

## HOSPITAL WORKFORCE SHORTAGES & LABOR COSTS

Florida hospitals and health care systems continue to face critical workforce shortages, exponential growth in their labor costs, and ongoing dependency on temporary staffing. The dramatic rise in hospital labor costs—combined with inflation and significant losses in hospital budget reserves from the stock market decline—increases the financial strain on hospitals. Hospitals have seen historically high turnover rates among nurses of over 25%, and based on a 2021 FHA analysis, **the state faces an overall shortage of 59,000 nurses by 2035.**

The current market requires hospitals to enact extraordinary measures to retain staff and fill vacancies, including salary market adjustments to address the value of labor in the current economic conditions. Hospitals are also implementing various changes to support their health care teams and increase retention, including maximizing the skills of every team member and leveraging technology to reduce the administrative burden on their staff. Hospitals are partnering with community colleges, university systems, and private schools to expand the capacity of nursing school programs and increase the supply of future graduates.

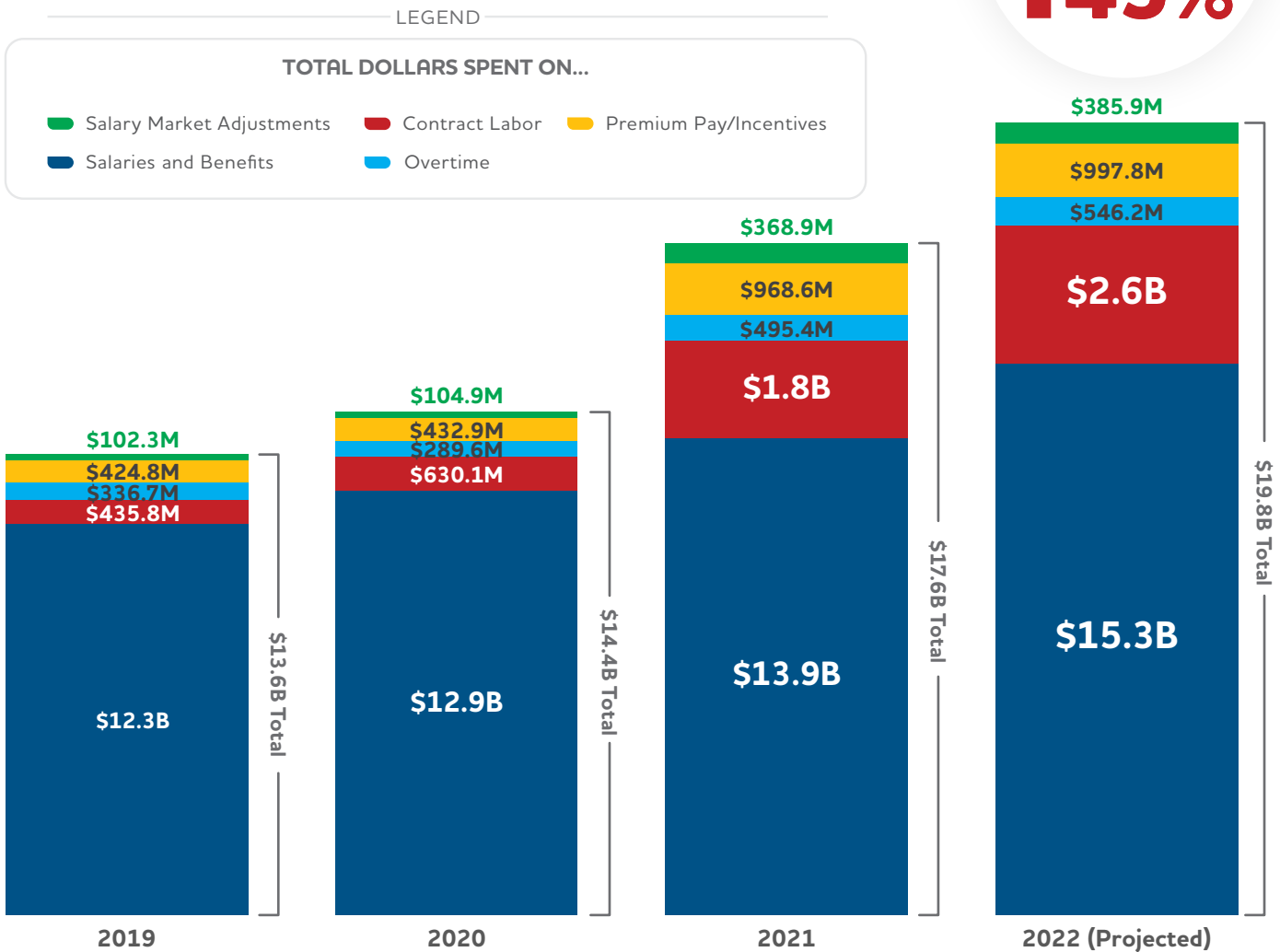
Hospitals' overall workforce costs have increased

OVER

**↑45%**

## WORKFORCE COST TRENDS BY YEAR

In Billions



This information reflects collected survey data representative of Florida hospitals varying in type and populations served.

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# HOW HAVE LABOR COSTS CHANGED?



## OVER NEARLY THREE YEARS...

Florida hospitals' utilization of contracted staff soared



OVER

↑ **328%**

The total dollars spent on contract labor skyrocketed



OVER

↑ **489%**

Salary market adjustments increased



ALMOST

↑ **300%**

Hospitals are increasing their efforts to recruit and retain a workforce. Between 2019 and 2022:

- 💰 Hospital expenditures on overtime pay grew by **over 60%**
- 💰 Hospital expenditures on premium pay and incentives **more than doubled**



Although hospital patient admissions have only **increased 3%** from 2019 to 2022, overall workforce costs have increased disproportionately by 45%, and extraordinary measures such as overtime, incentives, premium pay, and salary market share adjustments combined have **increased by over 245%**.

## HOSPITAL ACTIONS

- ✓ Developing relationships and initiating partnerships with local community colleges and university systems that support an increase in capacity for enrollment of students in nursing and other allied health care educational programs
- ✓ Constantly evaluating the workplace environment to improve support for their clinical teams and increase workforce retention
- ✓ Continually streamlining and innovating care delivery and overall operations to improve the financial stability of hospitals and health care services to ensure timely access to services in their communities

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