

# The Healthcare Labor Market in Indiana

Christine Morris, Joe Weldon &  
Matt Whitson | October 24, 2019



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# Agenda

- Getting Started
- The Current Labor Market
- Workplace Wellbeing & Engagement
- Benefit Trends



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# Getting Started

- We're going to ask for some audience responses later on in the presentation.
- Please text MATTWHITSON672 to 22333 once to join
- We are only collecting answers for purposes of this session!



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# The Current Labor Market

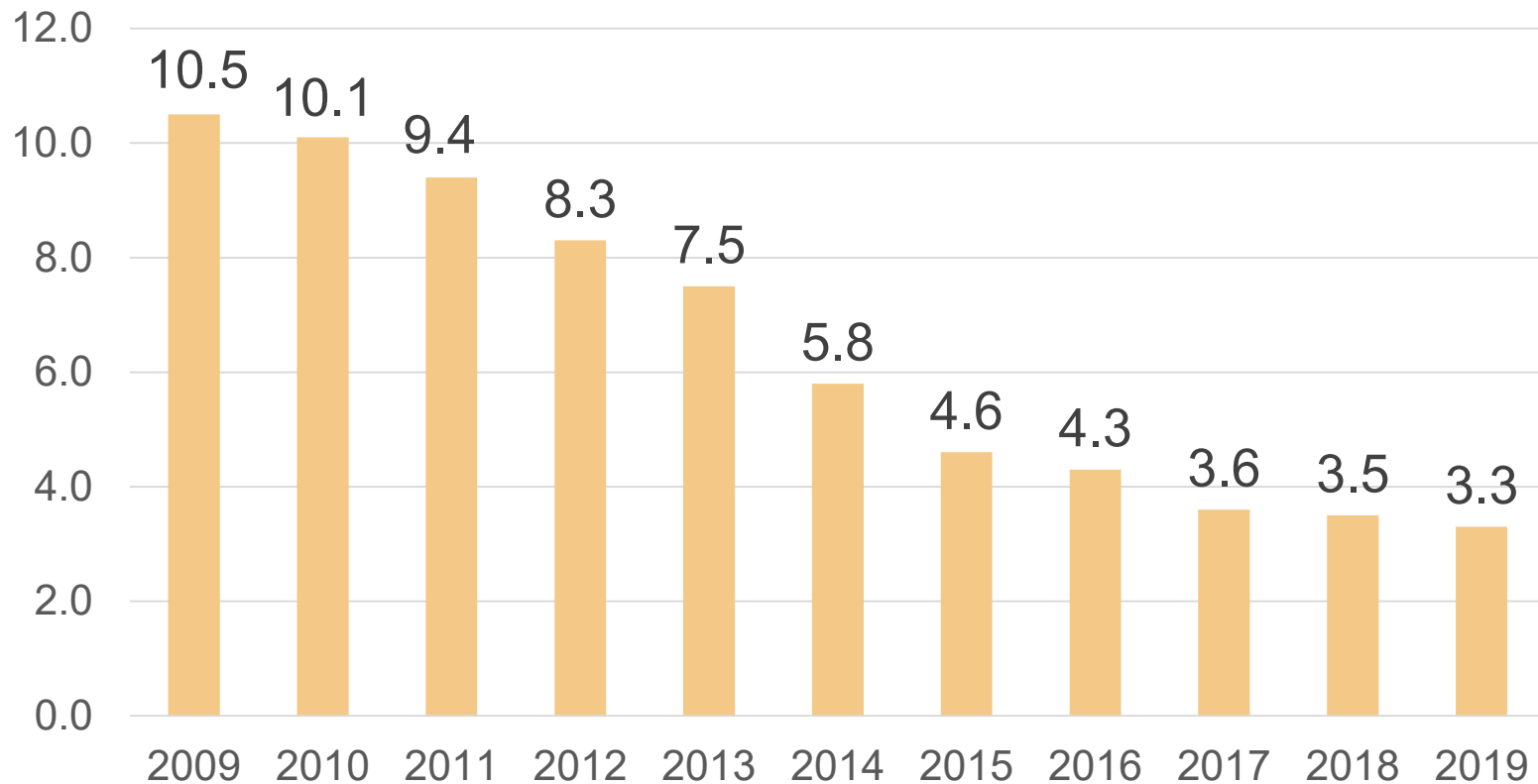


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# Indiana Unemployment Rate

(August)

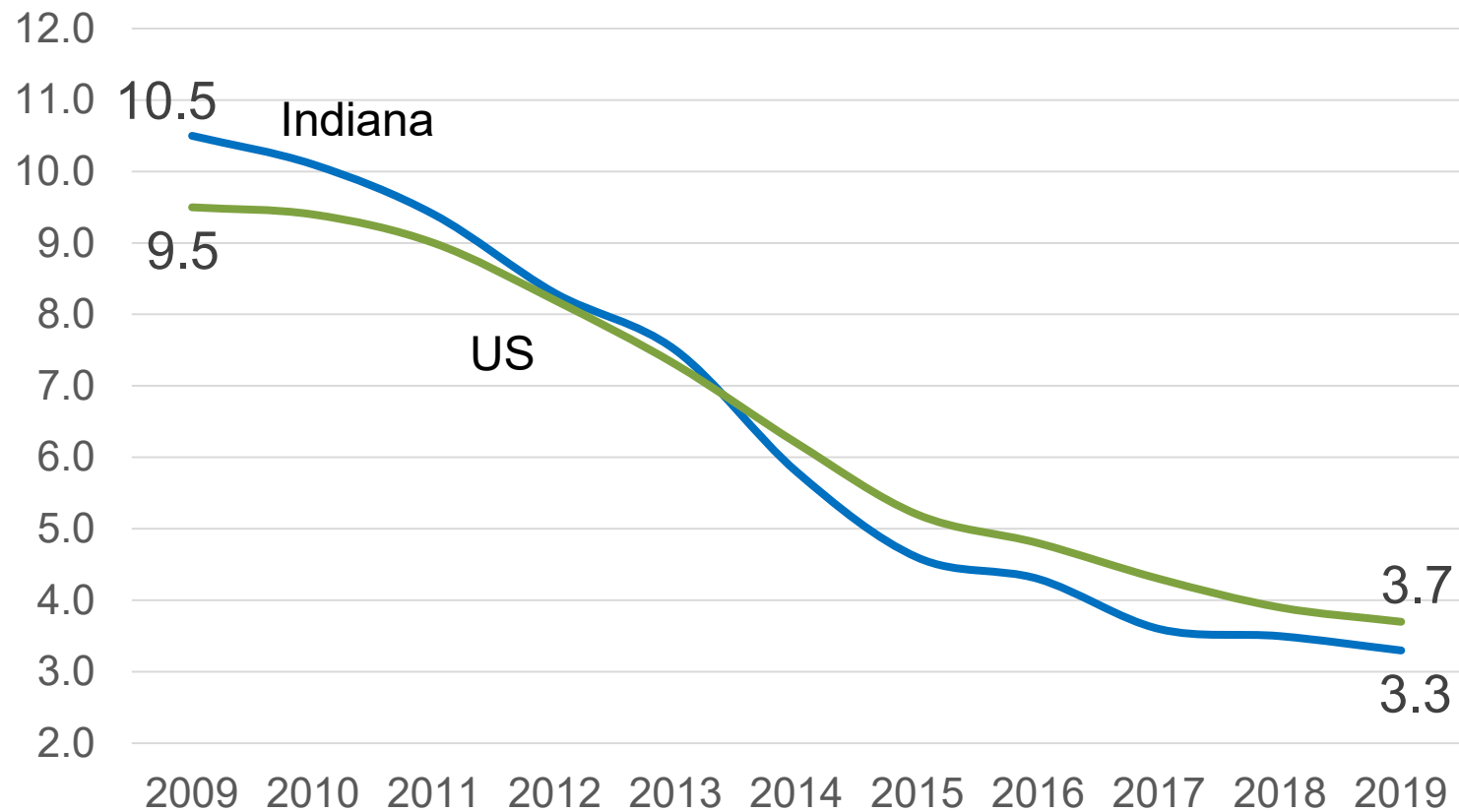


Source: Bureau of Labor Statistics



# US & IN Unemployment Rate

(August)





# Projected Nursing Shortage by State

## Largest

Rank	State	Demand (2030)	Supply (2030)	Difference
1	California	387,900	343,400	-44,500
2	Texas	269,300	253,400	-15,900
3	New Jersey	102,200	90,800	-11,400
4	South Carolina	62,500	52,100	-10,400
5	Alaska	23,800	18,400	-5,400

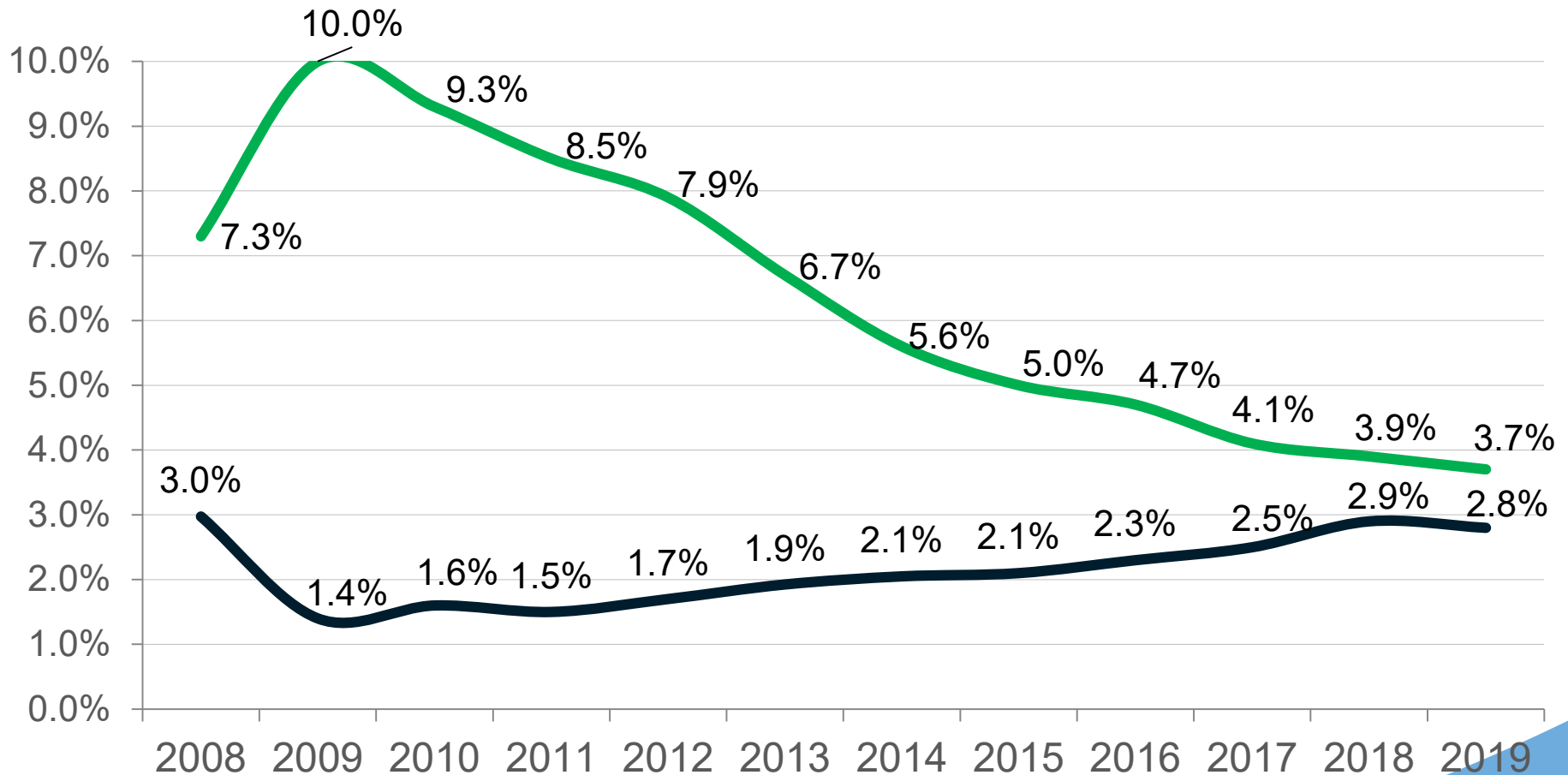
## Surrounding States

Rank	State	Demand (2030)	Supply (2030)	Difference
1	Illinois	139,400	143,000	3,600
2	Michigan	104,400	110,500	6,100
3	Kentucky	53,700	64,200	10,500
<b>4</b>	<b>Indiana</b>	<b>75,300</b>	<b>89,300</b>	<b>14,000</b>
5	Ohio	132,800	181,900	49,100

Source: U.S. Department of Health & Human Services; Supply and Demand Projections of the Nursing Workforce



## Unemployment vs. Wage/Salary Growth



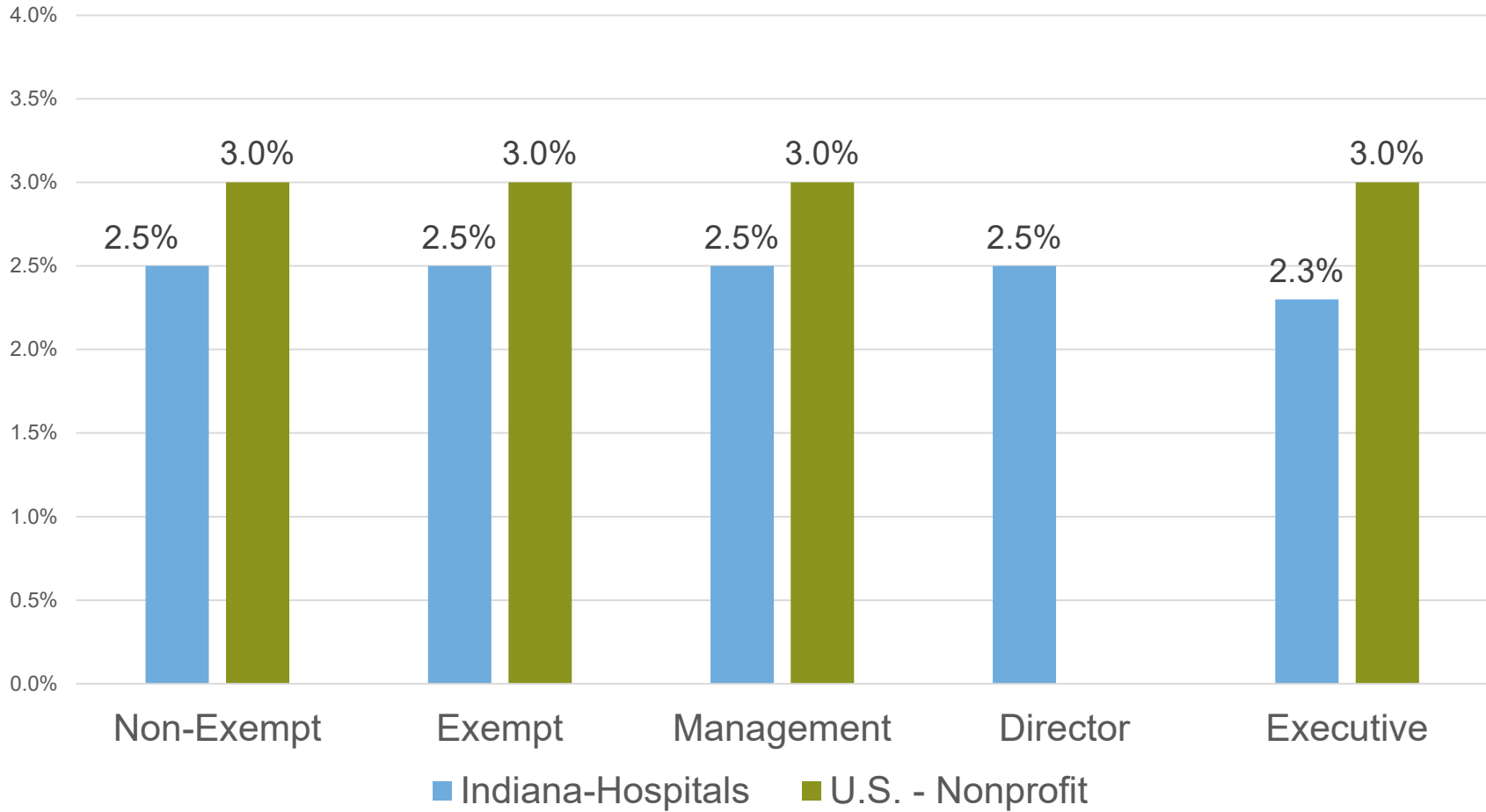


# Total Salary Increases



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Source: Indiana Hospital Association 2019 Compensation Survey



## Sign-on bonuses

### Indiana Survey reported bonuses

	% Offering	median
Staff RN	86%	\$5,000
Pharmacist	14%	\$5,000
Other Positions	66%	\$4,500

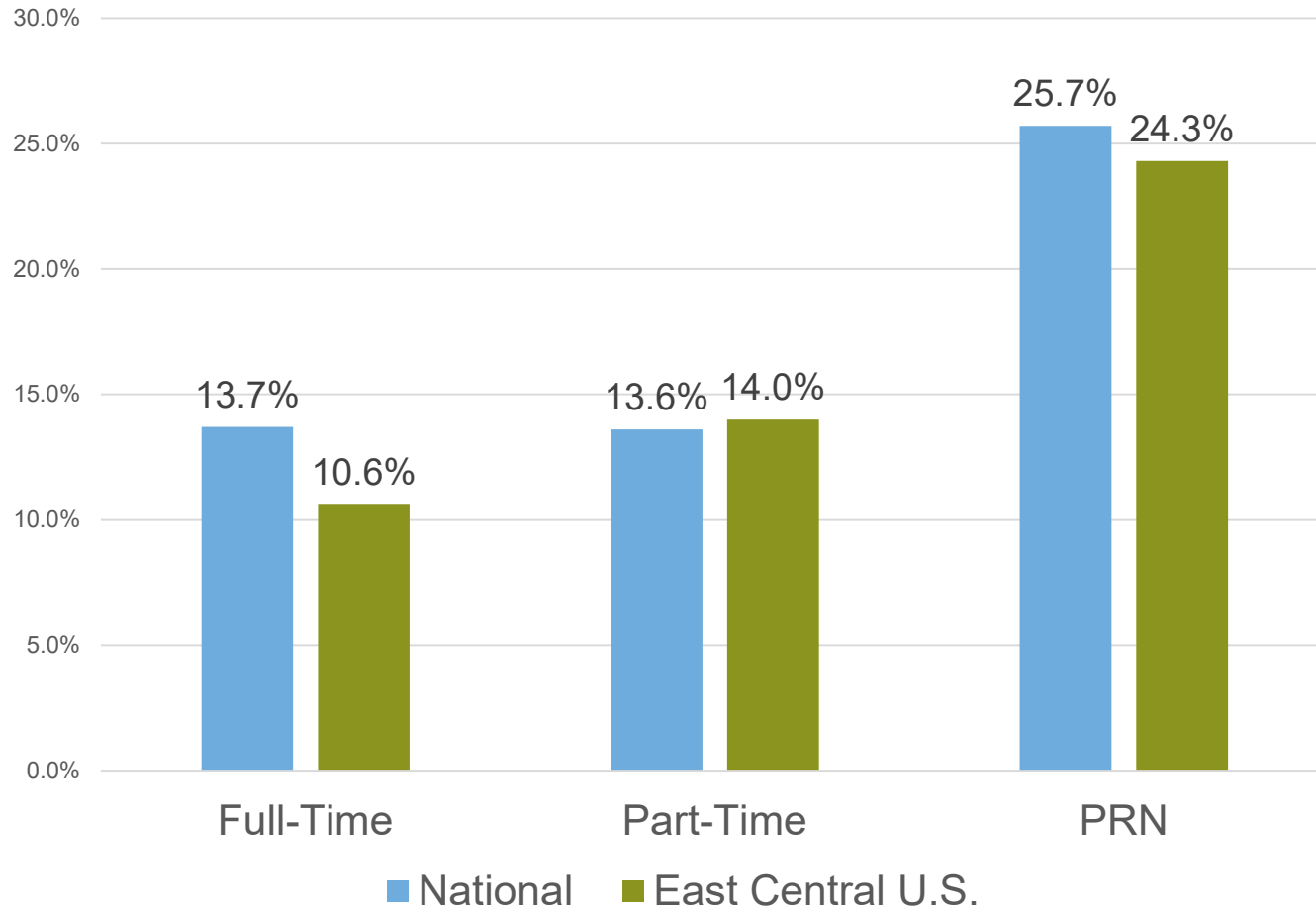
Source: *Indiana Hospital Association 2019 Compensation Survey*

# RN Turnover Rates 2019



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Source: Gallagher Integrated National Nursing Compensation Survey Report, 2019



# Other Trends

- Premium Pay Practices
  - Hospitals continue to scrutinize pay programs
    - Differing perspectives – Unnecessary additional cost or competitive differentiator?
  - Many instances of “maximizing economic opportunity”
- Absence Management
  - Attracting and retaining talent through a competitive Time Off/Disability offering
  - Understanding, and ultimately reducing, the cost impact of absence on the organization, with a focus on sustainability
- Time to Market
  - How many years does it take in your current compensation structure to reach market?



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# Workplace Wellbeing & Engagement



# Organizational Priorities & Culture

National	Indiana Health care	Top 3 Organizational priorities
64%	<b>88%</b>	Attracting and retaining a competitive workforce
41% 45%	<b>56%</b>	Maintaining or decreasing overall operating costs, tied Maintain or grow market share
47%	<b>52%</b>	Controlling employee benefit costs



Gallagher’s 2019 Benefits Strategy & Benchmarking Survey – Compared to IHA



# Start with Why

The reasons why employers in **Healthcare** are investing in **wellbeing** are shifting...

1. Improving **employee experience** and satisfaction: **48%** ( 13%) ↑
2. Reduce **absence** rates: **20%** ( 8%)↑
3. Become or remain an **employer of choice**: **18%** ( 11%)↑



***A comprehensive Wellbeing and Engagement strategy is a powerful driver in helping to execute top HR priorities and board organizational goals***







# Top 5 Wellbeing Initiatives

## Single Focus: Physical

### 2015\*



Flu shots: 86%



Wellness Communications: 84%



Health Risk Assessment (HRA): 70%



Weight Management: 66%



Biometric screenings: 64%

## Multi-dimensional Focus: Physical, Social/Emotional, Financial, Career, Community

### 2018\*



Flu shots: 95%



Service awards or team member recognition: 88%



Employee Assistance Program: 88%



Volunteer opportunities: 86%



Student Loan Forgiveness: 27%

**Meet their objectives, employers in Healthcare are shifting their wellbeing program components**

\*Benchmarking data from Gallagher's 2015 and 2016 Benefit Strategy & Benchmarking Survey for Healthcare Industry



# Why it matters.....

Example of large healthcare system, study of Nurses<sup>1</sup>:

A definitive (1 point) increase in team member **engagement** leads to a reduction of voluntary exits to pursue other opportunities by... **66%**

The hospital values the projected annual savings in turnover-related costs per 1,000 RNs at... **\$3.13 MM**



Example of multiple hospitals, study of inpatients<sup>1</sup>:

For every unit increase in team member **engagement** the proportion of patients rating the facility as the “best hospital possible” increases by... **15%**

BETTER TEAM MEMBER ENGAGEMENT =

More Productive    More Loyal    More Resilient

<sup>1</sup>Gallagher's U.S. National Employee Benchmarking Database

# East Coast Health System

**Opportunity**

Position Wellbeing as the foundation to meeting Health System Mission, Vision and Beliefs

**Guiding Principles**

1. ----
2. Recognize and honor the total wellbeing of each team member (TM) and meet them where they are at
3. ----
4. ----
5. ----

**Strategic Goals**

Effectively position wellbeing as part of the culture to optimize leadership accountability and bring visibility to leaders modeling positive behaviors

\*

\*

\*

**Success Metrics**

1	% of team members taking advantage of Team HMH opportunities (\$0 copay, biometrics retirement plan)	3	4	Executive/Physician physical Total Wellbeing Metrics	6
7	8	Unused vacation days	10	11	12



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# Employee Benefits

# Human Capital Strategy



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## Top Operational Priority – Indiana Healthcare

Rank	Priority
1	Maintain or grow market share
2	Maintain or decrease overall operating costs
3	Attract and retain a competitive workforce
4	Grow revenue or sales
5	Control employee benefit costs

## Top Operational Priority – All U.S.

Rank	Priority
1	Attract and retain a competitive workforce
2	Grow revenue or sales
3	Maintain or decrease overall operating costs
4	Control employee benefit costs
5	Maintain profit margins

Source: Gallagher 2019 Benefits Strategy & Benchmarking Survey – Indiana Report



# Human Capital Strategy



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Top HR Priority – Indiana Healthcare	
Rank	Priority
1	Attract and retain an competitive workforce
2	Increase workforce engagement & productivity
3	Control employee benefit costs
4	Create a strong culture
5	Train and develop employees

Top HR Priority – All U.S.	
Rank	Priority
1	Attract and retain an competitive workforce
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3	Increase workforce engagement & productivity
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Source: Gallagher 2019 Benefits Strategy & Benchmarking Survey – Indiana Report



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