INDUSTRY SNAPSHOTS

Healthcare
Finding a Cure for HR Challenges in the Healthcare Industry

The healthcare industry, projected to become the largest public or private industry by 2022,\(^1\) faces a future of continued change and innovation both nationally and in the local market arena. Likewise, healthcare industry HR departments incur the mission-critical job of recruiting and retaining qualified employees.

While there is no guaranteed cure for the high employee turnover the healthcare industry experiences, nearly half (44 percent) of healthcare industry employees say improving their benefits package is one thing their employer could do to keep them in their jobs.\(^2\)
Industry Challenges

The healthcare industry faces a number of challenges that organizations encounter in order to thrive in today’s health economy. As a result, healthcare organizations will be required to step up their efforts to compete and optimize the patient experience. Among the key issues affecting the industry are:

1. Consolidation
   Major payer mergers and consolidation continue to be ironed out and organizations need to be prepared for potential effects of those already in progress as well as any on the horizon. Similarly, hospital and medical group mergers and acquisitions are ongoing. In addition to the organizational effect, the impact on healthcare consumers must be taken into account.

2. Care model disruptors and innovators
   Retail giants like CVS and Walgreens/Rite-Aid will push farther into care delivery, continuing to put pressure on traditional providers to up their game on access or partner. Mobile technology, new primary care deliver models and telehealth will either disintermediate health systems from consumers or be a powerful tool to enhance engagement.

3. Value-based care
   The shift from volume-based care to value-based care and payment is underway by government, commercial payers and employers. CMS has announced that by 2018, 50 percent of fee-for-service payments will move to alternative payment models, such as bundled payments and accountable care organizations. Employers are ramping up direct contracting, narrowing networks to control costs better. All of these initiatives change referral patterns and the need for effective population health management.
4. Price and cost pressures
Pricing transparency will pressure health systems to understand and reconsider their pricing structure. The proliferation of high-deductible plans raises consumer attention on prices as well as the competitive advantage of less-expensive options. Rate increases from payers will require participation in some value-based payment, such as shared savings or pay-for-performance. Provider-based clinics will not be reimbursed any greater than physician practices.

5. Talent management
Heightened demand for clinical leaders who can help to drive change and participation in population health management increases competition as well as cost for these capabilities are major concerns. Union activity may be sparked in some regions as cost pressures and reductions in force cause some upheaval in the labor market. Mergers and consolidations will result in leadership turnover. And, of course, there’s the ongoing challenge of high turnover in the healthcare industry in general.
HR Challenges

The healthcare industry faces HR challenges specific to the industry as well as to HR in general:

1. High turnover in the healthcare industry
While it can be a concern in any industry, especially in those that are customer-centric, high turnover in the healthcare industry seems to be par for the course. In fact, many healthcare leaders view turnover as just part of the cost of doing business. Organizations with high attrition must consider how a revolving door of care providers affects quality of care as well as satisfaction of patients with their overall experience. An improved economy means confidence in the job market and, as a result, turnover rates are rising.

Understanding turnover trends allows employers to put programs into place for retaining quality employees, as well develop a solid plan for recruiting new ones.

2. The cost of turnover
In a study conducted by the Center for America Progress, the cost of losing an employee can cost anywhere from 16 percent of salary for hourly, unsalaried employees, to 213 percent of the salary for a highly trained position.

3. Increased competition for talent
Healthcare workers can readily find jobs in today’s marketplace, so better job satisfaction, compensation, benefits and other perks – even sign-on bonuses – are the name of the game in the war for talent. Recruiting difficulties are at pre-recession levels and beyond.

4. Generational issues
With three generations or more in the workforce that have very different expectations and needs, employers have to provide benefits that attract and retain them.

5. Employee engagement
With 37 percent of employees saying they are distracted by financial stress while at work, there’s no doubt that productivity is suffering. Employers can help by providing benefits and education that address financial wellness.
Trends

Among the trends in the healthcare industry today are the impact that technology is having on the industry and the role that enhanced benefit packages can have in employee recruitment and retention.

1. Impact of technology

A major trend underway in healthcare is using technology to engage patients. The healthcare Internet of Things market is expected to hit $117 billion by 2020. As an example, the adoption of wearables increased by 60 percent in 2015 and half of patients hospitalized in the last year started using wearables after their hospital stay. Clinicians and consumers alike are more mobile, more accessible, and more connected in today’s world.

Survey results show further evidence of these trends taking hold:

Consumers:
- **60%** are willing to have a video visit with a physician through a mobile device.
- **88%** are willing to share personal data with their doctor to find new treatments.
- **21%** have used a mobile device to order a refill of a prescription.
- **72%** of 18-44 year-olds are willing to use telehealth services, such as videoconference, to consult with a mental health provider instead of an in-person visit.

Clinicians:
- **81%** say mobile access to medical information helps coordinate patient care.
- **58%** would rather provide a portion of care virtually.
- **38%** use email to stay connected with their chronic disease patients.
- **88%** are willing to share personal data with their doctor to find new treatments.
2. Enhanced benefits packages

In the current marketplace, employees have more flexibility to seek out employment opportunities that better fit their needs and wants rather than remain in a position for its job security. In fact, 45 percent of employees say that they would be likely or very likely to look for other jobs outside their current organization within the next year. Employers may look at enhancing benefits packages with flexible work hours, expanded benefits, more vacation or medical leave options. As voluntary benefits have become more mainstream, they play an important role in enhancing benefits packages to satisfy employees’ needs. Employers are increasingly embracing non-traditional voluntary benefits as a method of providing enhanced benefits packages. Purchasing Power’s employee purchase program is one of the non-traditional voluntary benefits that supports key HR objectives by providing a no-cost, no-liability benefit that gives employees a manageable, convenient way to access products and services – including educational services – that are often out of reach.
How We Help the Healthcare Industry

At Purchasing Power, we believe that employee financial flexibility is the path to improving productivity and job satisfaction. We offer easy access to thousands of products and services that employees can comfortably pay for interest-free over time through payroll deduction. When employees are in control of their finances, your company will experience higher morale, better retention and increased productivity.

Morale
Low employee morale impacts your employees, your customers and your overall business.

80%
Purchasing Power puts control back in your employees’ hands and keeps them happier on the job. In fact, 80 percent say our program increases satisfaction with their employer.12

Retention
With the cost of losing an employee anywhere from 16 percent of an hourly employee’s salary to 213 percent of a highly trained employee’s salary, a satisfied workforce means big savings for the healthcare industry.11

78%
78 percent of employees who have access to a voluntary financial flexibility benefit say that they are more likely to stay with their employer.12

Productivity
With employees spending 3 hours or more dealing with personal financial issues while at work, productivity suffers from financial stress.

93%
But 93 percent of employees say that access to Purchasing Power reduces their financial strain, allowing them to focus on the job at hand.12
Proven Results

From HR professionals to nurses to doctors, we understand the hard work that goes into the healthcare industry. It’s one of the reasons we built a financial flexibility program that supports real people in the most practical ways. And we have the results to prove it.

Our Clients from the Healthcare Industry

<table>
<thead>
<tr>
<th>Eligible Employees</th>
<th>Repeat Buyer Rate</th>
<th>Annual Utilization Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>968,000+</td>
<td>67%</td>
<td>10-20%</td>
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</tbody>
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What Sets Purchasing Power Apart

<table>
<thead>
<tr>
<th>Net Promoter Score&lt;sup&gt;13&lt;/sup&gt;</th>
<th>BBB Rating</th>
<th>Fortune 1000 Companies</th>
<th>Client Revenue Retention Rate</th>
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</thead>
<tbody>
<tr>
<td>67</td>
<td>A+</td>
<td>50+</td>
<td>99%</td>
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As an employer, you have the power to give employees the peace of mind that comes with having control over their finances. Start today by visiting us at corp.purchasingpower.com.
**Citations**


**About Purchasing Power**

We help employees who are underserved by traditional financing options access life-enhancing products and services. Employees can purchase the items they need and affordably spread payments across 12 months to give them peace of mind and control over their finances. Our pricing is transparent with no hidden fees, no interest, no credit checks.

Why We Do It

• To improve employee financial well-being
• To empower people to take control of their lives
• To help organizations recruit and retain employees

Visit us at PurchasingPower.com/Employers.