

A New Way to Reduce Labor Costs and Succeed

**A Complete Guide to Transforming Contingent
Labor Staffing for Human Resource Professionals**

Introduction

As a human resources leader in healthcare, we understand the pressure you're under to ensure employees feel supported, valued, and equipped to perform their jobs at the highest level. This responsibility—only one of the many held by HR professionals—isn't easy to fulfill during “normal” times. And it was especially difficult these past few years, a period that tested the US healthcare system and highlighted areas that required attention: namely pandemic-fueled staffing shortages, a growing gig economy, and rising nurse turnover rates.

To address these areas, HR professionals relied heavily on staffing agencies and managed service providers (MSPs) to fill open positions and manage staffing levels. While these vendor relationships served a critical purpose in the midst of the pandemic, they are not always aligned with the long-term best interest of your organization. As a result, labor sourcing issues remain a concern for many hospitals and health systems. The good news: **there's a better solution.**

With this guide, you'll learn:

- **How to identify issues with your third-party staffing vendor relationships**
- **Recognize the benefits of a vendor-neutral workforce management platform**
- **Understand how Hallmark can help you grow your internal float pool and connect you with the largest pool of available contract talent**



Identify Inefficiencies with Contingent Labor Sourcing

Relying on external sources to find and recruit talent is often essential to ensure that your organization has a sufficient number of clinicians to deliver safe, high-quality care to patients. But during the pandemic, most staffing agencies were given too much power over contingent staffing, and now many are taking advantage of their marketplace control as staffing challenges persist and staffing models shift.

As a first step, it's important to evaluate your team's utilization of staffing agencies and determine whether these relationships align with your workforce management strategy and goals. These are a few signs that your staffing agency partners are doing more operational harm than good:

Lack of control and transparency

When you work with a staffing agency, they're the intermediary between your organization and the talent pool, leaving you with little control and minimal insight into labor contract details including rates, personnel, and timing.

Limited talent pool

Nurses and other clinicians may work with just one staffing agency, which limits your access to talent when you create single-vendor relationships. Similarly, working with one staffing agency limits you to a small talent pool.

Labor-related costs

Even though the financial pressure of high pandemic rates have eased some, labor-related costs remain the largest expense for health systems. As of fall 2022, contract labor expenses remained 500% higher than pre-pandemic levels. For example, in 2022, a community health system in Atlanta that usually spends \$20 million annually on nurses from staffing agencies reported spending \$400 million, nearly one-third of which went directly to agencies.

Insufficient support

Labor contracts with agencies are purely transactional, and the relationships often fall short of supporting the specific needs of your organization. The account managers often simultaneously manage multiple hospital and health system relationships, lacking a focus on yours.

Misaligned goals

We know you care deeply about the individuals on your team and the patients they care for. However, staffing agencies are often focused on signing contracts instead of prioritizing patient outcomes.

If your organization is experiencing these issues as you juggle multiple staffing agency relationships, it's time to focus on implementing a long-term strategy to improve contingent labor sourcing and management. Take control of your contingent labor now to avoid becoming dependent on staffing agency relationships in the future.

Recognize the Value of a Vendor-Neutral Internal Resource Pool (IRP)/VMS Platform

The stakes are high in healthcare staffing, and workforce trends are forcing hospitals and health systems to offer more flexibility—especially to nurses, who need post-pandemic relief or are considering travel positions. After evaluating third-party staffing vendor relationships, many organizations are cutting ties—and costs—by shifting to an agency-independent solution for contingent labor sourcing and deployment that connects them to the best talent at a lower rate. A vendor-neutral platform connects you to talent from multiple staffing agencies through a single channel.

Access to a larger talent pool helps increase fill rates while reducing labor costs.

Empowering your team with a tech-enabled contingent labor management platform not only addresses many of the inefficiencies faced with staffing agencies but also reduces your organization's use of third-party vendors. With direct access to the platform, you'll have increased visibility into every aspect of the staffing process—from recruitment to deployment. A streamlined solution eliminates the need to liaise with multiple staffing vendors, allowing you and your team to focus on other tasks.

The healthcare labor market is changing, with many health systems embracing tech-enabled workforce management. Don't get left behind. As your organization's people leader, you can be the human resources hero.



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Optimize Workforce Operations with Hallmark

Hallmark empowers organizations to reduce reliance on staffing agencies and MSPs that act as gatekeepers and create financial risk. Hallmark's fully integrated Internal Resource Pool (IRP)/VMS platform enables healthcare organizations like yours to maximize your float pools and seamlessly access contract labor when needed, with higher standards of quality, improved time-to-hire, and significant cost savings.

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“We have cut agency spend in half because we’re cutting out the middleman.”

The program director of a 91-hospital multistate health system that implemented Hallmark Internal Resource Pool (IRP).

When asked what HR professionals should know about Hallmark, “There is a different way to manage your workforce; it can be more streamlined and you can reduce your contract labor with a lesser dollar than you’re spending today,” answered Michelle Sanchez-Bickley, MS, SPHR, SHRM-SCP, Chief People Executive at Hallmark.

Hallmark connects you to the largest pool of available healthcare talent that includes 750+ partners in contingent labor sourcing. With open access, you’re not only able to source the best talent in the market, but you can build a roster of known and trusted in-house talent. More and more hospitals and health systems are choosing to regain control of their flexible staffing strategy by launching an internal float pool. “We have cut agency spend in half because we’re cutting out the middleman,” said the program director of a 91-hospital multistate health system that implemented Hallmark Internal Resource Pool (IRP).

With such a large float pool powered by a robust workforce management system, hospitals and health systems

are well equipped to ensure they are providing the right resources in the right place, in the right role, and at the right time. Having more nurses working at the top of their licensure creates a more fulfilling, satisfying work environment, and every member of the float staff is free to choose their own schedules.

Case Study



NORTON
HEALTHCARE

300+

hires direct or converting to
internal employees

98%

average fill rate

Challenge:

With a 900% spike in travelers during the pandemic, labor costs skyrocketed at Norton Healthcare. Outsourcing to an MSP meant frequent errors, low visibility into market rates, and no direct line of sight into the movement of external candidates.

Solution:

Norton Healthcare significantly grew their internal resource pool, Norton Clinical Agency (NCA) with Hallmark. Within seven months, Norton hired 300+ new clinicians and saved \$30-40/hour on travelers while converting 30-40% of externally contracted staff to internal resources.

[Read the full case study.](#)



Get Started: Shape Your Future Staffing Model with Hallmark

With the fully integrated Internal Resource Pool (IRP)/VMS platform from Hallmark, you have two ways to manage your workforce: bring contingent labor sourcing and deployment in-house, or source talent from multiple agency partners through one channel with a vendor management system (VMS). Even better, the solutions are complementary, and Hallmark supports easy access to both through a single dashboard. To get started, you can expect a comprehensive yet efficient technology implementation process.

Hallmark Internal Resource Pool (IRP)


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Optimize and automate deployment, communication, and scheduling.
- 


Track credential competencies, ensuring “right resource, right place, right role, right time.”
- 


Drive reductions in contract labor and fill open positions.
- 


Connect with talent via a mobile device, making communication and deployment seamless and attracting gig economy workers.





 Unfilled Slots


 Available employees in next 24 hrs.

 No. of Marketplace Candidates: 10


 Bulletin Board Message


 Quick Information


 RN Utilization


 Help & Support


Hallmark VMS

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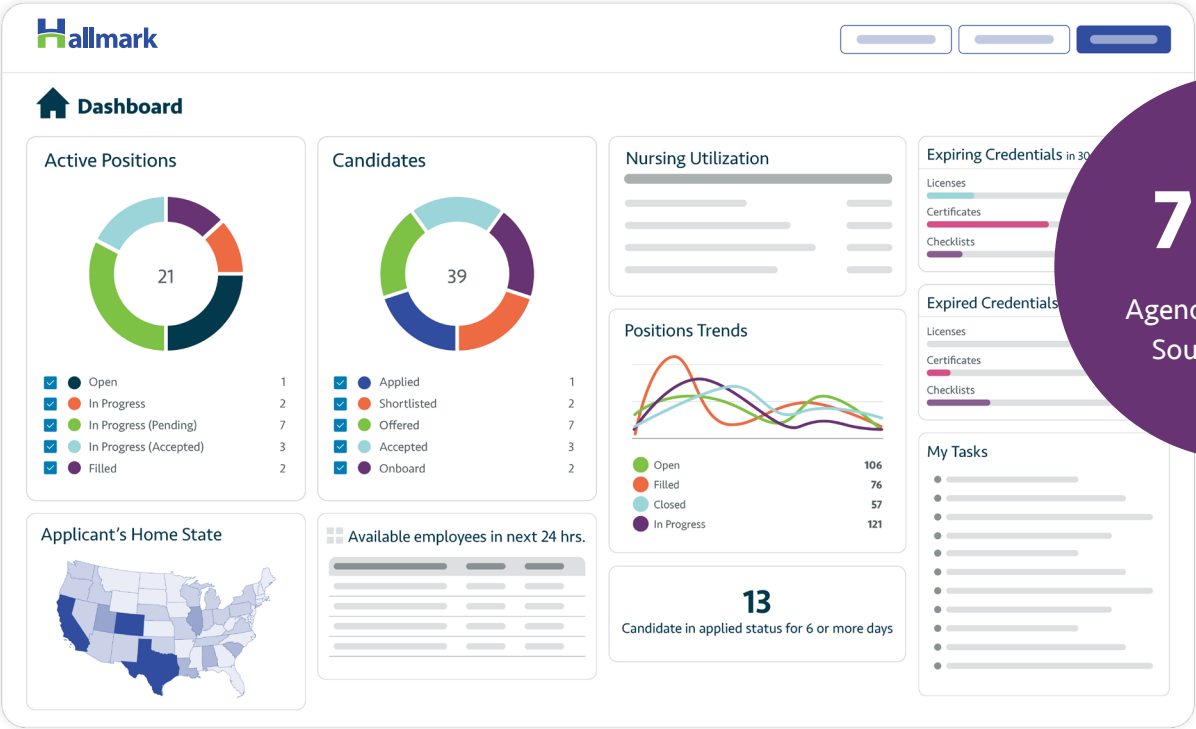
Standardize and automate day-to-day procurement and management of contract labor.
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Connect with 750+ staffing firms through one interface.
- 

Decrease costs and time-to-fill (<20 days).
- 

Increase fill rates (98%)¹.
- 

Gain transparency and control over vendor relationships, contract terms, credentialing, and rates.



750+ Agency Partners for Sourcing Talent

Whether your organization is navigating staffing challenges, aiming to reduce agency and overtime costs, or experiencing rapid growth, Hallmark can help you optimize your contingent labor management.

¹ Based on average Hallmark results for Norton Healthcare.

We welcome the opportunity to hear about your challenges. [Contact us](#), or [visit our website](#) to learn more.

Visit our website →