OSF HEALTHCARE

# Impact of Nursing and Allied Health Education Program Cuts

Should the CMS cuts proposed for the Nursing and Allied Health Education Program be implemented, approximately 120 nursing and allied health education programs will be negatively impacted as a result of recoupment efforts and future reductions in Medicare reimbursement at the direction of CMS. Eight nursing school programs in the State of Illinois will be impacted and of those eight programs two will include schools operated by OSF HealthCare.

The OSF St. Anthony Medical Center Nursing School in Rockford, Illinois will be forced to return $6.6. Mil in Medicare reimbursement for FY-2014-2020 and OSF St. Francis Medical Center School of Nursing in Peoria will be required to return $5.9 Mil in Medicare reimbursement. However, the Medical Center in Peoria will receive a payment of $1 Mil for past underpayments to its graduate medical education program as a result of the CMS action. So the net loss for OSF St. Francis Medical Center School of Nursing will be $4.9 Mil for a combined recoupment total of $11.5 Mil. In addition to the large recoupment amount, both nursing schools will also see a reduction in Medicare reimbursement going forward. Combined, both schools will see a reduction of $2 Mil annually with the Rockford school losing $1.2 Mil and the Peoria school losing $800,000 each year.

The CMS notice regarding recoupment of pass-through funds and reduced payments in the future puts the OSF Healthcare Colleges of Nursing programs in jeopardy for closure or severe reductions in the number of nurses that will be accepted to our programs, thus limiting the number of future graduates. OSF Healthcare leaders for both schools are considering two options. The first option is closing both schools within 2 to 4 years. The 2nd option would be to reduce the size and scope of nursing education to one location thus also reducing the number of graduates.

Over 78% of the OSF College of Nursing graduates are employed within OSF facilities. We are a leader in the State of Illinois when it comes to inpatient and outpatient Medicaid utilization as many of the communities we serve include various disadvantaged populations. Without adequate funding and the resultant reduction in students graduating and assuming nurse roles, we will need to consider how to cut back on beds and services in the communities we serve. As a result, marginalized and underserved populations that depend on their local hospital and have limited means to seek care elsewhere would suffer as a result in any reduction in available nurses.

Combined, both schools graduated 863 nurses over the past three years. In spite of such a large number of graduated nurses, the State of Illinois is still expected to be short approximately 21,000 nurses in 2021. Closing these nursing schools will negatively impact the already limited nursing resources available. Open nursing positions in FY2020 were already greater than 400 within OSF HealthCare alone.

Now is not the time to reduce funding for nurse education in this country. Something must be done to protect these vital teaching institutions. The CMS cuts must not be implemented.