



# Significant Savings with a VMS for all Staffing Needs

A Case Study of Lahey Health + Healthcare Workforce Logistics

## ABOUT

### LAHEY HEALTH

---

Part of the Beth Israel Lahey Health network of care, Lahey Health serves the northern suburbs of Boston, Massachusetts with five hospitals, seventy primary care clinics, thirteen outpatient centers, and nearly 2,000 doctors.

Lahey Health has a mission to expand access to great care and advance the science and practice of medicine through groundbreaking research and education.

## ABOUT

### HEALTHCARE WORKFORCE LOGISTICS

---

Healthcare Workforce Logistics is the leader and innovator in vendor-neutral healthcare workforce solutions. With its proprietary technology and customizable managed services, HWL delivers a vendor-neutral total talent acquisition solution that lowers overall labor costs while easing administrative burden. Its success with hospitals and health systems across the country make HWL uniquely qualified to answer the State of Georgia's call for help with staffing hospitals for the COVID-19 crisis.

# THE SITUATION

In the busy Critical Care unit at Lahey Hospital and Medical Center, the job of every nurse is essential. So, when the Critical Care Nurse Manager is faced with a temporary vacancy, she does whatever it takes to find a contract nurse quickly. She calls a rapid response staffing agency and may have a candidate within the week. Desperate for a qualified candidate, the manager complies with the terms of the agency's contract and agrees to whatever rate they request for the expedited candidate. After all, it's not every day she needs a temporary nurse, and unusual circumstances call for extreme measures.

Upon closer look, was the situation really that unusual? Maybe not. An independent consultant hired to analyze operations at Lahey Health quickly discovered that similar scenarios were playing out regularly throughout the network of hospitals, clinics, and outpatient centers. Managers, when faced with hiring contract workers—be they nurses, allied health, non-clinical, or even IT—each had their own methods of quickly sourcing candidates, and those methods were inconsistent, inefficient, and often extremely expensive.

Contract Staffing Specialist Kaley Porter recognized the need for change.

**“We had no way to track which vendors we were using or how much we were spending,” she explains. “There was no way to ensure compliance or even know who was working on site.”**

The latter was of critical importance to Talent Acquisition Operations Manager, Stefanie Smolinsky. **“Any hiring manager could call a staffing agency, sign the fee agreement, and we’d never know about it,” she says. “We had no way of tracking performance, so if a provider didn’t do well in one location they could easily get a job in one of our other hospitals because we had no way of tracking it.”**

The recommendation was simple—Lahey Health should consolidate contract hiring at the corporate level. However, consolidation proved to be anything but simple. Smolinsky and Porter knew right away that Lahey would need outside expertise and advanced technology to successfully implement a new approach to sourcing, contracting, paying, and reporting temporary staffing needs.

## KEY CHALLENGES

- ✓ No consistent process for sourcing, onboarding, and paying temporary staff.
- ✓ Unable to track contracted agency vendors, volume of temporary labor used, or dollars spent.
- ✓ Paying premium rates to rapid response vendors.
- ✓ Manual timesheets and invoices that were problematic for accounting.
- ✓ Organization at considerable risk due to inefficient temporary hiring practices.

## GOAL

- ▶ Create a consistent process for sourcing all temporary staff.
- ▶ Save money
- ▶ Create visibility into usage and spend.

# THE SOLUTION

Smolinsky's previous experiences managing contingent workforce programs for large organizations helped her identify the need for the right VMS.

“When I led a large-scale, vendor-neutral MSP program at Fidelity Investments we used a VMS which was great for banking. However, after joining Beth Israel Lahey Health I quickly realized that we needed a VMS capable of handling the unique complexities of healthcare credentialing, compliance, and billing. After a careful evaluation of the market, it was clear that HWL was the right fit for us, she says.”

**Stefanie Smolinsky**  
Manager of Talent  
Acquisition Operations

The team at Lahey launched an RFP process to identify the best VMS for their organization. “We knew we wanted a solution that was vendor neutral,” Porter explains. “It had to be user friendly with minimal impact on the managers.” The HWL solution was just what they were looking for.

**“We were blown away by the HWL technology. It was clean, easy to use, and had every capability we needed.”**

**“The technology was impressive, however, for Smolinsky, HWL's staffing industry expertise was the clincher. “I loved that they were staffing industry leaders,” she says. “They brought invaluable industry experience and knowledge that you wouldn't necessarily have if you were just looking for a software solution.”**

HWL partnered with Lahey to implement the VMS that would allow Lahey to centralize all contract staffing, including nursing, allied health, non-clinical, and IT. The process began with a market rate analysis and vendor evaluations. The opportunities for savings were immediately clear. Importantly, HWL identified that the managers were over-using 'rapid response' agencies and unnecessarily paying higher rates. The VMS would allow them to quickly source candidates using a variety of agencies, creating competition and cutting costs significantly.

After determining which agencies were best suited to work with Lahey, HWL developed and executed a standard agreement with each vendor. Here too, HWL was able to find ways to save time and money. By moving to a standard contract that eliminated payment to the vendor for orientation costs, Lahey would save an estimated \$300,000 over the course of the first year. This change would also shorten the length of orientation and incent the vendors to extend current contingent staff rather than constantly introducing new staff. The longer terms of engagement for each staffer would have a positive impact on quality of staff and patient care.

With the vendors and contracts in place, the next step in the implementation process was configuring the VMS technology, including custom configuring the billing codes for proper accounting accuracy. This part of the HWL process, would significantly improve the accounts payable process for temporary staff by automating the approval to payables process. “The implementation was easy and seamless,” says Porter. “HWL did all the heavy lifting, and now we are reaping the benefits.”

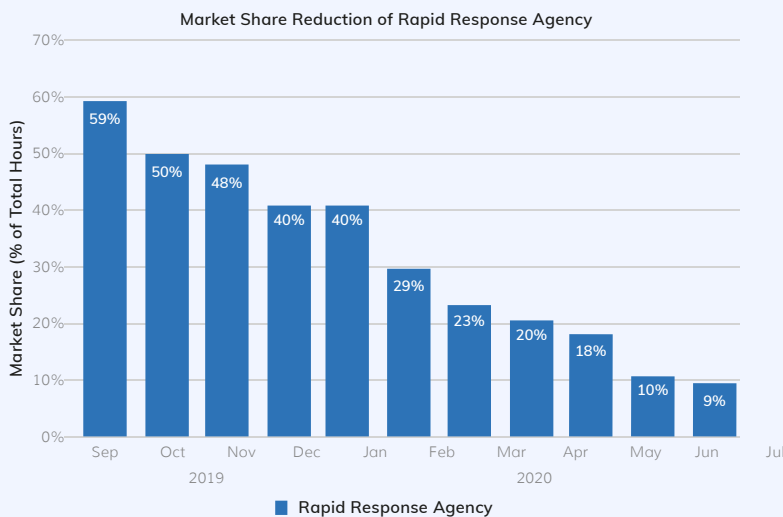
**Smolinsky was equally impressed. “I was amazed at how quickly and easily we were able to roll out the tool,” she says. “I credit that to HWL's knowledge of change management and their ability to train our end users.”**



# RESULTS

- ✓ Overall savings of **\$1.57 MM** in less than one year
- ✓ Reduced use of rapid response agencies by **50%** for a savings of **\$1.27 MM** in less than a year (**\$125k** per month)
- ✓ Average savings of **\$1,000** per contractor due to vendor absorbing orientation costs (**\$300,000** savings to-date)
- ✓ Estimated savings of **35** accounting hours per week
- ✓ Visibility into contract staffing usage and spend

The early predictions about significant savings were correct. In less than a year since going live with the VMS, Lahey saw a total savings of \$1.57 MM. Much of this (\$1.27 MM) came from the reduced utilization of rapid response agencies, which went from supplying nearly 60% of all contract workers to less than 10%. This decline in market share came even as the overall use of temporary workers increased. The new program tripled the number of nursing vendors, expanding the pool of available candidates and creating less reliance on any one agency.



- **\$1.27 MM** savings through reduced bill rates realized since go live
- Average Utilization of Rapid Response Agency went from **>50%** to **<10%**
- Market Share reduced as overall utilization increased due to seasonality then surge from pandemic



**Kaley Porter's bio**

Kaley Porter is the Contract Staffing Specialist and HWL Program Administrator at Lahey Health, a member of Beth Israel Lahey Health in Boston, MA. Kaley has been with the organization for four years in an HR Administrator function, primarily supporting Talent Acquisition and the contract staffing process. Kaley works across the organization to support the needs for flexible staffing solutions and was instrumental in bringing a vendor management tool to Lahey. Kaley holds an MS in Industrial and Organizational Psychology and lives in New Hampshire with her husband and two dogs.



**Stefanie Smolinsky's bio**

Stefanie Smolinsky is the Manager of Talent Acquisition Operations at Lahey Health, a member of Beth Israel Lahey Health in Boston, MA. There, she leads recruitment marketing, data analytics, contract staffing, vendor management, and the nurse sourcing strategy for the system. Before joining Lahey Health, Stefanie was at Fidelity Investments leading vendor partnerships and was instrumental in implementing VMS technology to the enterprise. Stefanie started her career in contingent staffing and held various roles during her 16-year tenure at Spherion. Stefanie holds a BA in English and lives with her husband and four children outside of Boston. She enjoys running (and is a 2019 Boston Marathon finisher) and reading in her spare time.

# TESTIMONIALS

With the HWL solution, HR reviews activity and approves all contract staffing hours through the system before sending a single file--with accounting codes--to the accounts payable department. **"It's been a dream come true,"** Boulay says.

**"The HWL solution has decreased the manual workload done by my team, saving at least 30-35 hours per week."**

The time saved, while always beneficial, was potentially life-saving during the spring of 2020. "I really don't know where we'd be without HWL," says Porter. "During the COVID crisis, we had so many positions to fill in a short amount of time. Having the ability to post the openings to multiple agencies at once and have a candidate submitted the same day or next day--it was a total gamechanger."

**"The solution allowed us to look like rock stars to key stakeholders," Smolinsky says. However, for her, it all comes back to risk mitigation. "The cost savings, the ease of use, the reporting--it's all great, but the way I see it, they (HWL) literally saved us from potential catastrophe. We needed a partner who could step in and bring order to the chaos, and they did it."**

**From the managers on the floor, to the IT and accounting departments, to HR and the corporate office, the HWL solution is saving time and money while providing visibility into Lahey's usage and spend on contract nursing, allied health, non-clinical, and IT staffing.**