CASE STUDY

ACADIA HEALTHCARE | HWL

Standardizing Locum Staffing:

Better Fill Rates, Lower Costs

ABOUT ACADIA HEALTHCARE

With more than 18,000 beds in 40 states, Acadia Healthcare provides behavioral health and addiction treatment services to patients in a variety of settings, from inpatient psychiatric hospitals and residential treatment centers, to outpatient clinics and therapeutic school-based programs.

586
Behavioral Health Facilities across

40 States
Puerto Rico, and the United Kingdom

18,000
Beds

80
Locum Tenens Providers per Year

THE SITUATION

When Ron Mays signed on to be the interim CEO of Riverwood Behavioral Hospital and Desert Hills Behavioral Hospital, he didn't expect "sourcing locums" to be part of the job description, but that's exactly how he found himself spending a good deal of time. The facilities' physician recruiters focused on hiring full-time staff, but it fell to him to find temporary replacements for providers taking time off, or to fill in while the facility looked for someone permanent. As the CEO, he was the one with the authority to negotiate rates and contracts with locum agencies. So, that's what he did--at his own discretion and without any direction from the operating company, Acadia Healthcare.

Was Mays paying a competitive market rate for locums? How did his spend compare to that of other facilities? Were the contracts he signed putting his facilities (and Acadia) at risk? He really couldn't say--and neither could the Acadia corporate office. They had no process to track the locum activities of Acadia's 586 facilities.

Behavioral health providers are consistently one of the most in-demand locum specialties across the nation. So it's no surprise that managing locum tenens was an ongoing task for CEOs throughout Acadia's network. Each facility worked with only a few locum agencies individually. As a result, the contract terms varied by agency, the rates they paid were not always competitive, time to fill was dismal, and candidate screening questions were inconsistent. With no consolidation, the individual facilities couldn't leverage overall spend to negotiate better contracts.

As the Acadia network continued to grow, the lack of process for locum staffing became increasingly problematic--and costly. Locum providers were a multi-million dollar expense for Acadia, and yet, they had no structure or process to manage it.

KEY CHALLENGES

- Persistent need to find temporary behavioral health specialists at the individual facilities
- Facilities unable to leverage the power of corporate spend in dealing with local and regional locum vendors
- Without standard contracts, rates, and candidate pre-screening, facilities were taking on unnecessary risk, paying too much for locums, and accepting locum providers who may not meet corporate standards

GOAL

- To reduce locum tenens costs, assure provider quality, and improve vacancy fill rates.

HWL IN ACTION: IMPLEMENTATION STEPS

- **EVALUATE VENDORS:** Used advanced data analytics to determine which current vendors were in Acadia's best interest to continue relationships.
- **CONTRACT AGENCIES:** Developed, distributed and executed standard agreements with all vendors qualified to provide locum tenens services to Acadia facilities.
- **ESTABLISH PRE-SCREENING STANDARDS:** Created requirements for initial candidate screenings to be conducted by agencies.
- **CONFIGURE VMS:** HWL customized the VMS for each facility and cost center to maximize local and regional market dynamics.
- **TRAIN VENDORS:** Trained each contracted locum agency on how to use the VMS to identify Acadia's needs and submit qualified candidates.
- **PROGRAM MANAGEMENT:** Acadia's dedicated HWL Account Manger coordinates all aspects of ongoing, day-to-day program oversight and support for facility CEOs and corporate program managers including account management, supplier management and invoicing support. The team also works to expand and refine the vendor panel as needed.

THE SOLUTION

Acadia partnered with Healthcare Workforce Logistics (HWL) to develop an efficient process for managing their locum program. HWL's Locum Tenens Managed Services Program (MSP) includes a customized Vendor Management System (VMS) configured to Acadia's needs.

HWL was uniquely qualified to solve Acadia's problem because of their next-generation technology and their deep experience in locum physician staffing. Additionally, HWL's robust technology development team customized the VMS to meet Acadia's needs.

After identifying and contracting with the most qualified locum agencies, HWL configured the VMS and trained vendors on how to use it. The technology supports an open marketplace sourcing process which gives all locum agencies an equal opportunity to fill orders at a market rate with no fear of candidate poaching.

The dedicated HWL Account Manager directs the contracted vendors through the VMS. Facility CEOs can also use the VMS system to negotiate ad hoc rates within established rate parameters. Additionally, the workflow protects CEOs from agency marketing and solicitation, passing through only critical communication pertaining to candidate management.

> "We appreciate the value of the HWL system to work on Acadia job openings. It saves time and gives us the ability to quickly fill openings. We see more opportunities in real time. It also speeds up the paperwork process before and after each placement."

Dennis Beaupre, Senior Staffing Consultant at Wellhart, a nationwide locum tenens staffing agency

> "Healthcare Workforce Logistics simplified the locum recruitment process through their online system. It allows us to efficiently fill open locum requisitions with high-quality, pre-screened candidates."

Ron Mays, Interim CEO, Riverwoods Behavioral Hospital and Desert Hills Behavioral Hospital

THE RESULTS

- **99% fill rate** on orders since HWL Program Launch
- **Improved time** to present candidate to less than 1 day
- **Significantly improved** time to fill
- **Decreased locum** spending by more than 50%
- **Improved quality** of locums staff
- **Total transparency** into locum usage and spending

The HWL Locum Tenens MSP solution launched in June of 2017. With more than 25 vendors engaged as locum suppliers, the fill rate at Acadia facilities quickly rose to 99% and maintains at that level. The new protocol for candidate screening ensures a consistent quality of locum providers.

In addition to the impressive fill rate, Taft Brown, Vice President of Talent Acquisition for Acadia, estimates that the HWL Locum MSP has cut Acadia's spending on locum providers by more than half. "The results have exceeded our expectations" said Taft, and "we have achieved them by streamlining our processes and using the real-time data from the VMS." He explains, "When there is a need for a locum, the CEO makes one phone call to the dedicated HWL Account Manager and she takes care of everything from agency outreach to provider onboarding. Costs are down, fill rates are up and the quality of staff is always consistent."

The technology platform has provided visibility and metrics that are actionable. "For example, we use a weekly report from the system to focus our physician recruitment efforts in the markets where we have facilities using locums, which reduces lengths of assignments and lowers spend on locums."

"The incredible thing," Brown continues, "is that the service comes at no cost to Acadia." HWL uses an industry standard supplier-funded model which allows health systems to implement the solution with no out-of-pocket capital expenditures. "There's really no downside," Brown says.

Facility CEOs like Ron Mays no longer have to waste time and effort dealing with locum agencies. Mays explains, "Healthcare Workforce Logistics simplified the locum recruitment process through their online system. It allows us to efficiently fill open locum requisitions with high-quality, pre-screened candidates."

Mays and other Acadia CEOs can get back to the business of running their facilities, leaving the task of locum recruitment to HWL's Locum MSP.

> "Our solution is flexible and we customize it to meet the needs of each individual client. If a health system simply wants technology, we are happy to license our VMS so that they benefit from a more efficient process and greater transparency. For those who need more support in day to day staffing operations, we offer resources to accommodate that need."

Jonathan Ward, HWL President

EVERYONE BENEFITS

FACILITIES

Prior to HWL, individual facilities in our system may have had one or two locums agencies trying to fill their vacancies. The VMS gives facilities the ability to choose from more than 25 national and regional HWL contracted vendors and to select those vendors they wish to place orders through. This creates greater competition which results in better time to fill rates. Additionally, the consistent pre-screening process ensures higher quality locum providers.

FACILITY CEOS

One phone call to the dedicated HWL account manager is all that's required to find a qualified locum. The process is easy and they have confidence that they are paying competitive rates.

CORPORATE

HWL's dedicated Account Manager provides weekly reports highlighting which facilities are using locums, how much they are paying, and why the locum is needed (personal leave vs. staff vacancy). This total transparency facilitates better budgeting, and the vendor (contract and rate card) consolidation lowers overall costs.

VENDORS

Streamlined communication reduces sales and operations expense, and HWL's master contracting process makes the process of onboarding a new agency effortless. The technology that HWL has deployed at Acadia ensures that agencies are notified immediately when we have a new opening across our network of 500+ facilities.

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