Impact of the 2010 Affordable Care Act on the California Labor Force – Webinar

January 24, 2014

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Sponsored by
SEIU UHW-West & Joint Employer Education Fund

Introductions – The Team

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Today's Discussion

■ The Situation

■ Project Objective

■ Approach to the Analysis

■ Key Findings and Implications

■ Next Steps – Phase II Brainstorming

The Situation

- Up to 2.7 million Californians are expected to gain health insurance due to the ACA

- More insurance coverage will lead to greater demand for health care services

- Greater demand for health services will lead to greater need for health workers

- Unanswered questions
    - *How many new health workers will be required due to the ACA?*
    - *What jobs will expand the most?*

Project Objective

> **Objective:**
> **Assess the Impact of the 2010 ACA on the California health workforce**

- What this study is…

  - ➤ A baseline estimate of new health care jobs needed in CA as a result of ACA implementation
  - ➤ A foundation for further discussion

- What this study is NOT…

  - ➤ A comprehensive analysis of all health care jobs needed by 2021
  - ➤ An assessment of how the supply of labor may change over this time frame
  - ➤ A recommendation on where to focus future resources (e.g, education, training, positions)

Approach to the Analysis

- Develop a micro-simulation health care demand model that incorporates CA specific changes in insurance uptake and to obtain demand growth estimates to forecast workforce supply needs in CA

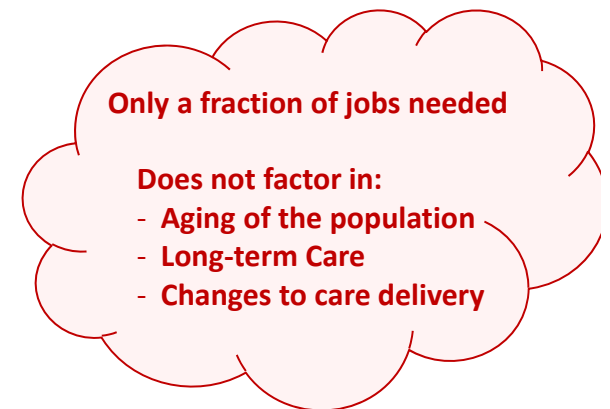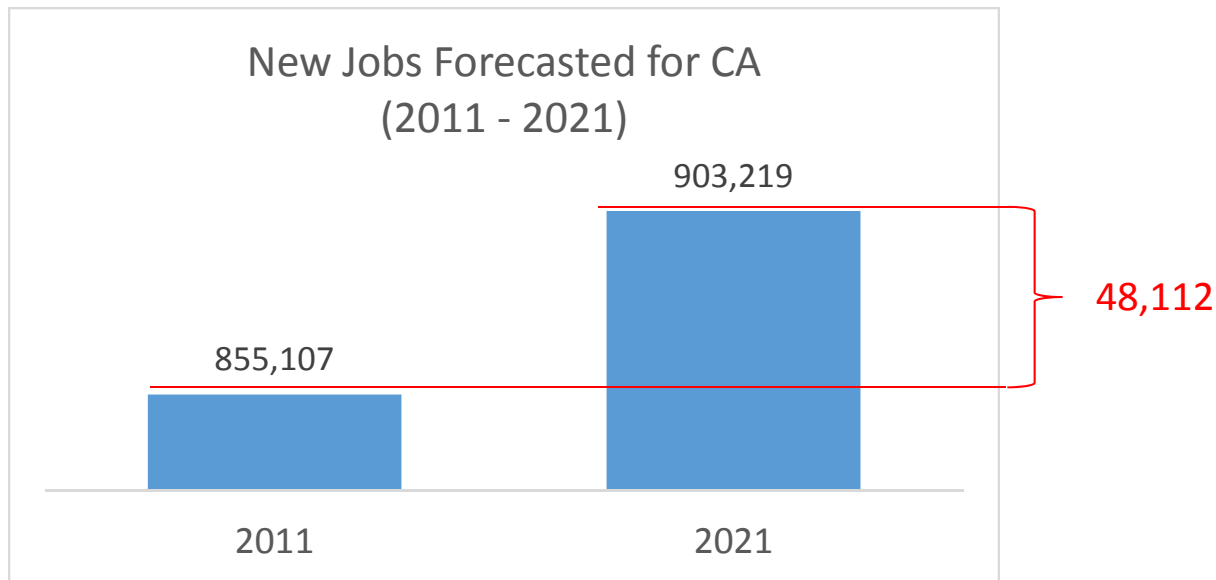 - ➤ Blend of ARCOLA (national) and CalSIM (CA) models

- Triangulate multiple data points

  - ➤ Examine labor force trends from multiple perspectives - by industry, occupation and region
  - ➤ Adjust growth assumptions (based on benchmarks and previous work efforts) to align with CA estimates

- Distill findings into a meaningful starting point

  - ➤ Forecast new job growth due to ACA to provide the foundation for further discussion
  - ➤ Consider how changes to care delivery, regional variations, and other variables will need to be factored in to better understand how to plan for and invest in the future workforce
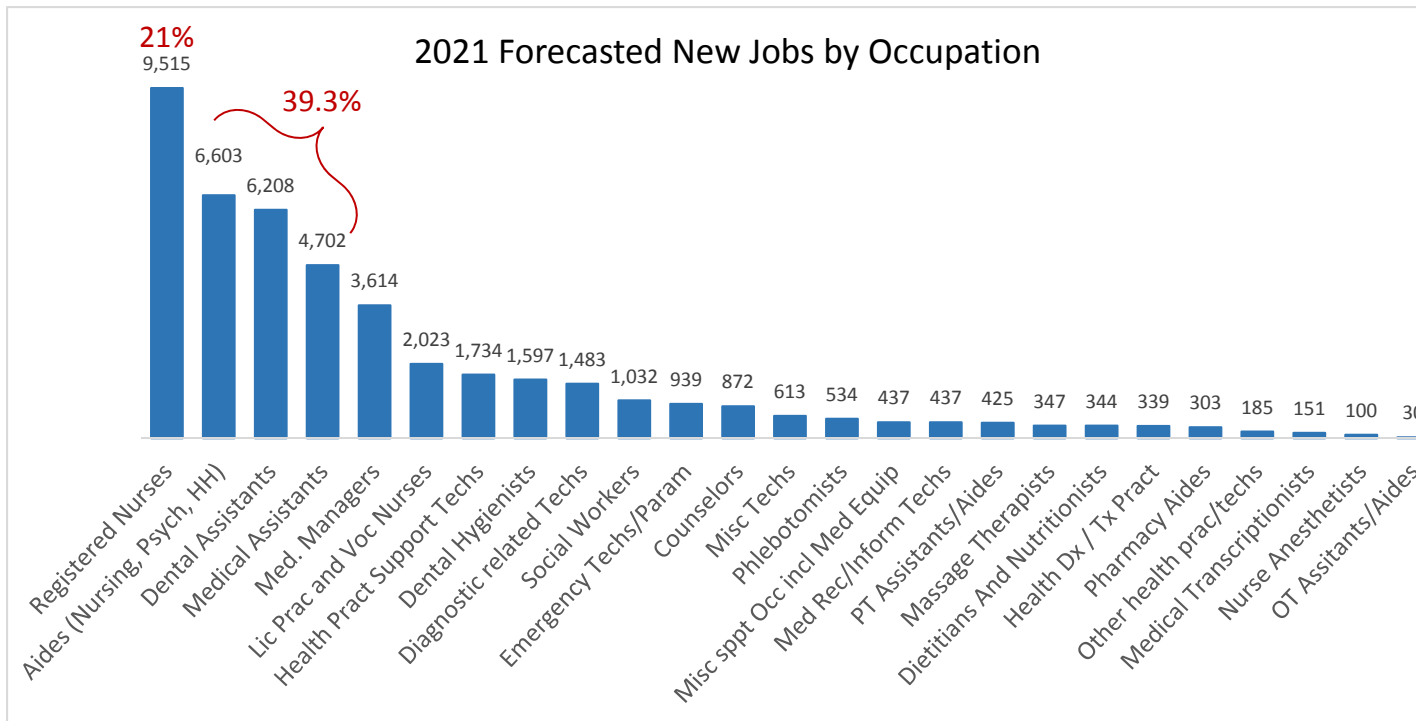
Key Findings and Implications

CA New Job Growth due to ACA

- The ACA will drive the need for 48,112 new health care and select support care jobs in California by 2021

  ➤ About 6% increase in jobs over ten years as a direct result of ACA

New Jobs Forecasted for CA (2011 - 2021)

903,219

48,112

855,107

2011

2021

Only a fraction of jobs needed

Does not factor in:
- **Aging of the population**
- **Long-term Care**
- **Changes to care delivery**

Source: American Community Survey, HSI Analysis

New Jobs by Occupation

- Demand for RN jobs among the highest (~9,500), although growth rate among the lowest (~4.3%)
  - 21% of new jobs will go to RNs
- Large numbers of new jobs for Aides, Dental Assistants, Medical Assistants, and high growth rates
  - 39% of new jobs will go to these three occupations

2021 Forecasted New Jobs by Occupation

21%
9,515
39.3%
6,603
6,208
4,702
3,614
2,023 1,734 1,597 1,483 1,032 939 872 613 534 437 437 425 347 344 339 303 185 151 100 30

Registered Nurses, Aides (Nursing, Psych, HH), Dental Assistants, Medical Assistants, Med. Managers, Lic Prac and Voc Nurses, Health Pract Support Techs, Dental Hygienists, Diagnostic related Techs, Social Workers, Emergency Techs/Param, Counselors, Misc Techs, Phlebotomists, Misc sppt Occ incl Med Equip, Med Rec/Inform Techs, PT Assistants/Aides, Massage Therapists, Dietitians And Nutritionists, Health Dx / Tx Pract, Pharmacy Aides, Other health prac/techs, Medical Transcriptionists, Nurse Anesthetists, OT Assitants/Aides

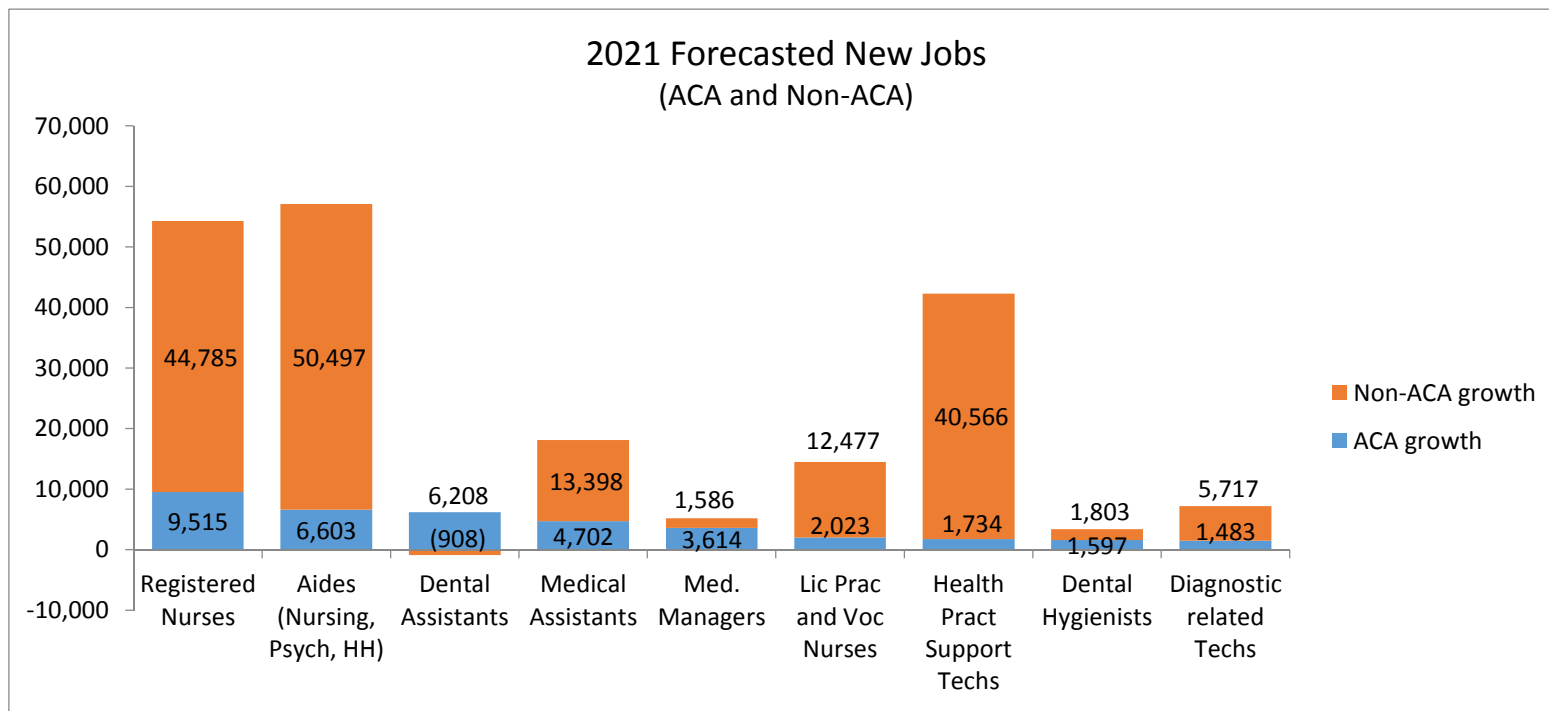| Occupation	California % Change ('11 - '21)
Dental Hygienists	11.80%
Dental Assistants	11.77%
Emergency Techs/Param	7.63%
Medical Assistants	7.55%
Massage Therapists	7.15%
Health Dx / Tx Pract	6.64%
OT Assitants/Aides	6.29%
Phlebotomists	6.00%
Dietitians And Nutritionists	5.92%
Med. Managers	5.89%
Diagnostic related Techs	5.84%
Other health prac/techs	5.53%
Medical Transcriptionists	5.42%
Pharmacy Aides	5.30%
Counselors	5.21%
Med Rec/Inform Techs	5.19%
Health Pract Support Techs	5.15%
Misc Techs	5.09%
Nurse Anesthetists	5.07%
Social Workers	4.99%
PT Assistants/Aides	4.96%
Misc sppt Occ incl Med Equip	4.92%
Lic Prac and Voc Nurses	4.72%
Aides (Nursing, Psych, HH)	4.66%
Registered Nurses	4.28%
Total	**5.63%**

Source: HSI Analysis
Health practitioner support techs include dietetic techs, pharmacy techs, psych techs, respiratory techs, surgical techs.
Diagnostic related techs include cardiovascular techs, diagnostic medical sonographers, nuclear medicine techs, and radiologic techs
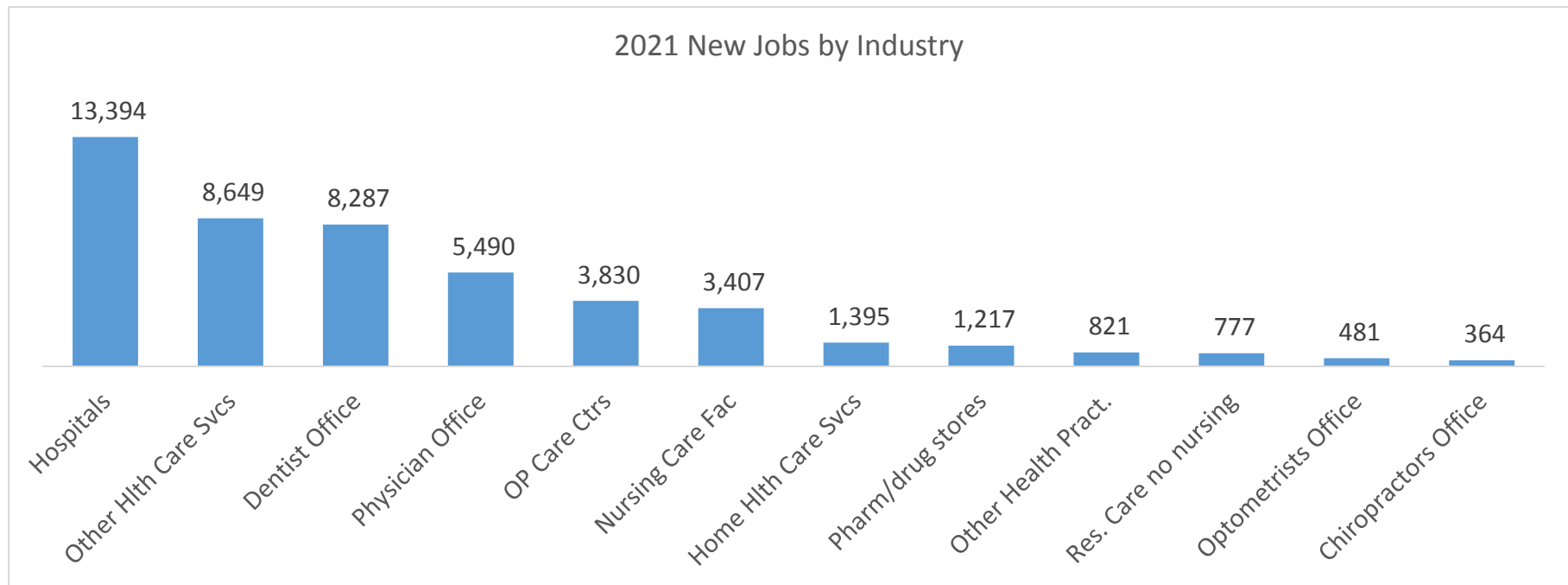
ACA job growth in context

- Health care jobs employed 1.56 million Californians in 2010

- By 2020 statewide job growth is projected to increase by 420,600; 27% growth (EDD forecasts)

  ➢ EDD forecasts account for demographic change as well as the ACA

2021 Forecasted New Jobs
(ACA and Non-ACA)

Category	Non-ACA growth	ACA growth
Registered Nurses	44,785	9,515
Aides (Nursing, Psych, HH)	50,497	6,603
Dental Assistants	6,208	(908)
Medical Assistants	13,398	4,702
Med. Managers	1,586	3,614
Lic Prac and Voc Nurses	12,477	2,023
Health Pract Support Techs	40,566	1,734
Dental Hygienists	1,803	1,597
Diagnostic related Techs	5,717	1,483

Source: HSI Analysis, California Employment Development Dept.

New Jobs by Industry

- Despite a decline in admissions, hospitals show highest demand for new jobs due to ACA

  - Other industries most impacted by ACA include mental health (other hlth care)*, Dentist Offices and Physician Offices


2021 New Jobs by Industry

Industry	New Jobs
Hospitals	13,394
Other Hlth Care Svcs	8,649
Dentist Office	8,287
Physician Office	5,490
OP Care Ctrs	3,830
Nursing Care Fac	3,407
Home Hlth Care Svcs	1,395
Pharm/drug stores	1,217
Other Health Pract.	821
Res. Care no nursing	777
Optometrists Office	481
Chiropractors Office	364

* Other Health Care Services includes mental health practitioners excluding. physicians; physical, occupational, and speech therapists and audiologists; podiatrists; other miscellaneous health practitioners
Source: American Community Survey, HSI Analysis

Regional Analysis

- Seven CA Regions were analyzed

  1. Northern CA and Sierra Counties
  2. Greater Bay Area
  3. Sacramento Area
  4. San Joaquin Valley
  5. Central Coast
  6. Los Angeles County
  7. Other Southern CA
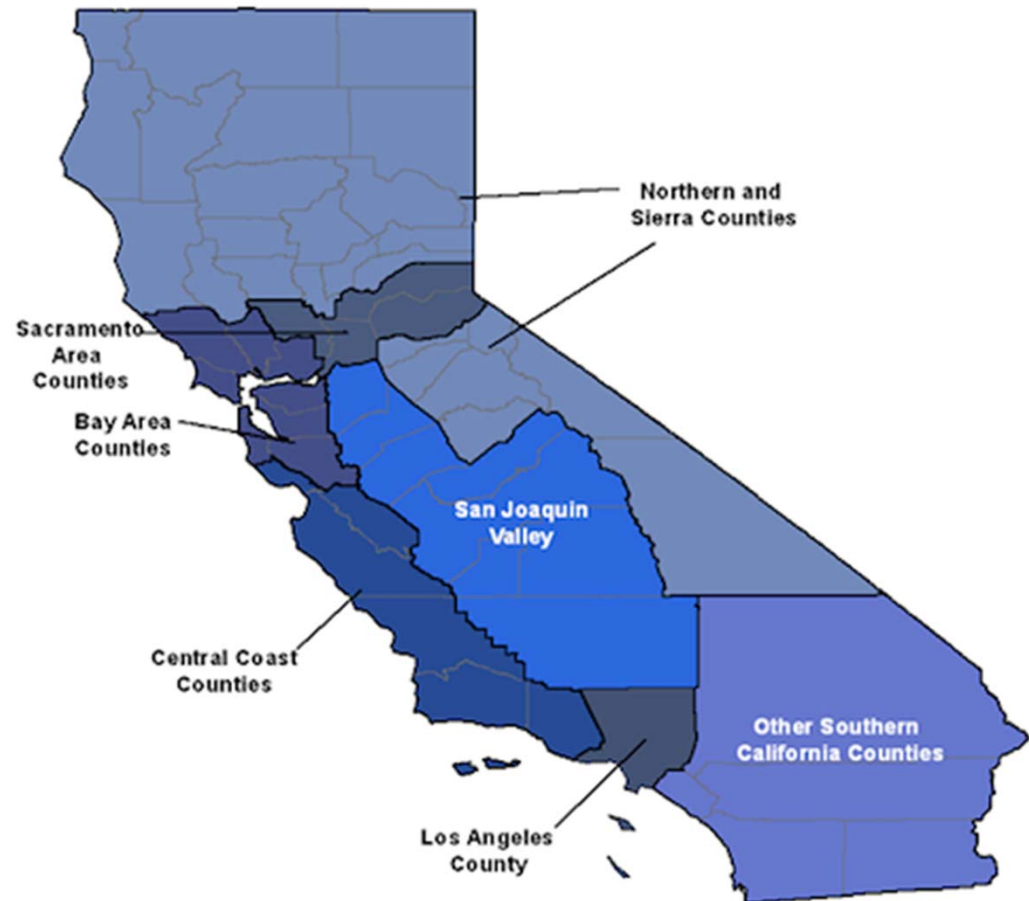
Regional definitions based on the California Health Interview Survey (CHIS) from the UCLA Center of Health Policy Research

Regional Job Growth due to ACA

- To further assess the impact of the ACA on new job growth, 7 California regions were analyzed

- By 2021, California Regions are forecasted to need ~45,000 to 47,000* new health care jobs
  - Average 10-year growth rates of 5% to 6%
  - Fastest growth rate estimated for San Joaquin Valley
  - Largest numbers of new jobs estimated for Los Angeles and other Southern California

	2011	2021 Range		New Jobs		10 Year Growth	
	Baseline	Occup	Industry	Low	High	Low	High
N.CA & Sierra Cntys	14,373	15,078	15,088	705	715	4.90%	4.97%
Greater Bay Area	180,824	189,925	190,286	9,101	9,462	5.03%	5.23%
Sacramento Area	51,484	54,404	54,609	2,920	3,125	5.67%	6.07%
San Joaquin Valley	82,902	87,828	88,106	4,926	5,204	5.94%	6.28%
Central Coast	35,858	37,836	37,928	1,978	2,070	5.52%	5.77%
Los Angeles	221,927	233,556	234,063	11,629	12,136	5.24%	5.47%
Other S. CA	240,378	253,685	254,425	13,307	14,047	5.54%	5.84%
Subtotal	**827,746**	**872,312**	**874,506**	**44,566**	**46,760**	**5.38%**	**5.65%**

* Regional total slightly less than CA due to data limitations by county and rounding errors when analyzing Occupation and Industry (see appendix for details)
Source: American Community Survey, http://healthpolicy.ucla.edu/health-profiles/Pages/HealthProfiles2011AR.aspx, HSI Analysis

Variation in Regional Job Growth

- New job growth (or workforce needs) varies considerably across regions

  - In Pharmacies and Drug Stores, Greater Bay Area counties expect higher job growth than other counties

  - In Offices of Dentists, Sacramento expects nearly two times higher job growth than in Northern California and Sierra counties

  - For Nursing Care Facilities, Sacramento expects higher job growth than other counties

  - For Residential Care Facilities without Nursing, Other Southern California counties has considerably lower job growth compared to other counties

  - For Offices of Other Health Care Services, Northern California and Sierra counties expect several percentage point higher growth than in all other counties

* Other Health Care Services includes mental health practitioners excluding. physicians; physical, occupational, and speech therapists and audiologists; podiatrists; other miscellaneous health practitioners
Source: American Community Survey, HSI Analysis

Comparing New Jobs to Current Training

- Education capacity appears significant for many high-growth occupations, but may be too low for others

- Some fields have high quality control for education (example: RNs), while others have little quality control (example: Medical Assistants)

- Employers need education programs that develop the right skill level; the numbers do not tell us this

- Regional differences and inter-region migration need exploration

- Occupational turnover is high in some occupations; training needs to account for new jobs and replacements
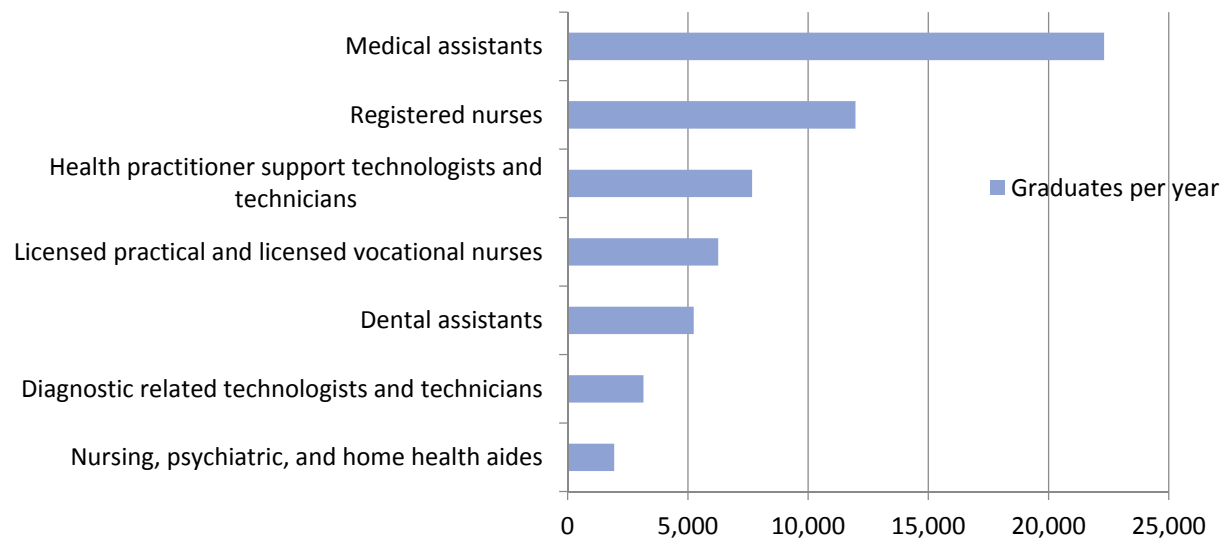
Source: HSI Analysis

Implications and Discussion

- Job growth due to the ACA is only a portion of health care jobs needed in California by 2021

- The 2021 labor force estimates are based on current configurations of the workforce

- The shift from Volume to Value will continue

  - New incentives to improve quality and efficiency of care

  - Emerging care delivery models will change the composition of labor force needed

  - Even greater regional differences may emerge – and new modalities (e.g. telehealth) may be important

- Other factors will affect workforce needs

  - Occupational turnover

  - Quality of education and training programs

  - Regional differences in access to training

Next Steps – Phase II Brainstorming Discussion

■ Will the newly insured seek health care services in the same way as those previously insured?

■ Based on emerging models of care, what educational and regulatory reforms do you anticipate will be needed to support these new care delivery models?

■ What new skill sets should the incumbent workforce acquire to compete in this new environment?

■ Where are the most significant gaps between the required skills and competencies and the preparedness of new graduates?

■ In what areas of the state are there dramatic differences in educational capacity & preparedness of new graduates?

■ What are some successful models of addressing gaps between employer skill needs and new graduate competencies?

APPENDICES

Methodology Overview

- ■ ARCOLA (**A**djusted **R**isk **C**hoice & **O**utcomes **L**egislative **A**ssessment) model

    - ➢ Customizable micro-simulation model
    - ➢ Built using employer and commercial insurer data
    - ➢ Incorporates the effect of prior health status and health plan choice
    - ➢ Factors in market-based premiums and benefit designs

- ■ Using ARCOLA to assess impact of ACA on labor force in CA from 2011 to 2021

    - ➢ Customize model specific to CA
        - ▪ Survey data (CHIS and CEHBS)
        - ▪ CalSIM forecasts
        - ▪ Workforce policies in CA
        - ▪ Regional estimates
        - ▪ Iterate and revise model assumptions with industry experts

Methodology Overview
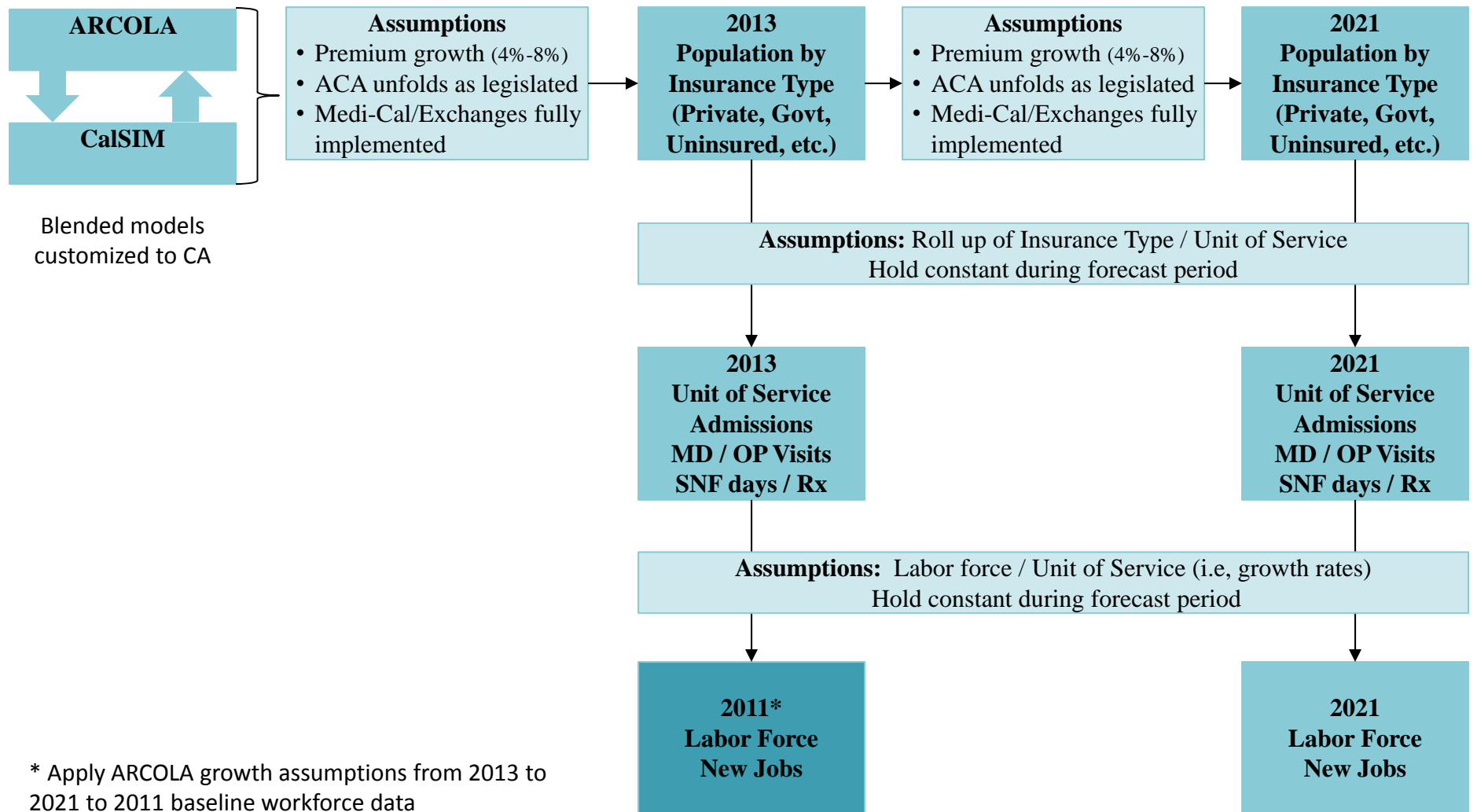
Methodology Overview - Growth Rates

- Assumptions: Premium growth of 4% to 8%, ACA unfolds as legislated and Medi-Cal Expansion and Exchanges are fully implemented

- Highest 10-year growth rates forecasted for office visits
  - Average of 8% to 13% across Physicians, Dentists, Chiropractors and Optometrists

GROWTH RATES, 2013-2023

	5070 Pharmacies and drug stores	7970 Office of physicians	7980 Office of dentists	7990 Office of chiropractors	8070 Office of optometrists	8080 Offices of other health practitioners	8090 Outpatient care centers	8170 Home health care services	8180 Other health care services	8190 Hospitals	8270 Nursing care facilities	8290 Residential care facilities, without nursing
California	6.0%	10.6%	11.9%	7.6%	12.8%	6.7%	5.1%	2.9%	8.6%	3.5%	5.0%	4.8%
N.CA & Sierra Cntys	5.9%	10.7%	8.5%	10.9%	13.8%	14.2%	4.6%	2.9%	8.2%	3.1%	4.0%	5.3%
Greater Bay Area	7.5%	10.3%	9.4%	7.7%	12.5%	5.8%	4.7%	2.9%	8.3%	3.3%	5.3%	4.6%
Sacramento Area	4.8%	11.2%	16.2%	10.3%	13.2%	5.5%	5.1%	2.9%	7.9%	3.7%	6.3%	6.4%
San Joaquin Valley	6.2%	11.0%	15.9%	10.6%	13.1%	8.0%	6.0%	2.9%	8.8%	3.7%	4.8%	6.1%
Central Coast	5.2%	10.5%	12.3%	8.1%	13.5%	7.8%	5.8%	2.9%	8.4%	3.5%	4.7%	4.7%
Los Angeles	5.6%	10.6%	10.6%	7.1%	12.2%	6.5%	5.0%	2.9%	9.0%	3.4%	4.9%	5.4%
Other S. CA	6.1%	10.7%	13.3%	7.7%	13.0%	8.4%	5.4%	2.9%	8.7%	3.5%	4.5%	3.7%
Average	5.9%	10.7%	12.3%	8.8%	13.0%	7.9%	5.2%	2.9%	8.5%	3.5%	5.0%	5.1%

Source: ARCOLA/CalSIM blended micro-simulation growth assumptions

Contact Information

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