

Health Services Cost Review Commission
Nurse Support Program I (NSP I)
Recommendations for NSP I New Funding Cycle Awards

June 13, 2007

These final recommendations are ready for Commission action

**Health Services Cost Review Commission Meeting
June 13, 2007**

Recommendations for New Funding Cycle Awards

1. Summary statement

This paper contains the recommendations for funding of NSP I FY 2008 grant applications.

2. Background

The HSCRC initiated nurse education support funding (formerly titled the Nurse Education Support Program or NESP) in 1986 through the collaborative efforts of hospitals, payers, and nursing representatives. Originally, the NESP focused on supporting scholarships for college and hospital-based training of Registered Nurses (RNs) and Licensed Practical Nurses (LPNs). Over the years, the NESP was expanded to encourage new and innovative approaches to address the challenges and demands facing the nursing and allied professions. Thirty-seven hospitals participated in the NESP from 1986 through 1995 when the program concluded. Over \$7 million was allocated from hospital rates for this program.

In July 1, 2001, the five-year Nurse Support Program I (NSP I) was instituted at the request of the hospital industry to encourage hospital-based programs aimed at addressing the short and long term nursing shortage impacting Maryland hospitals. Hospitals were eligible to receive the lesser of their budget request or up to 0.1% of the hospital's gross patient revenue for the previous fiscal year, to be provided through hospital rate adjustments, for approved projects that address the individual needs of the hospitals as they relate to nurse recruitment and retention. Over the five initial years of the program, approximately \$36 million of NSP I funds was distributed to 50 acute care and specialty hospitals in Maryland.

During the fifth year of the program, HSCRC began an overall evaluation of the NSP I. This review was prompted as part of ongoing program evaluation, and a recognition of difficulties in summarizing program outcomes and demonstrating accountability, unclear parameters for eligible program activities, emerging nursing research on best retention strategies, and the need to reconsider the scope of the NSP I program given the initiation of the Nurse Support Program II (NSP II) program in FY 2006.

On April 12, 2006, the HSCRC approved a one-year extension of the NSP I through June 30, 2007 in order to provide the opportunity for staff to continue to evaluate and update the program with the intent of improving accountability, establishing uniform reporting, and funding programs with best outcomes. During the extension in FY 2007, approximately \$9.5 in hospital rate adjustments were provided for this purpose.

This current fiscal year, 2007, has been a transition year. Staff completed the program evaluation and on April 11, 2007 the Commission approved the creation of a new five-year NSP I funding cycle and the following updates:

1. Redefinition of categories of initiatives eligible for funding;
2. Establishment of categories of initiatives not eligible for funding;

3. Revision of the RFP process for grant funding to a simplified application process;
4. Revision of the review and evaluation process for initiative approvals and renewals;
5. Plan for ongoing review of the funding mechanism; and
6. Standardization of quantitative annual reports to include:
 - a. Uniform financial reporting; and
 - b. Uniform annual data reporting requirements.

3. New five-year funding cycle

A Request for Applications (RFA) was distributed to hospitals on April 12, 2007. The recommendations presented today are for proposals that were submitted by May 11, 2007 for RY 2008.

Staff received 43 applications that were categorized in the following eligible categories:

- a. Educational Attainment;
- b. Nurse Retention and Recruitment;
- c. Improved Nurse Practice Environment;
- d. Other category, such as funding of nurse faculty.

An independent NSP I Evaluation Committee, comprised of representatives from HSCRC staff, hospital nursing leadership, payers, nursing recruiters, the Maryland Hospital Association, the Maryland Higher Education Commission, and human resources professionals reviewed applications meeting the minimum requirements outlined in the application form. HSCRC staff recommended that the evaluators have no current or recent past professional relationship with the hospital or health system that submitted the proposal they were to review, and, each application was required to be reviewed by three or four evaluators.

The evaluation criteria utilized by the Evaluation Committee were updated to reflect the new guidelines for categories of initiatives eligible for funding and objective evaluation metrics required in annual reporting.

The committee met on May 29, 2007 and unanimously agreed on their recommendations to fund all the programs proposed in the 43 applications. As a final step in the evaluation process, many of the submitting hospitals were contacted for either revised budgets or measurable goals and objectives.

Some of the overall observations of the submitted NSP I applications included:

- The quality of the grant applications was high, and the new application form seemed to streamline the application process.
- The proposed budgets in several applications were over the 0.1% of Gross Patient Revenue (GPR) limit. When questioned by staff, many applicants responded that they knowingly requested over the 0.1% GPR limit to ensure receiving maximum funding.
- There were some creative joint applications from hospitals systems, an approach not seen in the initial five-year funding cycle.

- A few hospitals did not apply at this time, but will likely apply later this year for NSP I funding.
- Applications included requests for funding for projects of one to five years in duration.

Overall, the categories of applications covered the needs of the individual hospitals as they relate to nurse recruitment and retention, as well as a continued focus on providing quality patient care. Furthermore, the NSP I Program update approved in April, 2007 did help focus the categories of initiatives on areas recommended by nurse experts as being most valuable in improving nurse retention and the supply of bedside nurses.

Staff intends to announce a next call for NSP I applications in September 2007, for funding for the remainder of the 5-year cycle, for those hospitals that missed the May 11, 2007 deadline.

4. Recommendation:

For each of the NSP I applications listed in the attached table, staff recommends that the programs be funded for FY 2008 at the lesser of: the requested amount or 0.1% of the hospital's gross patient revenue for FY2006. In total, staff is requesting that the Commission approve \$9,478,798 in NSP I projects for FY2008.

For multiyear projects, recommendations regarding annual renewal of funding will be based on review of annual reports, and will be presented to the Commission as needed.

NSP I
FY 2008- FY 2012 Funding Cycle
Budget Request and Grant Recommendations
Data Source- 2006 Disclosure

CATEGORY OF PROGRAM PROPOSED

- a. Educational Attainment
- b. Nurse Retention and Recruitment
- c. Improved Nurse Practice Environment
- d. Other Category of Initiative

Hospital	Type of Program Proposed	Length of Projec (years)	FY 2008 Request	Gross Patient Revenue FY06	0.10% Gross Pt Revenue	Evaluation Com. Rec. FY 2008
1 Anne Arundel	a. b.	3	\$329,640	\$298,002.10	\$298.002	\$298,002
2 Adventist Rehabilitation	c.	5	\$32,145	\$23,251.20	\$23.251	\$23,251
3 Atlantic General	a. b. c. d.	5	\$78,350	\$54,654.30	\$54.654	\$54,654
4 Bon Secours					\$0.000	\$0
5 B.W. Medical Center	b.	5	\$210,000	\$239,891.80	\$239.892	\$210,000
6 Calvert	a. c.	1	\$302,088	\$88,535.50	\$88.536	\$88,536
7 Carroll	b.	5	\$153,500	\$153,454.50	\$153.455	\$153,455
8 Chester River	a.b.	1	\$107,362	\$52,086.80	\$52.087	\$52,087
9 Civista	a. b. c. d	1	\$472,182	\$80,852.80	\$80.853	\$80,853
10 Dimensions (Laurel, PG)	a. b.	1	\$325,184	\$319,011.00	\$319.011	\$319,011
11 Doctor's	d	3	\$184,481	\$150,515.40	\$150.515	\$150,515
12 Franklin Square	a. b. c.	5	\$336,620	\$337,909.20	\$337.909	\$336,620
13 Frederick	b.	1	\$281,001	\$196,272.60	\$196.273	\$196,273
14 Ft. Washington *					\$0.000	\$0
15 Garrett	b.	5	\$34,674	\$30,971.40	\$30.971	\$30,971
16 GBMC	a. b.c.	5	\$331,000	\$331,087.80	\$331.088	\$331,000
17 Good Samaritan	a. b.c.	1	\$253,000	\$230,371.90	\$230.372	\$230,372
18 Harbor	a. b	1	\$106,650	\$162,229.30	\$162.229	\$106,650
19 Holy Cross	a. b. d	1	\$334,000	\$333,999.10	\$333.999	\$333,999
20 Hopkins	c. d.	2,3,5	\$1,323,026	\$1,322,871.80	\$1,322.872	\$1,322,872
21 Howard County	a. b.	5	\$158,194	\$171,738.70	\$171.739	\$158,194
22 JH Bayview	b.	5	\$397,022	\$397,048.80	\$397.049	\$397,022
23 Levindale	b	5	\$64,709	\$59,993.00	\$59.993	\$59,993
24 Maryland General	a. b. c.	1	\$164,896	\$163,918.90	\$163.919	\$163,919
25 McCreedy					\$0.000	\$0
26 Mercy	a. b. c.	5	\$531,000	\$292,129.60	\$292.130	\$292,130
27 Montgomery	a. b. c.	1	\$173,000	\$106,766.60	\$106.767	\$106,767
28 Mt. Washington Pediatric	b.	5	\$37,960	\$44,034.60	\$44.035	\$37,960
29 Northwest	b.	1	\$295,442	\$175,332.50	\$175.333	\$175,333
30 Peninsula Regional	a.	1	\$96,000	\$308,930.40	\$308.930	\$96,000
31 Shady Grove	a. b. c. d.	1	\$262,000	\$250,039.00	\$250.039	\$250,039
32 Sheppard Pratt	a. b.	1	\$90,881	\$98,522.10	\$98.522	\$90,881
33 Shore Health (Easton & Dorchester)	a. b. c.	5	\$178,000	\$161,261.00	\$161.261	\$161,261
34 Sinai	b.	1	\$1,015,469	\$514,199.20	\$514.199	\$514,199
35 Southern Maryland	a. b. c.	1	\$247,299	\$193,871.80	\$193.872	\$193,872
36 St. Agnes	a. b. c.	5	\$129,600	\$311,350.80	\$311.351	\$129,600
37 St. Joseph					\$0.000	\$0
38 St. Mary's	a.c	1	\$96,680	\$97,642.20	\$97.642	\$96,680
39 Suburban	b. c.	1	\$198,160	\$178,949.70	\$178.950	\$178,950
40 Union Memorial	b.	5	\$400,000	\$332,271.10	\$332.271	\$332,271
41 Union of Cecil	a. b. c.	5	\$94,600	\$94,968.50	\$94.969	\$94,600
42 University Hospital (UMMS)	a. b. c.	5	\$987,570	\$760,193.40	\$760.193	\$760,193
43 Upper Chesapeake & Harford Mem.	a. b. c.	1	\$249,134	\$224,723.00	\$224.723	\$224,723
44 Washington Adv	a. b. c. d.	1	\$271,209	\$252,953.10	\$252.953	\$252,953
45 Washington County	a. b. c.	5	\$192,107	\$190,943.60	\$190.944	\$190,944
46 Western MD HS(Sacred Heart, Cumberlan	b. c.	5	\$201,193	\$225,663.70	\$225.664	\$201,193

Grand Total \$11,727,028 \$10,013,413.80 \$10,013.414 \$9,478,798

Total Request	\$11,727,028
Total Recommended	\$9,478,798
Total Approved	

* has not filed an annual report
There were 43 applications from 40 hospitals including 4 applications from JHH, and 1 application from LifeBridge (representing three facilities). Four hospitals did not apply at this time. Four other systems submitted 1 application for multiple facilities