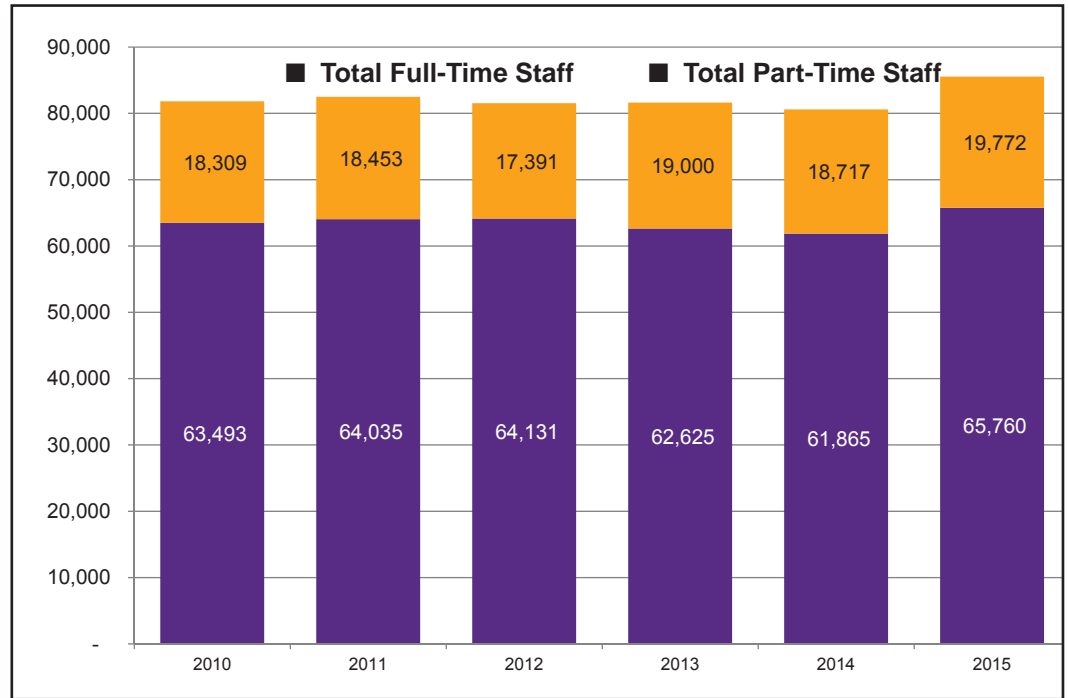


Kentucky Hospital Personnel: 2010 - 2015

Increase in Total Hospital Employment

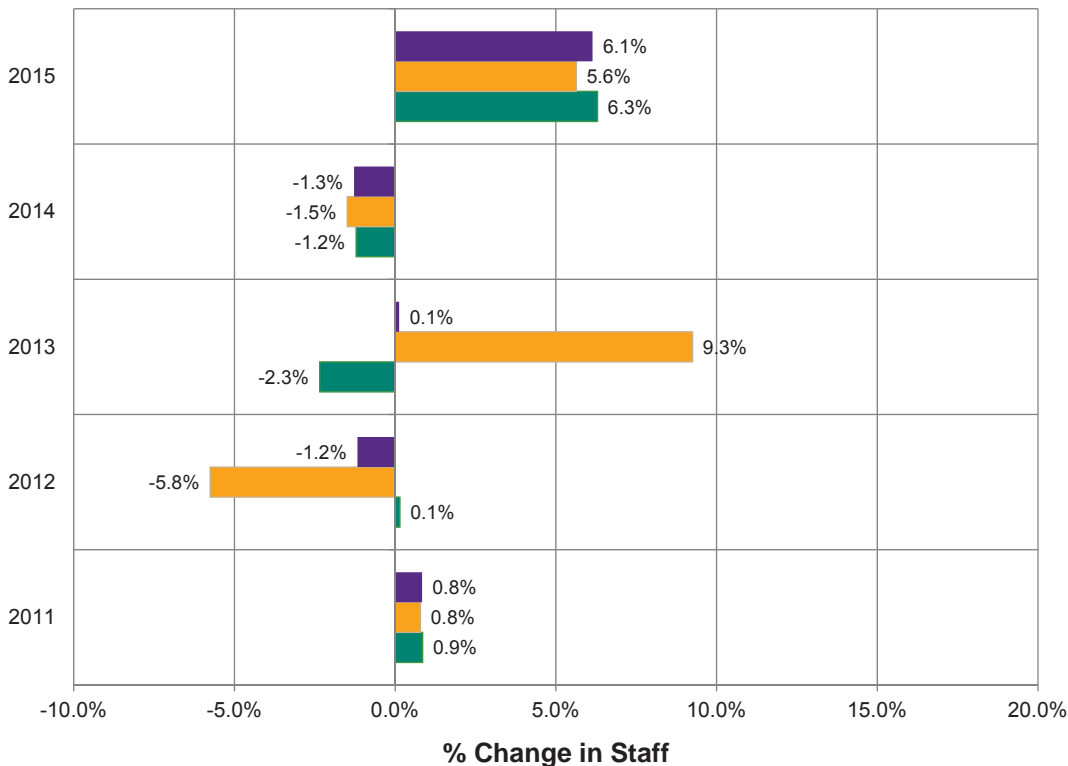
The number of people employed by Kentucky hospitals increased in 2015 to 85,532 full- and part-time people. The number of hospital employees has risen by 4.6 percent overall since 2010.

Source: AHA Annual Survey, 2017 and 2012 Editions



Trends in Full- and Part-Time Kentucky Hospital Employment

% Change in Employment from Prior Years



Over seventy-six (76.9) percent of hospital workers were full-time employees in 2015, a slightly lower percentage than in 2010 when 77.6 percent were full-time.

Source: AHA Annual Survey, 2017 and 2012 Editions

■ Full-Time Staff
■ Part-Time Staff
■ Total Staff

Trends in Kentucky Hospital Payroll and Benefit Costs: 2010 - 2015

While total hospital employment rose by 4.6 percent from 2010 to 2015, total wages and benefits paid to those employees increased by 12 percent, from \$4.6 billion in 2010 to over \$5.17 billion in 2015. Hospital costs for employee benefits now comprise a slightly smaller share of total salary and benefit costs, declining from 22.1 percent in 2010 to 21.9 percent in 2015. In raw dollars, payroll costs increased by 12 percent over the five-year period, with benefit expenses also rising by 12 percent.

	2010	2015	Difference	% Change
Payroll	\$ 3,596,514,000	\$ 4,041,353,000	\$ 444,839,000	12%
Benefits	\$ 1,018,345,000	\$ 1,135,692,000	\$ 117,347,000	12%
Total Wages and Benefits	\$ 4,614,859,000	\$ 5,177,045,000	\$ 562,186,000	12%

Source: AHA Annual Survey, 2017 and 2012 Editions.

Trends in Kentucky Hospital Nursing Employment: 2010 - 2015

Nurses continue to represent the largest group of hospital workers. In 2015, there were 27,805 full- and part-time registered nurses (RNs) and licensed practical nurses (LPNs) employed in Kentucky hospitals, comprising 32.5 percent of all hospital full- and part-time workers. However, hospitals continue to staff with more registered nurses and fewer LPNs. The number of full- and part-time RNs increased by 2,389, or 10.1 percent, from 2010 to 2015. At the same time, the number of full- and part-time LPNs declined by 382, or 18.7 percent.

Nearly 74 percent of RNs and LPNs worked full-time in 2015, up slightly from 2014. Over the last five years, full-time RNs increased by 1,509, while the number of full-time LPNs declined by 532. With respect to part-time employment, the number of part-time RNs increased by 880, or 14.5 percent. The number of part-time LPNs declined by 118, or 29.7 percent. Over the last year, the number of full-time nurses has increased slightly. Kentucky hospitals employed 670 more full-time registered nurses and 268 more full-time licensed practical nurses in 2015, compared to 2014. The number of part-time RNs increased by 142, while the number of part-time LPNs increased by 32 positions from 2014.

	2010	2014	2015	Difference 2010-2015	% Change 2010-2015	Difference 2014-2015	% Change 2014-2015
Total Full-Time Employees	62,730	61,865	65,760	3,030	4.8%	3,895	6.3%
Total Part-Time Employees	17,998	18,717	19,772	1,774	9.9%	1,055	5.6%
Total Personnel	80,728	80,582	85,532	4,804	6.0%	4,950	6.1%
Full-Time RNs	17,666	18,505	19,175	1,509	8.5%	670	3.6%
Full-Time LPNs	1,648	1,116	1,384	(532)	-32.3%	268	24.0%
Total Full-Time Nurses	19,314	19,621	20,559	1,245	6.4%	938	4.8%
Part-Time RNs	6,087	6,825	6,967	880	14.5%	142	2.1%
Part-Time LPNs	397	247	279	(118)	-29.7%	32	13.0%
Total Part-Time Nurses	6,484	7,072	7,246	762	11.8%	174	2.5%
Total RNs - FT & PT	23,753	25,330	26,142	2,389	10.1%	812	3.2%
% of Total Personnel	29.4%	31.4%	30.6%				
Total LPNs - FT & PT	2,045	1,363	1,663	(382)	-18.7%	300	22.0%
% of Total Personnel	2.5%	1.7%	1.9%				

Source: AHA Annual Survey, 2017 and 2012 Editions.

Employment of RNs by Industry Across the United States

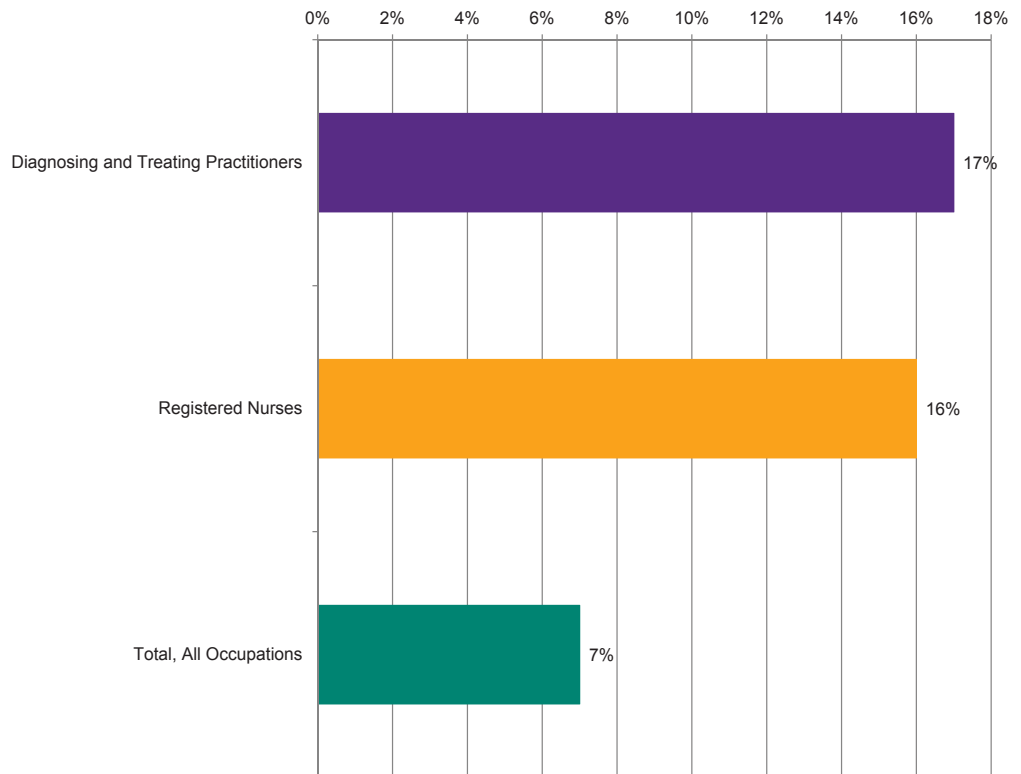
Registered nurses (RNs) held about 2.8 million jobs nationwide in 2014, and employment of RNs is expected to grow 16 percent from 2014 to 2024, much faster than the average for all occupations. Growth will be driven by technological advances in patient care, which permit a greater number of health problems to be treated; an increasing emphasis on preventive care; and the large, aging baby boomer population who will demand more health care services as they live longer and more active lives than previous generations.

Industry	% of RNs
Hospitals, public and private	61
Nursing care facilities	7
Offices of physicians	7
Home health	6
Government	6

Percent Change in Employment, 2014-2024

Source: Bureau of Labor Statistics, *Occupational Outlook Handbook, 2016-2017 Edition*

Although the shortage of health care professionals is not currently as critical as in years past, the demand continues to rise. A combination of factors, including the aging “baby boomer generation” of nurses who soon will be retiring, years of declining unemployment that give today’s workers more choices and younger people not choosing health care careers, are all causes for both long- and short-term shortages in the health care field.



Characteristics of Registered Nurses Across the United States

- According to a 2015 report from the National Council of State Boards of Nursing, the average age of all licensed RNs is 50 years
- Over 50 percent of RNs were 50 years of age or older in 2015, down from 53% in 2013
- More than 555,000 current RNs are projected to retire or leave the labor force within the next 10 years according to the U.S. Department of Labor

Kentucky Active Nurses

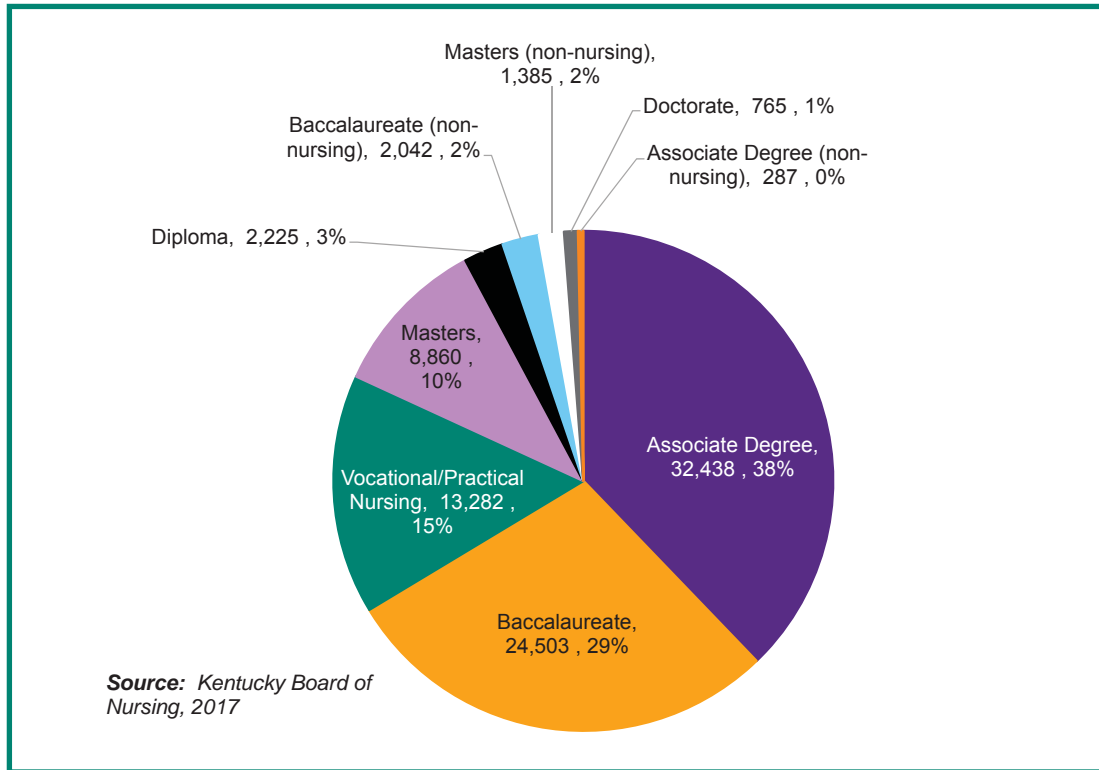
The total number of active nurses has increased by 5 percent over the past five years. The number of active RNs has grown by 12% whereas LPNs have decreased by 4%.

Year	Total	RNs	LPNs
2012	76,858	61,402	15,456
2013	78,811	63,355	15,456
2014	76,858	65,008	15,475
2015	78,811	66,702	15,195
2016	80,483	68,710	14,779

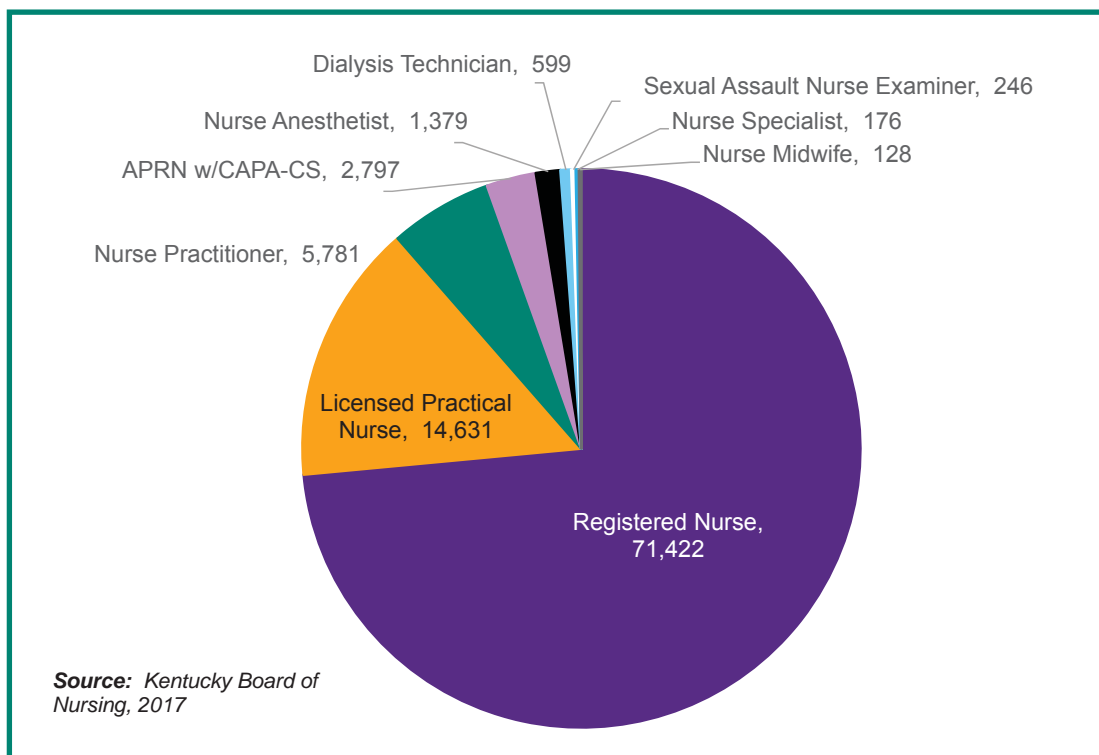
Source: Kentucky Board of Nursing, 2017

Distribution of Kentucky Nurses by Education Level: 2017

In 2017, 38 percent of all Kentucky nurses had an associate degree and 29 percent had a baccalaureate degree in nursing, followed by those with a vocational degree in nursing.

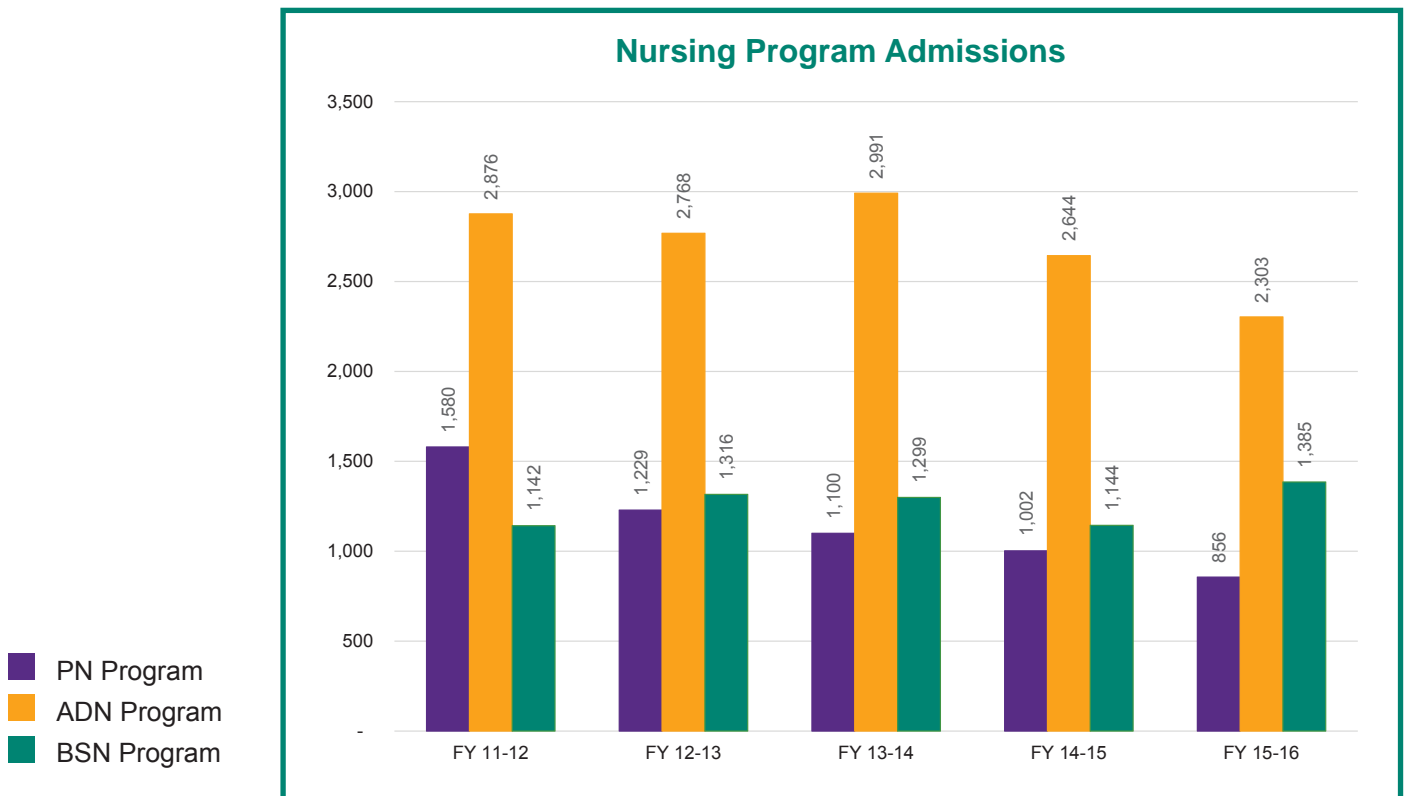


The majority of licensed nurses in Kentucky are Registered Nurses (74 percent). Licensed practical nurses make up the next highest percentage of nurses at 15 percent.

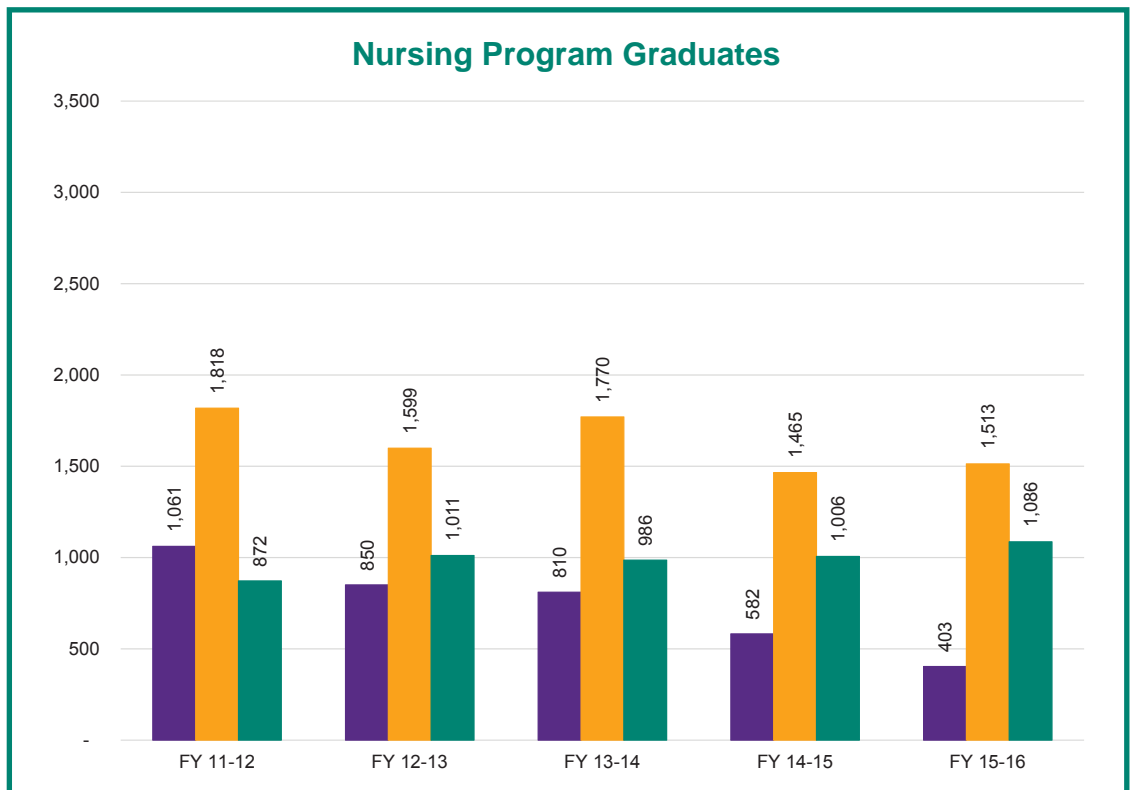


Kentucky Nursing School Admissions and Graduates

Kentucky successfully graduates, on average, more than half of all nursing school admissions.



Source: Kentucky Board of Nursing, 2017



Recruitment and Retention Strategies

Kentucky hospitals continue to employ a variety of strategies to meet the professional workforce demands of the state's rapidly changing demographics. For example, to retain current staff and attract new workers, Kentucky hospitals are offering improved compensation and benefits with flexible staffing options and opportunities for professional development. Several hospitals provide scholarships to students who agree to work at the facility upon graduation and some are pursuing foreign nurse recruitment.

The Physician Recruitment Struggle in Kentucky

For decades, Kentucky has had a shortage of physicians, particularly in rural portions of the state, creating a situation that, along with residents' poor lifestyle choices, has resulted in an unfavorable health status. Access to health care services is vital to the health of all Kentuckians. An adequate number of physicians, including an appropriate distribution of specialists by discipline and geography, are critical to ensuring that care is available.

As with many predominantly rural states, Kentucky has historically had difficulty producing, recruiting and retaining physicians. The state's rural counties have a high proportion of chronic illness, which places significant stress on physician practices and medical resources. While these high disease burdens are spread throughout the entire state, the most severe rates usually occur in Kentucky's 85 rural counties.

State	Primary Care Physicians	Specialty Physicians	Total Active Physicians
Illinois	20,114	19,368	39,482
Indiana	7,754	8,204	15,958
Kentucky	5,044	5,893	10,937
Missouri	8,753	9,897	18,650
Ohio	17,921	20,669	38,590
Tennessee	8,386	9,583	17,969
Virginia	10,747	10,789	21,536
West Virginia	2,636	2,499	5,135

Source: Kaiser Family Foundation State Health Facts

Kentucky hospitals utilize a number of federally supported physician recruitment programs including the National Health Service Corps (NHSC) and the State Loan Repayment Program to bring physicians to underserved areas of the state. These programs provide limited loan repayment services to physicians in exchange for serving in a federally designated area for two to four years. The NHSC also offers a scholarship program which assists in training providers.