The operational gap: navigating compliance and payroll

Navigating healthcare compliance and payroll challenges with industry-specific technology to reduce errors and enhance efficiency is essential for operational excellence.

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In healthcare, operational excellence doesn't happen by accident. It's the result of countless behind-the-scenes decisions that ensure staff are paid accurately, regulations are met consistently, and organizations remain stable enough to focus on delivering quality care.

Yet for many healthcare organizations, there's a growing operational gap between confidence and reality when it comes to compliance and payroll. Leaders believe their systems are working and teams are doing their best. But regulatory complexity is accelerating, workforce models are evolving, and manual processes are straining under the weight of it all.

Technology is no longer a "nice-to-have" in this environment. It's a necessary tool for organizational success, especially when compliance and payroll are on the line.

Findings from our 2025 Healthcare Workforce Management Report reveal a hopeful truth: while gaps exist, they are highly solvable. By rethinking how compliance and payroll are managed, and by aligning technology with the realities of healthcare work, organizations can reduce risk, improve efficiency, and create a better experience for their workforce.

The compliance confidence gap: when assurance meets reality

Healthcare is one of the most heavily regulated industries in the country. Between federal, state, and local requirements, organizations must comply with more than 600 discrete regulatory mandates, spanning Conditions of Participation, privacy and security rules, wage and hour laws, and quality reporting requirements.

Despite this complexity, confidence remains high. In our survey, **77% of healthcare administrators reported feeling confident in their organization's ability to meet payroll and compliance regulations.**

At first glance, that's encouraging. But only **9% of administrators conduct external research to stay current on regulatory updates.** That's a risky gap in an industry where requirements change frequently and enforcement is intensifying. The financial impact is significant, as healthcare providers collectively spend nearly $39 billion annually on administrative compliance.

The nursing home sector offers a stark example. Between 2020 and 2022, non-compliance fines quadrupled, with more than 36,000 violations resulting in $560 million in penalties nationwide. These aren't isolated incidents, they're symptoms of systems struggling to keep up.

Other heavily regulated industries, such as financial services, have leaned into automation and industry-specific tools to manage complexity. Healthcare, however, continues to rely on manual processes that increase risk, drain resources, and pull focus away from patient care.

The limitations of one-size-fits-all solutions

Technology has made its way into healthcare administration, but not always in ways that truly support the workforce. While most organizations use some form of payroll or HR software, many rely on generalized solutions that weren't built for healthcare's unique operational demands.

The result is incremental improvements with persistent inefficiencies.

Payroll processing efficiency
Our research shows that organizations using vendor-provided payroll solutions spend an average of 13.5 hours per pay period processing payroll, compared to 18+ hours for those relying on manual methods. That's a meaningful efficiency gain.

However, many organizations using general-market payroll software still manually calculate complex elements like retroactive pay, shift differentials, and specialty compensation. These workarounds add time and increase the likelihood of errors, undermining the very efficiencies technology is meant to deliver.

Payroll errors and employee trust
Payroll accuracy isn't just an administrative concern, it's a trust issue. According to our findings, 80% of care staff say they would lose significant trust in their employer after just three payroll errors in a year.

Yet administrators often underestimate the impact. 10% believe it would take six or more errors before trust is affected. This disconnect between leadership perception and frontline reality creates a silent risk to retention, engagement, and morale.

The hidden costs of disconnected systems
Nearly 99% of healthcare organizations use at least one digital administrative tool, yet adoption of technology for critical functions remains slow:

- Only 29% use technology to support onboarding
- Just 25% leverage tools to manage payroll
- Only 22% use technology to help ensure compliance

Most systems operate in silos, forcing administrators to manually transfer data between platforms. This fragmentation increases errors, complicates audits, and consumes valuable time that could be spent supporting staff or improving care delivery.

Why technology adoption remains low in healthcare

Healthcare payroll, HR, and compliance requirements are not only complex, they're constantly evolving. From Medicare and Medicaid regulations to licensing and credential renewals, administrators are managing challenges that general-purpose tools simply weren't designed to handle.

Despite the availability of dedicated solutions, adoption remains surprisingly low. Only 12% of respondents report using a system designed specifically for healthcare. Even more telling, many administrators believe they're using industry-specific tools when they're actually relying on general payroll systems with limited customization.

How did healthcare get here?

1. Healthcare organizations expect too little from technology
Many organizations have normalized workarounds. Manual calculations, double data entry, and post-payroll corrections are seen as "part of the job." Over time, expectations for technology have been lowered, leading teams to accept inefficiencies as unavoidable.

2. Awareness gaps limit progress

In many cases, administrators don't realize better solutions exist. If they believe they've already evaluated healthcare-specific tools, and still face the same challenges, they may stop searching altogether.

This creates missed opportunities to:

- Reduce payroll errors
- Simplify compliance management
- Improve the care staff experience
- Save time and operational costs

By contrast, industries like financial services have widely adopted integrated, industry-specific workforce technology that embeds compliance into daily workflows, proving that regulation and efficiency don't have to be at odds.

Closing the operational gap

The operational gap between compliance confidence and payroll reality is not insurmountable. Healthcare organizations are already taking steps toward modernization, they just need technology that truly meets them where they are.

Viventium is helping healthcare organizations bridge this gap with solutions designed specifically for the complexities of healthcare payroll and compliance. We help organizations reduce errors, improve visibility, and reinforce reliability. Providers gain a more efficient and trusted process. And staff can keep care moving forward.

Ready to remove the gaps in your operations? **Connect with us to learn how.**

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