THREE WORKFORCE SOLUTIONS TO REDUCE COSTS OF CONTINGENT HEALTHCARE STAFFING
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Throughout the nation, healthcare executives face crisis conditions in the growing shortages of healthcare practitioners, rising reimbursement and regulatory pressures, and an increasingly competitive marketplace.

A critical part of the solution to workforce budgeting challenges is optimizing contingent staff to reduce costs, make spending more predictable, relieve management pressures, and improve patient care. In response to the increased utilization of contingent practitioners throughout the healthcare industry, three healthcare workforce solutions are available today that can significantly simplify the entire sourcing and talent management process: Vendor Management Systems (VMS) and two distinct types of Managed Services Programs (MSP).

This report examines the three solutions that provide organizations with multiple benefits:

• Cost savings
• Greater efficiency
• Quality improvement
• Risk mitigation

The challenge for executives is to decide which tools and programs provide the most appropriate solution for their organization.

Using a VMS or MSP to simplify sourcing and staff management can offer the following benefits:
Contingent Staffing: The Lower-Cost Option

Leveraging MSPs and VMS technology can help healthcare organizations reduce costs and complexity while improving quality of contingent staffing.

The commonly held belief that contingent healthcare staffing is more expensive than core staffing has been debunked by research over the past decade. Most recently, the true costs of travel nurses was revealed by the KPMG 2017 U.S. Hospital Nursing Labor Costs Study, which concluded: “When all costs are considered, traveling nurses appear to cost less than permanent nurses on an hourly basis.”

According to the study, costs are less for travel nurses because contingent staffing companies cover the hidden costs of core staffing, including:

• Employer portion of payroll taxes and benefits
• Human resources functions, including recruitment, orientation and onboarding
• Leaves of absence
• Other nonproductive time

Contingent staffing companies cover all these costs so that healthcare professionals show up to job assignments qualified, fully compliant, and immediately ready to work. Staffing companies also employ a variety of tools, such as employee matching and feedback, to ensure that the professional on assignment is a good fit for the organization’s culture and clinical needs.
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“You’re deploying a technology that is going to create a more efficient process. I won’t have to talk to a multitude of staffing vendors anymore.”

Options for Contingent Labor Management

While there are numerous advantages to contingent staffing, there are still challenges in its overall management, including candidate sourcing, credentialing, onboarding, time-card management and other issues. Leveraging MSPs and VMS technology can help healthcare organizations reduce costs and complexity while improving quality of contingent staffing.

These workforce solutions can take different shapes, based, in part, on the size of the facility, the number of contingent staff they have to manage, and their philosophy of management. Some organizations choose to license a VMS platform to conduct their own oversight and management of their contingent workforce. Others benefit from a vendor-neutral MSP, a partnership with staffing management experts who take a neutral approach to staffing vendors as they oversee all of a healthcare organization’s contingent labor. Finally, a staffing-led MSP is a fully-integrated strategic partner providing access to its network of candidates and associate vendors, along with advanced sourcing and recruiting strategies. Both types of MSPs provide a single point of contact for the healthcare organization.

All three workforce solutions demonstrate savings and efficiencies that create competitive advantage in the marketplace. As one client put it after seeing early performance indicators from a recently implemented program: “You’re deploying a technology that is going to create a more efficient process. I won’t have to talk to a multitude of staffing vendors anymore. You’re going to lower my rates and handle all of my credentials. Why didn’t you talk me into this a year ago?”

No two healthcare organizations are identical. That is why it is important for leaders to consider their options and choose the type of program that best fits their needs and culture. Here’s a detailed look at the three types of contingent labor management solutions:
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Vendor Management System (VMS)

With implementation of a self-managed VMS, clients are given a tool and the technological training to better manage their contingent labor processes. The VMS provider offers a technology solution that is managed and coordinated by hospital staff.

Beyond training hospital staff on how to use the VMS technology, the VMS provider will build out the vendor set based on the healthcare organization’s selection of vendors, then turn over the technology to the hospital. The VMS provider can then continue in an ongoing support role to enhance the system’s benefits over time.

With a VMS, the healthcare organization can manage all of the screening documentation for contingent workers. Healthcare organizations may find that their existing credential verification systems are too time-consuming and difficult to sustain for the flow of contingent labor.

Under this type of scenario, a VMS provider can deliver applications that are easy to implement and provide effective tools to improve staffing operations and gatekeeping across all systems at a healthcare organization. Automating outmoded processes that have relied on heavy phone usage and reams of paper, the vendor can facilitate the smooth introduction of strategic staffing plans. Online scheduling, timekeeping, reporting, secure payment processing, and error-free invoicing can be seamlessly introduced. Although a VMS creates largely do-it-yourself solutions, VMS providers initially collaborate closely to help build a safety net.

Such systems save time, money and headaches in various ways:

• Easily match qualified candidates from a wide vendor pool

• Ensure qualified staff are hired to openings with profile matching that guarantees compliance

• Utilize consultative market-rate analysis to avoid overpaying

• Reduce screening time by 70%

• Provide on-demand documentation for regulation audits
Vendor-Neutral Managed Services Program (MSP)

Another choice is to engage a workforce solutions provider that wraps VMS technology into a larger set of services, directed by a dedicated consultation team. This can provide a single point of contact that can vet staffing vendors in a network with both certifications and licensure. This helps healthcare organizations meet their workforce needs more quickly and efficiently, while maintaining an open bidding platform for contingent staffing vendors.

Under these engagements, the workforce solutions provider is actively operating the VMS technology platform while also communicating directly with staffing agencies, driving candidate submissions to jobs, and making sure that candidates are properly screened, credentialed and interviewed, among other managed services responsibilities.

It is the workforce solutions provider’s job to make sure that the entire placement process runs smoothly, but under a vendor-neutral MSP, they are agnostic as to which agencies provide the contingent candidates. The prevailing candidate will be whoever offers the best performance at the best price, while guaranteeing to meet the start date. That allows healthcare organizations to devote more time to focusing on the quality of patient care.

The vendor-neutral MSP can post jobs, work with the staffing companies to get submissions, work with the hospital to drive interviews, make placements, gather and verify credentialing and other screening documents, and then manage the entire billing process. It is the logical first step beyond the do-it-yourself approach to staffing.
Staffing-Led MSP

Organizations looking for a fully-integrated, strategic partnership for contingent staffing management can choose a staffing-led MSP. This alternative also begins with a VMS, and then layers on other services as dedicated resources to fill jobs and manage healthcare practitioners. In a staffing-led MSP, the workforce solutions provider becomes a partner to fill all labor needs while assuming full responsibility for all aspects of contingent staffing.

The staffing-led MSP can include direct candidate access, customized online portals, employment branding, and other advanced sourcing techniques that draw high-quality clinicians to the client’s job vacancies. As a result of these enhancements to the overall MSP operation, a staffing-led MSP can provide more market data and expert advice to the client.

Other services available in the staffing-led MSP include predictive analytics to forecast patient volume, along with scheduling and staffing solutions to meet that forecast.

The staffing-led MSP provides its own network of healthcare professionals and associate vendors, along with sourcing and recruiting strategies. It also provides real-time reporting and analysis on contingent workforce spending. Utilizing one system to source and manage contingent labor across an organization relieves executives of this entire burden.

The biggest difference of a staffing-led MSP is that, instead of providing a service, the workforce solutions team operating a staffing-led MSP becomes a strategic partner to the healthcare organization.
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<thead>
<tr>
<th>Vendor Management System (VMS)</th>
<th>Vendor-Neutral Managed Services Program (MSP)</th>
<th>Staffing-Led Managed Services Program (MSP)</th>
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<tbody>
<tr>
<td>Managed and coordinated by hospital staff</td>
<td>Provider actively operates a VMS platform and communicates directly with staffing agencies</td>
<td>Fully-integrated, strategic partnership that uses a VMS and layers in additional services such as dedicated clinical management support</td>
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<tr>
<td>Provider builds technology and provides training and ongoing support</td>
<td>Agnostic to which agencies it uses and chooses candidates based on performance, price and availability</td>
<td>Gives direct access to a network of healthcare professionals and associate vendors</td>
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<tr>
<td>Manages credential verification, reducing screening time up to 70%</td>
<td>Posts jobs and manages supplier submittals, placement, and billing</td>
<td>Allows for customized online portals, employment branding, innovative sourcing techniques, and dedicated recruitment resources</td>
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<tr>
<td>Automates outdated processes and introduces strategic staffing plans</td>
<td>Access to analytics and business intelligence on contingent labor usage</td>
<td>Can provide advanced data, such as predictive analytics</td>
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Conclusion

Today, healthcare organizations are following the lead of other sectors in the adoption of workforce solutions from external providers. With the average healthcare organization spending more than half of its operating budget on its workforce, it’s critically important to find the best people and deploy them in the best way.

All three workforce solutions – VMS, vendor-neutral MSP, and staffing-led MSP – can increase efficiency and cost-savings, accelerate fill rates, enhance candidate quality, reduce overtime, reduce billing errors, and create greater transparency.

The percentage of contingent workers in the healthcare industry continues to grow. By choosing the right contingent labor management solution, healthcare executives can put themselves and their organizations in a position to improve margins, reduce risk, and elevate the quality of patient care.
About AMN Healthcare
AMN Healthcare is the leader and innovator in healthcare workforce solutions and staffing services to healthcare facilities across the nation. The company provides unparalleled access to the most comprehensive network of quality healthcare professionals through its innovative recruitment strategies and breadth of career opportunities. With insights and expertise, AMN Healthcare helps providers optimize their workforce to successfully reduce complexity, increase efficiency and improve patient outcomes. AMN delivers managed services programs, healthcare executive search solutions, vendor management systems, recruitment process outsourcing, predictive modeling, mid-revenue cycle solutions, and other services. AMN Healthcare is committed to fostering and maintaining a diverse team that reflects the communities we serve. Our commitment to the inclusion of many different backgrounds, experiences and perspectives enables our innovation and leadership in the healthcare services industry. For more information about AMN Healthcare, visit www.amnhealthcare.com.

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