

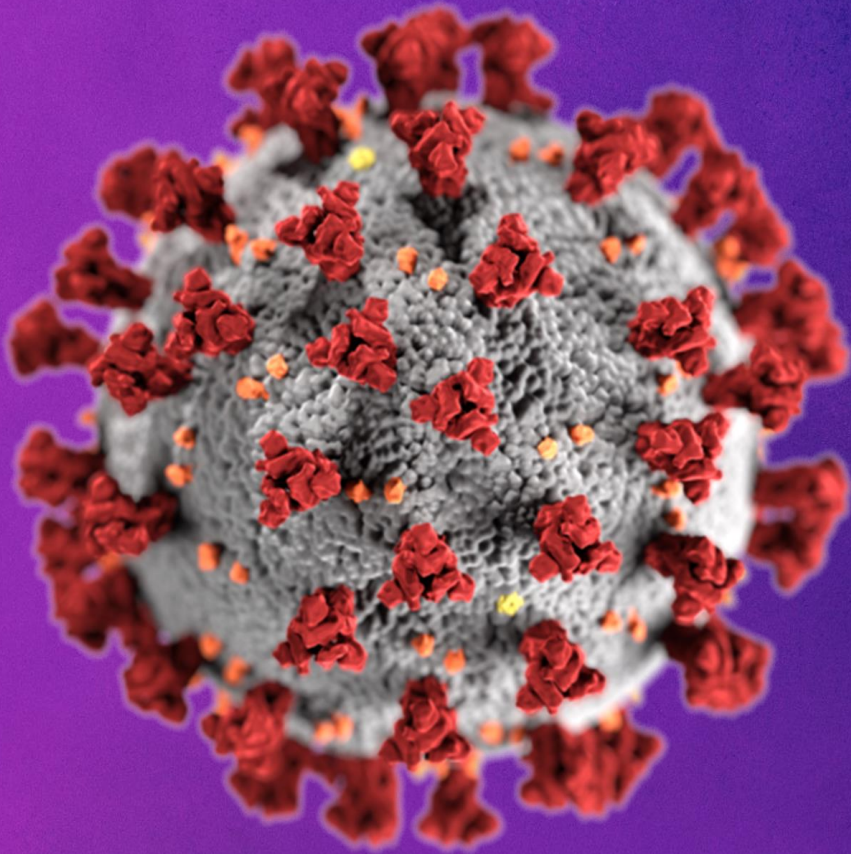
# COVID-19

report 6: **HEALTHCARE OPERATORS**

3.31.20







To say that we are in uncharted territory as the country tries to find a new normal under COVID-19 would be an understatement. Some hospital facilities are overwhelmed with patients, and healthcare workers are on the frontlines of the pandemic. Healthcare foodservice operators are the ones who are charged with keeping those employees and their patients fed.

Healthcare operators, perhaps more than other segments, pride themselves on being able to move mountains, but that doesn't mean they like the ground under them shaking. They need supplier help more than ever as they completely revamp employee feeding from self-service cafeterias to grab-and-go, deal with staff shortages, and perhaps most acutely, manage a likely influx of highly contagious patients.

These findings are based on secondary research and an operator survey fielded March 25-26 with 426 operators, including 47 healthcare operators.



# This is their job, and they've been preparing.

Although no one ever expects a disaster, never mind a once-in-a-lifetime pandemic, preparing for disasters is part of the job for healthcare foodservice operators. Even though they hoped to never need to use that training, more than other areas of the industry, they have long had emergency procedures in place for situations like the one we are in today. However, even though they aren't scrambling in the way an outsider might expect, business has still been turned upside down.

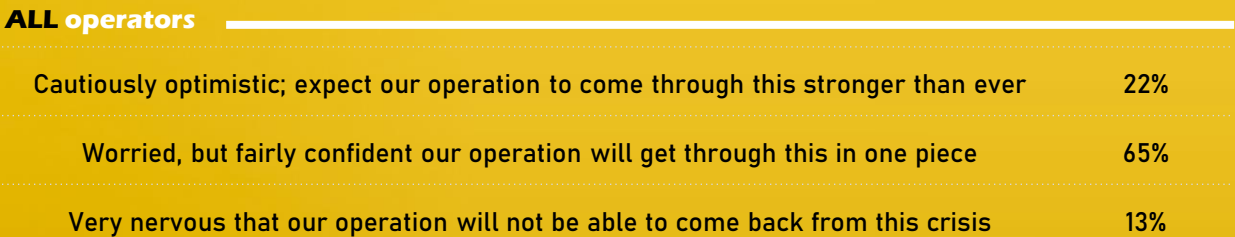






# The COVID-19 pandemic won't crush healthcare operators like it might other segments.

Healthcare operators may be facing a new normal, but their business is less likely to see longer-term impacts than other foodservice segments. People will still need healthcare, employees will still work at those facilities, and people will still want to visit. Habit changes during this pandemic are much less likely to turn into long-term patterns, compared with the disruption other segments are seeing (such as restaurant delivery or working from home). The story is a complicated one, with major shifts in the business, but hardly a large reduction that the segment won't weather long-term.





# Supplier-operator communication is more important than ever.

Healthcare operators are open to taking items from distributors that might otherwise spoil since they are no longer in demand from other segments. Keeping open lines of communication with suppliers is immensely important, passing along everything from a heads-up about the expected supply of disposables and chemicals, to sharing that they have pre-packaged grab-and-go sandwiches that can be quickly delivered (since they were destined for another foodservice outlet that has since closed).





# Business is more likely to be “as usual” for healthcare operators than other segments.

Although most are closing their dining areas (similar to what we see for the foodservice industry overall), very few healthcare facility operators have closed entirely. Most still have some patron base, and so they are still placing their regular orders and needing their usual support from their suppliers.

	healthcare operators	ALL operators
Open completely for business in all respects, including dine-in service	28%	5%
Closed our dine-in service, but still offering takeout and / or delivery	66%	65%
Closed completely for the time being	6%	30%





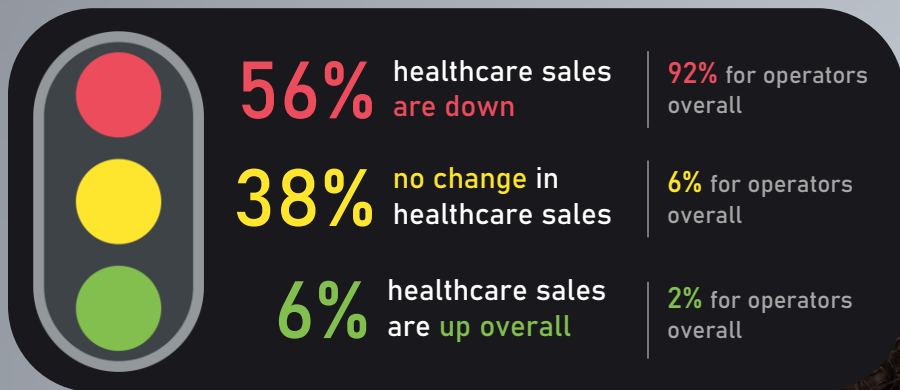
## Product details don't matter. Just get them the basics.

Sure, having grass-fed beef is great and all, but today's healthcare operator is more focused on simply whether they can offer hamburgers on the menu. Transparency of availability is huge, and limiting surprises is paramount. If something is going to be hard to get, let them know. They can't handle disruptions.





How much has your overall business decreased or increased since the outbreak of COVID-19 / coronavirus?



## Healthcare operators are getting hit too, but from different angles

The headlines may be all about hospital shortages and rising patient counts, but they're not evenly distributed across operators. Some hospitals in areas hardest hit by the fast-spreading coronavirus are at capacity and struggling with limited beds. Other healthcare facilities have eliminated elective surgeries and are preparing for a surge in patients but may first be dealing with reduced occupancy rates — some as low as 50%. Visitor meals have essentially stopped, and many employees are being transitioned to remote and so are no longer regular foodservice customers. The higher-margin side of the business (visitor and employee feeding) has seen the most reduction, and lower-margin patient feeding (even if the patient census increases) hardly makes up for that.







## Yes, Starbucks may be a necessity.

Although many healthcare operators are having to scale back their offerings and limit what they can sell, especially to employees who historically had the widest range of options, what they sell may matter more than ever. Operators are highly focused on keeping employee morale high and so are looking for items that not only keep bellies full, but also offer some sense of comfort or even joy to those working on the frontlines of this health crisis.

Suppliers should bring operators simple yet creative ways to keep employee morale high. The need will increase for pre-packaged and grab-and-go type offerings, but they perhaps can go beyond a basic turkey sandwich toward something that might delight. Operators may also be looking for creative ways to feed employees off-site such as meals for staff to take home since many don't have time to go to the grocery store — or when they do, they find shelves that are bare. Interest in these wants is likely to increase as we all settle into our “new normal” and operators have more bandwidth to partner with suppliers.



Have you laid off staff in response to COVID-19 / coronavirus?

13%  
have cut staff

87%  
of healthcare operators have  
made NO staffing cuts



# Staff shortages are a pain point likely to only get worse.

Although some staff within healthcare are being cut, the degree of impact is far less than the industry overall (63%). In fact, while the news is focused on the magnitude of restaurant workers who have been cut, healthcare operators have somewhat the opposite problem. Although some are making cuts, they still need to feed patients. Sick workers are being told to stay home, childcare is a challenge for many as schools close, and healthcare operators generally are worried that staffing headaches will increase. Offerings that have very limited prep or require little culinary skill will fit in well in today's tumultuous environment.

Other key staffing changes operators are facing are things to mitigate risks from COVID-19. For example, some healthcare operators are doing things like splitting their staff into two groups so that if a positive case is found in one group, their operation still has employees who can work and don't have to be quarantined. Remember that healthcare operators can't just close if they hit a roadblock — which is exactly why they plan for disasters.





## HOTSHOT REPORT

Visit Datassential's Coronavirus Resource Library at [datassential.com/coronavirus](https://datassential.com/coronavirus), your one-stop shop for all COVID-19 research reports, video interviews, restaurant closure maps, and Traffic Briefings, all updated daily as new data come out of the field.





# HEALTHCARE

a  SNAP! Keynote

what patients want and what motivates their choices

how visitors and employees differ in their food preferences

challenges in serving these distinct populations

operators' unique challenges regarding menu development

how healthcare handles food prep and purchasing

what healthcare operators need from their suppliers



**Even before the COVID-19 shock to the system, healthcare foodservice was complex.** The old days of “hospital food” being synonymous for “bland” are long gone. From hospital patients to senior-living residents, consumers have more choice in where they seek treatment, and food options play a role in the decisions they make. But healthcare operators must also serve visitors and employees, who have vastly different needs, complicating everything from sourcing and menu planning to branding. **Read on for critical insights into how facilities care for patients, visitors, and employees.**



# Help us help you.

As the Coronavirus situation continues to evolve rapidly, just tell us what you want to know. If it's something that benefits the food industry, we'll do our best to incorporate it into an upcoming report and provide the results to everyone for free.

And if you have a need that's specific to your company or brand, we would love to design a custom research solution for you.

[click me](#)