Rules on Nursing Ratios

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Health Policy Issues: Quality Improvement, HR Training/Capacities
Current Process Stages

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1. Abstract

In July of 2003, guidelines were released for the implementation of first-in-the-nation nursing ratio rules that reduce the number of patients that a nurse can be responsible for. The rules seek to increase patient safety and ameliorate the nursing shortage by improving working conditions for nurses. Hospitals contend the increased staffing costs will adversely impact patients and that the nursing shortage means that there aren’t enough nurses to hire.

2. Purpose of health policy or idea

In July 2003 the California State Department of Health Services released guidelines for implementation of the first-in-the-nation rules around nursing ratios in hospitals.

The rules stipulate that all general medical wards of California hospitals have 1 nurse for every 6 patients by January 1, 2004. By January 2005 they must decrease the ratio to 1 nurse for every 5 patients. In addition, the state health officials set a January 2008 deadline for increasing the number of nurses in specialized units such as post-surgery, cardiac and cancer care.

With the release of these guidelines for implementation, the plan to change nursing ratios in the state of California is reaching the final steps in what has been a lengthy administrative process. The legislation behind the rules was drafted by the California Nurses Association and signed into law in October 1999 by Governor Gray Davis. After it was signed into law, health officials spent over three years studying the issue. At first the state health department intended to write the guidelines on its own, but then it decided to commission a study from the University of California to determine the minimum staffing requirements. Now, with the release of the guidelines, it is expected that the plan will be put into effect at the end of 2003.

Governor Davis has proposed a "three-year, $60-million Nurse Workforce Initiative to build and train the statewide nursing corps necessary to fulfill these nurse-to-patient staffing ratios.”

Main objectives
To improve the working conditions for nurses and to improve patient safety.
3. Characteristics of this policy

Groups affected
Nurses and their unions, Hospitals, Patients

3. Characteristics of this policy

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<tr>
<th>Degree of Innovation</th>
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<td>Structural or Systemic Impact</td>
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<td>Public Visibility</td>
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<td>very high</td>
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<tr>
<td>Transferability</td>
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<td>system-neutral</td>
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4. Political and economic background

The nursing ratio regulations were designed for California and are not a part of an overall national health policy initiative. However, it is not unlikely that other states will consider passing nursing ratios - especially states with strong nursing unions.

5. Purpose and process analysis

Origins of health policy idea
The legislation behind the nursing ratio rules was drafted by the California Nurses Association (CNA) as a way to improve working conditions for nurses and the quality of care patients receive.

CNA has been working on improving nursing ratios for a long time. According to CNA reports, in 1995 they "brought testimony - including over 2,000 reports by bedside RNs - to the National Institute of Medicine in 1995 about the growing threat to patient care, and warned that these trends would push nurses away from the hospitals and the profession because they would no longer be able to safely care for patients."

The CNA says the Institute of Medicine (IOM) did not act immediately but did commission a study on medical errors which was published in November 1999. Entitled "To Err is Human: Building a Better Health Care System" the report concluded that "up to 98,000 patients die in hospitals annually due to preventable mistakes."

While this report did not directly link the deaths to nursing ratios, the public outcry it elicited gave the CNA more leverage with their proposed legislation.

The Governor signed the legislation into law in 1999 and for the past 3 years health experts have been studying the issue. The three year period between the law being signed and the regulations being released by the California
Department of Health Services (CDHS) is not considered unusual. Studying the effect of the legislation and determining the appropriate methods and guidelines for implementation was a large-scale project that required CDHS to commission help from the University of California.

California was the first state to set a mandate for nursing ratios, but this does not mean that ratios in other states are not within the range California has mandated.

**Stakeholder positions**

The main stakeholders in the implementation of the nursing ratios are nurses and their unions, hospitals and patients.

**Nurses Unions**

The guidelines outlined in the Department of Health Services' decision are considered a "clear-cut victory for labor unions representing nurses, but within the labor movement itself, rival unions differ on how the latest rules are interpreted" (July 2, 2003 article in *The San Francisco Chronicle*).

Unions are divided over what training the nurses must have to meet the requirements; some believe the rules require the ratios be met with Registered Nurses (RNs) only and others believe that there is flexibility for the ratios to be met with a combination of RNs and Licensed Vocational Nurses (LVNs). There is a significant difference in the amount of training an RN receives compared to an LVN (RNs have more training) and a difference in their wages (RNs have higher wages).

The RN-only California Nurses Association believes that the rules require RNs. However, the Service Employees International Union (SEIU) which includes both RNs and LVNs believes the rules can be met with both types of nurses.

Many hospitals would support SEIU's position because of the flexibility it allows them. A spokeswoman for the California Healthcare Association - a trade organization that represents nearly 500 California hospitals - said the rules favor a mix of RNs and LVNs.

In addition, Kaiser Permanente - California's largest HMO and operator of 30 hospitals - has allied itself with the SEIU by using both RNs and LVNs to meet an even more stringent ratio of 1 nurse to every 4 patients. This 1 to 4 ratio was proposed by SEIU.

In response to outcries about the nursing shortage, some nurses and their unions say the shortage is a result of poor treatment of nurses. "Why aren't there any nurses?" said a 52 year old critical care nurse quoted by the *Los Angeles Times*. "The reason is no one wants to go into a profession where you work yourself half to death, the stress is unbelievable, there are rarely any thank-yous, the reimbursement is poor, you have tiny vacations if you can get them and the work increases every month."

**Hospitals**

A spokeswoman for the California Healthcare Association (CHA) said that the industry doesn't disagree with the goal of hiring more nurses. The problem is the nursing shortage - there aren't enough to hire. Quoted by *The San Francisco Chronicle*, she said "The problem is you have to factor in reality. Reality is that there is a nursing shortage."

The CHA also reports that because of the shortage, some nurses in the Bay Area earn up to $100,000 a year and that these high salaries are driving up healthcare costs.

According to estimates released by the Department of Health Services, the new rules could cost hospitals $422 million next year, $652 million in 2005 and $956 million in 2008. Representatives for the CHA say that increase is on top of increases in the amount hospitals must spend to meet seismic upgrades ($14 billion by 2008) and to care for the state's 7 million uninsured people. The proposed Medi-Cal cuts would further exacerbate their financial burdens.

The CHA spokeswoman also said the new rules "are not what the hospital industry wanted" and that the January 2008
requirements “were a surprise”.

Hospitals are concerned about the practical applications of the ratios during the night shifts. A Tenet Corporation spokesperson was quoted in *The Desert Sun* saying “The one-to-six ratio for the general medical-care category 24 hours a day is the one most people are worried about. There needs to be an ability to be flexible (with the ratios) at night when patients are sleeping and nursing needs aren’t as great.”

But not all hospitals are opposed to the guidelines. Kaiser Permanente “dropped any opposition to the rules in hopes of improving the company’s relationship with its nurses.” Believing that supporting the ratios will help with retention of quality nurses, Kaiser Permanente is one of the few hospital systems to publicly back the ratios.

**Patients**

Hospital patients will likely benefit from the new ratios in the type of care they get. Although some would argue that patients are hurt by the new ratios because they drive up healthcare costs and may cause some patient units to close.

One example of how the ratios will affect care is in medical surgical units. By 2005 there ratios require 1 nurse to every 5 patients. Currently, only about half of California hospitals are meeting that ratio (according to a manager specialist with the Department of Health Services quoted in the *Los Angeles Times*).

**Influences in policy making and legislation**

The nursing ratio requirements were proposed by the California Nurses Association, passed by the California legislature and signed into law by the Governor. The law was then studied by the California Department of Health Services before they issued their July 2003 guidelines for implementation. There was a short period for public comment and, not surprisingly, most of the comments were from nursing unions and hospital organizations.

The guidelines will go into effect at the end of this year.

**Legislative outcome**

**Adoption and implementation**

Each of the stakeholders described in 5.2 will be involved in the adoption process. It is not clear what the plans are for monitoring compliance but it is likely that regular surveys will be conducted by the DHS and that hospitals that are not meeting the ratios will have to close units. It is also likely that the nurses themselves will serve as monitors and report to their unions and hospital managers when the ratios are not met.

This summer a CNA-sponsored bill that would have set guidelines for penalizing hospitals who did not comply with the ratios did not pass the California legislature. The bill would have made it legal to impose $10,000 fines on hospitals that were found to be non-compliant.

**Monitoring and evaluation**

The implementation process is likely to be monitored by the California DHS, nurses and their unions and hospitals who want to remain in compliance with the guidelines.

The undesirable effects could be further exacerbation of the nursing shortage and increased financial burdens on hospitals and the healthcare system as a whole. Some efforts are being made to alleviate the nursing shortage. For example, in 2002 Governor Davis signed into law the $60 million “Nurse Workforce Initiative” that would speed up the education process for nursing students putting them into the workforce faster.

There do not seem to be any safeguards for controlling the costs to hospitals or the healthcare system.
It is likely that health policy groups will analyze the effect of this legislation on the industry.

6. Expected outcome

Impact of the Rules

The impact of the nursing ratio rules will be significant in California for a number of reasons. First, they will likely improve working conditions for nurses. Second, they will likely improve patient safety. Third, they will likely increase costs for hospitals at least in the short term and, consequently, increase healthcare costs for consumers.

1. The new rules are likely to improve working conditions for nurses by keeping the number of patients they are responsible for to a manageable number. For obvious reasons there is a limit to the amount of patients a nurse can give quality care to at the same time. According to a Los Angeles Times article, nurses say they are "responsible for many more patients than they can reasonably handle, leading to mistakes and burnout."

2. The new rules are likely to improve patient safety because they will give each patient a greater proportion of the nurse's attention, therefore improving their quality of care. Studies have shown that when nurses are overloaded with patients the likelihood of medical errors increases. A 2002 report by the Joint Commission on Accreditation of Healthcare Organizations stated that the lack of nurses contributed to nearly a quarter of the unanticipated problems that result in death or injury to hospital patients. Source: 2003 Fact Sheet "The Costs and Benefits of Safe Staffing Ratios" released by the AFL-CIO's Department for Professional Employees.

However, some argue that the new ratios may force hospitals to close some of their patient care units - a potential harm to consumers - when they are unable to comply.

3. Finally, the new rules are likely to increase costs for hospitals because they will have to increase their staffing. This is not an insignificant concern: the severe shortage of nurses means that the supply of nurses available to hire and staff units is limited. California's Employment Development Department estimates that 30,000 new nurses will be needed in the next three years to meet the requirements (some reports indicate that the state is already short over 126,000 nurses).

Furthermore, the amount hospitals must pay in wages to retain nurses is quite high. According to news reports, the Department of Health Services estimates the new regulations will cost hospitals $422 million in 2004, $652 million in 2005 and more than $956 million in 2008.

However, CNA contends that if working conditions are improved then many of the 500,000 RNs (2002 figure) in California who are currently not working in direct patient care settings will return to direct patient care, thereby reducing or eliminating the nursing shortage. According to a 2003 AFL-CIO Fact Sheet, this position is supported by the following evidence:

- In 2000, the Australian state of Victoria implemented staffing ratios. Six months after the ratios were fully implemented, 3,300 nurses returned to work full-time. It was also reported that the number of graduating students planning to study nursing increased by 144%.

- California is experiencing more interest in nursing since passing nurse ratio legislation in 1999. According to SEIU reports, the number of RNs increased by 4% from June 2001 to June 2002 and the number of certifying exam applicants rose by 18%.

- A study by UC San Francisco's Center for Health Professions found that nurses from California express concern about staffing more than any other topic, regardless of whether they work for for-profit or non-profit healthcare organizations or whether they belong to a union. Source: 2003 Fact Sheet "The Costs and Benefits of Safe Staffing Ratios" released by the AFL-CIO's Department for Professional Employees.
The issue of nursing ratios has been widely debated and received a large amount of public attention both in California and across the nation.

7. References

Sources of Information
2003 Fact Sheet "The Costs and Benefits of Safe Staffing Ratios" Released by the AFL-CIO's Department for Professional Employees.

November 1999 Report "To Err is Human: Building a Better Health Care System" Released by the Institute of Medicine.

Assorted articles in the Los Angeles Times, San Francisco Chronicle, the Desert Sun, and CQ researcher.

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