

THE PENINSULA HEALTH CARE DISTRICT'S

RN LOAN FORGIVENESS PROGRAM

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Submitted by

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Introduction

In 2001, the District Board made the decision to address the serious nursing shortage that was facing the community and Peninsula Hospital. The College of San Mateo's (CSM) Nursing Advisory Committee, comprised of members representing all of the agencies that provided the CSM students with clinical placements, projected that there was a shortage of at least 50 registered nurses in the County and a shortage of "hundreds" of nurses around the Bay Area. The Nursing Shortage was considered by all in the healthcare industry, and especially in the acute care hospital sector, to be a major healthcare crisis in the near future.

The District Board responded by supporting a two-pronged approach in partnership with CSM and Mills-Peninsula Health Services (MPHS).

1. Grant funding was made available to the CSM School of Nursing for an instructor, supplies, equipment, and clerical support to expand capacity to take in an additional 12 students a year. This program was launched at the start of the 2001-02 academic year and has continued every year through the Board's FY 2007 grant cycle, at which time a 2-year grant of \$290,400 was awarded to support the additional 12 students through the Spring semester 2009.
2. The District Board established an RN Loan Forgiveness Program in the same year to (1) encourage current MPHS employees and their children to pursue an RN degree and (2) to attract residents in the County to enter nursing programs.

Over the seven-year existence of both programs, the District Board has awarded nearly \$1.5 million of grant support to address the nursing shortage in the communities that it serves.

Today, CSM has a long waiting list for every nursing school vacancy. The challenge of recruiting clinical instructors has become a bigger issue than recruiting students, primarily because the pay rate for instructors is significantly lower than that for the average staff nurse, according to Jane McAteer, Director of the CSM School of Nursing.

She is extremely grateful for the District's support and has filled every seat opened up by the District's grant; many of the new students have been MPHS employees.

MPHS now has an RN vacancy of less than 3%, which is well below the State average of 10% and the Bay Area average of 8-9%. Cynthia Cherin, the MPHS Nurse Recruiter, states that the Loan Program has been very helpful to her work since she joined the Nursing Department two years ago. She has put the District's Loan Program on the MPHS career website to encourage applicants and was happy to report that MPHS hired more than 70 new graduates last year, many from the CSM program. She also noted that, while Sutter has a system-wide scholarship program, it is open to all employees in all positions. The District's program is exclusively for nursing and qualified candidates have a much better chance of getting the grant than they do when competing with all Sutter employees.

RN Loan Forgiveness Program History

More than 75 individuals initiated the grant request process over the program's 7-year history. Fifty received loans for a total of \$336,000.

Profile of the 50 loan recipients

- 32 (64%) were MPHS employees;
 - 28 employees and 4 children
 - 5 were RNs seeking a BS or MS degree, 11 were LVNs or Technicians, 9 were in clerical positions, and 3 were Aides.
- 45 women; 5 men
- 27 (54%) of the loan recipients went to CSM; 8 (16%) to USF; 4 (8%) to SFSU, and the remaining 11 (22%) went to seven other programs.
- 4 out of 50 (8%) dropped out of school
- 11 are currently in school
- 2 out of the 36 failed the state board exam and are scheduled to retake it
- 1 completed nursing; however, still needs one more history class to graduate

Retention within the District

- 20 (61%) of the 33 "new RNs" stayed in the District after graduation
 - 12 have worked off their loans
 - 8 are working in the District in the "forgiveness" phase
- 8 (24%) are working outside of the district
- 5 (15%) working status to be confirmed

Status of RN Shortage in the District

Based on interviews conducted with 5 local hospitals, it can be concluded that the shortage has lessened, especially in critical care positions, which was a high need when the District's program was launched. However, given the average age of the nurse working in hospitals today (56 according to the California Nurses Association source), it

is projected that the need for RNs will change significantly when more of the “Boomers” take retirement. When looking at the total RN demand, in-patient, out-patient, physician offices, clinics, etc. the nursing shortage still appears to be a major health care issue.

In Conclusion:

- The District’s Loan Forgiveness Program has helped to train 20 new registered nurses for MPHS with 8 more in school projected to graduate by 2010.
- The Program has supported the CSM School of Nursing, a District partner in addressing health care needs in this community.
- MPHS employees are more likely to complete the program.
- MPHS’ low overall vacancy rates for RNs have impacted the number of loan recipients that have taken positions out of the District.

Based on the enrollment experience at CSM and the low vacancy rate at MPHS it can be concluded that the Board’s objectives when establishing the programs have been addressed and its resources wisely invested for the future health care of District.