

Friday, June 17, 2022

MHA Strategic Initiative – MEMBER HOUSING SURVEY RESULTS

In an effort to support the communities served by the members of the Montana Hospital Association (MHA), the Board of Directors has requested MHA evaluate the housing needs of hospitals and an engagement strategy to advance policy and initiatives that support the outcomes of the survey.

Mission: Montana Hospital Association is the principal advocate for the interests of members in their efforts to improve the health status of the communities they serve.

Vision: Montana Hospital Association, in partnership with our communities, will make Montana a top 10 healthy state.

Goal: Increase the supply of workforce housing units.

Strategy: Identify specific needs of the healthcare community and resources available to improve access to quality, affordable housing.

Objectives:

1. The first objective is to design and administer the MHA Healthcare Housing Survey to MHA members to determine local community housing needs.
2. Healthcare represents a major percentage of Montana's workforce, yet is underrepresented on the policy boards and commissions that influence the healthcare workforce's ability to access quality, affordable housing.

Based on the outcomes of the survey, MHA will advocate for member interests to policy makers and committees at the local and state levels.

With this information, MHA is working with stakeholders (MT Chamber of Commerce, the MT Bankers Association, MT's Credit Unions and the School Administrators of MT) to develop and promote policy and legislative solutions that address the current workforce and housing issues facing healthcare providers, as well as, all employers.

Situation Report:

Montana's housing shortage has plagued communities for the last few decades, but due to a perfect storm of challenges, has recently become a severe community development issue. Homelessness, functionally negative unemployment rates, economic growth that requires additional workforce, and communities' ability to provide basic services all tie back to housing.

For the last few decades the cost of land and materials has outpaced income, which by itself would negatively impact access to housing. In combination with more households aging-inplace, living longer, and in smaller households has brought the housing issue to a boiling point. Add rapid appreciation, inflation, lack of skilled labor, and supply chain interruptions, we now have a crisis.

There is no silver bullet to fix the housing issue. Every community has unique barriers. There are communities resistant to new patterns of development that may include higher density zoning, infill, relaxed design standards, fewer exactions, and reduced fees. Other communities face structural barriers such as inadequate water rights, distressed transportation infrastructure, and hard barriers against where a town can grow. Communities with abundant developable real-estate may not have the tax base to support new infrastructure and services or the household income to afford the cost of new construction.

In the larger communities, in-migration has exacerbated the situation. For the last two years, Montana has had the highest net inflow of moves per capita in the United States and the trend is likely to continue through 2022. This is most visible the largest cities, such as Bozeman that grew 42% between 2010 and 2020. On the other hand, eastern communities like Miles City experienced a population decrease of 5% over the same period of time, losing a critical economic base and workforce along the way.

Impact on Healthcare:

The healthcare industry and the hospitals on the front line of the care delivery system are experiencing the brunt of the housing shortage. Hospital employment has grown 30% from 2005 to 2019, almost double the state average employment growth. In 2019 it was estimated that hospitals would need to add 1,000 new employees per year just to keep up with prepandemic demand. Last year the MHA Workforce Development Council's *workforce demand survey* identified that the number one workforce challenge for Montana's hospitals was housing.

According to a recent study conducted by the Bureau of Business and Economic Research at the University of Montana, hospitals in Montana support 12% of the state's personal income, 14% of the population and 17% of the state's employment. Healthcare makes up the largest share of payroll employment by major industry in the state.

Any other industry with this growth trajectory facing these types of headwinds would pick up and move to a better location. But, as we all know, community healthcare only works in the communities they serve. Montana's hospitals are committed to delivering exceptional healthcare and improving the health status of every community in Montana any way they can. The goal of focusing on housing is to help communities across Montana stabilize access to housing in a manner that supports not only healthcare's needs, but the needs of the entire community. Stable housing aligns perfectly with Montana's hospitals' mission to improve population health, social determinants, and patient outcomes.

Housing Survey SCOPE:

1. Survey outcomes:

- a. Actionable data that outlines the housing needs, barriers, and opportunities for the healthcare industry.
 - i. In addition, MHA will work with the Montana Chamber to release a general housing needs survey applicable to all employers in the State of Montana to demonstrate the breadth of the housing problem and opportunities.
- b. Earned media that keep relevant issues in front to the public and policy makers.
- c. Initial identification of potential partners and assets available to perfect.
- d. Data to inform discussions with USDA and other agencies.
- e. Improved access to new or existing planning grant programs that can support housing planning and development.
- f. A general understanding of impediments to accessing quality, affordable housing.
- g. Based on the findings of the survey, a clearer understanding of where to align with other associations, industries, and stakeholders to amplify our voice with policy makers.

2. General stakeholders:

- a. Montana Chamber of Commerce
- b. MPCA - Montana Primary Care Association
- c. MMA – Montana Medical Association
- d. MDA – Montana Dental Association
- e. MSAE – Montana Society of Association Executives
- f. Montana Lodging and Hospitality Association
- g. Neighborworks Montana
- h. MEDA / Big Sky Economic Development
- i. MACo – Montana Association of Counties
- j. MLCT – Montana League of Cities and Towns
- k. MAHB – Montana Association of Home Builders

- l. MAR – Montana Association of Realtors
- m. MBA – Montana Bankers Association
- n. Montana's Credit Unions
- o. SAM - School Administrators of Montana

Housing Survey RESULTS:

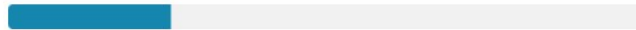
✓ 1 Is inadequate and/or lack of available housing for permanent/temporary staff or patient families an existing priority or concern for your health system?

35 out of 35 people answered this question

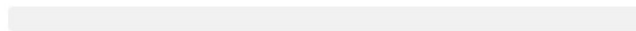
Yes. It is among the top 3 priorities 26 resp. 74.3%



Yes. It is a concern, but not a top priority 9 resp. 25.7%



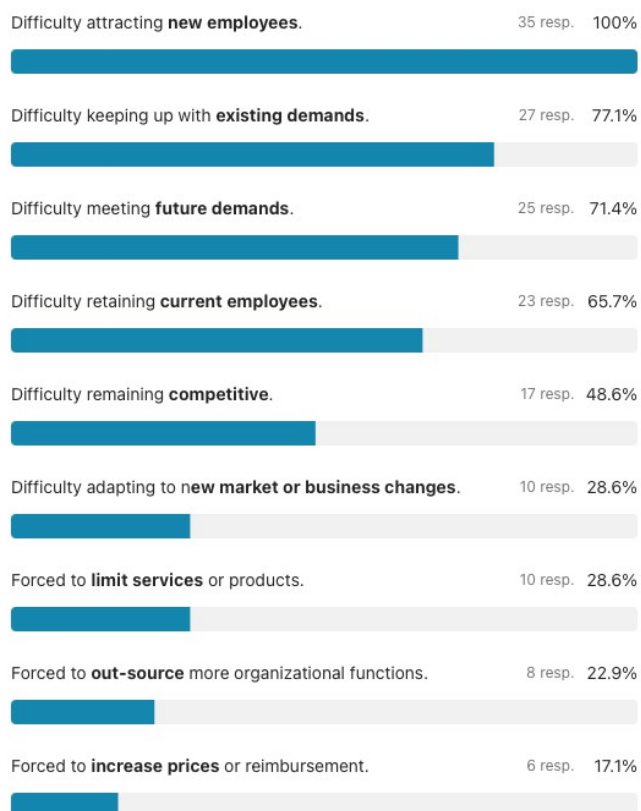
No, it is not a concern at all 0 resp. 0%



FINDING: 100% of hospital leaders in Montana are concerned about housing and $\frac{3}{4}$ consider it a top priority.

✓ 2 How is inadequate and/or lack of available housing impacting your organization? (Select all that apply)

35 out of 35 people answered this question (with multiple choice)



FINDING: 100% of hospitals are having difficulty attracting new employees due to housing obstacles.

In addition, a substantial majority of hospitals are experiencing adverse consequences that impact current and future demand management and current employee retention.

3 Please share your thoughts about how the availability of adequate housing is impacting your ability to provide exceptional healthcare in your community and across Montana.

34 out of 35 people answered this question

If we don't have adequate housing, we can't recruit or retain adequate staff, which keeps us from staffing appropriately, placing us at risk of poor patient care due to staff burnout. It also requires an increased use of travel staff, which is much more expensive due to exorbitant fees, housing and travel expenses. That funnels money away from employee wages, facility improvements, and equipment purchases. In the end, the community loses.



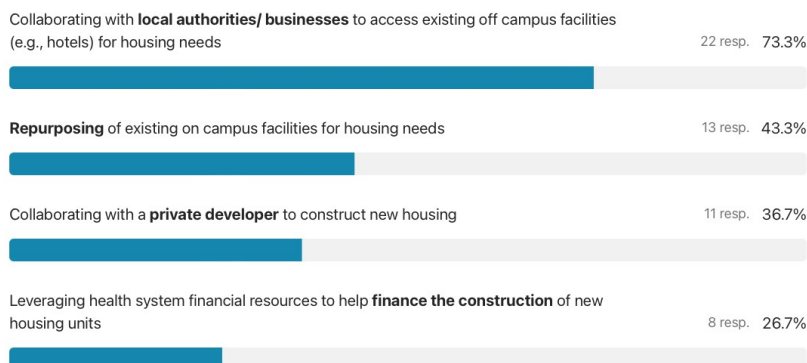
FINDING: Housing is necessary to “attract & retain the talent we need to provide the care our communities deserve & expect.”

4 Please rank the following housing needs in order of priority to your health system:

35 out of 35 people answered this question

#1	Housing for permanent non-physician hospital and health system employees	#2.8 average
#2	Housing for temporary non-physician hospital and health system employees (e.g., traveling nurses)	#3.31 average
#3	Housing for low and very low-income families	#3.34 average
#4	Housing for physicians	#3.43 average
#5	Family housing	#3.74 average
#6	Housing for seniors over age 62	#4.37 average

5 What strategies are currently in place (or being explored) by leadership to help address these concerns? (Select all that apply)



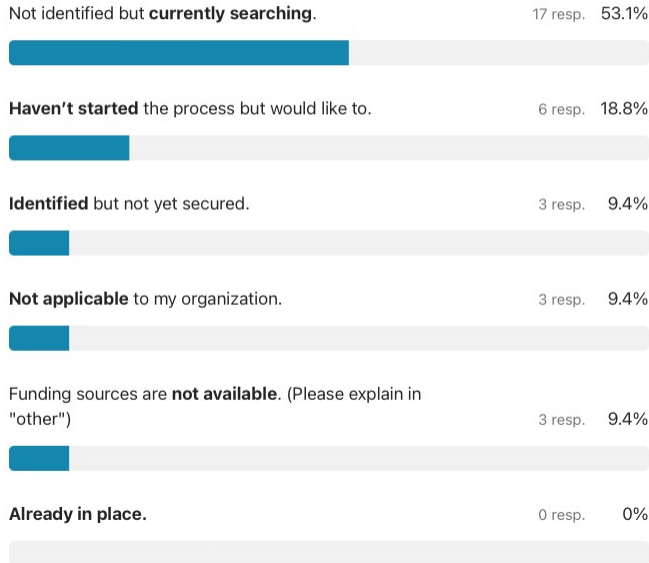
FINDING: Workforce housing is the top priority and is necessary to support the health of the community.

FINDING: Collaboration is the primary strategy.

FINDING: A substantial

✓ 6 In your opinion, are funding sources needed for additional housing development in your community:

32 out of 35 people answered this question



7 What's contributing to the housing problem in your community? (Please rank order)

34 out of 35 people answered this question

#1	Lack of existing single-family homes for sale.	#2.44 average
#2	Lack of apartments for rent.	#4.09 average
#3	Homes are too expensive , but available to purchase.	#4.65 average
#4	Land is too expensive , but available to purchase.	#5.15 average
#5	High cost of construction materials .	#5.38 average
#6	Lack of available land for new housing development.	#5.5 average
#7	Apartments are too expensive , but available to rent.	#6.03 average
#8	Availability of construction materials .	#7.15 average
#9	Scarcity of trades and other construction workers.	#7.74 average
#10	Land use regulations are too restrictive.	#9.15 average
#11	Land use regulations add too much expense .	#9.65 average
#12	Other	#11.09 average

FINDING:

majority of hospitals do not have the financial tools to fund housing.

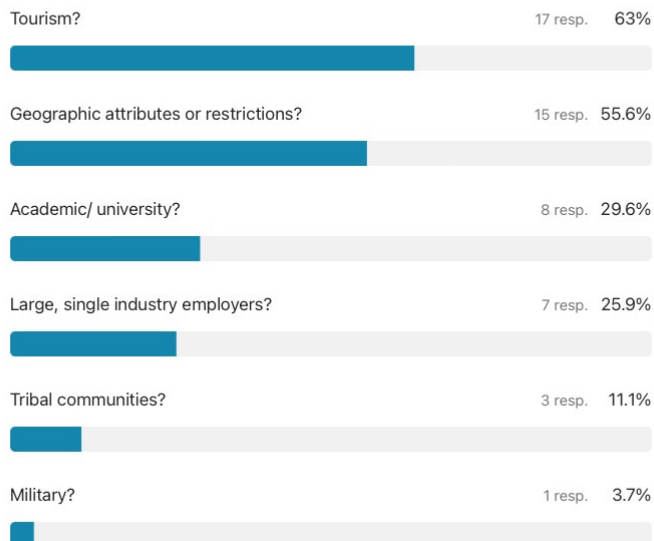
Hospitals are laser-focused on delivering exceptional healthcare and improving the health of their communities. While housing is a critical component of community health, it is not an area hospitals have expertise, or even permission to address. Non-profit status and CMS compliance may add complexity to these types of initiatives.

FINDING: Simply put, lack of inventory is the primary barrier to accessing housing.

While the obstacles differ in each community, the common themes are high cost and low supply.

✓ 8 Are there any specific demographic or market factors unique to your community that present opportunities and/or challenges?

27 out of 35 people answered this question (with multiple choice)



9 Please describe how these demographic or market factors impact the availability of housing.

28 out of 35 people answered this question

10 Would your hospital consider engaging professional advisory services to develop an actionable strategic housing action plan?

35 out of 35 people answered this question



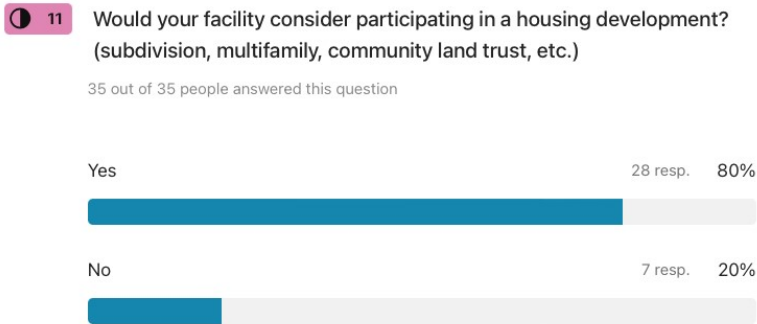
FINDING:

Over 12 million visitors to Montana spent \$5 billion in 2021. While a critical economic input, out-of-state visitation has compounded the housing problem in 2/3 of our communities.

In over 1/2 of the communities represented in the survey, geography is a limiting factor. Flood plains, lack of developable real estate, and adjacency to public lands top the list.

FINDING: Every community in Montana is struggling with lack of available inventory, builders, and costs.

FINDING: Nearly 2/3 of all respondents would participate in a community housing plan.



FINDING:

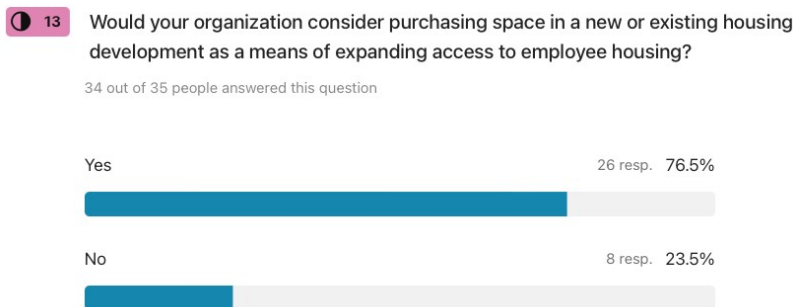
four out of five respondents are interested in directly participating in a housing development.

Financial resources and

compliance continue to be a barrier.



FINDING: Where inventory is available, 85% of healthcare institutions are interested in directly leasing housing.



FINDING: $\frac{3}{4}$ of respondents would be interested in purchasing housing to support their workforce.

(Questions 14-16 are about the location of respondents)

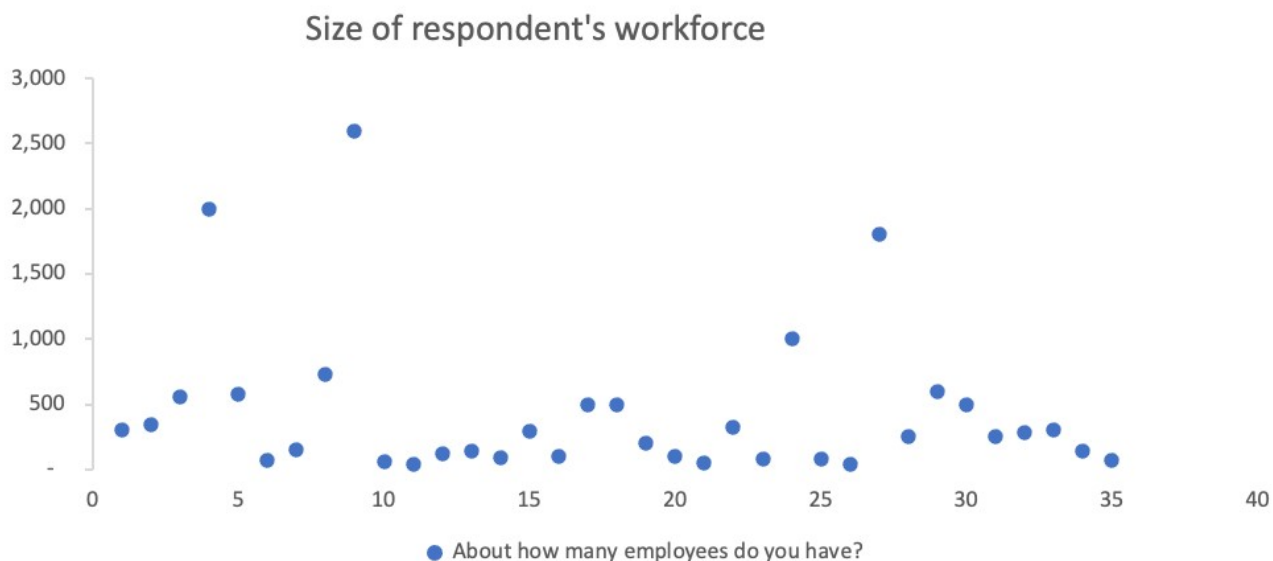


FINDING:
FINDING: The composition of the survey respondents reflects the diversity of facilities across Montana.

Survey Respondents: Number of Employees

Total	15,215
Mean	435
Median	250
Smallest	40
Largest	2,600

FINDING: Survey respondents represent about half of the hospital workforce in Montana and are a representative sample of facilities by size and employment.



14 So we can better understand the regional impact of Montana's housing concerns, please tell us more about you. Are you located in Montana?

35 out of 35 people answered this question



FINDING: Survey respondents represent the geographic diversity of healthcare settings across Montana.

