The Future of Healthcare Human Capital and Workforce Management Podcast Series: Conversations with Healthcare Leaders About What They See in Their Crystal Ball (Episode 1)

Transcript

[00:00:00] Jonathan McDermott: We spend a lot of time working on taking care of people. We found ways to find staff then through the next phases. We tried to be humble. We took staff from anywhere we could get them. We talked with our own state and the National Guard. We worked with the federal government. We took staff wherever we could get them. We never said no when someone needed to come here. I think all the places that we asked for help were more than willing to give us help because we did things like increased our ICU bed capacity by 200%. We just didn't say no. We found a way to do it.

[00:00:45] Bianca A. Briola: Hello, welcome to the *Alvarez & Marsal Healthcare Industry Group Human Capital and Workforce Management Podcast*. In this podcast series, we discuss the human capital perspective of the healthcare industry. I'm Bianca Briola, Leader of the Healthcare Human Capital and Workforce Management practice. I'm joined today by Jonathan McDermott, Chief Human Resources Officer from the Billings Clinic in Billings, Montana. Hello, Jonathan.

[00:01:11] Jonathan: Hey, how are you?

[00:01:12] Bianca: Wonderful. Thank you for joining us today. I've been dying to talk to you. I have so many questions for you, especially about your background. Can you tell us a little bit about the Billings Clinic and your role there?

[00:01:25] Jonathan: Sure. Billings Clinic is Montana's largest independent healthcare system. Here, we serve Montana, Wyoming, and the Western Dakotas. We are not for profit. We are a physician-led group. Our CEO is a physician. We're governed by a community board, which is great. We have community members that really take care of our needs and making sure that we meet the needs of our patients. We have physicians on our board as well. Main flagship site is a 304-bed hospital trauma level 2 center. We have about 4700 employees, again in different sites all over those areas.

[00:02:08] Bianca: A lot of people, they think of Montana and they don't think of competition. That's actually not the case at Billings. You compete for resources and for patients, don't you?

[00:02:18] Jonathan: Absolutely. We have a very large competitor that's literally where you butt each other properties. There's lots of competition. We do have a medical corridor here for the state. If you really look at a map, we're right in the middle of a big open area where there are some big competitors. Mostly those competitors is what people think of are in

these major cities like Denver, Utah, in Salt Lake City, Utah, and some other places. They don't think about us, but there's a lot of competition here as well.

[00:02:54] Bianca: Great. Really, you offer world-class, best-in-class care and you want to be and are achieving the primary employment status where you want to be an attractive employer for the area, which creates a very competitive market. I'd love to hear a little bit more about your background. I remember a conversation we had, and you mentioned that you actually started your career outside of healthcare. Where did you spend your time before you came to Billings Clinic?

[00:03:27] Jonathan: I'd been working in human resources for over 25 years. When I first got out of graduate school, I started working for Mobil Oil Corporation, which is now ExxonMobil, the two of those corporations merged. Then worked a little while for Sara Lee in an industry, and then worked for General Electric for almost 20 years and did lots of different roles in General Electric in lots of different businesses from a consumer business like GE Appliances to a business, like GE Nuclear Energy, all sorts of places.

The last position that I held was the Human Resources Leader for GE Industrial Solutions, which had over 14,000 employees, around 50 manufacturing sites worldwide, a global business that we ended up selling to another company. It was a Swiss company. ABB is its name. After it was sold, that's when I took an opportunity to look and see where I wanted to spend the rest of my career and completely changed directions and decided to work for a nonprofit in health care, and started on March 16th of 2020, which was the day that we started shutting down all time-sensitive surgeries due to COVID. It was a great time to, I guess you would say, jump into the deep end and have to start swimming.

[00:05:01] Bianca: I'm just struck by your background. You've worked for major corporations in very different, distinctly different industries than Billings Clinic. There's no doubt. I'm certain that you've made some parallels, but what learnings have you brought from your previous experience in those other organizations to Billings?

[00:05:25] Jonathan: Well, what struck me when I came here was that HR truly can be a differentiator. It wasn't being used as a differentiator. Although I don't know, I suspect in other healthcare settings as well, maybe it's not like industry has used it for quite some time, but you have to have the right support from obviously the board, from the CEO, from the staff. You have to have the right expertise in human resources. It's one thing to say, "We can make a difference," but you have to have the right expertise in the areas that matter. Then, you have to have the right model, I think as well. When you think of those things, that's really what struck me.

What I set out to do with the support of our board and our CEO was bring in a human resources business partner model. Human resources, at the time when I came here, was mostly benefits, recruiting, some compensation, and then one employee relations person helped do investigations and things like that. There wasn't this partnership where you take your largest asset, probably for most, any health system, which is labor because these systems are very labor intensive.

Well, you need a partner that can help unleash the potential of that big asset and make sure that you're using it in the right way, so you have to, what I thought and what we've done is, add HR business partners who can come in and spend time with leaders, helping understand what their problems and issues are, and then partner together to try to come up with a plan, like a workforce plan as an example, to help improve the operations of the largest expense that we have.

[00:07:27] Bianca: I can appreciate your perspective here for so long. I think many have viewed the HR leader and the HR function more as administrivia until more recently where the most pressing issues that hospitals and health systems are facing are solidly in the human capital space, and the role of a human resources leader and their professionals has become incredibly strategic. It's operational, it's consultative. It is required. It's so incredibly important to solving for many of these issues.

It sounds like in other industries, that's the place that you and your team have always been and now, you're bringing this level of professionalism and consultative support to an organization. Fantastic. It's not lost on me that you joined Billings during the pandemic. How have the past two years been? How have you spent the past two years?

[00:08:35] Jonathan: Well, I think it went in stages based on how the pandemic went. When I first arrived, Montana is a state that lagged the rest of the country with the waves of COVID just because of our smaller population. It certainly came here and it came here in a big way, but it would lag by a month or two the rest of the country. That first period of time, we had a crossroad where we started shutting things down. Our president asked us to do that, "Shut the country down for a few weeks. Let's test it and see what happens."

We had to do all those things and we had a choice to make, were we going to keep our staff, or were we going to lay them off? We didn't have work for them to do. We kept them. We were driven by our vision, our mission, our values, and so we kept them. Obviously, that paid off, certainly when the wave finally got here. I think that built some credibility with our staff that we were willing to do that. Now, that was a little short-lived after a while because people had the brevity of the challenge of COVID and people got tired and burned out and all those kinds of things.

We did spend a lot of time trying to do things like make sure where normally benefits or given in 30 days, we did it on day one and we found a way to do it. Because if people were going to go on the front lines, and we didn't know anything much about COVID at the time, we knew that we needed to make sure we took care of our people. We spent a lot of time working on taking care of people. We found ways to find staff then through the next phases.

We tried to be humble. We took staff from anywhere we could get them. We talked with our own state and the National Guard, and we worked with the federal government. We took staff wherever we could get them. We never said no when someone needed to come here. I think all the places that we asked for help were more than willing to give us help because we did things like increased our ICU bed capacity by 200%. We just didn't say no. We found a way to do it. That took a toll on our people, but our staffing ratios held up during this time. Now, a lot of that was with travelers and other help.

We even introduced a new model of paramedicine that we'd never done before just because we needed help for our RTs, and we needed help for our nurses, and so we tried something new, and it worked, and it helped us stem the tide. Then, we started spending more recently, a lot more time on mental health and really trying to help our staff through mental health.

Then, throughout the entire time, I'd say, last thing, we partnered with our communities. Being a small community, I think it's probably a little easier to partner with your communities, plus we're governed by our board, which is community-driven, and having support of your community helps so much with your staff. Obviously, we did a lot of things on pay like everybody else, and all those kinds of things, but this is really what we spent our time on.

[00:11:52] Bianca: I'm really interested in hearing about what you did or what you continue to do to support your staff related to mental health. They went through a trauma. They

continue to go through a trauma. Are there any insights that you have for other leaders as they try to support their staff, their employees?

[00:12:12] Jonathan: I think you have to do a lot of listening. You can't listen enough. You can't communicate enough, and you have to try lots and lots of different things. I don't think there's any one thing that works. It's just a culmination of a lot of small things, I think, that work. I wish there was one big item that I could say and point to that was what has helped us get through. It's really not. It's just a lot of hard work and a lot of small things.

Recently, we offered a mental health app, which is more than just an app. It's an app that people can use on their phone with a company. I won't mention their name. This company basically gives everyone at our location 24/7 access to a counselor anytime they want it. We're doing it free of charge for our employees, which is good. It's expensive, but it's the right thing to do to help supplement what we can provide them. Anybody that that's an employee that works here and their family members, we're given them access to that.

That's just an example of something we just recently tried to do that I think is so needed in this time. I think there's so many things beyond just even working here in the conditions of COVID, but it's just the social conditions that have happened everywhere that put a lot of strain on people beyond just the workplace. We want to give them something that's going to help them. I think this is one of those things.

[00:13:53] Bianca: A fantastic tool. You said it's for both employees and their family members?

[00:13:58] Jonathan: Correct, yes.

[00:13:59] Bianca: Wonderful. Well, you've certainly been busy. That's a great example of an investment made for these staff. Knowing what you know now in your 2 years there, is there anything that you would've done differently?

[00:14:17] Jonathan: I think one, from continuing what we were just talking about, I think we should have focused on wellbeing sooner. I think we focused a lot, obviously, on monetary things to get people to take more shifts and to incentivize people to come here and working in the conditions. We just didn't spend enough time on wellbeing soon enough. I think we should have done that faster. I think that would've been a really good thing to do. When I go back and I think about it, that's the one thing that I think I would've done sooner. I wish we had.

[00:15:04] Bianca: Yes. I think that we can relate to what you're saying as leaders and as individual humans. I don't think that any of us really understood what we were going through, and now, we're having the opportunity to take a breath and understand there was a collective trauma of humanity, and the recovery process is long. It's very long, and not at the same pace. Not everyone's going to be the same.

Well, thank you for your candor and honesty about that. It sounds like Billings Clinic is making an investment in understanding and prioritizing the staff's wellbeing, their family, and giving them the support they need. As we enter this new phase, I originally wrote new phase of the pandemic, but I think officially, we're not in a pandemic anymore, we are moving forward. What's keeping you up at night as a leader? What are some of the biggest challenges you and Billings are facing right now?

[00:16:04] Jonathan: Well, I think there obviously continues to be a war for talent. It's not just the healthcare industry. I think everyone is facing that, no matter what industry you're in. Obviously, in human resources, that keeps me up. Wellbeing obviously keeps me up at

night, but the other thing that maybe is a little less mentioned that's particularly, I think, difficult for us here and probably others in this industry as well as being in Montana is the everchanging CMS requirements that are confusing. From surveyor to surveyor, they have a different opinion of their interpretation of them.

You had frontline workers who didn't know anything about COVID at all who were willing to go right on the frontline and take care of people despite what we didn't know and what may be the risks were. Now, we've learned a lot since then. We were very safe here. We had very low transmissions between employees and patients and back and forth. It was amazing. We learned a lot. We were very safe, but we encourage vaccination obviously. We have encouraged it from the start, and the vast majority of our employees are, but these requirements that change all the time, and then not knowing what you need to do is just stressful for our workforce.

It's made quite a few people, particularly in a state like Montana, that's very independent, leave healthcare and go work other places where they didn't have those constraints. That keeps me up at night because I don't know what the next thing might be. That just makes it a little more difficult in this industry, that added layer of requirement. That keeps me up at night.

[00:18:02] Bianca: I think that we can all agree the fear of the unknown-- because we never imagined what we went through was going to happen. Now, there's an internal sense of pessimism waiting for the other shoe to drop. What else is next? I can understand that the layer of regulation and requirements is just another exhaustion for leaders and for staff. I do want to go back to your first item. I love the phrase that you used, the war for talent. It sounds so militaristic, but I think many would characterize it as really just a battle. How are you winning or trying to win the war for talent?

[00:18:49] Jonathan: Well, you have to look at it, in my opinion, and how we've been looking at it as short-term things you do right now, midterm things that you do, and then longer term, and you have to do them all. Obviously, there's a lot of short-term things that we have to do. We have to maintain our competitiveness with our total compensation and benefits packages. You're constantly looking at that, particularly if you're in a place like us where you have a big competitor that's trying to seek the same talent, which is a limited talent pool, to begin with. You really have to stay on top of are you competitive? What are you doing? When is enough enough? We're obviously doing that.

Then, if you take like nursing as an example, and you think about, "Well, what can you do midterm for nursing?" Well, one of the things that we've tried to do was one, in the immediate area, let's start there, go back and really view what are nurses doing every day. If you don't have enough supply, how do you in the short term get more supply? Well, you figure out what are nurses doing that others can do, and what are the things that nurses can only do, and you have them spend more of their time on the things that only nurses can do, and you stop having them do things that others can do.

Like stocking shelves, we can pay somebody else to do that. Let's have nurses spend more of their time at the bedside. That's a short-term example of something you can do. Then in the medium term, we started to try to increase supply by going internationally, so we started an international nursing program. Now, we've hired our 30th, I think, international nurse.

[00:20:50] Bianca: Wow. That's fantastic.

[00:20:52] Jonathan: We just started it about not quite a year ago, and now, we've already hired 30, which is great. It's something that I think we'll just continue to do because it's a way to increase the supply here in the United States and in our town without taking them from

someone else. I could just continue to fight the other competitors for the same talent, but that doesn't help our community. How do you do something where you increase supply that's good for us all? International nursing is a midterm thing that you can do.

Then finally, the long-term plan, as an example, is working with our state government and our state education systems and increasing capacity for nursing schools. We were fortunate in Montana that someone gave the single largest donation to a nursing school in the US, $101 million. They're going to put five different nursing schools, add five nursing schools to the state in different places. One of them will be here in Billings, which is great.

We have to increase our ability to precept or teach and train. We've implemented a residency program for nurses to get them ready. Those are the long-term things that you have to keep working on. You have to do something for the future. You can't just do all right now. You have to do right now, medium-term, and long-term things, so that's what we are doing.

[00:22:29] Bianca: Yes. It's like an individual saving for retirement. It's difficult at first to make that investment, but it pays off so much. That is a massive donation. Also, the type of program or program add that could change the state. The amount of new nurses coming into the system in the next three to five years will be material, given that change. That's wonderful. I have two more questions for you. One is a shift from the nursing discussion. We talked a lot about nursing for good reason. It's top of mind for everyone.

There's something unusual that's been happening, I would say, over the past few months. We're hearing of executives exiting healthcare and some less experienced, some very experienced, multi-decade long careers exiting the industry either to retire or go to some other industry, some other role. This is a loss of decades of experience and knowledge. Do you have a perspective on why this is happening, and what our industry needs to do to address this loss? I guess it's to be expected, but we just weren't expecting it. We weren't prepared.

[00:23:54] Jonathan: On the why really quick, I think that the reason why it probably wasn't that way, maybe we start there in the past because I think it's more natural and easier to feel a part of this industry. It's easy to buy into the mission, to the vision, to the values of healthcare. It's easier to attach to it and feel like you're making a difference. People, I think in general terms, like to feel like they can be at a place where they're making a difference in the world. I think that's perhaps why you haven't seen it as maybe like other industries. It's just because of that attachment that's there naturally.

Why is it going on lately? Well, I think I read something the other day where there's 1.9 openings per one person that's available in the workforce these days. When you have that much overdemand and at the same time on top of it, an industry that was pretty stressful during this pandemic, it hit this industry square, right between the eyes. I think a lot of people have reevaluated and said, "Do I want to be a part of that stressful environment?" so I think that's why some people have finally said, "Maybe, I should go try something else."

Now, what I would tell you, there is a boomerang already happening that I'm seeing here. Lately, our hiring classes, 18% to 20% are rehires. People are starting to come back that left for a little while, that felt a little maybe burned out or whatever it is. What I think to help improve and maybe stem the tide, I think of three things that might be worth doing. One, I think this industry maybe in the past hasn't as much embraced people who don't have healthcare experience, and I think maybe they should.

Perhaps I'm a good or a bad example of that. I don't know. People will have to be the judge of that. Particularly functional leaders, in IT, I think of, or in human resources, in finance. I

know there's some very specific industry things that need to be learned and can be learned, but smart, capable people can learn that quickly. They can also bring a different perspective of maybe how to look at things. That's one thing I would do is maybe embrace more leaders, particularly functional leaders that don't have healthcare experience.

Two, I think really looking to technology to help with productivity advancements and just different ways that you don't have to be so labor dependent. I know that sounds funny. You're always going to need labor, and you have to have people at the bedside. There's no question about it, but there's a lot of places that I think, and I've seen where I think there's some technology that can make us more efficient. I think then you just perhaps need a little bit less because we're growing. It's not like you're going to have to lay people off. It's just maybe you don't have to grow your labor side quite as much with some technology advancements.

Finally, I really believe the biggest thing perhaps is investing in your leadership development and your team. Particularly, if you think about clinicians who go to school when they go to school, they don't learn a lot about leadership and organizational leadership. They're taught purposefully, and for the right reasons, a lot of clinical education, which is what they should do because you want to get that right. You don't want to get that wrong, but then that means that when they're here, and they just want to be on the leadership track, we really have to do a good job here internally, I think, of really helping them learn how to lead, how to communicate to people, how to be efficient and organized with your time.

It's just not something that comes naturally for people if you've never been taught in school. I think of our physicians, I think of our nursing leaders. They're just not taught at that school, so we have to supplement that. I think if we do that, that will help as well.

[00:28:23] Bianca: Agreed, and great answer. You're touching upon so many of the strategies that aren't just for executives. Our fixation with just hiring folks with healthcare experience is limiting at all levels as well as other barriers to entry like education requirements, where we know capable, strong, intelligent people can do the job, but they don't have a degree of some kind, with the exception of obviously, clinical requirements. The last question for you, last question. Take out your crystal ball for a moment. What does the next few years look like for our industry, for Billings Clinic, and for you?

[00:29:04] Jonathan: A few things come to mind. I think, one, if the economy continues on the path that it is at the moment, I think you'll actually start to see your staff workforce stabilizing a little more. When inflation goes up, and housing is harder, with interest rates and stuff, to move, I think you're going to start seeing people hunker down a little more, and probably, this great resignation is going to stem, and I think there'll be a little more stability, fingers crossed, in our workforce if it continues down this path.

The other thing is I think the interesting thing about COVID is it put healthcare in the spotlight. A lot of people might think that was a bad thing. Actually, from what I'm reading, applications to nursing schools are at an all-time high. I think one good thing from COVID if there is that I think actually there are more people that have said, "Hey, this is an industry where I can, one, connect with people in a mission that's good, and, two, there's a need," so it seems that you're going to actually see, if we can continue to add more ability to teach and train in schools, that you're going to actually see more interest in nursing. I think that might be happening.

At the same time, I think the pandemic has put a lot of strain and pressure on small, rural, critical access hospitals and just rural healthcare in general. I think you're going to see more consolidation probably in partnerships. You're going to see these smaller, rural places want to partner more with someone that's a little bigger that can help stabilize them due to the

economic crunch of COVID and what happened there. I think there's going to be a lot of people looking for more partners. I think you're going to see that.

Then finally, perhaps, I think this scarcity of physicians is going to continue. It ebbs and flows on what it is and what's the scarcity because as people see a scarcity, then they start paying more, so people go into med school in those areas, so it changes, but I think medicine continues to subspecialize as technology continues to evolve. There's just more things that people can be great at.

That subspecialization, I think, increases the lack of overall physicians that we need because there's so many subspecialties perhaps. I don't know. This is a theory that I've got in my mind at the moment. It just seems like that is continuing to happen because there's just way more subspecializing, so I think we're going to continue to see a scarcity of physicians in general.

[00:32:07] Bianca: This is so helpful. I love your perspective. We will see if our collective crystal balls are accurate. It might be worth a conversation in nine months just to see if what you predicted happens. This is wonderful, Jonathan. Thank you so much for your candor. This is exactly what I was hoping for, conversation-wise.