



Contingent Staffing & the 2nd Curve

As healthcare reform marches on, health systems continue looking for ways to meet new guidelines and remain efficient while keeping costs down. The concept of the 1st and 2nd curve defines this shift. In the following report, with regards to contingent staffing, you will learn:

1. **Characteristics of the 1st and 2nd curve**
2. **The impact of moving to the 2nd curve**
3. **Strategies to become a 2nd curve operation**
4. **Metrics to utilize**
5. **The importance of continuous self-assessment**

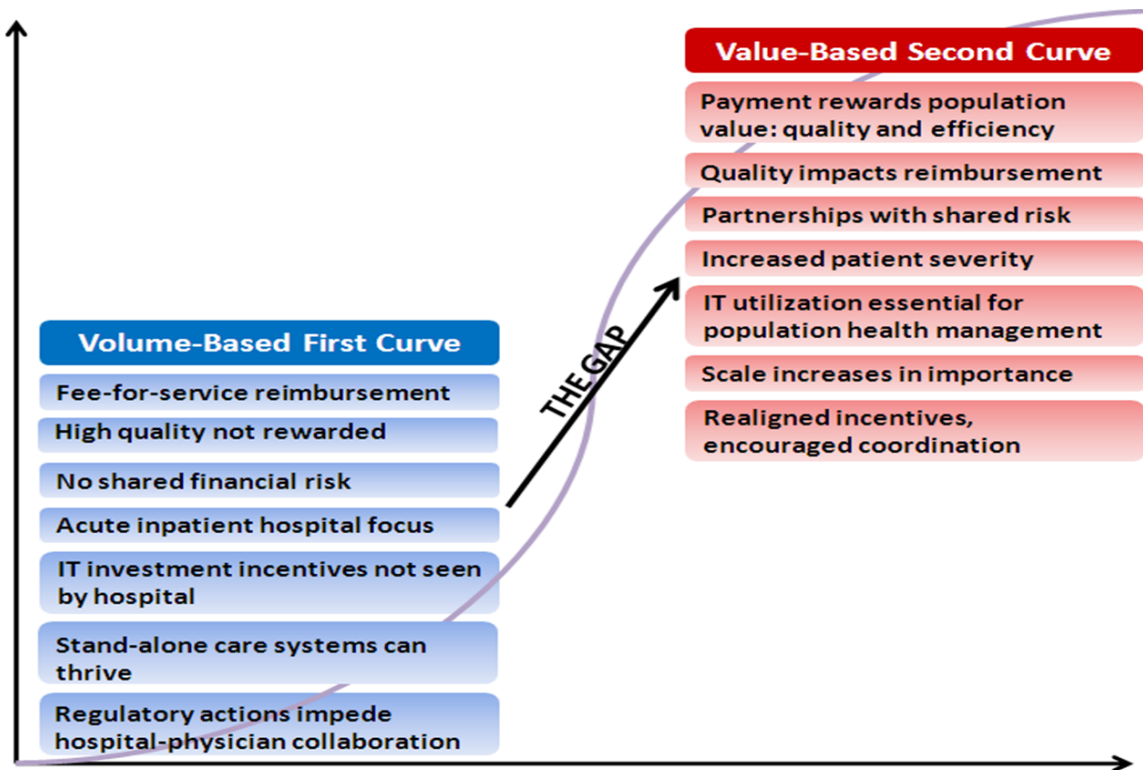
What is the 1st and 2nd curve?

Before we discuss the 1st and 2nd curve as it relates to contingent staffing, it is important to understand the concept at a general level. At its heart, it is a shift from a volume-based approach to one that is value-based. The 2nd curve cares about patient results just as the 1st curve does, but with the added layer of increased accountability, emphasis on efficiency and a watchful eye on cost effectiveness.

From an AHA report entitled *Second Curve Road Map for Health Care*¹:

Hospitals and health care systems face common challenges in transitioning to a health care delivery system characterized by value-based payment focused on outcomes, population health management and a patient-centered, coordinated care-delivery approach. As hospitals and health care systems shift from the volume-based first curve to the value-based second curve, they must transform their business and health care delivery models to balance quality, cost, patient preferences and health status to achieve real value and outcomes. Hospitals and health care systems that are moving to the second curve use performance metrics to identify clinical, financial, cultural and process improvements; incorporate appropriate incentives; and evaluate results.

The chart on page #2 shows common characteristics of 1st and 2nd curve operations.



Courtesy of the American Hospital Association (AHA)²

Contingent staffing on the 1st curve

Contingent staffing on the 1st curve is often defined by operational inefficiency that results in unnecessarily high costs and poor visibility into staffing activity throughout an entire healthcare system.

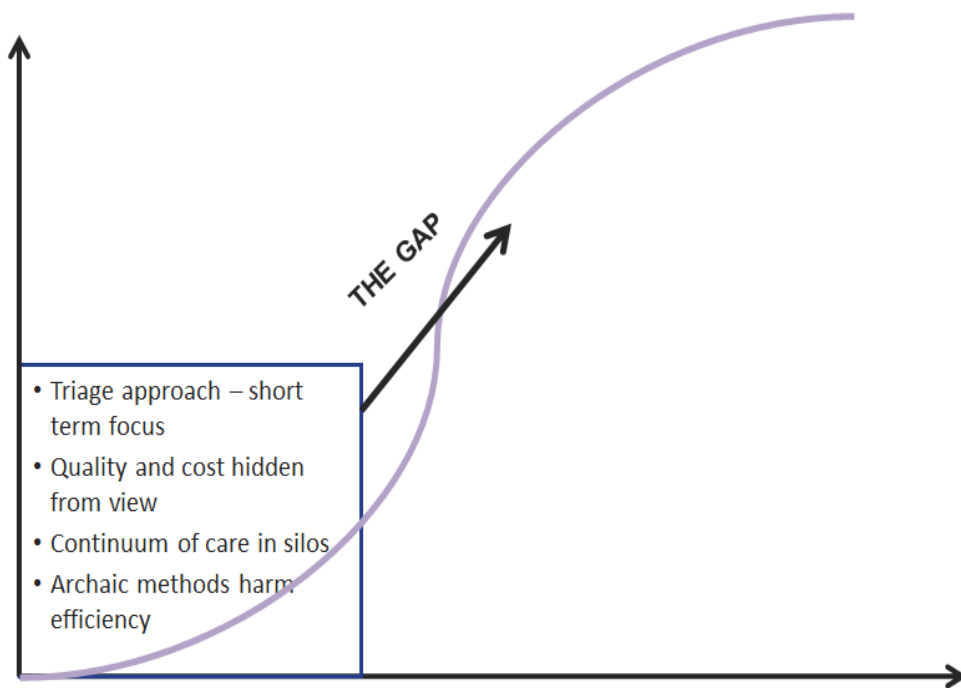
The 1st curve of contingent staffing – the volume-based part of the curve - largely consists of manual processes built to fill open shifts system-wide by simply throwing more and more resources at the problem without any attention paid to efficiency.

Problems arise:

- Poor visibility across a health system's expanded continuum of care
- Unaccounted, high costs can get out of control and are hard to turn around
- Quality of care can suffer from inefficient use of labor resources

The chart on page #3 shows some common characteristics of 1st curve contingent staffing.





While needs may be getting met on the 1st curve, under the surface, an unsustainable and expensive future is growing. Here, we further define each characteristic on the 1st curve with emphasis in problems being created.

- **Triage approach – short-term focus:** The focus is only on meeting the needs of the problem without consideration to value (or at least, value is considerably less important).
- **Quality and cost hidden from view:** In a volume-based approach, processes are often lacking the big data that provides insights into activity. It can be difficult to uncover what's working and what isn't. The data just isn't there to inform decision-making.
- **Continuum of care in silos:** Each facility or even department is often responsible for its own needs. As healthcare systems expand to include more services, it can be difficult to scale contingent staffing operations to efficiently include all aspects along the continuum.
- **Archaic methods harm efficiency:** Paper and manual-based processes might get the need met, but less efficiently than a viable 2nd curve alternative. This means more manpower and higher costs to accomplish something that automation can do quickly.

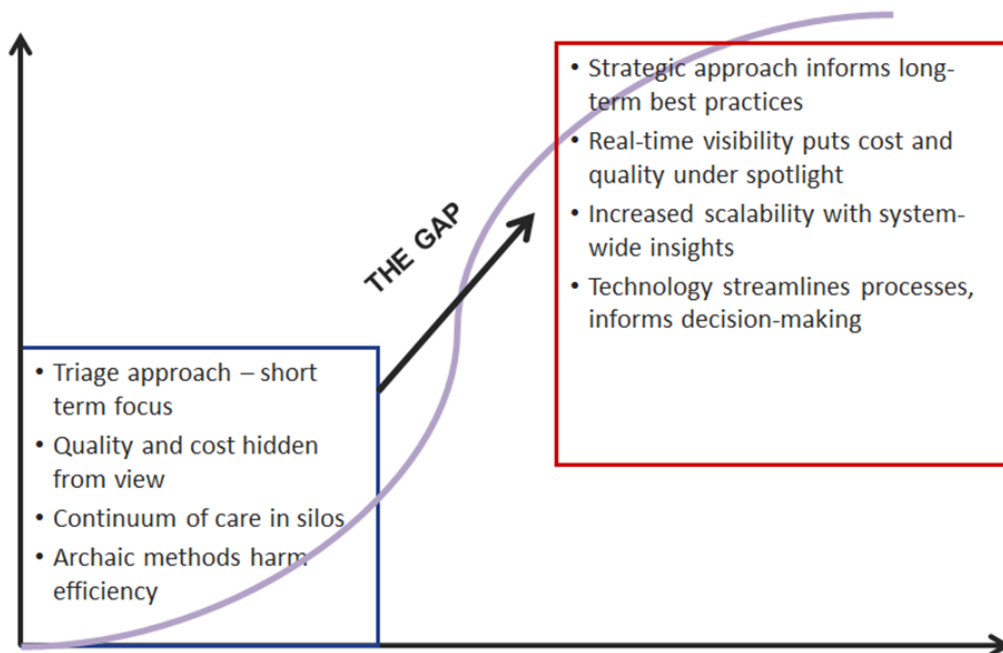


The 1st curve has worked in the past. It was an effective means to an end for many years. But it's not the reality of healthcare's present or future.

Contingent Staffing's 2nd Curve

Contingent staffing is no different than high visibility/high priority health system initiatives in that it has a value-based solution and can deliver newfound efficiency and cost-savings through technological means.

Looking back at the chart from page #2, we now see what the 2nd curve looks like.



Getting to the 2nd curve is necessary, but how? "The Gap" is where the details live.

What is the impact of moving from 1st to 2nd curve?

Technological efficiency in contingent staffing provides visibility across expanding healthcare systems to control costs and ensure quality of care standards. Its effects reach into multiple departments and create improvements for multiple stakeholders:

- Staffing managers (nursing and physicians alike) are able to ensure the right people are in the right places at the right times to deliver the highest quality of care.



- Finance gains visibility to ensure efficient use of financial resources.
- HR can improve recruitment and retention and ensure joint commission compliance.
- IT has greater affordable access to quality contractors to implement high priority tech systems.

Strategies to get there – Filling in “The Gap”

In a report titled *Metrics for the Second Curve of Health Care*³, the American Hospital Association outlined 10, must-do strategies to move to the 2nd curve with four given highest priority.

1. Aligning hospitals, physicians and other clinical providers across the continuum of care
2. Utilizing evidence-based practices to improve quality and patient safety
3. Improving efficiency through productivity and financial management
4. Developing integrated information systems

With these strategies in mind, there are specific strategies to use in order to fill in “The Gap” and become a 2nd curve contingent staffing operation.

- **Consider web-based solutions that require less IT involvement:** Contingent staffing is not typically a high priority for tech improvements. Web-based solutions provide opportunities to advance without eating up valuable IT resources and can integrate with other systems as needed.
- **Demand that staffing suppliers be accountable to not just supplying bodies, but delivering value:** Volume is one thing, but value, that’s the key. Many suppliers can provide resources, but it’s the ones that are accountable to their results that really matter.
- **Implement internal float pools to maximize existing resources:** Often times, current staff are underutilized. Being able to deploy these resources to openings saves money on onboarding new hires and ensures a certain standard of care.
- **Establish metrics and follow their lead:** There has to be a goal. What are you trying to accomplish? Setting a goal such as “lower costs by x” or “improve fill rates by y” gives everyone something to be accountable toward.
- **If it can’t be reported on, find another way to do it:** Phone calls, faxes and emails can all be difficult to report on which makes it easy to hide or miss activity. Transparency is key in the 2nd curve.
- **Engage in long-term partnerships with vendors that understand the niche and can help drive value from every aspect of the operation:** The complexity of changes within healthcare has made it difficult for hospitals to have all the answers and in many cases, quality partners can fill in the gaps.

Metrics – Measure everything!

The 2nd curve is all about accountability. Without metrics, you might as well be throwing darts. Guesswork should be taken away and, in its place, a highly reliable reporting system that informs smart decision making.



So what are we looking for within contingent staffing?

- **Fill rate success** – Are positions being filled to required standards? Staffing levels have been linked to patient outcomes⁴ so it's critical to not only know your fill rate, but understand where improvement can come from.
- **Cost centers** – Where's the money really going? Whether it's a unit or facility along the continuum of care, we want to know who is performing well and who is not in order to bring up those underperformers.
- **Supplier performance** – Who provides the most value for each dollar spent? Data allows you to identify the suppliers where you want to focus on building relationships .
- **Staff performance** – What staff should be asked back or potentially recruited? Every time someone works in your health system, data needs to be compiled about their performance to build a more complete picture.
- **Staff usage rates (i.e. overtime)** – Can money be saved or quality increased by more effectively utilizing staff resources?

Continued Self Assessment (reporting, dashboards)

Implementing new strategies is only half the battle. On the 2nd curve, success begins once data starts to roll in. That's where you start to understand value and capitalize on a wealth of data. Following established metrics will ensure better decision making when it comes to how contingent staff are used.

- Decide which reports matter to you and regularly monitor.
- Let the data have a legitimate voice in the decision-making room.
- Set benchmarks and analyze why they were or were not met.
- Analyze and take action. Then, analyze again.

Summary of value, impact and how/why to move forward

Contingent staffing operations are growing more complex and demand solutions that increase visibility and improve efficiency. Operating on the 1st curve is not a viable, long-term option. The 2nd curve pushes health systems forward to operate according to the demands of the current environment.

- **Value:** Aligns contingent staffing practices with current demands.
- **Impact:** Real-time visibility into performance and costs and increased efficiency to manage multi-facility operations with leaner admin staff.
- **How to take the next step:** Identify the goals of your contingent staffing program, determine metrics for success and build internal consensus for change. Engage partners with the expertise and commitment to move contingent staffing from the 1st to 2nd curve.
- **Why to take the next step:** Healthcare is on a one-way train where value is king and all aspects of care delivery must adapt.



References

¹ *Second Curve Road Map for Health Care* - <http://www.hpoe.org/resources/hpoehretaha-guides/1360>

² *Hospitals and Care Systems of the Future* - www.aha.org/content/11/hospitals-care-systems-of-future.pptx

³ *Metrics for the Second Curve of Health Care* - <http://www.hpoe.org/resources/hpoehretaha-guides/1357>

⁴ *Hospital Nurse Staffing and Quality of Care* - <http://www.ahrq.gov/research/findings/factsheets/services/nursestaffing/index.html>



About ShiftWise

Leading healthcare systems nationwide click ShiftWise to lower costs, ensure compliance, and improve quality when using flexible, temporary and contract professionals.



The ShiftWise Staffing Vendor Management System has earned the exclusive endorsement of the American Hospital Association.