

# New Strategic Realities in a Post-COVID World

with Ian Morrison, PhD, author, consultant, and futurist

Throughout the COVID pandemic, hospitals and health systems played a pivotal leadership role in serving their communities. While the last *Futurescan* reported on the changes that were still emerging under the cloud of the pandemic, this edition chronicles how some of these new realities have become permanent fixtures in the health care environment. It spotlights subject matter experts in workforce recruitment, marketplace disruption, cybersecurity, emerging demographic trends, health equity, artificial intelligence (AI) in clinical and business operations, responding to capacity surges, and the essential element of trust. As health care executives strategize for a future that no one could have imagined three years ago, they will find this edition of *Futurescan* to be a thoughtful resource on how and where to lead their organizations in a post-COVID world.

## Workforce Trends

Personnel shortages have emerged as the top concern among CEOs, and all levels of employees have been affected. Burnout is one of the most prominent reasons for turnover, and the employees left behind necessarily take on the additional work, leading to a ripple effect. Corey Bruner, director at global consulting group Huron, expects this trend to continue over the next few years. He



highlights multiple factors leading to the turnover tsunami:

- Workers in all industries have reevaluated their life and work priorities and used the high-demand environment (partly induced by federal stimulus and escalating wage rates) to find new roles and positions.
- Many workers see hybrid and remote work as the new normal and will shift organizations to maintain it.
- Many workers in finance, administration and information technology have skill sets attractive to employers in other industries.

Health care must adjust to provide flexibility to all staff to remain competitive. Bruner provides practical advice on how to craft compensation and benefit schemes that lead to increased workforce retention and aid in recruitment.

## Competitive Environment

Before COVID-19 emerged, the health care arena was seeing an influx of interlopers from nontraditional organizations such as Amazon and Apple, but the pandemic spurred changes in how health care services will be delivered going forward. Sam Glick, global leader in Health and Life Sciences at Oliver



## About the Subject Matter Expert

Ian Morrison, PhD, is an author, consultant, and futurist. He received an undergraduate degree from the University of Edinburgh, Scotland; a graduate degree from the University of Newcastle upon Tyne, England; and an interdisciplinary doctorate in urban studies from the University of British Columbia, Canada. He is the author

of several books, including the best-selling *The Second Curve: Managing the Velocity of Change*. Morrison is the former president of the Institute for the Future and a founding partner of Strategic Health Perspectives, a forecasting service for clients in the health care industry.

Wyman, discusses the new competitors and why it may be time for health care executives to reconsider the legacy health system model.

It would be foolish to dismiss industry newcomers, Glick says; they will inevitably raise consumer expectations for greater responsiveness from health care, and some of them will succeed at scale and become serious competitive forces. Glick believes health systems can use a focused approach to stay competitive and even claim a new leadership position within their markets.

### Cybersecurity

John Riggi is a highly decorated 30-year veteran of the FBI and serves as the first national advisor for cybersecurity and risk for the American Hospital Association and its thousands of member hospitals. According to Riggi, cyberattacks represent perhaps the greatest external threat to clinical operations and can cause real financial pain. As health systems are increasingly digitally connected to consumers, the cloud and the internet, the potential risks escalate. The outcome of an attack can be disastrous for hospitals, health systems and patients. When a hospital is hit with a high-impact ransomware attack and the hospitals in that region are operating under strain, there is strong positive correlation between the attack and regional excess deaths.

Despite the apparent sophistication of cyber criminals, their primary source of access to any system is very simple: human vulnerability. Phishing attempts, often via email or text message, remain the most common avenue for hackers to penetrate an institution's security protections. Riggi recommends that every institution implement layered technical defenses, endpoint protection systems and a well-practiced, cross-function cyber-incident response plan to address this threat.

### Consumer Trends

Joan Kelly, partner in strategic consulting at Press Ganey Associates, and Chrissy Daniels, chief experience officer at Press Ganey, have collectively been involved in assessing patient experience



for over 50 years. They believe that consumer trends and market forces are ushering in a dramatic sea change in how hospitals and health systems collect and use patient-experience data to humanize care delivery.

Four distinct age groups, each with differing opinions on what is important in access and care provision, influence the status quo in health care. Kelly and Daniels give detailed examples in their discussion, as well as insights on the ways the LGBTQ+ community and various ethnic groups perceive health care.

Addressing these diverse viewpoints will require health leaders to customize solutions that recognize the values, lifestyles, priorities, preferences and needs of various demographic cohorts. Issues such as childcare, caregiving support, hybrid and remote work, training and career planning, environmental policies, and commitments to diversity and inclusion in the workplace will all have to be factored in when crafting the organization of the future.

### Health Equity

Few times have brought the issues of diversity, equity and inclusion to more widespread attention in American society than 2022. In their article, Elaine Batchlor, MD, MPH, chief executive officer of MLK Community Healthcare and MLK Community Hospital in Los Angeles, and Mary “Toni” Flowers, PhD, DHL, chief diversity and social

responsibility officer at LCMC Health in New Orleans, identify what needs to change in order to achieve a diverse, equitable and inclusive health care system.

Social determinants of health have put residents in communities of color at a disadvantage when trying to stay healthy. Health follows wealth, Flowers says, underscoring how an absence of transportation, healthful groceries, and broadband internet access contributes to worse health outcomes in some communities. Batchlor and Flowers also emphasize that racism in health care still exists and that it must be reported and investigated when it occurs. They argue for a concerted, society-wide focus on addressing inequities.

### Artificial Intelligence

With current data generation exceeding the capacity of human cognition to quickly and reliably manage information, the use of AI will only continue to grow. Juan Rojas, MD, a pulmonary and critical care specialist at the University of Chicago with expertise in the application of machine learning to electronic health record data, expects that much of AI adoption will be in the areas of clinical care and business operations. However, these more complex tools require an information technology infrastructure sophisticated enough to support them, experts to monitor their use and safety, and a willingness of users



the various therapeutic options available to me,” he says. “Instead, the central question was who would I trust to help me resolve the problem?” Trust is foundational in health care relationships, whether it is between patients and their caregivers, among clinicians, or between clinicians and the institutions for which they work.

How can hospital executives best address the challenges of economics and trust? Goldsmith gets to the heart of the matter. Health care is unlike any other industry, and we are not just consumers, shopping for care. As a patient, you must trust those who care for you, and that trust can and should be earned by health systems and staff. When done right as Jeff Goldsmith argues, it leads to a virtual cycle of better outcomes, higher patient and provider satisfaction and increased patient and provider loyalty.

## Conclusion

As our nation continues to grapple with the impact of a virus that refuses to be contained, health care leaders may need to accept that, in reality, there is no more status quo. The economic and social changes sweeping our society as the result of the pandemic are here to stay. It is likely that the situation will continue to evolve over the next five years along with our understanding of complex data, management of patient surges, the factors affecting health care—purchasing decisions, the incentives for retaining critical personnel, and cyber-criminal sophistication. By applying the wisdom and lessons learned from our subject matter experts in this edition of *Futurescan*, hospitals and health systems can better position themselves for changes and challenges yet to come.

on the front lines to engage with these more complicated models.

AI and machine learning must be part of the future of health and medicine. AI can enhance and support clinical decision making, help engage consumers, provide vital analytics and insights, and automate routine administrative functions.

## Capacity Planning

The COVID-19 pandemic spotlighted the importance of preparation for surges in hospital demand. Marjorie Bessel, MD, is chief clinical officer at nonprofit health care provider Banner Health, where Peter Fine is CEO. In their article, they discuss their award-winning surge-mitigation measures.

Considerations for managing surges in capacity needs can be grouped in three major categories, Bessel says: supplies, physical space and workforce. Prioritizing these considerations will depend on the immediate requirements

of the situation. Bessel and Fine agree that effective communication is crucial to mitigating strain on hospital resources. Clear, concise and transparent communication empowered their workforce and allowed the organization to work collectively to solve problems.

## Culture of Trust

The final article in this edition of *Futurescan* examines the importance of trust in health care and is based on the real-life experiences of Jeff Goldsmith, PhD, a recognized expert on management and policy issues relating to health care services. At the age of 65, Goldsmith was diagnosed with head and neck cancer. Over the course of the next two and a half years, Goldsmith underwent a total of five major surgical procedures, each addressing a different malady. The experience changed his life and altered his view of health care forever.

“For me, the central challenge of having cancer was not molecular biology or

## The Great Resignation

with Corey Bruner, Director, Huron Consulting Group

The COVID pandemic has had a devastating effect on many areas of human life. For health care workers on the front lines—enduring so many months of patient surges, a mounting death toll, and sheer exhaustion—the pandemic has been especially detrimental and, in many cases, life-altering. The resulting wave of resignations that hospitals and health systems have been experiencing has brought unprecedented staffing challenges unlike any other time in recent history.

Corey Bruner, director at Huron, a global consulting group, highlights multiple factors leading to the turnover tsunami. “Burnout is widespread among health care workers and one of the most prominent reasons for turnover,” he states. “As their colleagues leave, the employees left behind have to pick up the slack, leading to a downward ripple effect. The fact that other economic sectors such as hospitality are also in competition for workers is only compounding the situation. This competition for labor has contributed to wage inflation and is driving a notable exodus of workers from the health care industry.”

The most at-risk positions for turnover are registered nurses and entry-level roles, but Bruner notes that all levels of



employees have been affected. The most telling statistic is the registered nurse vacancy rate. According to the “2022 NSI National Health Care Retention & RN Staffing Report,” 24 percent of organizations reported a vacancy rate greater than 10 percent in 2019 (NSI Nursing Solutions 2022). As exhibit 1 shows, that number had grown to 36 percent in 2021. A survey conducted by the American College of Healthcare Executives found that personnel shortages overall was the top-most concerning issue cited by hospital chief

executive officers in 2021 (American College of Healthcare Executives 2021).

### Key Challenges Facing the Health Care Field

Employee shortages are likely to continue over the next few years. The results of a recent study attest to that prediction, even among nurse leaders. According to a longitudinal study conducted by the American Organization for Nursing Leadership (2021), there was a 116 percent increase in the number of leaders considering leaving nursing



#### About the Subject Matter Expert

During the past 10 years with Huron, Corey Bruner has worked with more than 50 hospitals, health care systems, universities, and academic medical centers (AMCs) to examine and redesign their human resources (HR) policies, processes, structures, and business operations. Bruner is an expert in organizational structure and design, business process redesign, HR total rewards analysis and strategy, and service delivery design. Bruner has a proven track record of managing

complex, multifaceted engagements for health care, higher education, and AMC clients, and he partners with them to ensure satisfactory and timely achievement of their objectives. Most recently, Bruner has been leading a number of Huron’s talent strategy engagements, focusing on driving significant improvements to recruitment, retention, and engagement efforts for organizations and their most critical asset: their people.

## Exhibit 1

### Healthcare Organizations' Reported RN Vacancy Rates, 2017–2021

RN Vacancy Rate	2017	2018	2019	2020	2021
Less than 5%	18.2%	15.8%	21.9%	19.3%	23.9%
5.0% to 7.49%	31.8%	30.5%	22.8%	18.2%	13.8%
7.5% to 9.9%	27.3%	28.4%	31.6%	30.7%	26.6%
10.0% to 12.49%	9.1%	12.6%	12.3%	15.9%	22.9%
Greater than 12.5%	13.6%	12.7%	11.4%	15.9%	12.9%

Source: 2022 NSI National Health Care Retention & RN Staffing Report

between February of 2021 and August of 2021. Nearly 41 percent of those respondents were planning to leave within one year or less. According to the study, notable drivers include stress caused by staffing shortages, declines in reported emotional health, and low morale and burnout.

Continuing to provide quality care with a diminishing workforce is clearly going to be a challenge for health care executives. “I believe we will see some stabilization in the next five years,” Bruner notes. “But the reality is that until then, we may have to do things differently than before if we do not get back to pre-pandemic staffing levels. That includes how we manage care delivery, how we structure programs to retain employees and keep them engaged, and how we recruit new talent.” Bruner suggests the following strategies to manage the shortfall over the next five years.

#### Reexamine the total rewards package.

The traditional total compensation package of salary, benefits, and retirement plan is no longer competitive in the current environment. Inflation is putting additional pressure on employers to pay more. Bruner says it is critical to ensure that base pay scales are competitive. He also urges health care executives to be creative in adding additional incentives, such as enhanced paid time off, parental leave, educational subsidies, and clearly delineated leadership tracks. “Tuition assistance and other subsidies can help employees to reach the next level in their career,” Bruner states. “A

formal leadership track demonstrates to workers that they are valued and have a long-term trajectory with the organization. It is an excellent way to build the talent pipeline from within the health system.” Leaders who have successfully bridged this advancement in the health system should be prominent advocates for other employees to join this track within the organization.

“One health system offers down-payment assistance on a new home,” Bruner continues. “This is actually better than a sign-on bonus. It helps a new worker put down roots in the community and fosters a good amount of loyalty. It also signals a long-term investment in the employee. This is both a recruitment and a retention strategy.”

Bruner expects that the cost of total rewards packages will continue to escalate, and health care executives appear to agree. Just over half of the respondents in the latest *Futurescan* survey (51 percent) predicted that the cost of their organization’s total rewards package will rise 20 percent by 2028. Eight percent of the respondents reported that they are already seeing that escalation in total compensation expenses.

Bruner recommends that managers at all levels be able to clearly articulate the total rewards package to potential new employees during the recruitment process. He offers one caveat in advocating for creative solutions to total rewards packages: “Be sure that anything you create is sustainable over the long term.”

**Redesign workforce strategies.** “With reduced staffing, it is imperative to be

flexible in how care is delivered and how you assign workers in day-to-day operations,” Bruner says. “With the shortage of nurses, are there support positions such as certified nurse assistants whom you can elevate in their roles at the bedside? Are there some clinicians, such as pharmacists, whom you can upskill to work at the top of their licenses?” Health care executives may also want to consider establishing internal float pools to redeploy employees where they are needed most, to adjust staffing levels as necessary, or to institute flexible scheduling.

Bruner acknowledges that the cost of labor is at an all-time high, at 60 to 70 percent of an organization’s overall expenses. “The situation is not sustainable,” he admits. “Registries are very expensive and can tend to alienate employees who are doing the same job but making less. These same employees often have to train their new temporary counterpart, which can cause tension among team members.”

It is also important to be strategic about the pay offered for positions that are harder to fill. Many organizations offer premium pay for a night shift or extra shift bonuses, but employees can become inured to the extra money. “These premiums can be hard to pull back from,” Bruner says. “I advise clients to make sure that these bonuses are temporary with clearly articulated triggers, such as volume and vacancies, to drive the appropriate and intended behaviors.”

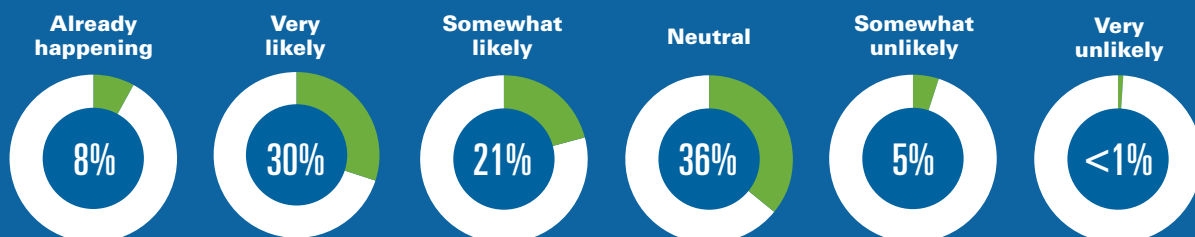
Being supportive of employees is also important when staffing is reduced.

# FUTURESCAN SURVEY RESULTS

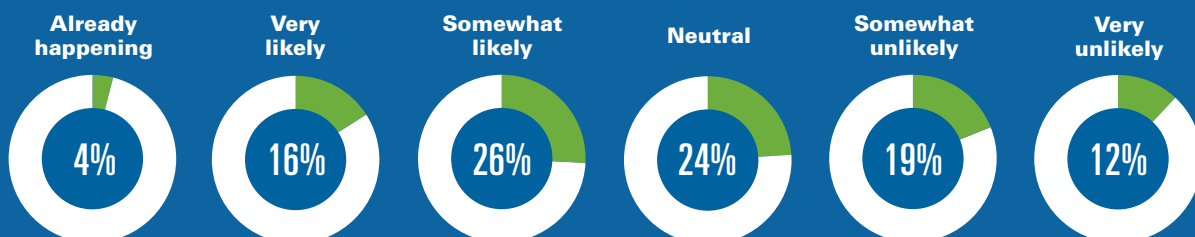
## The Great Resignation

Health care executives from across the nation were asked how likely it is that the following will happen in their hospital or health system by 2028.

By 2028, our hospital or health system's total rewards cost will have increased by at least 20 percent.



By 2028, given the workforce shortage, our hospital or health system will be able to meet the anticipated demand to perform 20 percent more work by leveraging the same amount of staff members we have today.



“We have found that nursing management needs to be more visible than ever in this environment,” Bruner says. “Clinical staff needs a clear connection and needs to know where to go when they need support. For nonclinical employees, continuing to offer remote work may be an incentive to stay with the organization but should be evaluated in conjunction with the organization’s broader remote work strategy.”

Finally, organizations should rethink the overall recruitment process. “The way we have been doing recruitment is not working,” Bruner asserts. “It calls for being more innovative in where we are

looking for candidates, and rethinking what the ideal versus the acceptable candidate looks like.” Some hospitals and health systems are even building a talent pipeline before recruitment by going into middle schools and sharing with students the possible careers in health care. Other organizations have established programs that provide internships or job shadowing.

The human resources leadership at **Berkshire Medical Center (BMC)** is employing a grassroots strategy for developing its own pipeline of future health care workers. The 298-bed community teaching hospital is located

in Pittsfield, Massachusetts, a small isolated community over two hours from Boston. “There are not enough trained health care workers in our area, making recruitment of qualified candidates very difficult,” says Patrick Borek, vice president of human resources. Like many hospitals, BMC experienced increased turnover during the pandemic, further burdening the employees who remained.

“In order to meet our needs, we had to take a more prominent role not only in developing our current employees but with the training programs around us,” Borek says. “We are getting more involved in recruiting students into the



local community college health care programs.” One technical school in the area has a program to train licensed practical nurses (LPNs). In talking with school administrators, BMC discovered that its February 2022 class was only half full. The primary reason was that students could not afford to work part-time while they went to school. BMC built a program where those students could work at the hospital 16 hours a week as nursing assistants and receive full-time pay and benefits. In order to qualify, they must commit to working at BMC for two years after graduation. In the first cohort of students, 15 people started the program, and 13 are still active and expected to complete it. Borek says that BMC plans to support two cohorts a year and has initiated a similar program at a local community college, which also offers an LPN program.

This initiative is similar to another BMC program aimed at developing medical assistants (MAs) to work in physician practices. Established in 2021, the six-month curriculum at the local community college begins with full-time classwork and then transitions the students into internships in actual practices. “We had a severe shortage of MAs, causing problems with patient access,” Borek states. “A benefit of this approach is that the MAs are being trained consistently and according to BMC’s policies and procedures, and in

the use of our electronic health records. There is no learning curve when they start employment. Our doctors describe them as some of the best MAs with whom they have worked.”

As to the cost, Borek says that with tuition, fees, stipends for students, and other expenses, BMC is spending \$350,000 per cohort. “We are doing this because patient access was at risk and we needed the staff,” he explains. The employee development strategy is working so well that BMC is in the process of creating a registered nurse program that could cost \$900,000 for each 20-person cohort. “Much of our staffing is done by travelers, and that is extremely expensive,” Borek notes. “The rate has been as high as \$200 per hour, and that is not sustainable. We believe these strategies are getting us to a more reasonable staffing contingent. If someone is oriented to and socialized within the organization, they will be more engaged and will stay longer.”

Borek says that BMC will soon begin taking a more prominent role in visiting local high schools and middle schools to provide advice and information on the broad spectrum of health care careers and to begin the recruitment pipeline at an even earlier stage.

**Embracing technology to do work differently.** With a reduced workforce, hospitals and health systems may have

to streamline their operations. Digital strategies came into the limelight during the pandemic, and as consumers have embraced them, they seem likely to become viable, permanent additions to the health care continuum. “Artificial intelligence is being used successfully in chatbots that triage patients to the appropriate level of care or that assess patient health status,” Bruner notes. “Telehealth visits eliminate the need for staff to make appointments and check in and room patients. Taken together, these technologies can allow hospitals to utilize staff in more efficient ways.” Many paper processes could also be automated. Bruner adds that hospital-at-home programs provide care remotely and enable staffing efficiencies, requiring fewer clinical staff onsite.

Finding new ways of working is paramount. According to the *Futurescan* survey, 19 percent of respondents said that in the next five years, even with the workforce shortage, they will be able to perform 20 percent more work by leveraging the same number of staff members they have today. Another 26 percent said that they would be somewhat likely to achieve that 20 percent increase in performance. Achieving those new levels of performance will require efficiencies.

**Double down on organizational culture.** “When turnover is high, it becomes harder to maintain an organization’s culture, and morale can enter a downward spiral,” Bruner notes. “This is the time for health care leaders to redouble their efforts to maintain a healthy level of employee engagement.” The visibility of leadership and its willingness to foster connections with employees is critical. Soliciting employee input on the challenges they face and the solutions they can offer is also key. “Employee rounding is an excellent means of obtaining employee feedback,” Bruner notes. “Town hall meetings, focus groups, online surveys and even suggestion boxes all can work as well. It is important to use more than one tactic for the broadest reach possible. Keep in mind, however, that management needs to be prepared to address employee feedback.”

In 2017, leaders at the **University of Pittsburgh Medical Center (UPMC)** recognized that, although they were already a high-performing organization, they had opportunities to elevate the consumer experience and create consumers for life. Board members also expressed concern about the organization's Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) scores. At the same time, UPMC leaders sought to improve the employee experience to attract and retain top talent. To address these realities, UPMC's leadership created a structure that would enable cultural transformation at the organization. Starting with a commitment from the board of directors and system leadership, the transformation team branded its employee and consumer experience as "the UPMC Experience" and developed messaging around a cultural transformation. Senior leaders not only communicated the message but also modeled the behaviors they were asking employees to adopt. These behaviors included greeting coworkers, directing patients throughout the facility, and starting each meeting with a positive comment or accolade.

Leaders throughout the organization were given clear goals, 80 percent of which were tied to employee and consumer experience outcomes, while the remaining 20 percent focused on financial performance and quality metrics. Incentives were aligned with employee engagement and HCAHPS scores.

"Throughout the first year, UPMC committed to bring together 1,500 leaders quarterly for training and for the opportunity to build buy-in. This was to be accomplished through consistency in communication, explaining the "why" behind changes, and promotion of skill building to close performance gaps. Coaching sessions helped leaders achieve their goals and model effective behaviors. Seeking to create a better employee experience, leaders gained an understanding of the challenges employees and providers encountered by gathering feedback from them.

Since the inception of the initiative, UPMC has experienced significant



gains at its two flagship hospitals. In one year, UPMC Presbyterian experienced a 9 percent increase in nursing engagement and a 5 percent improvement in employee engagement among its 30,000 employees. By 2022, UPMC-Shadyside had reached the 92nd percentile as measured against all hospitals in the HCAHPS database. Overall, UPMC's systemwide HCAHPS rating rose 38 national percentile points, from the 28th to the 66th percentile.

### Key Takeaways

As health care leaders manage the challenges of maintaining staffing levels that meet the needs of their organization, Bruner suggests they consider the following takeaways:

1. **Embrace technology to do work differently.** "Leveraging technology such as telehealth, automation of paper processes, home monitoring devices, and artificial intelligence-based platforms can not only improve staffing efficiency, it can enable patients to take a more proactive role in their care where possible," Bruner notes. This can result in reduced costs on many levels.
2. **Ensure changes are sustainable.** Bruner expects that staffing levels will eventually become more consistent and aligned with health systems'

needs, but this may not happen in the short term. "It will be important to be mindful of the long-term costs of short-term financial incentives you put into place," he cautions. "Be sure that you can fund or maintain any new rewards or retention programs for the foreseeable future."

3. **Double down on employee engagement strategies.** In times of great upheaval such as the COVID pandemic, culture tends to take a less prominent role in daily operations. Bruner advocates for the opposite approach. "Culture is what connects everyone across all levels of the enterprise to achieve the common mission of excellent patient care."

### Conclusion

Bruner says that hospitals and health systems that are doing well during the turnover tsunami have been intentional about talent strategy, recruitment, and employee engagement and retention. As health care continues to struggle with an employee exodus, culture has become even more important. "It is incumbent on health care leaders to help employees feel valued, connected and tied to the organizational culture," Bruner says. "It's never been more important to ask employees, 'What barriers can we remove to help you work more efficiently for the benefit of patients?'"



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