

# Workforce: Increasing the Supply of Nurses and Allied Health Professionals

March 11, 2024

TO: Congressional Sponsors

FROM: The Coalition of Hospital-based Schools of Nursing and Allied Health

RE: A Request for Legislation to Modernize Hospital-based Schools of Nursing and Allied Health and Address Critical Healthcare Workforce Shortages

## Overview

Congress passed the TRAIN Act ([S.1568](#), [H.R. 4407](#)) in the 2023 Consolidated Appropriations Act ([Section 4143](#)) in December 2023. The Technical Reset to Advance the Instruction of Nurses (TRAIN) was a milestone for the advancement of educating nurses and allied health professionals.

[According to Senate sponsors](#) Sherrod Brown (D-OH) and Shelley Moore Capito (R-WV), and [House sponsors](#) Darin LaHood (R-IL) Lisa Blunt Rochester (D-DE) the act “supports the future of our health care workforce by providing much-needed relief to hospital-based nursing schools and allied health professional programs across the country. Absent Congressional action, these hospital-based schools will be required to pay back millions of dollars in funding that they received up to a decade ago due to no fault of their own, and at a time where hospital finances and their affiliated nursing and allied health training programs are already severely strained.”

There are 85 hospital-based nursing schools and several dozen additional hospital-based schools of allied health.

Despite the success of the TRAIN Act, several key changes remain to be made to current law and regulations to allow provider-based nursing and allied health education to produce more nurses and allied health professionals. The need is clear.

## The Demand for Nurses, Allied Health Professional Grows

- According to the Bureau of Labor Statistics, The RN workforce is expected to grow from 3.1 million in 2021 to 3.3 million in 2031, an increase of 195,400 nurses. The Bureau also projects 203,200 openings for RNs each year through 2031 when nurse retirements and workforce exits are factored into the number of nurses needed in the U.S.
- HRSA reports the following allied health professional shortages by 2030:
  - 305,770 EMTs
  - 198,440 clinical lab techs
  - 127,260 occupational therapists

- 298,820 physical therapists
- 95,540 registered dieticians
- 144,100 respiratory therapists

## **Impediments to Growing the Healthcare Workforce through Provider-based Educational Programs**

There are two major issues impeding the education of nurses and allied health professionals by hospital-based schools:

1. The Medicare Advantage (MA) funding cap – set in 2000 – was reached in 2010. As a result of reaching the cap, schools of nursing and allied health (beginning in FY20) are seeing as much as a 20% reduction in their Medicare pass-through payments to support their schools. This MA cap has never received an increase and it does NOT have an annual adjustment tied to the growth of Medicare Advantage. MA was 17% of total Medicare in 2000; it is 51% in 2023 and growing.
2. The regulatory framework ([here](#) and [here](#)) created more than 40 years ago, has never been adjusted to reflect current educational trends and accreditation requirements.

## **Legislative Request**

Regarding the funding cap:

As you can see [here – Section 541](#) – the Medicare Advantage (then Medicare+Choice) payment cap was set at \$60M effective 2000. Prior to that date it was funded entirely as an original Medicare pass-through payment.

We are requesting:

- The cap be increased to \$180M;
- The cap increase be financed directly by funding provided to Medicare Advantage plans and NOT from any other Graduate Medical Education program;
- The cap be increased by a percentage each year in proportion to Medicare Advantage enrollment increases.

Regarding impediment issues governed by statute:

- The development of multi-hospital systems under a common governance structure has severely impeded the effectiveness of hospital-based nursing and allied health education. Under current law, a hospital-based program must be wholly subservient to a single hospital. This means that the host-hospital must:
  - Directly incur all the training costs. Just that one hospital. No other hospital in the health system is allowed to incur the training costs, so the patients of other hospitals in the system are not able to benefit because of this restriction.
  - Have direct control of the nursing and allied health curriculum. This means that hospital, not the nursing and allied health educators or their boards of trustees,

must establish and set the curriculum. This is an antiquated approach that must be updated to current accreditation standards.

- Control the administration of the program. This means the hospital, not the school, must collect tuition, and conduct other administrative functions. Try recruiting nurse educators in this environment!
- Employ the teaching staff. Not the school. Again, another impediment to recruiting educators.
- Provide and control both classroom instruction and clinical training. Again, another antiquated requirement that limits clinical growth.
- If at any time it is determined that a hospital-based school of nursing or allied health was not under the control of a single hospital – but under the control of the hospital system parent (as is required by some higher education accrediting bodies) – then all Medicare pass-through funding may be recouped by CMS. For some time during the past 20+ years, many hospitals and health systems were likely unaware of this requirement – but they can still be penalized for “violating” this requirement at any time since 2000.

We are requesting:

- An exemption from the enforcement of these requirements between 2000 and the date of enactment (with the exception of fraudulent activity).
- A requirement that allows hospital-based schools to provide clinical training and support to any other hospital and/or other provider entity, i.e. surgery center, community health clinic, etc...operating within the same health system.
- That the definition of an educational program operated by a provider be changed to simply one that confers a nursing and/or allied health degree under existing state laws and accreditation requirements, thus, eliminating the antiquated criteria in Section 413.85 on how to identify a provider-based school of nursing and/or allied health.

With these changes to the law, existing hospital-based schools of nursing and allied health will be able to produce more nurses and allied health professionals every year.