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Healthcare

— 2023 —
WORKFORCE
TRENDS
REPORT
SERIES

Findings and insights from the 2023
Benefits Strategy & Benchmarking Survey

US EDITION

A modern hospital lobby with a staircase, waiting chairs, and a stone wall with a plaque. The scene is brightly lit with natural light from large windows. In the foreground, there are several rows of beige upholstered chairs with black frames. In the background, a staircase with a glass railing leads up. A stone wall features a plaque that reads "Distinguished Philanthropists". Two people are walking on the upper level of the lobby.

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Introduction

Workforce burnout and fierce staffing competition is leading healthcare organizations to consider a benefits refresh.

Healthcare employers want to make inroads to building total rewards that bolster company culture, cater to the career growth interests of employees and retain talent in a tight job market. Supporting comprehensive wellbeing is vital to achieving these goals.

That's why wellbeing is at the center of [Gallagher Better WorksSM](#), our comprehensive approach that aligns your people strategy with your overall business goals. It focuses on the full spectrum of organizational wellbeing—taking a strategic approach to investing in employee wellbeing at the right cost structures to support diverse workforce needs.

Part of the Workforce Trends Report Series, this addendum highlights key findings and implications based on responses from 667 healthcare organizations that participated in our 2023 Benefits Strategy & Benchmarking Survey.

From broad insights to specific findings, you'll gain a practical perspective on trends and best practices to help you face your future with confidence.



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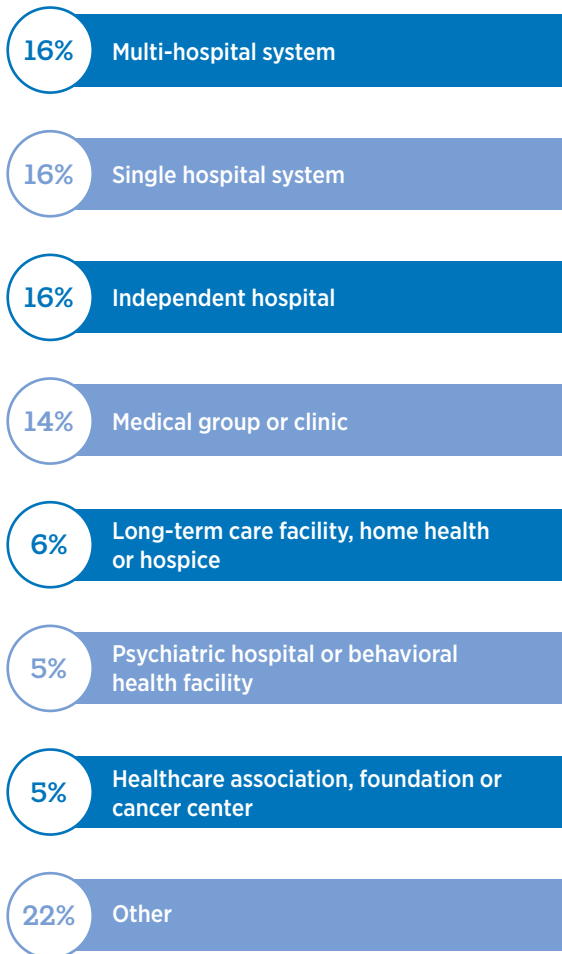
Benefits Strategy & Benchmarking Survey Healthcare Participant Profile



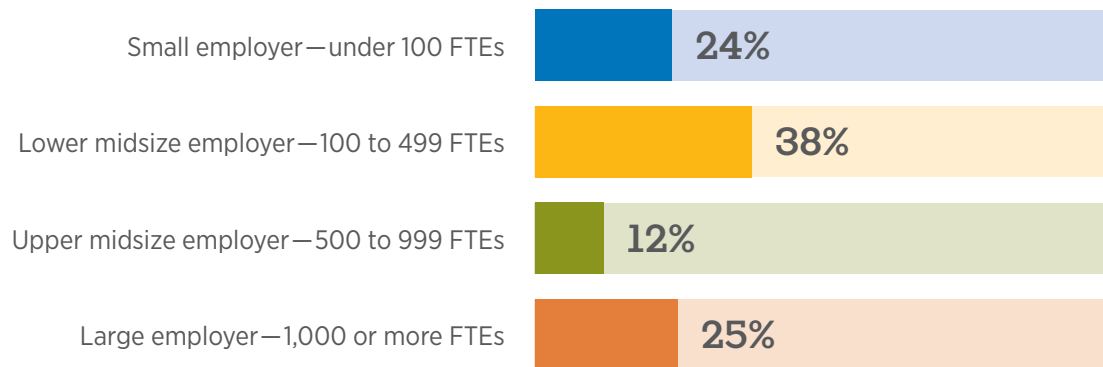
667

Healthcare organizations

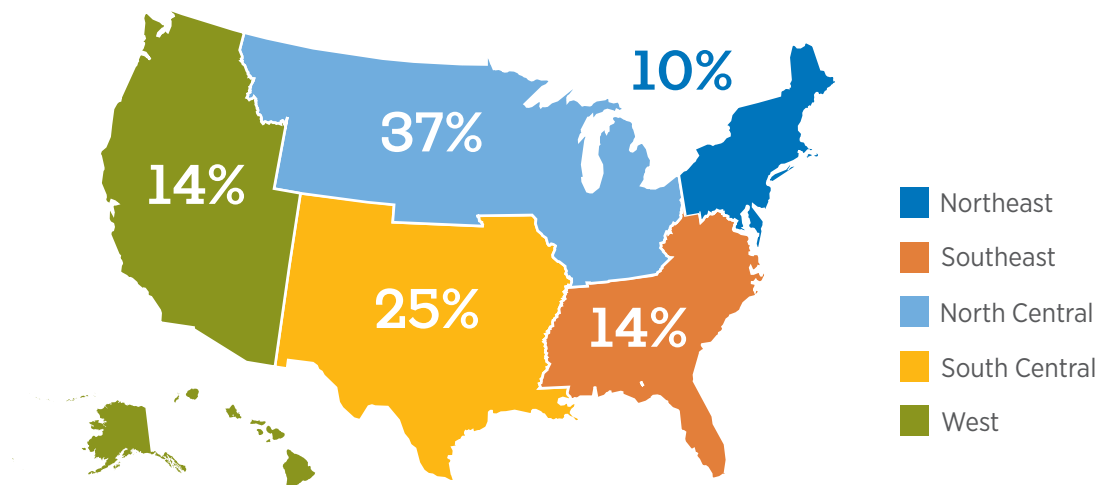
Type of healthcare organization



Workforce size — full-time equivalents (FTEs)



Geography



Key Takeaways for Healthcare Employers

Organizational Wellbeing



A carefully constructed and well-communicated total rewards strategy is pivotal for maintaining an engaged and productive workforce.

Physical & Emotional Wellbeing



Employers are expanding mental health resources while looking for ways to better connect employees with existing options.

Career Wellbeing



Work-from-home interests often pose a challenge in an industry where essential workers are required to be onsite.

Financial Wellbeing



Programs and services that help align financial goals with life and career goals often resonate the most with employees.

Organizational Wellbeing

Strategic approaches position healthcare organizations to grow despite staff and cost challenges.

While both the COVID-19 National Emergency and Public Health Emergency have officially ended, repercussions remain. Lingering and significant challenges include burnout and competition for workers, against a backdrop of continuing inflationary impacts.

Healthcare employers are taking stock of total rewards, culture, training opportunities and organizational philosophies to determine what they do well and where improvements can be made. When plans and baseline strategies are developed from year to year, they often allow for more nimble decisions. However, they lack a comprehensive view into maximizing key resources like HR tech and navigating complexities like rising benefit costs.

Talent availability and costs vary by region, along with policies and infrastructure, so it's critical for healthcare employers to customize strategies to their unique workforces and situations.



Nearly
2 in 3

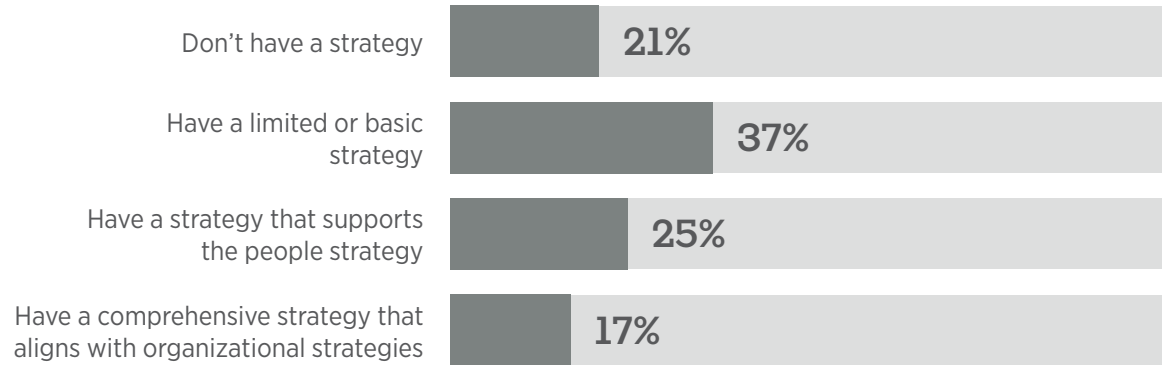
Take a year-to-year approach to employee benefits planning

55% Agree their organization effectively manages healthcare costs

More than
4 in 5

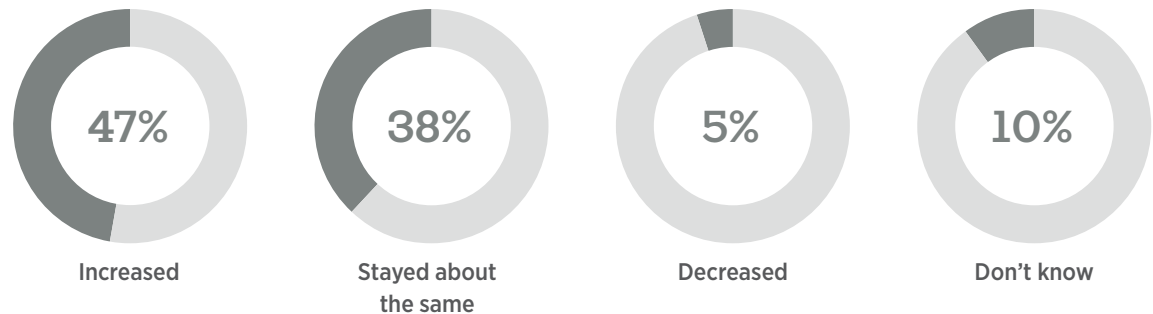
Say attracting and keeping nursing staff is the HR challenge most likely to be a top priority by 2025

Strategic approach to HR technology



53% Expect to increase workforce headcount by 2024

Change in the total cost of employer-paid benefits since 2021



Physical & Emotional Wellbeing

Reinforcing support for emotional wellbeing continues to be a key focus.

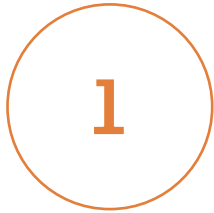
High healthcare costs are prompting many employers to increase cost share. While this choice may be necessary, wellbeing and competitive repercussions could follow. Resources such as healthcare decision support tools help employees navigate a complicated system and can minimize the potential downside. They promote the selection of appropriate care and the avoidance of procedures that are likely to drive up individual and organizational costs.

Fortunately, commitments to investing in mental and behavioral health programs haven't wavered. A solid ROI hinges on helping managers understand how to direct employees to appropriate resources in a sensitive way, and feel comfortable in doing so.

Healthcare organizations often see the importance of diversity, equity and inclusion (DEI) initiatives but don't always recognize how they impact mental health and talent retention. Leadership that reflects the employees, clients and patients they serve exemplifies these standards.



Top healthcare cost-management challenges



High cost of medical services

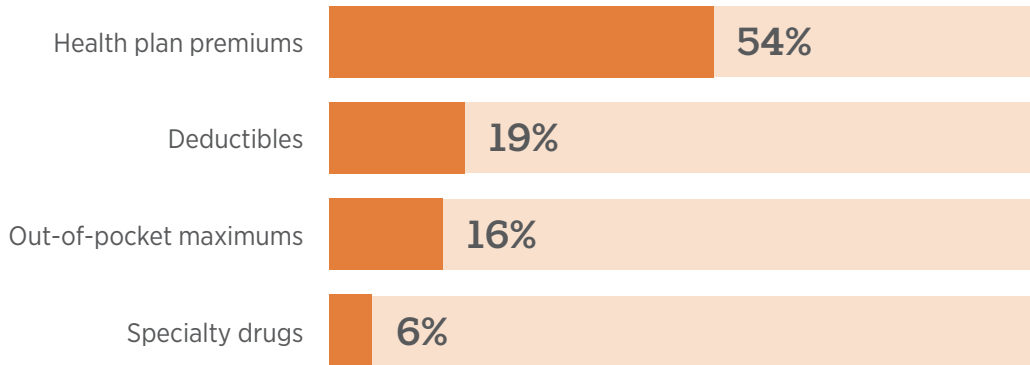


High cost of specialty drugs



Unhealthy covered population (employees and dependents)

Employee cost-sharing increases implemented at the most recent renewal



1 in 4

Provide employees with healthcare decision support

57%

Agree their managers are well-equipped to refer employees to mental health support services

1 in 5

Deployed enhanced mental and behavioral health programming in 2023

19%

Say a key purpose of their DEI strategy is to attract and retain talent

Career Wellbeing

Concerns about burnout are prompting employers to enhance career wellbeing resources.

With stress and burnout sapping employee morale, employers are seeking solutions for reducing the harmful effects. Meeting the demand for work-from-home policies is an ongoing issue, challenged by the need to consider onsite requirements and limits to remote allowances. This scenario poses the risk of setting up a tiered system of different workforce perks.

To cultivate career wellbeing, healthcare organizations are focusing more fully on communicating total rewards value. Providing growth opportunities and recognizing employees' contributions are also top tactics for rejuvenating their interest and energy.

Routinely measuring engagement provides regular feedback to healthcare employers on shifting situations. When tracking, defined intervals will allow more accurate comparisons. Pulse surveys are recommended every several months and a comprehensive survey annually or biennially.



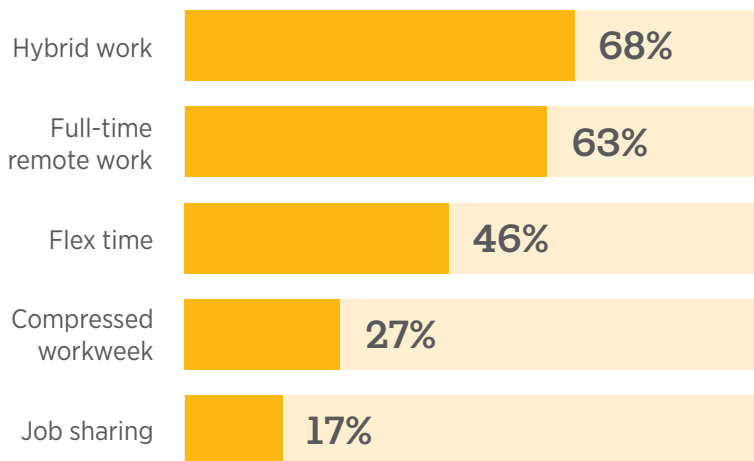
87%

Believe their leaders are concerned about the impact of stress and burnout on the organization

More than
1 in 3

Indicate career wellbeing has become more important in 2023

Use of workplace flexibility tactics



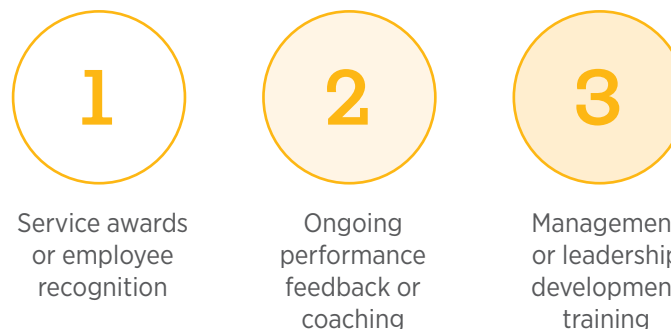
3 in 4

Increased the importance of communicating information about compensation and benefits in response to the economy in 2023

62%

Have a strategy for improving employee engagement

Top career wellbeing initiatives



Financial Wellbeing

A comprehensive strategy can more widely address talent attraction and retention goals.

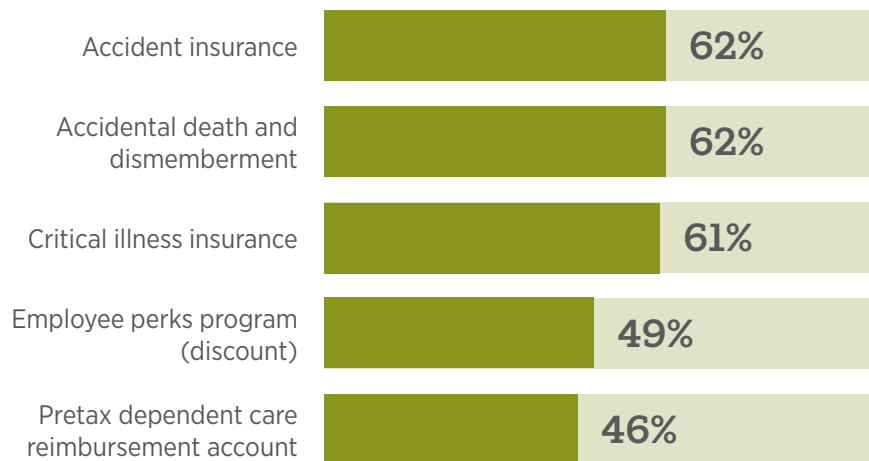
Healthcare employers are interested in creative approaches to balancing cost control and employee affordability. One stopgap is providing a broader selection of retirement or other savings plans.

As a supplement to core benefits, voluntary insurance options expand opportunities to an even greater extent. They offer employees added financial protection and the ability to customize coverage, without increasing employer costs.

Healthcare organizations also have an opportunity to assist employees with financial wellbeing through plan designs that incentivize financial growth. A classic example is auto-enrollment. Tuition assistance can also serve this purpose, dovetailing with career wellbeing to help increase employee knowledge and potential.



Voluntary benefit additions expected by 2025



36%

Provide voluntary benefits to offer financial protection to employees

More than
4 in 5

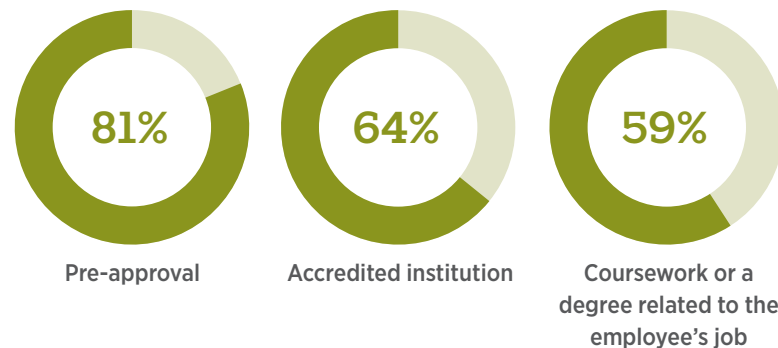
Match employee retirement contributions

49% Auto-enroll employees in a 401(k) or 403(b) plan

Nearly
4 in 5

Offer tuition assistance

Tuition assistance eligibility requirements



Final Remarks

Healthcare employers are acutely aware that attracting and retaining employees, including nurses and other professionals, is critical to maintaining operations and fulfilling their missions. The need to keep staff engaged and motivated in spite of high levels of stress and burnout has prompted many to take a renewed look at their benefits as they consider how to build a more holistic approach to employee wellbeing.

For most of the industry, top operational and HR challenges show yearly patterns that suggest they're well-entrenched. Transformation will require an active commitment to innovation, including a strategy that can enhance organizational stability – because it's rooted in the wellbeing of individual employees.

Making decisions that appeal to the workforce requires a platform for their feedback and intentional efforts to understand unique needs across different populations. When insights are applied accordingly, attraction and retention success is better supported. Respect for employees is conveyed through comprehensive programs and policies that align with their interests and the organization's priorities.

For additional insights and custom benchmarking on the latest trends impacting healthcare employers, contact your local Gallagher consultant or visit [AJG.com/healthcare-consulting](https://www.gallagher.com/healthcare-consulting).

About Gallagher

Your people are your organization's greatest asset.

But daily hardships—like economic uncertainty, personal and family health concerns, and insufficient resources or staffing at work—can take a toll on your people and leave your business struggling with hindered productivity, heightened disengagement and strained retention.

That's why every aspect of your benefits and compensation program needs to work in concert to promote overall employee wellbeing. Offering robust medical coverage and a competitive retirement plan isn't enough in today's hyper-competitive labor market.

As employees across all geographies, industries and employer types navigate the ever-changing world, organizations must critically evaluate their people's experience in the workplace—finding unique ways to engage teams, establish authentic connections and support employee wellbeing overall.

Doing so can help your business attract top talent, motivate employees and shift the organizational culture so employees feel differently about their work. When organizations find ways to reduce burnout and increase productivity among their people, business performance can soar.

This is why employee wellbeing is at the center of Gallagher Better WorksSM—a comprehensive approach for strategically investing in benefits, compensation, retirement, employee communication and workplace culture so you can support your people's physical and emotional health, financial confidence and career growth at the right cost structures.

From evaluating the demographics of your workforce to surveying and analyzing competitor trends, Gallagher offers you data-driven insights—allowing you to make the most of your investment in talent, deliver a better people experience and reduce organizational risk.

Even in times of uncertainty, Gallagher's consultants are here to help you optimize your profitability with a strategy rooted in the wellbeing of your people—so you can face the future with confidence.



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