

»» **9** features
of a
**Revitalized
Healthcare
Workforce**
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SEPTEMBER 2024
THOUGHT LEADERSHIP
RETREAT REPORT



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► **Rick Gundling**, senior vice president with HFMA, addresses attendees at the 2024 Thought Leadership Retreat.

Coming together to find solutions

We are pleased to bring you a report from HFMA's latest Thought Leadership Retreat, a forum where the best and brightest minds in healthcare come together to address the most pressing issues facing the industry.

HFMA continues to build on our 17-year history as a convener of thought leaders to address issues like health equity, social determinants of health, patient experience and more. Reports from retreats held in recent years are available on the [HFMA website](#).

The focus of our 2024 event, which took place Sept. 26-27, was on the future of the healthcare workforce.

The healthcare industry is at a crossroads, facing unprecedented challenges in the form of workforce shortages, rising labor costs and evolving job dynamics. The Retreat was designed to explore solutions, share insights and collaborate to help the industry move forward.

We hope that the strategies described in this report will serve as a catalyst for actions that can revitalize the workforce. The insights shared by thought leaders at the Retreat give reason for optimism about the prospects for overcoming or mitigating the workforce challenges our industry is facing.

As a convener, our thanks go to all participants for contributing their insights and expertise. We also extend our appreciation to the American Association for Physician Leadership, the American Organization for Nursing Leadership and the Institute for Healthcare Improvement for their partnership in hosting this event. And we appreciate the generous support of our sponsors — Abridge, Humana, Fathom, Solventum and UKG.

Finally, thanks go to all of you for your interest in shaping the future of the healthcare workforce. Together, we can make a difference.

Richard L. Gundling, FHFMA, CMA

HFMA Senior Vice President,
Content & Professional Practice Guidance

9 features of a

Revitalized Healthcare Workforce

- 1 Grassroots support
- 2 Integrated technology
- 3 Updated payment models
- 4 Efficient processes
- 5 Team-based care
- 6 Engaged clinicians
- 7 Rigorous measurement
- 8 Strong cultures
- 9 Continuous learning

2024 Thought Leadership Retreat

Sept. 26

The Future of the Healthcare Workforce: Strategies for Sustainability

Melinda Hancock, FHFMA, CPA, executive vice president and chief transformation officer, Sentara Health, and past National Chair, HFMA

Deepak Sadagopan, MHCDS, chief operating officer, population health, Providence

C. Ann Jordan, JD, president and CEO, HFMA (moderator)

Physician Leadership Perspective: Clinical Workforce Challenges

Zulma Berrios, MD, MBA, chief medical officer, West Kendall Baptist Hospital

Anthony Jon Frank, MD, MBA, chief medical officer and SVP for medical affairs, UNC Health Blue Ridge

Saj Joy, MD, MBA, MS, CEO, MUSC Health Charleston Division

Peter Angood, MD, president and CEO, American Association for Physician Leadership (moderator)

HRSA's Bureau of Health Workforce: Programs and Funding

Tara Spencer, RN, MS, deputy director, Division of Nursing and Public Health, Health Resources and Services Administration

Building Futures: Bloomberg Philanthropies Initiative

Kate Herman, program officer, healthcare initiative, Career and Technical Education, Bloomberg Philanthropies

Marc Scher, FHFMA, CPA, National Chair, HFMA, and retired partner, KPMG (moderator)

Sept. 27

Strategies to Address Workforce Complexities: Insights from the AONL Workforce Initiative

Karen Drenkard, PhD, RN, chief nursing advisor, AARP Public Policy Institute

Joel Moore, RN, MSN, chief nursing officer, Genesis Medical Center

Lori Wightman, DNP, RN, MSN, senior director, professional practice, American Organization for Nursing Leadership (moderator)

Through the 'AIs' of the Workforce: Reimagining Tomorrow's Healthcare Workforce Today

Col. Steven Coffee, MA, EMCQSL, U.S. founding member, Patients for Patient Safety

Dennis Dahlen, FHFMA, MBA, CPA, CFO, Mayo Clinic, and past National Chair, HFMA

Patricia McGaffigan, RN, MS, senior advisor, patient and workforce safety, Institute for Healthcare Improvement (moderator)

Closing Session: Where We Go from Here

Megan Carr, vice president, regulatory and payer solutions, Solventum

Alexander Ding, MD, MBA, MS, associate vice president for physician strategy and medical affairs, Humana

Nanne M. Finis, RN, MS, chief nurse executive, UKG

Shiv Rao, MD, founder and CEO, Abridge

C. Ann Jordan, JD, president and CEO, HFMA (moderator)

2024 Thought Leadership Retreat

As the 2030s approach, the horizon looks daunting for the **healthcare workforce**.

NICK HUT

Senior Editor | nhut@hfma.org

Consider these trends: The entire baby boomer generation will be eligible for Medicare coverage by the turn of the decade. Clinician shortages are projected to be well into the six figures by 2034, accelerated by a reported exodus of 145,000 clinicians in 2021 and 2022.^a Labor costs surged by 25% between 2019 and 2022, constraining hospital finances.

Yet there is reason to be optimistic about the prospects for improvement. Working together, industry stakeholders can implement strategies to overcome or mitigate the structural challenges and bolster the outlook for their organizations.

Forward-looking solutions were on display in the presentations and discussions at HFMA's 17th annual Thought Leadership Retreat, held Sept. 26-27, 2024, in Washington, D.C.

"Our goal for this retreat is to bring together a diverse representation of healthcare stakeholders to explore solutions, share insights and collaboratively help shape the future of the healthcare workforce," C. Ann Jordan, JD, president and CEO of HFMA, said while kicking off the event.

To be sure, stakeholders are cynical about the state of affairs. When attendees were asked to type one word in the event app to summarize the condition of the healthcare workforce, the two most prominent entries in the resulting word cloud were *fragile* and *stressed*.

"The current state doesn't work, can't work, has to change," Jordan said. "No one system can solve it. That's why we all collectively need forums like this. How do we move forward? How do we help one another?"

The key takeaways from the Retreat offer a blueprint for collaborative approaches to achieving a revitalized healthcare workforce.



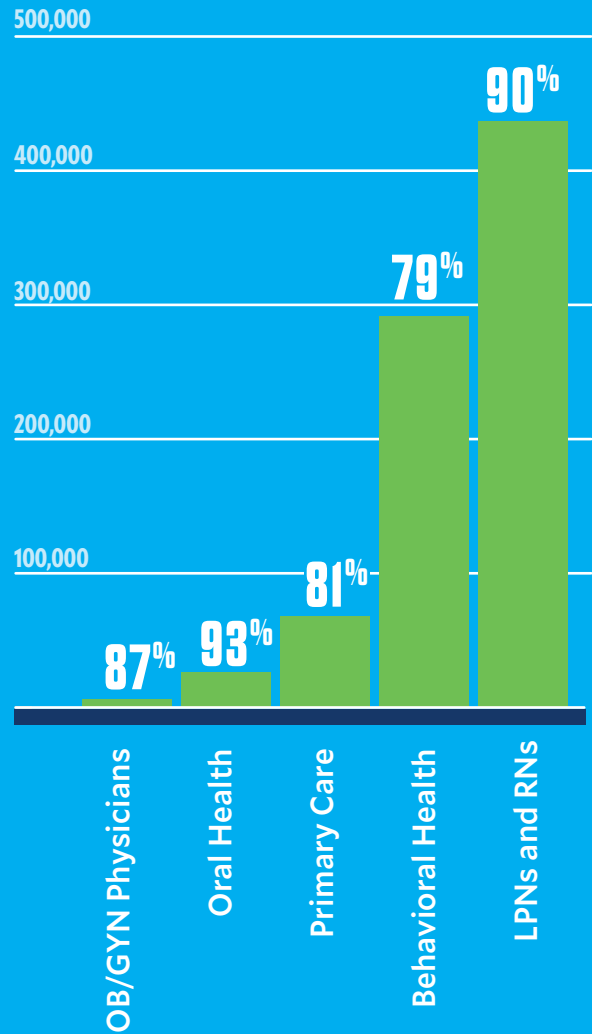
I. GRASSROOTS SUPPORT

Federal regulatory initiatives at the Health Resources and Services Administration (HRSA) aim to address clinician shortages by expanding community-based training, increasing the workforce in remote areas and integrating behavioral health into primary care, Tara Spencer, RN, deputy director of nursing and public health in HRSA's Bureau of Health Workforce, said during a presentation. There is an emphasis on partnering with local entities in underserved areas.

a. "Addressing the healthcare staffing shortage," Definitive Healthcare, 2023.

PROJECTED HEALTH WORKFORCE SHORTAGES, 2026

Numbers refer to additional clinicians needed to meet demand, while percentages refer to adequacy of the projected workforce.



Source: Presentation by Tara Spencer, Health Resources and Services Administration, Sept. 26, 2024. Data from [hrsa.gov](https://www.hrsa.gov)

The agency's 2024 budget supported scholarships and loan repayment for 24,000 nurses and other health professionals to provide healthcare in rural and underserved areas, along with the training of more than 18,000 behavioral health providers. Recently launched initiatives incorporate telehealth and AI training as ways to expand the reach of the clinical workforce.

"Now that we are shifting [after the] pandemic, we want to be more proactive versus reactive," Spencer said.

In the private sector, a new initiative is intended to lay a foundation for growing the workforce via healthcare-focused

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high schools. Bloomberg Philanthropies launched a \$250 million program that starts students on the road toward a healthcare career by preparing them for roles that do not require a four-year degree (e.g., nursing assistants, medical technicians).

Hospitals in 10 diverse geographies where the initiative was launched offer work-based learning, mentoring and career pathways for students who complete the academic requirements, said Kate Herman, program officer for the initiative, which is part of the Career and Technical Education Program at Bloomberg Philanthropies.

“They are really committed to helping these students if they want to work and go back to school if they want to go back to school full time,” Herman said in a conversation with Marc Scher, FHFMA, HFMA’s National Chair.



► **Kate Herman** of Bloomberg Philanthropies answers an audience question during a talk with Marc Scher, HFMA’s National Chair, about a program to fund healthcare-focused high schools.



2. INTEGRATED TECHNOLOGY



Advanced technology such as AI can make healthcare safer and better. In one panel discussion, **Col. Steven Coffee** described how his patient safety advocacy work emerged from a misdiagnosis of his infant son’s metabolic condition 12 years ago. His son received a life-saving liver transplant, but not

before a needless two-month delay.

Coffee came to see that his son’s situation could have gone better if his voice as a parent had been acknowledged. With today’s tools, he said, patients are more knowledgeable, and their concerns and perspectives should be recognized.

“There’s this paradigm shift that we now have to embrace, that ‘I have a more informed patient population, and I’ve got to now approach this population differently than I did in the past,’” said Coffee, a founding member of the advocacy group Patients for Patient Safety.

In a poll asking about the biggest concern regarding AI and the healthcare workforce, a 42% plurality of Thought Leadership Retreat attendees said the technology may not be ready for primetime and thus will impact trust, while 28% said overreliance on the technology could lead to a deskilling of the workforce.

One strategy is to make sure AI gets implemented smoothly at the grassroots level. Dennis Dahlen, FHFMA, the CFO of Mayo Clinic, described allocating \$50 million in the 2024 budget for staff to experiment with the technology.

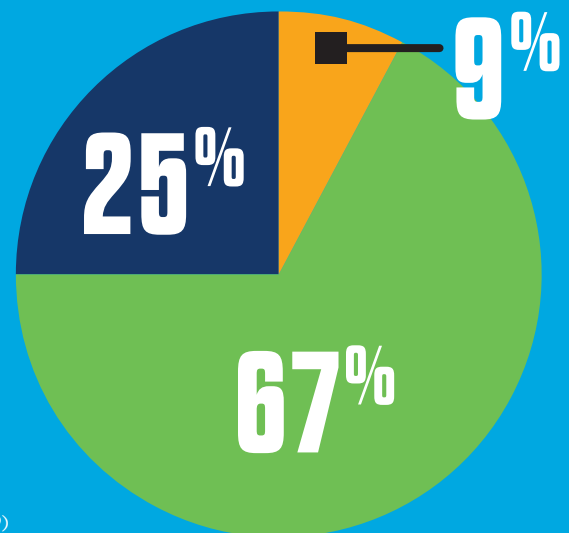
Incorporating that approach is “maybe the magic in making this the advent of something that could be as profound as the advent of anesthesia or vaccinology,” Dahlen said in a discussion with Coffee and Patricia McGaffigan, RN, of the Institute for Healthcare Improvement.

STAKEHOLDER FEEDBACK

Addressing causes of clinical workforce dissatisfaction over the last four years

-  Significant progress has been made
-  Some progress has been made
-  Little progress has been made

Source: Snap poll of attendees at HFMA’s Thought Leadership Retreat, Sept. 26, 2024 (n = 69)



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3. UPDATED PAYMENT MODELS

Value-based payment has the potential to liberate clinicians from burdens such as coding and documentation, said Deepak Sadagopan, chief operating officer for population health with Providence. The models reflect the ideals ingrained in medical training by allowing physicians to focus on patient care and wellness and less on administrative details.

But the models need to be implemented correctly. If healthcare organizations are unprepared or lack the resources needed to engage with such models, burnout rates may only increase.

Vital steps include providing clinicians with the necessary tools, analytics and actionable data, said Melinda Hancock, FHFMA, executive vice president and chief transformation officer with Norfolk, Va.-based Sentara Health. A lack of such resources is “incredibly frustrating for the clinicians because you’re trying to close care gaps, you’re trying to do the right things, you’re trying to take care of a population,” she said.

Clinical staffing needs to evolve in new models, Sadagopan said. For example, a value-based model focused on reducing maternal mortality in underserved populations would need an influx of doulas and care navigators.

“We have to think about proportional expansion of the workforce to actually address the needs for delivering those outcomes,” he said.

Models also should be oriented toward supporting population health beyond the hospital setting, said Nanne Finis, RN, chief nurse executive with UKG.

“A hospital is just bricks and mortar, and the work of population [health] really has to happen organically and uniquely in those communities that you’re serving,” Finis said. “[It requires] the collaboration with public health, health policy and all of the providers in your communities.”



► Saj Joy, MD, opines on the clinical workforce during a discussion that included fellow physician leader Zulma Berrios, MD.



4. EFFICIENT PROCESSES

Almost 25% of healthcare spending is considered wasteful, according to a 2019 report, amounting to at least \$760 billion per year.^b That manifests in the workforce.

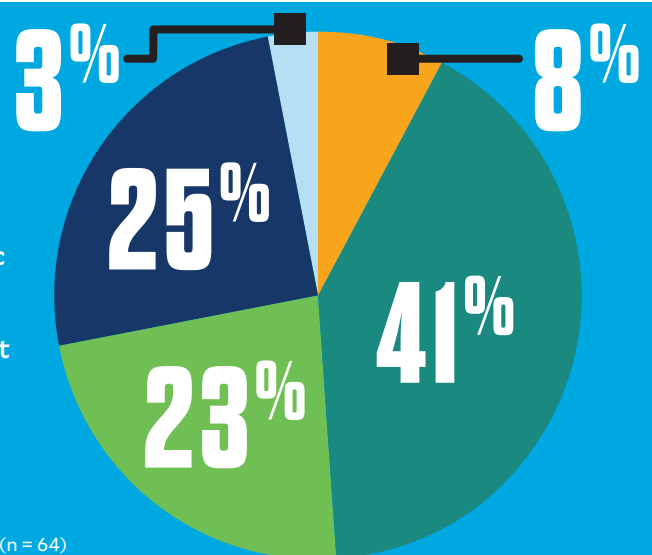
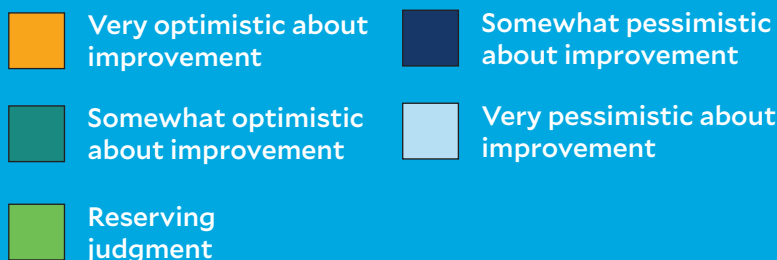
“There’s inefficient utilization of our labor workforce, quite frankly,” said Alexander Ding, MD, associate vice president for physician strategy and medical affairs with Humana. “There are really a lot of nonclinical administrative tasks. There are clunky technology tools, inefficient workflows. What it means for the on-the-ground workers is they’ve got too much work.

“They all feel like they’re under water, they aren’t able to take care of patients the way they want to. ... And that leads to turnover, people exiting the workforce, and that then leaves

b. Shrank, W.H., Rogstad, T.L., and Parekh, N., “Waste in the U.S. healthcare system: Estimated costs and the potential for savings,” *JAMA*, Oct. 7, 2019.

STAKEHOLDER FEEDBACK

Outlook for 2030 with respect to clinical workforce challenges



Source: Snap poll of attendees at HFMA's Thought Leadership Retreat, Sept. 26, 2024 (n = 64)

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fewer people to do the same amount of work, which means even more work for everyone.”

Technology can rein in administrative processes such as documentation, making them easier for physicians, while also improving the quality of the output from those processes.

“It used to be that every night after I would come back home, my soul would get crushed by clerical work, clinical documentation,” said Shiv Rao, MD, founder and CEO of Abridge and a practicing cardiologist. “Can AI help us with that? Absolutely, it can. Right now, where we are as an industry is we’re finding the lower-risk use cases where we can apply this type of technology, and we’re applying it and it’s working.”

He said primary care clinicians are saving two to three hours per day. As a result, their patient interactions become more holistic and “feel even more human.”

“That’s probably the most profound ROI for this technology,” Rao said.



► **Tara Spencer, RN**, describes programs at the Health Resources and Services Administration to boost the healthcare workforce.

Incumbent in such models is the need to ensure that advanced practice professionals can work at the top of their licenses while also receiving the requisite training and supervision to ensure patient safety, especially for complex conditions.

In addition, for all their clinical expertise, physicians generally do not receive training in areas such as team leadership and conflict management, as well as in making cost-effective healthcare decisions, Joy said.

“When you score us out, the [emotional quotient] is pretty good on national averages,” said Peter Angood, MD, president and CEO of the American Association for Physician Leadership. “Where it falls, though, is [in] self-regulation ... and then [in] how we help others in that environment.”

Zulma Berrios, MD, chief medical officer with Miami-based West Kendall Baptist Hospital, said organizations should make concerted efforts to give physicians the bandwidth to participate on care teams early in their careers, “so that they are part of the solution making and the innovation. Educate them in the skills that are necessary to be part of the team.”



5. TEAM-BASED CARE

Organizations should be cognizant of ways to stem the impact of a physician shortage that is expected to reach at least 86,000 by 2036.^c Demand for labor that is outpacing supply, especially in some markets and specialties, makes replacing physicians especially costly.

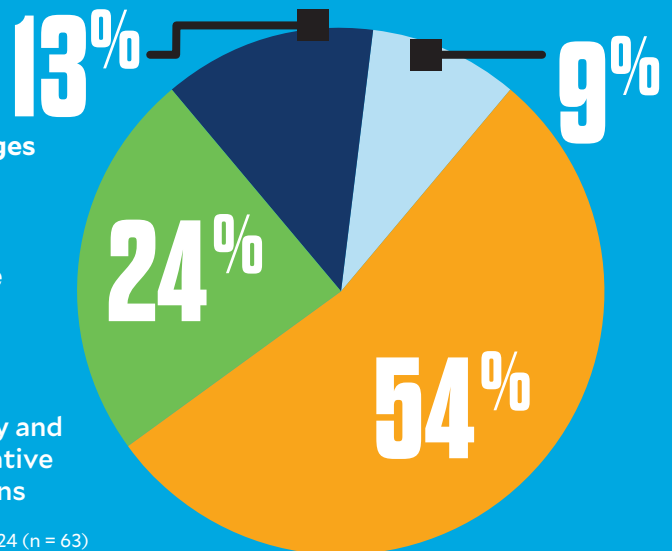
Retention efforts can include wellness initiatives such as rejuvenation stations and flexible working conditions. More fundamentally, said Saj Joy, MD, the CEO of MUSC Health’s Charleston (S.C.) Division, team-based models with integrated clinical roles provide support that can help organizations avoid “that spiral of depleting supply.”

c. “New AAMC Report Shows Continuing Projected Physician Shortage,” Association of American Colleges, March 21, 2024.

STAKEHOLDER FEEDBACK

Top strategies for solving healthcare workforce challenges

- Increasing the number of slots available for students in nursing and medical schools
- Improving scheduling flexibility and work-life balance for nursing and medical staff
- Implementing strategies that effectively reduce burnout
- Adopting new technologies to improve efficiency and reduce administrative burden on clinicians



Source: Snap poll of attendees at HFMA’s Thought Leadership Retreat, Sept. 26, 2024 (n = 63)

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6. ENGAGED CLINICIANS

A concept called *entrustable professional activities* entails granting expanded responsibilities to clinicians who are assessed to be ready for them.

Such an approach can help physicians adopt an “ownership” mentality rather than a “renter” mindset when addressing organizational problems, thereby fostering greater accountability and buy-in, Joy said. Solutions to operational issues such as inadequate staffing or training can be achieved.

Similarly, physician input can improve billing, said Anthony Jon Frank, MD, chief medical officer with UNC Health Blue Ridge, giving the example of notes left in medical records by other clinicians. A physician’s co-signature may allow the services to be billed at a higher level, yet physicians often do not see those notes. Thus, the physician also lacks a line of sight into the patient’s needs coming out of the care encounter.

“Physicians are extremely busy, but I promise you, if it’s a problem that is affecting them, they are willing to give you the time to make it better,” Frank said.

Participants in a panel discussion of nurse leaders stressed the need for robust collaboration to ensure clinical initiatives are thoroughly understood by finance leaders and administrators.

“If you don’t have a regular meeting with your CEO, your CFO, your COO and your CNO, if those four aren’t meeting together, [tell them] ‘We should connect so we’re speaking each other’s language,’” said **Joel Moore**, RN, chief nursing officer with Davenport, Iowa-based Genesis Medical Center.

“Beyond the meetings that are more formal, just bouncing ideas off each other, and mutual teaching of others of what we do,” said **Karen Drenkard**, PhD, RN, chief nursing advisor with AARP’s Public Policy Institute.



▶ **Kate Herman** of Bloomberg Philanthropies (left) chats with an audience member at Thought Leadership Retreat.



7. RIGOROUS MEASUREMENT

Nurse managers have significant influence on organizational outcomes, including not only patient care and staff well-being, but also financial health, Drenkard said in a discussion with Moore and Lori Wightman, DNP, RN, senior director for professional practice with the American Organization for Nursing Leadership (AONL).

To quantify that influence and support nurse managers, AONL’s Workforce Committee established an assessment tool and also collaborated with HFMA on a nurse management ROI calculator.



8. STRONG CULTURES

Building a culture of belonging is a challenge, especially for functions that may operate in a remote or hybrid work environment, according to the discussions. Political polarization, social media and the rise of AI technologies also may diminish a sense of camaraderie, although the last two can enhance an organization’s culture if deployed well.

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Hierarchical leadership structures also contribute to the alienation felt by some employees.

At Sentara, leadership in recent years has said, “Let’s be really purposeful about pushing decision making down,” Hancock said. “And I think the challenge with that is [it’s] hard work. There’s a lot of infrastructure and decision-making structure that has to go along with that. How do we empower people and make people feel like they have the infrastructure to make decisions? Just saying you’re going to push decision making down actually causes more confusion.”

A big first step is to establish unified processes across the enterprise in areas such as hiring, capital allocation and contracting, she said.

Cohesive organizational cultures also are key to integrating the perspectives and skills of staff who represent multiple generations, said Megan Carr, vice president for regulatory and payer solutions with Solventum.

She referred to the importance of “making sure that these generational groups are a team — [understanding] how important teamwork is for the future of the workforce, [so] you have the senior leaders who can talk about the fundamentals, the newer folks who are coming in who are going to be great [with] the technology. You’re going to need that [combination] for value-based care, you’re going to need that for improved patient satisfaction and outcomes.”



We have to think about proportional expansion of the workforce to actually address the needs for delivering those outcomes.”

— Deepak Sadagopan, chief operating officer with Providence



► **Deepak Sadagopan** of Providence delves into prospective solutions for improving the healthcare workforce. He is joined in the opening panel discussion by HFMA’s Ann Jordan (left) and Sentara Health’s Melinda Hancock.



9. CONTINUOUS LEARNING

The healthcare workforce of the future will rely on new capabilities. Thus, finance and clinical personnel should look at “investing in themselves,” HFMA’s Jordan said. “Being mindful of: I need to evolve professionally. What does that look like?”

New modes of thinking will be vital for organizations and staff seeking to adapt to structural and systemic challenges that show few signs of easing.

“My challenge to myself is I want to partner with Google [on improvement initiatives]. I want to partner with Ford,” said Moore, the CNO at Genesis Health. “I want to partner with other organizations that may not think like myself.”

Carr said the healthcare workforce will have to embrace dynamism: “They’re going to have to be able to manage [innovation], manage the fundamentals, make sure that they’re living in a value-based payment world and be the superheroes we all call them to be.”

The word-cloud exercise that yielded primarily negative sentiments about the current state of the healthcare workforce took on a more upbeat tone during the retreat’s closing session, when the question was modified to inquire about the condition of the workforce in 2030. The leading response was *hopeful*, followed by *evolving* and *redesigned*.

Events such as the Thought Leadership Retreat can “help make everyone be more optimistic and hopeful,” Jordan said. “When you sit in the rooms and you hear people bring their learnings and their different expertise and their perspectives, suddenly you think about it differently. It’s a little less scary, it’s a little less unknown.” ■

TAKEAWAYS FROM ATTENDEES

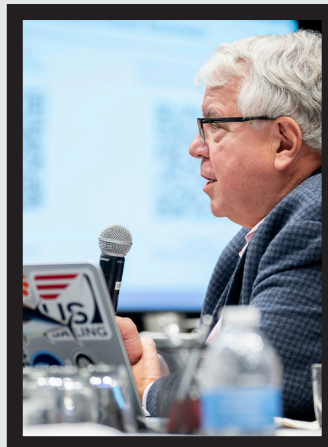
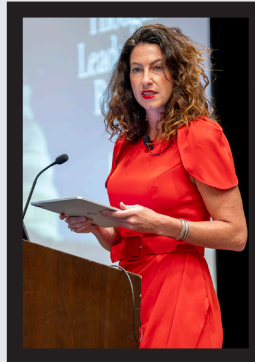
Small-group discussions involving attendees, whose roles span administrative, clinical and policy leadership positions with providers and health plans, are an annual staple of HFMA's Thought Leadership Retreat. Here's a sampling of the insights that came from the discussions on the healthcare workforce (photos at right show attendee engagement during formal presentations).

The state of the workforce: The healthcare workforce is facing severe shortages and increased demands, with entry-level workers able to find jobs in other fields that offer similar wages and less stress. Organizations should adapt leadership to generational needs and promote internal mobility and associated training.

Workforce investments: To ease capacity and staffing challenges, organizations should focus on streamlining operations and keeping payment models from exacerbating workforce stressors. Frontline staff training should highlight the impact of each role on the mission of the organization. Initiatives to reduce length of stay can improve patient outcomes and lower premium labor costs.

AI and the healthcare worker: Early adoption of tools such as AI-driven automation and ambient listening for clinical documentation is proving effective at addressing clinician burnout and increasing patient satisfaction. When efficiencies are gained with AI, they should be repurposed to promote clinician well-being, high-quality patient interactions and better outcomes. Without addressing inefficient underlying systems, AI integration will only magnify existing issues rather than deliver meaningful improvements.

The workforce of the future: Healthcare organizations must embrace technology and promote collaboration across multigenerational teams to improve patient care and hospital operations. They should be striving to visualize the workforce that will be needed in 10 years and the investments needed to get there.



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