



How Hallmark Helped a 14-Hospital Health System Reduce Contract Labor Resources by 60% and Save \$45 Million

The Client: Appalachian Regional Healthcare

Appalachian Regional Healthcare (ARH) is a 14-hospital, non-profit health system operating in southwest West Virginia and Eastern Kentucky. ARH is a premier destination for quality care in rural communities throughout Central Appalachia.

In 2022, Crystal Austin joined ARH as Director of Central Staffing. Crystal worked closely with ARH’s Chief Nursing Officer, Jeneen Carman and Chief Operating Officer, Paul Betz, while partnering with Hallmark to use their Einstein II contingent labor platform to improve operational efficiency and streamline quality care delivery powered by a sustainable contingent labor solution.

At a Glance

14-hospital health system partnered with Hallmark to dramatically reduce labor costs while ensuring proper care of their patients and surrounding community.

Key Goals:

- Centralize contingent workforce management
- Implement process standardization and workflow automation
- Reduce contingent labor costs

Key Results:



The Problem:

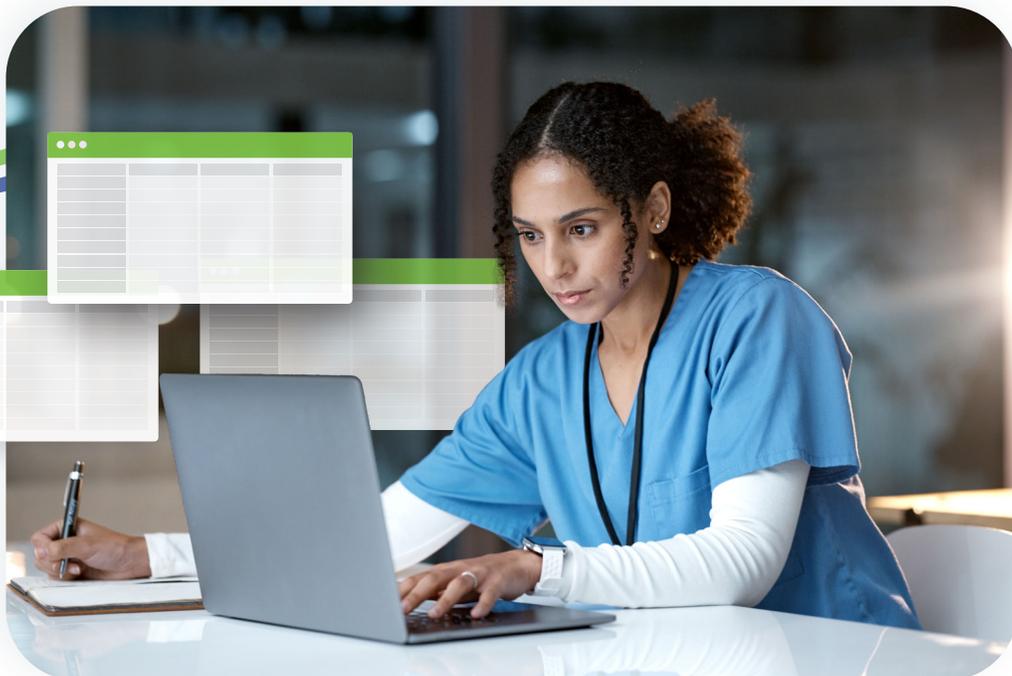
Managing 600+ Contract Nurses Across 14 Hospitals... in a Spreadsheet!

For years, ARH's contract labor program was decentralized with each of the 14 hospitals managing its own contingent workforce with little centralized oversight. This led to many administrative inefficiencies and unsustainable labor costs.

Lacking a digital infrastructure for coordinating and standardizing its staffing practices, ARH had to manage contract labor programs manually through paper-based systems. At one point, the organization was tracking more than 600 contract nurses in a single spreadsheet and juggling seven different agency vendors, each with its own unique contract. Crystal recalls how these inconsistencies caused issues for the system: "Invoicing was a major pain point. We had to keep track of multiple different bill rates, multipliers, terms and conditions, and overtime responsibilities. Sometimes invoices were received two months late, which made forecasting challenging."

As with many health systems, the COVID-19 pandemic became a catalyst for change. The need for exponentially more labor to support increases in demand placed a tremendous stress on ARH's manual processes. And, while there was incredible value in contract nurses, ARH leaders recognized just how costly their dependence on contingent staff had become with ARH spending \$65 million a year on average through hybrid managed service providers (MSP) and agencies.

Crystal came to ARH in the wake of the pandemic staffing crisis to help get the contract labor program under control. It didn't take long for her to realize that ARH needed the help of technology to sustain a streamlined contract labor program.



The Solution:

Centralization and Automation with the Hallmark Einstein II Platform

Backed by her leadership team, Crystal led the effort to find a technology solution that could centralize ARH's contract labor program and provide visibility into each facility. After exploring several healthcare workforce solutions, she realized she didn't need a managed service provider and could run the program herself. Crystal simply needed the right technology and backend support, which led her to Hallmark. Through careful research and consideration, ARH decided to partner with Hallmark and the Einstein II contingent labor platform, drawn to several key differentiators.

Of note, Crystal strongly valued working with an agency-independent vendor management system (VMS) and partner over one that was agency-owned. "The relationship between a health system and a vendor should be a partnership. Both parties should feel like the program benefits them and is mutually fair; that's the key to building good partnerships," Crystal explained.

ARH started Einstein II implementation in early 2023, going live about 90 days later and rolling it out to their nursing staff. Crystal recalls the implementation process as "easy and a light lift for our team."



"The Hallmark Einstein II implementation was easy and a light lift for our team."

- Crystal Austin, ARH Director of Central Staffing

The Hallmark Einstein II Vendor Management Solution provides open access to a vast panel of staffing agencies that she can choose to partner with, giving her seamless access to better talent at lower prices. Eliminating dependency on a single agency or MSP, ARH now has the flexibility and control to make informed vendor decisions while managing its workforce directly. Powered by Einstein II, Crystal's team gained access to advanced data and reporting capabilities, with real-time, end-to-end tracking available from anywhere within the system.

Hallmark Einstein II's fully integrated SaaS platform has transformed the way that Crystal and her team work, by optimizing workflow and reducing administrative burden. Einstein II also allows ARH's accounts payable team to streamline timekeeping with API and gain better control over the process, ensuring precision at every step. Likewise, the platform enables the automation of invoices for electronic approval, arming ARH with the ability to expedite an otherwise time-consuming process with push-of-a-button reporting. Providing full visibility of every task in real-time and on one interface, Einstein II offers the ARH team unparalleled capabilities and a clear path to success, further supported by a Hallmark client success team. Best of all, the Einstein II VMS is available at little to no cost to ARH, as the costs are borne by the staffing agencies.





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–Crystal Austin, ARH Director of Central Staffing

Crystal has gained a true partner in Hallmark. As a team of one, Crystal appreciates the support she receives from her dedicated Hallmark team: “I personally have met and know everyone handling my account. My client success manager keeps the vendor panel engaged and takes backend tasks off my plate. I also have an individual assigned to me specifically to help chase down compliance – it’s one of my favorite parts.”

The Outcomes:

Reduced Contract Labor Resources by 60% and Saved \$45 Million

As partners, ARH and Hallmark have been successful in driving transformative change across all ARH facilities through the implementation of Einstein II. Initial program wins include:



Cost savings

The health system is expected to reduce its agency labor spend by 71%, an annual reduction of \$45 million. Einstein II allows ARH to optimize rates in a competitive environment. Before Hallmark, ARH’s labor rates were \$103, and since implementation, rates have decreased 16% to \$86 per hour.



Reduced labor resources

With operational changes and Hallmark’s support, ARH cut its contract labor resources by more than 60% and reduced the number of travelers from 600 to 140.



Increased fill rate

With Einstein II, ARH has been able to retain a fill rate of 93% and above, recently recording a 97% fill rate.



Streamlined contracts

ARH transitioned from relying solely on seven vendors, each with unique contracts, to one contract covering 66 vendors on the panel. This more diverse panel enables ARH to tap into the economic benefits of a competitive, free market approach while lessening administrative burden and ensuring selected vendors are aligned with ARH’s needs.



Dramatic Cost Savings with More to Come

Offering real-time reporting functionality and agency-independent access to an abundant talent pool, Hallmark Einstein II has transformed ARH's contingent labor program, reducing contract labor resources by 60% and driving \$45 million in annual cost savings. With the help of Hallmark, Crystal and her team have the transparency and oversight to streamline administrative processes and provide seamless access to quality care.

Crystal highly recommends that other health systems look at Hallmark Einstein II. Too much reliance on one individual agency "could be detrimental to your health system as your goals are likely misaligned and the rates you're paying are likely higher than they should be," she says.

Crystal and ARH are currently working with Hallmark to build a float pool using the Hallmark Einstein II Internal Resource Pool (IRP) module. Unlike other software on the market, Einstein II IRP seamlessly integrates with the Einstein II VMS module, allowing ARH to first try to fill open positions with internal float pool resources before automatically kicking them out to agencies for fulfillment via the VMS. This is the next in a series of steps to generate additional contract labor savings using the platform.

Learn more about the Hallmark Einstein II contingent labor platform at [hallmarkhcs.com](https://www.hallmarkhcs.com).



Hallmark offers a fully integrated SaaS platform for healthcare workforce management. The platform streamlines sourcing and deployment of contingent clinical labor and automates the provider lifecycle from contracting to compensation, all with exceptional effectiveness, transparency, and cost savings. Partnered with our advanced strategies and deep expertise, Hallmark's leading-edge technology solutions empower healthcare organizations to thrive. **To learn more, visit: www.hallmarkhcs.com.**