

NOVEMBER 2016

IMPROVING QUALITY OF CARE HINGES ON EMPLOYEE ENGAGEMENT



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“The industry is moving toward financial rewards for quality of care, rather than quantity of care—and good employees are crucial to maintaining high standards of quality.”

Many health care organizations today are struggling to find and keep good employees, due to the tight labor market. Meanwhile, the demand for care is increasing as more insured Americans interact with the health care system. As a result, health care organizations are putting more emphasis on keeping employees engaged, healthy and happy. They simply can't afford to be without quality employees.

Quality of care for patients is also a top priority, due to an emphasis on quality by both government and private payers. The industry is moving toward financial rewards for quality of care, rather than quantity of care—and good employees are crucial to maintaining high standards of quality.

Providers (healthcare organizations) are realizing that an engaged, happy and healthy workforce is essential to positive patient outcomes. The health care workforce has unique issues and stresses, but these employees are not unlike the patients they serve: they need a healthy environment, support in finding a work/life balance, and the reassurance that their employers support this. When the health care workforce has this kind of support, their ability to deliver quality care to patients is greatly enhanced.

QUALITY RATINGS AFFECT THE BOTTOM LINE

Both nursing homes and hospitals have been the subject of quality ratings by payer organizations and media outlets such as U.S. News and World report. These ratings can be a powerful marketing tool; on the flip side they can also raise questions and generate negative publicity about a facility.

In recent years, the Centers for Medicare and Medicaid Services (CMS) have also begun ranking quality among health care facilities. The CMS Five Star Quality Rating System for nursing homes began in 2008 and has been heavily promoted as a way for consumers to judge the quality of facilities. Last July, CMS announced a star-based rating system for hospitals as well.

For example, Modern Healthcare reported on a 2015 decision by CMS to create bundled payments from Medicare for certain joint replacements.

“Medicare will give hundreds of hospitals more flexibility in letting patients recover from such procedures in brief nursing home stays, which are significantly less expensive than hospital care,” the article says. “But only nursing homes that rank average or better on national quality scores will qualify for a waiver. That will exclude 1 out of 3 nursing homes [in the pilot program.] ... In some areas, as many as 80 percent of nursing homes will be disqualified.”

THE COST OF EMPLOYEE CHURN

Engaged employees are more likely to stay with a facility, at a time when there is high demand for labor. Especially in urban areas, it doesn't take much to entice a worker to a new position at a competing facility. The costs of recruiting, training, and onboarding is also a problem for health care institutions.

According to the 2016 National Healthcare Retention and RN Staffing Report, RN turnover rates at hospitals rose to 17.2 percent nationally, up from 16.4 percent in 2014. The survey, conducted by Nursing Solutions, Inc., found that the cost of RN turnover can have profound impact on operating margins of health care facilities. "The average cost of turnover for a bedside RN ranges from \$37,700 to \$58,400, resulting in the average hospital losing \$5.2M – \$8.1M," the report found. "Each percent change in RN turnover will cost/save the average hospital an additional \$373,200."

Employee churn, in addition to adding costs to the bottom line of hospitals and nursing facilities, can affect quality. A study reported in Medscape.com found negative effects associated with nurse turnover and communications, medications management, compromised follow-up, and added burdens of care giving for families.

And according to the Shifthound blog (part of a company founded to address nursing labor shortages), the indirect costs of replacing an employee at a hospital or nursing home can include reduced quality of care, reduced morale, increased workload, and a diminishing of the workplace's institutional or cultural expertise.

KEYS TO REDUCING EMPLOYEE TURNOVER

"Engagement" is often used as a term synonymous with happiness on the job—an engaged employee enjoys their work and their workplace. Studies have shown employee engagement leads to better outcomes for both patients and health care facilities.

"Higher nurse engagement scores lead to lower patient mortality and complications," according to a Gallup survey quoted in Rework, a talent management website. "What's more, Gallup also found that hospitals employing the least engaged nurses spend \$1.1 million more per year in malpractice claims than those with the most engaged nurses. Just like employees at any company, healthcare providers will do better work — and provide better care — if they are happier and invested in their jobs.

Good relations between employers and employees start with the hiring and onboarding process. No matter how busy a hospital or nursing home staff is, onboarding and training new workers simply can't be rushed. It is essential to get employees started on the right foot.

Think of it as making a first impression. Even if employees like their jobs, they might be more tempted by a new job offer if their first few weeks did not show that their employer was committed to them. An investment in good training and onboarding processes is an excellent first step toward retention of employees.

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Another recent area of focus is health and wellness programs for employees. An employer should always be practicing good communications about why a wellness program (such as smoking cessation or controlling diabetes) is being implemented. Honest discussions of how it will help both employee health and the financial health of the organization will make workers feel more engaged. Transparency by the employer helps build trust and makes employee feel valued. This, too, results in better employee engagement.

Engagement—on-the-job happiness—requires this kind of commitment to good communications between employer and employee. It also helps when employees know that the employer understands their needs when it comes benefits. Without a strong benefits program that can meet the various needs of a range of employees, a facility will always be at risk of losing workers.

Flexibility is key here. Health care facilities have a wide range of workers, and the benefits needs of an administrator might vary significantly from that of an RN, or of someone in a housekeeping job. Benefits plans with a range of options and an ability to customize offerings are extremely helpful in retaining employees.

A successful approach to benefits requires an HR staff that is well-educated, is able to access the resources provided by carriers and brokers, and is engaged and “present” among the other employees. There are powerful new tools being developed to help employees access and understand their benefits. For example, accessing HR information on their phones or other devices, and being able to review that information at home, away from the stresses and distractions of work, can be very positive for employees.

The result can be not just a healthy work culture, but a very strong team approach to the work of providing health care to patients. When employees are engaged—when they feel that they have a stake in their facility—communication, productivity, and quality of care are all improved.



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