

# Our permanent solution to temporary nurse staffing cut our costs \$168,000 in one year.

“As a result of our agreement with AMN, we saved \$168,000 in 2010, and our average hourly rate for temporary nurse staffing has decreased by \$2 per hour in the two years we’ve been working with them,” says Jill Underwood, Vice President of Human Resources.

## Challenge

Filling temporary staffing needs used to be chaos for Methodist Hospital’s Human Resources Department. With juggling requests from multiple patient care units — some requiring highly specialized nurses — as well as filling other positions for support departments, Jill Underwood, vice president of human resources, knew she had to find a solution.

“The hassle factor for both myself and my department was severe,” says Underwood. “We had several access points that people were calling for temps and registries, I had one staff member dedicated solely to finding clerical resources, and departments were calling staffing agencies directly. Needless to say, I was concerned that this decentralized approach was compromising our ability to hire temporary staff who were compliant with the job competencies we had established for the positions.

“But for me, the biggest problem was I didn’t have a handle on who was working in the house at any given

time,” Underwood continues. “Also, just keeping track of invoices and paying the multitude of staffing vendors was a monumental challenge.”

Methodist Hospital’s HR Department was drowning in invoices from approximately 10 different staffing agencies used to fill temporary nursing vacancies. HR staff often faced more than 215 separate monthly invoices, resulting in increased departmental costs. In addition, the communication between HR staff and the various agencies consumed an inordinate amount of staff time that needed to be dedicated to other important issues.

## Solution

As daily staffing challenges intensified, Underwood sought a solution that would meet her needs, as well as those of her internal clients. As a VHA member, Methodist Hospital had access to a multitude of Novation-contracted Purchased Services suppliers at discounted rates. That’s how Underwood found AMN Healthcare®, known for

## Methodist Hospital Arcadia, Calif.

Methodist Hospital, founded in 1903, is a 460-bed, not-for-profit hospital serving the central San Gabriel Valley. With 2,100 employees, the hospital’s services include comprehensive acute care and complete cardiovascular services, including open-heart surgery. The hospital also provides comprehensive physical therapy and rehabilitation services.

helping clients reduce variable staffing and management costs and streamline processes, as well as its ability to find the most qualified nurse professionals in the industry.

AMN's Managed Services Program, a people-to-people, professional-to-professional service approach backed by the largest supply of nursing, allied and physician health care professionals in the country, recently received the "Peer Reviewed by HFMA®" designation from the Healthcare Financial Management Association — the first organization of its kind to do so.

The negotiation process with AMN was fairly easy, and the supplier was more than willing to accommodate the facility-specific items that Methodist requested within the contract. Key to implementing the agreement was channeling all requests to AMN's onsite resource, who maintains a hospital presence during the week to handle all temporary nurse staffing needs.

### Results

AMN stepped in where it was needed most, streamlining the hospital's entire temporary nurse staffing system, reducing the number of vendors necessary for providing appropriate staffing to one agency and ensuring that all positions were filled with top-quality nurses. AMN also created a consolidated invoicing system that reduced the number of bills the hospital was paying monthly for nurses from 215 or more to just nine, while also reducing the time necessary to process invoices by 25%.

As Methodist and AMN began working together, both discovered that their cultural fit and shared desire to

achieve successful results created a true partnership. Underwood and the onsite AMN representative have built a solid working relationship that allows for immediate communication about problems or issues, and solutions are generally fast and efficient. Now, nursing units and other departments eagerly seek AMN's help in filling temporary positions. Underwood believes the staff buy-in came from the results that AMN delivered to Methodist.

"As a result of our agreement with AMN, we saved \$168,000 in 2010, and our average hourly rate for temporary nurse staffing has decreased by \$2 per hour in the two years we've been working with them," says Underwood. "In addition, by lifting the temporary staffing responsibility from my staff and others, my staff's productivity increased 15% — and the time savings for other departments involved in filling temporary staffing positions is just as impressive. Going from an average of 50 invoices per week from different staffing agencies to just two bills per week has been a big time saver, and the Accounting Department is ecstatic."

Methodist has also experienced faster fill times, with nearly 100% of nurse staffing requests filled by AMN. "We're no longer experiencing critical holes in staffing, and the hard and soft dollar savings flow directly to the organization's bottom line," says Underwood. "Our executive team reviews the numbers from our AMN agreement on a quarterly basis, and they see the positive impact it's having. Everyone is happy with our working relationship and I see a bright future ahead for the Methodist/AMN partnership."



With 25 years as a leader in health care staffing and management solutions, Novation-contracted supplier AMN can provide the balance you need to effectively manage your staff and achieve your financial, operational and clinical goals. AMN's goal is to put you in the driver's seat when it comes to managing your contingent work force spend. They have helped health care organizations efficiently manage their staffing functions and cost-effectively fill their supplemental staffing needs.

For more information, please contact VHA at 800.842.5146 or [vhacustomerservice@vha.com](mailto:vhacustomerservice@vha.com).

