

Healthcare and the Millennials

About the Author



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Max Reiboldt, CPA, is the president/CEO of Coker Group. He has experienced first-hand the ongoing changes of healthcare providers, which uniquely equips him to handle strategic, tactical, financial, and management issues that health systems and physicians face in today's evolving marketplace.

With Baby Boomers retiring at an accelerated rate, estimated to be 10,000 per day, younger generations are rightfully taking their place in the healthcare industry. Providers, administrators, executives, entrepreneurs encompassing every element of the healthcare industry are stepping up as new leaders. Next-Gen-era workers will soon dominate healthcare. Currently, approximately one-third of the United States' labor force are Millennials, having eclipsed the Gen Xers as the largest generational group in the workplace.

These younger generations have grown up in a different environment—personally, professionally, and especially educationally. They will soon hold the greatest amount of wealth within the United States, accumulating **net worth assets estimated to be over \$11 trillion by 2030**, with the transfer of wealth to the Millennials continuing over the next two to three decades.

In an environment no longer dominated by Baby Boomers, the differences will be immense as younger healthcare providers and those who manage and administer healthcare entities transition to leadership positions. These individuals think differently, which will affect both the delivery of healthcare, and the economics surrounding it. (Note: Broadly, we classify both the Millennials and the Gen Xers as “Next-Gen.”) Let’s explore some of the characteristics of these Next-Gen leaders and providers and how the healthcare industry will relate to their ways over the next several decades.



Next-Gen Expectations

As the COVID-19 crisis continues in the United States and worldwide, there are changes on the horizon unrelated to the generational passing of the baton. With or without the pandemic crisis, healthcare, as we have known it over the past 40 to 50 years, particularly in the last five to ten years, will change dramatically. Undoubtedly, some changes will be attributable to the political landscape. As a result, the mindset of the Next-Gen leadership will change the political outlook. All elements are at play as new generational leadership that thinks differently point to many changes in our healthcare delivery system and the way providers work. This will also affect the economic and transactional structures going forward.

The following are key characteristics of Next-Gen leaders and professionals:

- **Streamlined and efficient.** Next-Gen providers and leaders seek help and want it streamlined and efficient. They are not hesitant to obtain assistance from the best sources and to pay accordingly. They want streamlined work processes and efficient workflow. Next-Gen providers (i.e., physicians, hospitals, etc.) will be more amenable to varied transactional structures to include professional services agreements (PSAs), co-management of service lines or hospital departments, and joint-equity arrangements. No longer will hospitals and health systems be able to insist that physicians be employees and nothing else. Joint ownership, joint risks, and streamlined ways to deliver care collaboratively will be the new order.

For example, telehealth and telemedicine services will be a significant part of the healthcare delivery system. The recent COVID-19 pandemic crisis has hastened this adoption, though it was inevitable that this model of care delivery would rise in prominence. Telemedicine may eventually become the norm rather than the exception.

Technology will continue to have a major influence on the delivery of healthcare, which Next-Gen leaders and providers will readily embrace. Again, the COVID-19 crisis has been a wake-up call to lawmakers and private payers, and now, they must catch up in policy areas.

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- **Less formal relationships.** Changes have already occurred in many areas, such as dress codes at work and other informalities. This trend will expand into other areas, including technology and telehealth services, and the way providers collaborate to form better and higher-quality care delivery systems. Millennials embrace informalities and technology, preferring information that is easily accessible and relevant. They desire concise language and favor direct communication.

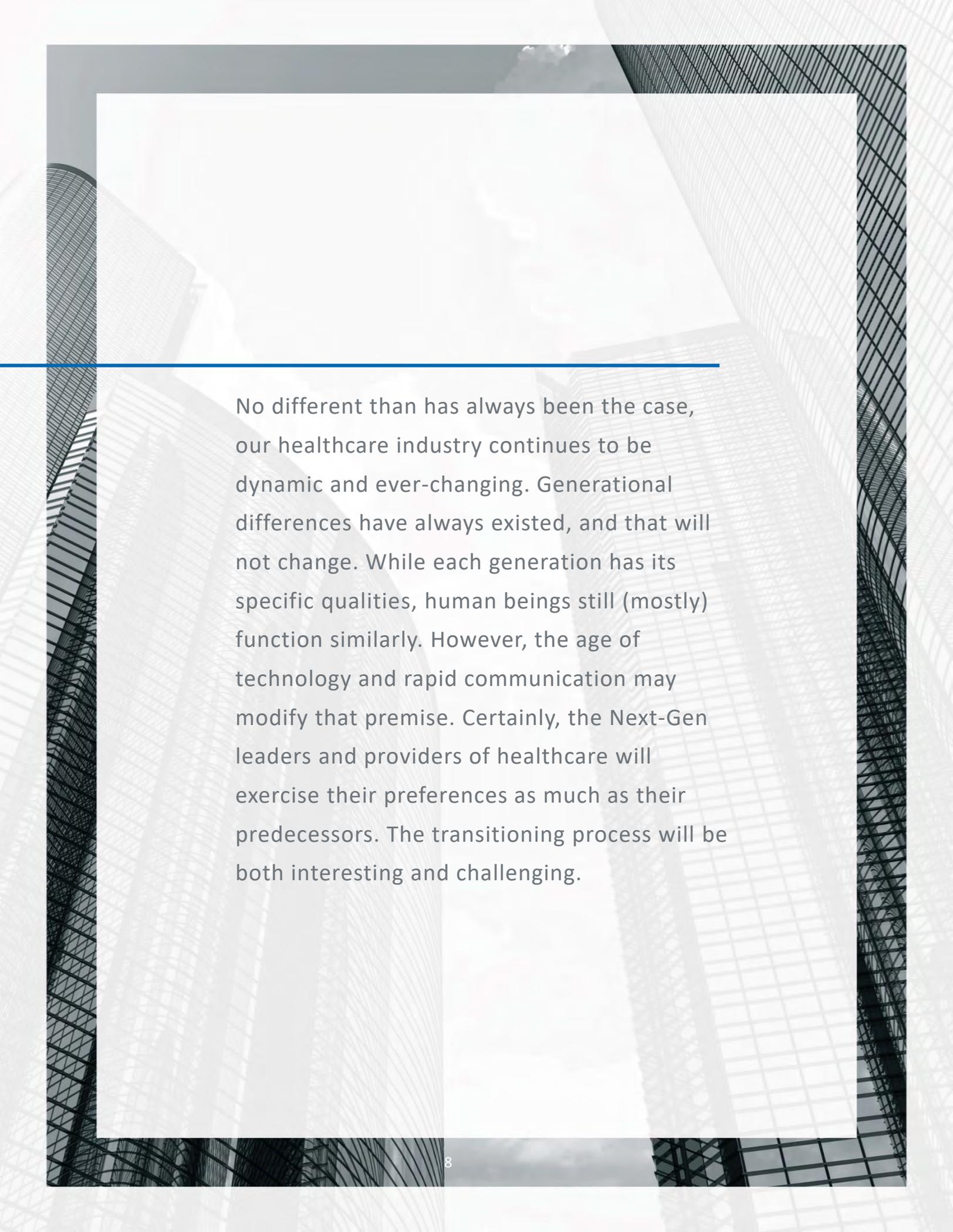
Virtual relationships will play a large part in the concept of information exchange. Here, the recent COVID-19 crisis has accelerated this situation. Patients will begin to expect care via audio and videoconferencing.

- **Marketing to Next-Gen leaders and providers.** Next-Gen leaders and providers want their marketing to be crisp, to the point, and engaging. For example, many of their marketing sources come from social media and other digital resources, which will continue to expand.

Standard marketing tactics in the healthcare industry will decrease, deferring to the “short and sweet” methods and messaging. Although some traditional channels will still exist, overall, they will diminish.

When will these changes start to take effect?

Currently, the Baby Boomers are still transitioning out of top leadership positions. Most health systems or physician groups' CEOs and other "C-suite" leaders are still Baby Boomers. Some are from the Silent Generation, the period preceding the Boomers. The 50 and overs are still mostly in control, though the change is occurring rapidly. Within the next ten years, there will be no Baby Boomers in these positions. Thus, the changes in our healthcare system we have discussed will happen rapidly. Providers of healthcare (i.e., hospitals, doctors, dentists, etc.) must be aware of these impending changes and the new expectations, and the way healthcare entities are managed and administered. Accepting the modifications is essential and trying to maintain the status quo is futile. Leading and operating in the way of the Baby Boomers will only result in stagnation, lack of growth and maturity, and much conflict. Those who resist the changes will be met with obstacles and push-back. We are in an interesting transitional period. While the Baby Boomers and Silent Generation leaders are still in control, they, too, must conform to the rapid changes—even before their retirement.



No different than has always been the case, our healthcare industry continues to be dynamic and ever-changing. Generational differences have always existed, and that will not change. While each generation has its specific qualities, human beings still (mostly) function similarly. However, the age of technology and rapid communication may modify that premise. Certainly, the Next-Gen leaders and providers of healthcare will exercise their preferences as much as their predecessors. The transitioning process will be both interesting and challenging.

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