Health Services Payroll and HR: A Look Back on 2022 and a Glimpse into the Rest of 2023

Dive into what happened in the health industry in 2022 and get a glimpse on health care payroll and HR trends for 2023.

Published February 16, 2023



Back by popular demand is our glimpse into the future from our internal experts. Building on the changes that happened in 2020 through 2022, we take a look at what is likely to happen throughout the rest of 2023. (To check out last year's predictions, click here.)

In 2021, we know that the pandemic was a navigation challenge for agencies and facilities. Did this continue into 2022?

(Claire Dolling, Director of Implementation)

Fortunately, we've heard a lot less about COVID this year and have seen less operational interruptions to support COVID-related illnesses. However, companies have implemented changes, such as posting online service trainings and onboarding electronically, to better the business. In 2022, we saw clients really starting to appreciate automation and operational efficiency gains as a result of implementing these new processes.

As business owners have now had to incorporate COVID-19 (among other new viruses) into their everyday care plans, what other challenges are home care agencies and senior care facilities facing in the new year?

(Claire Dolling, Director of Implementation)

An ongoing industry challenge continues to be recruitment and retention of employees. Senior care facilities are trying to manage their staffing costs and rely heavily on staffing agencies to help cover open shifts, but this can impact overall profit margins. If these facilities can determine a plan to afford other cost-saving methods and automation, this will help reduce some of the budget issues that come from needing to use staffing agencies. For home care, the biggest challenge is the ease of work opportunities at similar pay rates. The home care industry continues to face competition in the home care market and jobs with similar compensation in the retail or service space (e.g., Starbucks, Target, and Walmart). It also remains a challenge to be able to train their staff while maintaining a positive and engaging work environment when they don't have much face-to-face interaction with or oversight of their staff.

As programs that began as a result of the pandemic are winding down, is there anything left for business owners to be aware of as we enter the new year?

(Malka Trump, Director of Compliance)

The winding down of pandemic-related programs is, hopefully, a good sign that both employees and employers are emerging from the COVID-19 reality we have known for the past 3 years. On the federal side, legislative initiatives to help both employees and employers survive the pandemic have ended, including the Paycheck Protection Program (PPP) and Employee Retention Credit (ERC). However, some employers are still filing amendments for the ERC for past quarters to take advantage of the credits that they may not have been aware of or realized they were eligible for back in 2020 and

2021. In addition, employers who took advantage of the 2020 deferral of employer Social Security in 2020 made their second and final repayment of that deferral by January 3, 2023. On the state level, pandemic-related legislation differed by state as varying approaches were taken to deal with the health emergency. Some states issued emergency temporary COVID-19 paid sick leave. Most of these laws have expired, though some remain active. Other states expanded existing state paid sick leave programs, offering employees more expansive benefits. A third approach was taken by many states who, prior to COVID-19, did not have any state paid sick leave program. The pandemic stirred these states into creating permanent paid sick leave across the states, benefits that employees will continue to receive even as we leave the pandemic behind. One last important item to be aware of is mandated vaccination leave, which is still in effect in several states and is likely to remain, as vaccinations continue to be recommended by the CDC.

What are some upcoming legislative changes home care agencies and senior care facilities should keep an eye out for as we enter 2023?

(Malka Trump, Director of Compliance)

We have seen several state legislative trends in the past few years that we expect to continue as we enter 2023 and beyond. The first of these trends is state-mandated paid family and medical leave (PFML). As there is yet to exist any federal paid family and medical leave law, states are stepping up to fill in that gap to provide employees with extended paid time away from work to care for themselves or a family member. Currently 11 states and Washington DC have passed PFML legislations, and we will likely see more states jumping on the bandwagon. Many state-mandated PFML programs require employee withholding and employer contributions to the state plan. In addition, agencies and facilities must be on top of their responsibilities in terms of filings, documentation, and employee notifications. The second trend we are seeing is state-mandated automatic retirement plans. Americans aren't saving enough for retirement, and states are deciding it's time to do something about it. Many states are now requiring businesses to offer retirement plans to their employees. Businesses can either establish their own plan or must enroll employees in a state-sponsored plan. 6 states have active state retirement plans. Another 5 have passed legislation but have yet to implement the plans. In related, recent news, on December 29, the federal government passed SECURE 2.0, which will bring sweeping changes to retirement savings plans for Americans. Included in the Act are automatic enrollment in 401(k) and additional tax advantages.

What do you see happening in 2023 within health care payroll and HR, and what is Viventium doing to help?

(Dan Neuburger, CEO)

Key trends affecting health care payroll and HR in general continue to influence Viventium and impact the clients we serve. Two key trends stand out. *Scarcity of qualified caregivers:* A shortage of caregivers is driving increased attention toward the manner in which the HR department functions. The resulting volatility of employee turnover is likely to continue as competition continues to heat up for talent (within and outside the industry) as a result of factors such as the impact of the pandemic, staff leaving due to burnout, and pay rate comparisons to other employers. In turn, this has impacted industry statistics, such as the referral decline rate of home health care agencies as well as the number of beds that are filled at senior care facilities. HR's ability to identify, hire, onboard, and train the right people is making the department invaluable. This includes developing an environment that clearly values diversity, inclusion, and equitable treatment so health care providers are able to attract talent from all available areas, wherever that talent resides. Viventium helps clients improve their employees' experiences and increases employee retention. It starts with smoothly onboarding caregivers to ensure a positive first experience with their new employer and continues through ensuring pay transparency via tools such as Employee Self Service, access to key information, and early access to earned wages. The battle for talent will remain the most pressing issue facing the industry, and the winners of that battle will win in the marketplace. *Increasing regulatory complexity:* Health care is among the most regulated industries in the world. From 2011 to 2020, the US Department of Health and Human Services published 217 economically significant rules. More recent regulations including the NLRB proposed changes to standards for determining joint-employer status as well as the federal and state push for employer paid time off are driving more health services agencies and facilities to outsource to providers with expertise in order to stay compliant. The role of human resources in health care requires a great deal of savvy, as the regulatory environment will become increasingly complex, and they will need to rely on expert guidance from vendors who understand their unique challenges. Viventium understands this complex environment and actively advocates for the markets we serve, including supporting positive adjustments in pay rates with the US Centers for Medicare & Medicaid Services (CMS) as well as working with other industry groups to support the needs of the market, which is battling against inflation, staffing constraints, MA reimbursement challenges, and a myriad of other issues faced by small businesses. Additionally, Viventium is constantly on the lookout for ways to automate processes to help clients remain compliant without manual burden.

In It with You

While only time will tell what's in store for the rest of the year, we hope the insights above will better prepare you for what to expect throughout 2023. At Viventium, we're in it with you, so check our Resources page often for blogs, webinars, infographics, and more covering the latest information, developments, and trends affecting health services payroll and HR.

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