HEALTHCARE & HR: 7 KEY TRENDS YOU NEED TO KNOW
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With new technologies, emerging skill sets, ever-changing regulations, and increased competition from non-traditional competitors, the healthcare industry remains in a constant state of flux. Fortunately, Mercer has kept a pulse on this dynamic industry, highlighting the most relevant insights and trends with the US IHN Healthcare System & Hospital Compensation Suite, an annual collection of surveys incorporating data from over 2,000 organizations.

While administering these surveys, Mercer regularly interacts with employers of all sizes, gaining intimate knowledge on the major issues they are facing in any given year. For 2018, the following seven trends were identified as being top-of-mind amongst industry professionals.
More Power to the Patients
Mercer’s 2018 IHN research found that, for many modern healthcare providers and organizations, it’s now the patients who are carrying much of the influence on decision making - or at least more so than they did in the past. As a result, issues such as patient feedback and response time are becoming increasingly important to the modern approach to healthcare, with many doctors and physicians now engaging their clientele in entirely new ways.

In addition, patients also have more choices than ever, with apps that allow them to locate the cheapest places to have X-rays or lab tests, or which nearby providers have the best reviews and recommendations. Some hospital websites are even starting to provide access to their current ER wait times to compete with the convenience and accessibility of mobile apps and online tools. These types of initiatives, and similar strategies that address modern patient expectations, are ultimately helping patients to have a much better overall experience.

The Rise of Preventive Care
Another healthcare-related trend gaining popularity is the growing movement away from reactive care to preventative care. While many people do still wait to go to the doctor only after they’re already sick, this is becoming less and less common. Instead, the past several years have seen an increased emphasis on early diagnosis and prevention, and there’s been a significant uptick in routine annual health exams, physicals, and regular checkups.
Because of this increased emphasis on prevention, several positions once viewed as niche have become more common. Those jobs are also receiving higher-than-average pay increases in some cases. For example, Mercer’s 2018 research saw:

- The “health coach” position received a 3.1% increase in pay.
- The “wellness specialist” position received a pay increase of 4.8%.
- The “health educator” position received a 5.1% pay increase.
- The “nurse navigator” position saw a 10.9% increase.

Of course, popular apps and devices are empowering patients as well, helping them identify issues early on and making the entire healthcare experience more intuitive. Whether it’s wearable devices, fitness trackers, home-monitoring tools, or online patient portals, healthcare organizations and non-traditional competitors are putting effort into making preventative health management easier, more accessible, and more affordable than ever.
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A MOVEMENT AWAY FROM HOSPITALS AND PHYSICIAN PRACTICES

Home Health & Outpatient Centers

As long as home health and outpatient centers can provide more affordable alternatives to hospitals, they’ll likely continue to gain popularity. In reaction to this trend, the Mercer US IHN Healthcare Suite has expanded to accommodate data around emerging positions within these physician practices, outpatient clinics, and home health/hospices. As it turns out, survey participants are welcoming the opportunity to provide information about this growing industry and their workforce. Mercer’s 2018 data shows a 200% increase in the number of participants in the IHN Physician Practices/Outpatient Clinic Module.

One of the major factors contributing to this shift away from hospitals and traditional practices is the rising cost of healthcare in general, including everything from treatment to insurance to medicine. Meanwhile, for certain illnesses, broken limbs, and other “minor” ailments, patients are finding it more affordable to have surgical and other procedures performed at outpatient centers instead of hospitals.
Retail Clinics & Telemedicine

The growing movement away from hospitals and physician practices also stems from the increased accessibility to retail clinics and telemedicine. Just think about it: If someone has symptoms of a cold/flu, it’s much easier for them to stop by a retail clinic for a quick diagnosis and get a prescription filled right away versus the traditional hassle of calling a doctor, waiting a day or two for an appointment, and then going to a pharmacy some time later to pick up their medicine.

Other benefits of retail clinics also make them particularly appealing to younger generations.

**FOR EXAMPLE:**

- Individuals without established primary care physicians can visit retail clinics for quick and relatively affordable care on a convenient “as-needed” basis.

- Retail clinics are better suited to people who have fewer chronic illnesses (more common for younger individuals).

- Immediate access to information, a result of smartphones and the internet, has changed expectations as to what is an “appropriate wait time.” Many individuals (again, younger ones in particular) expect much faster response times in nearly all aspects of healthcare.

Telemedicine also allows patients to easily interact with their doctors. All they need is a smartphone or computer and a Wi-Fi connection to instantaneously connect with their physicians, no matter where they are located. This huge leap in communication capabilities...
is particularly helpful for those living in rural areas, where access to hospitals and other brick-and-mortar healthcare resources is more difficult.

As these factors continue to increase the accessibility of medical professionals, physicians’ workloads are also increasing. Therefore, HR professionals need to consider how this mounting demand is impacting workflows within healthcare facilities.

**FOR EXAMPLE:**

- What new roles might be created to accommodate the impact of telemedicine and around-the-clock accessibility? During in-person client meetings for the 2018 IHN, this topic received a lot of attention and interest from participants. Still, most of the surveyed organizations indicated that they’ve yet to establish jobs for telemedicine-based positions such as physicians, coordinators, registered nurses, or telepsychiatrists, but the majority said they were more actively looking into these positions to satisfy growing demand.

- What new skills and training will doctors need to successfully juggle their increasingly diverse responsibilities?

- How will the average doctor adapt to handle his or her day-to-day duties, balancing their virtual patients with their more-traditional face-to-face appointments? In the near future, there will be a large increase in doctors who only specialize in telemedicine.

Regardless of what the future holds, it’s practically guaranteed that these alternative sources of healthcare guidance will redefine the roles that both traditional and virtual providers play. This, in turn, will have an impact on the pay, benefits, and work/life balance that traditional and virtual practitioners receive, as well.
Are Boomers Staying or Leaving?

For years now, HR professionals have been preparing for experienced boomer-aged doctors and nurses to retire from the healthcare field, while also addressing the increased demand for healthcare services from this demographic. With people generally living longer and subsequently needing more care than ever before, this has been a source of worry for some time. But, are we actually facing an exodus of physicians and nurses from the workforce, or is this fear still unfounded?

The answer, it seems, is both yes and no. Research has found that many boomer-aged doctors are still working. One of the reasons for this is that many medical professionals don’t feel like they have enough money to retire, and need to continue working to ensure they have the finances to live comfortably. However, many are also finding ways to have more free time outside of work, without retiring fully.

With the increasing popularity of telemedicine, doctors now have the luxury of working from home. New work options are also enabling boomers to put off retirement while still shifting their work-life balance. Doctors working in urgent or immediate care centers are often given the option to work only one or two days a week, significantly reducing their workload and stress while also allowing them to continue working without retiring completely.

These changes in expectations and to the work paradigm mean that HR will need to think differently about how to engage, retain, and even, in some cases, attract boomer-aged nurse and physicians. Pay practices and even communication styles and methods may need to be different now and again in the future – the effects of these trends are wide-reaching.
And what about when the boomers do finally retire? How will we stop the knowledge and learning from the collective years of experience from walking out the door with them? This is something for HR to consider now: How can we design our career architectures and learning and development programs to lead to effective knowledge transfer and capacity building for the incoming workforce?

Nurse Retirement Trends
As for nurses, 2018 research shows that senior-experience level professionals in this category are actually retiring at notable rates, more so than boomer physicians. Many hospitals and other healthcare facilities are scrambling to attract and retain skilled replacements who have comparable levels of nursing experience. As such, the competition for nurses is continuing to increase (in an already highly competitive labor market), as observed in Mercer’s IHN survey data.
Nursing Shortages Continue
Research shows that the majority of cities throughout the US are experiencing nursing shortages, with the degree of severity varying by location and specialty. However, most agree that the demand for nurses is increasing throughout the healthcare industry as a whole, especially as a growing number of more experienced nurses opt for retirement or try to obtain more flexible hours.

**2018 Global Talent Trends** research showed that 51% of today’s employees want more flexible work options, while 78% of employees would be happy to work on a contract basis. Fortunately, many employers are already providing working nurses with fairly flexible contract and/or per-diem arrangements, making it easier for them to adjust.

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Hospitals are struggling to pinpoint precisely where they’ll recruit nursing talent from in the future. While 51% of organizations say they currently have a formal relationship with a training program and/or educational institution for recruiting nurses, many of these companies expect to see a teaching shortage at these schools in the future, resulting in a corresponding nursing–student shortage.
Bonuses & Reimbursements: Popular Ways to Attract & Retain

To increase the recruitment and retention of nurses in the workforce, many organizations are providing more money, better benefits, and improved working conditions, as well as incentives like tuition reimbursements and sign-on bonuses.

The latest IHN research found some noteworthy pay increases almost across the board when analyzing same-company/same-job nursing data year over year:

- The medical assistant job saw a 4.2% pay increase from 2017 to 2018.
- The registered nurse job saw a 4.5% pay increase from 2017 to 2018.
- The physician assistant job saw a 4.9% pay increase from 2017 to 2018.
- The medical office/clinic CNA job saw a 6.6% pay increase from 2017 to 2018.
- The nurse shift supervisor (charge nurse) job saw a 7.3% pay increase from 2017 to 2018.
- The medical office nurse job saw a 10% pay increase from 2017 to 2018.

Meanwhile, 52% of organizations say they are currently giving sign-on bonuses to their nurses, and 89% of organizations said they’re doing so to better compete against the local market. Sign-on bonuses are more commonly given to experienced nurses, and these bonuses can get quite high for specialty areas. The highest bonus that was observed in Mercer’s 2018 US Clinical Pay Practices Survey was $15,000. Employee referral bonuses are also becoming a typical practice.
However, while many of these recruitment and retention policies are popular, they seem to vary in terms of actual effectiveness. For example, tuition reimbursement can help get more nurses hired from nursing schools, but some hospitals have said that this only helps to retain them for a year or two before they move on. Still, there is a good percentage of hospitals who say that tuition reimbursement is actually helping them recruit more nurses who then stay for prolonged periods of time after their required tenure expires. In the future, this issue will certainly be examined more closely: why are some hospitals able to get them to stay, while others are losing them right after they meet their requirements?

The Company Mission

Just like in other industries, the mission statement of an organization or company is becoming more meaningful to employees, particularly those in care-based professions such as nursing. This is especially true for the 30% of millennials currently making up today’s entire workforce, as well as the members of Generation Z who are starting to enter alongside them.

Mercer’s studies in recent years have shown that providing meaningful work is one of the critical components to attract and retain members of these younger demographics across all industries. To do this, organizations must clearly communicate a compelling mission statement. Many companies had been revising their mission statements to focus on more emotional rewards, or rewards that allow employees to feel like the work they’re doing has true purpose, value, and meaning for the world around them.

Mercer’s direct discussions with clients and several in-person hospital group meetings also revealed that younger nurses are indeed drawn to workplaces that promote positive values. So, if you’re an HR professional competing for emerging talent in a field as competitive as nursing, then providing an attractive mission statement focused around emotional rewards could give you a significant advantage when it comes to connecting with this demographic.
The Increase in Specialized Medicine

The healthcare industry is seeing an increase in jobs that support specialized branches of medicine such as endocrinology and oncology. While Mercer’s surveys have traditionally focused on basic categories such as laboratory, radiology, nursing, dietary, and so on, the 2018 Mercer US IHN Healthcare Suite included many new jobs and job categories to accommodate emerging trends in specialized fields.

For example, the diabetes category now encompasses jobs as diverse as diabetes educators, dieticians, counselors, health coaches, and even wound-care nurses, and podiatrists. Meanwhile, cancer and cancer-related branches of study such as chemotherapy and radiation have created numerous new job categories for nurses, technicians, medical physicists, dosimetrists, and so on. This past year also saw a special “nurse navigator” category created for oncology and a variety of other specialized positions, as well.

Paying More for Specialized Services

With specialized branches of medicine, many of the specialists working within them expect premiums for their unique services and skills. Whether it’s intensive care, emergency services, cardiology, neurology, surgery, or something else that requires a highly specialized set of skills and training, the vast majority of these providers command pay premiums. As a result, some hospitals pay a differential separate from their base pay which can be easier to eliminate should circumstances change, versus a base pay increase which is more difficult to remove.
More Organizations Are Getting Into Healthcare

Today, it’s not just larger hospitals, institutions, and health insurers buying out their smaller competitors. There is also the growing trend of giant organizations such as Apple, Microsoft, Amazon, Berkshire Hathaway, and even JPMorgan Chase getting into the healthcare industry. While this might come as a surprise to some, it makes a bit more sense when you consider that healthcare is one of the biggest industries in the US, and it’s only expected to grow – especially as the technologies that many of these gigantic organizations specialize in become more intertwined with healthcare as a whole.

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While speculation about Amazon’s foray into healthcare has been rampant for some time, it’s not yet a major trend for multinational powerhouses to buy out complete hospitals or healthcare clinics. However, more and more news headlines are suggesting that companies like Amazon, JPMorgan, and Berkshire Hathaway are working together to create bold new solutions that could restructure healthcare as a whole, while also utilizing top talent to spearhead these initiatives and develop medical supplies for US hospitals and outpatient clinics around the country.

It remains to be seen just how much these mergers will impact healthcare trends and costs for thousands of Americans. However, for HR professionals – and virtually any other individuals working within the healthcare industry – it is certainly an important issue to keep an eye on.
21st Century Healthcare, Redefined
Whether it’s the unprecedented convenience afforded to patients and doctors alike by telemedicine, or the ever-expanding range of new healthcare apps streamlining the way people seek and receive treatment, there’s a constantly growing influx of exciting new tech-related jobs and capabilities. Unsurprisingly, the vast majority of these health-tech jobs are experiencing rapid growth and demand, while also changing the industry in major ways.

The Ongoing Impact of Electronic Records & Data Storage
Research has found that Epic EHR (electronic health records) and Cerner EMR (electronic medical records) are the two biggest software databases gaining traction throughout the healthcare industry. While previous years observed many institutions undergoing the transitional phases of getting these systems up and running, this year’s data showed that now, for the most part, hospitals are more concerned with maintaining these systems than simply getting them operational (that hurdle, for most organizations, has finally been passed).

Ensuring Security in the Digital Age
While electronic records and digital storage have made it easier for hospitals to keep track of patient information, it’s also made that information much more susceptible to cyber theft. By law (HIPAA), hospitals and other healthcare facilities are expected to go the extra mile to ensure that data is kept safe and confidential. However, the competition for cybersecurity and related talent is fierce, especially since countless other industries are also vying for these skills, as well.
Data Analytics & Biometrics

Another big consideration that comes along with increased technological capabilities is the increased need for advanced data analytics and biostatistics. Of course, data analytics have been prominent in the healthcare industry for quite some time, and very often can be carried out by a standard analyst with a mathematical background and relevant database experience.

However, biostatisticians almost always require more formal training and education before they can enter the workforce in any capacity, usually in the form of a PhD. Therefore, hospitals and healthcare insurers are finding it difficult to provide adequate salaries for these biostatisticians, especially since other industries are also competing for their high-value skills – and are often able to give out much higher salaries to retain them.
ARE YOU READY TO BUILD A FUTURE-ORIENTED HEALTHCARE STRATEGY?

In 2016, the Bureau of Labor Statistics predicted that healthcare jobs would grow 18 percent from 2016 to 2026 – much faster than the average for all occupations. Today, it’s critical for HR professionals and healthcare administrators to understand which positions and skills will remain or become the most valuable as the industry continues to change.

Fortunately, Mercer’s annual US IHN – Healthcare System & Hospital Compensation Suite can help you evaluate your department salaries from top to bottom, whether for executives, managers, informatics and technology, or any number of other professions. Then, as more healthcare organizations focus their attention on shifting patient and employee expectations, you can be confident that you have the most reliable information on nearly 900 positions across over 2,000 organizations.

For even more info on the insights contained within the US IHN, download the free 2018 IHN brochure today!

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