

# Managing Vendors: A Case Study

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## The Challenge: Managing Multiple Contracts and Invoices

When it comes to contingent staffing, managing multiple vendors can be overwhelming.

Recently, a large dialysis company and a valued client of AMN Healthcare faced this challenge. With too many vendors and not enough resources to sort through the approximately 200 contracts from various staffing vendors, each with its own bill rates, conversion fees and solicitation language, the company was looking to streamline their process. That's where AMN Managed Services came in.

In this case, multiple contracts translated into each business division receiving several invoices every week. Once received by accounts payable, the invoices had to be sent out to the field for reconciliation and coding before they could be paid. Turn around time from receipt of invoice until payment was averaging 90 days or longer.

## The Solution: Simplifying Billing to a Single Source

Utilizing a proven model for vendor management, AMN Healthcare Managed Services simplified contracts and billing by streamlining the process with only one point of contact and unified documentation.

During the implementation, AMN reviewed all supplier contracts and did a comparison of invoices being generated by each supplier. This review often found additional charges were sometimes billed that were not included in the actual contract. Through standardizing contract terms and the implementation of a vendor management system (VMS), this client was able to identify the most efficient and cost-effective use of temporary labor. In addition, they were also able to mitigate risk by AMN collecting all documentation including certificates of insurance for all their staffing vendors as well as credentials for all temporary employees and storing these documents in the VMS for easy access by the client at all times.

Invoice processing was also streamlined, reducing the multiple invoices processed by each business unit per week from 200 to one. At least one full-time equivalent employee in the billing department from each full-time division was reassigned as a result of the streamlined billing.



The reduction in processing also allowed for quicker turnaround times for payments, reducing payment terms from an average of 90 days to an average of 10 days, improving their credit rating.

## The Result: Cost Savings

Now, contracts and invoices are all standardized, data is easier to track and management is able to monitor the turnaround time and performance of its suppliers and staff in the VMS. The company is provided with monthly usage reports on volume and spend, by specialty and business unit, and can access all candidate credentials 24/7, allowing them to mitigate risk and manage the quality of their contingent labor.

By allowing AMN Healthcare to manage their temporary labor, HR was able to focus more on the recruitment and retention efforts of their full-time permanent staff.

Cost savings were found in many areas. Streamlined and consistent invoicing and the consolidation of data allowed reduced overtime hours for temporary labor. Easy-to-fill positions that were being filled by temporary labor were now easily identified, allowing the company to use its own permanent staff. As a result, the company could save over \$15 million this year.

AMN created a customized and flexible solution for their clients' clinical staffing needs. Not only was the company able to mitigate risk, free up resources and reduce paperwork, they were also able to reduce vendor invoice payment terms, the number of overtime hours and the overall use of temporary labor. ■

*For more information on how AMN Healthcare can help you save money and streamline billing, call (866) 873-0665 or visit [www.amnhealthcare.com](http://www.amnhealthcare.com) to request a workforce assessment.*