

Mass Insight

GLOBAL PARTNERSHIPS



Dear Selectman Rossi:

I want to share with you, an elected leader in Massachusetts, a summary of a recent study conducted by BW Research Partnership and Mass Insight analyzing the proposed statewide ballot question that would establish mandated Nurse Staffing Ratios. Our analysis focused on determining the financial impacts of the proposed ballot initiative as well as the impact on care at both hospital and non-hospital healthcare facilities.

Our research found that the statewide implementation of this one-size-fits-all mandate would be costly and a poor allocation of resources, costing the healthcare system \$1.31 billion in the first year and \$900 million annually thereafter, plus an additional \$100 million annually in direct state spending that is currently unaccounted for in the FY '19 budget.

Massachusetts' health care system is powered by the most talented professionals in the nation and is home to some of the highest rated hospitals. Implementation of rigid mandated ratios would disrupt this successful approach by limiting the flexibility of care and the ability of providers to hire the most qualified candidates available. This prospect is especially alarming at a time when the state is lowering the cap on healthcare spending and federal budget cuts to healthcare programs may be on the horizon.

The impacts go beyond the extraordinary cost. Communities outside of Boston such as the Cape and Islands, MetroWest and Western Massachusetts will likely see a reduction in services and are at risk of losing community hospitals.

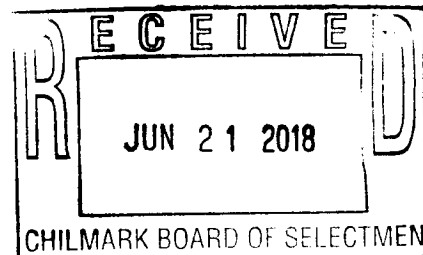
A summary of the study is enclosed. If you would like to review the full study please visit www.massinsight.com. Please don't hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip Jordan".

Philip Jordan

Vice President
BW Research





Local Choices v. Statewide Mandates in Massachusetts

Massachusetts' healthcare system is powered by some of the most talented professionals and some of the highest rated hospitals in the nation. Implementing Mandatory Nurse Staffing Ratios (MNSRs) would disrupt this successful approach by limiting flexibility and the ability of providers to hire the most qualified candidates available. A *one-size-fits-all* statewide implementation will be a costly and poor allocation of resources, leading to greater inequity in the provision of care, less local access to healthcare, and reduced patient choice.

Specifically, this study includes the following three key findings:

1

Implementing the proposed MNSR will be expensive, with over \$1.31 billion¹ spent by the healthcare system and approximately \$100 million in required state spending in the first year and about \$1 billion per year of additional costs thereafter.

2

A rigid state nursing mandate is neither the right policy for hospital patients nor is it feasible statewide. Doctors and nurses at the bedside are best able to tailor solutions to local needs, which best protects and supports patients as well as critical healthcare programs, and not a rigid, bureaucratic state mandate that undermines local choices by professionals. Additionally, implementing MNSR will require hiring 5,911 RNs within 37 business days to comply with the initiative; that is more than 160 RNs per business day. The pace of change will likely result in widespread penalties, program cuts, and wasted healthcare resources at a time of declining federal support and lowered Health Policy Commission healthcare spending benchmarks in the state.²

3

The state nursing mandate will lead to hiring less experienced nurses, lowering the quality of care. Hospitals will have no choice but to hire less experienced RNs and little to no time to evaluate candidates. To meet ratio compliance, most hospital representatives — seven in ten — noted that they would very likely be forced to hire less qualified or experienced RNs.

“ In trauma centers we refer to the **Golden Hour** which refers to the significantly better outcomes when we can treat tissue injuries within one hour of trauma. We are really concerned that these ratios could mean that some specialty beds will have to close, and care may be more than an hour away for residents outside of Boston. **”**

Community health benefits provided by hospitals will be among the most impacted elements of the healthcare system; these are critical for low-income individuals, ethnic minorities, and immigrants.

Community benefits have been essential in supporting community-based resources such as funding programs to fight the opioid epidemic and improving access to behavioral health clinicians. With the MNSR implementation, most hospitals surveyed will very likely reduce non-behavioral health community benefits and behavioral health services.

Certain regions are more likely to be hard hit by the proposed MNSR. Communities outside of Boston and Worcester, such as the Cape and Islands, MetroWest, and Western Massachusetts are all at risk of losing entire facilities.

Aggressive hiring requirements will create competition among employers, resulting in wage inflation across both new hires and existing RNs and in increased recruitment and turnover costs. Increased employer competition combined with already significant RN shortages will have the effect of raising wages, as demand outpaces supply.

COSTS

\$871,907,399

WAGES AND BENEFITS

\$86,162,371

RECRUITMENT COSTS

\$249,074,359

TURNOVER COSTS

\$45,597,256

TRAINING REIMBURSEMENT

\$58,000,000

ACUITY COSTS

\$100,000,000

ADDITIONAL STATE SPENDING

\$1,410,741,386

TOTAL COSTS

MNSR REQUIREMENTS

TOTAL RNs

ADDITIONAL RNs REQUIRED

5,911

CURRENT VACANCIES TO BE FILLED

1,200

TOTAL RNs REQUIRED

7,111

1 Note that this figure is even higher than the \$881 million annual estimate released earlier this year by the Massachusetts Hospital Association.

2 <https://www.mass.gov/files/documents/2018/04/13/Benchmark%20Presentation.pdf>