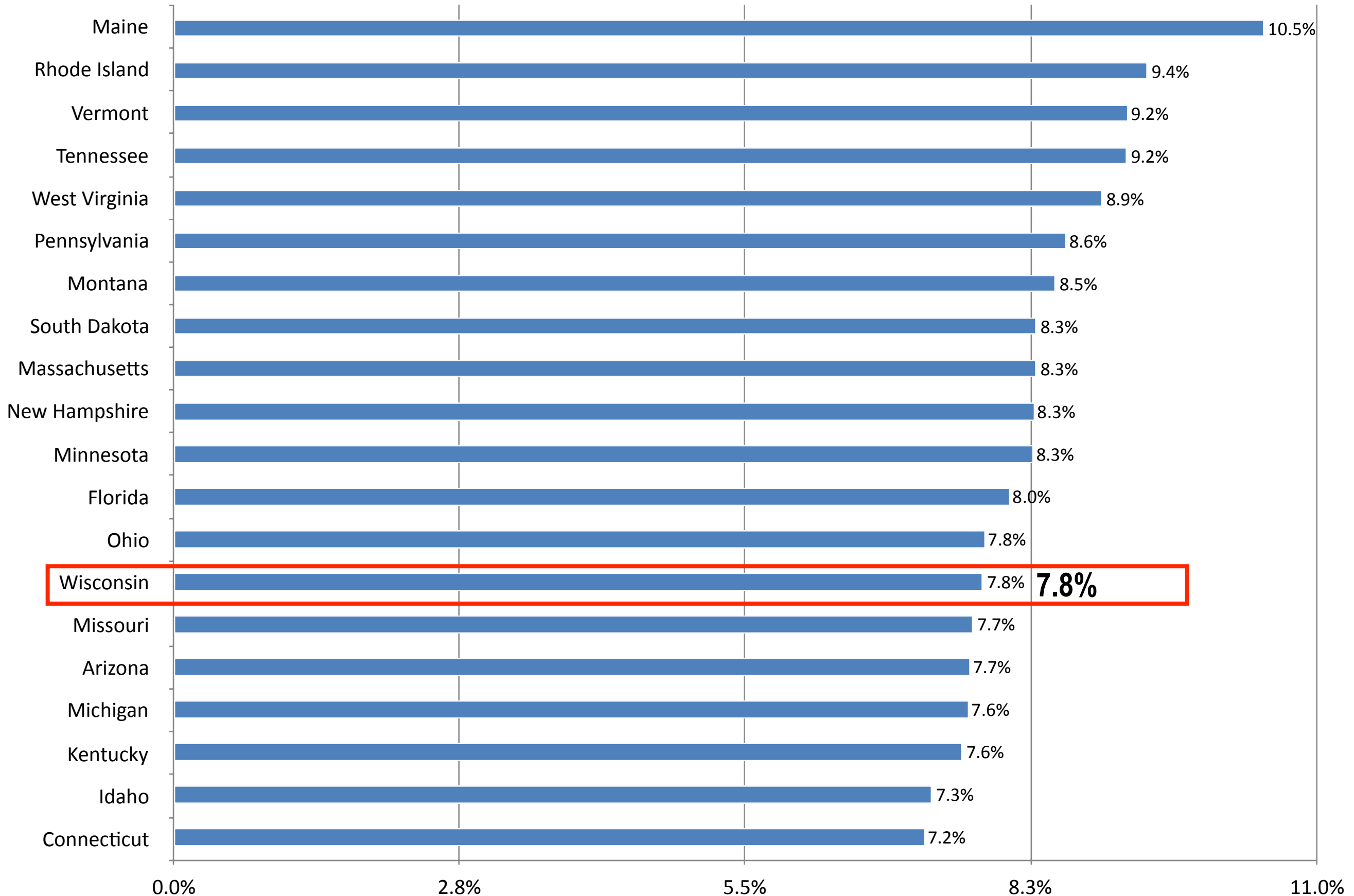
- **ENHANCING WORKFORCE & TALENT DEVELOPMENT**
- **GROWING THE JOBS AND BUSINESSES OF THE FUTURE**

Ambulatory Health Care, Hospitals and Nursing and Residential Care Facilities

Gross Domestic Product by Top 20 States (in Millions \$ 2015)*

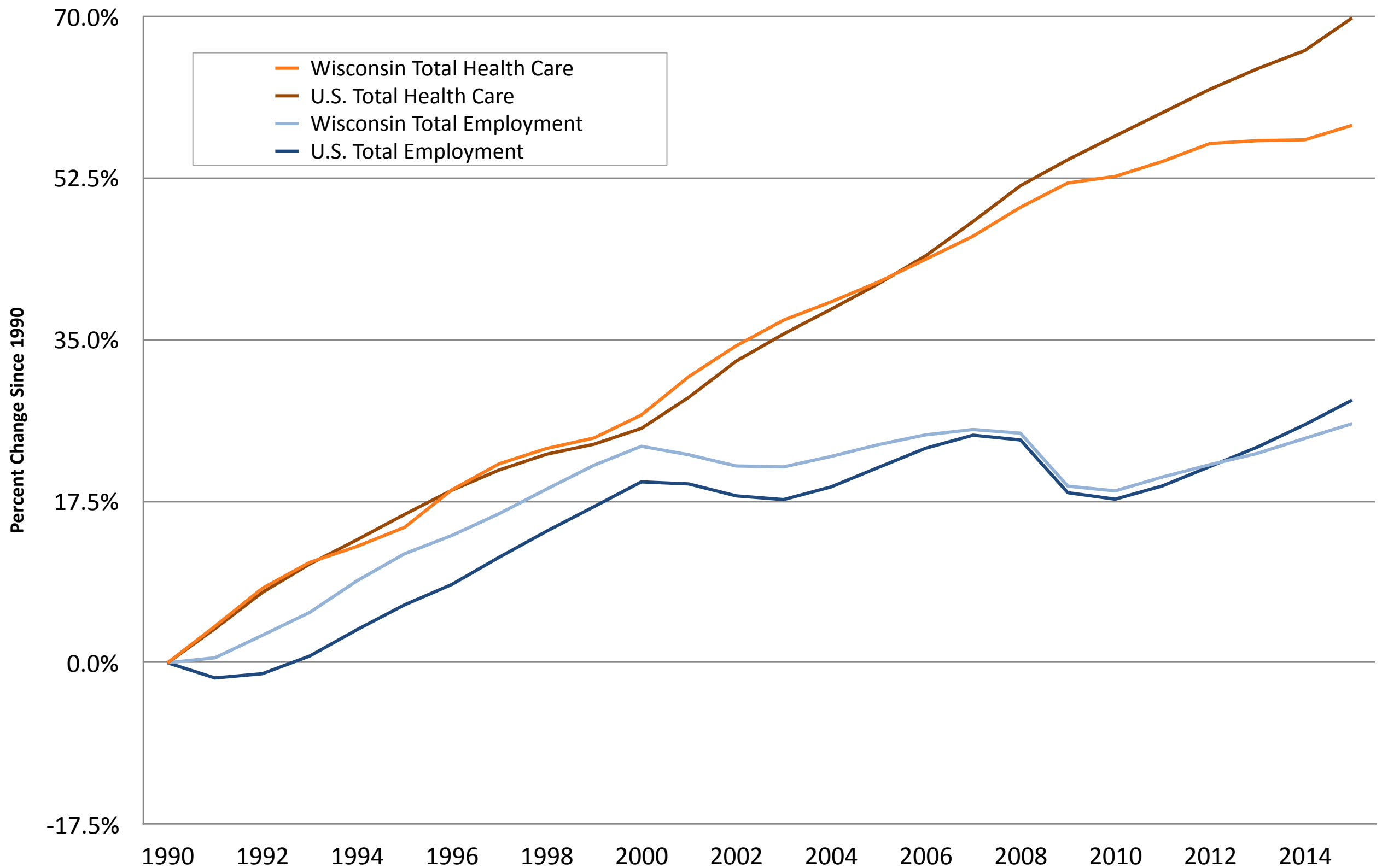


Ambulatory Health Care, Hospitals and Nursing and Residential Care Facilities GDP as a Percent of Total State GDP – Top 20 States in 2015*



Source: Bureau of Economic Analysis *Figures only include private-sector establishments

Change in Employment – Total Health Care Employment* versus Total Employment (Percent Change since 1990)



Source: Quarterly Census of Employment and Wages. Employment includes both public and private sector employees. Total Health Care includes Ambulatory Health Care Services, Hospitals, and Nursing and Residential Care Facilities



TURBO-CHARGING WHAT'S WORKING IN WISCONSIN



PHASE 2: STRATEGIC COMPARATIVE ANALYSIS

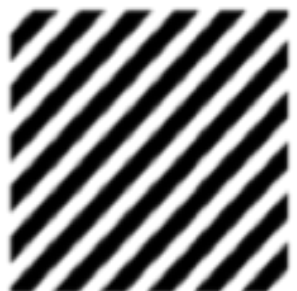


2 MAJOR OBJECTIVES

- ENHANCING WORKFORCE & TALENT DEVELOPMENT
- GROWING THE JOBS AND BUSINESSES OF THE FUTURE

3 ANALYTICAL PATHWAYS

- **COST OF DOING BUSINESS**
- **COST OF LIVING**
- **STRATEGIC SYNERGIES AND COLLABORATIONS**



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HEALTH CARE IN WISCONSIN



HEALTH CARE IN WISCONSIN



- Workforce Challenges and Opportunities





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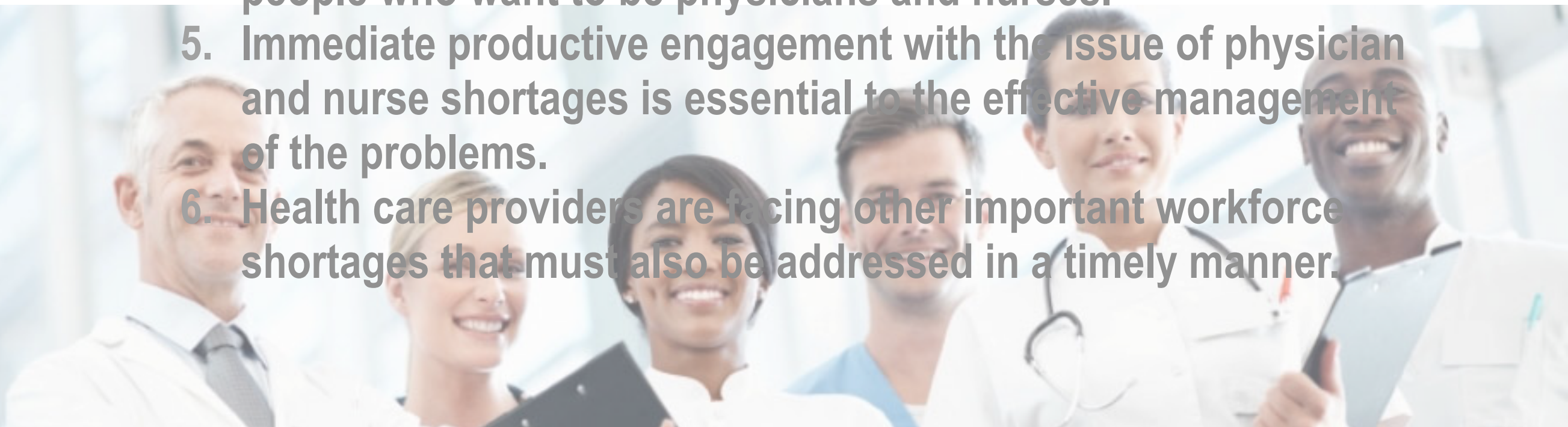
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• **Workforce Challenges: Shortages/Conclusions**

1. **Wisconsin has a serious shortage of physicians and nurses.**
2. Physician and nurse shortages represent a significant public health threat to Wisconsin's citizens and may affect workers productivity.
3. Physician and nurse shortages represent a serious problem for communities and Wisconsin employers trying to retain and recruit the workers they need.
4. Physician and nurse shortages are more the product of training and certification challenges than of a shortage of people who want to be physicians and nurses.
5. Immediate productive engagement with the issue of physician and nurse shortages is essential to the effective management of the problems.
6. Health care providers are facing other important workforce shortages that must also be addressed in a timely manner.





- **Workforce Challenges: Shortages/Conclusions: Physicians**

1. **Wisconsin has a serious shortage of physicians and nurses.**

“Like most Wisconsin employers, health care providers face a variety of workforce challenges, including shortages in critical health care professions that potentially threaten the providers’ abilities to deliver quality care, meet changing patient needs and/or address the increasingly important opportunities to improve community health.” *Accelerate Wisconsin: Health Care Report, p.22*

In 2011, “...the WHA concluded that Wisconsin would need *another 100 doctors a year to meet expected growth in demand.*”

In 2016 the Association of American Medical Colleges concluded, “... the United States will face a shortage of physicians over the next decade...The projections show a shortage ranging between 61,700 and 94,700, with a significant shortage showing among many surgical specialties.”



• Workforce Challenges: Shortages/Conclusions: Nurses

1. Wisconsin has a serious shortage of physicians and nurses.

Wisconsin Nurses Supply and Demand 2014 - 2040

	2014	2015	2020	2025	2030	2035	2040
Supply	65,100	65,500	66,400	65,900	65,300	65,000	64,900
Demand	65,100	65,600	70,200	75,700	82,000	88,100	92,600
Gap	0	-100	-3,800	-9,800	-16,700	-23,100	-27,700
% Gap	0%	0%	-6%	-15%	-26%	-36%	-43%

The projected national shortages are confirmed in a series of reports issued by the Wisconsin Center for Nursing (WCN) that indicate that **Wisconsin will be short more than 1,000 new nurses every year for the next 20 years.**



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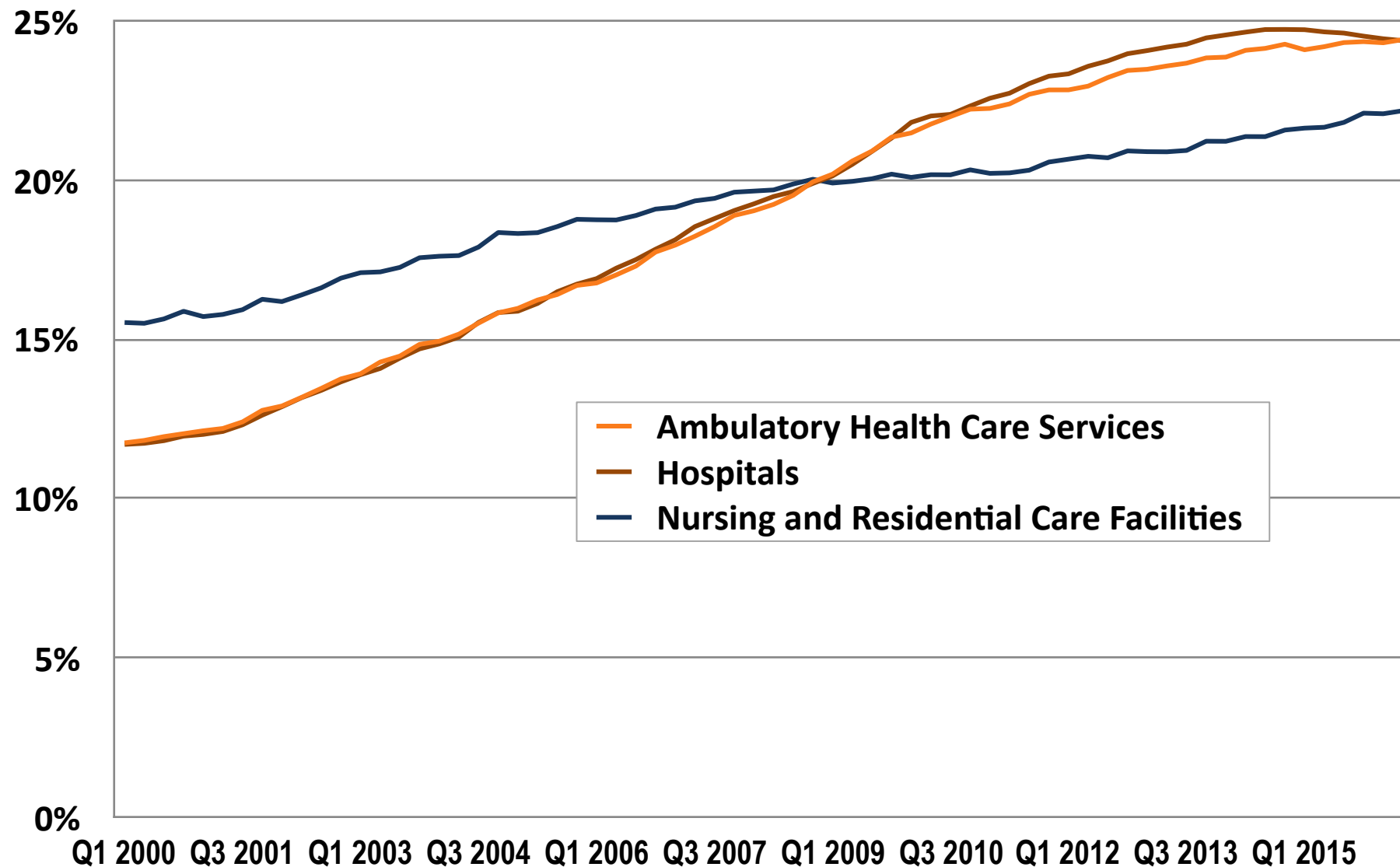
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• Workforce Challenges: Shortages/Conclusions: Retirees

1. Wisconsin has a serious shortage of physicians and nurses.

Employees Age 55 and Over as a Share of Total Employment
State of Wisconsin 1990 to 2015





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• **Workforce Challenges: Shortages/Conclusions**

2. The shortage of physicians and nurses represents a significant public health threat to Wisconsin's citizens and may affect workers productivity.
 - ◎ The shortage represents a serious problem for communities and Wisconsin employers trying to retain and recruit the workers they need.
 - ◎ The shortages are more the product of training and certification challenges than of a shortage of people who want to be physicians and nurses.





• **Workforce Challenges: Shortages/Conclusions: Public Health and Productivity**

2. The shortage of physicians and nurses represents a significant public health threat to Wisconsin's citizens and may affect workers productivity.

“Like most Wisconsin employers, health care providers face a variety of workforce challenges, including shortages in critical health care professions that potentially threaten the providers’ abilities to deliver quality care, meet changing patient needs and/or address the increasingly important opportunities to improve community health.” *Accelerate Wisconsin: Health Care Report, p.22*

- Quality of Care
- Access to Care
- Coordination of Care
- Cost of Care
- Delivery of Care



- **Workforce Challenges: Shortages/Conclusions: Retention and Recruitment**

3. Physician and nurse shortages represent a serious problem for communities and Wisconsin employers trying to retain and recruit the workers they need.



Employers

- Quality of Care
- Cost of Care
- Productivity
- Retention
- Recruitment



Governments

- Public Health
- Retention
- Recruitment
- Tax Base
- Quality of Life



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• **Workforce Challenges: Shortages/Conclusions: Tax Base**



3. Physician and nurse shortages represent a serious problem for communities and Wisconsin employers trying to retain and recruit the workers they need.

Health care workforce shortages represent a major economic challenge for employers *and* for Wisconsin's state and local governments. —————→ **Tax Base**

PHYSICIANS	2020 TO 2030
LOST INCOME AT \$200,000	\$1,760,000,000
LOST STATE INCOME TAX AT 5%	\$88,000,000
LOST PROPERTY TAX AT 62% OF POPULATION AND \$3000 PER PROPERTY	\$16,368,000

NURSES	2020 TO 2030
LOST INCOME AT \$40,000	\$4,420,000,000
LOST STATE INCOME TAX AT 5%	\$221,000,000
LOST PROPERTY TAX AT 62% OF POPULATION AND \$3000 PER PROPERTY	\$205,530,000

Estimated 2020 to 2030 loss to tax base: \$530.9 Million



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- **Workforce Challenges: Shortages/Conclusions: Structural Challenges**

4. Physician and nurse shortages are more the product of training and certification challenges than of a shortage of people who want to be physicians and nurses.

- Access to faculty
- Access to practicum sites
- Student recruitment
- Student tuition costs
- Practice location preferences





- **Workforce Challenges: Shortages/Conclusions: Need for Immediate Action**

5. Immediate productive engagement with the issue of physician and nurse shortages is essential to the effective management of the problems.

- ☒ Public health concerns
- ☒ Productivity concerns
- ☒ Retention and recruitment concerns
- ☒ Tax base concerns
- ☐ A unifying collaborative strategy can be more effective in addressing the challenges and empowering local and regional efforts than multiple stand-alone partnerships focused on local and regional manifestations of the broader challenges.
- ☐ Efficiencies of scale, cost and operational efficiency can be achieved in recruitment, information dissemination and management, and practicum accessibility.



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- **Workforce Challenges: Shortages/Conclusions: Non-Physician and nurse workforce shortages**

6. Health care providers are facing other important workforce shortages that must also be addressed in a timely manner.

- ★ Allied Health Professionals
- ★ Home Care Workers



• **Workforce Challenges: Shortages/Recommendations:**

1. Recognize the crisis

- Address Wisconsin's physician and nurse shortages as urgent, time-certain, systemic challenges that represent a genuine threat to the state's public and economic health and that can best be addressed collaboratively on a statewide basis.

2. Create a multi-sector consortium tasked with defining challenges and proposing outcome and cost effective systemic proposals on how best to address Wisconsin's short and long-term physician and nurse shortages.

- Task the Wisconsin Council on Medical Education and Workforce with leading a consortium including their members and representatives from the business, academic, governmental and philanthropic communities.
- Focus the first-phase of the consortium's work on addressing specific challenges and questions. (see Report)
- Based on the information gained, focus the second-phase of the consortium's work on developing and examining options and addressing the challenges and questions related to the options.



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• **Workforce Challenges: Shortages/Recommendations:**

Based on the information gained, focus the second-phase of the consortium's work on developing and examining options and addressing the challenges and questions related to the options. - PHYSICIANS

Objectives

- Address Wisconsin's immediate physician shortages.
- Keep focus on sustaining long-term growth in physician supply.
- Make Wisconsin a top destination of choice for medical school graduates.



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• **Workforce Challenges: Shortages/Recommendations:**

Based on the information gained, focus the second-phase of the consortium's work on developing and examining options and addressing the challenges and questions related to the options. - PHYSICIANS

Strategic components

- Change UW admissions policies to favor applicants from Wisconsin.
- Target Wisconsin's current medical college students.
 - Continue to support lower tuition.
 - Continue student debt forgiveness and/or compensation in exchange for a defined time commitment to practicing in Wisconsin.
 - Advanced education credits.
 - Quality of professional life.
 - Favorable malpractice climate.
 - Quality of personal life.
 - Cost of living.
- Target medical college students from region and elsewhere.
 - Student debt forgiveness or compensation in exchange for a defined time commitment to practicing in Wisconsin.
 - Advanced education credits.
 - Quality of professional life.
 - Quality of personal life.
 - Cost of living.
- Expand the current GME grant program.
- Create new funding, with local match, to build out health care training infrastructure. Give preference to programs that incorporate inter-professional training and clinical practice.
- Create a system to match learners with clinical sites and to coordinate training sessions/rotations.



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• **Workforce Challenges: Shortages/Recommendations:**

Based on the information gained, focus the second-phase of the consortium's work on developing and examining options and addressing the challenges and questions related to the options. - NURSES

Objectives

- Address Wisconsin's immediate nursing shortages.
- Keep focus on sustaining long-term growth in nurse supply.
- Make Wisconsin a top destination of choice for nursing school graduates.



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• **Workforce Challenges: Shortages/Recommendations:**

Based on the information gained, focus the second-phase of the consortium's work on developing and examining options and addressing the challenges and questions related to the options. - NURSES

Strategic components

- Focus on addressing the short-term nursing shortages (i.e., 3,700 needed by 2020) with ADN.
 - Set the ADN graduation goal for the 2017-19 and 2018-2020 classes at 1500 per class.
 - Aggressive recruitment based on geographic and patient population needs.
 - Student debt forgiveness or compensation in exchange for a defined time commitment to practicing in Wisconsin.
 - Advanced education credit toward a BSN degree for time spent as an ADN.
 - Expansion of opportunities to meet advanced practicum requirements by granting some credit for ADN time and experience.
 - Quality of professional/personal life.
 - Cost of living.

- Create new state funding, with local match, to build out health care training infrastructure.
- Maintain efforts to increase use of inter-professional training and clinical practice.
- Focus on addressing the mid-term nursing shortages (i.e., 6,100 needed between 2021 and 2025) with ADNs
 - Set the ADN graduation goal for the 2020-22, 2021-2023 and 2022-24 classes at 1200 per class.
 - Aggressive recruitment based on geographic and patient population needs.
 - Student debt forgiveness or compensation in exchange for a defined time commitment to practicing in Wisconsin.
 - Advanced education credit toward a BSN degree for time spent as an ADN.
 - Expansion of opportunities to meet advanced practicum requirements by granting some credit for ADN time and experience.



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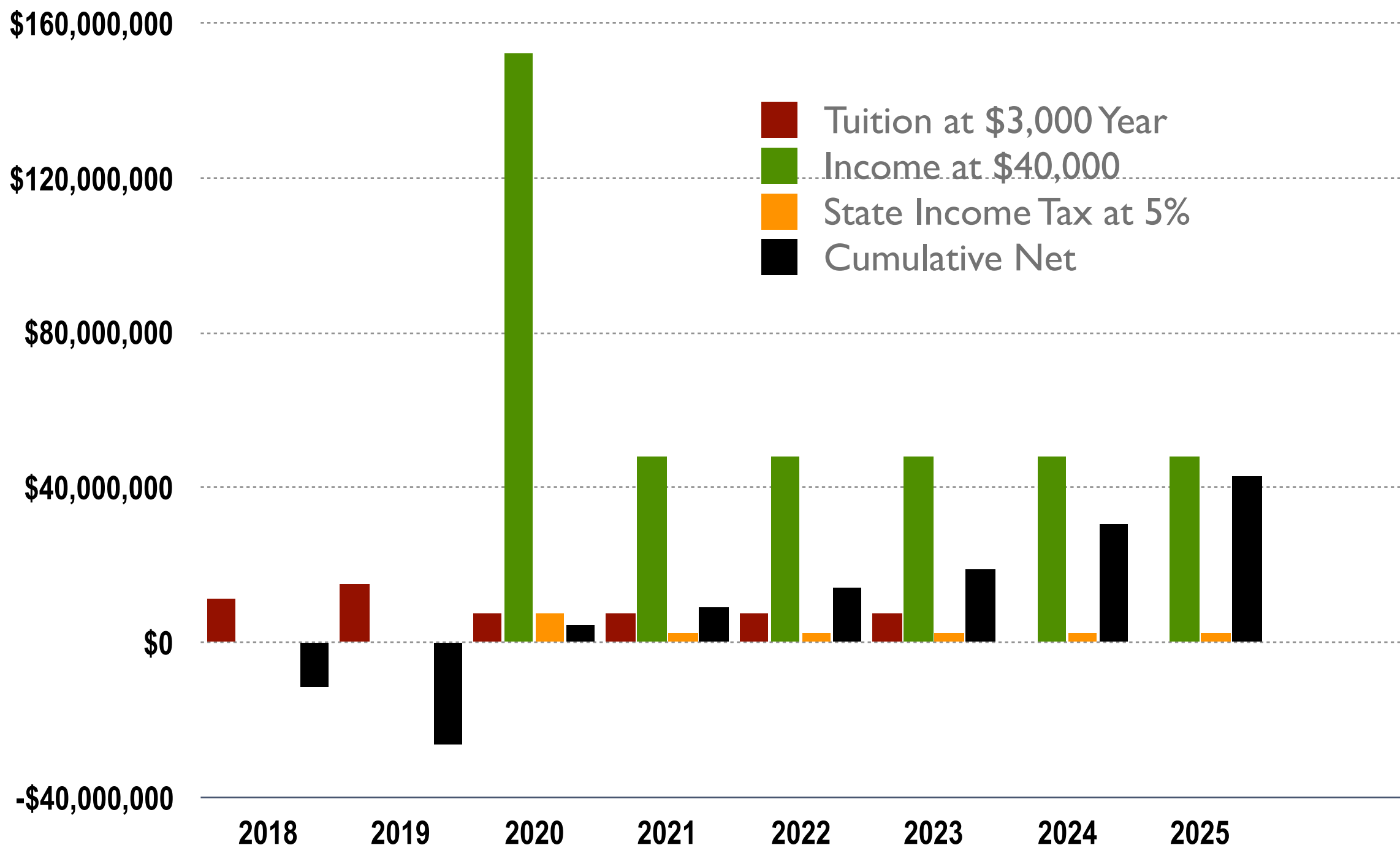


• **Workforce Challenges: Shortages/Recommendations:**

1. Recognize the crisis
2. Create a multi-sector consortium tasked with defining challenges and proposing outcome and cost effective systemic proposals on how best to address Wisconsin's short and long-term physician and nurse shortages.
3. Creation of a Health Care Investment Public-Private Partnership funded with:
 - The first five years of state and local taxes paid by each physician and nurse who benefits from the programs referenced above;
 - Investments from health care providers; and
 - Investments from communities such as the program created by Aspirus in Wausau.

- Consider specifically that the jobs already exist. What we are doing here is creating taxpayers. For that reason we should fund nursing and physician training and certification with the first four years of state taxes they will pay once employed.

Cost Benefit of Educating 9,800 ADN nurses between 2018 and 2025





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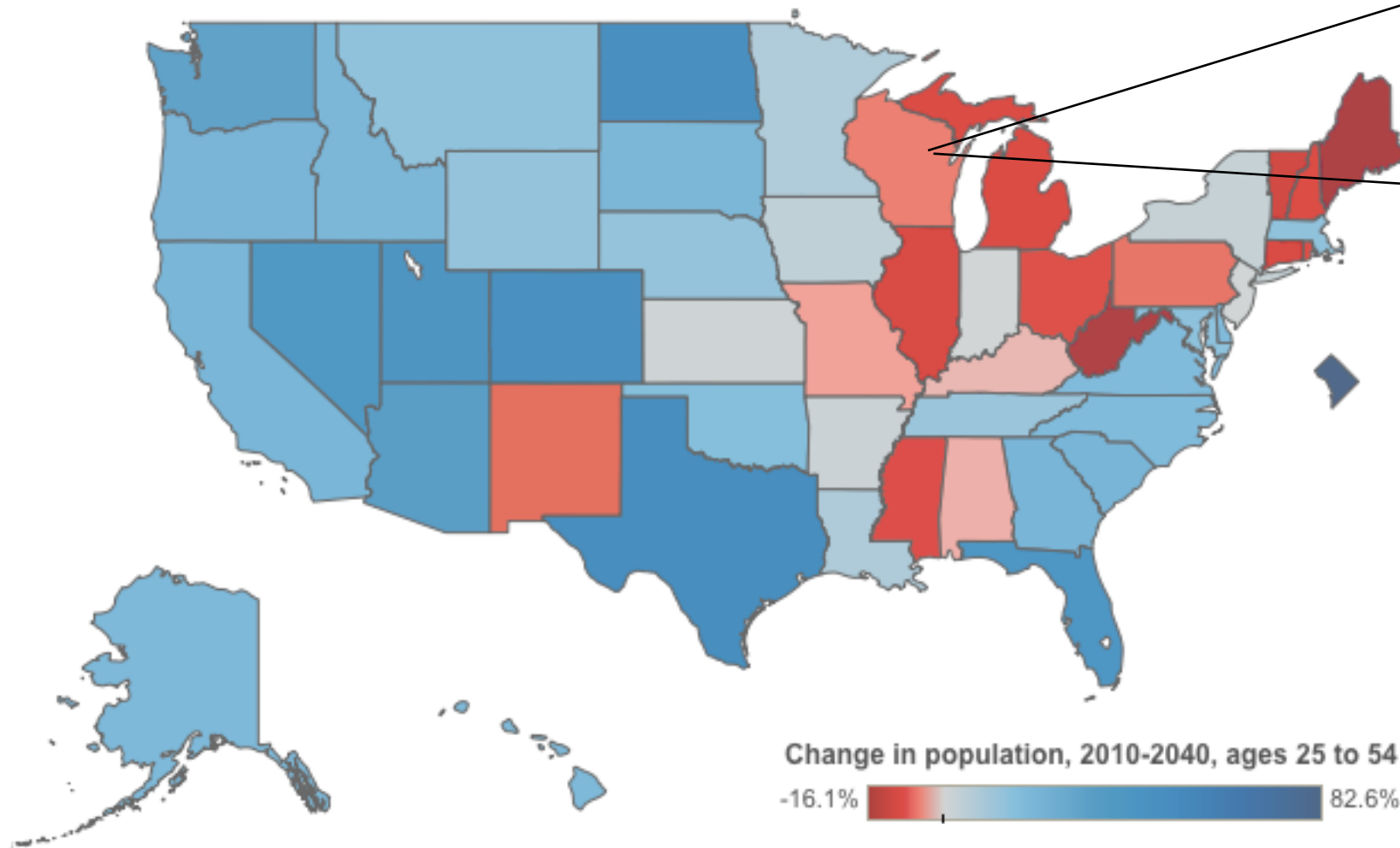


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 - Investments from health care providers; and
 - Investments from communities such as the program created by Aspirus in Wausau.
4. Call for, support and join a private sector driven effort to develop and implement a comprehensive young worker retention and recruitment strategy that addresses the cost of living, access to and cost of education/training, and quality of life, as well as the cost of doing business.

Change in Working-Age Population

The population of people at prime working age, 25 to 54, will grow by about 15 percent across the country from 2010 to 2040. But many Northeast and Midwest states will see that population decline. Hover over a state for details.



Stateline data visualization, May 2016 | Source: University of Virginia Demographics Research Group

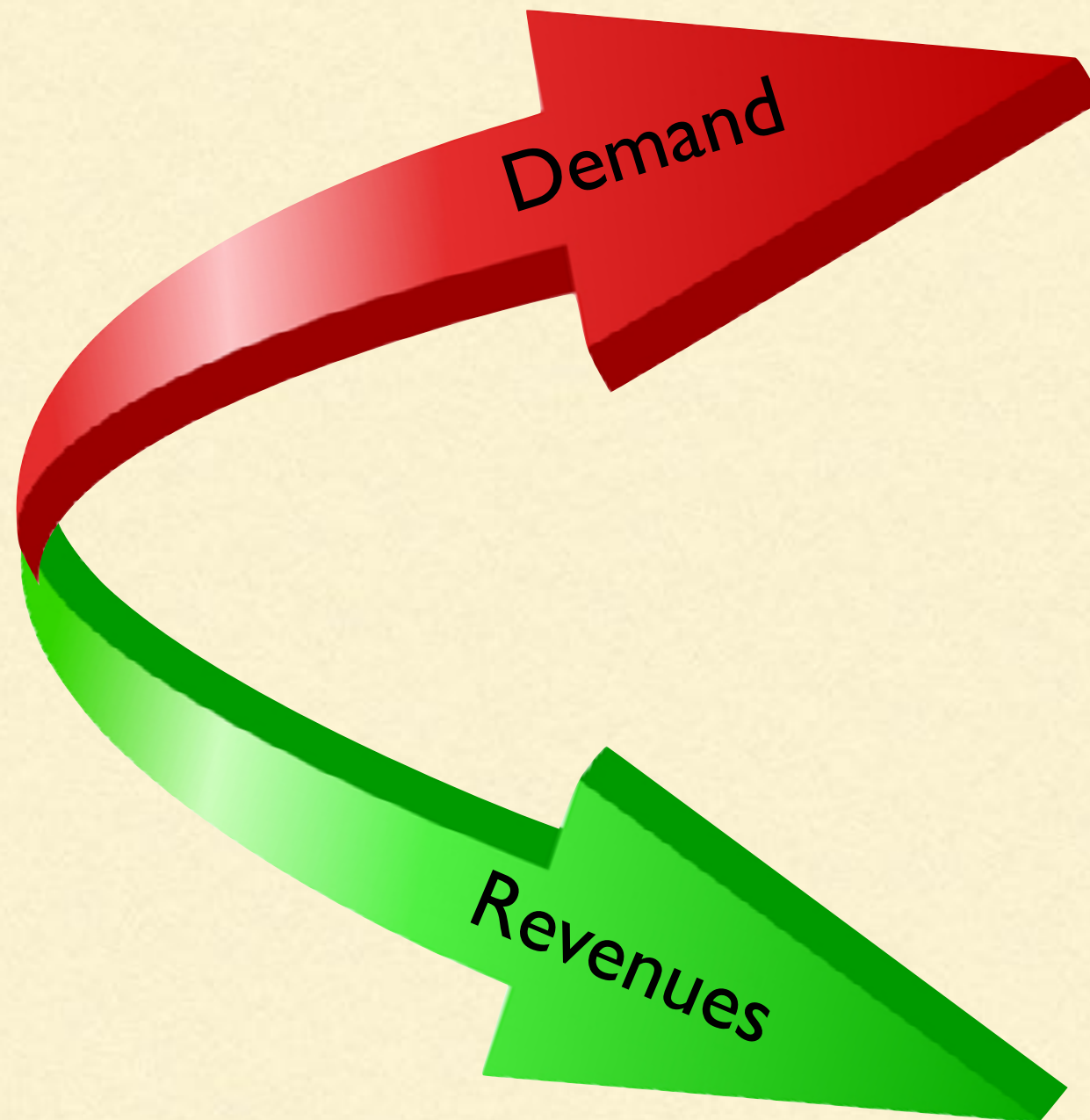
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- Pressure on local economy - e.g., fixed incomes, decline in full-time worker consumer spending
- Pressure on property tax base capacity - e.g., fixed incomes, erosion in rural housing market



THE WORKFORCE WISCONSIN NEEDS

STRATEGY

Wisconsin needs a comprehensive economic development vision that clearly, creatively, productively and collaboratively links Wisconsin's current and future workforce with its employers and its educational and governmental infrastructure.

**PRIVATE SECTOR
DRIVEN**

**BROADER
QUESTIONS AND
ANALYTICAL LENSES**

**FOCUSED AND
SYSTEMIC**

**TIME CERTAIN
STRATEGIC
VISION**

**RECRUITMENT
EXECUTIVE CASE STUDY 1**

**The role of Wisconsin's local
government and economic,
community and workforce
development professionals**

Scope/Nature of Challenges & Opportunities
Best Practices
Innovative Opportunities
Recommendations

**RECRUITMENT
EXECUTIVE CASE STUDY 2**

**Role of Wisconsin's
educational infrastructure**

Scope/Nature of Challenges & Opportunities
Best Practices
Innovative Opportunities
Recommendations

**RECRUITMENT
EXECUTIVE CASE STUDY 3**

**Role of Wisconsin
State government**

Scope/Nature of Challenges & Opportunities
Best Practices
Innovative Opportunities
Recommendations

**RECRUITMENT
EXECUTIVE CASE STUDY 4**

**Role of Wisconsin
private sector and its
business leaders**

Scope/Nature of Challenges & Opportunities
Best Practices
Innovative Opportunities
Recommendations

