

Healthcare Workplace Economy September 2010

Jobs Report Summary for the Healthcare Industry Based on the BLS Report with August 2010 data

The August Bureau of Labor Statistics (BLS) jobs report marked the third month of decreases in employment with a loss of 54,000 jobs and a raised unemployment rate of 9.6%. As seen in months past, this number was heavily impacted by the ending of US Census jobs with the federal government losing 111,000 jobs.

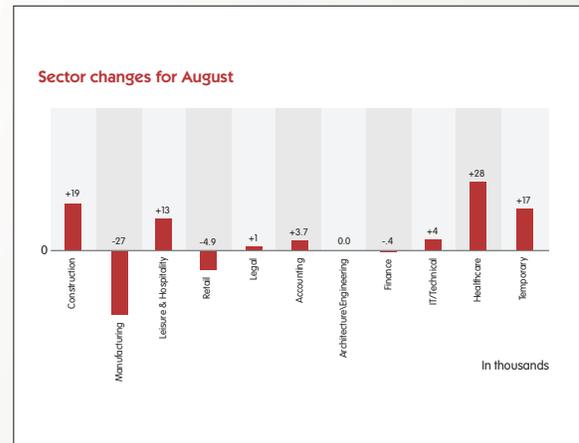
On a positive note, the loss of 54,000 jobs was much less than many experts expected, and the private sector had a gain of 67,000 jobs. As we look to the recovery, the private sector will be the most important area to watch, as this is what will propel job growth and the economy. As the private sector continues to grow, consumer and employer confidence will follow, leading to a more robust economy.

Sector insights:

Temporary Employment: The July jobs report had a setback of 5,600 jobs, but the August report showed a renewed growth with the addition of 16,800 jobs. The sector will most likely continue to grow at this pace moving forward as it normalizes after amplified growth in early 2010.

Manufacturing: The sector had a loss of 27,000 jobs, which was surprising considering the month-over-month growth that has been seen throughout 2010. We're continuing to see this sector add on a number of jobs—particularly in the auto industry.

Healthcare: 28,800 jobs were added for healthcare over the last month largely due to an increase in ambulatory healthcare services which added 16,900 positions. Hospitals increased their employees by 8,600, while nursing homes and residential care facilities added 2,700 jobs.



Soliant insights:

While many people were starting to discuss the probability of a double dip recession, this report should alleviate those fears with fewer jobs lost than expected, and private sector growth. In early 2010, the economy grew at a faster than expected pace. Recent BLS reports are now starting to show normalized job growth, and it will take time for the economy to fully recover. At Soliant, we believe that this pattern will continue, and the economy will strengthen at this new pace.

Additionally, we're finding that our clients are much more optimistic than they were last year at this time. While some hiring managers may have not had the room to hire in 2010 as a result of tight budgets created in 2009, many are starting to look forward to 2011 and boosting staff numbers. Currently, we're seeing the majority of new employees being brought on as temporary workers, as this is a strategic opportunity for cautious employers to meet business needs in a way that can be easily modified. While permanent hiring has not hit full speed yet, we are seeing a noticeable pattern in temporary employees becoming permanent ones – a trend pointing in the right direction.

Of Interest

Home-grown med students more likely to stay in-state after graduation

Source: www.acpinternist.org

The University of North Dakota leads the nation in the percentage of students (20%) who choose primary care as a career. With many rural family medicine jobs going unfilled, state universities are looking at ways to keep talented young doctors at home AND down on the farm. These schools are looking for students who come from small towns within the state where the school is located. North Dakota's student population is 80 percent in-state.

At the University of Kansas School of Medicine – Wichita, efforts are focused around the Scholars in Rural Health program which identifies potential medical students from small towns. They are given internship opportunities with rural doctors during their junior and senior years and if their grades hold up they are guaranteed acceptance into the medical school.

Impact on the workforce

There are incentives available to individuals who are interested in family practice at a number of schools including Maine, Arizona and New York.

Impact on employers

Rural healthcare facilities can partner with their state medical schools to promote healthcare positions in their area. Robert G. Bing-You, FACP, of the Maine Medical Center says, “We want to show the students they can have a very productive career in a community or rural site.”

New Medicare project helps house calls go national

Source: www.latimes.com

The current healthcare overhaul signed into law this year created a three-year demonstration project of the home visit concept on 10,000 Medicare enrollees. The demonstration project will test the possibility of cutting treatment costs and improving health outcomes through home visits for patients who are unable to visit healthcare facilities due to health problems. This test is based on the concept that it's financially smarter to treat a patient at home to avoid unnecessary hospitalization. The Medicare demonstration project is scheduled to begin January 2012.

Impact on the workforce

The practice of home visits provides increased opportunities for healthcare workers looking to try new and rewarding assignments – a much different pace than traditional healthcare assignments.

Impact on employers

This new area of growth increases the demand for home health professionals within both rural and urban communities – allowing healthcare practices to reach more patients who are unable to visit traditional facilities while being rewarded with possible savings down the road.