→ How to Overcome the 5 Biggest Challenges in Healthcare Recruiting

Introduction

Hiring for healthcare positions isn't easy. Doctors, nurses, physical therapists, specialists and non-clinical staff are all invested in their employer's reputation. Recruiters are not only hiring to fill a position, but also to bolster the organization's mission and reputation.

Healthcare recruiters also face increasing talent-supply challenges. Factors such as an aging population that needs more care and the Affordable Care Act(ACA) will require healthcare organizations to expand. In fact, Georgetown University's Center on Education and Workforce expects the industry to create 5.6 million new jobs by 2020, so recruiters need to make sure they're up to finding quality candidates to fill those positions.

This white paper examines the five biggest challenges in healthcare recruiting and what your organization can do to prepare:

• nursing and medical staff shortages

• ICD-10 implementation

• hiring for emerging positions

• emerging technologies

• hiring physicians

• staying ahead of hiring trends

1. Nursing and Medical Staff Shortages

Projections vary on the extent of the approaching medical staff shortage, but most government estimates say that by the year 2020, there will be a national shortfall of about a million nurses and by 2025, the nation will have 52,000 fewer primary care physicians than it needs. In some parts of the country, primary care doctors are already hard to come by, and local shortages of other providers will compound healthcare recruiting challenges.

Sources cite several reasons for the looming shortages:

• Baby boomers, the most experienced segment of the working population who serve as mentors to their less-experienced peers, are aging out of the workforce.

• Nursing programs aren't accepting and graduating new nurses quickly enough to replace retirees, according to the American Association of Colleges of Nursing.

• Medical school enrollment is expected to rise almost a third by 2017, but residencies aren't keeping pace. That's creating a bottleneck where new doctors are slowed on the path to being able to practice on their own, according to the Association of American Medical Colleges.

• A jump in people covered by some type of health insurance policy for the first time under the ACA is expected to increase the number of Americans seeking healthcare.

Expected Shortages

by 2020
⬇1 Million
nurses

by 2025
⬇52,000
physicians
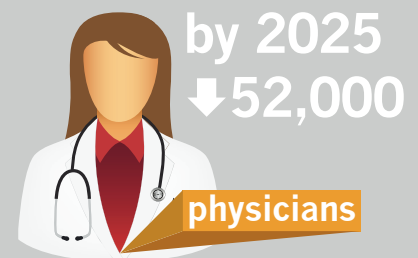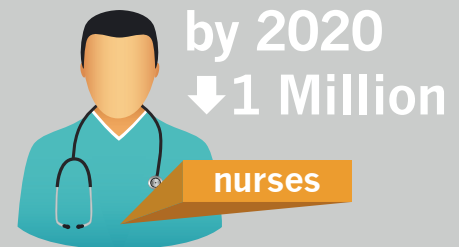
2. ICD-10 Implementation

Healthcare organizations Healthcare organizations have until October 2015 to prepare for the ICD-10 conversion. Are you ready?

ICD is the international coding system used for medical records and bills for reimbursement through Medicare, Medicaid (CMS) and private insurance providers. In the U.S., the system is overseen by the Centers for Medicare and Medicaid Services. The current coding system, ICD-9, is scheduled to be replaced by October 2015, and healthcare organizations need to be working to prepare for the switch now.

At this stage, healthcare organizations should be in the middle of their ICD-10 conversion schedule. They should have a committee overseeing the conversion process and areas of concern should be identified. Hybrid testing is expected to begin in early 2014. As the deadline approaches, having well-trained coders will be key to ensuring a smooth transition.

According to a study commissioned by TrustHCS and the American Health Information Management Association, healthcare organizations said they expect to increase coding personnel by 23 percent from 2012 to 2014, peaking in the second quarter of 2014. Almost two-thirds said they expect to directly hire additional coders. A quarter said they expect to outsource their coding needs.

Healthcare organizations expect coding talent to become even more scarce, which will cause salaries to rise and demand on outsourcing agencies to go up. "It comes down to time and money," says Julie Sheppard, Owner of 1st Healthcare Compliance. "It's difficult to train people because it's costly and (practices) already don't have enough time. They're feeling like resources are squeezed."
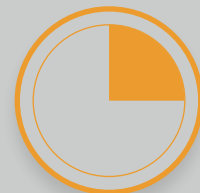
Adjustment Plans

23% most will increase coding personnel

2012-2014
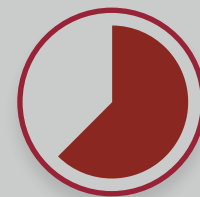
2 out of 3 will hire additional coders directly

1 out of 4 will outsource their coding needs

3. Hiring for Emerging Positions and Technologies

As new discoveries, philosophies and technologies emerge, healthcare must evolve and adapt. Your organization will need to hire people with the skills to provide healthcare supported by mobile technology and communication, and staff for positions that didn't exist just a few years ago.

The term e-health is sometimes used to describe the advances made in healthcare through the use of electronic technologies and methods of communication. The evolution of e-health implies the need for people with technological skills to fill new positions. **Some of the areas of e-health include mhealth or mobile health as well as:**

• **Electronic health records.** These make it possible to easily share patient data among different providers.

• **Telemedicine.** This describes when providers offer care and diagnoses through video or audio chats.

• **Health informatics.** This describes websites or applications that provide information for people to do their own informed research.

• **Virtual health teams.** These are healthcare professionals who can collaborate on patient care through digital equipment.

There are also many back-end positions that need to be filled to provide support for e-health practitioners and the technologies they use. For example, healthcare IT employees are needed to work on the systems that support e-health such as servers, software and hardware.

According to the Bureau of Labor Statistics, the trends driving shortages in other healthcare positions, specifically retiring baby boomers and the corresponding increase in demand for healthcare services, are expected to boost demand for health technology positions as well.
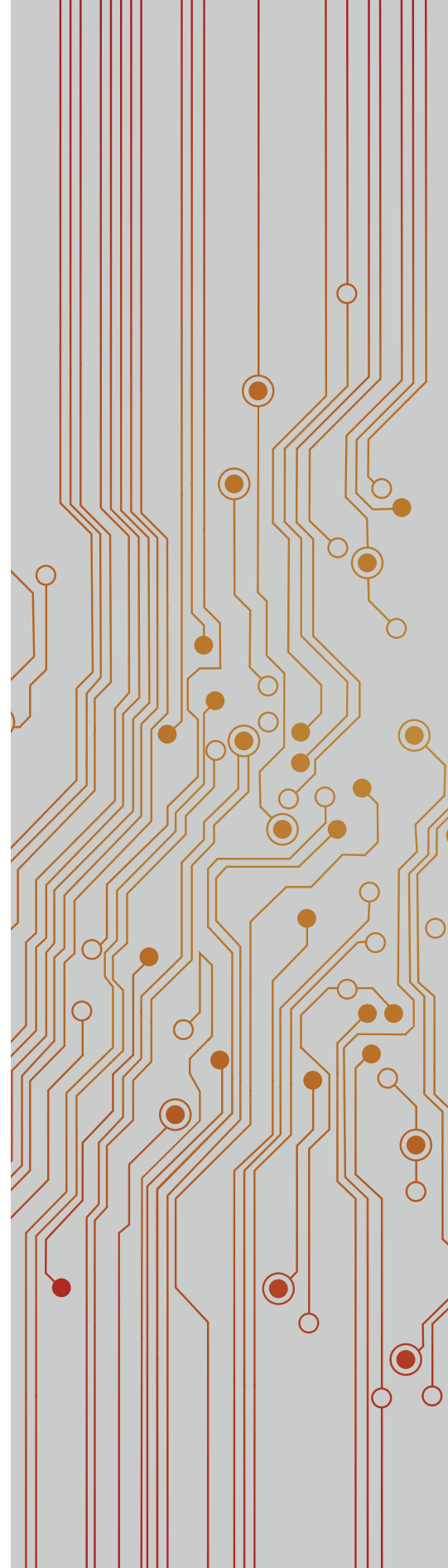
New positions aren't all driven by technology, though. Some grow out of changes in healthcare philosophies or increased understanding of patients' needs.

**Other growth areas for healthcare include:**

• **Patient navigators.** They provide support to patients throughout the treatment process and are often assigned to long-term patients such as those going through cancer treatment. They may consult with physicians, provide emotional support to the patient and family, and help with arranging for financial assistance and scheduling.

• **Chronic illness coaches and health educators.**

↑**37%**
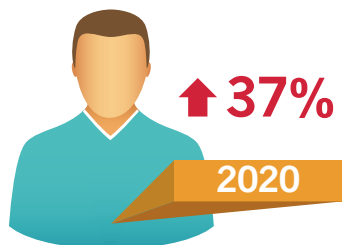
2020

They work with people living with chronic conditions or diseases such as diabetes, Lyme disease and even obesity. **The BLS estimates demand for these positions will grow by 37 percent by 2020.**

• **Home modification/care specialists.**

↑**70%**

2010-2020
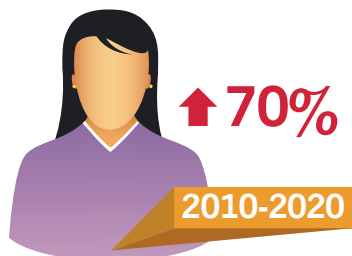
They help patients who remain in their own homes during the course of treatment. They work with recovering or disabled patients to modify their surroundings for optimal treatment and may assist them in daily caregiving tasks. **The BLS estimates that demand from 2010 to 2020 for home care specialists will jump a whopping 70 percent.**

• **Specialized nurses.** These nurses have received specialized training or certification in one of dozens of specialties such as burn care, orthopedics, pediatrics, sub-acute care or substance abuse.

4. Hiring Physicians - Start Here

Another trend affecting healthcare recruiting is that of hospitals employing doctors directly rather than simply appointing them through the medical staff office. According to a 2013 report by healthcare staffing company Jackson Healthcare, more physicians were employed by hospitals in 2013 than in 2012. In that same time period, the proportion of solo practitioners in the U.S. decreased to 15 percent from 21 percent, and the proportion of hospital-employed physicians increased to 26 percent from 20 percent. The study also found that 39 percent of physicians younger than 45 have never worked in private practice.

According to the research, doctors are tired of dealing with the administrative hassles that come with operating a private practice and many simply can't afford to invest in operating their own practice.

This represents an opportunity for hospitals looking to hire physicians. **"The push toward value-based medicine, led by both CMS and private insurers, has increased hospitals' interest in employing physicians,"** says Adam C. Powell, President of Payer+Provider Syndicate.

There are several advantages hospitals can gain by employing physicians, Powell says. One is having greater control over the protocols those physicians are required to follow. Another is clinical integration. Employing physicians makes it easier for hospitals to coordinate patient care across a variety of providers and settings, including outpatient, acute inpatient, preventive, rehabilitation and palliative care. When the doctors are on staff, the hospital can coordinate their efforts more efficiently.

> 66 **The push toward value-based medicine, led by both CMS and private insurers, has increased hospitals' interest in employing physicians.** 99

Finally, there are financial advantages. "Under (Accountable Care Organization) contracts, the primary means available for hospitals to improve their margins are lowering costs and increasing quality," Powell says. The ACO program is a voluntary program authorized under the Affordable Care Act that allows hospitals to work together to contract directly with Medicare.

Employing physicians makes financial sense for hospitals regardless of the predominant payment model in their area, Powell says. "In areas with substantial fee for service, employed physicians can help boost revenue from hospital referrals. Meanwhile, in areas with substantial fee for value (ACOs), employed physicians can be used to shift workload from the hospital to lower-cost sites of service while still capturing the revenue."

According to a Merritt Hawkins report on physician recruiting incentives, primary care physicians are in the highest demand among hospitals wanting to hire doctors, specifically by family physicians and general internists.

5. Staying Ahead of Hiring Trends

With all the challenges posed in the other examples, employers will have to spread a wide but efficient net to find qualified candidates. In addition, the ACA has brought changes to some hiring procedures, including giving background checks a higher priority for some healthcare positions. Finding the best candidates is going to be a challenge no matter how prepared you are.

"That's the magic question," says Dustin Barker, Director of Business Development at PreCheck, a healthcare background check and employment qualification services provider. "How is an organization going to attract and retain the top-level talent within the region, where they'll find the majority of their hires? What is it that's going to allow them to retain that level of talent?"
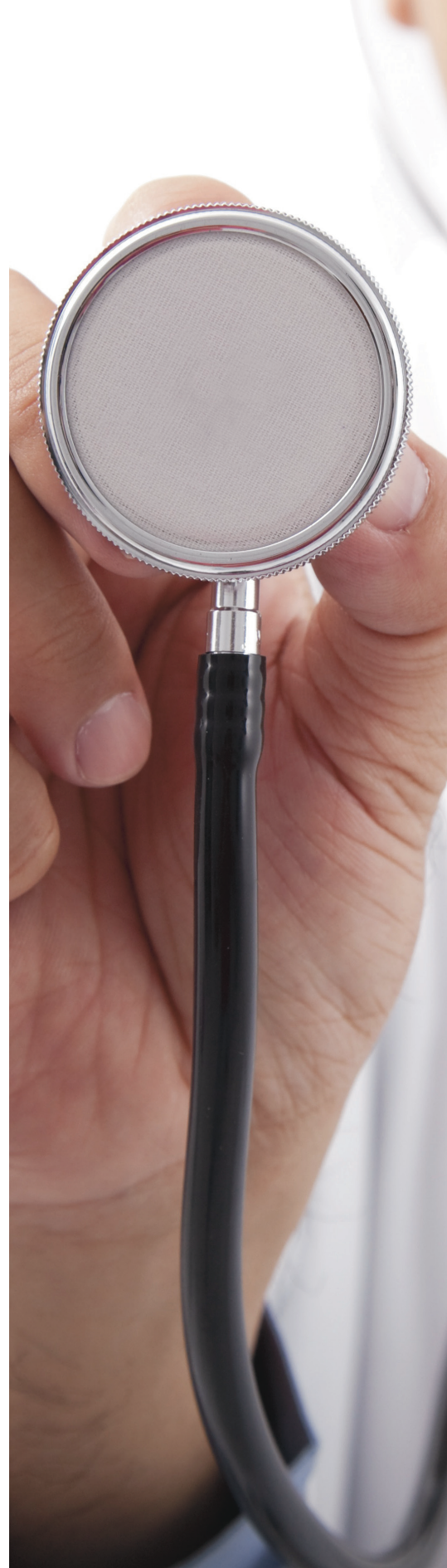
While the ACA does contain a provision for national and state background checks for long-term care employees with patient access, it's important to remember that background checks required by federal law represent the minimally required level of due diligence, says Vu Do, PreCheck's Vice President of Compliance.

To ensure patient safety and to safeguard their reputation, most healthcare employers want to know as much as they legally can about a new hire. "And because the manner in which criminal record information is created and indexed varies widely across counties," Do explains, **"it's critical to find a screening partner that has the expertise to recommend essential resources for a thorough and effective screening program."**

How to Overcome Healthcare Recruiting Challenges

One of the biggest barriers to addressing these challenges is that while hospital executives are aware of these issues, they generally rank them behind other priorities such as reimbursement, regulations, quality of care and uncompensated care, according to a study by PricewaterhouseCoopers' Health Research Institute. Without buy-in from top management, it may be difficult to develop strategies to address recruiting challenges.

Still, there are steps healthcare organizations' human resources departments can take to get executives to support prioritizing finding doctors, nurses and other staff members.

> **"...it's critical to find a screening partner that has the expertise to recommend essential resources for an effective screening program."**

When dealing with the challenges of finding specialized positions, consider the following.

- **Explain the stakes.** "There's definitely a war out there for talent," says Liz Wamsteeker, Recruitment Solutions Expert at HRsoft. "Not just for talent, but top talent. The cost of having those open vacancies, especially in a hospital, is tremendous. You want to hire people quickly but get the right people in."

- **Make a plan.** Work with managers to identify anticipated staffing retirements and upcoming shortages in your practice areas, and create an action plan to prioritize hiring over the next 10 years. Making staffing a priority can help mitigate difficulties your organization may face in the coming years.

- **Get help from outside recruiters and vendors.** For example, you can work with an applicant tracking system partner to help weed out unqualified candidates and highlight the cream of the crop. That way, "you end up with a better quality of hire and a better candidate experience," Wamsteeker says.

- **Polish your own image.** If your organization doesn't have enough to offer, candidates will look elsewhere. Identify what makes your organization special and use it in your recruiting materials. "Your organization has to brand itself competitively. Do you have great positions, do you have a strong reputation in the industry?" says Barker.

Best Practice Tip

Whether you're adding physicians or nurses to your staff, hiring for new positions or filling non-clinical roles, you'll need to take your organization's budget, mission and location into consideration as you and your recruiting team work with executives to identify what types of talent you want to bring on board.

For adding staff to your roster

- Partner with other healthcare organizations to create economies of scale that make it possible to offer a wider variety of services to a larger population.

- Set policies to help attract and retain high-performing employees for in-demand positions. For example, you can consider alternative work schedules such as flexible hours.

- Cross-train across positions — especially nurses, new technology positions and coding staff — to expand capabilities and responsibilities.

- Take advantage of resources, such as free webinars and other training tools, provided by CMS for ICD-10 positions, says Sheppard. "I think CMS has done a pretty good job giving everyone timelines and specs. Take advantage of the resources that are out there — now, if not way before now."

For recruiting

•   Diversify your job boards and make an effort to connect with nurses everywhere they're looking for jobs, Barker recommends. "Build those relationships when they're in school, when they're doing their clinical rotations, by making sure you have a good program in place at the hospital level. **You might not have a job for them immediately, but keep in contact with them, and when the time is right, bring them on board.**"

•   Bump up your participation on social networks such as LinkedIn, Facebook and Twitter. Build networks and make your organization accessible to passive job seekers who are already employed, but may be interested in moving to your facility.

•   Make your onboarding process more efficient by integrating with an ATS vendor. "It has to do with how you treat your candidates — especially those of the millennial generation, who are looking for more out of their careers and work," Wamsteeker says. "They want to be able to go to the site and have a seamless experience, and you want to gather enough information so you can properly assess them without (them) having to invest a day of their life applying to one of your jobs."

"You might not have a job for them immediately, but keep in contact with them, and when the time is right, bring them on board."

For compensating new positions

- Offer signing bonuses, relocation benefits, and spousal tuition or retraining allowances to help recruit high-demand candidates to your area.

- Offer productivity bonuses or productivity pay increases for high performers to boost retention efforts.

- Offer salaries. When hiring physicians, the Merritt Hawkins report found income guarantees, often used to recruit physicians into private practice, have been almost entirely replaced by salaries with productivity bonuses. **Only 7 percent of physician search assignments in 2011 to 2012 featured income guarantees, down from 41 percent in 2003 to 2004.**

41% 2003-2004

7% 2012-2012

Conclusion

The recruiting challenges facing healthcare organizations in the coming years are daunting. Changes brought about by technological advances, legislation, regulation and demographic trends will require attention and careful planning. Through targeted use of new technology and cooperation with strong partners, healthcare organizations can meet and overcome these challenges from a strategic position.

Source Biographies

Julie Sheppard

Julie Sheppard, BSN, JD, CHC, is President and Founder of First Healthcare Compliance. Ms. Sheppard is an Adjunct Professor at Widener University School of Law, where she serves as the course instructor for Healthcare Compliance and Ethics. A nurse and attorney, certified in Healthcare Compliance by the Compliance Certification Board, and a physician's spouse, Julie intersected her professional understanding of compliance issues with her personal motivations when establishing First Healthcare Compliance. She is a member of the Pennsylvania Bar Association, the American Health Lawyers Association and the Health Care Compliance Association.

Adam C. Powell

Adam C. Powell, Ph.D., is President of Payer+Provider Syndicate, a consulting firm that uses teams of economists, health services researchers and physicians to provide precise answers to operational challenges faced by health insurance companies and hospitals. He holds a Doctorate and Master's degree from the Wharton School of the University of Pennsylvania, where he studied Healthcare Management and Economics. He also holds Bachelor's degrees in Management Science and Writing from the Massachusetts Institute of Technology. Dr. Powell is a member of the adjunct faculty of Northeastern University, where he teaches students in the Health Informatics Graduate Program.
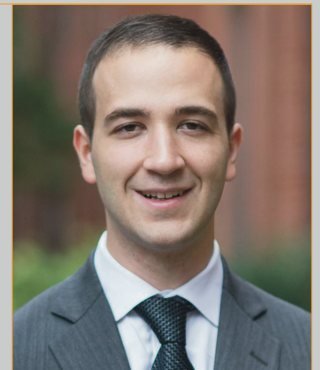
Dustin Barker

As PreCheck's Director of Business Development, Dustin Barker is responsible for the development of effective risk management plans designed to ensure healthcare partners stay in compliance, and maintain a safe and secure work environment. Dustin's career began in 2004 in a recruiting capacity and through this experience developed a passion in the space of Organizational Development consulting. Dustin earned his Bachelor's Degree in Psychology from Texas State University. He is a Licensed Private Investigator in the State of Texas as well as a member of the National Association of Professional Background Screeners (NAPBS).

Liz Wamsteeker

Liz Wamsteeker is ATS Solution Expert at HRsoft, a human resources software firm that supplies employers with web-based, talent management and talent acquisition solutions. She works with new and existing clients to ensure they are maximizing HRsoft's Recruitment Solution to meet their goals and objectives. With over 15 years' experience in the recruitment software industry, Liz has helped dozens of clients and organizations enhance their recruitment processes. She earned her Bachelor of Education from McGill University in Montreal. Liz's background is in Recruitment; she started her career as a recruiter before joining the company, and she plays a very integral role in helping shape HRsoft's product direction.

Vu Do

As PreCheck's Vice President of Compliance, Vu Do focuses on operational implementation of compliance programs as well as client and staff compliance training and education. With over 10 years' experience in the employment screening industry, Vu is responsible for ensuring procedural compliance across products, overseeing all matters involving the development, implementation, and enforcement of internal compliance programs. Vu is a Certified Compliance and Ethics Professional (CCEP) and received her Advanced Fair Credit Reporting Act (FCRA) certification from the National Association of Professional Background Screeners (NAPBS). She is currently a member of the NAPBS Board of Directors and earned both her B.A. in English and French, summa cum laude, as well as her M.A. in Literature from the University of Houston.

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4. Since information entered by the candidates is already in the ATS, it is used for conducting your background checks—eliminating duplicate data entry for placing orders.

5. Once investigations are completed, recruiters can access background check reports directly from the ATS.

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For more information about our background check and applicant tracking services, email info@precheck.com or call 866-213-9563.

About PreCheck

PreCheck, Inc. was founded in 1983 as a background investigation services firm. Responding to the healthcare industry's need for background investigation services, the company started focusing on the specialized requirements of hospitals, clinics and other healthcare providers in 1993. Our client-focused business approach has allowed the company to develop products to meet the growing and evolving needs of the healthcare industry.

PreCheck is now the largest provider of background and credentialing services to the healthcare industry and has expanded its services to assist hospital executives, healthcare human resources and compliance professionals, medical staffing managers, and clinical program directors with other essential functions. Our suite of products includes outsourcing solutions for license management, health and drug screening, exclusion and sanction screening, immunization tracking, and online I-9 and E-Verify processing.

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