# THREE WAYS TO CONTROL CONTINGENT WORKFORCE COSTS IN A CHALLENGING ENVIRONMENT

AMN® Healthcare

EMPOWERING THE FUTURE OF CARE

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## Introduction

Turnover, vacancies, and limited access to talent have challenged healthcare organizations for several years. It's estimated that by 2033, the U.S. will need to hire at least 200,000 nurses per year to meet increased demand and replace retiring nurses[1]. To tackle these issues, health systems are adopting flexible workforce strategies to manage costs, improve operating margins, and provide clinicians with the work-life balance they are seeking.

This ebook delves into three contingent workforce strategies, offering expert guidance and insights to help healthcare leaders navigate the delicate balance between meeting immediate staffing needs and building a resilient, future-ready workforce. Leveraging healthcare staffing technology, finding the right balance of talent, and implementing flexible talent models are approaches health systems can take to control costs and improve operating margins. By implementing one or more of these strategies, our clients have achieved optimal staffing levels, improved candidate quality, improved patient caregiver experiences, lowered talent costs, and other positive outcomes.

# 1. Find the Right Balance of Talent

The key to finding staff to fill immediate needs is combining approaches and thinking of talent broadly in terms of the enterprise. This perspective encompasses many more roles in a healthcare system than might first come to mind.
In addition to core and contingent talent, there are  Statement  of Work (SOW) contractors, freelancers, remote workers, and even volunteers. Utilizing an outside organization to payroll the talent resource pool allows for ease of movement between states. Leveraging workforce analytics and choosing to outsource the recruitment process can be beneficial to creating the appropriately staffed workforce.

## Leverage Operational Insights

Many healthcare leaders believe they need more staff, but thoroughly analyzing the data is necessary to determine the exact areas of shortage, the root causes, and the potential solutions.

Through analysis of your data, such as staffing plans and information from a VMS, a Workforce Analysis identifies areas of under- or over-staffing and provides guidance on optimal core staff levels at the unit level as well as size and layering of contingency/flexible resources needed to meet patient demand. This technology solution can help lower the usage of premium labor, as well as:

- **Identify actions toward realistic savings and opportunities for strategic realignment**

- **Optimize staff sizing and mix in alignment with census needs and financial goals**

- **Optimize revenue, margin, and costs by analyzing orders and worker performance**

- **Improve work-life balance, increasing staff retention**

Having the right mix of core and contingent resources allows for cost-effective workforce management based on patient volume and ensures quality by optimizing staff levels and empowering individuals to work at the top of their training and licensing.

*A Workforce Analysis was conducted for Temple Health and the implementation of an internal float pool was able to reduce contingency spending from 23% to 17% of total labor spend.*
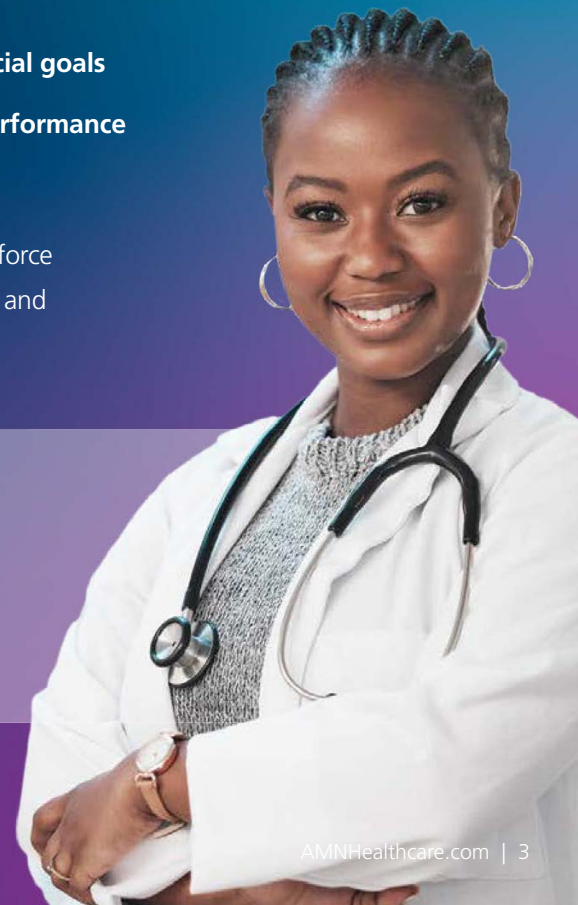
## Recruitment Process Outsourcing

Recruitment Process Outsourcing (RPO) is a solution that helps organizations hire candidates quickly and efficiently while reducing costs and ensuring a good culture fit. An external service provider works alongside internal recruiting and human resources teams to find the right candidates using either a traditional or performance-based model. A good RPO partner prioritizes workforce agility and provides a total workforce solution that balances the flexibility of contingent professionals with the stability of permanent hires.

RPO solutions reduce costs and help maintain margins in the following areas:

- **Candidate pre-screening, assessment, and engagement**

- **End-to-end requisition process efficiency and optimization**

- **Days-to-fill reductions, minimizing the lost productivity of extended vacancies**

- **Quickly opens beds that support the community and reduces vacancy rates**

- **Reduces dependency on premium labor and overtime**

The right RPO partner can streamline the permanent workforce planning and recruitment process through an efficient, agile solution.

# 2. Implement Flexible Talent Models

Organizations need a customized staffing strategy to efficiently deploy their talent based on the numbers and types of staffing sources available, typically dictated by the demand variability. The staffing strategy should be layered with staff that can flex up or down as needed.

Some healthcare systems are establishing their own staffing agencies and float pools to manage costs and control their flexible labor pools. Utilizing direct sourcing of resources and gig-workers are other ways health systems can fill their staffing needs. These strategies offer clinicians more flexibility and control over their work/life balance.

## Internal Float Pools

Internal float pool staff are employed full- or part-time and can work across several units and multiple hospitals within a health system.

An internal float pool can help healthcare organizations manage a surge in patient volume or significant event response, or unexpected vacancies. Enterprise float pools are ideally layered over site-based pools to increase the nursing workforce's flexibility.

Internal float pools offer key benefits such as:

**A consistent and efficient staffing solution across multiple facilities, resulting in better patient outcomes, improved staff retention, and reduced staffing costs**

**Optimizes staffing levels, reduces the need for premium contract staffing, and ensures that all facilities have access to qualified and experienced nurses**

**A large pool of nurses to draw from to more efficiently meet staffing needs, even during high demand or unexpected staffing shortages**

## Internal Agencies

An internal agency is a standalone department or legal entity in a healthcare organization or hospital that manages the staffing needs of the organization's nursing units. This agency is responsible for recruiting, training, and deploying nurses and other healthcare professionals to work temporarily or permanently within their organization.

Like a traditional traveler, internal agency professionals cover short-term assignments (13 weeks or less), but they are employed by the hospital or healthcare system subsidiary. Once an assignment is completed, resources are assigned to a new "contract" in the same or different department.

The key features and benefits of an Internal agency include:

- **A range of staffing solutions, including temporary or short-term placements, permanent placements, and contract staffing**

- **Manages fluctuations in patient volumes, covers staff absences due to illness or PTO, and provides specialized staffing solutions for specific departments or units**

- **Qualified and experienced nursing staff – internal nursing agencies can help healthcare organizations maintain high-quality care and ensure patient safety**

- **Once an assignment is completed, staff are assigned to new "contracts" in the same or different department**

Having the proper technology in place to manage the internal agency workforce makes a significant difference in the effectiveness of the internal travel network.

## Direct Sourcing & Gig Workers

Many healthcare organizations already enjoy strong brand recognition, whether local, regional, national, or even global. With the right infrastructure in place, organizations can leverage their strong brand, help reduce the costs of acquiring those resources, and do so faster.

With direct sourcing, an organization is given the technology to attract talent independently. Leveraging their internal applicant tracking system, they can attract clinicians through the same process as they would a full-time position.

Hospitals are also tapping into the gig economy to provide more flexibility to nurses and address staffing shortages. Using technology and mobile apps, experienced nurses can easily pick up shifts within the health system's area, whether for a single shift or an extended period.

If an organization is contemplating use of gig workers, there are some considerations that need to be kept in mind. A system needs to be in place to send 1099 forms by January 31 for the previous year, and steps should be taken to ensure that the worker's experience aligns with the role or assignment that they will be given.

# 3. Leverage Healthcare Staffing Technology

Effective technology should encompass the optimization, management, and engagement of an organization's workforce. Organizations have found success with flexible workforce strategies by leveraging the necessary technologies to support these components. With the right tools, organizations can seamlessly stand up and manage internal agencies, float pools, and their contingent workforces, adapt to evolving demands, and elevate the efficiency of their operations.

## Workforce Optimization

The right staffing technology simplifies tasks and streamlines operations, which helps organizations create better schedules sooner, reduce costs, and increase staff satisfaction. The most relevant metric to consider when evaluating a staff scheduling system is the fill rate, ensuring patients receive the appropriate care. Other measurable benefits of staffing technology include:

- **Better core staff schedules (fewer canceled shifts, core staff floating)**

- **Improved budgeting and resource planning**

- **Reduction of "in-the-moment" staffing decisions and critical needs**

WorkWise, the all-in-one workforce technology solution from AMN Healthcare, ensures that providers receive more than just technology—they gain a powerful tool that helps them optimize resource allocation and enhance overall care delivery.
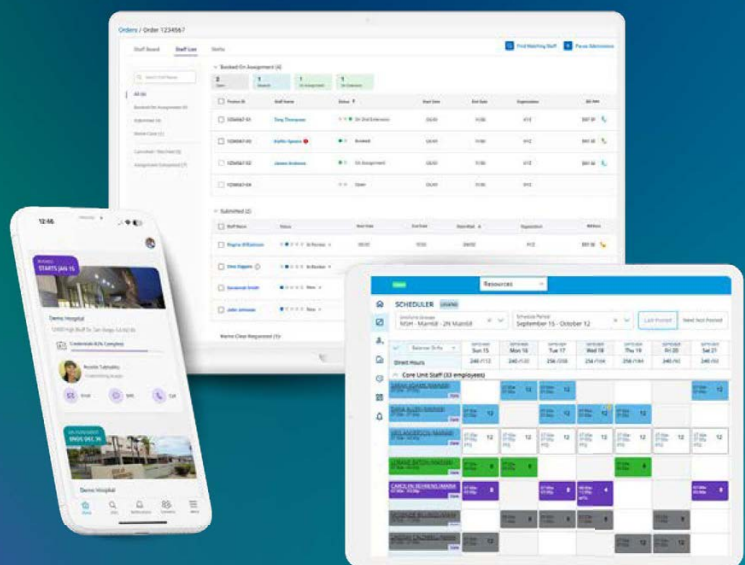
WorkWise utilizes a proprietary predictive model to forecast staffing needs starting 120 days (about 4 months) before the shift. Updated weekly, predictions pass through the staffing matrices for each unit/service area, identifying predicted patient demand versus staff supply. These predictions also fuel open shift management, cost effectively increasing fill rates as shifts approach. Use of this technology results in 75% of open shift hours being picked up more than two weeks ahead of the shift. Additional self-scheduling tools empower healthcare professionals to improve their work-life balance, filling even more shifts weeks in advance, benefiting both staff and the organization.

With a comprehensive view of talent needs, staffing offices can make smart placement decisions. Developed to support centralized resource management, WorkWise provides staffing transparency across hospitals and clinics. This transparency lets you view your staffing levels and patient demand, allowing you to provide the right level of care across all your facilities. WorkWise allows you to manage your entire staff – contingent, permanent, internal resource pool, and gig workers – on a flexible basis to truly optimize your talent, allowing you to schedule the right resource in the right place at the right cost.

## Workforce Management

An end-to-end solution, such as WorkWise, allows for full automation and process flow that ensures efficient resource allocation. This solution simplifies managing internal and external resources through a single platform.

This technology can automate unique workflows and integrate with existing internal technologies, including multiple applicant tracking systems (ATS), human resource information systems (HRIS), enterprise resource planning (ERP), timekeeping, accounting, and educational systems.
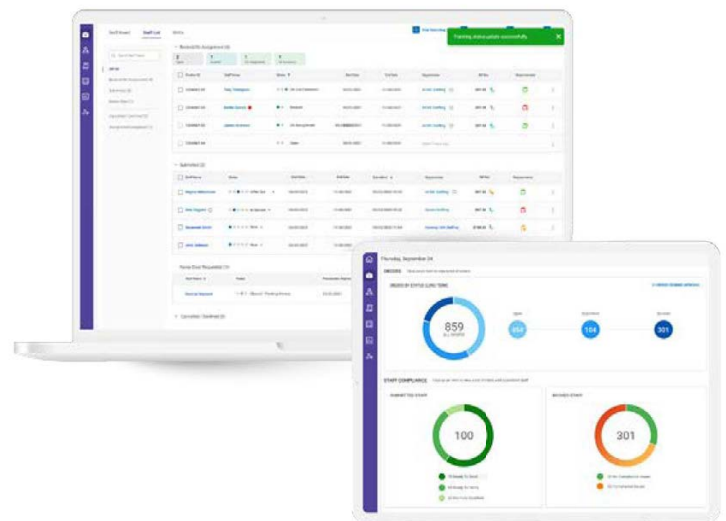


Health systems can leverage the technology to store credentials for all healthcare professionals and monitor expiration dates, reducing the heavy administrative burden and the risk of clinicians working without the proper credentials.

Other benefits include:

- **Efficient – reduce time spent on hiring, staffing, and invoicing with an automated process**

- **Cost-effective – save administrative time and leverage efficiencies to stay on top of every spending detail**

- **Quality-focused – ensure candidates are compliant, reliable, and credentialed through AI-based profile matching and quality ratings**

## Workforce Engagement

An integrated mobile application, such as WorkWise's clinician-facing mobile app, Passport, is another tool that allows all resource pool members and agency staff – internal and external – to search and pick up shifts with permissions and approval processes included, as well as timekeeping and communication tools to drive efficiency and engagement. With a high level of clinician burnout, the supply of quality talent continues to be pressured. Utilizing a tool with increased engagement is critical to building a robust talent ecosystem. The AMN clinician app enjoys the highest rating in the market and reflects a pool of tens of thousands of highly qualified, engaged clinicians.

Within the app, clinicians swipe to request a travel assignment, and the healthcare organization can approve or reject that based on compliance and their specific requirements. The clinician receives communication automatically, and once the manager receives the information on the assignment, it can be entered into the scheduling system, either manually or via feed.
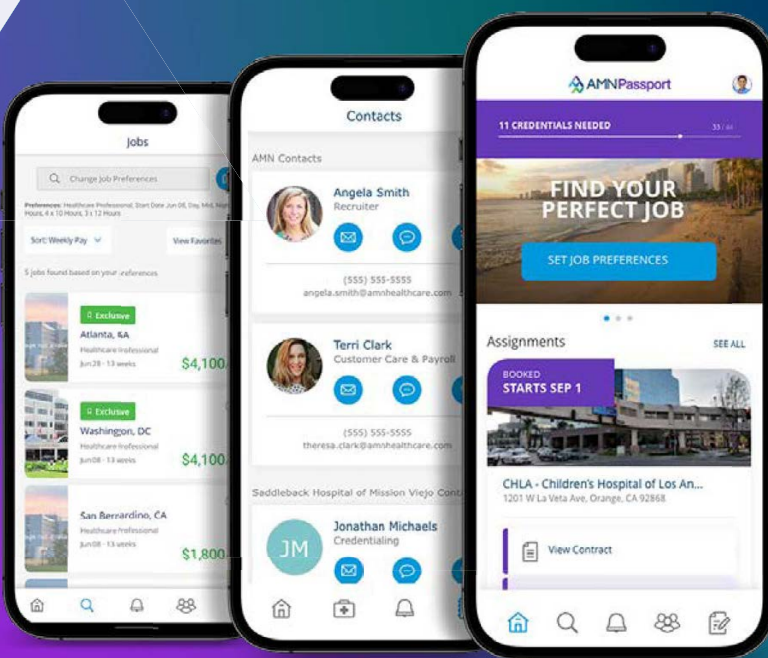


**AMN Passport**

**Travel Allied, Locums, & Nursing App**

**260K+** users

**4.7** rating on 19K reviews

## Take the Next Step to Increase the Flexibility and Financial Stability of Your Workforce

Healthcare providers require effective talent strategies and tools to deliver  efficient, quality care. By implementing the strategies discussed in this ebook, organizations can take a more strategic and cost-effective approach to creating successful and dynamic workplaces that promote the wellbeing of both patients and caregivers. Attraction, engagement, and retention of your permanent staff is an important part of building a successful talent ecosystem. AMN advisory services can help clients with plug-and-play solutions as well as curated personalized strategic plans.

To learn more about how to improve the scheduling process for your organization, download our white paper on how to forecast patient demand using predictive analytics, or visit our site:

**Click here to download the whitepaper**

**Click here to visit our website**

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