



A National Crisis: Mental Health Disorders and Workforce Shortages in the Healthcare Sector

EXECUTIVE SUMMARY

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New York State Case Study

Executive Summary¹

Before the pandemic, the healthcare sector was experiencing workforce shortages. Since then, this challenge has turned into a crisis. Government, industry, and communities all have a stake in the future of healthcare. Together, they must take steps to protect the health and well-being of the current workforce and invest in recruiting more talent to remedy this crisis.

Five key takeaways are:

1. **Healthcare in the United States is trending toward a perfect storm.** Workforce shortages are worsening, demand is rising, and costs are higher due to shortages, consolidation, and closures.
2. **Workforce shortages were already a challenge.** Workforce shortages have been growing for the past decade, but COVID-19 accelerated losses. By 2030, approximately 14.5% of healthcare jobs in New York State and 18.0% in Rochester are expected to be unfilled, compared to 13.6% nationwide.
3. **The pandemic made the situation worse.** Nearly all healthcare workers have experienced severe stress and anxiety in the wake of the pandemic, resulting in higher burnout rates and the prevalence of mental health disorders like PTSD. These conditions not only impact the ability to work but also have high economic and social costs if left untreated.
4. **Higher burnout rates lead to additional attrition.** Nearly one-third of healthcare workers are looking for new jobs, and 66% of acute care nurses are considering leaving their field. Increased burnout and turnover have a snowball effect. Turnover makes the workforce shortage more severe and adds to the stress on current workers, who are then more likely to burn out and quit.
5. **A comprehensive strategy is needed to ensure the resiliency of the healthcare workforce.** Mental health issues and recruitment challenges threaten the reliability of the U.S. healthcare system. Using the U.S. military experience as a blueprint, a significant investment must be made in mental health and recruitment programs to ensure the resiliency of the healthcare workforce.

¹ Supplement to Pham, Nam, Ph.D., Mary Donovan, and Bridgette Wiefeling, MD. 2023. "A National Crisis: Mental Health Disorders and Workforce Shortages in the Healthcare Sector. New York State Case Study." ndp analytics. March.

SUMMARY INTRODUCTION

In 2021, the U.S. healthcare sector employed nearly 20.1 million doctors, nurses, technicians, and support staff. New York State accounts for 1.6 million of those jobs, including over 82,000 in the Rochester Metro Area. Workforce shortages across the country are increasing and expected to get worse. The pandemic exacerbated workforce challenges, leading to increased burnout and attrition, higher healthcare costs, and other negative impacts.

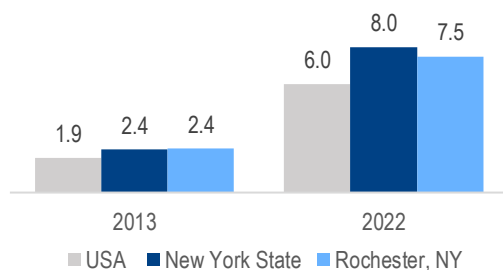
HEALTHCARE WORKFORCE SHORTAGES ARE SEVERE AND EXPECTED TO WORSEN BY 2030

- **Under the status quo – already sizable healthcare shortages are expected to worsen.** Current shortages, burnout, and mental health concerns further strain the healthcare worker supply. At the same time, the demand for healthcare services continues to rise as the population grows and ages. These factors can potentially create severe shortfalls in the sector’s ability to meet patients’ needs.
- **Workforce shortages have increased and are currently higher in New York State and the Rochester Metro Area than in the United States overall.** In 2013, the number of unfilled healthcare jobs per 1,000 residents was 2.4 in New York State and Rochester. Now, it has reached 8.0 in New York State and 7.5 in Rochester compared to 6.0 nationwide. (Figure E1)
- **Future workforce shortages in New York State and the Rochester Metro Area are expected to be more severe.** Based on the Census population projections, BLS employment projections, and our projected workforce requirements, we estimate that, by 2030, approximately one in every seven healthcare jobs in New York State is expected to be unfilled (14.5%). In Rochester, closer to one in every five healthcare jobs is expected to be unfilled (18.0%). (Figure E1)

Figure E1.

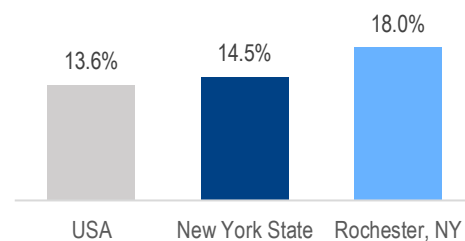
Workforce shortages have increased over time

In 2022, unfilled healthcare jobs for every 1,000 residents reached 8.0 in New York State



Workforce shortages will become more severe

By 2030, 18% of healthcare jobs in the Rochester Metro Area will be unfilled



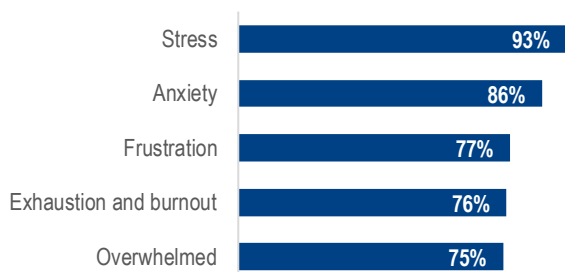
COVID-19 HAS TAKEN A HUGE TOLL ON HEALTHCARE WORKERS, EXACERBATING SHORTAGES

- **In recent years, the healthcare workforce has eroded.** This is due to a range of issues, including COVID-induced early retirement, death and disability from COVID, vaccine or trauma-induced exodus, mental health issues, and burnout.
- **In the summer of 2020, the vast majority of healthcare workers reported regular stress and anxiety.** The mental and emotional toll of the pandemic has contributed to a higher prevalence of burnout and mental health disorders across the country. (Figure E2)
- **Healthcare workers who experience high levels of stress and anxiety are more likely to leave their jobs, further exacerbating workforce shortages.** In 2021, 31% of healthcare workers who stayed in their jobs through the pandemic were considering quitting; among acute and critical care nurses, 66% were considering leaving the field. (Figure E2)

Figure E2.

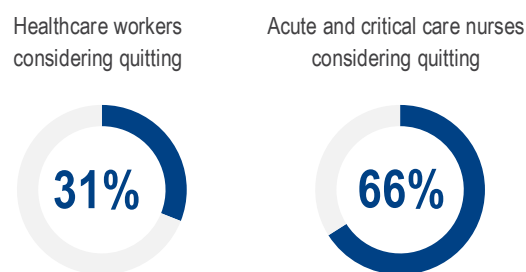
COVID-19 led to higher stress and anxiety

Most healthcare workers regularly experienced stress and anxiety during the pandemic



Stressors led to higher attrition

Healthcare workers, especially nurses, are considering leaving their jobs



NEGATIVE ECONOMIC & SOCIAL CONSEQUENCES OF WORKFORCE SHORTAGES

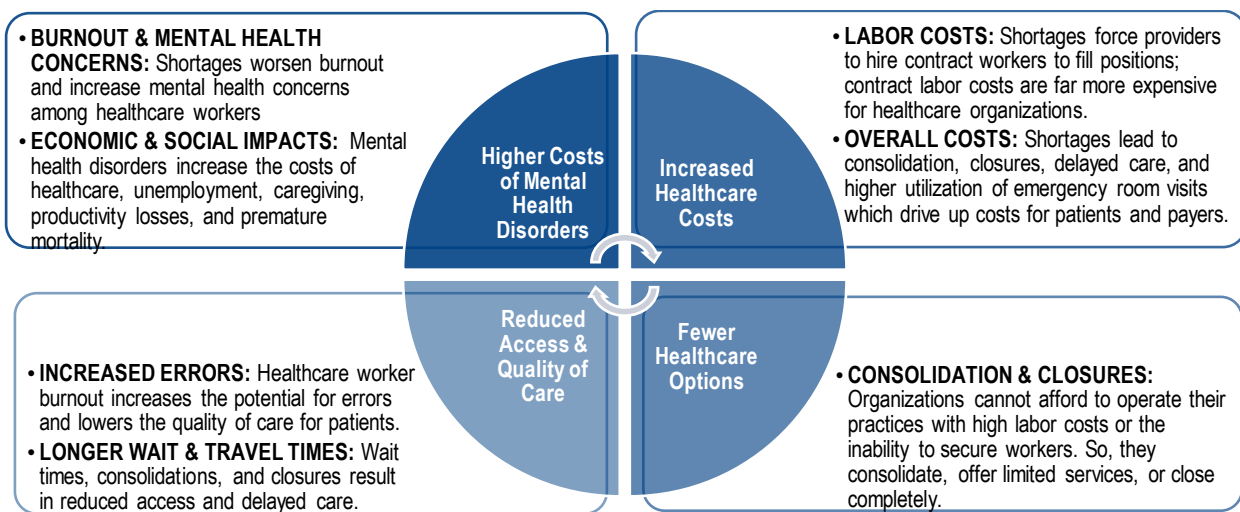
- **Healthcare workforce shortages have severe negative economic and social consequences for American households and communities, the healthcare sector, and the country overall.** These shortages raise costs, lower healthcare utilization, and reduce the quality of care. (Figure E3)
- **Workforce shortages contribute to higher rates of mental health disorders, which have economic and social costs.** Nearly 22% of healthcare workers experienced pandemic-induced

PTSD. At this rate, hundreds of thousands of workers in New York State have been affected by the condition. While reported cases are likely much lower than the actual due to stigma and risks of losing medical licenses, the negative impacts are felt regardless. One study estimates the economic and social costs of PTSD to be over \$21,000 per case, costing the nation billions of dollars. The impact in New York State alone could reach \$7.4 billion, including \$379 in Rochester.

- **Workforce shortages increase costs for patients, providers, and payers.** Healthcare organizations pay contract workers premium rates through staffing agencies to fill vacancies. As a result, hospital labor expenses have increased by over one-third nationwide; contract labor as a percentage of total labor costs is over five times higher than pre-pandemic levels.
- **Workforce shortages force closures and consolidation.** Some hospitals, especially those in rural or socially disadvantaged areas, can no longer operate efficiently and effectively due to the combination of workforce shortages and skyrocketing labor costs. Consequently, they are forced to consolidate or close. Rural hospitals are especially vulnerable; nearly 30% of rural hospitals nationwide and 53% in New York State are at risk of closing in the near future.
- **Workforce shortages lower access to and quality of care.** Closures and consolidations caused by staffing shortages reduce access to care. As a result, patients delay or forego care, increasing the risk of more severe medical conditions and the utilization of higher-cost options, such as emergency room visits. Worker burnout increases the risk of errors which lowers the quality of care.

Figure E3.

Negative impacts of healthcare workforce mental health crisis and workforce shortages



RESOLVING HEALTHCARE CHALLENGES USING THE U.S. MILITARY AS AN EXAMPLE

- **The mental health and workforce challenges in healthcare parallel the U.S. military experience.** Mental health programs and robust recruitment strategies have improved the military's resiliency. These efforts serve as a blueprint to rebuild the healthcare workforce.
- **DoD funds mental health programs and recruitment efforts to restore readiness and create a more resilient force.** In 2021, \$30.7 million was allocated to mental health programs, and \$13.6 million was dedicated to suicide prevention programs. DoD's recruitment efforts are much greater. In 2021, nearly \$1 billion was budgeted for recruiting commands, and \$735 million was for advertising to reach and retain quality enlisted and officer personnel.
- **Significant investments in mental health and recruitment are required to ensure the resiliency of the healthcare workforce.** Using DoD funding as a benchmark, nearly \$26.1 billion is needed to address this crisis, including \$2.1 billion in New York and \$106 million in Rochester. (Table E1)

Table E1.

Over \$2 billion is needed to address mental health and recruitment programs in New York State

	DoD Expenditure Per Active-Duty Servicemember	Total Expenditures (\$M)		
		United States	New York State	Rochester, NY
Mental Health Expenditures	\$32.60	\$663.8	\$52.8	\$2.7
Recruitment Expenditures	\$1,249.20	\$25,436.0	\$2,021.1	\$103.6
Total	\$1,281.80	\$26,099.8	\$2,073.9	\$106.4

Note: Values may not sum to totals due to rounding.

CLOSING REMARKS

- **The U.S. healthcare workforce is in critical condition.** If unaddressed, the accessibility, affordability, and quality of care will deteriorate. The healthcare system, just like the military, is essential. It underpins the well-being of local communities, the economy, and national security.
- **Congress has begun to act by passing the Dr. Lorna Breen Health Care Provider Protection Act, but a greater effort is needed.** Commitment to funding and programs from all stakeholders is required to restore the resiliency of the healthcare workforce.