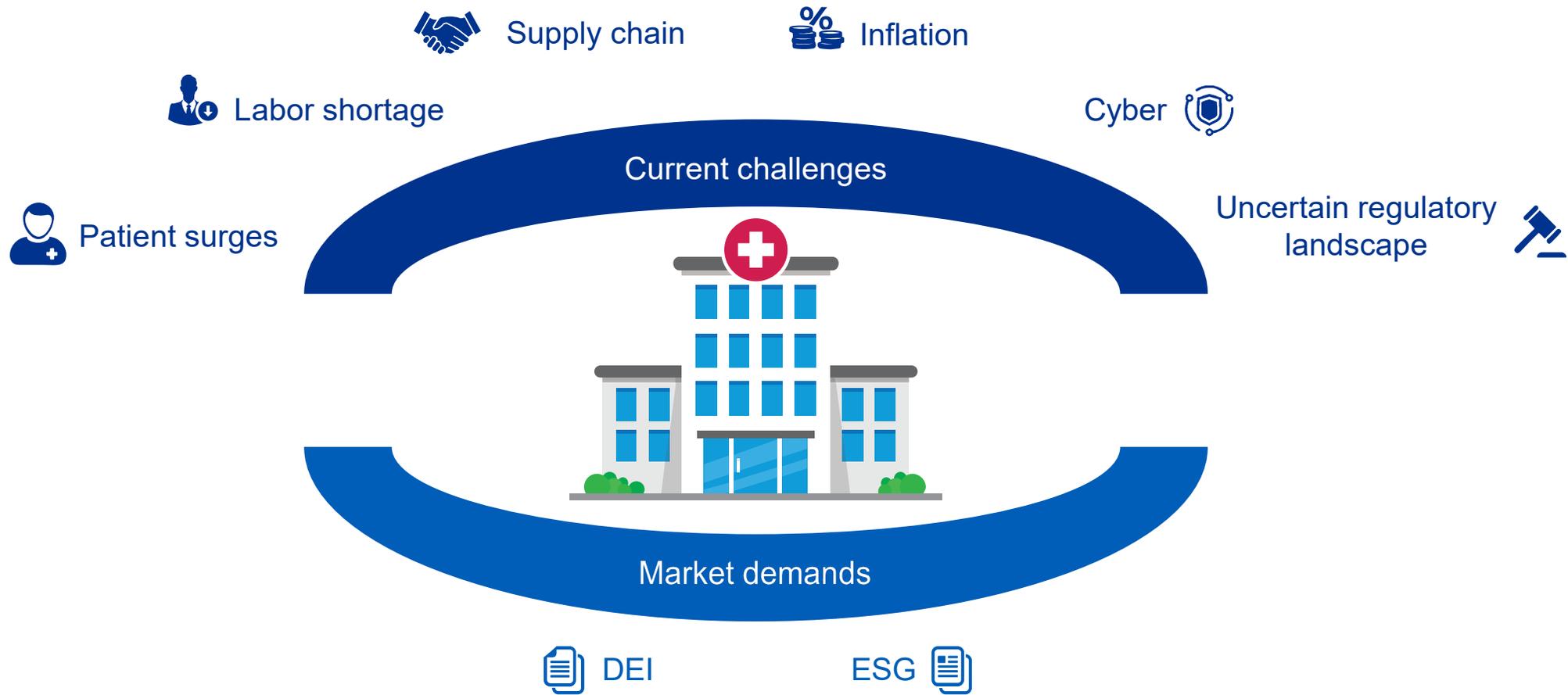




Healthcare - Total Rewards & Workforce Management

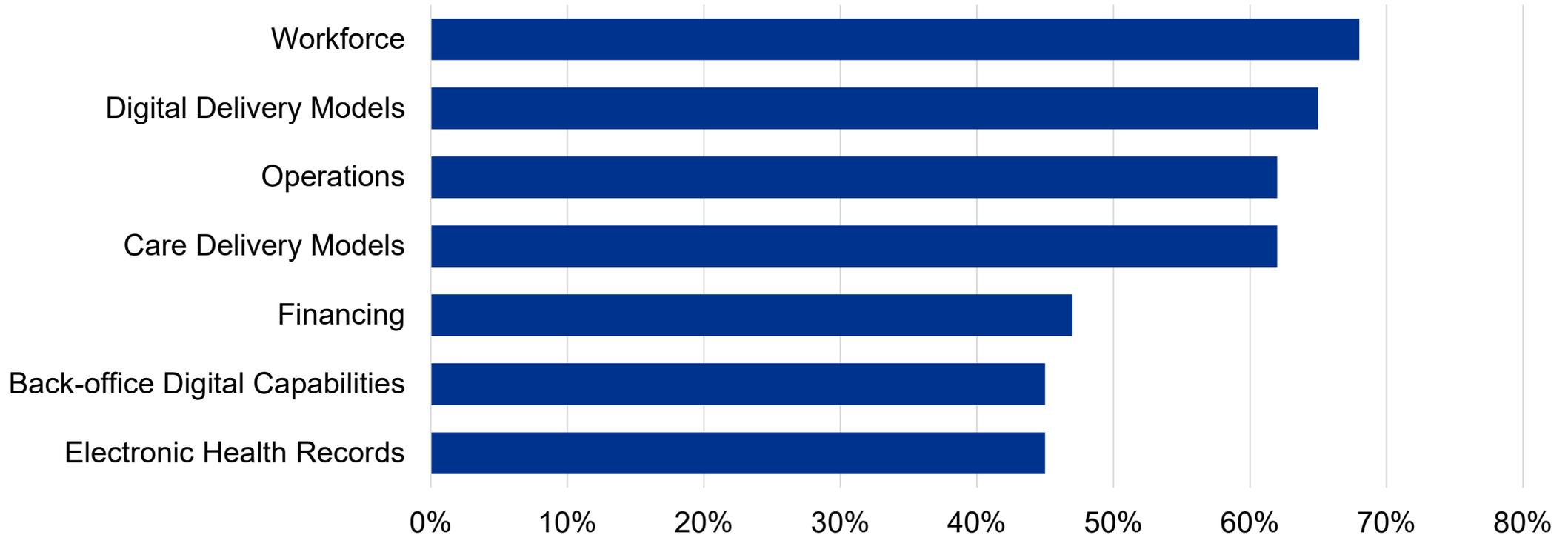
Speaker: Ryan McDonald





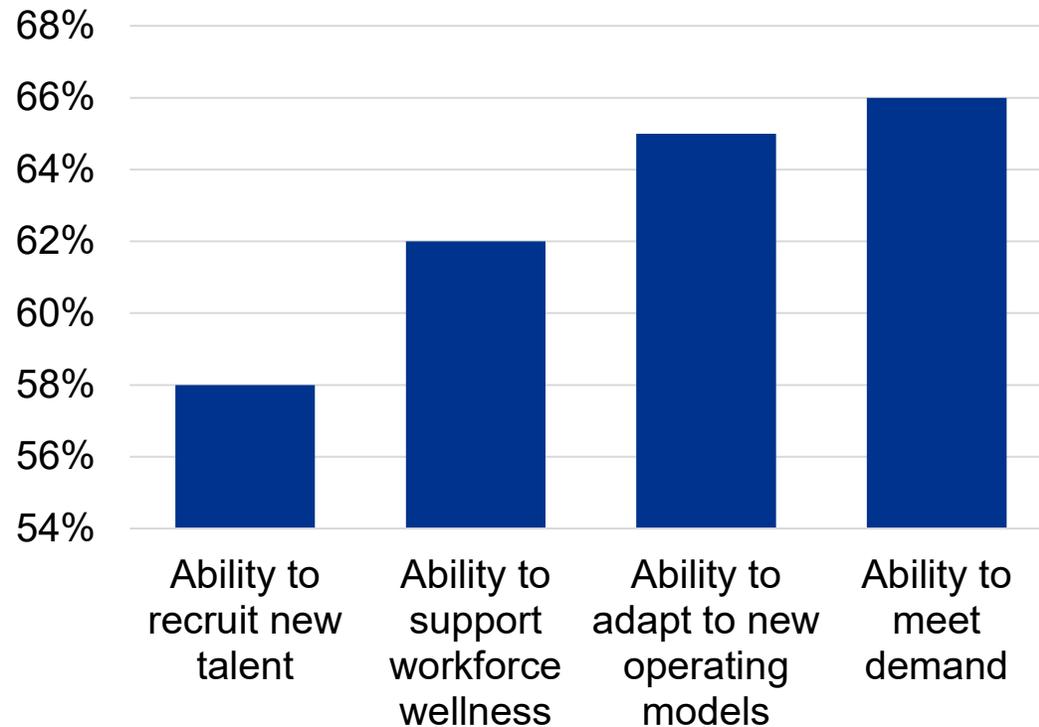
Healthcare initiatives

- National Academy of Medicine found that burnout had reached “crisis levels” even before the pandemic¹
- According to KPMG’s Healthcare CEO Survey, approaches being fundamentally revised due to COVID-19



1. Addressing Health Worker Burnout (hhs.gov)

According to KPMG's Healthcare CEO Survey¹, 67 percent acknowledge their organizations need to focus more on talent and resources. The most concerning workforce issues are:



Key takeaways:



Balancing short-term needs with long-term outlook

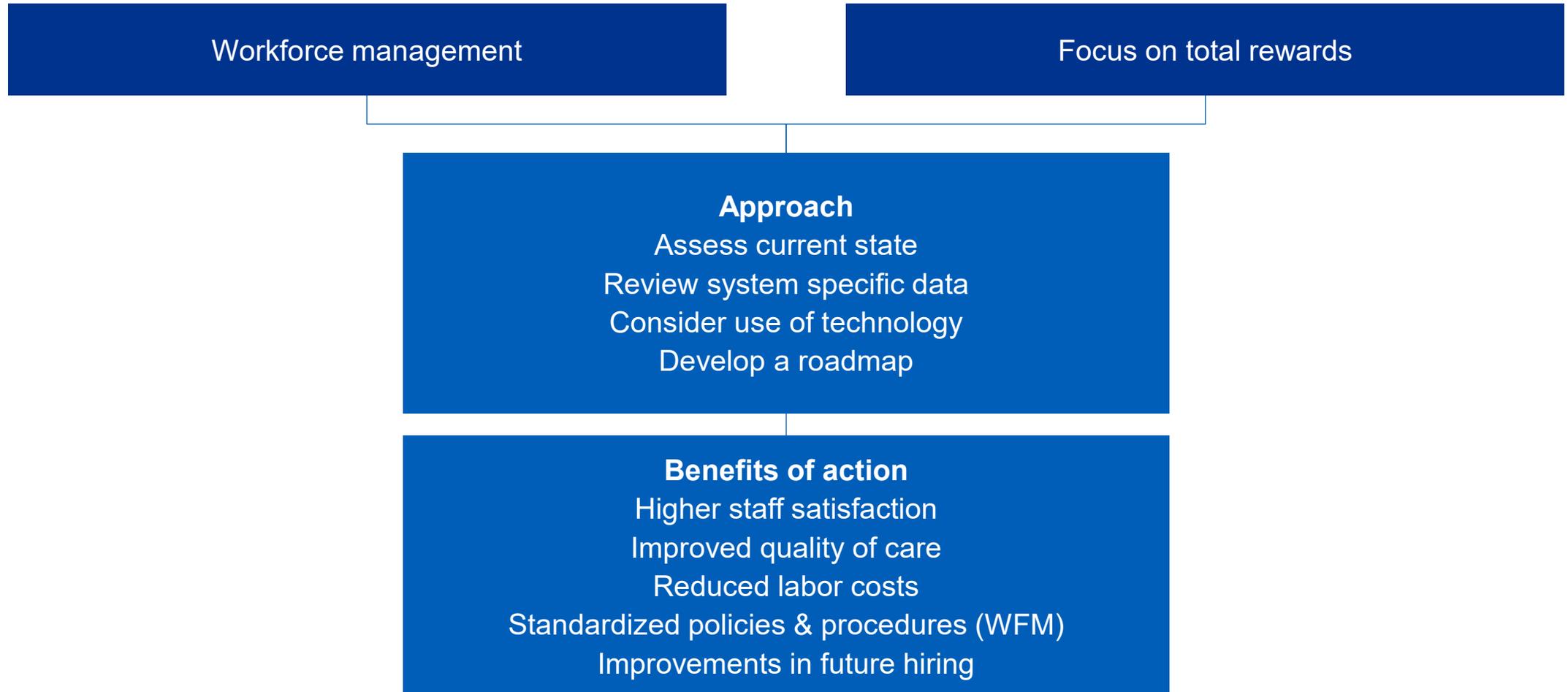


Workforce shaping will be a key strategy



To be consumer-centric, workforces are the interface and embodiment of that ethos. Sacrificing workforce will impact every initiative

What to consider?



Labor scheduling and workforce management current trends

Labor Scheduling trends are addressing advancements in employee experience, mobile functionality, integrated time and scheduling data and real-time dashboard reporting.

Workforce scheduling trends

- **WFM Center of Excellence:** Dedicated resources focused on overall WFM strategy for the organizations working closely with clinical leaders, HR and Finance to find ways to continue to offer flexible staffing options and differentiated care models
- **Employee Experience:** Employee self-service for PTO requests and shift swaps add greatly to the employee experience.
- **AI System Capabilities:** AI functionality to automate acceptance of employee requests like PTO, Availability and Predictive Staffing and forecasting demands
- **Centralized Scheduling:** Completing scheduling at a central level drives equitability, compliance and efficiency
- **Real-Time Dashboard Reporting:** available within integrated time and scheduling solutions to provide managers with impactful decision making data.
- **Mobile Functionality:** to allow employees direct access with time and schedule data. From clocking-in / out, schedule changes (swap shifts, etc.) and requesting PTO.



**Streamlined reporting
and predictive
forecasting
(Data Integration)**



**Position management
and ground up
budgeting**



**Optimization of
workforce
management solution**



**Strategic talent
management
“Hire to Retire”**

Key focus areas for total rewards

Operational expense reduction

Shared services across affiliates

Understanding needs of employee population

Enhance benefit offerings to meet current needs

Diversity, equity, and inclusion

- Growing expenses coupled with inflation has led to billions in losses for hospitals, with over 33 percent of hospitals operating on negative margins.¹
- Managing and retaining a talented workforce represents approximately 60 percent of hospital costs.²
- The costs associated with nurse turnover can be as much as \$60K per nurse, resulting in the average hospital losing between \$4.4 million and \$7 million annually.³
- 42 percent of employees said employers making improvements to their benefits would be something positive they could do to keep them in their jobs.⁴
- Organizations need to offer supportive, valuable, and comprehensive benefits to become an employer of choice.

Benefits are an important component of the employee value proposition, and optimizing benefits programs can help achieve maximum value from the workforce

1. [Massive Growth in Expenses & Rising Inflation Fuel Financial Challenges for America's Hospitals & Health Systems | AHA](#)
2. [Healthcare Labor Management: Optimizing Resources Lowers Costs \(healthcatalyst.com\)](#)
3. [Optimizing Healthcare Workforce Management for High-Value Care \(revcycleintelligence.com\)](#)
4. [The Four Advantages of Offering Health and Wellness Benefits to Employees \(forbes.com\)](#)

How a targeted benefits program can reduce turnover

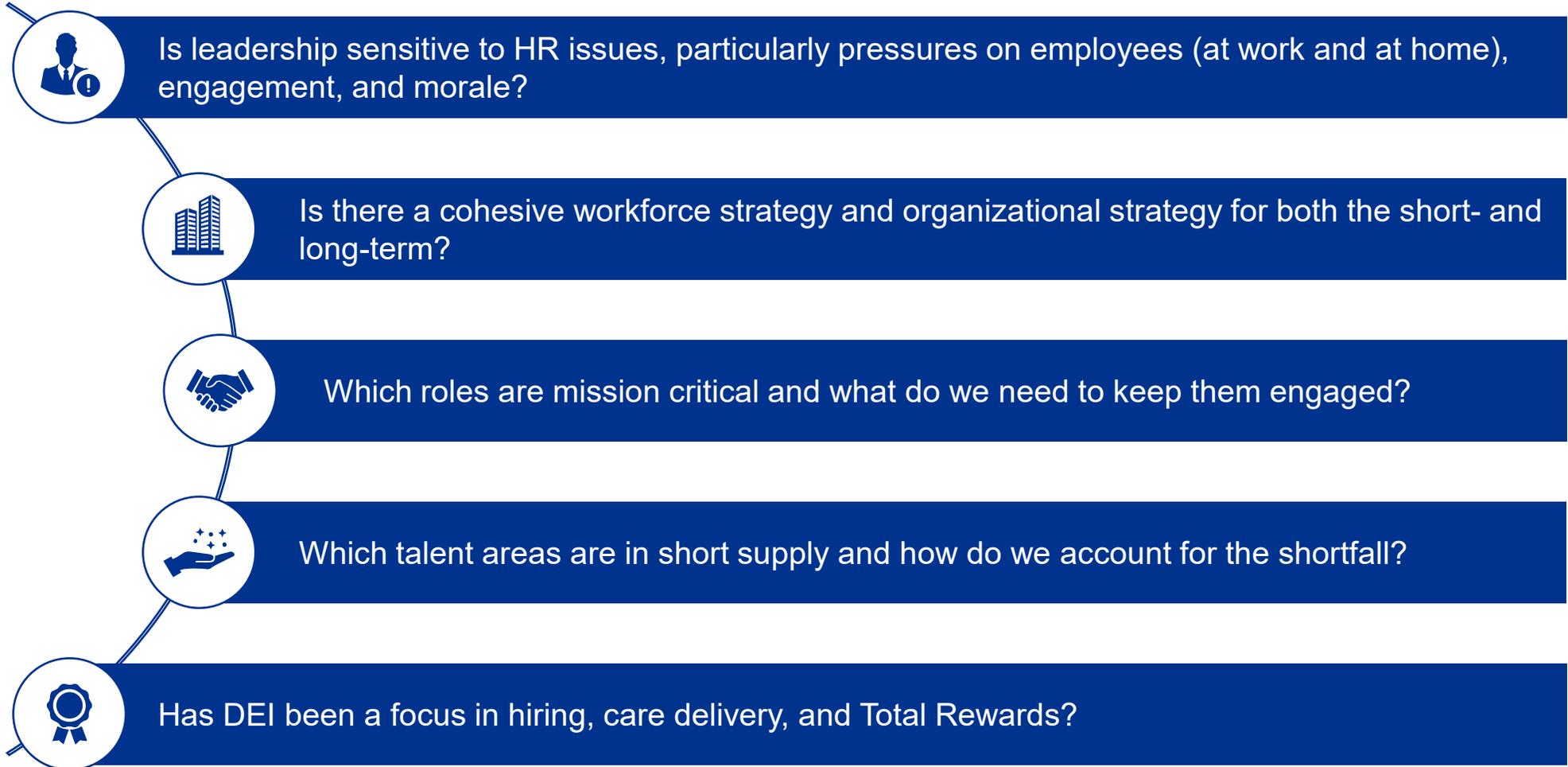
More than ever before, there are issues facing the healthcare workforce that can lead to deteriorating mental & physical health, reduced productivity, absenteeism, and high workforce turnover. This can also lead to lower patient satisfaction and lower quality of care received.

A comprehensive employee benefits offering is vital to addressing these issues and supporting recruitment and retention efforts.

Issue	Contributing factors	Benefits program solutions
Employee Burnout	<ul style="list-style-type: none"> — Long Hours — COVID Exposure — Trauma from exposure to COVID deaths 	<ul style="list-style-type: none"> — Enhanced Mental Health & Substance Use benefits — Enriched Sick Leave and PTO Policies — Employee Assistance Program (EAP) Enhancement/Promotion
Financial Stress	<ul style="list-style-type: none"> — Mounting student loan debt — Prolonged training time before employment — Productivity based reimbursement 	<ul style="list-style-type: none"> — Student Loan Repayment and Refinancing — Pre-Tax Spending Accounts (HSA, FSA) — Low Employee Cost-Share for Benefits — Long Term Care Benefits
Family Forming and Caregiver Support	<ul style="list-style-type: none"> — Deferral of family planning to accommodate medical training — Atypical work hours/Inflexible PTO opportunities 	<ul style="list-style-type: none"> — Fertility Benefits (Including Egg Freezing) — Adoption and Surrogacy — Backup Childcare/Onsite Daycare — Dependent Care Flexible Spending Accounts

KPMG's Health & Welfare practice has experience partnering with organizations and external vendors to maximize value when implementing these initiatives. We can also optimize current contracts and increase steerage to domestic providers as a way to reduce operational costs.

Questions for leadership to answer RE: workforce





Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.



kpmg.com/socialmedia

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.