



# FP Healthcare Snapshot Takes Deeper Dive into Industry Attitudes Related to Economic Uncertainty

Insights

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The news that the economy has shrunk for a second straight quarter likely comes as no surprise to businesses in the healthcare sector. After all, the results of our FP Flash Survey on Economic Uncertainty revealed that healthcare employers are more likely to be cautious than the average employer, demonstrating that they have been seeing the warning signs for some time now in an industry that is well-acquainted with navigating through tight economic circumstances. This Snapshot takes a closer look at the survey findings as they relate to the healthcare industry to provide employers an opportunity to get a better feel for what their peers across the country are doing.

## More Likely to Shrink Workforce

The first piece of survey data that stands out is that healthcare employers are twice as likely to shrink (or have shrunk) their workforce in 2022 than the average business. 25% of healthcare employers are looking to reduce their employee roster compared to just 13% of all employers. In fact, healthcare employers have the second-highest rate of planned reductions among all industries, exceeded only by the tech sector.

## *Suggested Plan for Dealing with Reductions*

*We recommend you review our recent Insight on the Top 4 Things Employers Can Do to Prepare for a Possible Recession – and Top 3 Things to Ease Workers' Inflationary Concerns if you find yourself in the position of having to shrink your workforce. This could present you with alternatives you might not have considered and will offer guidance on how to carry out any difficult decisions that you need to take.*

## Healthcare More Likely to Look to Technology

Across all industries, the tactics most likely to be taken by employers in reaction to the looming economic uncertainty include identifying and eliminating operational inefficiencies (43%), managing cash flow more aggressively (38%), and cross-training employees for different roles (37%). That remains true for healthcare employers, with 43% of those surveyed taking the same steps.

But the same percentage of healthcare employers – 43% – also reported they would use technology to reduce labor costs, which is a big leap from the 27% of other employers who said they would do so. This is not surprising in an industry where technological advances emerge regularly. Other tactics used by healthcare organizations that are not as prevalent elsewhere include:

- 25% will reduce their physical footprint (compared to 10% overall) – this is consistent with the overall trend toward more telemedicine and outpatient services
- 21% will implement alternative work schedules (compared to 15% overall) – a long-popular tactic in an industry that continues to be hard-hit by staffing shortages
- 18% will eliminate operations, offices, or departments (compared to 6% overall) – another facet of the constantly-evolving nature of healthcare services in general

### **More Likely to Apply Scrutiny**

Among the steps that employers are now looking to take given the softening of the labor market, healthcare organizations are more likely to ratchet up their scrutiny of workers' performance when compared to other employers. Whereas only 17% of employers intend to turn up the pressure, about one in three (32%) healthcare employers will do so in 2022. This is also consistent with increased attention that the industry is already receiving from agencies such as the Centers for Medicare and Medicaid (CMS) and the Occupational Safety and Health Administration (OSHA).

### **Healthcare Has Been More Reactive to Inflation**

Finally, there is ample evidence that healthcare employers have been more responsive to employee concerns about mounting inflation than all other employers. This is likely due in part to the challenges that healthcare has faced with recruiting and retention since March 2020 which have been exacerbated by the pandemic, especially among a workforce that is still predominately female.

- 50% of healthcare employers are increasing mental health resources for their workers, compared to just 24% of all employers
- Two other areas where healthcare is twice as likely to aid employees: 21% are offering gas subsidies (compared to 10% overall) and 11% are providing savings matching programs (compared to 6% overall)
- 18% of healthcare organizations are offering short-term loans to their workers, compared to just 6% of all employers

### **Conclusion**

We will continue to monitor workplace law developments as they apply to employers in the healthcare industry, so make sure you are subscribed to [Fisher Phillips' Insight system](#) to get the most up-to-date information directly to your inbox. If you have questions, contact your Fisher

Phillips attorney, the authors of this Insight, or any attorney on [our Healthcare Industry Team](#).

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## ***Industry Focus***

Healthcare