

## CASE STUDY

A \$6B HEALTH SYSTEM'S JOURNEY  
TO OPERATIONAL EFFICIENCY  
AND LABOR SAVINGS THROUGH  
ON DEMAND HEALTHCARE.



# Executive Summary

In the wake of the pandemic, one of the nation's largest health systems was reliant on contract labor to navigate through the crisis.

Recognizing the need for sustainable workforce efficiency, reduced contract labor spend, and balanced workforce dynamics, the health system partnered with ShiftMed to implement a tailored on-demand labor strategy that created \$85M in savings for the health system.

Through strategic utilization of on demand workers, expedited onboarding processes, seamless transitions to full-time employment, and ongoing wage normalization efforts, the health system successfully optimized staffing levels and improved patient care outcomes.

Alternative labor models, such as on demand staffing, offer flexible and efficient solutions for tackling staffing shortages and improving resource allocation within healthcare systems.

## UNDERSTANDING ON DEMAND NURSING

On demand nursing encompasses flexible staffing solutions, enabling real-time adjustments to patient demand. It addresses the challenge of meeting the increasing demand for qualified staff without straining hospital budgets.

Healthcare staffing is experiencing a shift towards alternative labor models, with on demand staffing emerging as a solution.

A survey of 130 U.S. healthcare executives found **98% actively using or exploring alternative staffing**, including third-party agencies and on demand platforms.

On demand labor operates on the principle of providing a pool of qualified professionals for short-term assignments. Technology facilitates quick connections between organizations and available workers, handling essential aspects like credential verification and compliance.

Importantly, on demand platforms typically employ healthcare professionals as W-2 employees, avoiding worker misclassification issues associated with 1099 independent contractors. This ensures a responsive, cost-effective workforce, allowing organizations to address staffing gaps, manage peak demand, and balance workforce needs with patient care.

This adaptable model offers flexible staffing solutions, real-time adjustments, cost savings, and increased operational efficiency, all working synergistically to contribute to enhanced patient care.



# Who Are On Demand Workers?

The on demand workforce encompasses a wide range of professionals with varying preferences and scheduling needs. This diversity adds richness to the pool of healthcare providers available to meet the dynamic demands of patient care. Among them are professionals holding esteemed higher-level positions at other facilities, such as Chief Nursing Officers or supervisors. These HCPs choose to work on demand at nearby facilities to leverage their skills and expertise in flexible capacities. These supervisors prefer not to work on the floor alongside the staff they oversee, thus selecting on-demand opportunities that offer them greater autonomy and flexibility in their work arrangements.

*"WE FOUND THAT WITH THE ON DEMAND WORKFORCE MODEL, WE COULD GET WORKERS IN QUICKLY, EFFICIENTLY, AND UP AND RUNNING TO FILL OUR WORKFORCE NEEDS."*

**-VP OF WORKFORCE OPTIMIZATION AT THE HEALTH SYSTEM**

## IS ON DEMAND LABOR CONSISTENT?

A common question surrounding the on demand model is "How reliable is an on demand model in filling staffing gaps?" Some wonder if it entails posting immediate shifts to be picked up the next day, akin to the process in traditional PRN pools where last-minute calls are made to fill urgent vacancies. However, the reality of the on demand model is quite different.

Rather than only reacting to immediate needs, central staffing teams can proactively identify gaps in their schedules, post shifts four to six weeks ahead of time, and manage the deployment of flexible resources that meet their fluctuating demands.

Unlike fixed assets, the on demand model offers a dynamic staffing strategy that can swiftly adjust as patient census fluctuates, ensuring optimal resource utilization and responsiveness to evolving healthcare needs.



# How Did the Health System Transition to On Demand Labor?

The health system utilized ShiftMed, the leader in on demand workforce technology. ShiftMed collaborated closely with the organization to tailor staffing solutions to their unique needs and objectives. ShiftMed developed customized strategies to optimize workforce management and improve patient care outcomes by conducting thorough assessments of staffing requirements and operational workflows.

ShiftMed seamlessly links hospitals and skilled nursing facilities with a vast pool of top-tier healthcare professionals. Through its on demand platform, ShiftMed revolutionizes the delivery of care services by providing healthcare providers with compliant and credentialed workers to meet their staffing requirements efficiently.

ShiftMed implemented a range of strategies throughout the system's facilities to address staffing challenges:

## About the Health System

- Top 25 largest U.S. health system in St. Louis, Missouri
- Dozens of hospitals
- 300+ physician offices
- Several post acute facilities
- Nearly 50,000 employees

## 1. Filling Scheduling Gaps

- Understanding the importance of promptly covering scheduling gaps, advanced algorithms and predictive analytics were used to forecast staffing needs accurately. By analyzing historical data and real-time trends, ShiftMed's platform, complete with API integration into their existing systems, anticipated demand and adjusted staffing levels accordingly.
- This approach minimized the need for costly incentives by maintaining a robust pool of qualified workers available to fill shifts at short notice. Leveraging ShiftMed's scheduling algorithms, available workers were matched with open shifts based on skillset, proximity, and availability, ensuring optimal coverage without resorting to expensive last-minute incentives.
- The health system benefited from real-time visibility into staffing gaps and projected demand, allowing for proactive management of scheduling needs, preventing bed closures and maintaining appropriate staffing levels to improve patient care outcomes.

## 2. Strategic Utilization of On Demand Workers

- Implementing on demand staffing at facilities involved strategic workforce planning to optimize resource allocation and minimize costs. By analyzing data on shift patterns, patient volumes, and historical staffing trends, opportunities to deploy on demand workers strategically were identified, reducing reliance on costly temporary staffing agencies.
- Through targeted recruitment efforts and ongoing performance monitoring, a pool of highly skilled and reliable on demand workers was curated, ensuring access to top talent when needed most. This strategic approach improved staffing flexibility and contributed to long-term cost savings by reducing reliance on expensive agency contracts.

### The Health System's Goals

- Long-term Workforce Efficiency: Implement on demand labor strategies to achieve sustainable workforce efficiency.
- Reduced Contract Labor Spend: Decrease reliance on costly contract labor and optimize resource allocation.
- Balanced Workforce Dynamics: Align workforce capacity with patient care needs to ensure optimal staffing levels across facilities.



*"UTILIZING AN ON DEMAND MODEL ACROSS OUR FACILITIES DEMONSTRATES OUR DEDICATION TO ADAPTING TO EVOLVING WORKFORCE NEEDS. IT SIGNIFIES OUR COMMITMENT TO CULTIVATING A PREMIER CULTURE AND EMPLOYEE EXPERIENCE."*

**-VP OF NURSING OPERATIONS AT THE HEALTH SYSTEM**

### 3. Flexible Scheduling Options

- Recognizing the diverse needs of both health systems and workers, a range of flexible scheduling options beyond traditional 12-hour shifts were offered. By allowing healthcare workers to customize their schedules based on personal preferences and availability, job satisfaction and retention rates were enhanced.
- Shorter shifts and “urgent shifts” in response to immediate staffing needs provided greater flexibility in managing fluctuating patient volumes. This ensured quick adaptation to changing demand patterns, maintaining optimal staffing levels without overburdening workers with lengthy shifts or excessive overtime.

### 4. Expedited Onboarding

- Streamlined processes and automated workflows were developed to expedite the integration of 1,500+ ShiftMed staff members into the health system. ShiftMed’s digital credential storage reduced administrative burden and minimized downtime between hiring and deployment.
- Key tasks such as background checks, credential verification, and training compliance were automated, ensuring that new hires were fully prepared to start work from day one. This enhanced patient safety and operational efficiency.
- Ongoing support and training to on demand workers throughout the onboarding process ensured that new hires were set up for success and able to contribute effectively to patient care.



#### The Results

- \$85 million in savings
- 30-40 on demand HCPs transition to employment monthly
- 1,500+ HCP’s onboarded
- On demand, full-time equivalent workers 5% of workforce across facilities

## 5. Seamless Transition to Full-Time Employment

- ShiftMed facilitated a smooth transition process for on demand workers interested in transitioning to full-time roles within the health system. By providing clear pathways and support for career advancement, ShiftMed empowered workers to pursue long-term opportunities within the organization. Up to 40 on demand HCPs transition to full-time employment with the health system each quarter.
- Comprehensive training and development programs were offered to on demand workers seeking full-time employment, ensuring they had the necessary skills and qualifications to excel in their new roles. This investment in professional growth fostered a culture of continuous learning and development.

## 6. Wage Normalization

ShiftMed prioritized fair and equitable compensation, aligning wages with industry standards and local markets. This commitment extends to ongoing efforts for guaranteed wage normalization, ensuring that the health system received top talent at competitive rates. The average on demand bill rate, approximately \$25 less per hour than other temporary labor options, underscores the cost-effectiveness and value proposition of this model.

Ongoing monitoring and adjustment of wage rates in response to market dynamics and changing demand patterns were conducted to maintain competitiveness and retain top talent.



*"SHIFTMED'S TECHNOLOGY TRANSFORMED SCHEDULING FOR OUR FACILITY AND CARE PROVIDERS. IT STREAMLINES PROCESSES, ENSURING EFFICIENT RESOURCE ALLOCATION TO MEET BOTH SHORT AND LONG-TERM NEEDS, OPTIMIZING STAFFING LEVELS AND ENHANCING OVERALL OPERATIONAL EFFICIENCY."*

**-SENIOR DIRECTOR OF STRATEGIC WORKFORCE OPERATIONS AT THE HEALTH SYSTEM**



By leveraging ShiftMed's expertise and technology, hospitals and health systems can unlock opportunities for cost savings, improved patient care outcomes, and enhanced workforce satisfaction.

To learn more about ShiftMed, visit [ShiftMed.com](https://www.shiftmed.com).