



IHA Testimony for the IPERS Interim Committee November 1, 2007

Approximately half of the hospitals in the state are public institutions and the other half are private, not-for-profit hospitals. Because of additional regulations placed on public bodies, public hospitals face unique challenges in work force recruitment and retention. Some of these limitations can actually make it more attractive for health care professionals to seek employment at private, not-for-profit hospitals.

IHA identified the IPERS retirement waiting period as one additional regulation for public hospitals that created challenges for public hospitals competing for health care workers with their private, not-for-profit counterparts. Because public hospital retirees could return to employment at a private hospital after one month, the four month IPERS retirement waiting period cost public hospitals the opportunity to have some of their most experienced workers return to work on an as-needed or part-time basis during a health care worker shortage. To help level the recruitment playing field between hospitals competing for staff during a worker shortage, IHA supported legislation reducing the IPERS retirement waiting period for public hospital employees to one month.

In 2004, the Iowa General Assembly recognized the health care worker shortage and the challenge that Iowa's public hospitals face, and effective July 1, 2004, licensed health care workers employed by public hospitals no longer had to wait four months after retiring to return to work on a part-time basis. Rather, the legislature reduced the retirement waiting period from four months to one month recognizing shortages of health care workers. As defined in the legislation, a public hospital would include a hospital licensed pursuant to Iowa Code chapter 135B and governed pursuant to chapter 145A, 347, 347A, or 392, municipal or county hospitals.

The legislation passed in 2004 had a sunset provision after a two-year period so that the impact to IPERS could be reviewed. In 2006, the Iowa General Assembly extended the sunset for this provision until 2010 to allow for additional study.

Although the reduced waiting period does not apply to all health care employees employed by public hospitals, it has made a difference for public hospitals facing shortages and retirements of licensed health care workers. During the first 3 years since its inception, 53 licensed healthcare professionals utilized the shortened retirement waiting period to help their public hospital employer with staffing needs on a part-time basis. The map attached to this document illustrates where those 53 employees are located in the state and designates them as either nursing staff or as another licensed health care worker. As

illustrated on the map, this provision has helped hospitals across the state and approximately eighty percent of professionals utilizing it were nurses. The ability of public hospitals to bring back skilled, experienced professionals on an as-needed basis as quickly as possible is beneficial not only in terms of immediate patient care needs but also in terms of providing experienced mentors to new graduates.

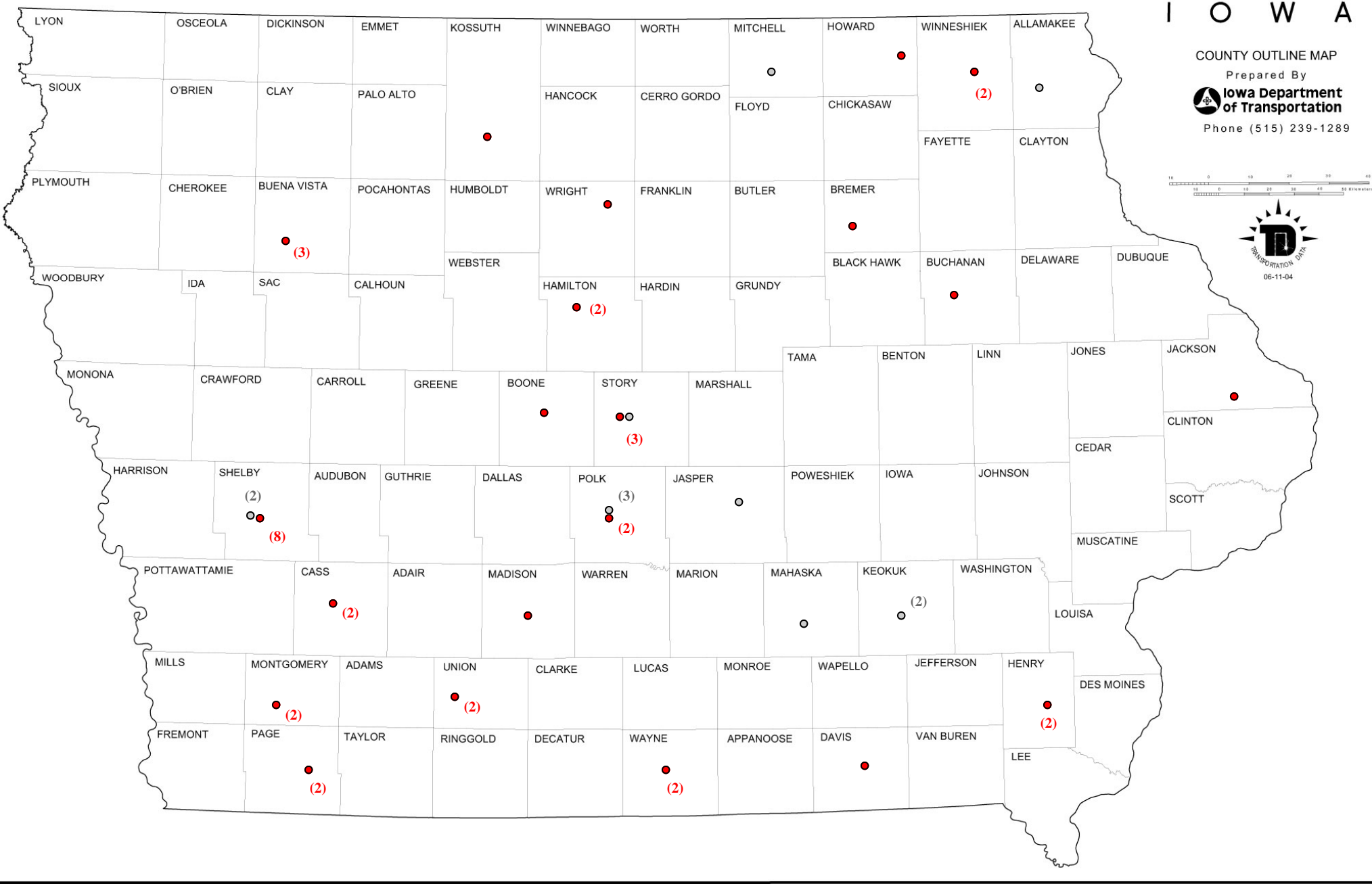
While incredibly successful for the hospitals who have had experienced employees able to return back to work as-needed or on a part-time basis shortly after retiring, the shortened retirement waiting period has had very minimal impact on IPERS. Licensed health care retirees from public hospitals comprise approximately 2 percent of the total number of IPERS retirees. The legislative change allows employees to return after one month, rather than four months, but all other protections to the system still apply. Thus, any impact caused by the legislation would only be the difference of three months from standard IPERS retirees. Public hospitals constitute such a small segment of IPERS employees that the impact to IPERS on this issue is very minimal; yet the positive benefit to the public hospitals is significant.

When commenting about Mary Greeley Medical Center's support of the shortened retirement waiting period, Betsy Schoeller wrote:

Given the on-going challenges of recruiting experienced health care professionals and the value of bringing older, mature workers back into the work force, I believe it is critical to quality health care in the state of Iowa to continue with the early return to work of these . . . retirees. . . . Given the statistics provided by the Governor's task force on 'Connecting with Experience' that by 2010 one in three workers will be over the age 50, I believe it is critical that this program continue (and be expanded).

The shortened retirement waiting period could, however, be of more assistance to public hospitals struggling with the health care worker shortage. While most public attention has been placed on nursing, there are many other shortage areas for the health care workforce, not all of which are 'licensed.' For example, medical laboratory technicians, radiological technicians, and medical coders are all occupations listed in the top 15 vacancies in hospitals for the past 5 years but do not qualify for the shortened waiting period because they are not licensed.

IHA recommends that the General Assembly expand the application of the shortened retirement waiting period to all public hospital employees. Expanding the legislation will reach more shortage areas and remove the barriers public hospitals face when competing with private hospitals for all employees. In addition, IHA supports increasing the earned income cap to keep pace with inflation allowing health care employees more flexibility when returning back to work on a part-time or as-needed basis. These policies provide minimal risk if any to IPERS yet help Iowa's public hospitals meet the workforce needs in the future insuring that all Iowans have access to high quality care.



IPERS Total Location Map

(Contains FY05, FY06, FY07 Data)

Employee Total = 53

Key

- Nurse ●
- Other ○