

CASE STUDY

From Travelers to Team: 10x Growth in Internal Staffing

A health system's blueprint for reducing agency spend and building a sustainable workforce

Challenge: With a 900% spike in travelers during the pandemic, labor costs skyrocketed at one 400-location health system. Workforce management was slow and manual, making it difficult to control rates and successfully recruit new clinicians. 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: Powered by Hallmark, This system significantly grew their Internal Float Pool. In 2021 the health system partnered with Hallmark to insource procurement of contract labor and optimize staffing within their organization. Hallmark's Agency Marketplace equips them to source and deploy external contract labor directly while controlling and flexing rates while their Internal Float Pool enables an innovative approach to quickly operationalize, grow, and scale their program. It attracts contingent resources from external travelers to local per diem candidates. App-enabled connectivity supports hiring, scheduling, and deploying resources with real-time transparency and updates.

Results: Within seven months, health system hired 300+ new clinicians and saved \$30-40/hour on travelers while converting 30-40% of externally contracted staff to internal resources. Their labor market expanded, fill rates increased, and patient ratios improved. By mid-2022, they were starting 20+ nurses/week, flexing rates with real-time feedback, and saving significant time with smart automation.

Insourcing Labor Management: Breaking Free of the MSP

This Kentucky-based system encountered unprecedented reliance on traveling clinicians during the pandemic, with the number of travelers rising from roughly 50 to 500 at its peak. Because they used a managed service provider (MSP), high mark-ups and poor visibility made it impossible for the organization to fully assess and take command of the situation. They lacked a direct line of sight into labor resources, utilization, and rates – and MSP overcharges were common, requiring meticulous oversight. With labor spend constituting well over half their operating costs, leaders knew they needed a better way.

“Insourcing labor management was key to gaining the visibility we needed, so we decided we had to replace our MSP with a robust technology platform,” said their, Director of Clinical Agency. “Fortunately, we found everything we needed in Hallmark.”

The contingent labor platforms powered by Hallmark, are specifically designed to help healthcare organizations build an internal agency and manage external contingent labor more effectively. By deploying Hallmark’s Internal Float Pool and Agency Marketplace in tandem, the system saw immediate gains, including:

\$30-40/hour savings

on wages for travel clinicians

300+ hires

direct or converting to internal employees

98% average fill rate

“We are dealing with people’s lives, so being staffed appropriately is paramount. It gives me a lot of comfort that Hallmark has propelled us in the right direction.”

— Senior Vice President of Operations, Hallmark Client





“With the MSP, we didn’t have a direct line of sight into subcontracted vendors or direct communication with candidates, so there were a lot of layers in the process. Hallmark enables us to have one process overall and the ability to communicate individually with each vendor.”

— Director, Clinical Agency

Regaining Rate Control

With advanced flexibility and visibility made possible by Hallmark, the team can easily flex their rates up or down to meet (but not exceed) market demands. In addition to rate information provided regularly through the contingent labor cloud-based platform, The Director of their internal clinical agency and their team can see real-time candidate submissions and change rates immediately if there’s not enough or too much interest at the posted rate.

Altogether, the system’s average hourly rates for clinicians fell by 24% in 2022 alone. Thanks to Hallmark, they are well-equipped to avoid both overpaying (and losing money) and underpaying (and losing candidates). That’s a remarkable upgrade from their former model, in which the Director of their internal clinical agency said they had to simply “trust” the MSP to let them know when rates were over or under the market norm.

“The problem with MSPs is that they have skin in the game – their primary goal is to gain more contracts, not ensure our rates are right where they should be,” said one leader, a dynamic that others described as a lack of alignment between the organization’s strategic goals and the MSP’s. “By contrast, Hallmark’s technology is completely vendor-neutral, so we get non-biased data to inform our decisions.”

Converting Travelers to Internal Employees

The system estimates that around one-third of their 300+ hires that entered the system as external travelers became part of their internal float pool – and Hallmark was the engine that helped drive that success.

When a traveler with good performance is about to leave their system, the organization is having great success bringing them on as float staff (and saving \$30-40/hour on their rate in the process). “Hallmark has been a key player in our ability to grow our labor pool,” says one member of the team. “People in other states now apply to be float staff, so we’ve become very competitive and even expanded our labor market from local pools to the whole country.”

Hallmark’s Internal Float Pool has also allowed them to quickly grow an internal pool of contingent workers. This has helped them curb the flight risk by nurses and staff who are drawn to the freedom of gig-style staffing that agencies offer. Leadership reports: “We’re growing by leaps and bounds, which is highly unusual in the market. We are making great strides in minimizing external labor and maximizing internal labor.”



Advanced Communication, Reporting & Integrations

With its unique functionalities that include automated two-way communication and a convenient mobile app, Hallmark's Internal Float Pool enables the organization's internal resources to self-schedule with ease. That's a win for the employees, who enjoy the freedom to see and pick up shifts on the go. It's also a win for administrators, who no longer have to smile-and-dial for on-demand shift fulfillment.

"It's crucial that our team has access to both Agency Marketplace and Internal Float Pool because it enables simplified reporting," said one leader, who appreciates that the contingent labor platform is adaptable to accommodate unique organizational needs, preferences, and processes. "Reporting used to be a huge undertaking because it was all manual. But with this technology, it's simple and fast – even down to the cost center level – and we can easily generate individual facility reports."

Additionally, the Agency Marketplace integrates seamlessly with other software platforms, including Kronos timekeeping software, which has freed the system's team from countless hours of manual oversight. "Hallmark's contingent labor platform is the first and only platform we've used that interfaces with Kronos, and it makes us much more efficient," says one leader, adding that invoicing used to take a full day because it was manual and errors were common. "Now, it only takes 30-60 minutes, and I'm fully confident that time pulls correctly, and invoices are accurate."

Optimal Operational Gains

Between the high-performing technology, the real-time reporting functionality, and the app-enabled communication, a small team of only three administrators has been able to handle all openings themselves, even during spikes of hundreds of travelers.

"Having additional clinical staff at the bedside – particularly those who understand our culture, values, mission, and ways of doing things at this organization – is the primary operational benefit for our health system as a whole," said the Senior Vice President of Operations. "And for our nurse leaders and clinical staffing team in charge of recruitment, procurement, and deployment, the ability to expand our Internal Float Pool using Hallmark's contingent labor technology has had a very positive impact on their day-to-day operations."

Some of those efficiency gains come from the support this system receives from the Hallmark team. In addition to supporting the build and implementation of the internal agency model, Hallmark's technology is highly responsive, circulating weekly hot jobs lists and often contacting vendors directly on their behalf to ensure their needs are fulfilled.

"Without a doubt, one of the biggest benefits is knowing we have a true partner in Hallmark – genuine experts who understand our needs and objectives, and how to meet them."

— Senior Vice President of Operations.





Healthcare Workforce Technology

At Hallmark, we partner with healthcare organizations to overcome their labor-related challenges. From talent sourcing and deployment to provider compensation and contracting, our workforce management platform unlocks essential data, improves access to talent, drives operational efficiency, and delivers substantial cost savings. Through our unique blend of technology, strategy, service, and partnership, we empower healthcare organizations to focus on their core purpose: lifesaving patient care.