Maximizing the value of human capital in healthcare
When you hear Affordable Care Act (ACA), you’re probably most familiar with the mandate to expand health insurance to 30 million un-insured Americans within a decade. But, ACA is also changing the way providers are paid, as fee-for-service care makes the transition to value-based reimbursement.

Gone are the days of simply treating illness. Now, the focus is on preventing it. Providing preventive care and promoting wellness is quickly becoming a business priority, instead of only a clinical one. Physicians, nurses, technicians, and other staff will need to form closer, stronger relationships with patients—not only to tailor wellness plans to each individual, but also to ensure that patients are taking the steps necessary to improve their overall well-being.

As we usher in this new age of value-based, person-focused medicine, it will be these stronger relationships that support both the physical health of patients and the financial health of the business. In fact, the quality of your patients’ outcomes and experiences—as collected and reported by the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey—will dictate how much Medicare reimbursement your hospital will gain or lose.
Face the new normal

In this era of healthcare reform, when accountable care organizations, value-based reimbursements, and HCAHPS are the buzzwords filling boardrooms, there is yet another term being tossed around among management—**VUCA**.

Initially coined by the military in the 1990s, VUCA has now entered the corporate vernacular. It’s an acronym referring to a situation that is Volatile, Uncertain, Complex, and Ambiguous. And it’s not just corporate babble; in fact, it accurately describes the healthcare environment today as unstable and rapidly changing.

In healthcare, VUCA is a reality and something that industry leaders must be able to manage, both now and in an even more uncertain future.

To survive in this new normal, healthcare executives must find a way to solve the following problems:

- The increased pace of change is more rapid than the ability to respond and requires accelerated decision-making.
- It’s difficult to identify and prepare for what will come next with insufficient and incomplete information or by relying on what seemed to work in the past.
- There is a lack of time to reflect and think through a web of interrelated issues and concerns.
- The failure to understand the significance of events can cause organizations to respond in inappropriate and ineffective ways.

**What VUCA really means**

- **Volatility** has to do with the nature, speed, and magnitude of change.
- **Uncertainty** relates to the unpredictability of issues and events.
- **Complexity** deals with the multiple and difficult-to-understand causes of problems.
- **Ambiguity** pertains to the haziness of reality and the lack of clarity about the meaning of an event.
If the pressures of healthcare reform and a new VUCA world weren’t challenging enough, now there is a growing demand for care, as tens of millions of previously uninsured Americans shop for health plans and develop relationships with doctors—perhaps for the first time ever.

But it isn’t just healthcare reform that’s impacting the dramatic growth of the healthcare market. The demand is also fueled by an aging baby boomer population, which consists of about 76.5 million of 316 million total Americans.¹

In addition, the life expectancy of Americans is higher than ever before, currently standing at 78.7 years. That’s eight years longer than it was in 1970.² The elderly require more healthcare resources than other age groups, and will need them for an extended period of time.

Number of Persons 65+, 1900 to 2060 (numbers in millions)³

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While aging Baby Boomers will significantly increase the demand for healthcare, they will also reduce the labor market, as more healthcare professionals retire. It’s estimated that each day, 10,000 Baby Boomers stop working and begin receiving Medicare and Social Security benefits. By 2015, almost 33% of our workforce, including 48% of our supervisors, will be eligible to retire—a trend that will only continue.4

This impending mass exodus is prompting many human resources departments to dust off succession plans, but that’s not all. Declining hospital nurse staffing and physician shortages are forcing these departments to proactively identify “passive” candidates (i.e., individuals who are not actively looking), as well as to refocus their efforts to retain the talent they have today.

Putting aside the general fatigue and burnout that’s pushing healthcare professionals out of the field, many of them just aren’t the right fit to begin with. Take the financial crisis of 2008, for example. Many Americans sought employment wherever they could find it. People went to nursing and medical school because of a perceived shortage and good pay, as opposed to feeling as though they were “called” to this line of work. As the Great Recession recedes, a number of these people are leaving healthcare to find other work. And those who stay may or may not be ideal candidates for the job.

Provider supply vs. patient demand

There will be a shortage of about 63,000 doctors by 2015, with greater shortages on the horizon—91,500 and 130,600 for 2020 and 2025, respectively.5

Approximately 55% of the RN workforce is 50 or older and will reach retirement age within the next 10 to 15 years.6
So, how do you maximize your staff to handle growing patient loads in a new VUCA age of care delivery and payment models?

The answer: Health information technology—specifically human capital management solutions, that use science to make better, more informed decisions, onboarding solutions, workload and assignment management solutions, and digital development applications.

By automating your workforce functions through the complete hire to retire cycle and fostering collaboration across departments, you can enhance staff satisfaction, improve patient experiences, and meet regulatory requirements.

A case in point:

<table>
<thead>
<tr>
<th>Before technology</th>
<th>After technology</th>
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<tr>
<td>At the beginning of a shift, the charge nurse writes down, on a piece of paper or white board, the names of all the patients on the floor. Then, using her own expertise, she manually matches those patients with the available nurses. While she may try to be fair and equitable, assigning four patients to one nurse and four to another, the truth is that not all patients require the same level of care. One of the two nurses ends up with a heavier burden.</td>
<td>The system automates the assignment process by using empirical, evidence-based data to establish detailed knowledge of exact patient care needs. With this information, the charge nurse is able to recommend the right number of patients to nurses with the right skills, at the right location, on the right shift, every time. Work distribution is equitable, which helps decrease nurse turnover and increase the quality of patient care.</td>
</tr>
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The opportunities with the right technology partner are vast. Let’s explore other areas where working with a dedicated, flexible partner that offers broad capabilities can make a significant difference in healthcare.
Plan and align

What if you could reduce staff turnover by hiring the right candidates from the start? With solutions that use science, you can.

But implementing this technology isn’t as simple as plug and play. There’s a bit of science and planning that goes into aligning the technology so that it functions optimally for your specific organization.

The process starts with examining your current staff population. Nurses, for example, should be organized by different modalities—medical-surgical, operating room, emergency department, etc.—and evaluated based on personality and cognitive characteristics.

Then, performance data should be gathered on these people in terms of patient satisfaction and interactions with co-workers, patients, families, and the rest of the healthcare team. The best software will rely on statistical modeling to look at the relationships between these behavioral characteristics and performance in an effort to predict success on the job.
Recruit and prepare

Once you have performance profiles established for each position within your organization, you then have something to measure new candidates against. With the same talent science software, you can stop relying on subjective competencies and “gut feel” hiring and, instead, leverage a consistent benchmark of success across all your modalities and locations. You’ll quickly be able to sort through thousands of candidates to find the “needle in the haystack of needles” and determine ideal placement based on behavioral fit.

Sample candidate interview questions

- When beginning a project, is it easy for you to visualize a successful outcome or do you spot the pitfalls right away?
- Describe a merger or acquisition that you were skeptical about. Did it turn out your apprehension was justified? Contrast that to a merger or acquisition that you felt very positive about. Did it turn out you were right to be optimistic?

When evaluating different software options, look for the following tools:

- **Hiring recommendations**: Determine a recommendation level based on how well a candidate’s score matches established index parameters related to the open position’s performance profile.
- **Dashboards**: Look at the big picture through easy-to-understand graphs that allow you to drill deeper into specific sections you want to investigate further.
- **Key performance indicators**: Better qualify an overall fit decision with behavioral characteristics that are aggregated into core competencies.
- **Recruiting reports**: Stay informed about how your recruiting options are performing with reports that let you know where you stand in terms of source of quality candidates (Monster, Walk-ins, Job Fair, LinkedIn, etc.), cost of quality candidates by source, and quality candidates by position.

By implementing the right talent science solution, you can ensure that your new hires are prepared for the position you allocate them to and decrease their onboarding or ramp-up time, which will impact your overall quality of care and cost.
The first impression an organization makes is often the most critical. As a result, employee onboarding has become a key business initiative, especially given the current state.

<table>
<thead>
<tr>
<th>Onboarding by the numbers</th>
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<tbody>
<tr>
<td>30</td>
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<tr>
<td>14</td>
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<tr>
<td>45</td>
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<tr>
<td>8</td>
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<td>4 billion</td>
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Today's leading organizations are thinking more proactively about how to onboard talent. They're adopting new practices and investing in both traditional and innovative technology solutions that include:

**Forms and task automation**—These solutions automate most onboarding forms and provide checklists to manage associated tasks.

**Onboarding orchestration**—These technologies include workflow, integration of data sources, electronic acknowledgements of policies, I9 e-Verification, provisioning, stakeholder dashboards, and tools to extend onboarding past Day 1.

**Collaborative options**—Many employers integrate solutions, such as learning management and performance management solutions, into the onboarding workflow to show new employees what training options are open to them; and/or understand their 30, 60, and 90-day goals.

Certain onboarding solutions allow for pre-boarding, in which all forms and other tasks can be completed online prior to Day 1. This not only facilitates faster new-hire productivity, but allows for a more effective face-to-face orientation when you can better focus on culture and core values. Integration with a personalized, searchable knowledge base is also important because it allows new-hires to answer their own questions—a feature that’s particularly helpful in engaging Millennials who are accustomed to researching topics online using their laptops or mobile devices. But, you can always give employees the ability to get in direct contact with an HR person—a common choice among Baby Boomers. Companies with best-in-class onboarding are distinguished by higher employee retention, on-time achievement of performance goals in the first year, and improvement in hiring manager satisfaction.
Once you have the right staff in place, how do you guarantee optimal patient care? This is an area where workload and assignment management solutions can prove invaluable. Studies show that nurses may spend less than 2 hours of a 12-hour shift in direct patient care. Other research suggests that the more time nurses spend at the bedside, the less likely patients are to suffer falls, infections, and medication errors—and the more likely they will be satisfied with their care.\(^8\)

Workload and assignment management tools use empirical, evidence-based data to establish detailed knowledge of your exact patient care needs, allowing you to recommend the right number of staff for specific patients. It’s this combination that will enable you to maintain efficient staffing levels, get nurses back to the bedside, and improve patient safety to deliver the best outcomes for your patients.

**Workload management**

No two patients—even those sharing the same diagnosis—will require the same amount of care.

Workload management solutions allow you to identify the resources with the right skills to treat patients according to accepted practices and standards.

**Assignment management**

On paper, it may look like a shift is equitably dispersed with an even number of patients to providers, but in actuality, one provider may be overloaded. Electronic staffing assignments accurately balance the care load, increasing staff satisfaction and decreasing turnover.

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### No two patients require the same care

<table>
<thead>
<tr>
<th>Jennifer Shaw</th>
<th>Emma Handley</th>
<th>Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age: 2 months</td>
<td>Age: 2 months</td>
<td>Medical/Surgical Unit</td>
</tr>
<tr>
<td>Diagnosis: Bronchiolitis</td>
<td>Diagnosis: Bronchiolitis</td>
<td></td>
</tr>
<tr>
<td>Physical condition: Serious</td>
<td>Physical condition: Improving</td>
<td></td>
</tr>
</tbody>
</table>

- Shift/update assessment 1-3 active problems
- Pain assessment
- Plan/review nursing care plan/critical path/discharge plan
- Evaluation
- Coordinating care/consulting activities
- Interpreter services required
- Reinforce teaching or emotional reassurance
- Cuddling/rocking
- Therapeutic time
- Vital signs q 4 hours
- Pulse oximetry-continuous
- Weight
- Strict intake and output
- NVP/IV push meds q 1-4 trips/24 hours
- IV subcutaneous infusion-1 line
- Tracheal/oral/nasal suctioning> q 2-4 hours
- Tracheal/oral/nasal suctioning> 4-6 hours
- Oxygen therapy-prongs, mask, blow my mist
- Aerosol treatments/MDI by nursing staff
- Venipuncture/capillary stick
- Bottle fed by staff/family
- Diaper change- infant, toddler
- Bathed by staff/family
- Bedrest/turnd q 2 hours
- Indirect care- 5th floor

11.06 hours | 7.74 hours | Jennifer requires 3.32 more hours of care
There is no question that technology has an important place in healthcare today. But, it can also provide for a brighter tomorrow.

Solutions like digital development applications can help you coach employees along their own unique career paths. The approach is similar to that of pre-employment selection. Using talent science, you can compare the behavioral characteristics of your staff against an appropriate customer performance profile, and generate valuable insights and specific action plans regarding each individual’s strengths and opportunities. Effective employee development equals improved employee performance and higher patient satisfaction scores.

And, as you grow your organization through mergers and acquisitions, you can recalibrate performance profiles to take that next step in the evolution of what “best” looks like. Going forward, you’ll have a unified hiring and employee retention strategy that accurately reflects your shared goals.
Reimagine healthcare technology

Healthcare challenges are both multifaceted and interrelated, while most healthcare information technology solutions are not. Past technologies often frustrated comprehensive approaches to care. That’s because they were designed to serve vastly different goals than the ones that will soon prevail amidst the new VUCA environment.

Today’s intelligent technology partners respond to the core premise of the value-based reimbursement concept—that effective healthcare depends on taking a comprehensive approach that manages all parts of the process in relation to the whole, rather than dealing with every issue in isolation.

When all of these human capital management tools are combined into a single solution, the result is a fully connected platform that can help drive the improved patient outcomes that will be the essential measure of performance from now on.
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