

# North Carolina Healthcare Association Critical Workforce Needs Assessment

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**Prepared by**  
Patrick McHugh,  
Alison Bean de Hernandez,  
Chrystall Davis,  
Michael Hogan,  
and Sara Nienow

**RTI International**  
3040 E. Cornwallis Rd.  
Research Triangle Park, NC  
27709



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## A Note from the North Carolina Healthcare Association



**NCHA is committed to supporting the people who provide the high-quality health care North Carolinians rely on — 24 hours a day, seven days a week.**

Building a robust healthcare workforce is vital to allowing hospitals and health systems to meet the care needs of North Carolina’s growing and aging population. Strengthening our workforce is also essential to achieving our state’s goals to expand behavioral health services, reduce health disparities, and be ready to respond to future health crises.

We have partnered with RTI International to deliver the most up-to-date analysis of the current state of North Carolina’s healthcare workforce. While many hospitals and other healthcare providers continue to face staffing shortages, the following report shows that employment has improved for many North Carolina health systems and hospitals in 2023 and that they are faring better than peer states.

NCHA and our member hospitals are committed to partnering on strategies to strengthen and grow the next generation of healthcare professionals to care for us now and in the future.

Stephen J. Lawler

A handwritten signature in black ink, appearing to read 'S. J. Lawler', written in a cursive style.

NCHA President and CEO

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## Executive Summary

After weathering the worst of COVID and a tight labor market, many of North Carolina's healthcare systems and hospitals are now having more success meeting their most important staffing needs. However, many healthcare providers still struggle to recruit and retain key frontline staff and to compete with rising private sector wages.

North Carolina's population is growing, and the percentage of the population that is aged 65 and older is growing at an even faster rate, a trend that is projected to continue over the coming decade. As more people need care, there will be comparatively fewer younger people to provide it. NCHA is working with partners across the state to address North Carolina's healthcare workforce needs, today and into the future.

**In 2000, there were more than five working age adults for every person over 65. By the mid-2030s, there will be less than three.**



## Hospital Staffing Challenges Eased in the Last Year

Although it is difficult for healthcare systems and hospitals to fill key frontline positions, it has gotten easier for many in the last year. More than 60% of the healthcare system and hospital human resource managers surveyed reported that employment is up, and vacancies are down compared to a year earlier.

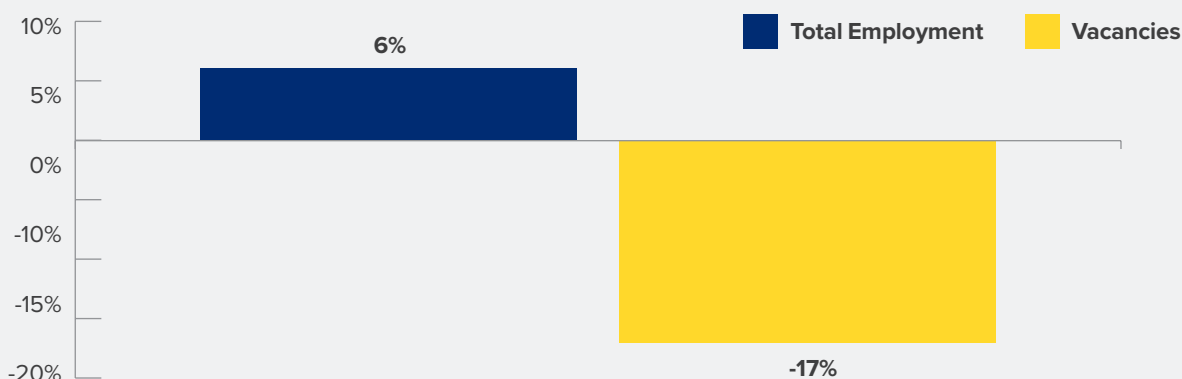
The total number of employees reported by healthcare systems and hospitals that responded to our survey increased by 6% from 2022 to 2023 while the total number of reported vacancies fell by 17%. The North Carolina healthcare systems and hospitals that responded to the survey represent about 80% of the hospital beds in the state.

### NC Sentinel Network Workforce Survey Points to Improving Staffing Landscape

“NC Sentinel captures qualitative assessments over the last few years and based on that information, the hiring situation has gotten better.”

– Emily Bieda-McCartha, Research Scientist and Project Manager, Cecil G Sheps Center for Health Services

**Figure 1. Improving Hiring Landscape Reflected in Higher Employment and Lower Vacancies, Oct. 2022 vs. Oct. 2023**



Source: RTI survey of North Carolina healthcare human resource professionals, conducted Nov.–Dec. 2023

## Wages and Issues Outside Work Create the Biggest Challenges

Healthcare systems and hospitals face wage competition from other systems and the broader private sector. Many rural healthcare systems and hospitals cannot match the wages paid by systems in urban areas. Significant private sector wage growth in the last few years across many of the lower paid service occupations has further intensified wage pressure for many frontline healthcare positions.

### Doing What Works: Addressing well-being wholistically

“We’re really trying to listen to our individual team members, recognizing that we have to offer a suite of services to support the well-being of each member of the team.”

– Christina Bowen, Vice President and Chief Well-being Officer, ECU Health

## What Staffing Managers See

- Two out of three struggle to compete with the private sector on wages.
- Half said lack of childcare is major issue.

Half of the human resource managers surveyed see staff struggling with barriers like absenteeism as issues such as childcare, transportation, and a lack of affordable housing prevent employees from making it to work.

## Lengthy Hiring Times Remain for Critical Frontline Healthcare Occupations

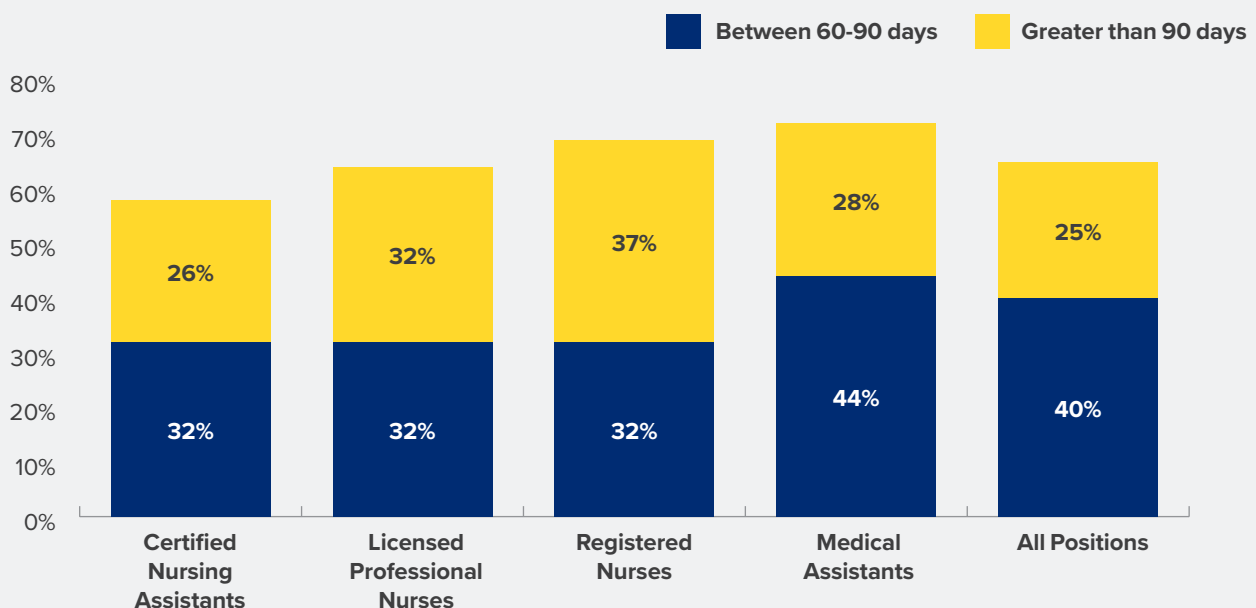
Although staffing challenges have eased for many hospitals and healthcare systems in the last year, hiring qualified frontline staff remains a lengthy process. Roughly two-thirds of respondents indicated that the average hiring process over the last six months took more than 60 days and was even longer for some key frontline positions. The survey asked specifically about several key positions. Among these, medical assistant and registered nurse vacancies took the longest time to fill on average.

### Doing What Works: Meeting healthcare providers' needs at a regional level

“We’re making sure that there is a dedicated resource in each region, a dedicated watchdog to make sure employers are getting the talent they need.”

– Vincent Ginski, Director of Workforce Competitiveness, NC Chamber Foundation

**Figure 2. Average Length of Time to Fill Key Positions During the Last Six Months**



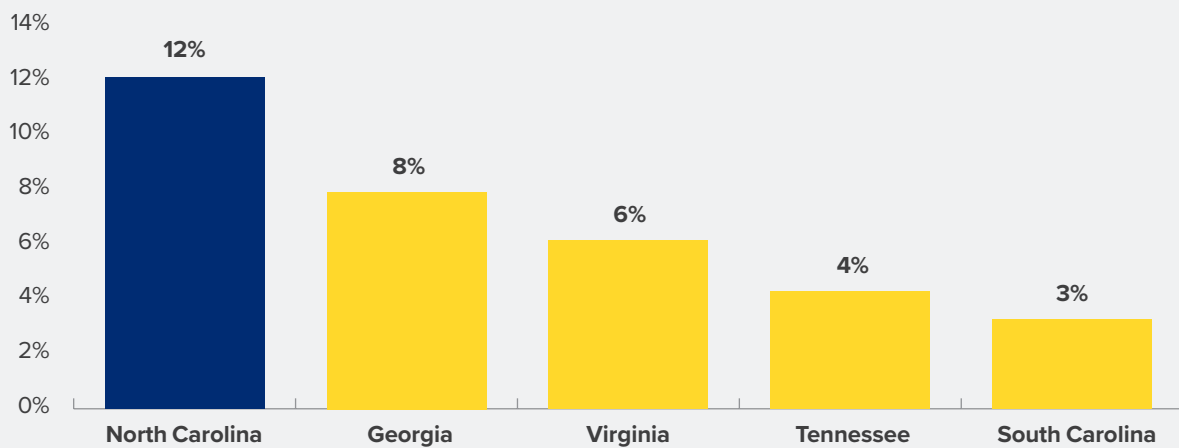
Source: RTI survey of North Carolina healthcare human resource professionals, conducted Nov.–Dec. 2023

## North Carolina Hospitals Have Fared Better than Peer States

Even during the peak of the pandemic and the following tight labor market, employment in North Carolina's hospitals was less severely impacted than many other states. North Carolina hospital employment dipped modestly from 2019 to 2020 but rebounded in 2021 and was higher than prepandemic levels by 2022.

The hospital workforce in North Carolina has also expanded faster than peer states in the Southeast, even states that have experienced similar population growth over the last decade.

**Figure 3. Percent Change in Hospital Employment for North Carolina and Neighboring States, 2012 to 2022**



Source: Analysis of Bureau of Labor Statistics. Quarterly Census of Employment and Wages.

## Healthcare Providers Boosting Pay for Several Frontline Occupations

Healthcare providers have boosted pay for many frontline positions in response to rising costs and wage competition. Orderlies, nursing assistants, healthcare support workers, registered nurses, and physicians' assistants have all seen wages grow faster than the state median. Many of the occupations that have gotten smaller proportional raises were already better paid occupations and still earn more than the median state annual income.

### Doing What Works: Increasing reimbursements in nursing and residential care

“Higher reimbursements to pay for higher wages is the number one thing that can help facilities address the staffing crisis, but it’s going to take other things like improved benefits and culture change as well to make employees feel valued and protected.”

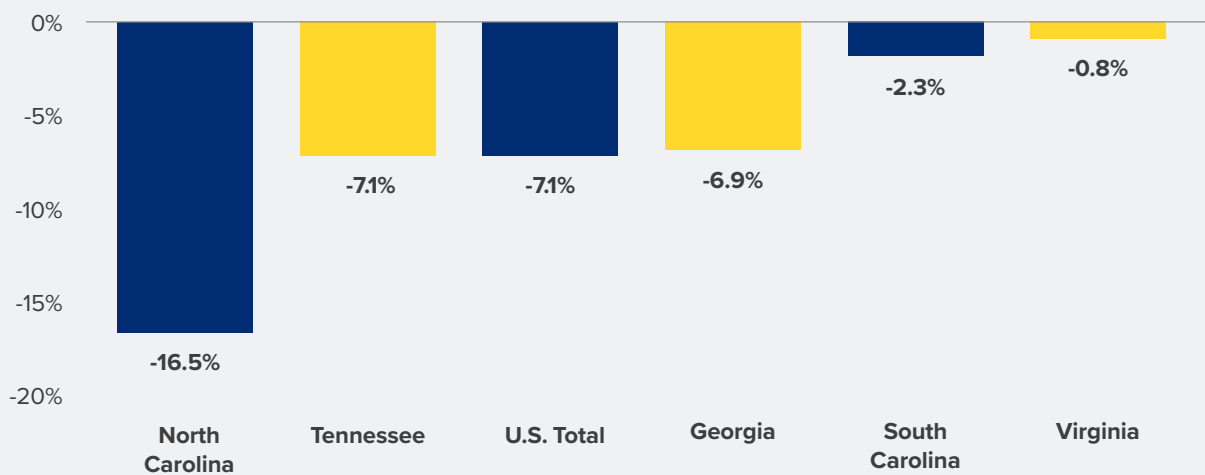
– Adam Sholar, President and CEO, North Carolina Health Care Facilities Association

## Crisis in Long-Term Care Facilities

Nursing and residential care continues to experience a staffing crisis. Constrained by a revenue structure that depends heavily on Medicaid reimbursements, these facilities lack the operational flexibility to offer wage increases and boost benefits in the way that many other healthcare providers have been able to. These facilities were already losing jobs before COVID-19 and then lost another 15,000 positions between 2019 and 2022.

The decline in nursing and residential care facility employment between 2012 and 2022 was one of the steepest in the country and more than any of our neighbor states. Nursing and residential care facilities were still losing employees through 2022, unlike other types of healthcare providers including hospitals and doctor's offices that rebounded from workforce losses during the early phases of COVID-19.

**Figure 4. Percent Change in Nursing and Residential Care Employment, 2012 to 2022**



Source: Analysis of Bureau of Labor Statistics. Quarterly Census of Employment and Wages.

## More People Needing Care and Fewer to Provide It

The balance between people who need care and the people available to provide it is shifting in a way that creates structural healthcare staffing challenges.

North Carolina's population will keep aging over the next decade as the baby boom generation reaches retirement age and retirees continue to relocate to

the state. People over 65 were just 12% of the state's population in 2000 but are expected to account for 20% of state residents by 2035.<sup>1</sup> The share of people in the early to mid-part of their working careers (18 to 44) is expected to fall.<sup>2</sup>

<sup>1</sup> North Carolina Office of State Budget and Management. (2023). County/State Population Projections. <https://www.osbm.nc.gov/facts-figures/population-demographics/state-demographer/countystate-population-projections#ProjectionData>

<sup>2</sup> The percent of the state's population between 45 and 64 is not projected to change substantially in the next few decades.

Faced with this structural challenge, North Carolina cannot simply educate its way out of a healthcare workforce shortage. Strategies will need to be in place to retain existing employees, attract people who have left healthcare back into the profession, and help frontline employees care for more patients without sacrificing quality.

### Doing What Works: Changing care models using technology like virtual monitoring

“Virtual monitoring is about decreasing burden for the nurse at the bedside, improving quality outcomes, improving length of stay and increase in capacity for our hospitals.”

– Patricia Mook, Senior Vice President for Operations, Education and Professional Development, Advocate Health

## Community College Nursing Programs Challenged to Meet Demand

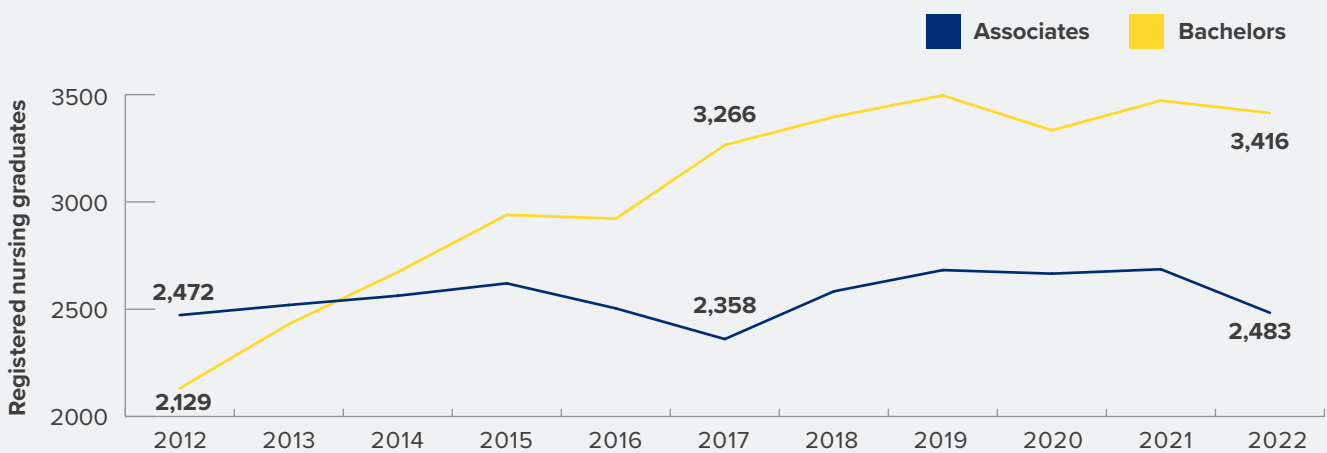
Nursing is an area where an aging population will create particularly increased need. While North Carolina has expanded the capacity of some nursing training programs, NCHA recognizes the imperative to expand the flow of new nurses into the profession. North Carolina’s highly regarded community college system is key in training nurses. However, the number of associate degrees was essentially unchanged between 2012 and 2022. Increasing their capacity to train more nurses is essential.

### Doing What Works: Increasing nursing school capacity

“In addition to funding positions in three of our nursing schools, we’ve also set up our own nursing school to add an additional site for education, giving people the opportunity to enter the nursing profession.”

– Greg Lowe, President of North Carolina Division, HCA Healthcare

**Figure 5. Associate and Bachelor’s Degrees Awarded by 4-Year and Community Colleges in Nursing and Registered Nurse Programs, 2012–2022**



Source: Integrated Postsecondary Education Data System<sup>3</sup>

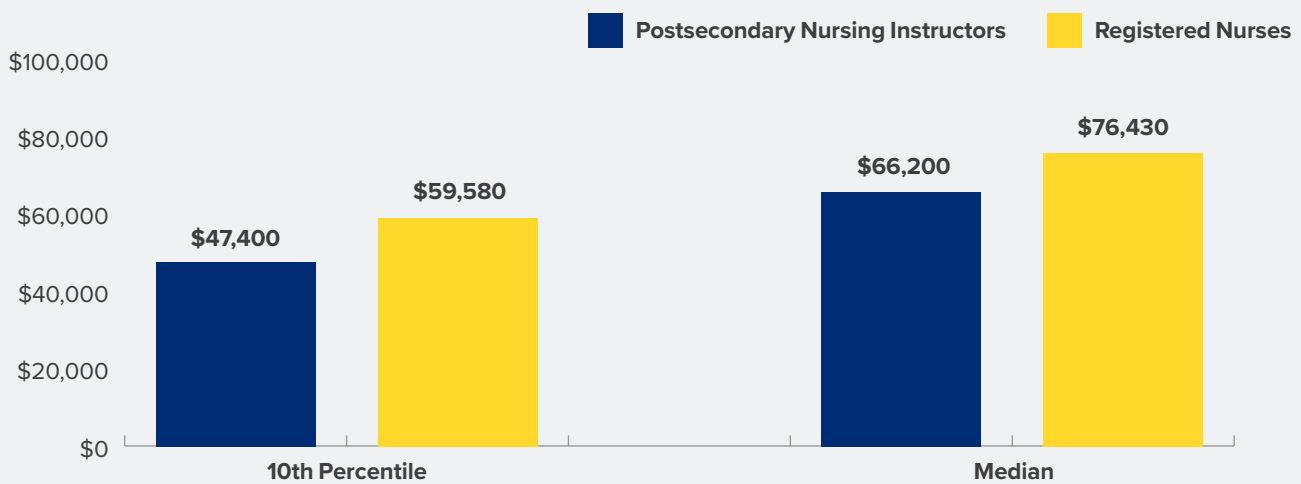
<sup>3</sup> Nursing degrees awarded are based on CIP code: 51.3801 - Nursing/Registered Nurse (RN, ASN, BSN, MSN).



Entry-level nursing instructors are paid less than nurses practicing in healthcare settings. Nursing instructors in the bottom 10% of pay within their profession were paid roughly \$12,000 a year less than practicing nurses who were earning the least.

Nursing programs need a low student-to-instructor ratio, so if we want to increase the number of new nurses graduating from these programs, North Carolina needs to offer pay that attracts qualified nurse instructors into the classroom.

**Figure 6. 2022 Pay for North Carolina Registered Nurses and Postsecondary Nursing Instructors, 10th Percentile and Median**



Source: Bureau of Labor Statistics, Occupational Employment and Wage Statistics

## Moving Toward the Same Goals

As shown in this report, North Carolina’s healthcare workforce crisis has lessened, but many healthcare providers still continue to struggle to find and retain staff. Some healthcare settings like residential and nursing care facilities face particular difficulties and some occupations like direct patient care remain hard to fill. Structural demographic forces, the increasing cost of living in many communities, and wage competition from private-sector employers all threaten to create healthcare staffing shortages in the near to medium term.

The good news is that healthcare providers, the business community, educators, and workforce professionals are increasingly aligned on the need to solve North Carolina’s healthcare staffing needs. NCHA is heartened to support growing initiatives like

NC Health Talent Alliance rolling out Total Pipeline Management to meet workforce needs at a regional level, healthcare systems forging new partnerships with community colleges, and the use of virtual care technologies to augment the capacity of bedside nurses. The UNC system, the NC Center on the Workforce for Health, NC Community College System, North Carolina Area Health Education Centers and North Carolina Institute for Medicine are collaborating to develop a roadmap for graduating more nurses in North Carolina.

NCHA supports the compassionate, skilled healthcare professionals that tend to us in our times of need. We support the people dedicated to our collective well-being so that the next generation of healers will see healthcare as a place where they can serve and thrive.