1300 SW Topeka Blvd.
Topeka, KS 66612-1817
Phone 785-354-1174
FAX 785-235-3920

Testimony Before the Legislative Committee on State Hospitals
Submitted by: Rebecca Proctor
Executive Director, Kansas Organization of State Employees
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Members of the Committee:

My name is Rebecca Proctor, and I am Executive Director of the Kansas Organization of State Employees (KOSE). KOSE represents over 8,000 Executive Branch employees. We cover employees at over 300 worksites across the State, including the State Hospitals. While this year has seen some working condition improvements for employees at the State Hospitals, many challenges remain.

On the positive side, Secretary Keck and his staff are working on programs and initiatives to address employee concerns and to improve working conditions. Secretary Keck and I meet monthly to discuss issues at both state hospitals and to seek resolution. He has been proactive in seeking cultural change at both facilities to create a more professional, respectful work environment and has sought to fill open management-level positions with individuals who can help create this cultural change. These are necessary steps in the right direction. That said we are still at very early stages of this transition.

There are State Hospital employees here with me today, and I am going to let the two of them speak personally about the changes they have observed at the worksite. My focus will be on staffing.

I'd like to start with some background. While both hospitals have historically faced some staffing challenges, long-term employees indicate staffing levels became a serious problem following the voluntary retirement incentive offered by the Brownback administration in the fall of 2011. The purpose of the voluntary retirement incentive was to reduce headcount, and one of the program's specific requirements was that any positions vacated by employees taking the retirement incentive could not be subsequently refilled without the governor's approval. This enabled the state to meet

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the headcount reductions passed by the 2011 legislature (a reduction across all agencies of 2,343 full-time equivalent positions over the previous year).

The voluntary retirement incentive's lowered headcount resulted in more mandatory overtime for remaining workers at the State Hospitals. This overtime increase occurred during a period when state employees were not receiving regular pay increases. Prior to the 2016 pay increase for state hospital workers, the last across the board pay raise was granted in 2009.

The State itself recognized pay rates for direct care workers were not competitive, and used administrative regulations to provide two increases to starting pay in order to recruit new employees. However, the increases in starting pay were not accompanied by pay increases for existing workers (as those increases generally must be appropriated by the legislature). This created significant wage compression, where brand new employees earn within cents of employees with ten or fifteen years of experience. Many KOSE-covered employees have told us this is a primary reason for leaving state employment: they feel the state does not properly value their skills and experience.

When the legislature has appropriated funds for a pay increase, such as in 2016, the employees haven't felt the increase in their take-home pay, as the full increase and then some has been absorbed by increases in benefit costs. After the announcement this fall that employee health insurance premiums would increase, more employees communicated to KOSE that they planned to leave state service as soon as they could find other employment. It also must be noted the financial report for the state employee health plan reflects the plan's intention to increase the employees' share of plan costs over the next ten years, so this problem will continue. Without yearly pay increases that exceed increased benefit costs, state hospital workers (and all other state employees) will continue receiving annual de facto pay cuts. This is not a favorable environment for employee recruitment and retention.

The facilities run weekly vacancy rate reports, which unfortunately are not regularly shared with KOSE. We do have one such report for Larned State Hospital covering the weeks of August 24, 2016 through August 31, 2016. The primary direct care position listed is the MHDD Technician. There is also a listing for MHDD Technician—Temp. Between these two job titles, in August of 2016 there was a 32% vacancy rate (25.5% for MHDD's, 6.5% for MHDD—Temp). Also of note are the vacancy rates for physicians (53.3%), registered nurses (32.7%), licensed practical nurses (67.7%), and safety and security officers (38.3%). The overall turnover rate for the week included on this report was 32.25%.

At the end of October, vacancy rates were covered with the Larned State Hospital Leadership Team during their Leadership Meeting. The meeting minutes list vacancy rates for MHDD (23%), registered nurse (26%), safety and security (20%), and physician (53%). The report does not include vacancy rates for temporary classifications.

Although this shows progress from August through October, these are still significant vacancy rates for direct care positions. Evidence of high vacancy rates in direct care positions is also seen in the overtime experience of both state hospitals.

I have provided two graphs, one for LSH and one for OSH, reflecting hours of overtime per pay period from January 2, 2016 to October 8, 2016. The graphs were prepared using overtime numbers provided to employees by KDADS. Each includes a trend line to identify overtime numbers are trending. The high beginning number on both graphs for January 2, 2016 is due, in part, to coverage over the holidays when more employees utilize vacation time.

For LSH, there is an overall downward trend, which is positive. LSH overtime hours hit their lowest point in July 2016, but did not stay at this low level, reverting up again in August and September. Based on conversations with employees, the various reductions were due to new hires finishing training and working the floor. Reductions are not ongoing because a still relatively high turnover rate decreases the net gain. We know, based on previous experience, that these numbers will trend up again between Thanksgiving and New Years' due to vacation utilization. That said, KOSE is cautiously optimistic about staffing and overtime trend reductions at LSH.

For OSH, it is a different story as there is an overall upward trend. Overtime levels at OSH did drop through about the first quarter and a half of the calendar year, but then began a steep upward climb. While there have been some reductions through late fall, those reductions have not been significant enough to redirect the trend line. Based on conversations with employees, the trend is due to factors related to recertification.

As I understand the situation, seeking recertification for only a portion of OSH has resulted in distinct separations between units and staff that are part of the recertification and units and staff that are not. There is minimal crossover of direct care staff between the two. Because of this separation, fewer staff are available to cover shifts in the larger part of the hospital (the portion not seeking recertification), requiring more overtime from those who remain. Additionally, many employees we have spoken with are concerned about potential privatization of the facility. The concern we hear most often is that privatization will further reduce pay and benefits. The second most frequent concern is that if OSH is privatized, its operations will be moved to another part of the state. The uncertainty has caused some workers to seek other employment, further feeding the turnover and overtime rates.

Secretary Keck has repeatedly shared that he would like to see both state hospitals operate more like healthcare facilities. For perspective, the Compdata National Survey identified overall average turnover rates for healthcare facilities of 17.7% in 2014 and 19.2% in 2015. KDADS does not provide KOSE with turnover rates by position for either state hospital, but the overall turnover rates for both facilities are over 30%. Before significant progress can be made at either facility, staffing and turnover rates must be addressed.

We appreciate the efforts Secretary Keck has made thus far. However, we believe legislative action to improve employee pay and benefits is necessary to improve employee recruitment and retention and continue forward progress. Thank you for your time and I am happy to answer any questions you may have.