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Fitch: Staff Shortages Improving for U.S. NFP Hospitals

Fitch Ratings-New York/Austin-13 December 2022: U.S. NFP hospitals are still reeling from staff shortages, though this past month is showing incremental signs of improvement, according to Fitch Ratings in its labor dashboard for the sector.

Hospital and ambulatory healthcare services payrolls increased by 11,000 (+0.21%) and 23,300 (+0.28%), respectively, from October to November and job openings for the healthcare and social assistance sector declined by 86,000 to 8.7% in October 2022 from 9.1% in September, according to preliminary data released by the Bureau of Labor Statistics. Despite these improvements, the number of quits in the healthcare and social assistance sector remains elevated. “The high quits rate indicates that healthcare and social assistance workers have a high willingness and ability to leave their current jobs and highlights the pressure on health systems to provide increased wages and improved working conditions to employees,” said Richard Park, Director at Fitch Ratings.

A major near-term risk to labor costs is the current ‘tridemic’ related to the spread of flu, RSV and COVID-19 that has created capacity issues, especially for pediatric beds across the country. A continual increase in inpatient capacity and staff call outs for sickness could temporarily increase the need for contract labor and erode some of the agency staffing cost improvements that health systems have made over the past few months.

Fitch’s latest ‘Hospitals and Healthcare Systems Labor Dashboard: December 2022’ is available at ‘www.fitchratings.com’.

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