



maryland  
**health services**  
cost review commission

# **Nurse Support Program I**

## Annual Report on FY 2023 Activities

July 2024

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## Introduction

Maryland's unique Nurse Support Program I (NSP I) was designed to address the short and long-term issues of recruiting and retaining nurses in acute care hospitals. More than \$270 million in funds have been provided to hospitals in rates to support the NSP I initiatives since the program was implemented in June 2001. In May 2022, HSCRC Commissioners voted to approve NSP I as a permanent program requiring HSCRC to provide annual reports on funded activities and accomplishments. This report summarizes NSP I activities and performance against program metrics during Fiscal Year (FY) 2023.

## Background

In 2010, the Institute of Medicine (IOM) published a groundbreaking report which laid out eight recommendations to address the increasing demand for high-quality and effective healthcare services and provided an action-oriented blueprint for the future of nursing. The HSCRC incorporated four of the recommendations into the scope of the NSP I program:

- IOM Recommendation 3: Implement nurse residency programs.
- IOM Recommendation 4: Increase the proportion of nurses with a baccalaureate degree to 80 percent by 2020.
- IOM Recommendation 6: Ensure that nurses engage in lifelong learning.
- IOM Recommendation 7: Prepare and enable nurses to lead change to advance health.

Incorporating the four recommendations from the IOM, the NSP I program focuses on three main areas to provide support and training for Maryland nurses:

1. **Education and Career Advancement.** This area includes initiatives that increase the number of advanced degree nurses, prepare them as future leaders, recruit and retain newly licensed nurses through nursing residency programs, and support nursing students and experienced RNs re-entering the workforce after an extended leave.
2. **Patient Quality and Satisfaction.** This area includes lifelong learning initiatives such as certification and continuing education, which are linked to improved nursing competency and patient outcomes.
3. **Advancing the Practice of Nursing.** These activities in this area advance nursing practice, for example, through nurse-driven evidence-based research, innovative organizational structures for clinical nurses to have a voice in determining nursing practice, standards, and quality of care, and the American Nurses Credentialing Center's (ANCC) Magnet® and Pathway to Excellence programs, which demonstrate nursing excellence.

With input from the NSP I Advisory Committee, staff developed nursing and organizational metrics to assess hospitals' progress in achieving these program aims. Performance against those metrics is provided later in this report.

## FY 2023 Programs & Activities

NSP I funds a core set of programs within all acute care hospitals that support the IOM recommendations outlined above. Hospitals select program priorities and implement one to several programs below to grow and advance their nursing workforce. Funded programs include:

1. **Continuing Education (Internal & External):** Funding supports education on various subjects, including evidence-based practices, patient safety, disaster preparedness, quality indicators, patient experience, and workplace violence. These education opportunities may be offered internally within the hospital or externally through conferences hosted by leading organizations in the nursing field. Continuing education hours are increasingly provided online and are self-paced for participants.
2. **Leadership, Preceptorship, Mentorship Programs:** Funding supports regular training (e.g., workshops and quarterly education sessions) for nurses to develop essential leadership skills for building positive workplaces. These programs also coach nurses to become preceptors and mentors, which is critical to new nurses and the nurse residency program. Additionally, funding may support preceptor and mentor positions. Funded mentor and preceptor roles may be precious to hospitals with retiring nurses, but they want to retain their expertise as new staff are trained and grow in their roles.
3. **Nurse Residency Program for Newly Licensed Registered Nurses (RNs):** The Nurse Residency Program is a one-year program that supports acquiring knowledge, skills, and attitudes necessary to successfully transition nursing students into clinical settings and develop core competencies in nursing. Nurse residents attend lectures from clinical experts, participate in one-to-one clinical preceptorship, and conduct a one-year evidence-based research project to advance nursing. NRP is a critical program that guides the acquisition of new competencies necessary to promote safe practice and individual growth and development of new nurses.
4. **Nursing Student Programs:** Funding may support tuition assistance for hospital employees pursuing nursing degrees toward RN licensure. It may also support externship programs and short-term employment of nursing students.
5. **Professional Advancement Programs:** Funding can support developing or implementing professional advancement programs.

6. **Professional Certification:** Funding supports tuition for certification preparatory courses, including specialty-specific certification programs. In addition to education programs, funding may reimburse certification exam fees.
7. **Projects to Build Nursing Science:** Funding supports research projects and assistance with evidence-based projects. This can include purchasing access to academic journals on nursing and the procurement of simulation equipment and training. Additionally, funding can support research coordinator positions to collaborate with nurse residents on building research skills, designing evidence-based projects, and other research-based learning endeavors. Funding may also be used to obtain expertise in external subject matter. Hospitals often set goals to publish research findings in peer-reviewed journals.
8. **RN Advanced Nursing Degree Programs:** Funding provides tuition assistance for nurses pursuing advanced degrees, particularly BSNs and MSNs. In addition to tuition assistance, funding may support one-on-one counseling, help with the application process, and other academic support for RNs pursuing advanced degrees.
9. **Shared Governance:** Funding supports nursing shared governance, which is shared decision-making between the bedside nurses and nurse leaders. Shared governance includes resource decisions, nursing research/evidence-based practice projects, new equipment purchases, and staffing. This type of shared process allows for active engagement throughout the healthcare team, which promotes positive patient outcomes while creating a culture of positivity and inclusion that leads to greater job satisfaction.
10. **Transition to New Nursing Leadership Roles:** Funding supports formal leadership programs and boot camps to build leadership competency for nurses new to leadership roles in the hospital.
11. **Transition to Specialty Practice Programs for Newly Licensed and Experienced RNs:** Funding supports learning programs and orientation transition programs for newly licensed or experienced RNs entering into specialty units and departments, including the emergency department (ED), intensive care unit (ICU), oncology (ONC), and operating room (OR).
12. **Nursing Excellence Programs:** Designation as a nursing center of excellence indicates the organization has created a “positive work environment allowing nurses to advance and flourish continually.” Programs include Magnet® and Pathway to Excellence®. NSP I supports nursing education about nursing excellence programs and innovative projects to achieve Magnet or Pathway to Excellence.

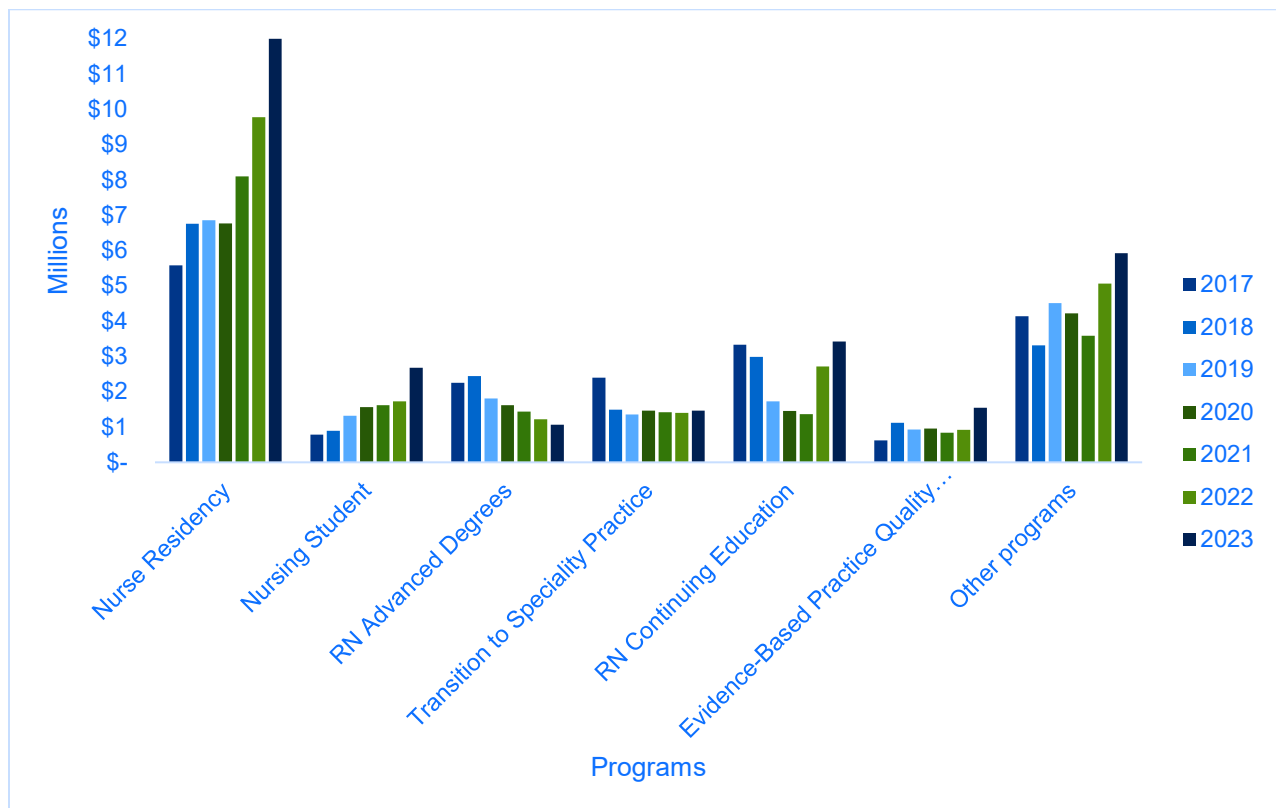
In FY 2023, all hospitals prioritized supporting new entrants to the nursing workforce by implementing a nurse residency program for newly licensed RNs. Additionally, many hospitals provided leadership, preceptorship, mentorship programs, and nursing student programs. Professional advancement was another key focus, as many hospitals funded continuing education and advanced degree programs for

current staff. The collective focus on education and career advancement is expected, given nursing workforce shortages and the urgent need to attract and retain new, experienced staff.

## Expenditures

In FY 2023, HSCRC issued \$21.7 million in total funding to acute care hospitals. The top funded programs in FY 2023 included 1) nurse residency programs, 2) RN continuing education, 3) nursing student programs, 4) transition to specialty practice programs, 5) evidence-based practice quality improvement, 6) RN advanced degree programs, and 7) leadership, preceptorship, and mentorship programs. Figure 1 and Table 1 show FY 2017 through FY 2023 program expenditures.

Figure 1. NSP I Program Expenditures, FY 2017 - 2023



Source: Hospital NSP I Annual Reports

*Table 1. NSP I Program Expenditures, FY 2017 - 2022*

NSP I Programs	2017	2018	2019	2020	2021	2022
Nurse residency program	\$5,574,572	\$6,754,291	\$6,860,202	\$6,764,270	\$8,095,171	\$9,775,301
RN continuing education	\$3,332,324	\$2,990,325	\$1,727,520	\$1,450,660	\$1,362,360	\$2,711,942
Nursing Student Programs	\$786,956	\$889,039	\$1,316,756	\$1,562,583	\$1,620,120	\$1,728,939
Transition to specialty practice Programs	\$2,397,140	\$1,494,908	\$1,354,607	\$1,460,928	\$1,420,664	\$1,402,766
RN Advanced Degree Programs	\$2,255,675	\$2,441,827	\$1,812,569	\$1,615,189	\$1,433,681	\$1,219,601
Magnet Designation /Journey or Pathway to Excellence	\$533,210	\$498,696	\$1,002,797	\$737,416	\$596,476	\$1,183,548
Leadership, Preceptorship, Mentorship Programs			\$1,133,456	\$1,021,250	\$809,386	\$1,051,685
Other Programs	\$3,607,854	\$2,815,687	\$2,373,633	\$2,456,528	\$2,177,543	\$2,823,986
<b>Total Spending</b>	<b>\$18,487,731</b>	<b>\$17,884,773</b>	<b>\$17,581,540</b>	<b>\$17,068,824</b>	<b>\$17,515,401</b>	<b>\$21,897,768</b>

Source: Hospital NSP I Annual Reports

## Performance Results

All participating hospitals submit data on a series of key metrics, which include, but are not limited to:

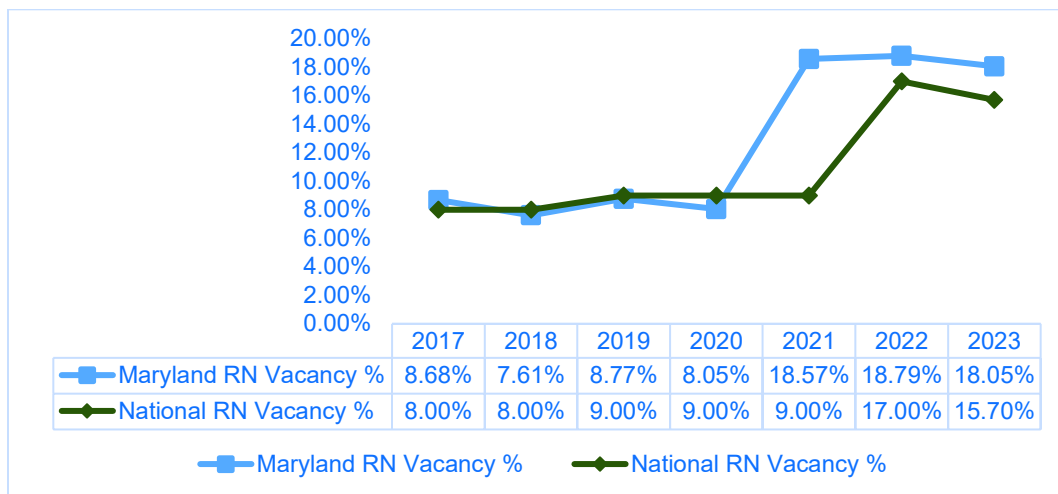
- Vacancy and Retention Rates
- Number of Nurses with BN and Advanced Degrees
- Enhanced Diversity

## Vacancy, Turnover, & Retention Rates<sup>1</sup>

Maryland's FY 2023 hospital RN vacancy rate (18 percent) declined from 19 percent in FY 2022; however, it remains above the nation's vacancy rate (16 percent), which also experienced a greater decline from 2022 (Figure 2). The decrease in the national vacancy rate versus the stagnant vacancy rate in Maryland over the last two years may be attributed to difficulty in recruiting and broader healthcare workforce shortage trends in Maryland and the region. The RN Recruitment Difficulty Index (RDI-RN) measures the average number of days hospitals take to recruit and hire an RN. According to the National HealthCare Retention and RN Staff Report by Nursing Solutions Inc. (NSI), the North-East Region has the most significant recruitment difficulty in the nation, taking 107 days on average to recruit and fill a position, whereas the national RDI-RN is 95 days.<sup>2</sup>

The Commission to Study the Health Care Workforce Crisis ("Workforce Commission"), established by the Maryland General Assembly during the 2022 session, recently released a final report<sup>3</sup> detailing its findings, discussed briefly later in this report. Of note, Maryland is not recovering to pre-pandemic workforce levels at the same rate and lags the region. That Maryland is not recovering at a similar pace to the region aligns with the vacancy and turnover rates shown in Figures 2 and 3 below, wherein the State is improving but at a slower pace than the nation.

Figure 2. Registered Nurse Vacancy Rate in Hospitals, MD vs. Nation, 2017 - 2023



<sup>1</sup> All national statistics cited for vacancies and retention data are derived from the National HealthCare Retention and RN Staffing Report, which is an annual national survey of approximately 192 facilities from 32 states.

<sup>2</sup> Nursing Solutions Inc. (2024) 2024 NSI National Healthcare Retention and RN Staffing Report.

[https://www.nsinursingsolutions.com/Documents/Library/NSI\\_National\\_Health\\_Care\\_Retention\\_Report.pdf](https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf) Accessed May 16, 2024.

<sup>3</sup> Commission to Study the Health Care Workforce Crisis. Final Report 2022/2023.

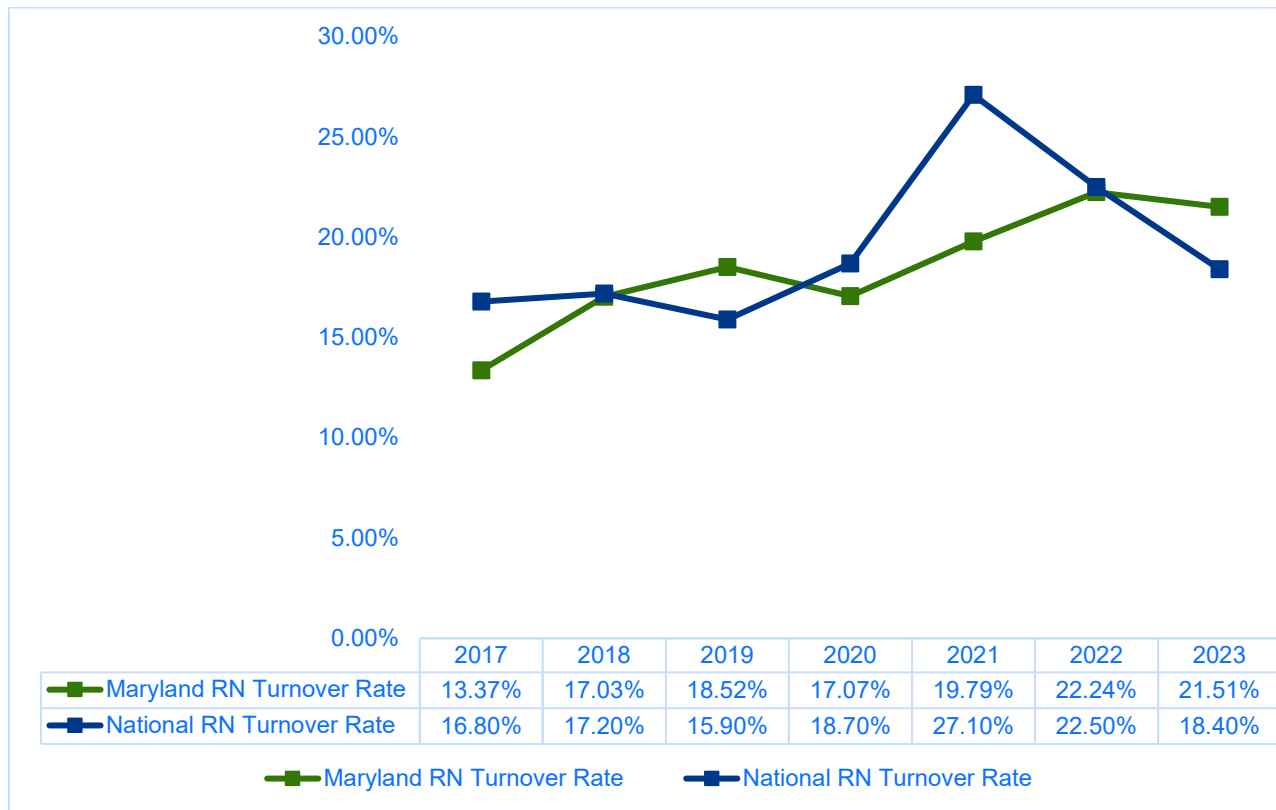
[https://health.maryland.gov/docs/SB%20440%20Ch.%20708%20\(2022\)%20%E2%80%93%202023%20Final%20Report%20%E2%80%93%20Commission%20to%20Study%20the%20Heal.pdf](https://health.maryland.gov/docs/SB%20440%20Ch.%20708%20(2022)%20%E2%80%93%202023%20Final%20Report%20%E2%80%93%20Commission%20to%20Study%20the%20Heal.pdf) Accessed June 11, 2024.



Source: Hospital NSP I Annual Reports, NSI Nursing Solutions

The Maryland RN turnover rate declined slightly between FY 2023 (21.51 percent) and FY 2022 (22.24 percent) but is above the national average (18.4 percent). As shown in Figure 3, this is the first time MD has exceeded the national average in the past three years.

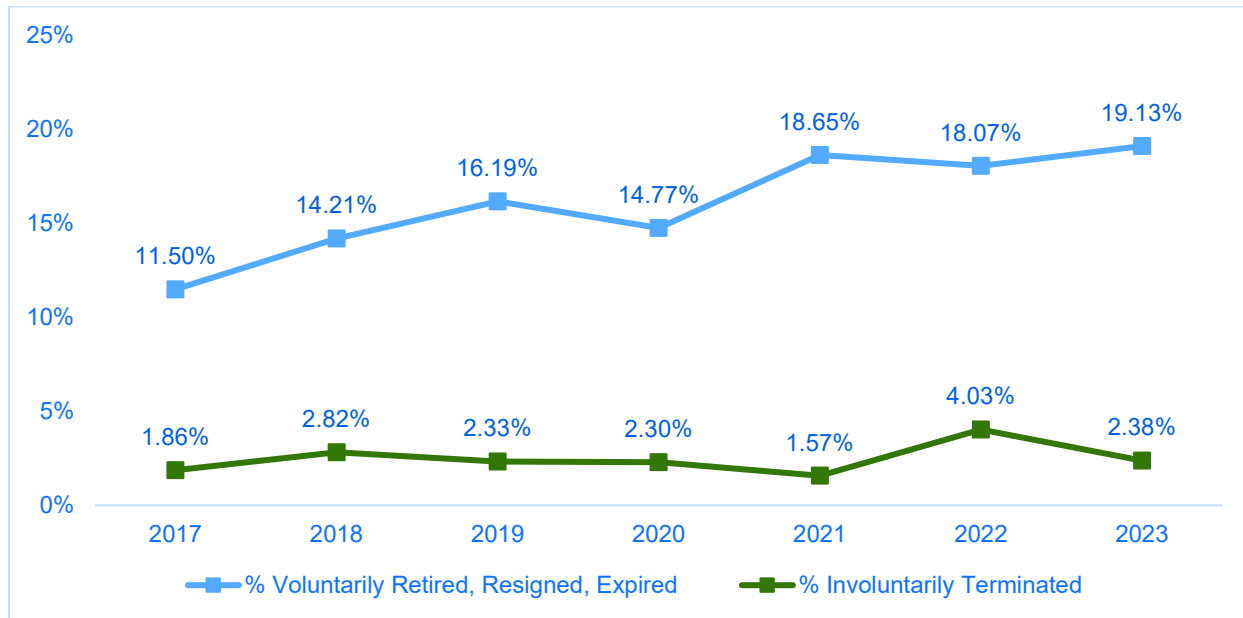
Figure 3. Hospital RN Turnover Rate, MD vs. Nation, FY 2017-FY 2023



Source: Hospital NSP I Annual Reports, NSI

Figure 4 shows that voluntary departures in FY 2023 decreased from the prior year but have increased significantly since FY 2020. Involuntary terminations have also decreased; 700 fewer RNs left the career field in FY 23 compared to FY 22. The most significant factor keeping the percentage the same from FY 22 to FY 23 is that fewer nurses were employed in FY 23.

Figure 4. RN Turnover Rate, Voluntary & Involuntary, FY 2017 - FY 2023

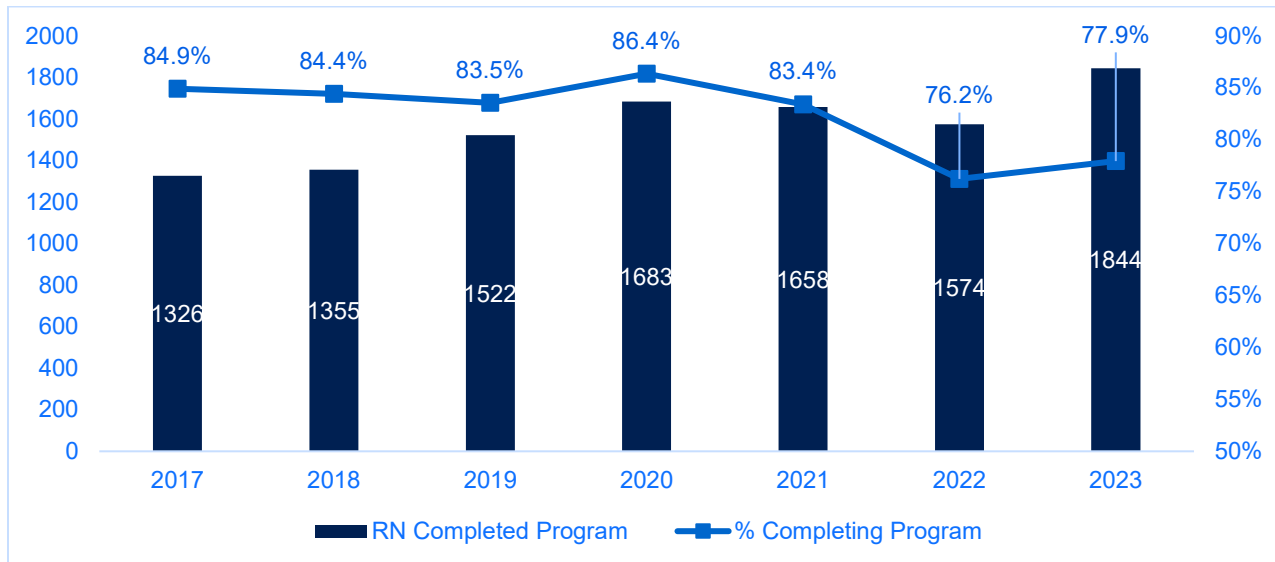


Source: Hospital NSP I Annual Reports

Involuntary termination over the prior fiscal year is improving. Educational programs and opportunities are closing the gap created by the lack of clinical hours during the COVID-19 pandemic. Many hospitals have created unique training platforms for new nurses to help ensure their success.

A key strategy to support new nurse retention is nurse residency programs. All NSP I hospitals implement nurse residency programs and report that they are essential in training and retaining new nurses at hospitals. As shown in Figure 5, the completion rates for RNs completing residency programs declined by seven percentage points to 76 percent in FY 2022 since the prior fiscal year. There has been an improvement in FY 2023, with a 78 percent completion rate; the national retention rate for first-year nurses with no NRP is at 66 percent. The data being reported by the HSCRC is captured by fiscal year. The Maryland Nurse Residency Collaborative data, captured by calendar year, shows a completion rate of 91 percent, and Vizient reports a national average of 89 percent. The Maryland Nurse Residency Collaborative Data and Vizient measure completion of the first year of the NRP. Hospitals report two-year NRP completion to HSCRC without a national comparison point.

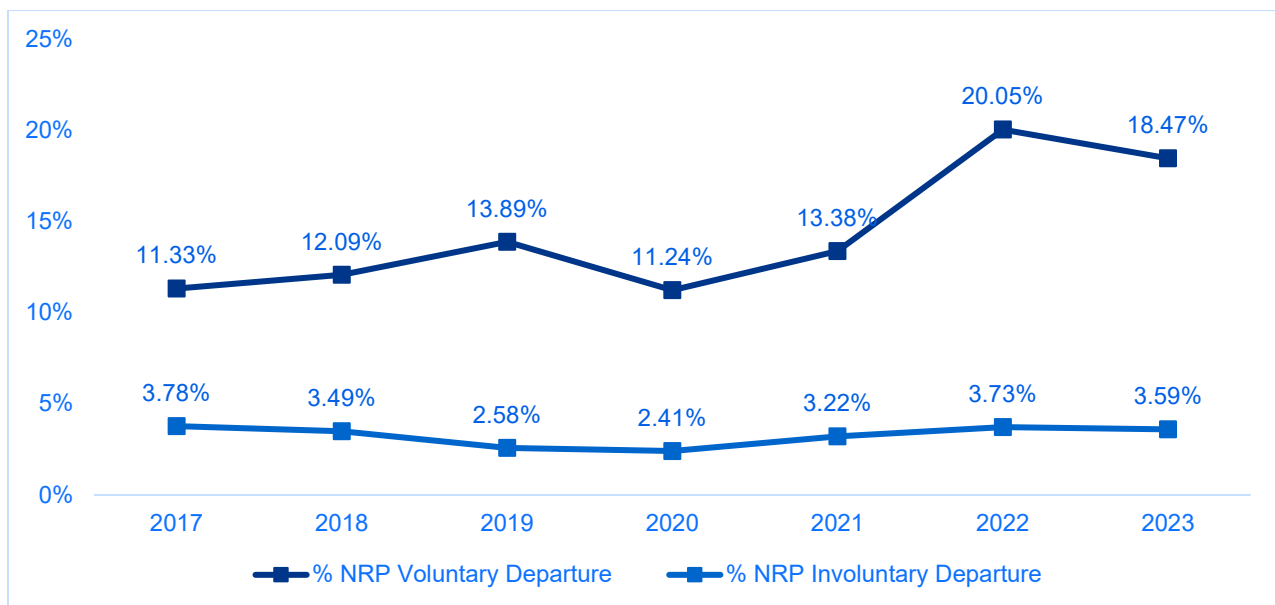
Figure 5. RNs Participating and Completing Residency Program, FY 2017 -2023



Source: NSP I Reports

The decline in completion rates since 2020 is primarily due to the growth of voluntary departures (Figure 6). Voluntary departures grew from 14 percent in FY 2019 to 20 percent in FY 2022, then declined to 18 percent in FY 2023. New nurses may be leaving for various reasons, including but not limited to 1) opting to shift to travel jobs with higher pay, 2) shifting to positions in less stressful clinical settings, and 3) ongoing residual impacts of insufficient clinical training.

Figure 6. Percent Voluntary and Involuntary NRP Departures, FY 2017-2023

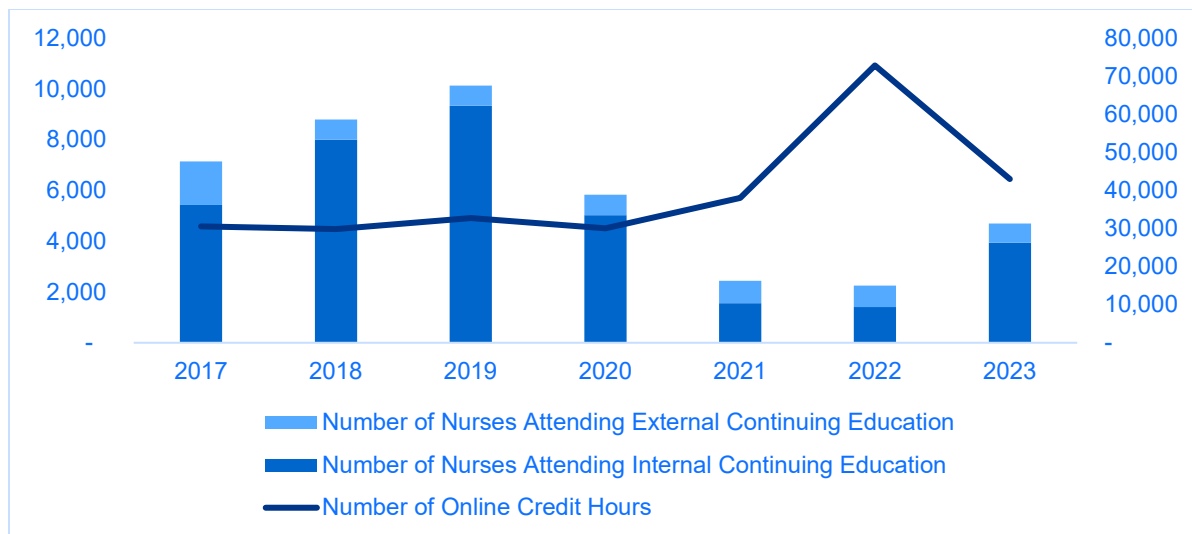


Many hospitals have cited the clinical experiences during nursing school as a critical driver of voluntary NRP departures. Safety concerns and the strain on hospital resources due to high demands on nursing staff to train new incoming nurses have caused nursing schools to find innovative ways to find clinical instructors for student nurses. To help address the impact of limited clinical training, Maryland hospitals and academics formed a committee to build a curriculum for a Transition to Nurse Residency Program (TNRP). The goal of TNRP is to restore the skills and competencies of new-to-practice nurses. The TNRP does not duplicate nor replace NRP; instead, it is a precursor to the NRP offered at onboarding and before new-to-practice nurses assume patient assignments. More than half of Maryland hospitals have implemented the program, and most use NSP I funding to support it. The TRNP program was first used post-pandemic. However, it is still used to fill out the identified GAPS of the new graduate nurses.

## Continuing Education

Hospitals have reported a significant increase in credit hours associated with continuing education. As shown in Table 1, funding for continuing education declined between FY 2017 (\$3.3 million) and FY 2021 (\$1.36 million) but increased to \$3.4 million in FY 2023. Online credit hours in FY 2023 decreased over the prior year, which peaked in FY 2022 (Figure 7). However, the number of nurses participating in continuing education in FY 2023 doubled over the preceding year. The growth in online credit hours since 2020 can be attributed to an increased focus on in-house education, as external opportunities were limited during the pandemic. While many external conferences that hospital nursing staff frequented before the pandemic have resumed, hospitals have reported increasing online education efforts to reach more staff.

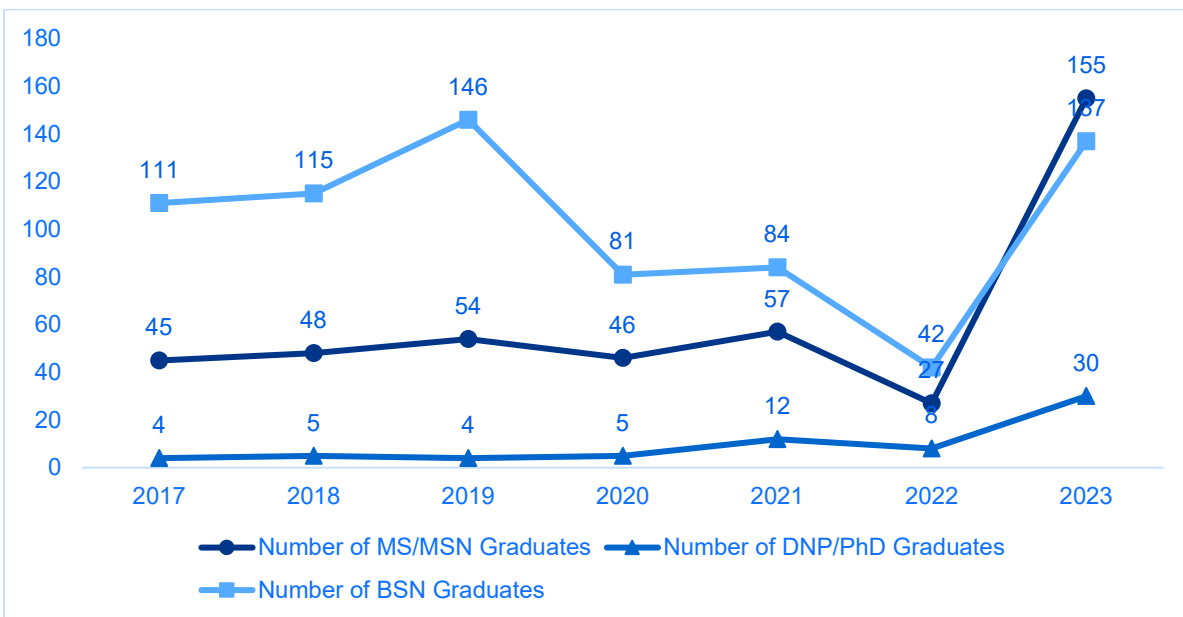
*Figure 7. Continuing Education Participants and Online Credit Hours, FY 2017 - 2023*



## Number of Nurses with BN and Advanced Degrees

Another key goal of the *Future of Nursing* recommendations was to increase the number of nurses with advanced degrees. Strong research evidence has linked lower mortality rates, fewer medication errors, and positive outcomes to nurses prepared at the baccalaureate and graduate degree levels.<sup>4</sup> Quality patient care hinges on a well-educated, highly functioning, motivated nursing workforce. Figure 8 shows the number of BSN, MS/MSN, and DNP/PhD degrees funded by NSP I between FY 2017 and FY 2023.

Figure 8. NSP I Funded Degree Type, FY 2017 - 2023



Between 2017 and 2019, there was a 22 percent increase in hospital-based nurses holding NSP I-funded BSN and Advanced degrees. However, the decline in advanced degrees that began in 2020 during the pandemic continued through FY 2022. As shown in Table 1, funding for advanced degrees has declined since FY 2017 as hospitals have prioritized attracting and retaining new staff through nurse residency and nursing student programs, as well as continuing education investments to retain existing staff. In FY 2023, there has been a dramatic increase in advanced degrees; this confirms the report from hospitals in FY 2022 that they had several nurses pursuing advanced degrees. Maryland continues progressing steadily to the “80 Percent BSN by 2025” goals through the NSP II Program. In Maryland, 75 percent of nurses responding to the National Nursing Workforce Survey had a BSN or higher degree in 2022.<sup>5</sup>

<sup>4</sup> Institute of Medicine (US) Committee on the Robert Wood Johnson Foundation Initiative on the Future of Nursing, at the Institute of Medicine. *The Future of Nursing: Leading Change, Advancing Health*. Washington (DC): National Academies Press (US); 2011. 4, Transforming Education. Available from: <https://www.ncbi.nlm.nih.gov/books/NBK209885/>

<sup>5</sup> Health Services Cost Review Commission. (2023). Nurse Support Program II Competitive Institutional Grants Program Recommendations for FY 2024.

## Enhanced Diversity in the Nursing Workforce

A key recommendation of IOM is to develop initiatives to address health disparities by increasing the number of minorities and men in all nursing roles. Specifically, NSP I programs can implement initiatives to:

- Increase the number of minority and male mentors and preceptors.
- Increase the number of minority and male nurses in leadership positions.
- Develop recruitment strategies to target racial/ethnic minorities, particularly in areas with high minority populations.

Based on reports submitted by hospitals, significant progress remains to increase the number of minorities and males in all nursing roles. As shown in Table 2, the percentage of males in clinical and nurse executive roles has remained relatively stagnant. The percentage of male nurse managers has grown since FY 2020.

*Table 2. Percent of Nursing Role by Gender, FY 2020 - 2023*

	Gender	2020	2021	2022	2023
<b>Clinical Nurses</b>	Male	9.62%	9.54%	9.62%	9.92%
	Female	90.38%	90.46%	90.38%	90.08%
<b>Nurse Managers</b>	Male	7.71%	8.94%	9.61%	9.21%
	Female	92.29%	91.06%	90.39%	90.79%
<b>Nurse Executives</b>	Male	10.44%	7.76%	9.21%	10.62%
	Female	89.56%	92.24%	90.79%	89.38%

Source: Hospital NSP I Reports

There have also not been significant changes in the race and ethnicity composition of nursing roles in Maryland hospitals, as shown in Tables 3-5.

*Table 3. Percent of Clinical Nurses by Race/Ethnicity, FY 2020 - 2023*

	2020	2021	2022	2023
<b>NH Black</b>	21.06%	20.53%	19.50%	21.57%
<b>NH White</b>	62.01%	61.51%	60.45%	57.58%
<b>Hispanic</b>	2.94%	2.98%	2.80%	3.50%
<b>Native American</b>	0.37%	0.25%	0.23%	0.33%
<b>Pacific Islander</b>	0.38%	0.26%	0.53%	0.21%
<b>Asian</b>	11.16%	11.65%	11.43%	13.40%
<b>Prefer not to answer</b>	2.08%	2.80%	5.06%	3.41%

Source: Hospital NSP I Reports

*Table 4. Percent of Nurse Managers by Race/Ethnicity, FY 2020 - 2023*

	2020	2021	2022	2023
<b>NH Black</b>	18.74%	17.33%	18.62%	20.60%
<b>NH White</b>	73.81%	74.06%	68.49%	65.86%
<b>Hispanic</b>	0.90%	1.18%	1.28%	2.13%
<b>Native American</b>	0.13%	0.24%	0.13%	0.29%
<b>Pacific Islander</b>	0.26%	0.59%	0.13%	0.19%
<b>Asian</b>	5.26%	5.54%	7.53%	7.83%
<b>Prefer not to answer</b>	0.90%	1.06%	3.83%	3.09%

Source: Hospital NSP I Reports

*Table 5. Nurse Executives by Race/Ethnicity, FY 2020 - 2023*

	2020	2021	2022	2023
<b>NH Black</b>	13.51%	15.09%	12.88%	13.21%
<b>NH White</b>	83.33%	80.60%	77.68%	81.51%
<b>Hispanic</b>	0.45%	1.29%	1.29%	0.75%
<b>Native American</b>	0.45%	0.00%	0.86%	0.38%
<b>Pacific Islander</b>	0.00%	0.00%	0.00%	0.00%
<b>Asian</b>	2.25%	1.72%	1.72%	3.40%
<b>Prefer not to answer</b>	0.00%	1.29%	5.58%	0.75%

Source: Hospital NSP I Reports

As hospitals have struggled with nurse vacancies and retention, stagnant performance in increasing diversity in the nursing force in Maryland hospitals is not wholly unexpected. Based on FY 2023 reporting, HSCRC staff has not seen robust efforts to increase male nursing staff and recruit racial/ethnic minorities, particularly in areas with high minority populations. HSCRC staff has encouraged hospitals to prioritize diversity in recruitment efforts to create a culturally congruent workforce and best reflect the needs and composition of their communities.

A challenge that hospitals have cited with increasing the number of males and racial and ethnic minorities in nursing roles is that recruitment efforts are dependent on the pool of recent nursing graduates. Hospitals have reported working closely with local community colleges and universities to encourage community people to enter nursing. Other hospitals have instituted programs with NSP I assistance, such as student

nurse programs, to send certified nursing assistants and licensed practical nurses back to school to become registered nurses. Consequently, prioritizing diversity in nursing student recruitment, and creating educational opportunities that are accessible to all student types, particularly non-traditional students, is crucial to building a diverse nursing workforce. As HSCRC staff works with the Maryland Higher Education Commission (MHEC) on the program renewal for the Nurse Support Program II (NSP II), staff and stakeholders will prioritize the significance of diversifying educational opportunities for prospective nursing students to create a diverse nursing pipeline.

## Ongoing Challenges

### Maryland Healthcare Workforce Levels Growing Slower than Region

As discussed earlier in this report, in 2022 the Maryland General Assembly formed the Commission on the Health Care Workforce Crisis (“Workforce Commission”) to explore critical shortages in Maryland’s healthcare workforce.<sup>6</sup> A key finding of the Workforce Commission report is that Maryland is faring worse in growing its healthcare workforce when compared to other states. Based on data from the Bureau of Labor Statistics, the Workforce Commission identified that Maryland’s workforce is growing at a slower rate (4.6 percent) than other Mid-Atlantic states (5.8 percent) and the nation (11.5 percent). Maryland is also not reaching pre-pandemic workforce levels at the same pace as other states.

“While most states in the mid-Atlantic region have not fully returned to their 2019 level of employment in the healthcare sector, Maryland is tied with Pennsylvania as having the second-worst recovery rate post-pandemic at 4.3%. This is also lower compared to the rest of the region and the nation, with a recovery rate of -2.2 % and -0.1%, respectively. Virginia is the only state in the mid-Atlantic that has reached, and exceeded, its 2019 level of employment, at 14% growth.”<sup>7</sup>

The data on Maryland and national hospital RN vacancy and turnover rates as shown in this report align with the Workforce Commission report findings. Healthcare workforce shortages and the slow recovery to pre-pandemic levels are not isolated solely to hospitals and nursing but are prevalent across multiple healthcare settings and provider types. The challenges facing hospitals with nursing workforce shortages are driven by more complicated and systemic dynamics that the State is working to identify and address by increasing the collection and reliability of workforce data, and supporting workforce training and recruitment efforts.

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<sup>6</sup> Commission to Study the Health Care Workforce Crisis. Final Report 2022/2023. [https://health.maryland.gov/docs/SB%20440%20Ch.%20708%20\(2022\)%20%E2%80%93%202023%20Final%20Report%20%E2%80%93%20Commission%20to%20Study%20the%20Health%20Workforce%20Crisis.pdf](https://health.maryland.gov/docs/SB%20440%20Ch.%20708%20(2022)%20%E2%80%93%202023%20Final%20Report%20%E2%80%93%20Commission%20to%20Study%20the%20Health%20Workforce%20Crisis.pdf) Accessed June 11, 2024.

<sup>7</sup> Ibid, pg 10.



## Nursing Burnout

As illustrated in Figures 2-4 above, vacancy rates and retention continue to suffer in the wake of the COVID-19 pandemic. In a 2021 survey of 2,000 nursing staff, the Maryland Nursing Workforce Center (MNWC) found that over 40 percent of respondents experienced moderate to severe stress, could not control worrying, felt hopeless, and had little pleasure in usual things. Close to 50 percent of respondents indicated that they had symptoms of burnout, felt anxious, and had experienced sleep disturbances. Furthermore, about 62 percent of nurses felt their physical health and safety were compromised without their consent, and more than 60 percent indicated an intent to leave their current nursing job.<sup>8</sup> These findings are echoed across the nation.<sup>9</sup> Ongoing workforce shortages continue to exacerbate these challenges.

## Increased Reliance on Agency Nurses

Anecdotally, nurses were leaving their positions to go to competing hospitals to sign bonuses or to agencies for better pay, better hours, and less stress.<sup>10</sup> The increase in agency nurses and the resulting high turnover burdens staff nurses as they must constantly orient new people. In discussions with nurses from various roles, the main complaint regarding agency nurses is that they are paid significantly more than staff nurses but are not responsible for regulatory reporting and other burdens placed on them.

As more nurses leave hospitals for agencies, a costly feedback loop is created as hospitals rely more on agencies to backfill the reduction in the workforce. The pandemic exacerbated costs to \$713 million (Figure 8) in Maryland, as reported to the HSCRC in the FY 2020 NSP Annual Reports. Nationally, most hospitals are not anticipating reducing their reliance on agency nurses while costs continue to increase.<sup>11</sup>

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<sup>8</sup> University of Maryland School of Nursing – Maryland Nursing Workforce Center. (December 2021). Analysis of COVID-19's Impact on Maryland Nursing Workforce. <https://www.nursing.umaryland.edu/media/son/mnwc/MD-survey-of-post-COVID-workforce.pdf>

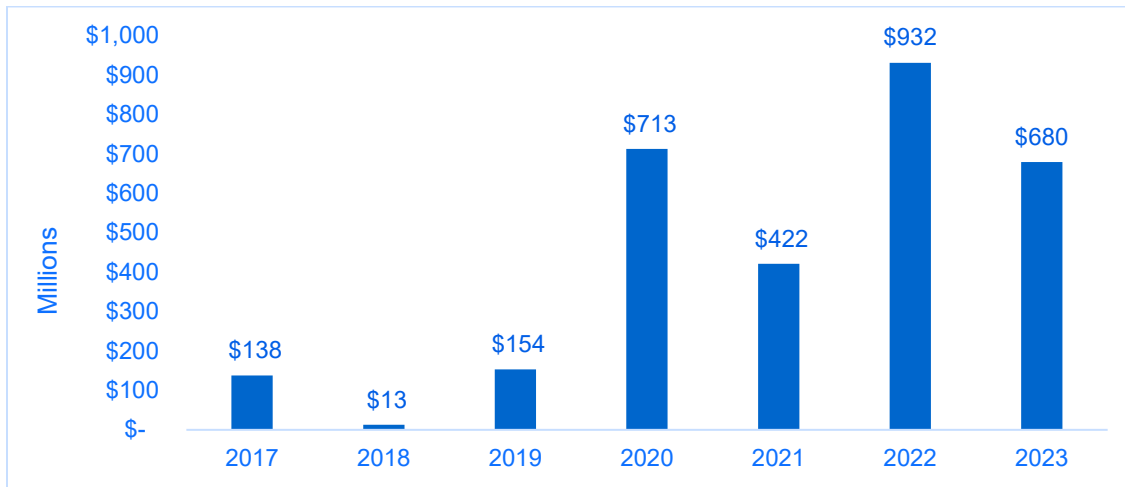
<sup>9</sup> Hansen, A. and Tuttas, C. (2021). Professional Choice 2020-2021: Travel Nursing Turns the Tide. [Article] [www.nurseleader.com](http://www.nurseleader.com).

<sup>10</sup> Vesoulis, Abby and Abrams, Abigail. Contract Nurse Agencies Are Making Big Money in the Age of COVID-19. Are They 'Exploiting' the Pandemic? Time.com, February 23, 2022. [Article]. <https://time.com/6149467/congress-travel-nurse-pay/> Accessed May 1, 2022.

<sup>11</sup> Nursing Solutions Inc. (2023) 2023 NSI National Healthcare Retention and RN Staffing Report.

[https://www.nsinursingsolutions.com/Documents/Library/NSI\\_National\\_Health\\_Care\\_Retention\\_Report.pdf](https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf) Accessed May 16, 2023.

Figure 11. Nursing Agency Cost to Hospitals, FY 2017 - FY 2023



Source: Hospital NSP I Reports

While there was a drop in agency costs in FY 2021, suggesting a potential return to pre-pandemic spending levels, hospitals reported a significant increase in FY 2022 to \$931 million as ongoing struggles with nursing workforce shortages continue. In FY 2023, there has been a substantial drop to \$679 million, which is not at the pre-pandemic level yet, but it is trending downward, with hospitals stating that the cost will be even lower in FY 2024. To continue to bring this number down in FY 2024, hospitals have reported creating hospital or system-owned travel agencies, mitigating some of the high costs associated with travel agencies. As shown in the graph above, the cost decreased in FY 2023.

## Conclusion

The NSP I Program remains an essential resource to acute care hospitals as they seek to retain nursing staff and grow leadership potential, expand educational opportunities, and advance nursing practice, particularly as the State struggles to reach pre-pandemic workforce levels. This report demonstrates that FY 2023 vacancies and turnover rates have improved over the last year; however, the state is performing worse than the nation and slowly recovering to pre-pandemic levels. Additional insight is needed to identify and understand these drivers, particularly given that the underperformance is not isolated solely to hospital nursing. MDH is leading efforts to improve workforce data collection and reliability to better understand the depth and drivers of healthcare workforce shortages in the State. There has also been no demonstrated growth in the number of males and racial/ethnic minorities serving in hospital nursing roles. Growing and diversifying the number of new nursing graduates will be vital to achieving IOM diversity goals and building a workforce of qualified nurses equipped clinically and culturally to serve their communities. HSCRC staff, the Maryland Higher Education Commission (MHEC), and the NSP I/II Advisory Committee will discuss NSP I/II alignment opportunities as part of the NSP II program renewal recommendation in fall 2024.

HSCRC staff will continue to monitor NSP I activities through ongoing reporting, meetings with individual hospitals on program progress, and data monitoring.