TIPS FOR BOARDS
on Health Center Workforce Challenges and Opportunities

THE COVID-19 PANDEMIC highlighted that workforce retention, recruitment, and development are strategic issues in healthcare. At the same time, the workforce needs of health centers continue to change. *Although a health center board's only direct employee is the Chief Executive Officer (CEO),[1] a board can still play a significant role in workforce issues through its strategy, oversight, and policy roles*.

HOW IS "WORKFORCE" DEFINED?

Workforce refers to the staff employed by the health center (e.g., physicians, nurses, medical assistants, administrative staff).

WHAT WORKFORCE CHALLENGES ARE HEALTH CENTERS EXPERIENCING?

Challenges include staff turnover, staffing shortages, and market competition for employees. One recent **study** by the National Association of Community Health Centers (NACHC) found that:

- 68% of health centers reported losing 5-25% of their workforce in a six-month period in 2021-22.
- Nurses were the highest ranked category of workforce loss, followed by Administrative Staff, Behavioral Health Staff, Dental Staff, and others.

- Competition from other employers and pandemic stress were the most common reasons for staff departure.
- 65% of respondents believe employees left for better financial opportunities at competing health care organizations.

The pandemic also led to burnout among providers and other staff, and helped reinforce the importance of ensuring diversity, equity, and belonging in organizational culture. Other health care providers and other industries are facing similar challenges.

HOW CAN THE BOARD SUPPORT WORKFORCE CHALLENGES AND OPPORTUNITIES THROUGH APPROPRIATE GOVERNANCE-LEVEL FUNCTIONS?[2]

While the center's CEO and their staff manage workforce items on a day-to-day basis, a board should be aware of the workforce challenges and opportunities at the health center. The board can consider how it will partner with the CEO and help address these items through board-level functions, including:

- Strategic planning
- Budget approval
- Policy approval
- Other forms of oversight and board development

Following are several tips for boards.

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1   The CEO is also referred to as the "Project Director" in the Health Resources and Services Administration (HRSA) Health Center Program Compliance Manual.

2   For an overview of board roles, see the Governance Guide for Health Center Boards or Health Center Board Roles.

TIP 1:

Use strategic planning to prioritize workforce-related goals

DURING STRATEGIC PLANNING, the board will often work with the CEO and staff to create and approve big-picture goals.[3] This process can focus on both immediate challenges and future needs.

Questions a board may wish to discuss as part of the process include:

- What does the Needs Assessment[4] say about our community and its changing health needs? What workforce will the health center need to serve the community now and in the future?

- What growth might happen (e.g., new services, new locations)? What workforce will the center need to support this growth?

- Will the health center have staff with the right skills and expertise for the future? If not, what workforce gaps must the center address to change this?

- What recruitment and/or retention challenges is the center experiencing? Does the center anticipate any might come up in the future? What strategies will best address these issues?

- What does the workforce of the future expect in terms of compensation, work culture, and benefits? How can the center prepare? What are the budgetary implications?

- Does our workforce reflect the diversity of the communities we serve? Is that true at all levels? Does the center have a culture of inclusion and belonging to support the workforce of today and the future?

- What does the center's employee satisfaction data identify as needs?

- What strategies prevent burnout and enhance well-being?

The strategic plan can identify the way the center will address workforce priorities. Here are examples of how centers are addressing workforce issues in current strategic plans:

- One health center's strategic plan calls for growth and development opportunities, including:
  - career pathway programs for roles that are difficult to recruit in their community and/ or retain (e.g., dental assistants, call center staff, front desk, medical assistants),
  - mentoring, and/or
  - ongoing education and professional development opportunities.

- Another health center foresaw a shortage of primary care physicians and set a goal of becoming a **Teaching Health Center** and establishing a residency program.

- One health center addressed housing needs for its current and future workforce.

- Other health centers have embraced that all centers are "teaching centers" in some capacity and prioritized programs for nurse practitioner residencies and other models.

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3   For more about strategic planning, see the Governance Guide for Health Center Boards, Chapter 3 or the Board's Role in Strategic Planning.

4   For more about the needs assessment, see "The Board's Role in the Needs Assessment" and "Quick Guide: Conducting Your Health Center's Needs Assessment."

TIP 2:

Ensure the board-approved budget reflects workforce-related priorities

THE CENTER'S BUDGET should reflect its priorities and align with the strategic plan. As part of this process, board education may be needed to emphasize forces affecting workforce investments and the budgetary impact. For example:

- The annual budget process should use the most current data on local market rates for salaries, benefits, and other costs. This is especially true with rising inflationary pressures, the increased cost of living, and the ongoing impact of the pandemic on the workforce.

- It can be easy to misjudge the true (or total) cost of turnover and recruitment versus the cost of retaining existing staff. Retention is often more cost effective. Health center CEOs and their staff can use tools such as this to analyze and enhance board member understanding.

Workforce-focused questions a board may wish to discuss as part of the budget approval process include:

- Does this budget reflect the center's workforce priorities?

- Does this budget include competitive salaries to support workforce retention? Does it include allocations for other benefits or programs?

- What are the financial effects of retention versus recruitment? How are these reflected in the budget?

- What incentives can we offer current staff to increase retention?

- How do new workforce strategies impact budgeting? For example, if there is an increase in remote staff, what impact does this have on physical space needs?

One center's board approved a retention bonus for staff after understanding the significantly higher cost of recruiting staff versus retaining staff. Another center raised the starting salary of all employees to ensure that all employees were making a living wage within their center's geographic area.

TIP 3:

Ensure board-approved policies reflect the center's workforce priorities

THE BOARD'S PERIODIC REVIEW and update of policies, especially financial and personnel policies, can be conducted with an eye toward workforce and strategic needs. For example, the board can:

- Create or modify policies to reflect the health center's "workforce of the future," which may include part-time/job share, hybrid remote/in-person roles, etc.

- Update or create policies to consider staff retention and well-being programs and policies (e.g., employee engagement; diversity, equity, inclusion, and belonging programs; childcare benefits; parental and caregiver leave).

- Update the center's salary and benefit scales – which must be approved by the board as part of the Health Resources and Services Administration Health Center Program (see **Chapter 19: Board Authority** of the Health Center Program Compliance Manual) – to reflect current data on market rates. Centers can also consider policies that require Human Resources to "right-size" salaries by role and experience so existing staff do not end up earning less than newly hired staff.

- Consider workforce policy decisions and the related tradeoffs. For example, reducing evening hours to ensure that staff have work-life balance may have an impact on patients accessing services; in considering this, a board might ask for data on the most frequently requested (and kept) after-hours appointments to help it decide if it should keep expanded hours for some weekdays, but not all.

Questions a board may wish to consider include:

- Do the center's policies align with its workforce strategies and strategic plan?

- Do the center's policies reflect an organizational commitment to diversity, equity, inclusion, and belonging?

TIP 4:

Consider how to use other forms of oversight and board development to support workforce priorities

CEO OVERSIGHT

The CEO is the only employee selected and overseen directly by the board. The board should think about its retention strategy for that leader and compensation is one important tool to consider. The board will want to ensure that the CEO's compensation and benefits are based on market data, appropriately benchmarked, and that it is compliant with requirements from entities such as the Internal Revenue Service. More information can be found in NACHC's resource on **CEO Compensation.**

The board can also hold a CEO accountable for workforce-related measures as part of the CEO's annual performance goals and review. For example, if a strategic planning goal is to establish a workforce wellbeing and retention plan, then the CEO could have a performance goal to develop and implement this plan.

Finally, understanding that turnover occurs at the CEO level as well, all boards should ensure that the organization has an emergency backup plan – which defines steps and processes to follow in a short or long-term CEO absence – and a CEO succession policy – which defines the principles, procedures, and roles of the board when the CEO leaves the role. For sample tools, see NACHC's resource **CEO Succession Planning: A Toolkit for Health Center Boards.**

WORKFORCE DATA

Data such as workforce-specific reports are important for boards to review to inform decision-making and strategic planning. In particular, the following may be informative for a board to review:

• Employee engagement/satisfaction and correlation with retention

• Vacancy and attrition rates by role, as well as by demographic data (e.g., gender, age)

Some boards look at productivity reports which have a direct relation to center financials. Yet, it is important to also think about the connection between workforce programs and productivity. Long-term investment in the workforce may mean reducing provider productivity targets in the short term to allow for mentoring, teaching residents/other in-training clinical students, and self-care.

BOARD DEVELOPMENT

A board may also wish to think about how to best stay informed on workforce related issues from the governance level; boards may consider:

• Including an overview of workforce challenges and opportunities in board orientation to educate new board members.

• Including periodic training/education on new or emerging workforce issues – such as burnout and employee well-being – and routinely discussing the strategic, budgetary, and policy implications related to workforce challenges and opportunities as a board.

BURNOUT AND WELL-BEING

In 2022, a Surgeon General's Advisory was issued on health worker burnout and well-being, declaring this crisis a national priority and calling the nation to action. According to an article in the **New England Journal of Medicine,** more than half of health workers report symptoms of burnout, which was intensified by the COVID-19 pandemic. Burnout is marked by the emotional exhaustion and a low sense of accomplishment at work, among other factors, which can happen from an imbalance between high job demands and too few job resources. While burnout impacts individuals, the **New England Journal of Medicine** article notes that it is rooted in systems.

A study by the **National Academy of Medicine** suggests ways for a governing board to be part of an organization-wide commitment to staff well-being. Tips for boards include:

• Setting the tone that addressing burnout is an organizational priority

• Holding the CEO accountable for creating and maintaining conditions that equip clinician and non-clinician staff with the time, resources, and skills needed to address burnout

• Monitoring and holding staff leadership accountable for the clinical work environment, including fostering professional well-being

• Reviewing data routinely to monitor progress

• Approving budgets that include the necessary resources to create/maintain a positive work environment

Health centers may also find the **U.S. Surgeon General's Framework for Workplace Mental Health & Well-Being** to be a helpful resource.

REFLECTION QUESTIONS

After reading this article, consider discussing it with your board. Your board may also find it helpful to watch the companion video. Questions such as the following may help generate discussion:

• How is our board helping to address workforce opportunities and challenges through governance-appropriate levers such as strategic planning, budgeting, and policy approval?

• What more could our board do to support workforce issues through appropriate governance-level functions?

• What discussion questions from this article would be helpful to address at an upcoming board meeting?

• What additional information would be helpful to the board on this topic?

• How might we use committees to support this work?

LOOKING FOR MORE RESOURCES FOR HEALTH CENTER BOARDS?

To learn more about additional resources available for health center boards, please visit the Health Center Resource Clearinghouse **Governance Quick Finds Section** or the **NACHC Health Center Governance page.** For additional information on workforce issues, please visit the Health Center Resource Clearinghouse **Workforce Quick Finds Section.**