

Is Your Job Recession-proof?

by Sam P. Giordano, MBA, RRT, FAARC

As we continue to wind our way out of the worst recession in recent memory, we hear quite a bit about the unemployment rate, which at this time is close to 10%. Many health care professionals, indeed the entire health care industry, have always felt that the health care sector of our economy is what has often been referred to as “recession-proof.” There is no doubt that virtually all the recessions since World War II have supported the fact that when the general economy is weak the health care sector has remained relatively immune to the downward pressure. But that’s the way it used to be.

It’s now the 21st century

The economics related to health care are incredible. You’ve heard about the cost of care for the uninsured. We’ve also seen the cost for supplies, devices, medicines, and services increase faster than inflation. There are many reasons for these increases. Some we recognize as being associated with the explosion of health care technology and the fantastic growth in the number and types of medicines. Wages have also increased, as they should in the health care sector consistent with the increases across the board of all sectors. Bottom line: Health care is more expensive, and health providers rely on a continued strong demand for health care services in order to pay for the cost of the previously mentioned health care resources.

Unfortunately, we are coming to realize that with high sustained unemployment, many individuals not only lose their jobs but also their health care coverage and, of course, their income. These factors combine to decrease the demand for health care services. Many institutions are seeing a downturn in demand for

their services. Many persons concerned about keeping their head above water financially forego both necessary and elected health care interventions. More still stop seeing their physicians. These dynamics create a ripple effect, and that effect has hit many a health care provider or institutions that were already on thin ice (financially speaking) and caused them to make immediate and profound cuts in their expenditures.

All of you can remember the 1990s and the reengineering initiatives that were touted and tried. They all had one thing in common: They targeted health care provider costs. And once cost is in the crosshairs, then payroll must be dead center since payroll is the most significant expense incurred by health care providers. Personnel cuts and consolidations are starting to percolate. While anecdotal for now, if it continues, it will be a trend.

about the author...



Sam P. Giordano, MBA, RRT, FAARC, serves as AARC executive director. He can be reached at (972) 243-2272 or giordano@aacrc.org.

Are you ready?

Over the last several years, study after study has indicated the importance and the value of respiratory care providers. There is documentation that shows we save money. There’s also documentation that shows we do it in the right way — not by jeopardizing the quality of care but by working with our patients to manage down the cost of their care.

Where can we improve, and what can we do to get on the right side of this mega train that’s heading down the tracks? First, let’s think about lowering our employers’ costs. Since most RTs work in hospitals, let’s think about getting involved in minimizing hospital-acquired infections such as ventilator-associated pneumonia (VAP) and the many cases where respiratory therapists have

already stepped up and are heavily involved in VAP avoidance. Make sure you document your role so that the higher-ups understand your impact on the bottom line. Remember, for every dollar of expense you save, it goes directly to the bottom line of your employer. Shortening hospital stays by working with patients and the rest of the health care team to lower hospital-acquired infections helps the economic performance, but in a compassionate way. Many of us have done much, but we can do more to document our value and make it difficult for a business person not to recognize what you bring to the table.

We can also continue to push for broader access. The AARC has been pushing a Medicare Part B initiative, which will permit respiratory therapists to be employed by physician practices. This will then create new job opportunities and permit us to be more accessible to our patients while avoiding an expensive emergency department or hospital admission in order to do so.

Readmission rates are a huge problem for many hospitals. You influence those rates by better preparing patients, especially those with chronic pulmonary diseases, for success post discharge. It is revealing that respiratory-related conditions are in the top seven reasons patients

are readmitted to the hospital in a month or less. We can help manage these patients post-discharge, and that's become a significant resource for our patients, their attending physicians, and our employers.

Indeed, the health care sector is not as badly bruised as the rest of our economy. However, over the last several decades we've adopted more business-like practices, which is a good thing in most respects. Just like businesses do, we as employees must not only contribute to the bottom line and ensure the financial success of our employers, but we must document how we do it and look for new ways to expand our value while working with our patients.

Learn the answers

I'll leave you with a few more questions: Do you know the financial health of your employer? Do you know what you can do to help improve your employer's financial health? Those are the questions — now let's learn the answers and use the recession and these uncertain economic times to increase our value to our patients. This will most certainly translate into the financial health of your employer. ■