

SHEILA M. CULLEN, MEDICAL CENTER DIRECTOR, SAN FRANCISCO VA MEDICAL CENTER

STATEMENT OF
SHEILA M. CULLEN
MEDICAL CENTER DIRECTOR, SAN FRANCISCO VA MEDICAL CENTER
BEFORE THE
SENATE COMMITTEE ON VETERANS' AFFAIRS
APRIL 9, 2008

Mr. Chairman and members of the Committee, thank you for the invitation to appear before you today to discuss recruitment and retention challenges faced by the San Francisco VA Medical Center. I appreciate the opportunity to discuss our ongoing efforts to recruit some of the finest employees in the VA system and the challenges we face to retain these employees in one of the most expensive cities in the country.

The San Francisco VA Medical Center provides a full range of primary and tertiary health care services. We are proud to have five National Centers of Excellence, as well as the largest funded research program in VA.

Our Medical Center has had consistently high patient satisfaction scores. In our recent VA Office of the Inspector General (OIG) Combined Assessment Program Review, we were very proud that the patient interviews documented an impressive level of patient satisfaction with care at our facility. In our recent inpatient satisfaction survey, we scored better than the national average in several areas including the categories of "courtesy exhibited by doctors," "confidence and trust patients have with their doctor," and the "dignity and respect given to patients during their stay."

We have also had consistently high employee satisfaction scores. In the recently conducted VHA All Employee Survey, nearly 76 percent of our employees responded to the survey and our scores were better than the VHA national average in all areas except for categories related to pay. In Fiscal Year 2007, our nurses participated in a national nurse satisfaction survey. Our Medical Center rated in the top ten nationally for highest employee satisfaction scores. Our nurses also had the highest scores for our Network, VISN 21, in quality of care and overall job satisfaction. These high levels of satisfaction are noteworthy given our high cost of living and the challenges we face with recruitment and retention. We believe employee satisfaction and dedication to the mission of serving veterans directly leads to good patient care.

Accomplishments

In our ongoing efforts to ensure that we maintain a highly talented and motivated workforce, we have implemented several programs to aid in our retention efforts, as well as assist us in meeting the mission and organizational needs of the Medical Center. Our upward mobility program provides employees with an opportunity to obtain career positions through on-the-job and formal training.

We have a very successful "Grow Our Own" program for specialized occupations such as surgical technicians, nuclear medicine technologists, and diagnostic radiology technicians. This program provides educational and career advancement opportunities for staff in specialized fields

that are difficult to recruit and retain due to the competitive health care market. Without these efforts, we would have to rely on costly registry or contract staff to fill these vacancies.

We have a very successful program in place to hire new nurse graduates. Through this program, graduates are hired as temporary nurses without benefits. They are assigned a preceptor and work 40 hours per week gaining experience in clinical areas. After they complete a 12 week rotation, they have the opportunity to compete for permanent jobs. This program has an 88 percent retention rate. Our overall vacancy rate for nurses is 3.5 - 4.5 percent with a turnover rate of 11.95 percent. VA's national turnover rate is 10.55 percent, so we consider this to be excellent, in spite of the high cost of living in our area. The primary reason for turnover is attributed to retirements.

Our success in physician recruitment and retention can be credited to our strong affiliation with the University of California San Francisco. In addition, our unique mission of providing health care to veterans, as well as our excellent research and teaching programs, play key roles. The physician pay bill has also been instrumental in helping us to maintain our top notch medical staff.

We believe much of our success is due to our efforts to provide a good work environment, which includes adequate support staff, educational opportunities, state-of-the-art equipment and ongoing support of leadership.

Challenges

While we have been successful in developing effective and innovative programs to supplement our recruitment and retention efforts, we are continually challenged as a result of the high cost of living and non-competitive salaries in the Bay Area - specifically, we note that federal salaries across the board in the Bay Area are often not competitive with local providers. According to the National Association of Realtors, the median home price in the 9-county Bay Area is \$720,000 - three times as expensive as the national average. The median home price in San Francisco has increased by nearly 96 percent since the early 1990s. We fully utilize the authority to offer recruitment and relocation bonuses. Last year we paid out over \$200,000 in recruitment bonuses, \$129,000 for relocation bonuses and over \$1.8 million for retention pay.

A large percentage of employees in many services are approaching retirement age, while other services have a relatively young staff. Both present unique challenges either in recruiting qualified replacements for highly skilled retiring employees or retaining younger staff in highly specialized areas in a very competitive job market. Currently, more than 29 percent of our employees are eligible to retire.

In an effort to stay competitive we use the special salary rate authority, as much as possible. This has been somewhat successful for clinical support staff. Our Medical Center has 13.5 percent of our employees on special salary rates. Excluding nurses, the annual additional cost to our Medical Center budget is \$5.7 million. This is on top of the fact that we already have the highest geographical pay in the country which includes a 32.53 percent locality pay adjustment. In order to keep our retention rates above the 80th percentile, we have approved salary increases for our

Registered Nurses which have ranged from 5-8 percent annually. The 2008 annual salary increase for all professional nursing categories was nearly \$3 million.

Another challenge is the limitation in developing special salary charts for difficult-to-fill occupations. Current law only allows the General Schedule salary chart to be extended out an additional 18 steps. In our high cost economy we have reached our maximum effectiveness with many of our GS direct patient care occupations. Due to the 18 step limitation, our special salary charts for these occupations has become severely compressed. Since most of these employees are hired in difficult to recruit clinical specialties, their salary is often set at the higher end of the pay range. This limits their opportunities for future step increases.

Another emerging pay situation is with our Certified Registered Nurse Anesthetists (CRNA), who are compensated under the Nurse Locality Pay System. Our CRNA pay schedule has reached the statutory pay limit, so staff can only receive the mandated annual cost of living increase. What this means is that we cannot offer a salary any higher than the statutory limit of \$139,600 even though our local labor market shows that salaries for a CRNA is at a median salary of \$171,334. Therefore, we have had to maximize the 25 percent retention incentive for this occupation.

VA has many effective training programs that serve to support our recruitment efforts and have proven their efficacy. We are currently exploring possibilities for expanding these programs to other professional areas.

The recent mental health initiative has given us the opportunity to increase our mental health capacity. However, since so many facilities nationwide are competing for limited numbers of psychiatrists and psychologists it has been a challenge to fill all of our positions, particularly in rural areas. In addition, recruitment of primary care providers in rural areas proves to be increasingly difficult.

In summary, the San Francisco VA Medical Center has made great efforts to recruit and retain qualified personnel through our innovative training programs, financial incentives, and commitment to the advancement and growth of our staff. As our work force ages, the recruitment and retention of highly qualified employees will be even more important and our challenges greater. We are committed to facing these challenges head on and will continue to look for new and innovative ways to maintain and enhance our workforce.

Mr. Chairman, this concludes my statement. I am pleased to answer any questions you or the Committee members may have.