

Home Care 100 Thought Leadership Series

Our goal with the Home Care 100 Thought Leadership Series is to provide interesting, relevant and timely case studies, white papers and industry updates for our audience. If you have a piece you would like to submit for consideration, please email it to jstewart@lincolnhc.com.

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Home Care 100 is designed expressly for top executives from the nation's largest home care and hospice providers. Join your peers for three inspiring days dedicated to peer-to-peer learning, networking and insights. Participation is strictly limited to ensure an intimate learning and networking experience.

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The State of Work Force for Home Care and Hospice

Eric Scharber, President, Exact Recruiting

Recruiting, staffing and workforce development within the Home Care and Hospice industry is a topic of great importance, but often overlooked. In these times of wondering what reimbursement will look like next year, or how to manage the revenue cycle and day to day operations, Talent Acquisition and Retention strategies can be relegated down the list of priorities. According to the US Department of Health and Human Services, 1/3 of the nursing workforce is nearing typical retirement age. Although the growth of nursing graduates has been rapid, competition will be fierce for staff in the years to come. Home Care and Hospice organizations are not simply competing against each other, but against all healthcare providers. So, with this in mind, here is a snapshot of staffing within the Home Care and Hospice industry and the biggest struggles facing the space today.

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Talent Development

It's rare these days that organizations are focused on developing their own talent within the Home Care and Hospice space. The overwhelming majority of hiring managers are looking for candidates that already have significant experience in the industry. They want nurses and management professionals that are savvy with OASIS and Medicare Guidelines and that don't need to be trained. Often, these organizations claim that current management doesn't have time to "train" or "mentor" someone and ask to only be presented with candidates that can "hit the ground running." There are some basic requirements for any position, but too often organizations are eliminating much of their talent pool before they even begin the search (whether the search is handled internally or via a 3rd party recruiter). The fact is that there are not enough seasoned Home Care and Hospice professionals to go around. With more and more seniors taking advantage of Home Care and more and more of our nursing population retiring from



the work force, organizations HAVE to put in place a training program and develop their own staff. There are enough nursing professionals to go around, they just need to be educated on the intricacies of our industry.

The Health Resources and Services Administration reported that the supply of Registered Nurses through the year 2025 will be sufficient to keep up with demand. What it doesn't address is the level of training and experience this supply will have. In 2008, the average age of a Registered Nurse was 47 years old. That number is now estimated to be over 50. These nurses have important experience and training that new graduates do not. New graduates have the technical skills to do the work required in this industry; they simply need some "on the job" training/development. Our current supply of experienced nurses are perfect to be used as preceptors to this next generation.

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To expand on this issue, simply replacing aging/experienced Registered Nurses that are leaving the workforce is not enough. The Home Care and Hospice vertical of healthcare is growing rapidly. The Bureau of Labor Statistics predicts that the Home Health industry will see a 69% growth in jobs by the year 2020. That does NOT take into account Personal Care (Aid) positions. So, while technically there will be enough supply (of new nurses) to support expected demand, the vast majority of it will NOT be experienced in the Home Health or Hospice industry.

Talent development must become a priority to counter the wave of experienced nurses who will be leaving the workforce. With seniors insisting on

aging in place, the demand for staff is greater than in all other verticals of healthcare. Talent development programs must become the norm, not the exception.

Competition for Talent

Often, organizations research their competition to be confident that they are compensating at the level of all the other Home Care and Hospices in the area. That's a good thing, but that does not mean they are competing aggressively in the marketplace. Competition for good nursing and management professionals is not specific to this industry. Home Care and Hospice is also competing against Hospitals, Long Term/Post Acute Care and any other healthcare providers in the area. It can be difficult to compete with some large health systems from a compensation stand point, but you at least have to recognize what you're up against and attempt to put a package together to attract and retain top staff. If you ignore other healthcare providers in the area, you're setting yourself up for disaster.

According to Salary.com, the nationwide average salary for a Registered Nurse in Home Health is \$74,000. In a hospital setting, the nationwide average is \$68,000. Things change a bit when you look at total compensation and benefits. More often than not, the larger health systems offer less expensive benefits, more PTO, more tuition reimbursement and other perks that can outweigh the \$6,000 difference in base salary.

Currently, advancement opportunities for motivated staff can be more readily available within large health/hospital systems. That fact seems to be changing. With the trend in healthcare moving toward taking care of patients in the home, as well as industry consolidation, the average size of Home Care and Hospice organizations is increasing. With larger scale, advancement/growth potential should also increase. That's a great selling point for quality staff.



The bottom line is that Home Care and Hospice will see the greatest demand for staff for many years to come in healthcare. Knowing that, they have to remain on the leading edge with their recruitment strategies to entice quality professionals to join their team. They need to have a firm grasp on the total competition in the market and put together aggressive compensation packages that can compete with all providers to attract the finest staff in the industry.

Image of the Industry

Unfortunately, this industry has had an “image issue” for some time. In the 80’s and 90’s, Home Health was seen by many as an area that required little skill and that presented few challenges to a nurse. Technology was scarce and ambitious nurses did not want to be associated with the space. The consensus was that those who did gravitate toward the industry (in the past), did so because they saw it as an area where they could “slow down” and get away from the demands of the hospital. They wanted a position with more flexibility and less stress, while still earning a nice income.

Times have changed. The industry has developed and is now at the forefront when it comes to technology and skill; but many professionals aren’t aware of that. This is an industry issue that has to be tackled as a group in order to make real progress. Too many nurses still look upon this industry as a second tier, un-challenging and non-progressive segment of healthcare. The message to the up and coming generation must be on point and show that Home Care and Hospice will continue to be the future of healthcare, or they won’t even consider this space as an option. The competition for talent is too fierce to lose out on these candidates.

We must begin working with the American Nursing Association and Nursing schools to address the image of Home Care and Hospice as early in their career as possible. Providers must focus on their recruiting messages and show these candidates that this industry

has advanced tremendously and that it is the wave of the future. Give them a reason to be excited and proud to work in this space!

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Retaining Top Staff

The national average for turnover of Registered Nurses is over 17%. It’s greater in some verticals (Home Health) and lower in some areas like Pediatrics and Labor and Delivery. With so much turnover, it’s imperative that organizations have a retention strategy. We spend so much time and energy sourcing and hiring staff, and then training them, the last thing you want to happen is to have them leave prematurely.

There are three areas to focus on when working on your retention strategy with quality professionals.

- **Compensation** – As mentioned before, compensation is a huge factor in retaining top talent. You don’t have to be the highest paying company in the area, but you must be competitive. Research has shown that employees typically don’t leave an organization for less than a 5% raise (assuming they’re otherwise happily employed). Ideally, market research should be done to determine the average and then it’s your responsibility to design a compensation package that is competitive in the area. This has to be analyzed on an annual basis to remain relevant.

- **Chemistry/Company Culture** – Essentially, the culture/values of your organization will dramatically impact whether key employees choose to stay with you long term. They must feel like they belong and have real “chemistry” with the organization/leadership.



- **Long Term Professional Growth/ Advancement** – This is especially important to quality staff. If the position is seen as a dead end job with no chance to grow or advance, top talent will look elsewhere. Whether it's in title or responsibility, key employees want to feel like their position is going somewhere.

Real retention strategies are important at every level within organizations - especially in Home Care and Hospice, where every dollar counts. Replacing staff is expensive and making an impact on your turnover percentage directly affects your bottom line.

Positives

There is some room for optimism. While there's still a lot of work to do, the volume of candidates that are exploring this space has improved. More and more quality professionals are open to the idea of working for Home Care and Hospice organizations. This is a positive sign, but it's the way in which organizations go about recruiting and considering these candidates that will determine their long term success. An

interesting HR statistic related to this issue is that talent that is brought in from outside the industry and trained/developed, stay with their organization 3 times as long (on average) as those recruited from within the industry. So, if your average tenure is 2 years, someone you bring into our industry (from the hospital environment for example) and develop would likely stay with your organization 6 years.

In summary, the fact is that there are enough healthcare professionals to create a sustainable workforce for our industry. The younger generation of professionals are certainly talented and many recognize that this space is the future. That said, these candidates must be recruited diligently and given a message consistent with the opportunity they're looking for. Home Care and Hospice organizations must think globally when considering their competition and must invest in developing their own talent. Those that do will enjoy success for many years. The Home Care and Hospice industry is a "people" business. Invest in the ways you attract and retain your staff.

About the author



Eric Scharber is President of Exact Recruiting and has been involved in Home Care and Hospice recruiting for over 15 years. Exact Recruiting is a national Executive Search/Recruiting firm that specializes exclusively in the Home Care and Hospice industry. Exact Recruiting is celebrating its 10 year anniversary and in this time, they've been successful in placing well over 1000 professionals with over 200 Home Care and Hospice organizations across the country.