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SEPT. 18–21, 2023
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Driving Operational Value to Address the Healthcare Workforce Crisis

Casey Williams, MIE, BSIE, Staffing Optimization Engineer

**Alex Jofriet, MHA, Business Operations and Strategy Associate, Office of President and COO
Duke University Hospital, Durham, NC**

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**Andrew S. Maze, BSB, Director of Sourcing Purchased Service and Laboratory  
Providence Health and Services, Renton, Wash.**

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# Learning Objectives

- Outline processes to reduce contract labor costs without compromising quality patient care and employee well-being.
- Identify key approaches to sourcing third party staffing and managing bill rates in a limited supply market.
- Explain the value of cross-organizational partnership to develop holistic staffing solutions.

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# Driving Operational Value to Address the Healthcare Workforce Crisis

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Creating Traveler Standard Work to Promote Cost Reduction

Casey Williams, MIE, BSIE

Staffing Optimization Engineer, Duke University Health System, Durham, NC

Alex Jofriet, MHA

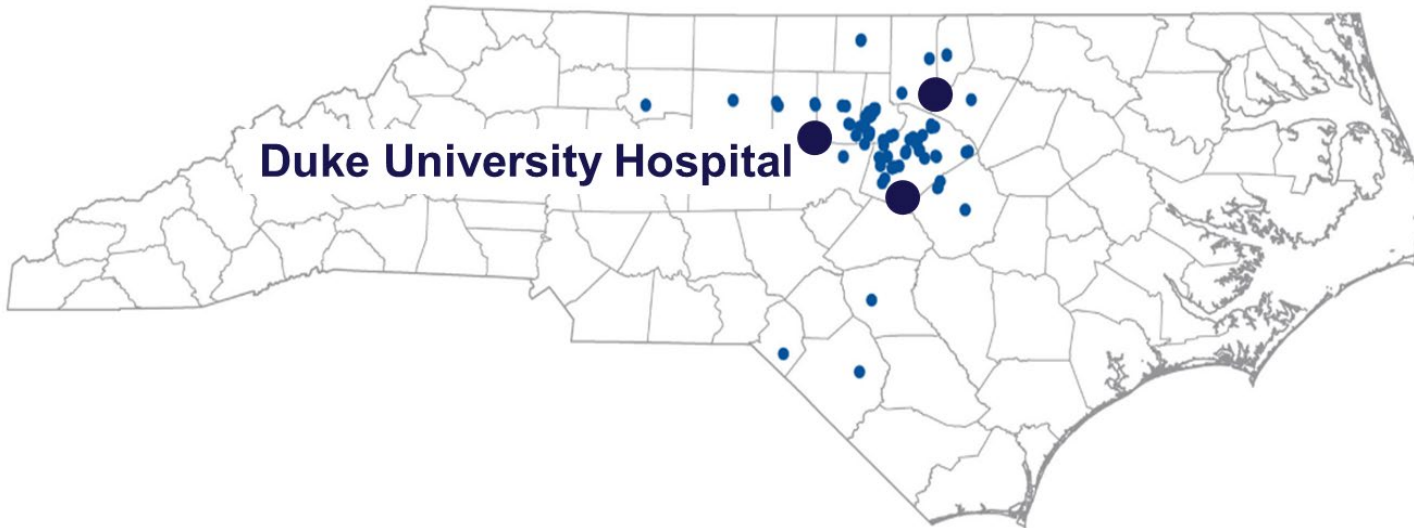
Business Operations and Strategy Associate Office of President and COO,
Duke University Hospital, Durham, NC

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Duke Health and Duke University Hospital

DUH FY23 Key Statistics



1,062
Licensed Beds

51
Operating Rooms

47,000+
Inpatient
Admissions

630,000+
Outpatient
Visits

39,000+
Surgical Cases

75,000+
ED Visits

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Situation



536 RN Travelers

In October 2022 (historical peak)



\$9M/month

Spend on RN travelers in October 2022 (770% over budget)



Reduce

The charge given to our team in October 2022

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Problems Identified



Data Visibility

Limited visibility for frontline leaders to visualize the extent of travelers within Duke Health



Standard Work

No checks & balances to identify traveler need and approve incoming traveler requests

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Data Visibility

Based on feedback from our frontline team members it was determined the right tool would:

1

Name-Level Detail

Traveler name, start & end dates, rate of pay

2

Current State

Current traveler use in each service line & unit

3

Future State

Forecasting based on current & new contracts

4

Cap Monitoring

Understanding current & future gaps to target

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Data Visibility – Dashboard Solution

Traveler List | Contract List | Executive Summary | Traveler Headcount | DUH RN Cap Monitoring | Gantt by Unit | Gantt by Traveler

Duke Health
Performance Services

DUHS Contracts Detail
Traveler List

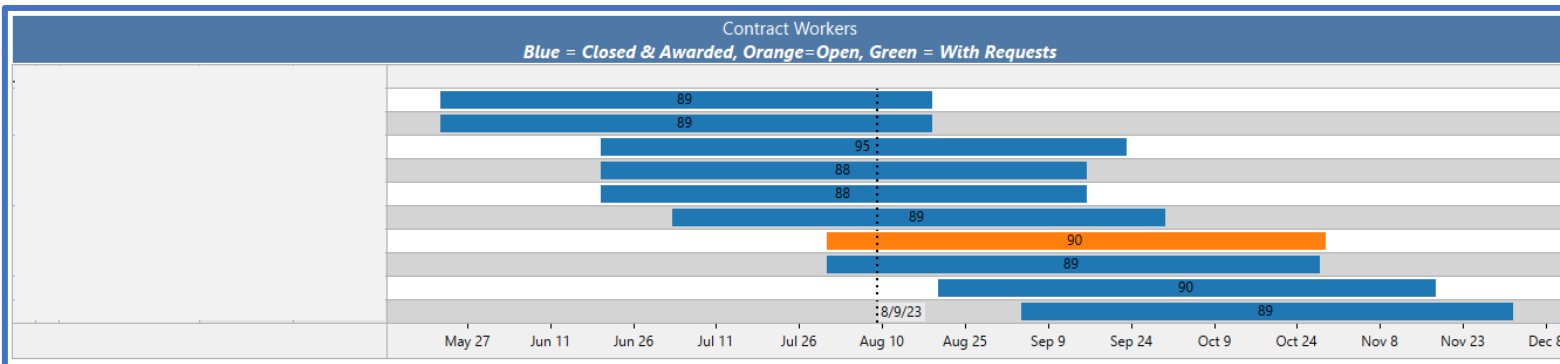
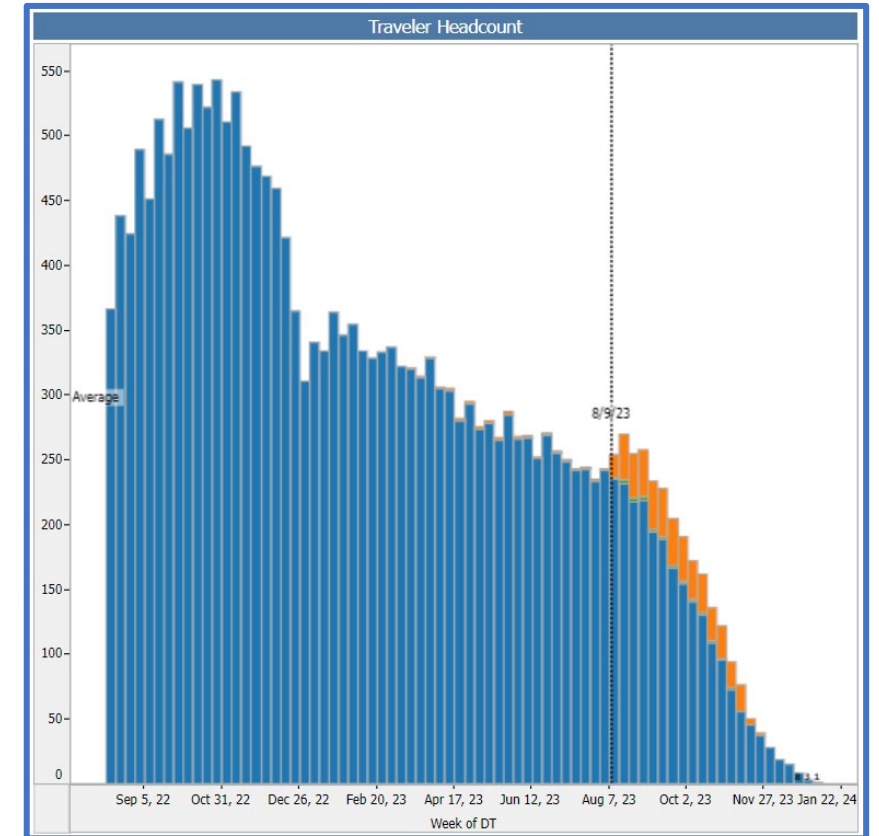
Data Updated 8/9/2023 9:25:44 AM
Dashboard Last Revised 8/1/23

Entity: (Multiple values) | CSU/Area: DUH Perioperative Services | Cost Center: 306030018 - OR - ORT | Position Type: (Multiple values) | Active Contract: (Multiple values) | Contract Status: (All) | Name: (All) | Multiple Contracts Flag: (All) | External vs Internal: External Travelers

Total Travelers In-House (current traveler headcount)	Total Open LMCs (can be filled by new or renewal)	Total RN "Cap" (DUH Only) (By filters & current contracts)	Projected Headcount by 8/31 (Today+starting by 8/31-ending by 8/31)	Projected Headcount by 9/30 (Today+starting by 9/30-ending by 9/30)	Projected Headcount by 10/31 (Today+starting by 10/31-ending by 10/31)
7	1	7	6	3	1

Worker Line Item

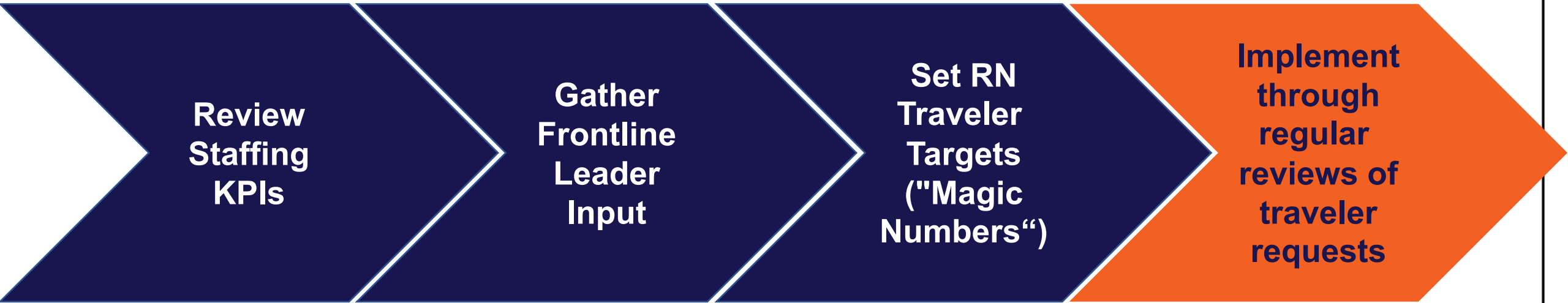
Name	Position Type	CSU/Area	Cost Center Unit	Active Contract	Contract ID	LMC ID	Rate	Start Date	End Date	Length
	TRVL RN	DUH Perioperative Services	306030018 - OR - ORT	ACTIVE	280225	402391943		6/20/23	9/23/23	95
	RN - OR Nurse	DUH Perioperative Services	306030018 - OR - ORT	ACTIVE	278461	40238094		6/20/23	9/16/23	88
	RN - OR Nurse	DUH Perioperative Services	306030018 - OR - ORT	ACTIVE	270614	402357428		5/22/23	8/19/23	89
	TRVL RN	DUH Perioperative Services	306030018 - OR - ORT	NOT STARTED	287654	402426515		8/20/23	11/18/23	90
	RN - OR Nurse	DUH Perioperative Services	306030018 - OR - ORT	ACTIVE	275030	402371592		6/20/23	9/16/23	88
	RN - OR Nurse	DUH Perioperative Services	306030018 - OR - ORT	ACTIVE	284720	402412308		7/31/23	10/28/23	89



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Standard Work



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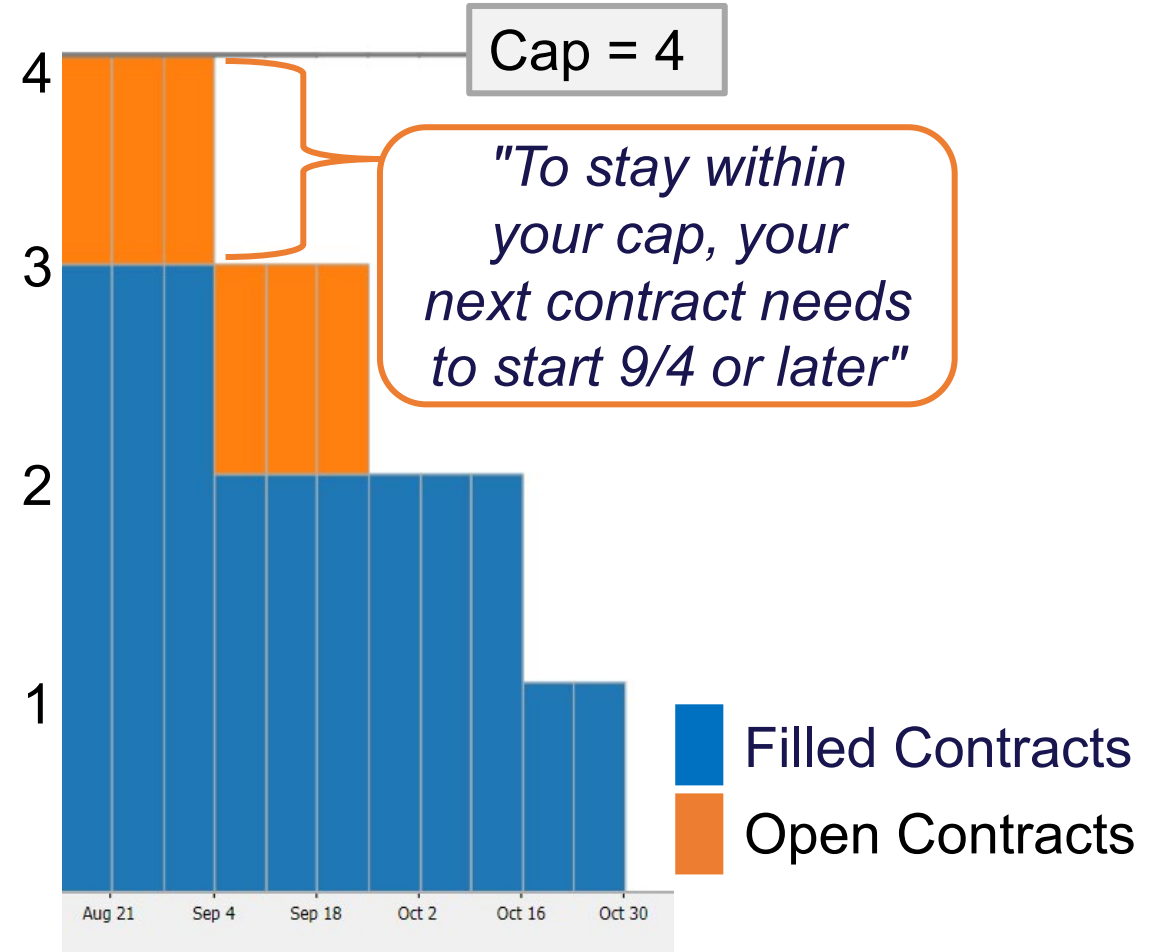
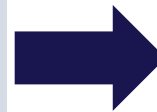
Standard Work – Management Solution

Weekly Reviews

Every Thursday, the approval team compares new traveler requests to the area's current and future traveler contracts

Bi-Monthly Reviews

Every few months, the caps are either edited or set by re-evaluating labor KPIs and looking at current traveler use



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Results



\$27M

Cost Reduction

Without this intervention, we would have spent an additional \$27 million on RN travelers in Fiscal Year 2023



57%

RN Traveler Reduction

Duke University Hospital went from 536 RN travelers in October 2022 to 233 RN travelers in August 2023

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Lessons Learned



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Key Takeaways

Understand
Current
State

Ensure
Visibility

Get Frontline
Involvement

Build
Appropriate
Targets

Continuous
Improvement

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Questions?



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Developing an Agency Transformation Strategy to Address the Healthcare Workforce Crisis

Mark Smith, MS IOP, BAEB, Executive Leader Insights Optimization and Staffing, Providence

Katie LeBlanc, MBA, Vice President, Strategy and Partnerships, Providence

Andrew Maze, BSB, Director of Sourcing Purchased Service and Lab, Providence

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Mission of Providence

In all we do, we are grounded in **OUR MISSION, VALUES, VISION, AND PROMISE**



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Providence's Vision of Health for All



117K

Caregivers



36K

Nurses



34K

Physicians



\$2.1b

Community Benefit



51

Hospitals



1000

Clinics



28.5m

Total Patient Visits



2.6m

Covered Lives



1700+

Published Research
Studies



1

Health Plan



17

Supportive Housing
Facilities



High School, Nursing
Schools & University

Internal database: Providence Health and Services

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Setting the Stage

- Nursing/ staffing shortages already present prior to pandemic
- Rapid escalation of agency spend exacerbated by the COVID19 pandemic, which increased demand
- Average system spend pre pandemic was approx. \$450M annually. Over the pandemic, spend raised to nearly \$1B annually which is > 100% increase
- Spend increased due to escalated bill rates required to secure providers assignment and higher utilization of agency labor
- Unprecedented staffing conditions never seen in healthcare
- Material impact to core staff engagement
- Increased Leave of Absence (LOA)
- Increased Burnout and Increased Retirement
- Demand for travelers grew to 3-4 times the available national supply



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Setting the Stage – Agency Impact on Healthcare

Staffing firms up the ante on market-competitive pay and talent availability as the demand for nurse/allied travelers has increased

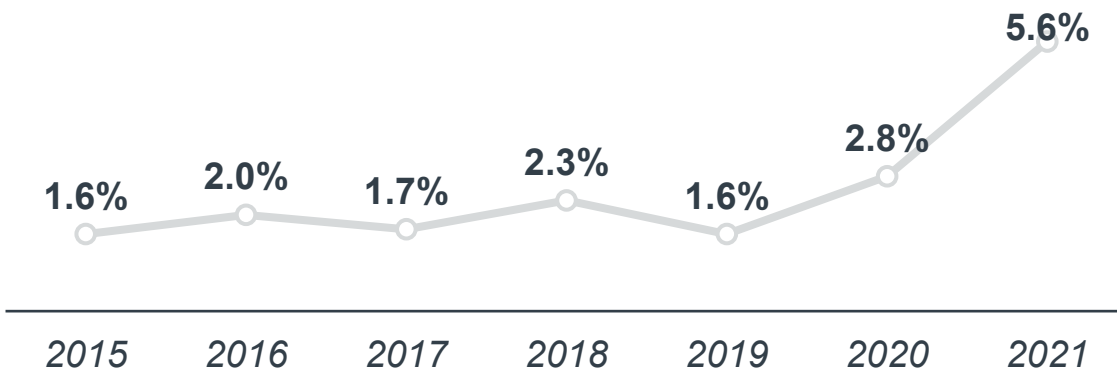
DATA SPOTLIGHT

67%

Surge in advertised pay rate for travel nurses between 2020 to 2022

Total agency labor & traveling labor expense as a percentage of payroll

n=143 provider organizations, FY2021 median



Healthcare Occupations with Projected Supply Gaps Through 2025

Occupation	Growth	Expected Gap
Registered Nurse	14%	-2,100,000
Home Health Aide	16%	-446,300
Nursing Assistant	16%	-95,000
Medical Lab Technologist	13%	-58,700
Medical Lab Technician	18%	-40,000
Medical Assistant	29%	-132,000
Nurse Practitioner	30%	-29,400
Physicians & Surgeons	16%	-11,000

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Workforce | Impact on Healthcare

Major industry trends are prompting health systems to change the way they work

1 Care delivery will look different – both in nature and location

Healthcare will orient more around homes and communities than large physical plants. Remote work promoted a shift out of the largest cities, impacting where healthcare is demanded. The number of nurse/ allied travelers has increased

2 Demand for talent is rising

The healthcare industry anticipates 30% job growth into 2030. Use of agency will be essential to support growth.

3 Jobs will be both gained and lost

Even with pre-pandemic technologies, 36% of activities in healthcare had potential for automation. Care giving and technology roles may rise, while admin roles may decline

4 Proactive skill-building will be essential

Roles that remain will require more technical and social and emotional skills

5 The current workforce is at risk

Continued stress imposed on healthcare workers have led to increase in early retirements. Roughly 30% of healthcare workers consider leaving the profession due to the pandemic¹

6 Virtual/remote is here to stay

25% of the workforce in healthcare could work from home more than 1 day per week

1. Based on Washington Post-Kaiser Family Foundation poll of 1,327 US healthcare workers in Q1 2021

2. Source: McKinsey Global Institute analysis

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Approach to Agency Transformation



Call to action: Build a strategic framework for assessing, transforming, and managing our agency investment and apply programmatic controls across the health system that help to build sustainability.

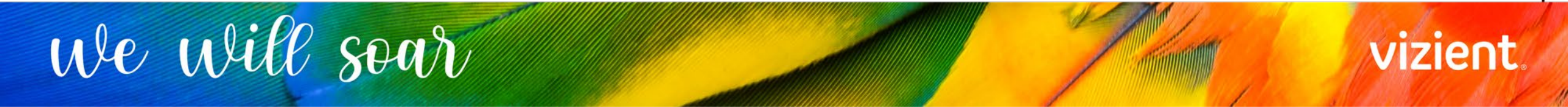
An Agency Transformation project of this scale requires a dedicated team that can diagnose issues and develop a vision for change.

Team Leads:

- **Office of CNO:** Julie Hilsenbeck DNS, RN, AVP, Nursing Clinical Operations
- **HR:** Mark Smith, MS IOP, BAEB, Executive Leader Insights Optimization and Staffing
- **Corporate Development:** Katie LeBlanc, MBA, Vice President, Strategy and Partnerships
- **Strategic Sourcing (REH):** Andrew Maze, BSB, Director of Sourcing Purchased Service and Lab

Essential high-level components of design

- Align
- Review/ assess
- Recommend
- Approve
- Implement



Workforce | Building the future state design

We set out to manage agency vs being managed by agency.

Commercial Grade
Services Capability

Integrated
Management

Platform (Prov VMS)

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Lessons Learned

Key Assessment Categories

Operational Alignment/ Experience

- Variation in the way agency is being managed
- Variation in credentialing processes
- Variation in Invoice and timecard confirmation approval and disputes
- Leaders did not have insights required to properly manage their operation due to fragmentation (Flying blind)

Vendors

- 4 primary Managed Service Providers (MSPs) Multiple direct vendors
- Hundreds of direct vendors offering a variety of services with desperate contract terms and conditions
- Several vendors actively prompting bill rate escalations creating significant financial impact

Supply/ Demand Mgmt. & Analytics

- No centralized VMS being used across the system to manage supply flow and supplier consolidation
- Unstandardized process in the way suppliers are added and managed.
- Significant supply constraints and poor/ inconstant analytics requiring multi report aggregation
- Analytics are primarily spread sheet driven vs automated through business intelligence

Rate Management

- Multiple Bill Rates across suppliers
- Consistent Bill Rate escalation driven by COVID19 Pandemic and workforce Crisis
- Proper controls for Bill Rate approvals and changes.

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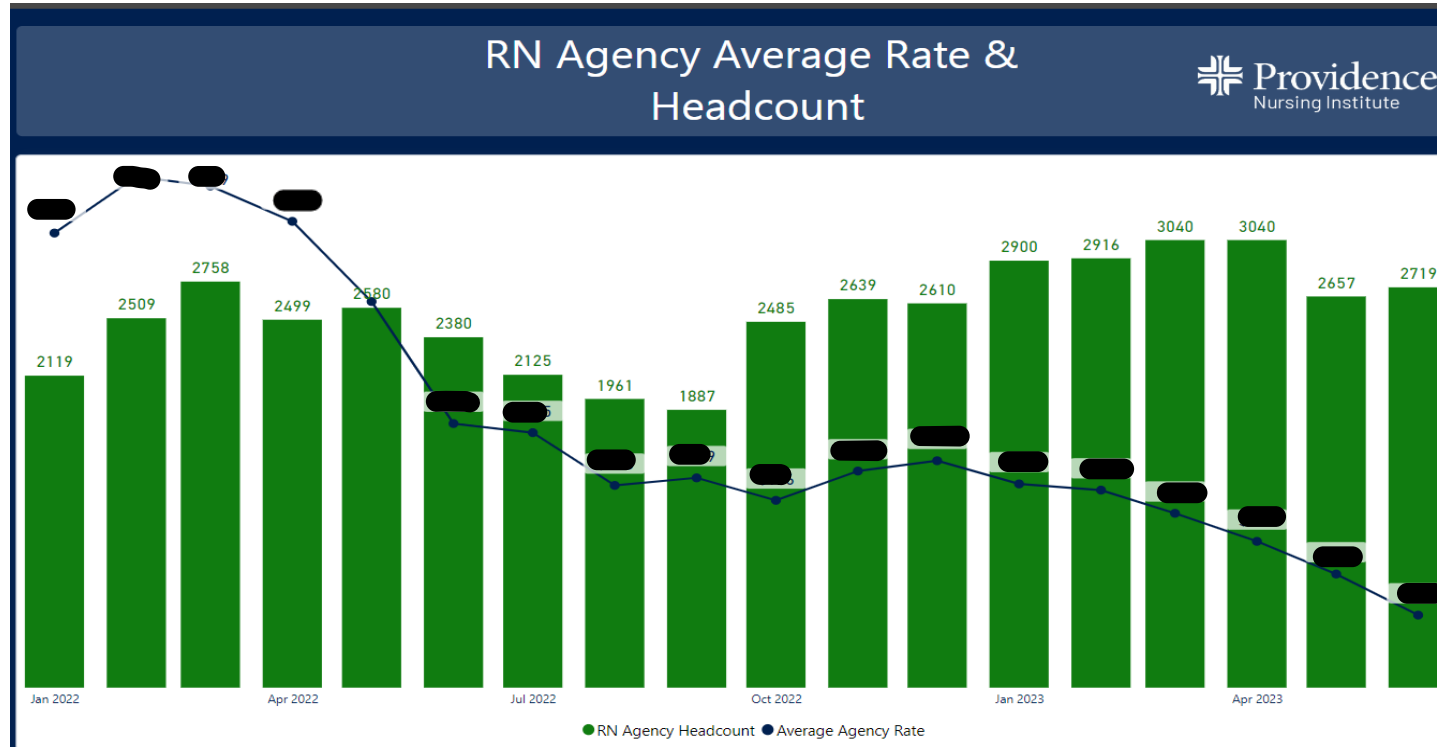
Key Takeaways

- Integrated management required to effectively standardize process and data for contingent workers at scale and for the future
- Common VMS platform required to enable enterprise reporting & management across Divisions/LOBs/clients
- Enhanced capabilities in support of the agency conversion strategy is essential (e.g. Strategic Project Management)
- Standardized insights to inform staffing and experience
- Centralized vendor management oversight powered by VMS (e.g. bill rate and credentialing management)
- IT resourced required to automate timekeeping to billing (e.g., VMS, Kronos, Oracle Cloud)
- Stakeholder governance to reinforce collaborative decision making

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Key Take Aways Continued



- Due to concerted efforts made by our CNOs and staffing offices, RN has seen a significant decrease in bill rate averages across all specialty types.
- Rate decrease represents 33.33% decline from what we paid during the pandemic
- Average monthly usage has sustained and slightly trended upwards given the continued strain on supply and core staff availability.

Rate averages have been redacted from table due to confidentiality

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Future Expansion to the Prov VMS Capabilities

Standard VMS

- Travel (Nurse/ Allied)
- Per Diem (Nurse/ Allied)
- MSP
- Analytics/ Rate intelligence

Evolved VMS

- Travel
- Per Diem
- MSP
- Non-Clinical/ Share Services
- Strategic RPO/ Direct Hire
- Gig
- Full App Enablement
- Marketplace
- End to End Integration with Adjacent Systems
- Analytics/ Rate Intelligence

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Questions?



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Panel Discussion

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