

Washington State Snapshot

Healthcare is a fundamental and flourishing segment of Washington's infrastructure that allows individuals to study, work, and participate in community activities with sound bodies and minds. It is increasingly recognized that the healthcare cluster is a powerful economic and employment engine as well. Healthcare is one of the largest employment clusters in Washington, dominates in employment and ranks among the top industries with regard to output and income. Regardless of population density or industrial composition, healthcare is the leading or near leading cluster in every region in the state.

Healthcare employs over 335,000 workers in Washington, with hospitals alone employing over 74,000 people¹. [One in every ten employees in Washington works in the healthcare industry](#)². Washington's healthcare cluster added over 84,000 jobs since 2001 for a growth rate of 33%. Individual and family services experienced the most dramatic employment growth (118% since 2001) compared to other aspects of healthcare; healthcare practitioner offices, community care facilities for the elderly, and other ambulatory healthcare services experienced job growth of over 50% during the same time period. The Washington healthcare cluster is expected to grow another 6% through 2015 and 17% through 2020³, with the [jobs in greatest demand](#)⁴ expected to be home health aids, physicians and surgeons, vocational rehabilitation counselors, registered nurses, and medical and clinical technologists. The average earning per worker for employees in this cluster is over \$57,000⁵.

Over the coming decades, the [demands on Washington's healthcare system will increase significantly](#)⁶ due to the expansion of healthcare coverage under new federal requirements, the state's decisions on how to implement the new federal requirements, and an aging baby boomer population. A competitive business environment will help ensure the continued growth of the healthcare cluster, while dedicated attention on providing world-class career training and ongoing professional development will help ensure the state's nearly 32,000 firms have access to a skilled and experienced workforce. In good news, the current demand for healthcare workers across the state is, with few exceptions, being met. (Primary care physicians, mental health professionals, and rural care providers are still in short supply.) The state is actively assessing future needs and methods of supporting the healthcare training system to prepare to meet those needs⁷.

¹ Economic Modeling Specialists International, <http://www.economicmodeling.com/>

² The State of Health Care in Washington State, <http://www.awbinstitute.org/docs/HealthCareReportFINAL.pdf>

³ Economic Modeling Specialists International, <http://www.economicmodeling.com/>

⁴ Workforce Training and Education Coordinating Board, <http://www.wtb.wa.gov/Documents/HealthCareReport2012.pdf>

⁵ Economic Modeling Specialists International, <http://www.economicmodeling.com/>

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Snohomish County Overview

Healthcare Cluster Defined

The North American Industrial Classification System (NAICS) is the current industry classification standard in the United States. The table below depicts [NAICS codes](#)⁸ for the Snohomish County healthcare cluster.

NAICS Code	Industry Title
6211	Offices of physicians
6212	Offices of dentists
6213	Offices of other healthcare practitioners
6214	Outpatient care centers
6215	Medical and diagnostic laboratories
6216	Home healthcare services
6219	Other ambulatory healthcare services
6221	General medical and surgical hospitals
6231	Nursing care facilities
6232	Residential mental retardation, mental health, and substance abuse facilities
6233	Community care facilities for the elderly
6239	Other residential care facilities
6241	Individual and family services
6242	Community food and housing, and emergency and other relief services
6243	Vocational rehabilitation services
6244	Child day care services

Employment

Healthcare is one of the largest employment clusters in Snohomish County, employing over 26,600 workers. Employment within the cluster increased 50% from 2001 and 2% from 2011. Employment in healthcare will rise over the next decade and healthcare workers at all levels of education and training can expect to be in demand. Data forecasts a 9% increase in healthcare jobs through 2015 and 23% through 2020⁹. The table below shows industry makeup and average earnings per job in each industry within the healthcare cluster. The table does not account for increased demand created by the implementation of the federal Affordable Care Act, as the full [impacts of the Affordable Care Act on healthcare personnel are not yet known](#)¹⁰. It is, however, anticipated that there will be [significant impacts on non-urban areas](#)¹¹. These areas will face challenges to meet the increased need for primary care

⁸ U.S. Census Bureau, <http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2007>

⁹ Economic Modeling Specialists International, <http://www.economicmodeling.com/>

¹⁰ Workforce Training and Education Coordinating Board, <http://www.wtb.wa.gov/Documents/HealthCareReport2012.pdf>

¹¹ Washington State Office of Financial Management, <http://www.ofm.wa.gov/researchbriefs/2012/brief065.pdf>

physicians. All urban areas are expected to absorb the expansion created by the Affordable Care Act with current capacity.

NAICS Code	Industry Title	2013 Jobs	2015 Jobs	2020 Jobs	% Change 2013-2020	2013 Average Earnings Per Job
6211	Offices of physicians	3,850	4,102	4,521	17%	\$105,575
6212	Offices of dentists	2,227	2,368	2,614	17%	\$48,423
6213	Offices of other healthcare practitioners	2,343	2,674	3,228	38%	\$44,064
6214	Outpatient care centers	1,353	1,399	1,482	10%	\$54,136
6215	Medical and diagnostic laboratories	182	230	304	67%	\$72,309
6216	Home healthcare services	579	445	256	-56%	\$30,883
6219	Other ambulatory healthcare services	361	378	397	10%	\$56,503
6221	General medical and surgical hospitals	4,738	5,285	6,082	28%	\$80,713
6231	Nursing care facilities	2,416	2,427	2,439	1%	\$42,213
6232	Residential mental retardation, mental health, and substance abuse facilities	318	339	376	18%	\$35,142
6233	Community care facilities for the elderly	2,076	2,296	2,672	29%	\$27,929
6239	Other residential care facilities	235	243	267	14%	\$31,548
6241	Individual and family services	3,799	4,409	5,444	43%	\$24,487
6242	Community food and housing, and emergency and other relief services	215	257	310	44%	\$35,851
6243	Vocational rehabilitation services	801	918	1,102	38%	\$32,248
6244	Child day care services	1,122	1,217	1,344	20%	\$23,132
		26,61	28,98	32,83	23%	\$54,694
		5	7	9		

The table below shows the job forecast among the Snohomish County healthcare cluster's top ten occupations¹².

SOC Code	Occupation Title	2013 Jobs	2015 Jobs	2020 Jobs	% Change 2013-2020	% of Industry 2013	2013 Median Hourly Earnings
29-1141	Registered nurses	2,341	2,552	2,892	21%	9%	\$34.79
39-9021	Personal care aides	1,921	2,129	2,528	31%	7%	\$10.30
31-1014	Nursing assistants	1,620	1,234	1,813	13%	6%	\$12.99
43-6013	Medical secretaries	1,129	1,417	1,414	25%	4%	\$18.06
31-9092	Medical assistants	1,019	1,094	1,212	19%	4%	\$17.07
31-9091	Dental assistants	772	818	897	16%	3%	\$19.74
31-1011	Home health aids	770	846	1,006	31%	3%	\$10.63
43-4171	Receptionists and information clerks	752	826	951	20%	3%	\$13.34

¹² Economic Modeling Specialists International, <http://www.economicmodeling.com/>

29-2021	Dental hygienists	559	597	665	19%	2%	\$43.06
11-9111	Medical and health services managers	536	566	609	12%	2%	\$45.48

Despite stable employment and competitive wages, [the healthcare cluster is in the midst of a critical personnel shortage](#)¹³. In the past decade, this cluster has experienced some of the largest skills gaps and workforce shortages. Snohomish County has been successful in increasing the number of healthcare program completions and placing skilled and experienced workers into job. As a result, current workforce demands are being met. However, the underlying demographic issues that caused workforce shortages in the past - aging and retiring healthcare workforce, aging population with increased healthcare needs, growing population with increased demand for healthcare services, and healthcare reforms – remain and are expected to increase.

Though the shortage of healthcare workers will affect most fields, emphasis is currently being placed on physicians, surgeons, technicians, and nurses. Special attention is being given to [recruiting a more diverse workforce](#)¹⁴. A diverse healthcare workforce that mirrors the population it serves is important, both philosophically and financially. Not only are healthcare jobs in demand, but many pay high wages that need to be accessible to members of the community from diverse populations. Furthermore, with the current and looming shortage of personnel, communities in need of more healthcare workers must draw from every available labor pool. One way to nurture a diverse workforce is to give working adults the financial support and flexibility they need to gain further education as they continue to work. Online learning and on-the-job training is helping in this effort. [Efforts are also being made to retain healthcare personnel](#)¹⁵ after retirement age. In order for this to happen, employers would benefit from providing incentives to older workers such as: salary adjustments for experience, retention bonuses, flexible scheduling, better health care benefits for part-time workers, and words of appreciation and gratitude.

While it is too soon to indicate how the implementation of the Affordable Care Act will impact the Snohomish County healthcare cluster, [new projects are underway](#)¹⁶ across Washington to respond to the Affordable Care Act. These projects include: career pathways for medical assistants, curriculum to address community-based health care, curriculum to facilitate medical billing and coding changes, and capacity for using simulation training.

¹³ Workforce Training and Education Coordinating Board, <http://www.wtb.wa.gov/Documents/HealthCareReport2012.pdf>

¹⁴ U. S. Department of Health and Human Services Health Resources and Services Administration, <http://bhpr.hrsa.gov/healthworkforce/rnsurveys/rnsurveyfinal.pdf>

¹⁵ Workforce Training and Education Coordinating Board, <http://www.wtb.wa.gov/Documents/2011HealthCarePersonnelTaskForceAnnualReport.pdf>

¹⁶ Workforce Training and Education Coordinating Board, <http://www.wtb.wa.gov/Documents/HealthCareReport2012.pdf>

Economic Activity

[2013 marks \\$35 million in construction of new healthcare facilities](#)¹⁷ in Snohomish County. These investments are part of a \$680 million in major healthcare expansions, upgrades, and new sites since 2007. Examples of local healthcare business activity and expansion includes: the [opening of Providence Medical Building Monroe](#)¹⁸, a new \$22 million, 43,000 square-foot facility that is twice as big as the former Providence Medical Group Monroe Clinic; the [opening of Community Health Center](#)¹⁹'s \$13 million clinic in Edmonds; a [new mental-health panel convened by the Snohomish County Executive's Office](#)²⁰ to find ways to improve county services for mental-health needs; and a [new insurance exchange hotline](#)²¹ for adults and families who have questions about shopping for health insurance.

Real-time updates to healthcare cluster economic activity may be found on [The Herald Business Journal website](#)²².

Education and Training

[O*NET Online](#)²³ offers a [profile of each occupation in the healthcare cluster](#)²⁴ including: common tasks and activities performed by workers, tools and technology used in the workplace, KSAs (knowledge, skills, and abilities) required to be successful, levels of education and training required to be competitive, work styles and values most commonly found among top workers, national and state wage and employment trends, and related occupations for individuals looking to enter healthcare from another cluster or looking to exit healthcare and move into another cluster. These occupation profiles provide rich information and are a valuable first step to exploring a career in healthcare.

In 2012, the Washington State Health Care Personnel Shortage Task Force identified four [new issues](#)²⁵ on which to focus on 2013. These included: considering the impacts of healthcare reform efforts in Washington on home care workers, considering healthcare disparities in the workforce, considering

¹⁷ *The Herald Business Journal*, <http://www.soundpublishing.com/herald-business-journal/green/?iid=i20131106102641825>

¹⁸ *The Herald Business Journal*, <http://www.theheraldbusinessjournal.com/article/20130913/SCBJ02/709139840/Providence-ready-to-open-Monroe-clinic>

¹⁹ *The Herald Business Journal*, <http://www.soundpublishing.com/herald-business-journal/green/?iid=i20131106102641825>

²⁰ *The Herald Business Journal*, <http://www.theheraldbusinessjournal.com/article/20130805/SCBJ02/708059873/Lovick-wants-panel-to-find-mental-health-answers>

²¹ *The Herald Business Journal*, <http://www.theheraldbusinessjournal.com/article/20130903/SCBJ02/709039827/Insurance-exchange-hotline-up-and-running>

²² *The Herald Business Journal*, <http://www.theheraldbusinessjournal.com/section/SCBJ0205&template=SCBJ>

²³ O*NET Online, <http://www.onetonline.org/>

²⁴ O*NET Online, <http://www.onetonline.org/find/industry?i=62&g=Go>

²⁵ Workforce Training and Education Coordinating Board, <http://www.wtb.wa.gov/Documents/HealthCareReport2012.pdf>

funding models to support efforts to reduce the healthcare personnel shortage, and considering regional partnerships to address the healthcare personnel shortage.

Local education and workforce partners have stepped up to the challenge of attracting more workers to the healthcare [career tree](#)²⁶: the [Cascadia Community College pre-nursing program](#)²⁷, [Edmonds Community College Allied Health department](#)²⁸, and [Everett Community College Health Services and Public Safety department](#)²⁹ offer several certificates that can be completed in less than two year, or applied to a four-year degree. The [University of Washington Bothell Nursing and Health Studies Program](#)³⁰ offer undergraduate and graduate programs as well as professional development and career advancement opportunities. Healthcare workers looking to move into higher level positions would benefit from participating in various forms of continuing education to develop the KSAs needed to become a supervisor or manager.

Innovation, Entrepreneurship, and Sustainability

In the rapidly changing healthcare cluster, technological advances have made innovative procedures and methods of diagnosis and treatment possible. Clinical developments continue to increase longevity and improve the quality of life of many patients. Innovations in medical technology have also improved the survival rates of trauma victims and the severely ill. In addition, innovations in healthcare information technology has improved patient care and worker efficiency with devices such as hand-held computers for recording notes regarding each patient.

Healthcare innovations are not limited to new tools and methods of treating patients; new processes are also important if this cluster is to thrive into the future. Cost containment is shaping the healthcare cluster, as shown by the growing emphasis on providing services on an outpatient, ambulatory basis; limiting unnecessary or low-priority services; and stressing preventative care, which reduces the cost of untreated medical conditions and hospital visits. Enrollment in managed care programs and the use of integrated, streamlined delivery systems continues to expand. These process-related innovations are reshaping the manner in which healthcare is provided.

Society's demands and expectations have led to transformational change in the healthcare cluster, thus providing the environment for entrepreneurship to thrive. New and innovative organizational forms have flourished, particularly in communities where the spirit of entrepreneurship is strong. The number of physicians participating in entrepreneurial ventures has been growing at an unprecedented rate and

²⁶ Workforce Development Council Snohomish County, <http://careertrees.org/documents/HealthCareCareerTrees.pdf>

²⁷ Cascadia Community College, <http://www.cascadia.edu/programs/degrees/documents/Associate%20in%20Pre-Nursing%20DTA-MRP%20121311.pdf>

²⁸ Edmonds Community College, <http://www.edcc.edu/ahe/>

²⁹ Everett Community College, <http://www.everettcc.edu/programs/health-safety/>

³⁰ University of Washington Bothell, <http://www.bothell.washington.edu/nhs>

these physicians are steadily becoming rivals to established healthcare providers. Physician-owned services and specialty hospitals are increasingly capturing a large portion of Health Care dollars. In response to this movement, many universities in the United States are now offering MD-MBA programs, preparing entrepreneurial physicians to seize new business opportunities.

In addition to pursuing entrepreneurial healthcare options people are turning toward health modalities that might have been thought of as alternatives. Naturopathic doctors, herbalists, and others have moved into the mainstream and many major health insurance companies now cover massage, chiropractic, and acupuncture services.

There is an increasing trend toward green healthcare facilities. Green healthcare facilities reduce energy use which leads to lower operating costs and public relations benefits. A more compelling side effect of green building is improved air quality which significantly speeds patient recovery time and encourages patient health. Many healthcare facilities cite patient well-being as an important reason to go green, and a reason why spending funds on such ventures is essential.