

## AMN Workforce Consulting increases effectiveness, decreases costs for staffing a large health system

The client is a major nonprofit healthcare provider that owns, partners or manages 12 acute-care hospitals, including an academic medicine center, more than 65 primary care and specialty clinics with a total of more than 14,000 employees, including 1,000 physicians and scientists.

### The Challenge

Nursing supervisors were faced with difficult supply-and-demand gaps among staff related to fluctuating patient censuses and absenteeism. Staffing was de-centralized throughout the system; staffing responsibility and processes differed from unit to unit. Management of staffing was shared between unit directors and administrators whose other duties were unrelated to staffing. Unit managers and charge nurses were spending up to 20% of their time resolving scheduling and staffing issues. Because the staffing of hospital clinical units is complex and increasingly regulated, healthcare executives were under pressure to define, secure and ensure safe staffing procedures.

Identified staffing concerns:

- ▶ *Staffing shortages caused by spikes in patient census and employee absenteeism*
- ▶ *Rising premium labor costs, including overtime, agency and non-productive hours*
- ▶ *Assistive care costs double over prior year*
- ▶ *No centralized pool of nurses to cover staffing shortages*
- ▶ *Frequent duplication and redundant written back-up required by staffing coordinators and unit staff*
- ▶ *Lack of proficiency and inconsistent utilization of staffing and scheduling software*

Staffing problems impact other key healthcare concerns. A growing body of evidence suggests staffing affects hospital and clinic operational and financial performance, quality and cost of care, patient safety, length of patient stay, readmissions, vacancy rates and physician and staff satisfaction and turnover.

### The Partnership

The client sought a comprehensive and innovative staffing partnership with AMN Workforce Consulting for help and support in improved utilization of existing staff, centralization of staffing and development of consistent procedures. The client contracted with AMN Workforce Consulting for experts who could help relieve the pressure from staffing issues and also alleviate the financial burdens these problems had caused. The overall goal was improved quality and patient safety along with greater cost-effectiveness.

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**“Our large organization did not have true centralized staffing, so AMN Consultants came in, worked side-by-side with us and helped put together a fully functional staffing office,” the Chief Nursing Executive said. “With the help of these outside experts, we were able to execute our goals much more quickly and more efficiently and to do what’s right for our patients.”**

**Chief Nursing Executive**

### The Solution

AMN Workforce Consulting experts began work on-site to complete a comparative analysis of the total cost of productive and non-productive labor, measured against the highest performing units in the facility as well as regional and national benchmarks.

Using LEAN tools such as process mapping, visual controls and spaghetti diagrams, the team determined that a lack of standardized staffing processes and procedures, as well

# CASE STUDY



limited knowledge and/or understanding of the cost impact of labor modalities and staffing decisions, were at the root of the staffing problems and challenges.

AMN Workforce Consultants led nurse managers and staffing coordinators in a team-based approach to analyze staffing challenges and improvement opportunities. The team crafted solutions to reduce costs and improve staffing efficiency and effectiveness. AMN Workforce Consultants recommended and implemented a complete overhaul and redesign of the staffing office to centralize staffing services and serve as the home unit for a centralized resource pool.

With AMN at the helm, the rebranded Staffing Service Center:

- ▶ *Reduced ineffective labor scheduling and staffing practices*
- ▶ *Maximized staff scheduling to FTE commitments*
- ▶ *Reduced last-minute staffing adjustments*
- ▶ *Minimized overtime, incentive pay, non-productive pay, sitter costs and contract labor costs*
- ▶ *Developed solutions that reduced nonproductive pay and sitter costs*
- ▶ *Established reporting of ongoing quantitative metrics*

## The Results

With a better understanding of how staffing decisions affect labor costs, solutions were implemented and staffing efficiency and effectiveness increased dramatically. For units that utilized the Staffing Service Center:

- ▶ *Supply-and-demand issues were successfully addressed, reducing unfilled shifts by 46%*

- ▶ *Improved management reduced absenteeism by 33%*
- ▶ *Agency spending decreased 18.4%, which equaled \$1,531,337 annualized savings*
- ▶ *Internal payroll costs were 3.5% less than prior year, which equaled \$3,832,448 annualized savings*
- ▶ *Improved management reduced absenteeism by 33%*

## Summary

### Challenge

A large nonprofit healthcare system with 12 hospitals needed workforce expertise to resolve problems caused by decentralized staffing functions.

### Partnership

The client contracted with AMN Workforce Consulting because it needed a comprehensive and innovative staffing partner whose experts would work on-site to help create needed change.

### Solution

AMN Workforce Consultants led nurse managers and staffing coordinators in a team-based approach to analyze staffing challenges and improvement opportunities. AMN recommended and implemented a complete overhaul and redesign of the staffing office to centralize staffing services and serve as the home unit for a centralized resource pool.

### Results

Implemented solutions resulted in dramatically increased staffing efficiency and effectiveness. Spending on agency staff and payroll costs declined, saving the healthcare system approximately \$5.4 million annually.

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