

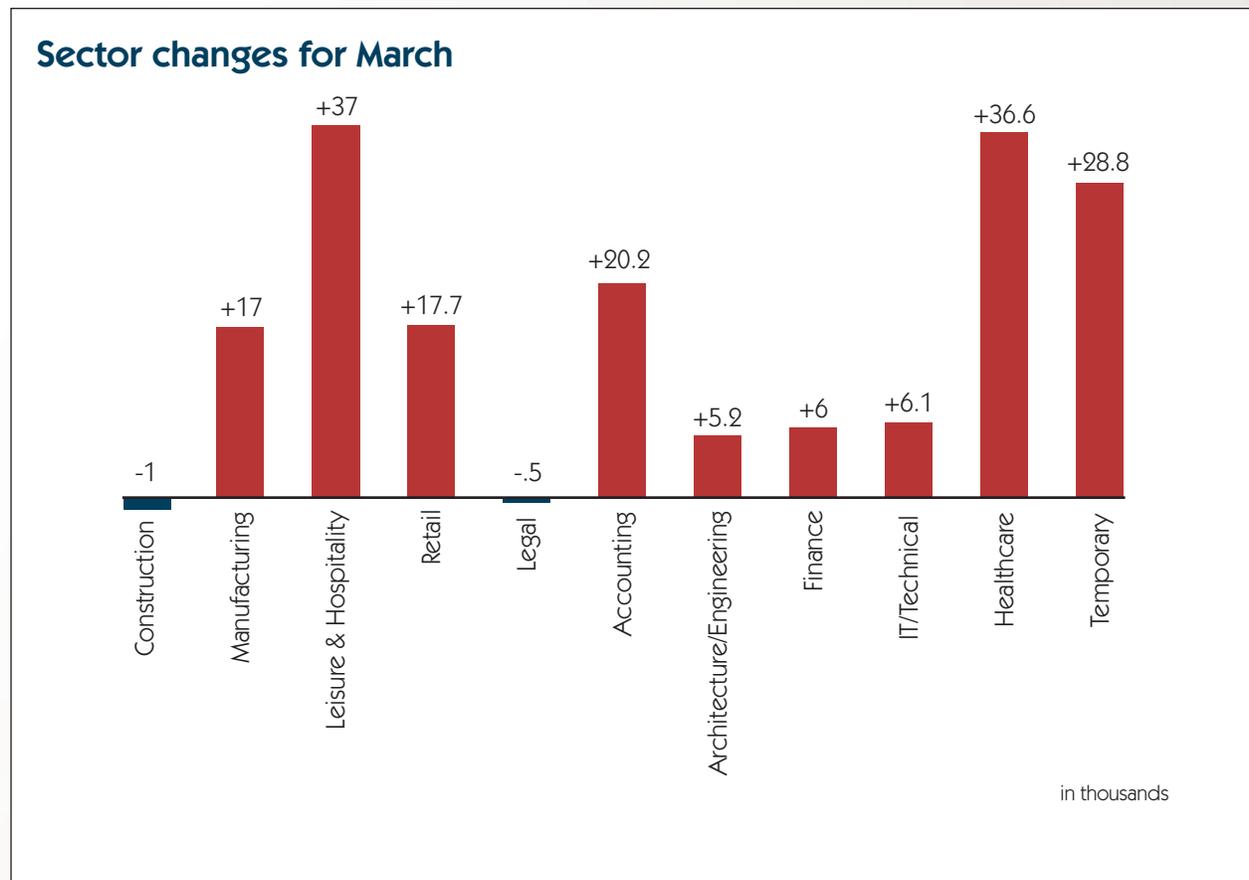
Healthcare Workplace Economy April 2011

Jobs Report Summary for the Healthcare Industry Based on the BLS Report with March 2011 data

The phrase “job gains, yet again” is something we could get used to hearing. The private sector added more than 200,000 jobs for the second month in a row following the March 2011 report from the Bureau of Labor Statistics. There have not been two straight months of private sector job gains over 200,000 since 2006, over a year before the recession began. Additionally, March’s gain marked the seventh consecutive month of job additions and even more positive news is the declining unemployment rate which is now at 8.8%, the lowest level in just under two years. This decline in unemployment (from 9.8% to 8.8%) in four months has been the sharpest drop since 1983.

A total of 216,000 jobs were gained in March 2011 with the private sector gaining 230,000 jobs and the public sector losing 14,000 jobs. The additions surpassed forecasters’ expectations. Among the sectors that contributed the highest counts of jobs to the economy in March were healthcare, professional and business services, manufacturing, temporary, retail and leisure and hospitality.

The revisions included in the March report added optimism to the picture as an additional 5,000 jobs were revised into the January statistics and an additional 2,000 jobs were revised in the February data. The hiring patterns of Q1 2011 are meeting the expectations of many forecasters which predicted hiring to pick up significantly as new fiscal budgets opened up in order to add talent. The pace of the progress is still slower than



optimal capacity and this is important to remember as cautious spending is still “the name of the game” in today’s business environment. The economy will need to add over 300,000 jobs a month consistently to continue to decrease the unemployment rate with a growing population. As 7.5 million jobs were lost during the recession, getting unemployment to pre-recession levels will take years, even with gains similar to this month’s.

A highlight of the major trends resulting from this month’s report include:

- **Manufacturing:** March was another good month for the sector adding 17,000 jobs. This marks the fifth straight month the sector has seen additions. Gains were seen in the durable goods industries. Employment in durable goods manufacturing has risen by 243,000 since its most recent low in December 2009. Manufacturing and construction jobs could be affected by the Japan earthquake as materials and supply chain processes could be interrupted. Events over time will dictate if and how these effects will be seen in the U.S. market.
- **Healthcare:** The strongest sector of the recession remains healthcare adding 36,600 in the past month. In the last year, healthcare has added 283,000 jobs, or an average of 24,000 jobs per month. There are now over 14 million Americans employed in the healthcare industry which includes, but is not limited to, hospitals and doctors offices. Nearly 6.1 million jobs exist now in ambulatory services and nearly 3.2 million jobs exist in nursing home and other care facilities. Nursing and residential care facilities alone added 8,800 jobs in March.
- **Leisure and hospitality:** Food services and drinking establishments contributed 27,000 jobs to the total 37,000 jobs added within the sector in March. Active hiring within this sector is closely related to consumer confidence and spending. In February, consumers earned and spent more money than the previous month. If consumer spending continues to rise, hiring could pick up even further for the sector.

- **Professional and business services:** This sector added the highest number of jobs in March with 78,000 added, the strongest gain since 2005. As professional and business services add jobs, education will become a more salient differentiator for job seekers. Many of the jobs added in March require college degrees. According to BLS data, 521,000 Americans with a college degree or higher were hired since the start of 2011, whereas the job growth rate for applicants with only a high school diploma has fallen. The overall unemployment rate for college graduates is 4.4%, reiterating the importance for all candidates to focus on skill building and diversification.
- **Temporary:** Temporary job growth was strong for yet another month in March adding over 28,000 jobs. Throughout the recession, temporary job growth has been the leading indicator for permanent job growth. As we’ve seen the sector slowly rise, full time hiring is beginning to follow. The depth of the types of temporary jobs added this month indicates how the demand is widening to professional positions including engineering, accounting and professional services. The gains today could mean even more in the future as they indicate companies will look to convert more temporary talent to full time in order to keep them on board to meet their labor needs.

Soliant insights:

Today’s current events could have great impact on the U.S. economy and job market. The unrest in the Middle East has already begun impacting oil prices which could slow the economic recovery. The effects of Japan’s devastating earthquake have had an impact on stock markets but also leave much undetermined about how the aftermath will impact the global economy moving forward as far as supply chain and other processes. Many economists predict rising food and oil prices will impact consumer spending which will slow the employment picture’s progress. This should remind Americans yet again, to exercise caution when making decisions dependent on the economy.

Moving forward, education will become a more important differentiator for job seekers as more and more companies look to add specialized workers. Recent temporary job growth indicates more robust full time hiring could be on the horizon with permanent hiring beginning to show more and more. Temporary positions have grown in the fields of information technology, engineering and accounting. Thus, in the near future we can look to these sectors in particular to pick up hiring. In the greater future, job seekers should look to build skills that are transferable to these industries.

Of interest

6 Issues Facing Hospital CEOs in 2011 and Beyond

Source: www.beckershospitalreview.com

Over the next few years a “perfect storm” could be in the making within the healthcare industry due to consolidation, IT implementation, payment changes and physician integration. Recently at the 2010 Huron Healthcare CEO Forum, CEOs from top healthcare organizations met to discuss their top priorities for the upcoming years. In addition to their top priorities they also discussed six key issues that will be on every hospital CEO’s mind in 2011.

The top six issues are reducing costs by standardizing practices; risk-sharing and population management; consolidation; the race to implement IT; physician integration and clinical process improvement; and lastly, the rise of the healthcare consumer. Each issue brings to light a new challenge.

By reducing costs through standardizing practices each hospital will have to determine how to standardize practices across their organizations – a difficult task since most physicians today are independent.

With risk-sharing and population management, the development of ACOs and risk-sharing has become top of mind resulting in more focus on preventive care rather than hospital admissions.

Through consolidation, health systems are looking to lower costs by leveraging economies of scale.

Despite the mergers and acquisitions many think the industry will preserve smaller groups of hospitals as long as they have the capital to keep up with compliance, IT investments and other requirements imposed through healthcare reform.

The implementation of IT will enable hospitals to maintain compliance through active reporting as opposed to historical reporting. IT implementation in addition may provide the key to changing independent behavior mentioned above through standardized practices.

Physician integration and clinical process improvement will be one of the biggest challenges over the next few years because most physicians are not employed by hospitals but as independent physicians.

Lastly, the rise of the healthcare consumer has posed a problem with the control physicians historically had over their patients. Through the age of information and social media, patients are acting as consumers. Hospitals may have to shift their focus from influencing referral patterns to improving direct-to-consumer marketing and publicized outcomes.

Impact on the workforce

Independent physicians will need to follow hospitals’ standardized best practices more closely and be open to hospital regulations as opposed to past practices. Through the standardization of practices and offering options for partial alignment, independent physicians will become more like physicians who are directly employed by the hospital, helping to reduce costs in the hospitals in which they practice.

Impact on employers

The difficult task of convincing the independent physicians to use the hospitals best practices and move toward full-on employment will play a crucial role in every one of the six issues mentioned. IT implementation may provide the key to changing behavior; if the physician practice, clinic and ambulatory setting is integrated with the hospital inpatient setting then physicians may find it easier to comply with standardized practices and manage patients who have left the office.

US life expectancy surpasses 78

Source: www.news.yahoo.com

The US life expectancy has hit another all time high, rising above 78 years. The estimate of 78 years and 2 months is for a baby born in 2009 and comes from the Centers for Disease Control and Prevention report from 2009 data. There were roughly 36,000 fewer deaths in 2009 than in the year before. Experts don't believe there is one simple explanation for the increase in life expectancy. Better medical treatment, vaccination campaigns and public health measures against smoking are believed to be having a positive impact on the population as a whole. In addition, the infant mortality rate hit a record low of 6.42 deaths per 1,000 live births, a drop of nearly 3 percent from 2008. Some say the drop in deaths is due to the elderly being spared from the swine flu, which hit young adults and kids.

Impact on the workforce

Medical professionals should take this as an opportunity to learn more about geriatrics. As our population continues to age the healthcare industry will need to adjust to include special practices to ensure that proper care is given to this ever increasing population.

Impact on employers

This increase in life expectancy will increase the number of patients around the US. Again, through hospitals taking responsibility for disease management every one wins – patients live longer and employees can take pride in helping the growing elderly population. By improving primary care, nurse triage, access to services and community education hospitals will be able to meet the demands of an aging population.



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