



634th Meeting of the Health Services Cost Review Commission

September 10, 2025

(The Commission will begin in public session at 12:00 pm for the purpose of, upon motion and approval, adjourning into closed session. The open session will resume at 1:00 pm)

CLOSED SESSION 12:00 pm

1. Update on Administration of Model - Authority General Provisions Article, §3-103 and §3-104

PUBLIC MEETING 1:00 pm

1. Review of Minutes from the Public and Closed Meetings on July 30, 2025

Specific Matters

For the purpose of public notice, here is the docket status.

Docket Status – Cases Closed

2675A Johns Hopkins Health System
2676A Johns Hopkins Health System
2677A Johns Hopkins Health System
2678A Johns Hopkins Health System

2. Docket Status – Cases Open

2679A Johns Hopkins Health System
2680A University of Maryland Medical Center

Informational Subjects

3. Presentation: Expanding Palliative Care Services - Greater Baltimore Medical Center
4. Presentation: RN Residency Programs - Maryland Organization of Nurse Leaders (MONL) / Maryland Nurse Residency Collaborative (MNRC)

Subjects of General Applicability

5. Report from the Executive Director
 - . Model Monitoring

6. Materials Only: Nurse Support Program I - FY 2024 Report
7. Hearing and Meeting Schedule



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Application for an Alternative Method of Rate Determination

Johns Hopkins Health System

September 10, 2025

IN RE: THE APPLICATION FOR AN	*	BEFORE THE MARYLAND HEALTH
ALTERNATIVE METHOD OF RATE	*	SERVICES COST REVIEW
DETERMINATION	*	COMMISSION
JOHNS HOPKINS HEALTH	*	DOCKET: 2025
SYSTEM	*	FOLIO: 2489
BALTIMORE, MARYLAND	*	PROCEEDING: 2679A

I. INTRODUCTION

Johns Hopkins Health System ("System") filed an application with the HSCRC on July 31, 2025, on behalf of its member hospitals, Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Johns Hopkins Howard County General Hospital (the "Hospitals") for an alternative method of rate determination, pursuant to COMAR 10.37.10.06. The System requests approval from the HSCRC to continue to participate in a global price arrangement for solid organ and bone marrow transplants and ventricular assist device procedures (VAD) with Optum Health, a division of United HealthCare Services, Inc. The System requests approval of the arrangement for a period of one year beginning September 1, 2025.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by Johns Hopkins HealthCare, LLC ("JHHC"), which is a subsidiary of the System. JHHC will continue to manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the new global rates for solid organ transplants was developed by calculating mean historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will continue to submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians holds the Hospitals harmless from any shortfalls in

payment from the global price contract. JHHC maintains it has been active in similar types of fixed fee contracts for several years, and that JHHC is adequately capitalized to bear risk of potential losses.

V. STAFF EVALUATION

Staff found that the experience under the arrangement for the last year has been unfavorable. Prior to this past year, the contract has shown a consistently favorable history. The Hospitals have adjusted the prices in their current arrangement to eliminate the losses. Staff believes that the Hospitals can continue to achieve a favorable experience under this arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' request for participation in an alternative method of rate determination for solid organ and bone marrow transplants and VAD procedures for a one-year period commencing September 1, 2025, and that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU"). The Hospitals will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document would formalize the understanding between the Commission and the Hospitals, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.



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Nurse Support Program I

Annual Report on FY 2024 Activities

September 2025

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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. Nearly \$290 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) 2024.

Background

Launched in 2001, the Nurse Support Program I (NSP I) was created by the HSCRC to strengthen the hospital nursing workforce through targeted recruitment and retention initiatives. Each year, hospitals can access up to 0.1 percent of their gross patient revenue, added to hospital rates, to fund approved NSP I projects. These investments support activities aligned with the program's goals and have enabled hospitals to make substantial progress in expanding and sustaining Maryland's hospital-based RN workforce over the past two decades.

In 2010, the Institute of Medicine (IOM) published the *Future of Nursing* report, which laid out various 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 in 2012:

- 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 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 better patient outcomes.

3. **Advancing the Practice of Nursing.** The activities in this area focus on preparing nurses to advance healthcare delivery, 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. NSP I staff also work closely with the Maryland Higher Education Commission (MHEC) to administer the Nurse Support Program II (NSP II), which aims to increase Maryland's academic capacity to educate nurses and increase faculty at Maryland institutions.

FY 2024 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 or 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 statewide and/or national conferences hosted by leading organizations in the nursing field. Continuing education hours are increasingly provided online and are self-paced for participants, which allows practicing nurses to more easily stay current with best practices to provide optimal patient care.
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 provide an avenue for hospitals to retain the expertise of retiring nurses 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 the field of 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. The NRP is a critical program that uses evidence-based techniques to

guide 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 which often serve as pathways to RN employment.
5. **Professional Advancement Programs:** Funding can support developing or implementing professional advancement programs, such as nurse clinical ladders.
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 assists 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 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

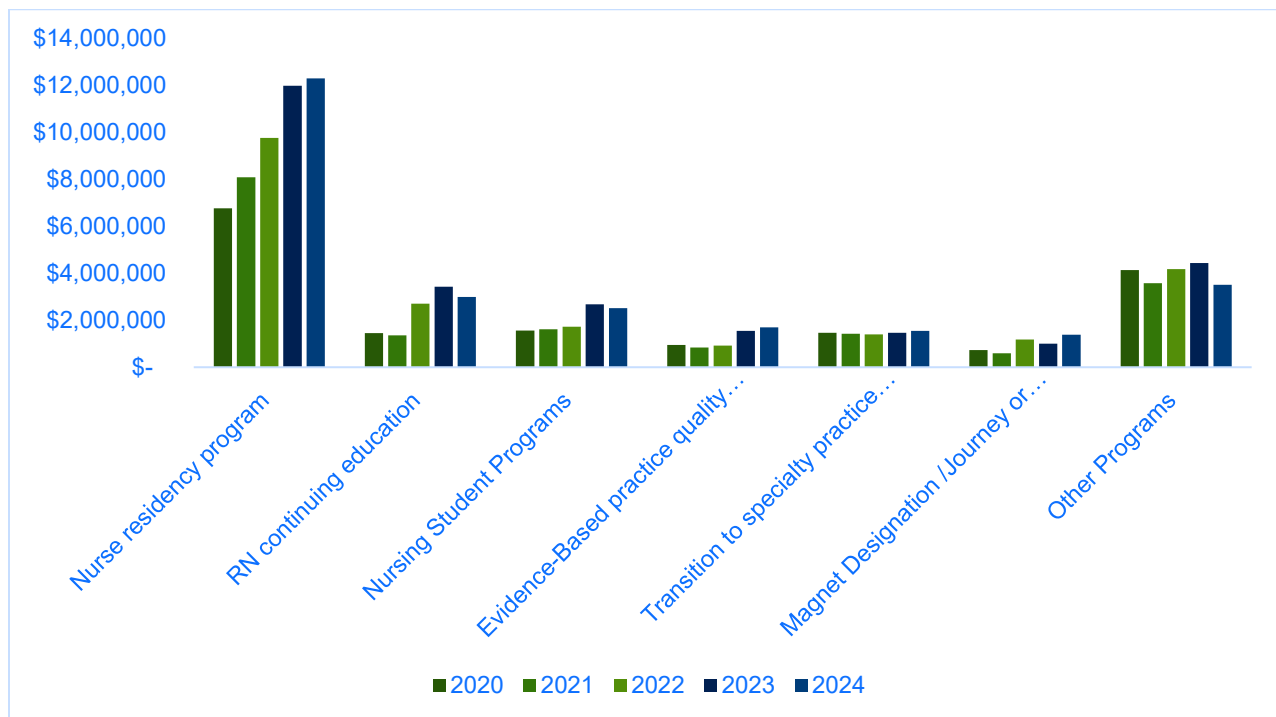
continually.” Programs include Magnet® and Pathway to Excellence®. NSP I supports nursing education about nursing excellence programs and innovative projects to achieve Magnet or Pathway to Excellence.

In FY 2024, all hospitals prioritized supporting new entrants to the nursing workforce by implementing a nurse residency program for newly licensed RNs. Additionally, many hospitals provide leadership, preceptorship, and mentorship programs, as well as nursing student programs. Professional advancement was another key focus, as many hospitals funded continuing education and advanced degree programs for current staff. A collective focus on education and career advancement is expected, given nursing workforce shortages and the urgent need to attract new nurses and retain experienced staff.

Expenditures

In FY 2024, HSCRC issued \$19.9 million in total funding to acute care hospitals. The top-funded programs in FY 2024 included 1) nurse residency programs, 2) RN continuing education, 3) nursing student programs, 4) evidence-based practice quality improvement, 5) transition to specialty practice programs, and 6) Magnet® designation/journey and Pathway to Excellence. Figure 1 and Table 1 show FY 2020 through FY 2024 program expenditures.

Figure 1. NSP I Program Expenditures, FY 2020 - 2024



Source: Hospital NSP I Annual Reports

Table 1. NSP I Program Expenditures, FY 2020 - 2024

Programs	2020	2021	2022	2023	2024
Nurse residency program	\$6,764,270	\$8,095,171	\$9,775,301	\$11,992,219	\$12,301,920
RN continuing education	\$1,450,660	\$1,362,360	\$2,711,942	\$3,425,472	\$2,988,935
Nursing Student Programs	\$1,562,583	\$1,620,120	\$1,728,939	\$2,674,706	\$2,521,530
Evidence-Based practice quality improvement	\$954,756	\$839,378	\$921,317	\$1,543,065	\$1,700,723
Transition to specialty practice Programs	\$1,460,928	\$1,420,664	\$1,402,766	\$1,465,457	\$1,550,097
Magnet Designation /Journey or Pathway to Excellence	\$737,416	\$596,476	\$1,183,548	\$1,000,840	\$1,380,706
Other Programs	\$4,138,211	\$3,581,232	\$4,173,955	\$4,439,854	\$3,512,888
TOTAL	\$17,068,824	\$17,515,401	\$21,897,768	\$26,541,613	\$25,956,799

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 BSN and Advanced Degrees
- Enhanced Diversity

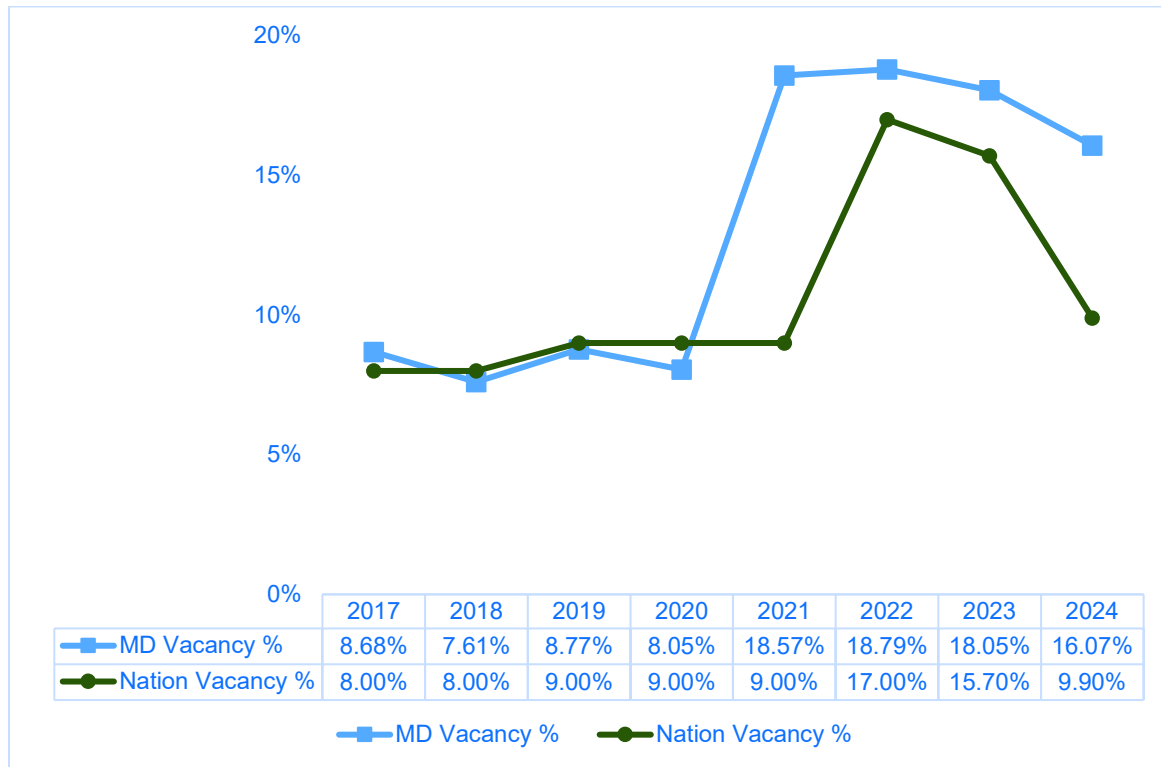
Vacancy, Turnover, & Retention Rates¹

Maryland's FY 2024 hospital RN vacancy rate (16 percent) declined from 18 percent in FY 2023; however, it remains above the nation's vacancy rate (9.9 percent), which experienced a greater decline from 2023

¹ 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.

(Figure 2). While Maryland's hospital vacancy rate exceeds the national average, more than forty percent (41.4 percent) of hospitals nationally reported a vacancy rate greater than ten percent.²

Figure 2. Registered Nurse Vacancy Rate in Hospitals, MD vs. Nation, 2017 - 2024

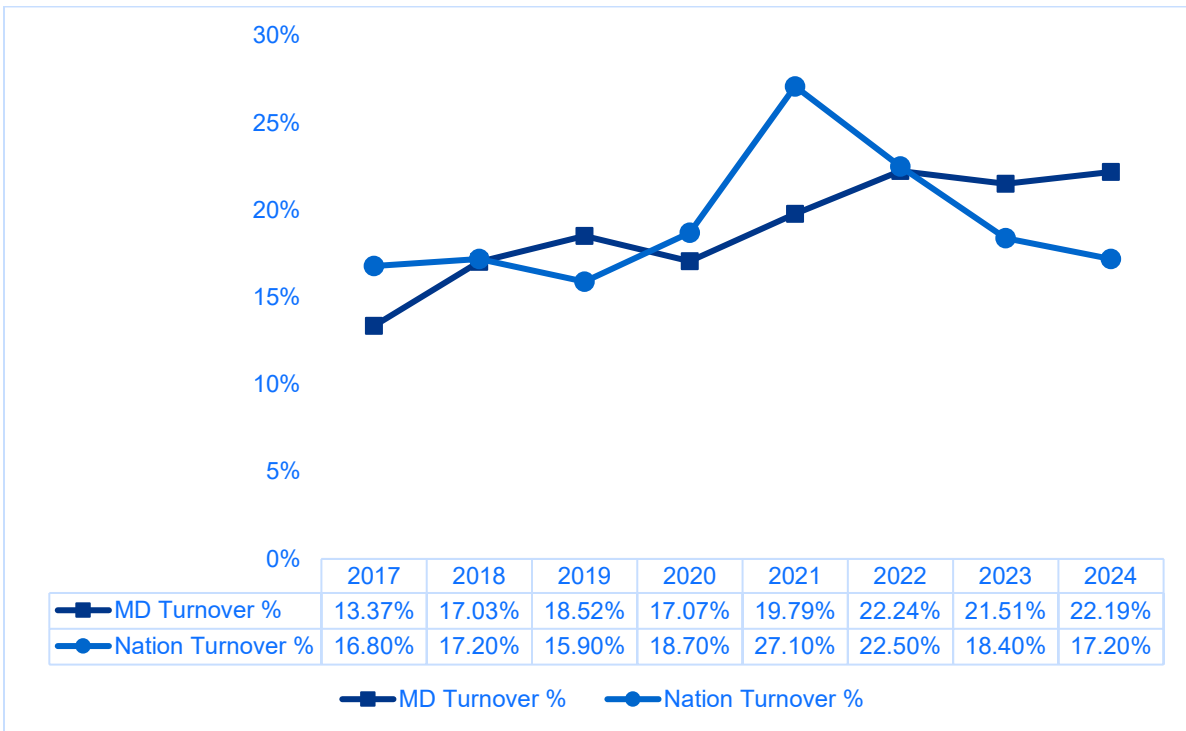


Source: Hospital NSP I Annual Reports, NSI Nursing Solutions

The Maryland RN turnover rate increased slightly between FY 2023 (21.51 percent) and FY 2024 (22.19 percent) but has been relatively stable over the last three years. While the average staff RN turnover rate for the nation is 16.4 percent, NSI reports that turnover rates can range between 5.2 percent and 36.4 percent across the country.

² Nursing Solutions Inc. (2025) 2025 NSI National Healthcare Retention and RN Staffing Report. https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf Accessed July 12, 2025.

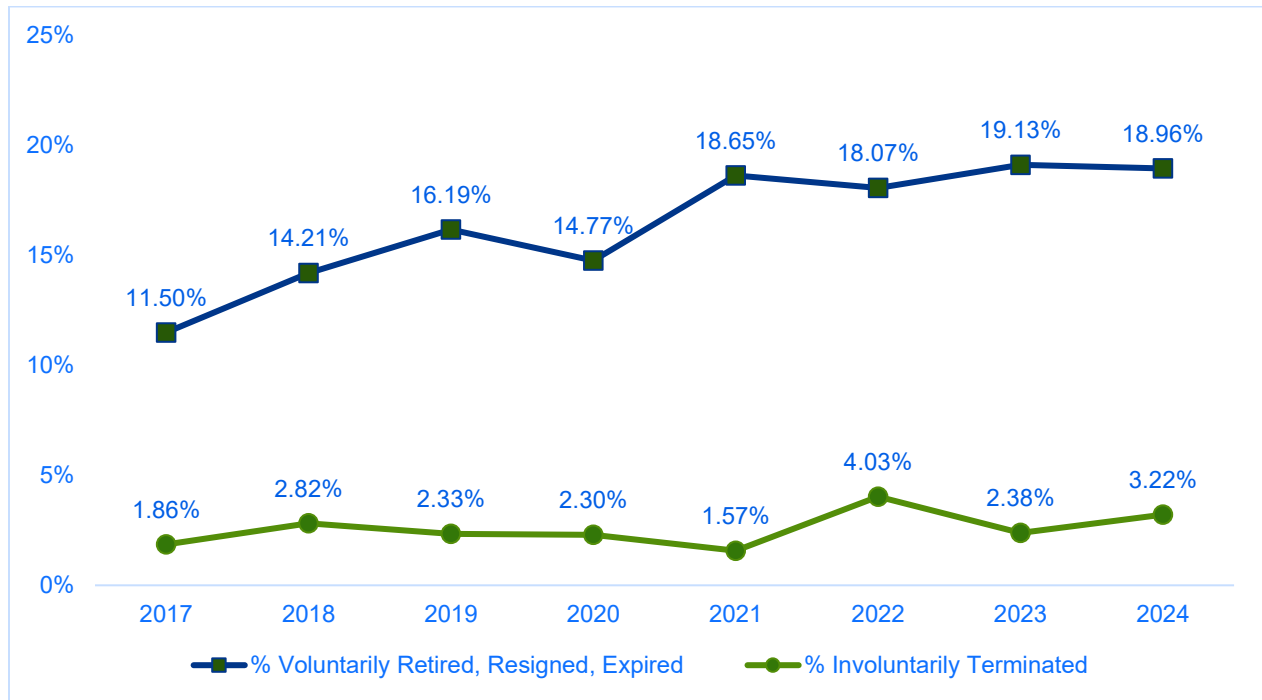
Figure 3. Hospital RN Turnover Rate, MD vs. Nation, FY 2020-2024



Source: Hospital NSP I Annual Reports, NSI

Figure 4 shows that voluntary departures have remained relatively stable since 2021. Involuntary terminations increased over the prior year but remain below FY 2022 performance; roughly 300 more RNs left nursing roles in FY 2024 compared to FY 2023. While more nurses left hospitals in FY 2024 than in FY 2023, the total number of RN FTEs grew by nearly 1,000.

Figure 4. RN Turnover Rate, Voluntary & Involuntary, FY 2020 - FY 2024

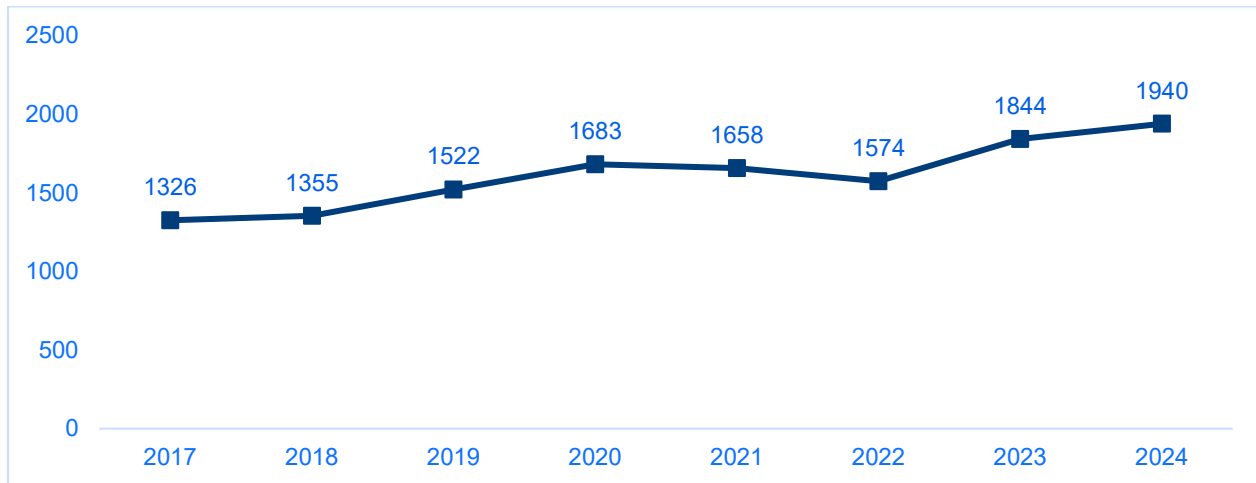


Source: Hospital NSP I Annual Reports

Nurse Residency Programs

A key strategy to support new-to-practice nurse retention is nurse residency programs. All NSP I hospitals implement the Vizient/AACN NRP™ and report that this program is essential in training and retaining new nurses at hospitals. In FY 2024, hospitals reported hiring and graduating more new-to-practice nurses through a nurse residency program (1,940 nurses) than at any point over the last eight years, a growth of 46 percent over FY 2017 nurse residents (1,326) (Figure 5). In FY 2024, NRP funding reached \$12.3 million (47 percent of total reported spending), more than double the \$5.6 million (30 percent) reported in 2017.

Figure 5. New Nurses Participating in RN Residency Program, FY 2017-2024



Source: NSP I Reports

NRP completion rates in Maryland continue to show strong performance. Since 2020, national retention rates for first-year nurses with or without an NRP have ranged from 66 percent to 78 percent. In contrast, national data from Vizient/AACN NRP™ shows retention rates of 89-90 percent for nurses participating in the Vizient/ AACN NRPs. Maryland has consistently performed at or above the national average, with some years exceeding national outcomes. Data from the Maryland Organization of Nurse Leaders Inc./Maryland Nurse Residency Collaborative (MONL Inc./MNRC), measured by calendar year, show an 89 percent completion rate in FY 2024. Since 2020, Maryland's completion rate has never fallen below 89 percent. Both MNRC and Vizient measure completion as the successful conclusion of the first year of the NRP.

Table 2. Nurse Residency Program Completion Rates, CY 2020-2024

YEAR	Maryland NRP	National NRP	Nation, No NRP
2020	90%	90%	78%
2021	91%	86%	68%
2022	89%	88%	67%
2023	91%	89%	66%
2024	89%	89%	78%

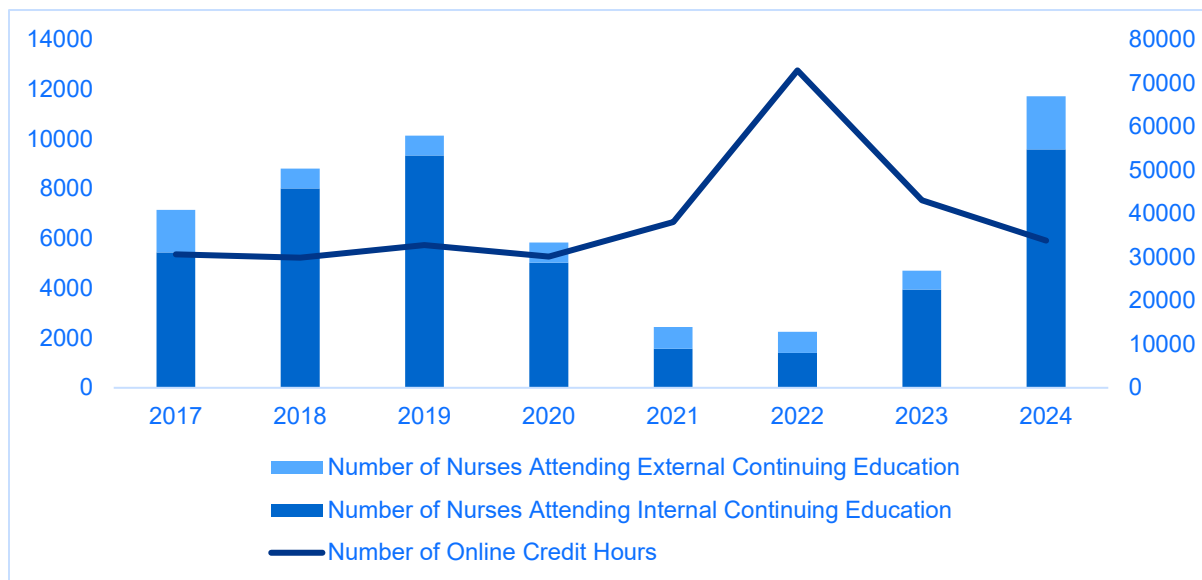
Source: MONL Inc./MNRC, Vizient/AACN NRP™, Nursing Solutions Inc. (NSI)

Because data reported to the HSCRC is captured by fiscal year and NRPs are measured by Vizient™ on a calendar year, the MNRC and Vizient data are the most reliable source of retention data on nurse residencies.

Continuing Education

Support for continuing education remains a priority for hospitals. Funding for these initiatives more than doubled between FY 2020 and FY 2024, despite a decline from FY 2023 (Table 1). While the number of online credit hours declined in FY 2024 (Figure 7), the number of nurses participating in continuing education more than doubled compared with the previous year. The surge in online credit hours between 2020 and 2022 reflected hospitals' increased reliance on in-house, remote learning during the pandemic, when external and in-person opportunities were limited. By FY 2024, both the distribution of online credit hours and attendance at external and internal continuing education events has returned mainly to pre-pandemic patterns.

Figure 7. Continuing Education Participants and Online Credit Hours, FY 2017 - 2024



Number of Nurses with BSN and Advanced Degrees

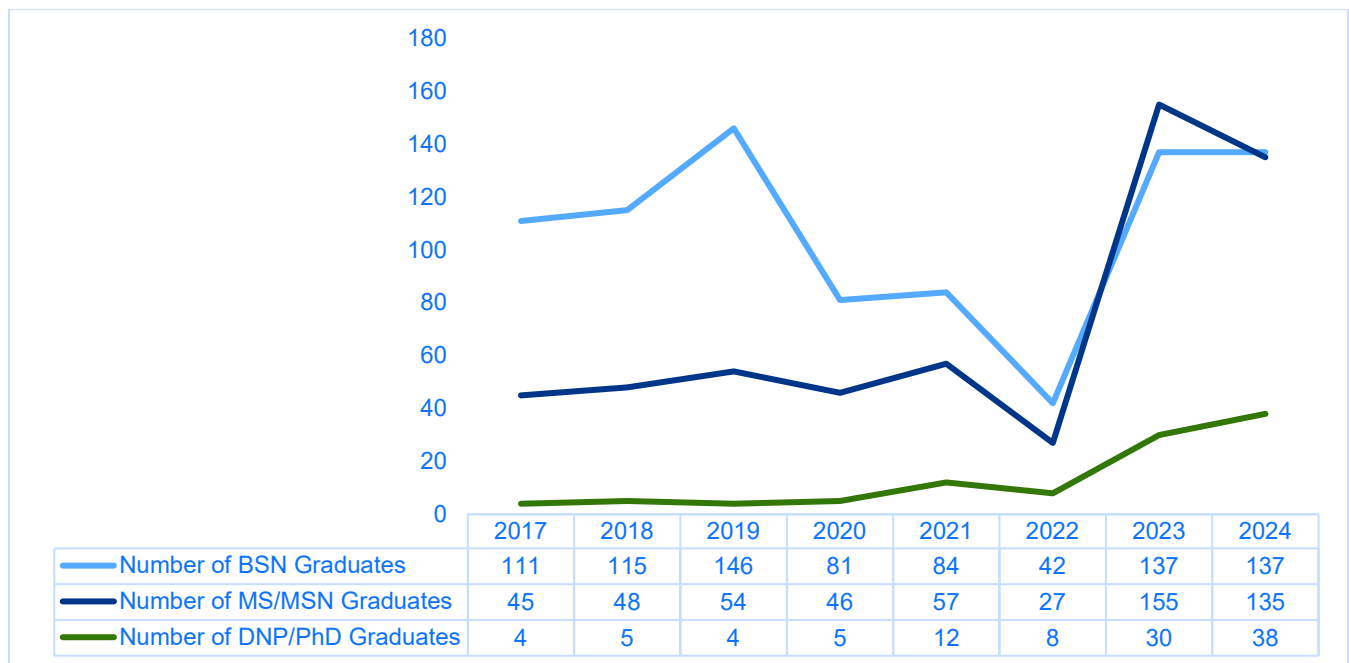
Another key goal of the *Future of Nursing* recommendations was to increase the number of nurses with advanced degrees. Strong research evidence has linked lower mortality rates, fewer medication errors, and positive outcomes to nurses prepared at the baccalaureate and graduate degree levels.³ Quality patient care hinges on a well-educated, highly functioning, motivated nursing workforce. Figure 8 shows the

³ 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/>

number of BSN, MS/MSN, and DNP/PhD degrees funded by NSP I between FY 2017 and FY 2024. While the number of BSNs supported by NSP I shows a return to pre-pandemic numbers, MSNs and DNP/PhD degrees show continued growth that far exceeds levels before 2020, indicating that hospitals are increasingly prioritizing advanced nursing degrees.

In the NSP II Outcomes Evaluation and Program Renewal Recommendation,⁴ staff highlighted feedback from Maryland’s Chief Nursing Officers (CNOs), who emphasized the importance of the BSN as the minimum education standard. They further emphasized that the proportion of BSN-prepared nurses is a key factor in achieving Magnet Recognition Program® designation. They also emphasized that nurses with a BSN or higher degree bring enhanced skills in leadership, quality improvement, critical thinking, evidence-based practice, professionalism, case management, and collaboration.

Figure 8. NSP I Funded Degree Type, FY 2017 - 2024



In FY 2023, there was a dramatic increase in advanced degrees, which was sustained in FY 2024; this confirms the report from hospitals in FY 2022 that they had several nurses pursuing advanced degrees. Maryland continues progressing steadily toward the “80 Percent BSN by 2025” goals through the NSP II Program. In Maryland, 78.2 percent of nurses responding to the National Nursing Workforce Survey had a BSN or higher degree in 2024, compared to the nation at 51.5 percent (2022 data).

⁴ HSCRC and MHEC staff are working to implement these recommendations as part of the FY 2027 cycle for competitive institutional grants and faculty-focused awards.

Enhanced Diversity in the Nursing Workforce

A diverse nursing workforce directly strengthens healthcare delivery. Nurses from different cultural and linguistic backgrounds provide more culturally sensitive care, improve communication and trust with patients, and are better able to identify and address health disparities, particularly in underserved communities. 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.

The gender composition of Maryland hospital registered nurses closely reflects that of the state's overall nursing workforce. HRSA data from 2022⁵ indicate that approximately 9 percent of Maryland nurses are male. Across all reporting years, hospitals have generally reported similar gender representation at all nursing levels, except for nurse executives in 2021, suggesting consistent alignment between hospital staffing and the broader workforce.

Table 3. Percent of Nursing Role by Gender, FY 2020 - 2024

	Gender	2020	2021	2022	2023	2024
Clinical Nurses	Male	9.62%	9.54%	9.62%	9.92%	10.70%
	Female	90.38%	90.46%	90.38%	90.08%	89.30%
Nurse Managers	Male	7.71%	8.94%	9.61%	9.21%	9.68%
	Female	92.29%	91.06%	90.39%	90.79%	90.32%
Nurse Executives	Male	10.44%	7.76%	9.21%	10.62%	9.12%
	Female	89.56%	92.24%	90.79%	89.38%	90.88%

Source: Hospital NSP I Reports

There has been limited growth in racial and ethnic diversity within nursing roles in Maryland hospitals, as shown in Tables 4–6. Additionally, the race and ethnicity composition of hospital-based RNs does not fully reflect the diversity of Maryland's overall nursing workforce. For example, while 33 percent of Maryland's

⁵ U.S. Department of Health and Human Services, Health Resources and Services Administration, Nursing Workforce Dashboard, National Center for Health Workforce Analysis, accessed August 19, 2025, <https://data.hrsa.gov/topics/health-workforce/nchwa/nursing-workforce-dashboard>

nursing workforce identifies as non-Hispanic Black,⁶ representation is notably lower across most nursing roles in hospitals. Clinical nurses have the highest share at 22.05 percent, still well below the statewide level. Similarly, although 6 percent of Maryland's nursing workforce identifies as Hispanic,⁷ hospitals report that only 3 percent of clinical RNs are Hispanic, with even lower representation at the nurse manager and executive levels.

Table 4. Percent of Clinical Nurses by Race/Ethnicity, FY 2020 - 2024

	2020	2021	2022	2023	2024
NH Black	21.06%	20.53%	19.50%	21.57%	22.05%
NH White	62.01%	61.51%	60.45%	57.58%	53.87%
Hispanic	2.94%	2.98%	2.80%	3.50%	3.26%
Native American	0.37%	0.25%	0.23%	0.33%	0.31%
Pacific Islander	0.38%	0.26%	0.53%	0.21%	0.29%
Asian	11.16%	11.65%	11.43%	13.40%	12.84%
Prefer not to answer	2.08%	2.80%	5.06%	3.41%	7.38%

Source: Hospital NSP I Reports

Table 5. Percent of Nurse Managers by Race/Ethnicity, FY 2020 - 2024

	2020	2021	2022	2023	2024
NH Black	18.74%	17.33%	18.62%	20.60%	20.86%
NH White	73.81%	74.06%	68.49%	65.86%	63.55%
Hispanic	0.90%	1.18%	1.28%	2.13%	1.66%
Native American	0.13%	0.24%	0.13%	0.29%	0.10%
Pacific Islander	0.26%	0.59%	0.13%	0.19%	0.19%
Asian	5.26%	5.54%	7.53%	7.83%	9.06%
Prefer not to answer	0.90%	1.06%	3.83%	3.09%	4.58%

Source: Hospital NSP I Reports

⁶ HRSA, Nursing Workforce Dashboard.

⁷ HRSA, Nursing Workforce Dashboard.

Table 6. Nurse Executives by Race/Ethnicity, FY 2020 - 2024

	2020	2021	2022	2023	2024
NH Black	13.51%	15.09%	12.88%	13.21%	15.47%
NH White	83.33%	80.60%	77.68%	81.51%	77.70%
Hispanic	0.45%	1.29%	1.29%	0.75%	1.44%
Native American	0.45%	0.00%	0.86%	0.38%	0.36%
Pacific Islander	0.00%	0.00%	0.00%	0.00%	0.00%
Asian	2.25%	1.72%	1.72%	3.40%	2.88%
Prefer not to answer	0.00%	1.29%	5.58%	0.75%	2.16%

Source: Hospital NSP I Reports

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. Ideally, individuals should be encouraged to pursue nursing education within their local community, and then return to serve in the same community after graduation to build a sustainable and diverse nursing workforce that reflects the population it serves. Hospitals have reported working closely with local community colleges and universities to drive community-based efforts to encourage people to enter the nursing profession. 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. Additionally, creating direct pipelines from schools to hospital nursing careers can help hospitals build a workforce that more closely reflects the racial and ethnic diversity of Maryland's nursing workforce.

To address these challenges, as part of the NSP II renewal, the HSCRC and the Maryland Higher Education Commission (MHEC) developed recommendations to prioritize diversifying educational opportunities for prospective nursing students to strengthen a diverse nursing pipeline. In February 2025, HSCRC Commissioners approved the following recommendations to support this priority:

- Identify intentional opportunities to prioritize funding to underrepresented groups in nursing;
- Revise the scoring criteria for NSP II grant proposals to promote projects that are focused on improving student and faculty diversity;
- Develop a category of resource grants to support underrepresented nursing student success;

- Expand and create statewide resources to promote ongoing mentorship of underrepresented faculty; and
- Create a new category of the Nurse Faculty Annual Recognition (NFAR) award that recognizes faculty who demonstrate excellence in mentoring underrepresented students, fostering a diverse and inclusive educational environment, or conducting research on diversity and healthcare equity.

HSCRC and MHEC staff are working to implement these recommendations as part of the FY 2027 cycle for competitive institutional grants and faculty-focused awards.

Ongoing Challenges

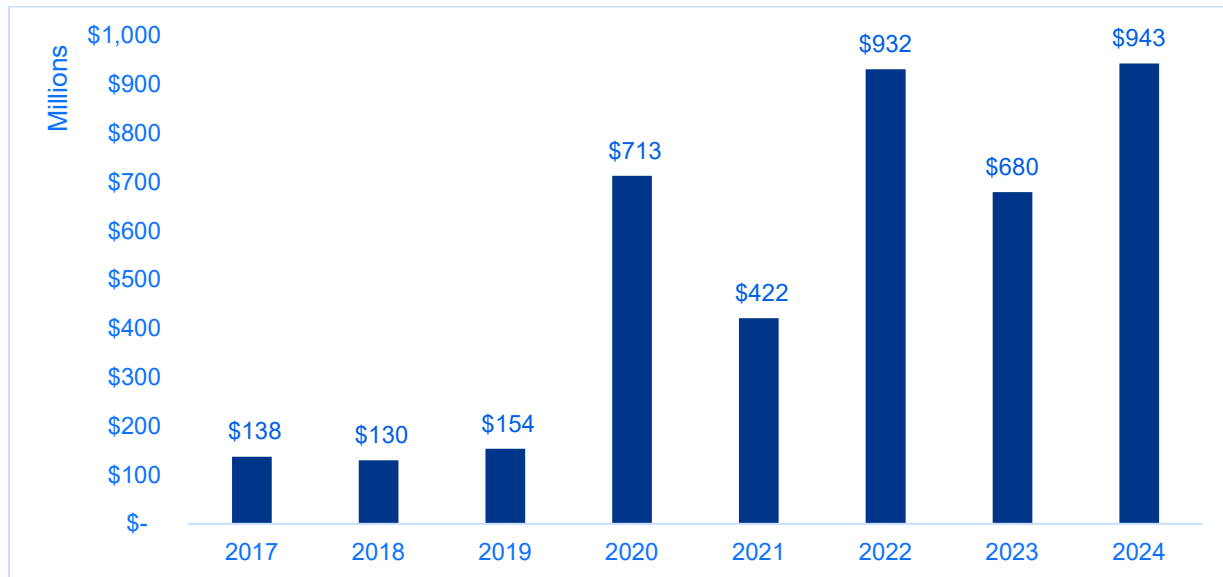
Increased Reliance on Agency Nurses

Nurses have reported leaving their positions for competing hospitals offering sign-on bonuses or for agency work that provides higher pay, more flexible hours, and reduced stress. The growing reliance on agency nurses, however, has contributed to high turnover and placed additional strain on staff nurses, who must repeatedly orient new colleagues. In discussions across nursing roles, a common concern was the pay disparity between agency and staff nurses, coupled with the fact that agency nurses are not held responsible for regulatory reporting and other administrative requirements that fall to staff.

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. In FY 2024, nursing agency costs to hospitals peaked at \$943 million, 32 percent higher than the initial surge in agency costs during the pandemic. Nationally, despite a desire to reduce costs associated with travel/agency staff, most hospitals still rely on agencies as a solution for RN shortages, perpetuating agency nursing costs.⁸

⁸ Nursing Solutions Inc. (2025) 2025 NSI National Healthcare Retention and RN Staffing Report. https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf Accessed August 16, 2025.

Figure 11. Nursing Agency Cost to Hospitals, FY 2017 - FY 2024



Source: Hospital NSP I Reports

Although agency costs declined in FY 2021, suggesting a possible return to pre-pandemic spending levels, hospitals reported a sharp increase in FY 2022, reaching \$931 million as nursing workforce shortages persisted. To help offset these costs, some hospitals created hospital- or system-owned travel agencies. However, despite a notable decline in agency spending in FY 2023, as shown in the graph above, hospitals did not realize any sustained savings from these efforts in FY 2024.

Nursing Burnout

The National Council of State Boards of Nursing (NCSBN) regularly conducts a National Nursing Workforce Study,⁹ surveying nearly 800,000 nurses to assess the state of the profession. The 2024 study indicates that while COVID-19-related stressors have declined since 2022, stress and burnout remain widespread, posing ongoing challenges to the nursing workforce. Notably, 39.9 percent of nurses nationally report plans to leave the workforce or retire within the next five years, citing stress, burnout, and increasing workloads, highlighting a persistent and long-term workforce concern.

Approximately 800 Maryland RNs participated in the survey, providing insights into workload, stress, fatigue, burnout, and emotional exhaustion. The NCSBN Survey found that 43 percent of nurses reported increased workloads over the past two years. Emotional strain was widespread: 57 percent felt emotionally drained at least weekly or more, 48 percent experienced burnout at least weekly or more, and 60 percent

⁹ National Council of State Boards of Nursing. (2025, April 17). NCSBN research highlights small steps toward nursing workforce recovery; burnout and staffing challenges persist. <https://www.ncsbn.org/news/ncsbn-research-highlights-small-steps-toward-nursing-workforce-recovery-burnout-and-staffing-challenges-persist>

reported feeling “used up” at the end of the workday, underscoring significant ongoing workforce challenges. Although nursing burnout drew considerable attention during the COVID-19 pandemic, it remains a persistent challenge both nationally and in Maryland. Addressing this issue will require Maryland healthcare leaders to collaborate on comprehensive, multi-faceted strategies that reduce burnout and strengthen long-term nurse retention.

Conclusion

The NSP I Program continues to be a vital resource for hospitals, supporting efforts to retain nursing staff, develop leadership potential, expand educational opportunities, and advance nursing practice, which are critical as the State works to restore workforce levels to pre-pandemic levels. FY 2024 data show improvement in vacancies and turnover compared with the prior year; however, Maryland’s recovery continues to lag behind national performance, underscoring the need for further analysis to understand the drivers of these trends better.

At the same time, Maryland continues to lead nationally in the implementation of nurse residency programs, with hospitals retaining nearly 90 percent of new nurses after their first year of employment. Sustaining this success and ensuring long-term staffing stability will require continued investment in the new nursing workforce. Expanding and diversifying the number of nursing graduates is essential to building a workforce that is both clinically prepared and culturally responsive to the needs of Maryland’s communities. To support this goal, HSCRC and MHEC staff are advancing the approved recommendations for the NSP II program renewal, which focus on expanding educational opportunities and strengthening a diverse pipeline of future nurses. In parallel, HSCRC will continue to oversee NSP I through ongoing reporting, hospital engagement, and data monitoring to track progress and inform future strategies.



TO:
FROM: HSCRC Commissioners
DATE: HSCRC Staff
RE: September 10, 2025
Hearing and Meeting Schedule

October 8, 2025 In person at HSCRC office and Zoom webinar

November 12, 2025 In person at HSCRC office and Zoom webinar

The Agenda for the Executive and Public Sessions will be available for your review on the Wednesday before the Commission meeting on the Commission's website at <http://hscrc.maryland.gov/Pages/commission-meetings.aspx>.

Post-meeting documents will be available on the Commission's website following the Commission meeting.

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