

Preparing Your 2024 RCM Talent Strategy

Key Trends and
Recommendations for
Workforce Planning



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Introduction

As the Revenue Cycle Management (RCM) industry continues to grow rapidly, competition for qualified talent is intensifying. To compete, RCM leaders must address the key hiring trends and build proactive workforce strategies. This Research Report examines the emerging forces that will shape RCM talent management in 2024 and beyond. It also provides seven strategic recommendations for talent acquisition leaders to plan and pursue a competitive edge.

RCM Industry Revenue Growth is Driving Talent Demand

\$90 Billion

by 2024

7.9%

through 2026

Research continues to validate what most RCM talent leaders are experiencing today: the industry's growth and momentum is expected to remain strong for years to come. According to Global Market Insights, the RCM market is estimated to rise from \$70 billion in 2021 to \$90 billion by 2024, reflecting a compound annual growth rate (CAGR) of 8.2%.¹ This mirrors other industry projections that forecast a CAGR of 7.9% globally through 2026.²

In North America, the largest RCM market, growth is particularly pronounced. A MarketsandMarkets analysis sees the North American RCM industry expanding at a healthy CAGR of 10.4% through 2026. Within that market, the US will shoulder significant growth, with RCM revenue reaching nearly \$73 billion by 2026.²

[1] Global Market Insights. Revenue Cycle Management Market size worth over \$90 Bn by 2028.

[2] MarketsandMarkets. Revenue Cycle Management Market.

Five Trends Driving RCM Growth

Several industry dynamics are fueling the growth trajectory for RCM solutions. As healthcare systems face rising costs and complexities, investment in technologies and services to optimize revenue management processes has become a top priority. It's clear RCM's role in driving financial performance and sustainability will continue to add value to providers.

Specifically, there are five trends that are catalyzing rapid RCM adoption and market expansion:

RISING HEALTHCARE COSTS AND SPENDING ACROSS NORTH AMERICA

Healthcare expenditures in the US have grown from \$1.4 trillion in 2000 to over \$4 trillion in 2020, driving provider demand for RCM to maximize reimbursements and revenue.³

ONGOING INSURANCE COVERAGE EXPANSIONS IN THE US MARKET

Expanded coverage under the Affordable Care Act and Medicaid has increased insured patient volumes, translating to higher claim volumes and complexity for providers. This drives RCM adoption.⁴

INCREASED REVENUE PRESSURES ON PROVIDERS DEMANDING EFFICIENCY

Declining reimbursement rates and thin margins have heightened provider focus on optimizing financial performance through advanced RCM capabilities.⁵

LABOR SHORTAGES FORCING RELIANCE ON THIRD-PARTY SERVICES

Shortages of specialized revenue cycle staff, like medical coders, have led providers to outsource RCM functions to external specialists.⁶

CASH FLOW AND FINANCIAL OPTIMIZATION IMPERATIVES

The need for robust cash flow and improved working capital cycles has elevated interest in end-to-end RCM services.⁷

This expanding market translates into surging demand for RCM talent and services in order to capitalize on revenue opportunities.

First-mover RCM firms that build robust talent pipelines and recruitment capabilities can gain advantages to compete, and firms must also be aware of how technology will influence talent decisions.

[3] Centers for Medicare & Medicaid Services. NHE Fact Sheet.

[4] Kaiser Family Foundation. Health Insurance Coverage of the Total Population.

[5] Deloitte, "2022 Global Health Care Outlook"

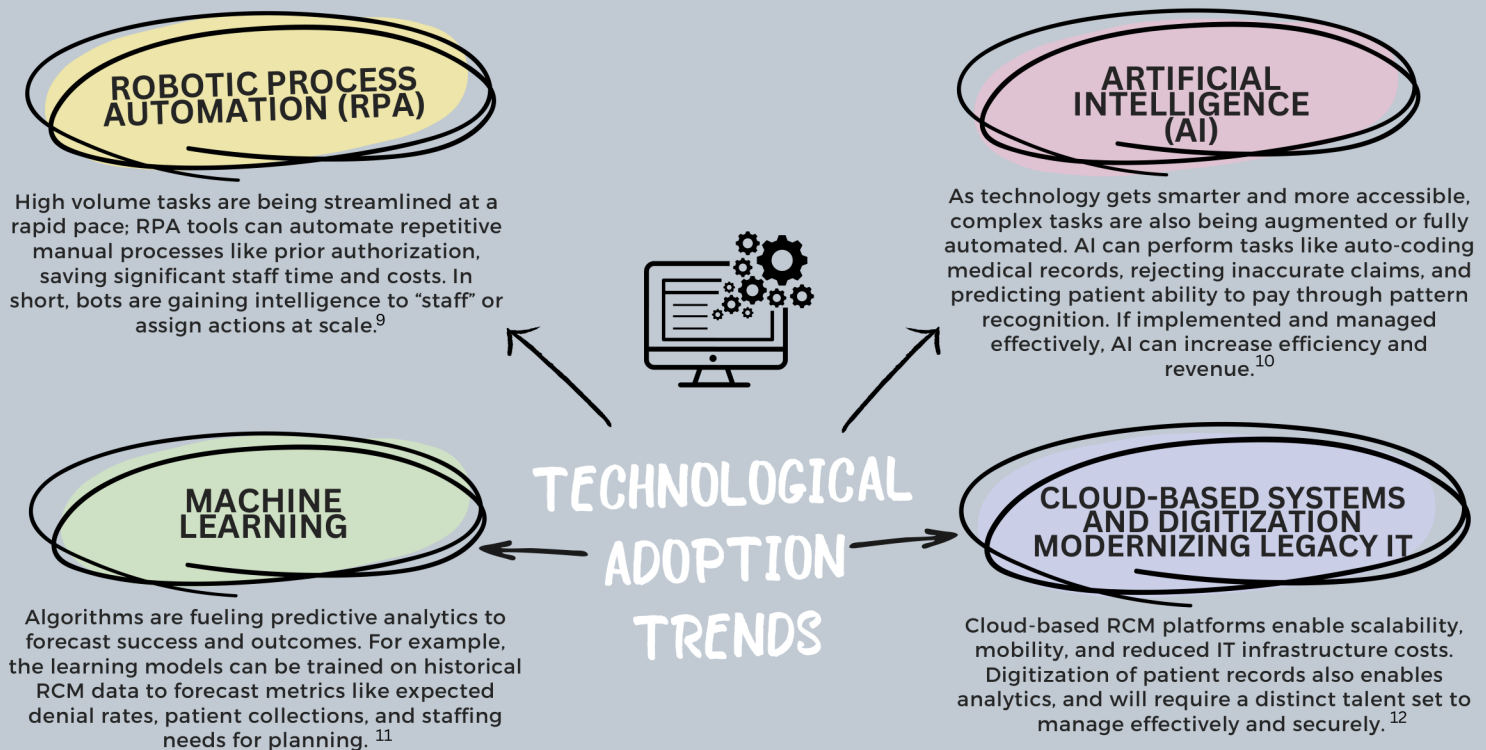
[6] Business Wire. Healthcare Revenue Cycle Management Market.

[7] McKinsey. Finding Lost Revenue in your Health System's RCM Cycle.

Technology Disruption Will Transform Hiring Needs

With the rapid industry growth, RCM talent leaders must be mindful of the massive technology disruption that's occurring in the industry. According to SmarTech's analysis, global technology spending by RCM organizations will exceed \$9 billion by 2025, reflecting a substantial growth rate north of sixteen percent.⁸ These investments and priorities have a direct impact on how healthcare organizations approach talent attraction and retention.

There are several key technological adoption trends to note, including:



According to a Harris poll, 61% of RCM executives report technology-driven transformation of revenue cycle operations is a top priority for their firm today.¹³ This strategic focus will impact staffing and talent acquisition in a variety of ways.

[8] SmarTech Analysis. Healthcare Revenue Cycle Management Technology Spending to Exceed \$9 Billion by 2025.
[9] The National Law Review. Artificial Intelligence Trends in Revenue Cycle Management.
[10] RevCycleIntelligence. How AI is Transforming Revenue Cycle Management.
[11] Healthcare IT News. Revenue Cycle Management takes on New Performance Improvement Role.
[12] HealthPayerIntelligence. Cloud-Based RCM Tech Key for Providers' Financial Health.
[13] Business Wire. New Study Shows Revenue Cycle Management Transformation Could Deliver \$52B in Annual Savings.

Impact on Talent Demand

This era of technological innovation will have profound impacts on RCM recruitment and skills needs. It will shift demand to emerging roles and functions, and will require reskilling existing employees on new technical tools. To illustrate, let's take a look at how the above technological trends will impact RCM talent demand and acquisition:

- RPA streamlining high-volume tasks could result in less demand for manual paperwork processing roles, but higher demand for RPA developers and bot managers.
- AI automation could reduce the need for traditional engineering roles that could instead be allocated to AI specialists and data scientists.
- Machine learning and predictive analytics will drive demand for data analysts and scientists to manage ML models, in addition to new planning roles that leverage forecasting capabilities.
- Cloud-based systems and modernized IT could reduce legacy system maintenance staff, but increase the need for cloud architects and administrators.

Leading RCM firms recognize investing in human capital is essential to optimize the use of new technologies. These forerunners will direct time, resources and leadership support to stay ahead of trends starting now through strategic upskilling programs.

The Rise of Remote Work in RCM

Like many industries, the COVID-19 pandemic accelerated remote work for RCM firms. In fact, one industry survey found 75% of RCM employees report higher productivity working from home.¹⁴ Talent leaders and department managers are facing this new normal, balancing the expectations and preferences of the workforce, with in-office culture and retention initiatives.

75%

RCM employees report higher productivity working from home.



[14] TICTOC, "Survey Reveals Both Challenges and Benefits of Remote Work for Revenue Cycle Professionals".

Enabling Flexibility While Maintaining Culture

More RCM companies are opting for hybrid policies enabling employees to split time between office and home. It's clear that many roles can be executed remotely, but there are trade-offs.¹⁵ When it comes to talent and culture, some key considerations for talent leaders include:

- Remote work expands the talent pool beyond geographic limits.
- Maintaining organizational culture is challenging with a dispersed workforce.
- Communication, collaboration, and knowledge sharing may require new tools.
- Onboarding and managerial oversight processes will need to adapt.

Leveraging data and feedback will help identify the optimal remote-office balance for both productivity and culture. These factors also impact recruiting and talent acquisition, where candidates may bring a remote or hybrid preference to select their opportunities of interest.

Shifting Workforce Demographics Bring New Expectations

Millennials and Gen Z now make up the majority of the US workforce across industries.¹⁶ RCM is no exception. The needs and priorities of these younger cohorts differ from previous generations, and have a direct impact on talent acquisition, retention and professional development.

Research¹⁷ shows that younger RCM workers most value:

MEANINGFUL, CHALLENGING WORK AND CAREER GROWTH OPPORTUNITIES:

Younger workers desire roles where they can continuously expand skills. Examples include training programs, mentorships, and rotational assignments.

WORK/LIFE BALANCE AND SCHEDULING FLEXIBILITY:

Younger staff want flexibility in when and where they work. Examples are remote work, flexible schedules, and generous time off allowance.

Continuous learning and skills development:

Younger workers expect regular training opportunities for professional growth. Examples are tuition reimbursement, skills workshops, and learning stipends.

Diversity, equity and inclusion focus:

Younger staff want diverse and inclusive work cultures. Examples are employee resource groups, recruiting from underrepresented groups, and pay equity.

Competitive compensation and benefits:

Younger workers prioritize fair pay and comprehensive benefits packages. Examples include above-average compensation, full healthcare coverage, and retirement plans.

[15] Health Data Management, "How to Improve Remote Workforce Culture for Better Hiring and Retention".

[16] Gallup, "Younger Generations Are Changing U.S. Workforce".

[17] Deloitte. Elevating the Employee Experience for Frontline Workers.

Forward-looking RCM firms will align talent programs to these expectations around career progression, learning, flexibility and rewards. These factors should also inform the firm’s culture and talent philosophy. Understanding this emerging workforce will provide an edge in attracting and retaining top talent.

Strategic Recommendations for RCM Talent Leaders

As RCM leaders look to build teams equipped to drive performance into 2024 and beyond, proactive planning around talent acquisition and workforce strategy will be key.

While emerging technologies and shifting labor market dynamics present disruption, they also bring opportunities to transform capabilities and strengthen competitive positioning.

By closely analyzing trends and innovating workforce models to align with industry evolution, RCM firms can get ahead of challenges. Strategic investment in human capital today enables organizations to smoothly adapt and maximize new technologies while attracting top talent.

As you plan for and execute in 2024, here are **seven actionable recommendations** to help future-proof your workforce:

IMPLEMENT CAREER PATHING AND UPSKILLING PROGRAMS	<ul style="list-style-type: none"> • Create clear career paths showing typical progression from entry-level to managerial roles. Outline required milestones and training at each step. Develop promotional checkpoints. • Offer internal mobility opportunities between departments. Enable talent to develop cross-functional experience. Identify transferable skills between teams. • Identify skills needed for emerging roles related to new technologies and analytics. Audit existing staff capabilities to pinpoint gaps. • Leverage learning management systems and online channels to deliver training modules and courses at scale. Enable on-demand personalized learning. • Incentivize continuous learning and development through bonuses, wage increases, and promotions tied to completion of new skills acquisition.
FORM EDUCATIONAL PARTNERSHIPS	<ul style="list-style-type: none"> • Partner with colleges, vocational programs and coding schools on co-developing curriculum. Provide insights on in-demand RCM skills to integrate into programs. • Provide guest lectures to students on RCM careers and latest industry trends. Showcase potential career paths and bust myths. • Offer apprenticeships, internships and mentoring programs to nurture new talent. Provide meaningful project work and networking opportunities. • Sponsor coding competitions and hackathons focused on solving real-world RCM business problems. • Recruit alumni from these institutions through school career portals and forums. Identify top academic performers for recruitment, and nurture the relationship.

<p style="text-align: center;">ENHANCE EMPLOYER BRANDING</p>	<ul style="list-style-type: none"> • Conduct market research including surveys, focus groups, and interviews on talent perceptions of your employer brand. • Identify strengths and weaknesses of the current employer brand compared to competitors. Look for gaps in awareness and appeal for today’s workforce. • Highlight your commitment to diversity, equity and inclusion. Showcase employee stories and statistics. • Create and distribute employer value proposition statements and culture codes that summarize your differentiation and appeal to candidates. • Produce and share employee testimonials and stories exemplifying your ideal candidate experience and work environment. • Promote culture via photos, videos and virtual open house events. Bring your brand personality to life digitally.
<p style="text-align: center;">ADOPT SMART RECRUITING ANALYTICS</p>	<ul style="list-style-type: none"> • Track data like hiring cycle times, source of hire, quality of hire, time to productivity and predictive turnover to identify opportunities. • Use AI algorithms to screen and score applicants at scale to surface best matches faster. Identify patterns in high performers. • Build predictive models by crunching internal and external data to anticipate hiring demand based on historical trends and business performance. • Identify process bottlenecks causing delays and higher cost per hire. Dig into issues like too few recruiters for volume or slow interview scheduling. • Automate repetitive tasks like interview scheduling, offer letter generation, communications and pre-screening through HR systems to optimize efficiency.
<p style="text-align: center;">RETHINK TALENT ENGAGEMENT AND RETENTION</p>	<ul style="list-style-type: none"> • Survey employees at least annually using pulse surveys on engagement and satisfaction. Review participation rates and net promoter scores. • Segment retention and turnover metrics by tenure, role type, department and other variables. Identify high risk groups needing intervention. • Identify likely causes of turnover through structured stay interviews and exit surveys. Solicit candid feedback. • Benchmark compensation and benefits competitiveness via external market research and analysis. Adjust to align with talent expectations. • Offer desired flexibility around remote work, flexible hours, part-time schedules, and career breaks to meet shifting needs. • Prioritize culture of inclusion, wellbeing, growth, recognition and appreciation to foster retention and loyalty.
<p style="text-align: center;">EXPAND TALENT POOLS AND SOURCING</p>	<ul style="list-style-type: none"> • Source alumni from relevant school and university databases through outreach campaigns. Market to former interns. • Enable and incentivize employee referrals through bonus structures and automated referral portals. • Identify staffing firm partnerships that demonstrate a deep understanding of the RCM industry and changing workforce. • Develop customizable skills assessments to screen applicants for transferable capabilities from other industries. • Remove biased and non-essential requirements that unfairly screen out qualified candidates to broaden talent pools.
<p style="text-align: center;">BUILD DATA CAPABILITIES</p>	<ul style="list-style-type: none"> • Hire dedicated analytics staff, or a third party partner, to create customized interactive hiring dashboards and generate insights. • Integrate and analyze talent data from various sources like HR systems, job sites in data warehouses to spot trends. • Create self-service reporting capabilities with BI tools like Tableau to empower hiring teams with data. • Train recruiters and hiring managers on measurement fundamentals and how to apply data to hiring decisions. • Forecast long-term talent supply/demand scenarios using predictive modeling and planning tools. Identify future pipeline needs. • Share findings regularly with leadership to identify risks/opportunities and drive workforce strategy decisions informed by data.

Summary: How to Leverage Professional Staffing Expertise

Emerging trends from technology disruption to shifting talent expectations will shape the RCM hiring landscape for years to come. To build workforces that fuel performance, strategic planning around talent acquisition, development, and engagement is required. While change brings challenges, innovative leaders have tremendous opportunities to transform their organizations.

The good news is that you don't have to go at it alone. Partnering with a professional staffing firm specializing in the RCM space can provide invaluable guidance in navigating this evolution. The right partner offers tailored insights on talent availability, recruiting and retention best practices, and access to specialized candidate networks.

Now is the time to get ahead of the curve and invest in talent capabilities that drive results. **Are you ready to build your future workforce?**