



# WORKFORCE OF THE FUTURE

featuring Sergio Melgar ↑  
John Bluford  
Corey Feist  
Robert Flannery  
Dan Harris  
David Salsberry

With support from



# THE WORKFORCE OF TOMORROW

## EMPOWERED, MORE DIVERSE AND VULNERABLE TO TECHNOLOGY



BY LOLA BUTCHER

**T**he rules of engagement are changing for the healthcare workforce in multiple ways. Industry experts anticipate that younger generations are going to exert their will more strongly in the workplace, that employers will ramp up their efforts to hire people who better reflect their patients' demographics, and that technology could reduce the need for certain duties and roles.

UMass Memorial sent all but a handful of its 1,000-person-strong revenue cycle team home in March 2020 because of the pandemic, and many are never returning.

Sergio Melgar, executive vice president and CFO, says the staffers seem to be more productive than they've ever been, and they seem to have a better quality of life from their perspective. "Many of them don't want to come back, so we need to accommodate that."

The unexpected work-from-home movement is one of many things that will reshape America's healthcare workforce in the coming decade. Automation will lead to an administrative staff that will become leaner, more efficient and more skilled. Executive leadership teams will become smaller. The competition for staff members will become more fierce.

This decade will be a time of major transition for the industry, and senior leaders must take a systemic approach to guiding a changing workforce. "The healthcare leadership workforce is very aged, and I think we're going to see a lot of retirees," said David Salsberry, chief revenue officer at Texas Health Resources, Dallas-Fort Worth. "If we want our organizations to be successful, we're going to have to engage not just the direct leaders impacted by these major change initiatives but also the next levels down."

While the trajectory for some trends is clear, how some of healthcare's biggest workforce challenges will play out is less so. One thing that experts do expect is that health system C-suites will have to become more diverse and better equipped to reduce racial and ethnic disparities — or their organizations will fail in the era of value-based care. Not a new problem; the industry has made little progress in the last 10 years.

Meanwhile, the health of the workforce — buckling under stress, burnout and trauma — must finally get the attention it deserves. Surveys

**UMass Memorial Executive  
Vice President and CFO**  
Sergio Melgar says  
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productive in a work-from-  
home environment.

SERGIO MELGAR PHOTOS BY MARSHALL CLARKE

earlier this year found at least a third of frontline healthcare workers have considered leaving the field entirely.

“This is the piece that’s important for CFOs to recognize: We know from national surveys that 50% of the workforce doesn’t feel valued, or feels only slightly valued, by their institution, and when that occurs, they are more susceptible to burnout,” said Corey Feist, CEO of the University of Virginia Physicians Group, the medical group practice of UVA Health. “If this doesn’t get fixed, you’re going to lose a workforce.”

### WORK-FROM-HOME IS HERE TO STAY

The practice of working remotely has the potential to transform the healthcare workforce before 2030 rolls around. At Texas Health Resources, Salsberry projects nearly 100% of its financial administrative staff will work remotely before the end of the decade.

About a third of the entire financial administrative staff, including the majority of the revenue cycle staff, had been working from home before COVID-19 forced the issue, Salsberry said. Today, about 90% of his employees are working from home and like UMass, by and large, they won’t return to the office.

Employers and employees both find benefits from the work-from-home movement. At UW Health, the University of Wisconsin’s academic medical center, Robert Flannery, senior vice president and CFO, expects to downsize its administrative footprint significantly. Flannery said he anticipates going from three large administrative buildings to two in the near future, and the medical center may ultimately need only one. “We think there will be millions of dollars to be saved,” he said. “That cost comes out of our cost structure.”

### LARGER TALENT POOL

As work-from-home becomes standardized, the job market is expanding nationally for certain positions. “Some people who still like living in Wisconsin have more opportunities to work for organizations in states that are hundreds, if not thousands, of miles away,” Flannery said. “That’s now happening with our data analytics people. Our human resources team is rejiggering which positions we actually need to have more of a national market perspective versus a local or regional perspective.”

At UMass Memorial, the board of trustees has already discussed the potential to save money by recruiting staff in parts of the country that have lower wages. Melgar said doing so will require

## ‘HEALTHCARE 2030’ CFO SURVEY

**Editor’s Note:** As part of the Healthcare 2030 series, HFMA surveyed 141 healthcare CFOs in June and July to get their take on where the industry is headed for the rest of this decade. **You’ll find the results throughout this report.** Not all respondents answered every question and the number of respondents will be noted in each of the charts that follow. Additional results will be included in Parts 3 and 4 of our series.

Percentage of workforce forecasted to be working remotely:

14% in 2022 | 21% in 2030

Source: HFMA survey with 138 responding.



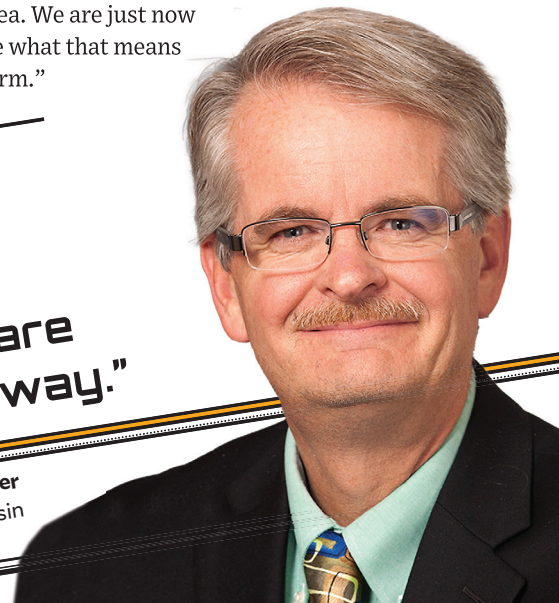
a thoughtful strategy. “If I do that, do I run the risk of having employees not be as loyal when somebody else comes in and offers to pay more?” he said.

Melgar thinks most of UMass Memorial’s administrative workforce will be based in central Massachusetts but, as UW Health is experiencing, workers with some skills will have a national job market to choose from. “This will be a potential drain for smaller, lower-salary markets that have very good technical people,” he said. “But I also have to be careful because if I don’t pay enough here, I will lose people. There’s always somebody somewhere that pays more than you.”

Retaining employees in the years ahead will require flexibility, Salsberry said. Texas Health Resources demonstrated that need when the pandemic closed schools and day-care facilities, forcing employees to juggle work and childcare. “As long as they got their work done on a given day, we didn’t care when they did it,” he said. “COVID-19 has resulted in our organization having to be a very different kind of employer to retain the staff we have and to attract talented staff from a larger geographical area. We are just now trying to fully embrace what that means in the near and long term.”

“Some people who still like living in Wisconsin have more opportunities to work for organizations in states that are hundreds, if not thousands, of miles away.”

— Robert Flannery, Senior Vice President and Chief Financial Officer  
UW Health, University of Wisconsin



# Cutting costs isn't the only path to rural revival

Dan Harris, senior vice president and CFO of the Southeast Alaska Regional Health Consortium (SEARHC), has a suggestion for rural hospital leaders: "As the world changes, it is really important to not panic.

"Many people look to the CFOs as the voice of reason and calmness in difficult times," Harris said. "Where I have seen other CFOs and systems struggle, it is because they are more focused on cost reduction rather than continued investment."

While the workforce trends in healthcare apply to rural and urban systems alike, the best practices for urban systems may or may not be right for rural providers, depending on their individual situations.

Harris' approach is to invest in solutions that improve operations and to make no decision based solely on the opportunity to cut costs. "Many CFOs have this mentality that they have one tool in the toolbox, and that is to cut costs," he said. "They start looking around the world to find a really cheap vendor to do accounts payable or accounting for a lot lower cost and, all of a sudden, they have lost service and the ability to control the business. And I see that as a major mistake."

SEARHC, composed of 28 clinics and two critical access hospitals, serves a cluster of islands mostly linked by ferries. Patients who need hospital care typically are flown to the 25-bed Mount Edgecumbe Medical Center in Sitka or, for more complex care, to Anchorage or Seattle.

Recruiting employees with special skills to move to rural Alaska is challenging. Yet Harris doesn't see the work-from-home movement, which would allow SEARHC to hire administrative workers from around the country, as an easy fix. "There are all kinds of regulations that come with that, and we are not big enough to have the expertise or resources to manage it," he said.

— Lola Butcher



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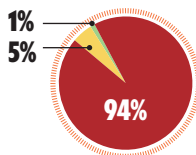
— David Salsberry, Chief Revenue Officer  
Texas Health Resources

## CFO SURVEY

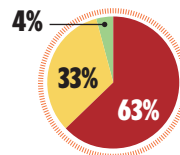
Ease in finding qualified workers in the following areas (percentage of respondents)

■ Harder ■ Same ■ Easier

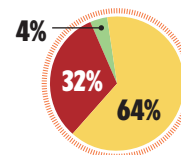
**Clinical (RN and other)**



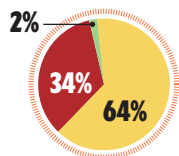
**Data and IT**



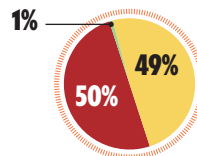
**Executive Management**



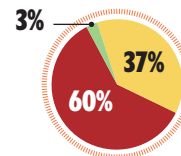
**Facilities**



**Finance/ Revenue Cycle**



**Physicians/ APPs**



Source: HFMA survey with 137 to 140 responding, depending on the category.

In some cases, work-from-home may lead to longer careers. An employee who has long dreamed of escaping cold Northeastern winters by moving to Florida, for example, no longer has to retire to make that happen. "They could go there and still continue to work for us," Melgar said. "I think we're going to get more years out of some of our employees than we would have otherwise."

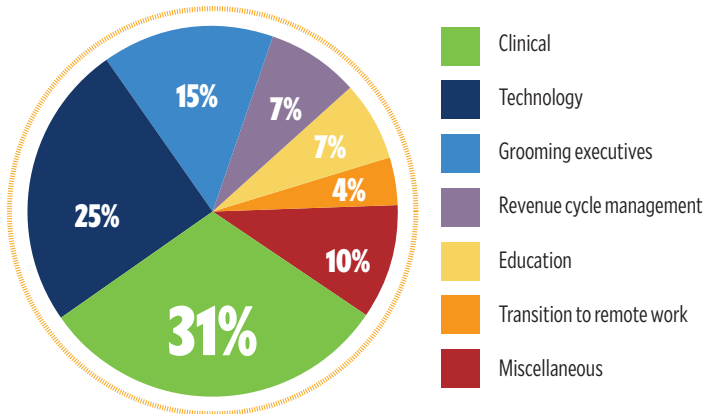
### AUTOMATION, SCREEN-SCRAPING AND BOTS

Health systems are going to look to technology increasingly, as smarter tools become more available. That means the healthcare sector is likely to devote the next several years to figuring out how robotics, automation and artificial intelligence (AI) can best be applied to administrative processes.

Most systems are only tiptoeing into the technology at this point, even though there is hope it holds promise. UW Health has

## CFO SURVEY

Greatest training and development needs looking five years ahead



Note: Percentages don't add to 100% due to rounding.  
Source: HFMA survey with 136 responding.

found that automation and robotics have boosted efficiency in surgery, so Flannery expects that automation of administrative tasks holds the same potential. "Within the next six months, we will be implementing some of that technology for our revenue cycle team and our finance team as well," he said. "I absolutely believe that it will provide significant opportunity for our organization."

At Texas Health Resources, the system has used automated tools for screen-scraping and registering newborns with the state Medicaid department. It uses bots in cash management, making the process of posting and reconciling payments to the billing system and general ledger much more efficient and accurate, Salsberry said.

Still, he believes many AI products marketed for healthcare administration today are "a solution in search of a problem" and that vendors of AI solutions are reluctant to take on financial risk to prove their products are worth the investment.

"I can't say that we've yet seen AI materially impact our worker productivity because I think it's still very new," he said.

He hopes that AI can deliver "exponential reduction in costs and improvements in quality" as technology develops. The system is evaluating an AI technology that analyzes how employees use the electronic health record (EHR) system and identifies repetitive tasks with the greatest opportunity to benefit from AI automation. Salsberry hopes this will allow the organization to be more strategic in selecting automation investments that deliver exceptional results.

### CARING FOR THE CLINICAL WORKFORCE

America's clinical workforce has been in bad shape for years — high rates of turnover, chronic shortages in some job categories, a burnout epidemic, mental health problems that workers fear acknowledging. Then came COVID-19, which required a huge swath of America's healthcare workforce to risk their lives, often without adequate support from their employers.

## Nursing workforce researcher says once-positive outlook muddled by the pandemic

The COVID-19 patients filling up hospital ICUs may be deflating the outlook for nursing employment.

Workforce researcher Peter Buerhaus, PhD, RN, said the likelihood of a true shortage affecting all hospitals was slim headed into the pandemic, but both supply and demand for RNs could be altered long-term by the stress on the system the coronavirus has unleashed.



Peter Buerhaus, PhD, RN, is director of the Center for Interdisciplinary Health Workforce Studies at Montana State University College of Nursing.

Buerhaus, director of the Center for Interdisciplinary Health Workforce Studies at Montana State University College of Nursing, where he is a professor, said the nation was in line to see enough nurses entering the workforce over the next 10 years to replace more than 600,000 retiring baby boomers and add another 1 million nurses to the mix.

Now, much of the long-term outlook will be determined by how many nurses are leaving the workforce early and if the struggles facing the profession because of the coronavirus discourage a significant amount of people from joining the nursing workforce. "The conditions make us a little worried," Buerhaus said.

And even if the number of nurses entering the workforce doesn't take a big hit, they will not have the experience that the departing nurses have. "While we've got a lot of nurses coming into the workforce, by no means can they replace the work of the baby boomers because they don't have the knowledge, the experience, the organizational know-how," he said.

### Buerhaus' recommendations:



If your wage structure is competitive, be skeptical that pay hikes will keep nurses on the job. "In fact, it could persuade some to say, 'I'll work three days a week and still make basically what I was making when I worked four.'"



Meet nurses in person. "Show your presence, show them that you're not a bean counter, and that you want to understand what are the core issues that are most important to nurses."



Ask for their opinions. Maybe they want more nursing aides, an electronic health record that is easier to use, recognition for an older colleague who has been underappreciated.

# Mental health improvement campaign

Tragedy pushed Corey Feist, CEO of the University of Virginia Physicians Group, to try to effect change in the industry. His sister-in-law, emergency physician Lorna Breen, MD, at NewYork-Presbyterian Hospital in New York, died by suicide in April 2020. Feist co-founded the Dr. Lorna Breen Heroes' Foundation two months later, with the mission of reducing burnout of healthcare professionals and safeguarding their well-being and job satisfaction.

The Breen Foundation joined with the American Hospital Association, the American Medical Association and other organizations to create the All in WellBeing First for Healthcare Campaign. He encourages hospitals and health systems to join by pledging an organization-wide commitment to the well-being of their workers — and learning what actions to take.

"As I have more and more conversations with healthcare leaders, they are really grasping at straws about what tools exist," Feist said. "We're going to share best practices."

— Lola Butcher



It likely will take years to reverse the damage that's been done, but providers must immediately start tackling the problem more strategically than they have in the past. They may, though, be surprised by how many nurses in total will be available.

"This is a workforce that has gone off to battle for a year, and seen repetitive trauma for a year, not just one isolated event," said Feist, the University of Virginia Physicians Group CEO. "Now we have a population of employees who are more susceptible to mental health struggles."

The health of the clinical workforce is of CFO-level concern because it affects the organization's core operations. A burned-out workforce is associated with a 200% increase in medical errors, Feist said. And just maintaining adequate clinical staff has become a serious problem. "We've seen a huge walkout of the workforce," Feist said. "I don't know a system in the country that has sufficient nursing staff."

CFOs can direct investments in "true workplace interventions to redesign the healthcare environment" that can mitigate burnout, he said. Beyond that, other administrative burdens that sap clinicians' time and energy must be minimized. "We've got to push back all of this bureaucracy and get it out of the hands of the doctors and nurses," he said.

## BEHAVIORAL HEALTH DEMANDS WILL CONTINUE TO GROW

Health systems are only now grappling with the trauma their staffs have experienced, and immediate action is essential. Mental health issues, which are stigmatized throughout society, are even more taboo among clinicians who worry that seeking diagnosis and treatment might imperil their license or their defense against malpractice claims.

CFOs can help in two specific ways: Ensure their community has mental health services to support the growing demand. And for the benefit of their own staffs, support insurance plan designs that allow employees to seek mental health services outside of their own facility, which otherwise can be a barrier to treatment.

**"We know from national surveys that 50% of the workforce doesn't feel valued, or feels slightly valued, by their institution, and when that occurs, they are more susceptible to burnout. If this doesn't get fixed, you're going to lose a workforce."**

— Corey Feist, CEO  
University of Virginia Physicians Group,  
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PHOTO COURTESY OF BLUFORD HEALTHCARE LEADERSHIP INSTITUTE

“Even though there has been a focus on increasing the diversity of the workforce, we have made little progress. Not nearly enough.”

— John Bluford, President and Founder  
Bluford Healthcare Leadership Institute

Feist also encourages healthcare executives to push for safe-haven programs — already in place in Virginia and some other states — that protect healthcare professionals from having their mental health and medical records disclosed as evidence in malpractice lawsuits. Such programs require a membership payment for individual clinicians, which health systems can pay for. “Funding solutions that support the mental health of the workforce that are incremental to those that are already in place are essential,” Feist said.

**LACK OF DIVERSITY WILL HIT THE BOTTOM LINE, QUALITY OF CARE**

Years of inaction to reduce racial and ethnic health disparities have put hospital executives in a position of needing to act quickly if they are to remain viable in the coming era of value-based care.

Until now, most health systems have failed to make the connection between diversity in the C-suite and the social determinants of health that drive those disparities, said John Bluford, former president and CEO of Truman Medical Centers and former chair of the American Hospital Association. A decade ago, Bluford, along with the leaders of America’s other top healthcare associations, issued a call to action: Diversify the healthcare workforce and eliminate racial and ethnic health disparities.

“Even though there has been a focus on increasing the diversity of the workforce, we have made little progress. Not nearly enough,” Bluford said.

Today, as leader of the Bluford Healthcare Leadership Institute, he has worked to introduce minority undergraduate students to healthcare administrative leadership and help them launch their careers. He estimates that perhaps 14% of healthcare administrators in C-suite positions are Black or Hispanic,

**CFO SURVEY**

Diversity, equity and inclusion changes:



Source: HFMA survey with 123 responding.

compared to a minority patient base of 32%.

But the COVID-19 pandemic made apparent America’s longstanding failure to eradicate disparities. An analysis published in the *Journal of the American Medical Association* found that the death rate per 10,000 patients was 5.6 for Black and Hispanic patients, 4.3 for Asian patients and 2.3 for white patients. Lip service must be replaced with action now, Bluford said.

If the industry doesn’t respond to the inequities revealed by the pandemic, then the next 10 years is going to be rough. CFOs must recognize that improving the health of historically marginalized groups is essential to financial success in value-based contracts, said Duane Reynolds, CEO of Just Health Collective, a consultancy working to build health equity.

“Population health is here to stay, and the industry has said value-based care is where we are headed,” he said. “If organizations are not prioritizing resources geared toward advancing health equity, diversity and inclusion, they are going to be challenged.”

Creating a new position — chief health equity officer or chief diversity and inclusion officer, for example — may be a first step, but only that. “This is not one person’s responsibility,” Reynolds said. “You, as the CFO, should understand the social determinants of health that are going to impact your organization financially. And you, as the CFO, have to be thinking strategically.” ■

**About the author**

Lola Butcher is a freelance writer and editor based in Missouri and is a contributor to HFMA’s *hfm* magazine.



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