



Meeting healthcare challenges: How top hospitals approach contingent staffing innovation

High labor costs continue to negatively impact operating margins and create financial challenges for hospitals. At the same time, hospital leaders must ensure staffing levels are adequate to support growing demand, deliver high-quality patient care and combat clinician burnout.

In response, organizations are using contingent staffing – addressing their pressing workforce challenges with a flexible, scalable and financially prudent approach.

To learn more about this strategy and the benefits that hospitals and health systems are realizing as a result, Becker's Healthcare recently spoke with Kathy Kohnke, senior vice president of client services at Ingenovis Health.



Contingent staff enable swift adjustments based on changes in demand

A widespread practice is for hospitals to hire full-time nurses who serve as the hospital's core staff. However, this group of employees is rarely large enough to provide adequate care for all patients. Many hospitals cover about 70% of their patient volume with core staff, Ms. Kohnke said. But what does that mean for the other 30% of patients?

Overtime pay is one way to address labor shortages. But this isn't always the best solution, as relying on overtime can lead to employee burnout and potentially affect patient safety. And it's expensive.

"According to best practices, only about 3.5% of labor pool usage should be overtime," Ms. Kohnke said. "When you see hospitals or units reaching 10%, nurses start to get burned out. When people work too much in a given week, we see an increased risk of mistakes."

Another option for dealing with labor shortages is **float pools** – a group of on-demand staff who can help fill in during times like flu season, when patient census may be higher than normal and there may also be more core staff out due to illness. Alternatively, if a health system is launching a new project or service line, it may turn to float pool resources.

"When a hospital implements a new EHR system, they need to pull nurses off the floor for training," Ms. Kohnke said. "Contingent labor can be helpful. Or after a new doctor or surgeon comes on board, there may be new cases driving admissions on certain floors. The organization may need to bring in contingent staff with specific expertise, as they recruit full-time nurses."

For example, Fastaff Travel Nursing has worked with hospitals building new Cath labs, which require highly skilled nurses. Delivering labor with specialized knowledge when it's needed makes a significant difference to communities. "In rural areas, residents often must travel to hospitals hours away for treatment. When a Cath lab opens in their community, they can stay close to home and get the care they need," Ms. Kohnke said.

To respond effectively to changes in demand, float pools must have enough people to fill open shifts and callouts, as well as manage the requirements of different specialties. As a result, hospitals and health systems must be intentional in developing float pool recruitment strategies, focused on the units that need greater flexibility and extra hours.

"It's common to hire and terminate the same number of float pool nurses every year because people will do float pool work for a year or two and then take a full-time position," Ms. Kohnke said. "That means that you need to constantly recruit nurses. Many organizations find this difficult. That's when they bring in contingent labor."

Contingent labor can positively affect labor costs and hospital revenue

When it comes to operating expenses, hospitals and health systems must be transparent about the total costs of regular employees, including overtime pay and contingent workers. Sometimes hospitals contrast the pay rates between the two distinct types of employees. However, Ms. Kohnke noted it's not an "apples-to-apples" comparison.

"It doesn't take into account all of the costs that go into a regular employee, such as recruitment, onboarding and orientation expenses," Ms. Kohnke said. "When you add those expenses, plus benefits, taxation burdens, workers' compensation, liability and malpractice, the cost of an employee is even higher. Once all of the data is on the table, the cost of contingent labor is pretty close to a regular employee."

Another important economic consideration is whether labor shortages are causing healthcare organizations to turn patients away. "Are you risking your net revenue because you aren't getting patients into beds and giving them the care they need?" Ms. Kohnke asked. "You never want to turn away patients. You need adequate staff to support patient throughput and to deliver high-quality care, so people want to return to your hospital."

First things first: Align staffing strategies with long-term business goals – and then tech

As a first step to decide the best path forward for staffing, Ms. Kohnke recommends healthcare organizations review the end-to-end process of adding staff to the float pool and whiteboard all the pitfalls that the organization encounters.

"How does a person access jobs, how do we confirm that jobs are visible and that nurses accept them and how do we maintain their credential information? You need to map that out from start to finish and then look at your stopgap measures," Ms. Kohnke said.

From a technology perspective, it's critical to have a comprehensive solution that supports float pool development. Healthcare organizations need visibility into their schedules so they can find open positions on a short-term and long-term basis.

"Every unit has a staffing grid based on the number of beds and patient volumes," Ms. Kohnke explained. "If you can push open positions electronically to full-time float pool employees or to contingent labor partners, that's great. With bi-directional feedback from contingent staffing firms, you then know if you have someone to work specific shifts or a contract if an employee goes out on FMLA."





Once a schedule goes live and staff are assigned to open shifts, organizations need an interface with the time and attendance system. This provides visibility into which employees will be working overtime each week or whether someone hasn't fulfilled their full-time commitment. This allows organizations to make sound staffing decisions in real-time with the best labor options.

"You want to pick a nurse who can fill a spot with a lower cost, without overtime pay," Ms. Kohnke said. "It's like being an air traffic controller. You need to look at all your units at a high level, know what your census is and then look at what's happening with labor in real time."

Credentialing is also extremely important for float pool workers. A nurse may be available to work in three separate units, but how does the organization ensure the nurse is credentialed for each one and can't accept shifts in units where they aren't credentialed? "You need technology that keeps credentials up to date. Your contingent labor partners should collaborate with you on that, so it doesn't keep you up at night," Ms. Kohnke said.

In hospitals with unions, leaders must understand the details of the collective bargaining agreement that relate to float pools. Based on this information, the right business rules can be written into the technology, so the organization doesn't violate union rules. If a union is opposed to float pools, hospital and union leaders must discuss how to move forward.

"At one facility in New York, the collective bargaining agreement said that nurses had to belong to a home unit," Ms. Kohnke said. "We spoke to the union about having the float pool as a cost center. Negotiating the float pool into the contract helped everyone."

Staffing strategies that give healthcare leaders 'peace of mind'

Many leading hospitals and health systems partner with contingent staffing providers to help support their float pools. These organizations appreciate greater flexibility, access to specialized skills and enhanced employee morale. With the right partnership in place, organizations see reduced time-to-fill for critical positions, as well as access to a pre-vetted talent pool for immediate needs.

"Float pool solutions provide the right staffing at the right time at the right cost," Ms. Kohnke said. "With those three legs of the stool, hospitals and health systems know they have a viable solution that can address unforeseen problems and challenges. That gives nurse leaders peace of mind."