



**FUNDING RECOMMENDATIONS  
PROVIDED BY  
THE AMERICAN NURSES ASSOCIATION  
FOR FISCAL YEAR 2004**

The American Nurses Association (ANA) appreciates this opportunity to comment on Fiscal Year (FY) 2004 appropriations for nursing education, workforce development, and research programs. ANA is the only full-service national association representing registered nurses. Through our 54 state and territorial nursing associations, we represent RNs across the nation in all practice settings.

ANA gratefully acknowledges this Subcommittee's support for nursing education and research. We appreciate your continued recognition of the important role nurses play in the delivery of health care services and the increased need to fund nursing education programs and innovative practice models. Unfortunately, the nursing shortage continues to worsen, therefore we are again urging you to invest in nursing.

Today, the burgeoning nursing shortage is impacting health care delivery throughout the nation. The increasing health care demands of the aging US population and changes in the nurse workforce have combined to create a shortage unlike any other. A fundamental shift has occurred in the registered nurse (RN) workforce over the last two decades. As occupational opportunities for young women have expanded, and the working conditions for nurses have deteriorated, the number of young people entering nursing has declined. The lack of young people in nursing has resulted in a steady and dramatic increase in the average age of the U.S. nurse. Today, the average working RN is over 43 years old. The average nurse educator is over 50 years old.

This shortage is growing just as the need for nursing services is mounting. America's demand for nursing care is expected to balloon over the next 20 years as a result of the aging of the population, advances in technology, and various economic and policy factors. The Bureau of Labor Statistics estimates that attrition and retirements will create more than one million openings for RNs between 2000 and 2010. The Division of Nursing at the Health Resources and Services Administration projects that, absent aggressive intervention, the supply of nurses in America will fall 29 percent below requirements by the year 2020.

The nursing shortage is already directly impacting patient care. A recent survey of hospitals across the nation concluded nursing shortages are causing emergency department overcrowding, emergency department diversions, increased wait times for surgery, discontinued patient care programs or reduced service hours, delayed discharges, and canceled surgeries. Numerous recent studies have shown that this lack of nurses contributes to medical errors, poor patient outcomes, and increased mortality rates.

addition, the activation of military reserves threatens to draw even more nurses out of the domestic labor market (there are more than 19,000 RNs in the military reserves). Therefore, this nursing shortage threatens our very strength as a nation and aggressive action must be taken to eliminate it.

## **NURSE EDUCATION ACT**

Federal support for nursing education in Title VIII of the Public Health Service Act (PHSA) is unduplicated and essential to achieve future goals for the public's health. Congress last reauthorized these programs in the Health Professions Partnership Act of 1998 (P.L. 105-392). This authority provided the Secretary of Health and Human Services (HHS) discretion to determine which projects to fund, with priority given to projects which would substantially benefit rural or underserved populations, including public health departments. Recognizing the impact of the burgeoning nursing shortage, the 107<sup>th</sup> Congress took the visionary step of passing the Nurse Reinvestment Act (PL 107-205). This law amends programs of Title VIII to meet the unique characteristics of today's shortage. It contains public service announcements, geriatric training grants, and a nurse faculty loan program. It also expands existing programs in Title VIII to include a scholarship program, career ladder programs, and retention grants for enhancing patient care delivery systems.

For FY 2003, due to the work of this Subcommittee, the Nurse Education Act was funded at \$113 million. **For FY 2004, we propose to increase funding for the activities of the NEA by at least \$62 million to \$175 million.** Although this recommended increase is substantial, the ANA believes this additional funding is the very least needed to help alleviate the nursing shortage.

The NEA authorities are as follows:

### **Nurse Education, Practice, and Retention Grants**

This section, formerly known as the Basic Nurse Education and Practice, was expanded and reorganized by the Nurse Reinvestment Act. Education grant areas were reorganized to include: expanding enrollments in baccalaureate nursing programs; developing internship and residency programs to enhance mentoring and specialty training; and providing new technologies in education including distance learning.

Practice grant areas now include funding to: expand practice arrangements in non-institutional settings to improve primary health care in medically underserved communities; provide care for underserved populations such as the elderly, HIV/AIDS patients, substance abusers, homeless, and domestic abuse victims; provide skills to practice in existing and emerging health systems; and develop cultural competencies.

Retention grant areas include career ladders and improved patient care delivery systems. The

Career Ladders provision supports education programs designed to assist individuals in obtaining clinical and theoretical education required to enter the profession and to promote career advancement within nursing. Approximately \$3 million is available in FY 2003 to support between 12 and 30 career ladder awards. Patient care delivery system grants encourage nurses to remain in patient care by providing grants to facilities to enhance collaboration and communication among nurses and other health care professionals and to promote nurse involvement in the organizational and clinical decision-making processes of a health care facility. Best practices for these nurse administration programs have been identified by the American Nurse Credentialing Center's Magnet Recognition Program. These best practices have been shown to double nurse retention rates, increase nurse satisfaction, and improve patient care. Approximately \$3 million is available in FY 2003 to support between 12 and 40 awards.

### **Nurse Service Corps**

The nurse service corps is comprised of a loan repayment program and a scholarship program, the Secretary of HHS has the authority to allocate funds between the two areas. The Nurse Education Loan Repayment Program (NELRP) repays up to 85 percent of nursing student loans in return for at least two years of practice in a designated nursing shortage area. For the first two years of service, the NELRP will pay 60 percent of the RN's student loan balance. If the participant elects to stay for another year, an additional 25 percent of the loan will be repaid. Within 3 years, a nurse can pay off approximately 85 percent of his/her student loans.

The NELRP has benefited from the support of this Subcommittee, as well as the administration. It boasts a proven track record of delivering nurses to facilities hardest hit by the nursing shortage. However, lack of funds continues to force HRSA to turn away a large percentage of applicants. Therefore, we urge you to continue your support for this program by approving a substantial investment in FY 2004.

The new nursing scholarship program offers individuals who are enrolled or accepted for enrollment as a full-time or part-time nursing student the opportunity to apply for scholarship funds. Upon graduation, the nurse would be required to work in a Health Care Facility with a critical shortage of nurses for no less than two years. Preference is given to students with the greatest financial need. HRSA expects to distribute an estimated \$3.8 million for 76 nursing scholarships in Fiscal Year 2003.

### **Nurse Faculty Loan Program**

This new program establishes a student loan fund administered by schools of nursing to increase the number of qualified nurse faculty. Student may pursue a master's or doctoral degree in full-time study or, at the discretion of the Secretary, part-time study in an advanced degree program for Advanced Education Nurses. Students must agree to teach at a school of nursing in exchange for cancellation of up to 85% of their educational loans, plus interest, over a four-year period. Student loans may cover the costs of tuition, fees, books, laboratory expenses, and other reasonable education expenses.

This program is critical given the worsening shortage of nursing faculty. A number of schools have been forced to waitlist potential nursing students due to the inability to recruit needed

faculty. For instance, the Middle Tennessee State University recently turned away 109 of the 149 qualified applicants for their school of nursing. Minnesota reports that more than 1,000 students are now on waiting lists for nursing programs throughout the state. Similar problems are confronting nursing programs throughout the entire United States.

### **Nursing Workforce Diversity**

This legislation provides funds to enhance diversity in nursing education and practice. It supports projects to increase nursing education opportunities for individuals from disadvantaged backgrounds - including racial and ethnic minorities, as well as individuals who are economically disadvantaged. Racial and ethnic minorities currently comprise more than 25% of the nation's population and will comprise nearly 40% by the year 2020. Only 12% of the RNs in the U. S. come from diverse backgrounds. Increasing the number of RNs from diverse races and cultures allows them to address the prevention, treatment, and rehabilitation needs of an increasingly diverse population.

### **Advanced Nurse Education**

Advanced practice registered nurses (APRNs) are registered nurses (RNs) who have attained advanced expertise in the clinical management of health conditions. Typically, an APRN holds a master's degree with advanced didactic and clinical preparation beyond that of the RN. Most have practice experience as RNs prior to entering graduate school. Practice areas include, but are not limited to: anesthesiology, family medicine, gerontology, pediatrics, mental health, midwifery, neonatology, and women's & adult health. Title VIII funds have supported the development of virtually all initial state and regional outreach models using distance learning methodologies to provide advanced study opportunities for nurses in rural and remote areas.

These grants also provide traineeships for masters and doctoral students (limit of 10 percent of appropriations for doctoral traineeships). The NEA funds more than 60 percent of U.S. nurse practitioner (NP) education programs and assists 83 percent of nurse midwifery programs. Of certified nurse midwives (CNM), 80 percent serve low-income or minority women and are in primary care. Over 45 percent of advanced nursing graduates go on to practice in medically underserved communities, and in areas with large Medicaid populations. Many provide care to minority or disadvantaged patients.

### **Comprehensive Geriatric Education Grants**

This new authority awards grants to train and educate individuals in providing health care to the elderly. Funds will be used to train individuals who will provide direct care for the elderly, to develop and disseminate geriatric curriculum, train faculty members, and provide continuing education.

## **NATIONAL INSTITUTE OF NURSING RESEARCH (NINR)**

The second funding priority for nursing is funding for the NINR, one of the institutes at the National Institutes of Health (NIH). Nursing research is an integral part of the effectiveness of nursing care. Advances in nursing care arising from nursing and other biomedical research improves the quality of patient care and has shown excellent progress in reducing health care

costs. Research programs supported by the NINR address a number of critical public health and patient care questions. The research is driven by real and immediate problems encountered by patients and families. Study results offer the clear prospect of improving health, reducing morbidity and mortality, and lowering costs and demand for health care.

Recent studies have focused on the effects of hospital restructuring, such as changes in nurse staffing, on patient care; the incidence and risk factors for uterine rupture in pregnancies following cesarean section; and means to help family caregivers provide high-quality long, term care for loved ones with chronic health care needs. In addition, NINR is leading the NIH research on end-of-life and palliative care. The NINR is the second-lowest funded institute at NIH and provides vital health care research for the nursing community. **ANA recommends increasing funding for the NINR by \$29 million to \$160 million for FY2004.**

## CONCLUSION

While ANA is encouraged by a recent resurgence of interest in the nursing profession, we remain concerned that there are too few new nurses to replace those who are retiring – much less to meet the demands of the baby boom population. The nursing shortage will worsen if significant investments are not made in nursing education programs. Recent efforts have shown that aggressive and innovative recruitment efforts can help avert the impending nursing shortage – if they are adequately funded.

Thirty years ago this committee invested \$153.6 million in the FY 1974 programs of the Nurse Education Act. Inflated to today's dollars, this long-ago appropriations would equal \$566 million. Today's shortage is more dire and systemic than that of the 1970's. ANA asks you to meet today's shortage with a relatively modest investment of \$175 million in Title VIII programs. An investment of \$160 million in the NINR will help assure that these nurses are equipped with the information needed to provide the best care possible.