

Guide to Investing in Frontline Health Care Workers



- Executive Summary
- **Why Invest in Your Frontline Health Care Workforce?**
- Employer Best Practices for Making Effective Investments
- A Framework for Integrating Workforce Investments with Business Impact
- Resources for Investing in Frontline Workers

WHY INVEST IN YOUR FRONTLINE HEALTH CARE WORKFORCE?

The workforce represents the largest portion of costs in health care.¹ These costs are increased by high turnover and vacancy rates. In frontline occupations such as patient care technicians or nursing assistants, turnover rates range from 35 to 100 percent.² Replacement costs—including lost work hours due to vacancy, recruiting costs, temporary agency use, and the costs of training new hires—can be as high as \$4,000 per position.³ Investing in frontline workers is critical to addressing these problems and lowering health care workforce costs.

In addition to lowering costs, health care organizations are charged with improving the quality of patient care, which requires higher skill levels for in direct care and other frontline occupations. Frontline workers need strong interpersonal and team skills, critical thinking and technology skills, and other essential skills, including reading, writing, problem solving, and oral communication.

Finally, health care employers are facing a growing shortage of workers to fill higher-level positions as their workforce in nursing and other critical roles ages: 55 percent of the national nursing workforce is age 50 or older, and more than 1 million registered nurses will reach retirement age within the next 10 to 15 years, according to recent federal projections.⁴ Investing in frontline workers is a strategy for building a talent pipeline for RNs and other higher-level positions.

In the past 20 years, there has been a significant growth in employer investments in frontline workers. A growing number of hospitals and other health care providers are building career ladders from less-skilled to higher-skilled jobs, preparing workers with the academic and life skills required for college and careers, and dedicating professional staff and resources to workforce development. Yet this essential workforce remains underdeveloped, for reasons that include a deeply-ingrained focus in medicine on the preparation of the highest-skilled professionals: physicians, nurses, and other licensed and highly-educated practitioners.

The reluctance to invest in frontline workers is also a function of low profit margins and high-cost pressures on health care providers. Workers in low-paying direct care and ancillary roles are often treated as dispensable, resulting in a cycle of high turnover and low commitment. Yet the lack of respect, skilled supervision, and opportunities for training and advancement for direct care workers are themselves chief causes of turnover—sometimes more than low wages.⁵ And these workers, in turn, sometimes lack the confidence or motivation to develop their own skills and careers. Although the pressure to rely on low-wage, less-skilled employees will not dissipate

overnight, health care employers increasingly recognize the costs of these hiring practices and are investing in frontline workers as a long-term investment in their own bottom line.

CareerSTAT

CareerSTAT is a network of health care leaders investing in the skills and careers of frontline workers. CareerSTAT's Frontline Health Care Worker Champion program recognizes organizations making significant investments in their frontline employees. The programs and policies of these 25 Champions and Emerging Champions have informed the findings and recommendations of this Guide.

Who Are Frontline Health Care Workers?

Frontline health care workers provide routine and essential services in all settings, including hospitals, outpatient care, behavioral health, long term care and home health care. They represent 50% of the health care workforce and are responsible for a range of operations, including providing administrative, direct care, environmental, and technical services to patients, families, and caregivers. CareerSTAT focuses on those frontline positions that require less than a bachelor's degree and generally earn median incomes less than \$45,000 per year. For a full list of frontline occupations visit <http://www.nationalfund.org/initiatives/careerstat/who-are-frontline-workers/>.



THE BUSINESS CASE FOR INVESTING IN FRONTLINE WORKERS

A commitment to investing in frontline workers requires making a business case: demonstrating, through careful use of data and analysis, that workforce investments show positive returns.

Demonstrating impact through systematic measurement is key to making the business case for frontline investment. A business case is an argument, usually documented, that is intended to convince a decision-maker to approve some kind of action. As a rule, a business case has to articulate a clear path to an attractive return on investment. A business case document should examine benefits and risks associated with both taking the action and not taking the action. The conclusion should be a compelling argument for implementation.⁶

Health care employers are investing in employee development because they seek tangible results that contribute to the success of the organization. These results may be quantitative and measurable in terms of dollars saved in recruitment costs, reduced turnover, or preventable readmissions to the hospital. Or they may be qualitative—as when employees gain new competencies in caring for patients or managing medical records, or the working climate and team relationships on a unit become more harmonious and collaborative.

Breaking the cycle of underinvestment, and realizing the value of the frontline workforce, requires evidence, compelling arguments, and clear models of success. It requires overcoming the skepticism of decision-makers and making the case to chief executives, operating officers, financial officers, HR and learning officers, and nursing officers and directors. Most of all, it means designing programs that align with organizational strategy and solve core business problems.



HOW TO MAKE THE BUSINESS CASE AND MEASURE IMPACT

A growing number of health care institutions—ranging from distinguished teaching and research hospitals to community hospitals and clinics—are making these investments because they make economic sense and support the organization’s strategic and financial goals.

Employers cite six major areas where developing the frontline workforce can have strategic business impact. To determine if workforce programs generate the expected benefits, employers use specific metrics to gauge impacts. In the sections that follow, we describe each area of impact, list the metrics recommended for measuring impact in that area, and provide examples of these strategic business impacts from the CareerSTAT Frontline Worker Champions network.



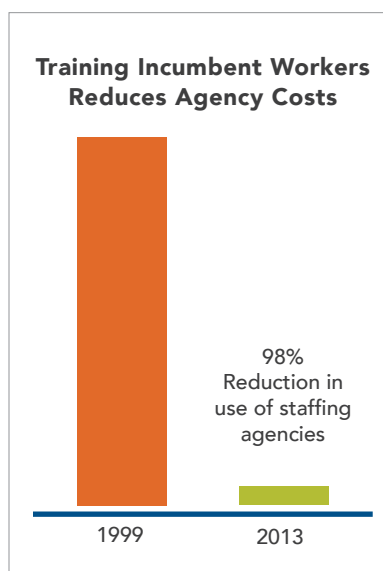
Increase Workforce Availability

Solving labor market problems is a common motivation for investing in frontline workforce programs. Health care workforce efforts are generally traceable to a particular “pain point”—a gap in staffing, skill, or retention—that interferes with delivering optimal patient care and meeting other core business imperatives. High turnover and vacancy rates translate into high costs and reduced attention to patients. These labor market challenges can be successfully addressed through programs that develop skills or build talent pipelines both internally, from frontline to higher-skilled positions, and externally, from the community into entry-level jobs.

► **Genesis HealthCare**, a Pennsylvania-based post-acute care provider, responded to high costs of turnover through a “Grow Your Own” philosophy for training Certified Nursing Assistants and providing opportunities for career growth. Genesis has been a pacesetter in expanding the role of direct

care workers—creating career ladders for nursing assistants through training in specialized caregiving skills. Beginning in 1999, Genesis pioneered the role of Geriatric Nursing Assistant Specialist, creating a career step-up for Certified Nursing Assistants. More recently, Genesis created a career map of clinical and non-clinical positions, including Restorative Nursing Aide and Certified Restorative Aide. Since 1999, Genesis has increased the availability of direct care workers by training more than 4,000 CNAs.

Since the start of its CNA training program in 1999, Genesis had a 98% reduction in use of staffing agencies. Furthermore, Genesis HealthCare maintained an 81% retention rate for its 2013 program participants.



Metrics for Documenting Increased Workforce Availability

- Turnover/retention rates
- Vacancy rates
- Days required to fill vacant positions
- Orientation time (days required to bring new hires up to productive performance)
- Overtime costs
- Temporary agency usage and costs
- Recruitment costs (agency fees, advertising, orientation and training)



Improve Employee Competence and Advancement

Delivering excellent care depends on the skills and capacity of individual workers to perform their jobs effectively. This means having the competencies—knowledge, skills, and abilities—to carry out required tasks. But in this era of the Affordable Care Act, where workers at all levels are assuming new functions to better coordinate care and improve population health, it can also mean upgrading skills to meet new job definitions. Changes in process and technology, as in operating room sterile procedures, or in conversion to electronic health records, also change performance standards and skill requirements for workers, including those in frontline positions. The business case for upgrading frontline workers' skills doesn't end with the individual's performance. When an individual frontline worker takes on broader roles, or performs traditional roles more effectively, higher-skilled staff such as RNs or physicians are able to expand their capacities as well.

▶ At **Jersey City Medical Center**, over 85 hospital employees—ranging from housekeepers to patient transporters to security guards—received training and promotion to higher-skilled positions as patient care technicians, emergency medical technicians, and medical billers/coders. The largest of this group is PCT trainees. By investing in PCT training at scale, JCMC is better able to serve a growing volume of acute care patients, while expanding its network of community clinics and physician practices. At the same time, JCMC is educating PCTs to function at a higher level of skill than was previously required of direct care staff. Newly trained PCTs must now have stronger customer service skills to meet the organizational goal of high patient satisfaction, while also meeting the mandates of the Affordable Care Act. JCMC views internal training and promotion as the surest route to high performance, as incumbents require less orientation than outside candidates, are versed in the facility's routines and systems, and are familiar with expectations about customer service.

Metrics for Documenting Improved Employee Competence

- New knowledge, skills, and behaviors
- Internal hiring and advancement
- Courses completed and credentials obtained
- Skill upgrades and promotions
- Revenue from new or expanded service lines



Improve Employee Engagement

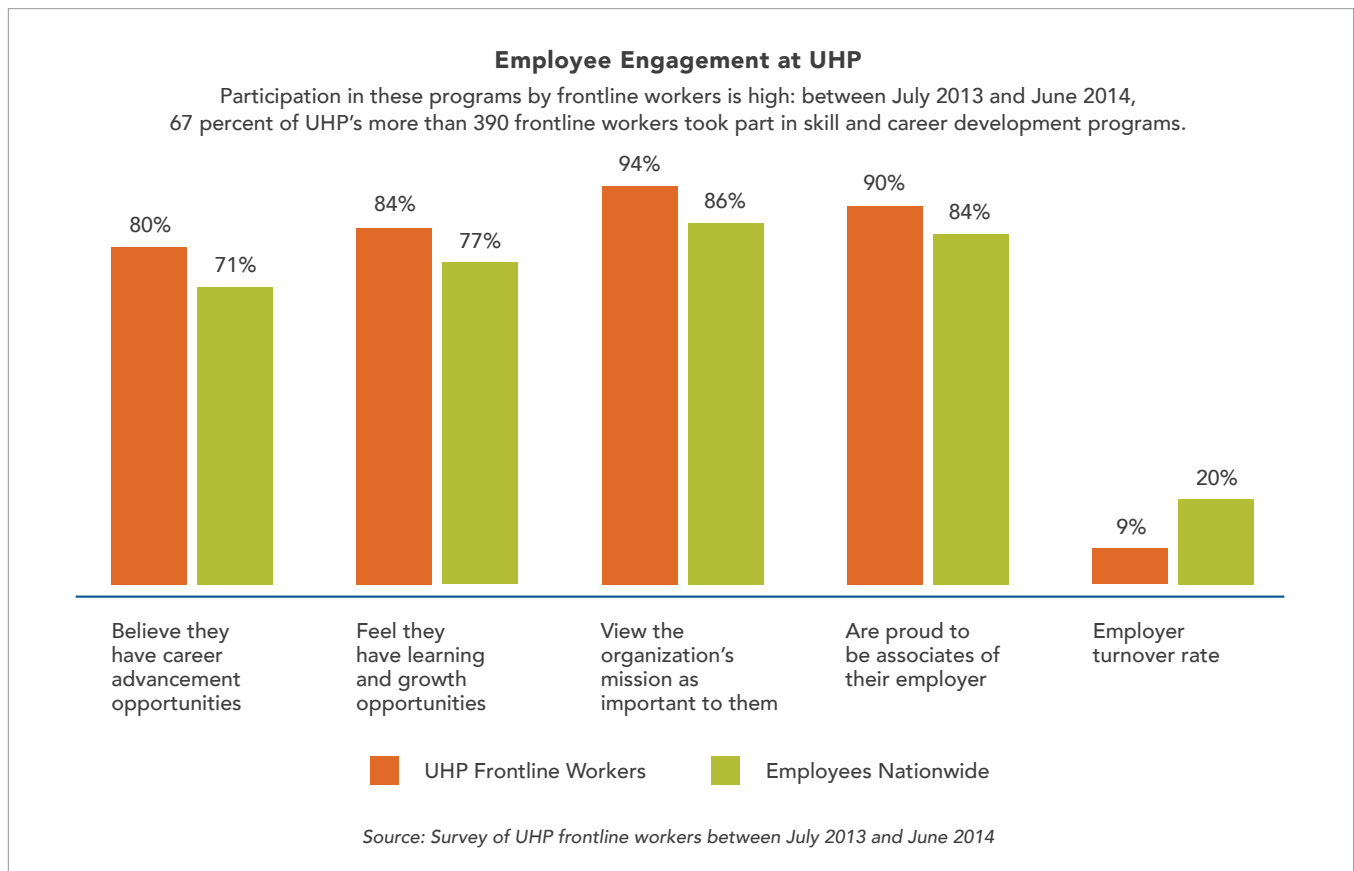
Research organizations such as Gallup and Press Ganey have demonstrated strong connections between levels of employee engagement and performance outcomes, including productivity, turnover, coordination of care, and patient safety incidents. Many factors account for employee engagement: job security, respect, confidence in senior leaders, high quality care and service, job stress, but at least as important is the belief that their employer provides career development opportunities.⁷ A recent report by Press Ganey notes that “successful healthcare organizations understand that all

employees—from linen services to surgical services, to lab technicians—need to be engaged in meaningful work in an organization they can commit to; to work in an inclusive, supportive culture; and to be recognized and rewarded for their efforts.”⁸

► **New York’s Urban Health Plan** has a strong track record of investing in its frontline workforce and has been recognized for its highly engaged employees. As a community health provider, UHP provides multiple opportunities for frontline workers to develop skills and advance their education and careers, including internships in fields such as community health worker and medical assistant; tuition assistance; college advising and career guidance; and specialized training in medical interpretation.

Metrics for Documenting Employee Engagement

- Engagement and satisfaction measures
- Attendance
- Turnover/retention rates



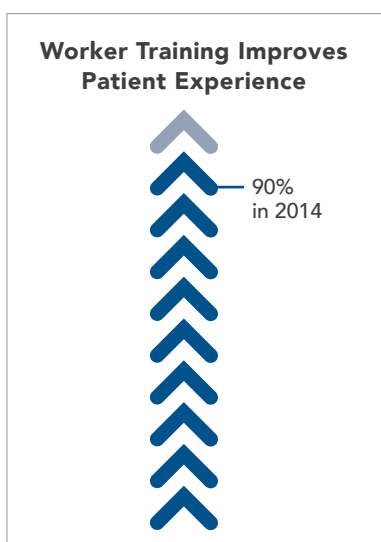


Improve Patient Experience

While hospitals and other providers have always surveyed patients on their satisfaction with their care, the advent of the Affordable Care Act has brought new financial importance to the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) and similar protocols for evaluating consumer satisfaction.⁹ Hospitals must achieve high patient satisfaction ratings or risk losing 1 to 2 percent of Medicare reimbursements. As a result, health care employers are taking extra steps to train frontline employees and licensed staff in customer service skills and encouraging them to become knowledgeable about their units' HCAHPS scores.

▶ The **Cleveland Clinic's Office of Patient Experience** delivers formal training to all new hires to socialize them to the Clinic's values, mission, and service model. The Cleveland Clinic Experience integrates a registered "Communicate with H.E.A.R.T.®" program to provide the fundamentals of communication to support a culture of service excellence.¹⁰ Trainees learn about expected service behaviors; receive information about the meaning and importance of HCAHPS; and learn about the values expected of employees, including teamwork, integrity, innovation, and compassion. Employees are also trained to recognize a patient's experience and how to respond to their needs. Since

2010 Cleveland Clinic has been tracking HCAHP scores as they relate to patient satisfaction. Over time, Cleveland Clinic has improved its overall rating in the HCAHPS Survey to exceed the national 90th percentile in 2014.



Metrics for Documenting Patient Satisfaction

Patient satisfaction survey scores related to:

- Cleanliness of hospital environment
- Quietness of hospital environment
- Responsiveness of hospital staff
- Discharge information
- Transition of care



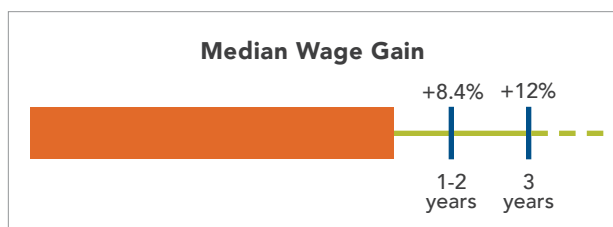
Improve Community Impact

Hospitals, health systems, and community clinics are often "anchor employers," with a substantial footprint in urban neighborhoods, including ones subject to economic distress. Besides being lifelines of medical care, they provide jobs to residents, spur economic development, generate revenues for local businesses, and partner in civic improvement efforts. Residents who attain employment and educational support for career growth also reinvest their wages locally and serve as examples to others, as do their friends or relatives who are hired through word of mouth. And with rising wages, employees and their families may increase their assets through saving and investment, home ownership, and other means.

Increasing community prosperity brings reciprocal benefits to health care employers. Besides enhancing the safety, livability, and socioeconomic conditions in their neighborhood, it also helps nonprofit health care providers meet their community benefit requirements and retain their nonprofit status.

▶ **Johns Hopkins Hospital and Health System**, long an anchor institution for Baltimore, has operated a comprehensive frontline workforce program for incumbent workers, Baltimore youth, citizens returning from incarceration, and community residents seeking employment. Project REACH (Resources and Education for the Advancement of Careers at Hopkins) participants who have retained employment at Johns Hopkins have been rewarded with substantial wage gains. Among

the 96 employees participating in skill and career development activities from July 2011 to June 2013, 66 percent achieved a wage gain and the remainder were still in training. Training participants enjoyed an 8.4 percent median wage gain after one to two years, and nearly 12 percent after three years.



patient outcomes. However, many organizations within the CareerSTAT network are experimenting with strategies that expand the role of frontline workers in patient care teams, enhance communication skills, and increase capacity to assist patients in navigating the health care system.

Metrics for Documenting Improvement in Quality and Safety

- Medical error rates
- Preventable hospital readmission rates
- Patient falls
- Infection rates
- Hospital or facility-acquired pressure ulcer rates

Metrics for Documenting Improvements in Community Impact

- Community resident hire rate
- Diversity of the workforce
- Wage gains
- Community health outcomes



Improve Quality and Safety

Health care employers have a perennial interest in delivering safe, high-quality care. Now the Affordable Care Act provides additional incentives for improving quality and safety, as well as financial penalties, through reduced reimbursement, for employers that fall short of meeting performance standards. The advent of new models for financing and delivering care, including value-based purchasing and the Patient-Centered Medical Home, also increases employers' attention to high-quality performance, patient safety, and satisfaction. To realize performance gains such as avoidance of preventable visits to the hospital or emergency room, providers are reexamining the roles of frontline workers—medical assistants, patient care technicians, and community health workers—and assessing the types of skills needed to improve quality and safety. Implementing new models of care and training to improve quality is still a work in progress, as is the measurement of



CALL TO ACTION

There are ample reasons to invest in the skills and career development of frontline workers, all of them central to strategic business impact: creating a skilled and engaged workforce; filling higher-skilled positions via employee advancement; ensuring good patient experiences; creating a healthy and prosperous community; and promoting high-quality care and patient safety. Employers who develop their frontline workforce are seeing results in each of these areas. We encourage you to make the business case for investing in frontline employees in your own organization. Use the metrics presented here to show the returns such investments can produce or reference our resources for assistance with developing your business case.

The CareerSTAT *Guide to Investing in Frontline Health Care Workers* provides a framework and tools for developing workforce development programs, aligning with key business metrics, and measuring impact and outcomes. It is written for health care leaders who are creating or operating programs for frontline workers and building the business case for organizational investment. The complete Guide is made up of five companion documents, including:

- [Executive Summary](#)
- [Why Invest in Your Frontline Health Care Workforce?](#)
- [Employer Best Practices for Making Effective Investments](#)
- [A Framework for Integrating Workforce Investments with Business Impact](#)
- [Resources for Investing in Frontline Workers](#)

To read the full Guide or any of the companion documents visit www.nationalfund.org/learning-evaluation/publications/guide-to-investing-in-frontline-health-care-workers/.

ENDNOTES

1. Labor costs comprised 54.2% of hospital operating revenue in fiscal year 2012. Fitch, Bob. "10 Statistics on Hospital Labor Costs as a Percentage of Revenue." Becker's Hospital CFO. <http://www.beckershospitalreview.com/finance/10-statistics-on-hospital-labor-costs-as-a-percentage-of-operating-revenue.html>. Employee wages and benefits account for 75% of nursing home budgets in Massachusetts. Aiken, Kelly, et al. 2015. *Quality Jobs for Quality Care: The Path to a Living Wage for Nursing Home Workers*. Newton, MA: Massachusetts Senior Care Association.
2. The median turnover rate for nursing assistants in long-term care is 52%. American Health Care Association. 2012. *The American Health Care Association 2012 Staffing Report*. Washington, D.C.: American Health Care Association.
3. The Society for Human Resource Management (SHRM) estimates that the average cost per new hire is \$4,129. The Society for Human Resource Management. 2016. *SHRM Customized Human Capital Benchmarking Report*. Washington, D.C.: SHRM. Costs of replacing frontline staff, such as nursing assistants, are estimated to be 16% of annual salary; median annual salary for CNAs as of March 2016 is \$27,989. "Nursing Assistant Salaries." [Salary.com](http://www.salary.com). No date. See also Crippen, Amber, 2015. "Do You Know the Costs of CNA Turnover?" PPR Talent Solutions. March 18, 2015. See also Mukamel, Dana B., et al., "The Costs of Turnover in Nursing Homes." *Medical Care*, October 2009 47(10): 1039-1045.
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6. "Business Case." No date. Part of the business terms glossary in Whatis.com. Accessed 3.6.16 at <http://whatis.techtarget.com/definition/business-case>.
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8. Press Ganey. "Every Voice Matters: The Bottom Line on Employee and Physician Engagement." 2016. Accessed 8.5.16 at <http://www.pressganey.com/resources/white-papers/every-voice-matters-the-bottom-line-on-employee-physician-engagement>
9. More information on HCAHPS metrics and surveys can be found at <http://www.hcahponline.org/home.aspx>.
10. "H.E.A.R.T" is an acronym for Hear the Story, Empathize, Apologize, Respond to the Problem, and Thank Them. Accessed 8.5.16 at <http://www.clevelandmetroschools.org/domain/1802>

Frontline Health Care Worker Champions

CareerSTAT's Frontline Health Care Worker Champions are recognized by their peers for their sustained investment in skill and career development of frontline workers. Representing health care organizations across the care continuum, these industry leaders are improving health outcomes for patients and increasing their business impact by making learning and advancement more accessible for their frontline employees. Since 2014, CareerSTAT has recognized 25 organizations. Their practices, policies and strategic approach inform the CareerSTAT Guide, best practices, and resources. Learn more about the Frontline Health Care Worker Champion program at <http://www.nationalfund.org/initiatives/careerstat/frontline-health-care-champions/>.

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CareerSTAT is a network of health care leaders promoting investment in the skills and careers of frontline workers. It supports health care organizations in using workforce development programs to increase business impact, improve health outcomes, and provide good jobs. CareerSTAT produces an array of resources on the benefits of skill and career development, recognizes organizations leading the industry as Frontline Health Care Worker Champions, and tracks innovative practices for advancing frontline workers. CareerSTAT is an initiative of the National Fund for Workforce Solutions and Jobs for the Future and is generously supported by The Joyce Foundation. To learn more about CareerSTAT, visit: <http://www.nationalfund.org/careerstat>.

Jobs for the Future develops, implements, and promotes new education and workforce strategies that help communities, states, and the nation compete in a global economy. In more than 200 communities across 43 states, JFF improves the pathways leading from high school to college to family-sustaining careers.

The Joyce Foundation

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The National Fund for Workforce Solutions is a national network promoting economic opportunity and prosperous communities through investment and innovation. Based in Washington D.C., the National Fund partners with philanthropy, employers, workers, public and private community organizations, and more than 30 regional collaboratives to invest in skills, improve systems, and generate good jobs. The National Fund supports civic and business leaders in promoting evidence-based practices and policies that build shared prosperity. Learn more about the National Fund and its local partners at www.nationalfund.org.



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