



BAHM Case Study Case Competition 2024

The Case of the Health Care Workforce

The World Health Organization (“WHO”) has described a fairly obvious conclusion for us as health care managers – “Health systems can only function with health workers”. While WHO estimates a shortfall of 10 million health workers by 2030 in low- and middle-income countries, nations in the industrialized world also face difficulties with developing a sustainable health care workforce.

The United States Bureau of Labor Statistics (2023) expects the healthcare industry to face a shortage of hundreds of thousands of employees by the end of this decade. These shortages include not just nurses but physicians and most other direct care workforce members. The European Commission projects shortages of similar magnitude as well. Truly, the adequacy of labor inputs to produce health care services is a worldwide challenge in this post pandemic era.

Hospitals have managed to work around some of the current workforce shortages by offering incentive plans or paying premiums for short term use of employees through supplemental staffing or temporary help agencies. Staffing resources from outside agencies or traveling staff providers come with a cost per hour premium in excess of 50% of cost of traditional employed staff. This was a particularly vexing challenge for managers in both the United States and Canada (In a time of significant financial challenge to hospitals around the world, use of labor resources with such a cost premium is at best, prohibitive. Hospital executives are reporting a declining use in agency staffing in the past year (Modern Healthcare, August 21, 2023). Yet, shortages across nearly all patient care disciplines remain.

As health care organizations have relied on temporary and traveling staff resources, not only have financial outcomes been threatened, but also there is an argument that the quality of care provided has also diminished. Nursing is a good example of lost efficiency that comes from the use of temporary staffing. When a nursing unit is staffed with temporary employees, the core employees employed in that nursing unit end up having to assist temporary staff with routine tasks or orientation to resources in that nursing unit (NurseMatch, n.d.).

Potential explanations for this shortage are wide-ranging and numerous. Certainly, the experience of the recent COVID-19 pandemic created some hesitation for workers to care for patients suffering from a disease for which little was known at that time. Healthcare organizations are continually challenged to make adequate provision for the protection of their workforce and this challenge was highlighted brightly during the COVID pandemic when personal protective equipment was in short supply and health care workers were at some infection risk because of those shortages (American Hospital Association, 2021).

The occupational hazards of health care work also include injuries from providing care or from patients or family members who become unruly and violent. A 2020 Association of American Medical Colleges survey noted a significant increase in workplace violence incidents. The



Colorado Hospital Association reported a 199% increase in assaults on nurses from 2021 to 2022. Those risks are also noted as a factor in reduced participation in the healthcare workforce.

Increasing workloads for health care providers have been noted as one of the most significant causes of a loss of health care providers and as a discouraging factor for workers entering the field (Barrueta, 2023). As health care provider organizations wrestle with financial challenges, they ask staff to do more work with less resources. This has led to a significant degree of burnout as workers wrestle with feelings of inadequacy or risk of providing poor care to their patients, with reported burnout rates ranging from 40 to 70% of the workforce period. These challenges appear most acute in communities of color or low income or rural location.

Despite increasing pay and schedule flexibility, hospital organizations continue to struggle with achieving and maintaining staffing levels that balance financial sustainability with adequate performance on patient care quality. These shortages appear to be manifesting themselves in labor unrest and ongoing labor turnover. Beyond the effects of labor unrest are the demographic factors driving workers out of the work it is a commonly accepted paradigm that our population is aging. The healthcare workforce is not immune to this aging trend as many workers are leaving the field for retirement sometimes earlier than planned due to the factors mentioned here.

Hospital executives will need to develop strategies to address this challenge. Staffing is no longer merely a human resources challenge, but also significantly impacts the ability of a hospital to meet community health care needs and doing so within the financial realities of their market.

YOUR PLAN TO ADDRESS THE LONG-TERM SUSTAINABILITY OF THE HEALTH CARE WORKFORCE

Current executive strategies to address the current and projected shortage of health care workers do not appear to be working. Hospitals raising pay rates and providing schedule flexibility have not been successful in keeping the available inventory of workers on par with the care needs of their communities. Events such as the COVID-19 pandemic brought to light the limitations of hospitals to scale up to meet community needs period since the pandemic, hospitals remain challenged to provide the amount of care demanded.

Beyond the failure of pay increases to address the decline in healthcare workforce participation, recent reports of financial performance in hospitals point to the fact that addressing workforce with pay is not sustainable. Other incentives and structural changes are necessary.

Contemporary managers will need to exercise a great deal of creativity in fashioning a plan that can address current patient care needs in a financially sustainable manner. This year's competition will explore local strategies to improve not only the production of health care workers but also financially sustainable ways to retain the current workforce.

Teams will be asked to take the position of a local healthcare organization and formulate a plan to address the workforce shortage area(s) for that organization. Plans should be expressed from the perspective of a health care organization and not a broader policy perspective. The plan of



action will need to be multifaceted addressing current shortages while developing a business case for investment in a future workforce pipeline, and should consider the following elements:

- The current context for healthcare workforce in their organization including areas of need, prior strategies undertaken, results, and potential threats to maintaining the workforce at current levels. That context should also include a description of any additional factors such as the presence of a union or local market factors such as wage/price controls.
- Areas of potential threat to the organization arising from the *status quo* in the workforce.
- Innovative strategies to improve current workforce retention and improve workforce participation by licensed practitioners in the hospital market area. Strategies should consider not just compensation but other operational changes (e.g., training, programs to practice at top of licensure) or modified staffing patterns that more efficiently allocate scarce staff resources, or other innovations that address specific patient care needs. Plans must also include specifics on how a health care system can pay for such strategies and identify how their plans will be financially sustainable.
- Projection of expected results from proposed strategies with support for analyses and accountability measures to quantify benefits of those strategies. How will those plans be assessed for success or refinement?
- Proposed strategies to improve the “pipeline” of workers in the community over the long term (beyond 2-3 years in the future). What strategies have been tried to develop the pipeline and what was their performance? Are there changes that can be made to the existing pipeline, or how must the pipeline be reimaged?
- If the organization is not unionized, plans must also describe how the approach would be amended if a union were introduced into the market. Conversely if the organization is unionized, how can the union be leveraged to further the proposed strategies? Essentially, teams must build a baseline plan, and then respond to how that plan might be adjusted/adapted because of a unionized environment.

Deliverables expected:

- A comprehensive report describing the proposed plan in a document not to exceed 20 single spaced pages including no more than 2 pages worth of illustrations.
- A one-page executive summary suitable for presentation to a governing board.
- A PowerPoint slide deck that will be used in presentation of the plan at the competition site.

Timeline:

- Case Question and Answer Session (virtual) Wednesday, November 29, time TBD
- Case Submission Deadline: 5:00 pm MST (GMT -7), Friday January 26, 2024
- Competition at University of Colorado Business School – Friday, February 9, 2023



References:

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- Barrueta, A. (2023). Hiring alone won't solve the health care worker shortage. Accessed at <https://about.kaiserpermanente.org/news/hiring-alone-wont-solve-health-care-worker-shortage>, October 19, 2023.
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