



— Optimizing Workforce Solutions —

Cost-Saving Strategies · Innovative Staffing Models · Proven Frameworks



Ohio Hospital Association 11th Annual Meeting · May 20, 2026 · Hyatt Regency Columbus

Presenting

Julie O'Keefe

President & CEO
Adaptive Workforce Solutions



Julie O'Keefe brings more than 20 years of experience in healthcare workforce management with a proven track record of implementing strategic workforce solutions across a wide range of healthcare organizations. Her work spans large health systems, premier children's hospitals, academic medical centers, over 600 tribal facilities, and rural hospitals.

Julie has also developed long-term, strategic solutions for hospital associations, enabling their members to achieve greater transparency, improved operational efficiency, and meaningful cost savings.

Tony Lehman

Director of Business Development
Adaptive Workforce Solutions



Tony Lehman brings over 20 years of healthcare sales experience, including five years focused on staffing and workforce solutions. With a unique background spanning both agency staffing and vendor-neutral models, he brings a balanced, real-world perspective to workforce strategy.

Conflict of Interest Disclosure

Presenters Julie O'Keefe and Tony Lehman have the following real or perceived conflicts of interest that relate to this presentation:

Employees of Adaptive Workforce Solutions.

Today's Key Takeaways

1

The True Cost of Agency Labor

Beyond the bill rate, the 50-70% premium you're actually paying

2

Workforce Models Compared

Traditional agency, MSP, EOR, float pools, gig what works and when

3

Reducing Agency Dependence

Practical transition paths that don't disrupt operations

4

AI & Technology's Role

How predictive tools and automation are reshaping staffing

5

Proven Cost Savings Cases

Real-world ROI from health systems that made the shift

6

Putting it All Together

90-day roadmap to create a sustainable workforce management plan

The State of Hospital Workforce Economics

Why the status quo is no longer sustainable



Labor Still Dominates Hospital Cost Structure

Hospital expenses grew 5.1% in 2024 outpacing 2.9% inflation - with labor as the #1 driver

56%

of total hospital expenses are labor

16.4%

RN annual turnover rate

18.3%

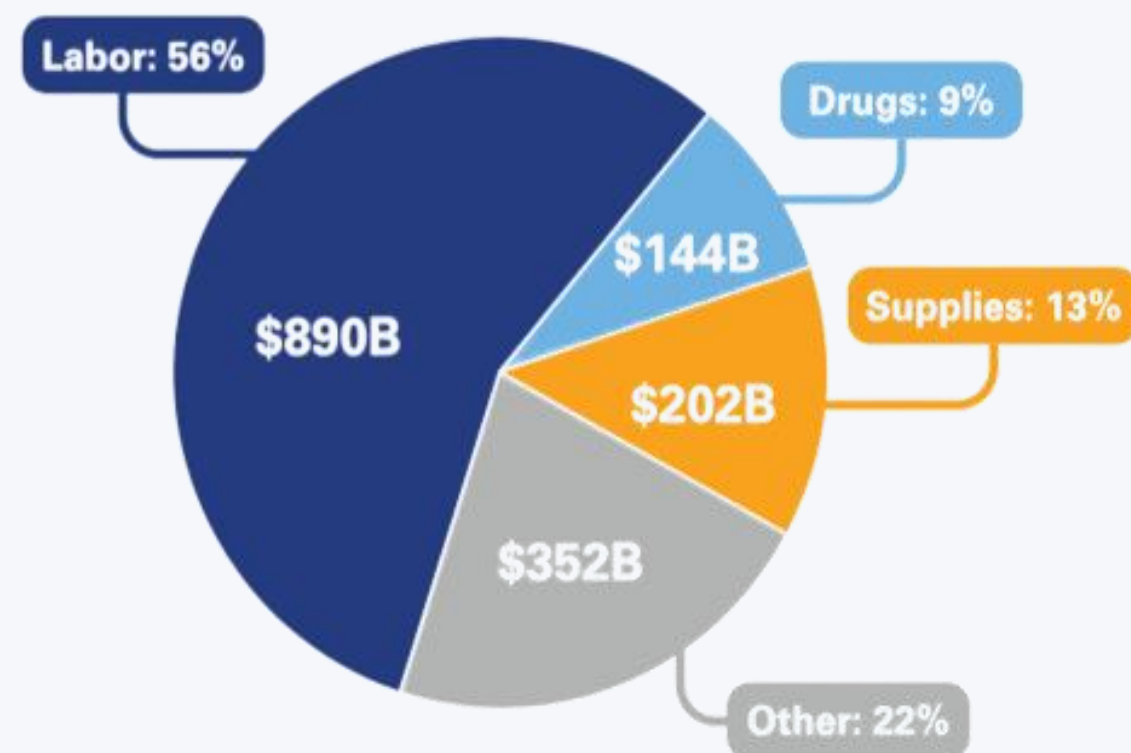
Overall hospital turnover rate

~47

Average RN vacancies per hospital

115%

Max agency premium vs. employed cost



What This Means for Ohio Hospital Leaders

Retention now costs less than recruitment, turnover replacement runs 1.2-2.0× annual salary

Agency reliance is a symptom, not a strategy. Breaking the cycle requires a structured transition

Labor cost control is now an executive-level financial imperative, not just an HR challenge

Ohio's rural hospitals face compounded risk: geographic constraints + thinner margins + same agency pricing

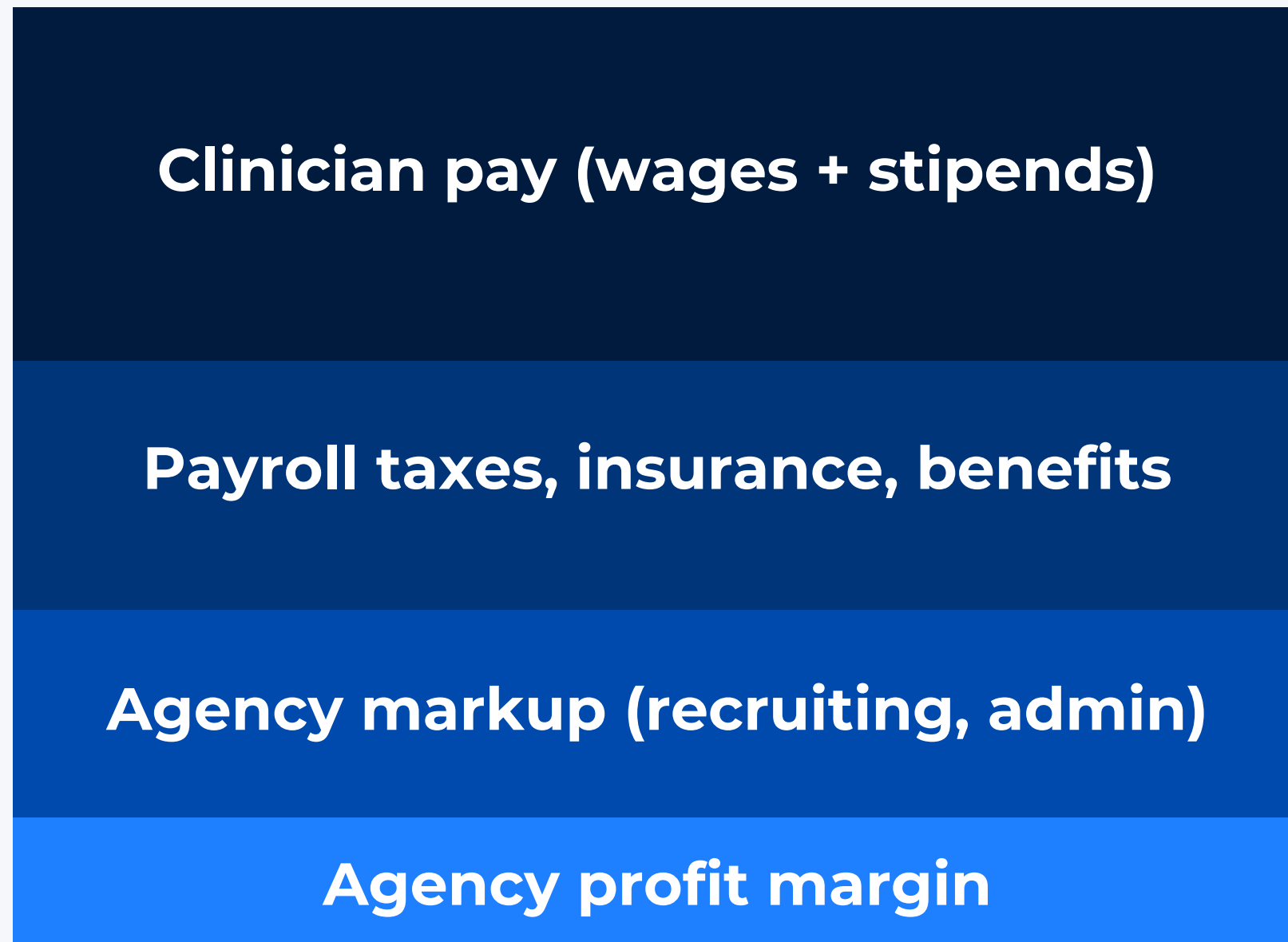
The True Cost of Agency Labor

It's not 30-50% above staff rates. It's often 50-70%.

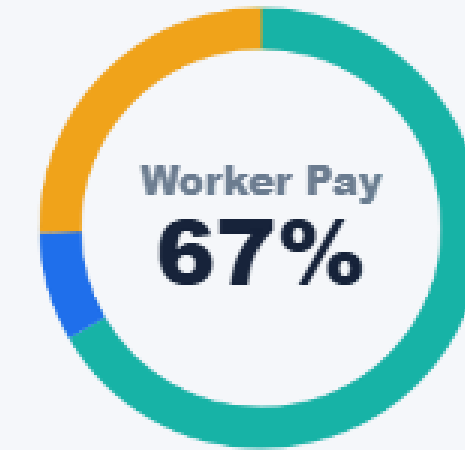


Where Does Your Agency Bill Rate Actually Go?

Typical Agency Bill Rate Breakdown



Agency Cost Breakdown



HOURLY BILL RATE

\$90.00

- Worker Pay
- Included Taxes, Benefits & Insurance
- Other Agency Costs

⚠️ 30-35% of your bill rate is NOT going to the clinician

What You're Paying For: Staff vs. Travel

STAFF NURSE	TRAVEL NURSE
Salary + All Employer Taxes	No PTO Liability
Full Benefits Package	No Benefits Administration
PTO, Holidays, Sick Leave	No Recruiting Cost Per Fill
401(k) Match	Flexible Staffing No FTE Commitment
Recruiting, Orientation, Onboarding	Pay 50% -70% More Annually
CE, License Renewal	6% -9% VMS/MSP Vendor Fee
Workers' Comp & Disability	26.8% Agency Margin
	ONLY 59% - 67% OF BILL RATE REACHES NURSE



Annual Cost Comparison: Staff vs. Travel Nurse

\$87/HR ALL-IN TRAVEL BILL RATE · MED/SURG RN · 36 HRS/WK · 52 WEEKS

ANNUAL COST SIDE-BY-SIDE

LINE ITEM	STAFF (\$)	TRAVEL (\$)
Base/Blended Pay	\$72,000	\$105,998
Health Insurance	\$9,500	incl. above
Payroll Taxes	\$5,793	\$3,447
PTO Cost	\$5,539	\$0
401(k) match	\$2,880	\$0
VMS / MSP fee	\$0	\$9,772
Agency margin	\$0	\$43,647
Recruiting / onboarding	\$1,800	\$0
TOTAL ANNUAL COST	\$97,512	\$162,864



**STAFF RN
TOTAL ANNUAL COST**

\$97,512

\$47.62/HR Fully Loaded

**TRAVEL RN
TOTAL ANNUAL COST**

\$162,864

**ANNUAL PREMIUM
PER TRAVELER**

\$65,352

What Agency Labor Really Costs Over 13 Weeks

Scenario: 10 Med-Surg RNs + 5 ICU RNs + 2 CSTs | 468 hours each | One 13-Week Travel Contract Cycle

ROLE	#	BILL RATE	AGENCY SPEND	ESTIMATED FTE COST	INCREMENTAL COST	AGENCY PREMIUM
Med-Surg RN	10	\$87/HR	\$407,160	\$247,630	\$159,530	64.4%
ICU RN	5	\$96/HR	\$224,640	\$156,250	\$68,390	43.8%
CST	2	\$75/HR	\$70,200	\$36,000	\$34,200	95%
TOTAL	17	—	\$702,000	\$439,880	\$262,120	59.6%

\$262,120 in Avoidable Premium Spend Every 13 Weeks

EXECUTIVE TAKEAWAY

Reducing agency utilization by just 25% in this scenario would save approximately \$65K in a single 13-week cycle. Across four comparable cycles, that translates to more than \$262K in avoidable annual spend, before factoring in continuity-of-care costs, onboarding drag, and morale impact on permanent staff.

Evaluating Workforce Management Models

No single model solves every problem, the goal is a smart blend



The Traditional Contingent Staffing Playbook

Evaluating the core staffing models hospitals use to manage contingent labor



**TRADITIONAL AGENCY
STAFFING**



**MANAGED VENDOR
STRATEGIES**



**DIRECT SOURCING
EMPLOYED CONTINGENT**

CONTROL

**Who Owns the Workforce
Relationship?**

COST PREDICTABILITY

**Are You Competitive in a
Changing Market?**

FLEXIBILITY

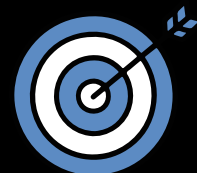
**Can You Scale Up and
Down Quickly?**

Traditional Agency Staffing Model



- 1 Rapid Access to Talent**
- 2 Flexibility**
- 3 Reduced Internal Recruiting Burden**
- 4 Specialized Skills Availability**
- 5 Coverage for Absences**

- 1 High Cost**
- 2 Continuity of Care Issues**
- 3 Variable Quality**
- 4 Lower Staff Engagement**
- 5 Impact on Permanent Staff Morale**
- 6 Onboarding & Compliance Challenges**

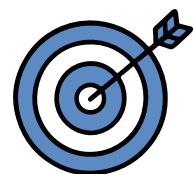


Key Takeaway: This model requires managing each of the individual staffing companies separately, which can lead to a greater chance for invoice inaccuracy and compliance management issues.

Managed Service Programs

An MSP Can Help Hospitals:

- Centralize agency management under one program instead of managing multiple staffing firms separately
- Standardize bill rates, contracts, and workflows across vendors, units, and facilities
- Improve visibility into spend, fill rates, supplier performance, and workforce trends
- Strengthen compliance and governance through consistent credentialing, documentation, and policy oversight

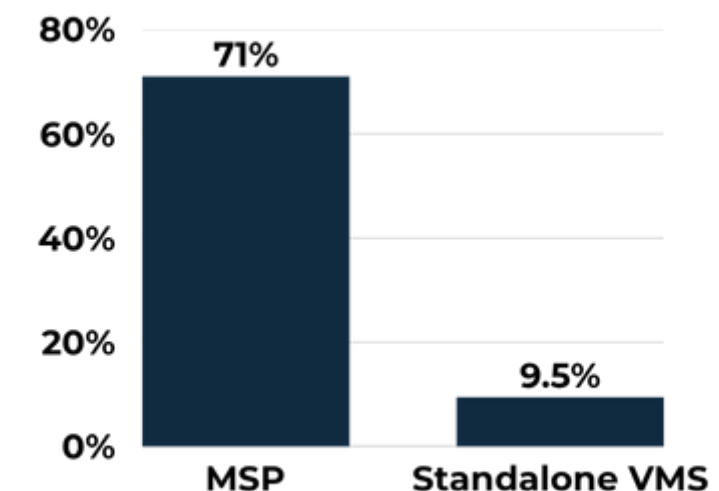


When structured well, an MSP improves visibility, consistency, and financial control while expanding access to talent

Why It Matters:

- **Reduces rate variation and administrative burden**
- **Creates stronger supplier accountability**
- **Improves access to talent through a broader vendor network**
- **Supports more informed workforce decisions with better data**
- **Provides a foundation for long-term cost control**

% of 2024 nurse travel revenue generated via an MSP and VMS, median

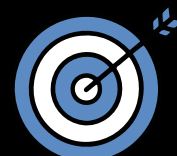


Source: SIA, NATHO Travel Nurse Benchmarking Survey, 2025

Managed Service Program Showdown

Vendor Neutral vs. Agency Owned Master Vendor

DIMENSION	VENDOR NEUTRAL MSP	AGENCY OWNED MSP
COST IMPACT	5-15% sustained savings via true supplier competition	Limited savings; costs increase over time
TALENT QUALITY	Best candidate from entire supplier ecosystem	Biased toward internal candidates -> inconsistent quality
TRANSPARENCY	Full visibility: rates, fill rates, supplier performance	Limited transparency; vendor controls your data
SCALABILITY	Built for scale, compliance, and multi-region governance	Simpler upfront, but breaks down at scale
COMPLIANCE & RISK	Independent enforcement of labor laws & co-employment rules	Governance may be secondary to filling roles
SUPPLIER FLEXIBILITY	Add/remove suppliers based on performance at any time	High concentration risk if master vendor underperforms



Bottom Line: Vendor Neutral MSP = better cost, better talent, better data. 73% of travel nurse revenue now flows through MSPs

Direct Sourcing Services

The Employed Contingent Model

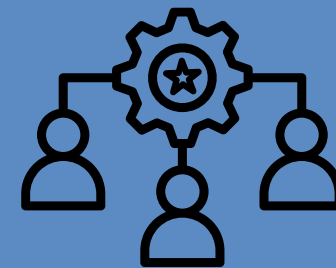


Hospital Creates Private Talent Pool

- Former employees
- Per diem clinicians
- Local contract workers



How It Works



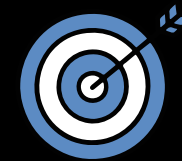
Enrolled Staff Use Scheduling Tool

Pick up shifts
Work across units or facilities



Technology Platform

Vendor Neutral or MSP Supported



Key Takeaway

Requires investment in technology platforms (talent pools, scheduling tools) Program design and implementation. Not a quick plug-and-play solution.

Float Pools: Build Your Internal Talent Engine

INTERNAL FLOAT POOL

WHAT IT IS

A dedicated group of cross-trained staff who flex within a single facility to cover gaps across units.

WHY IT WORKS

- Reduces reliance on agency for unit-level shortfalls
- Staff know the facility culture and workflows
- Lower cost-per-shift than external agency fills
- Builds staff loyalty through variety and stability

⚠ WATCH OUT FOR

Needs strong cross-training program + clear float agreements. Scope creep without defined roles is common.

REGIONAL FLOAT POOL

WHAT IT IS

A shared pool of clinicians deployed across your system or region as demand shifts.

WHY IT WORKS

- Cuts same-day agency calls by 30–60%
- Improves care continuity - your protocols, your people
- Gives clinicians the flexibility they want
- Scales across multiple facilities or service lines

⚠ WATCH OUT FOR

Requires scheduling tech + active pool management. Underutilization is the #1 failure mode.

Not All Vendor Neutral Companies Are the Same

Some 'Vendor-Neutral' Programs

HOSPITAL APPROVES \$100/HR BILL RATE

TIER 1

PREFERRED VENDOR

\$5/HR HIDDEN

\$95/HR

TIER 2

SECONDARY VENDOR

\$15/HR HIDDEN

\$85/HR

TIER 3

FILL VENDOR

\$25/HR HIDDEN

\$75/HR

 **VENDOR RECEIVES**

 **MSP PROFIT**

True Vendor Neutrality



Full \$100 passed to all vendors

Every vendor competes on the same rate you approved. No tiering, no spread retained by Adaptive.



Fees transparent & disclosed upfront

Any fees are clearly disclosed upfront. No hidden charges embedded in the rate structure.



No monthly licensing fees

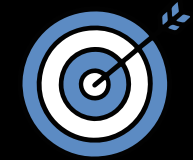
Adaptive's program fees are agreed upon in advance. No surprise platform or technology fees.



Result: True transparency. Vendors compete on the full approved rate.

Staffing Model Comparison: Choosing the Right Mix

Model	Cost Impact	Time to Fill	Quality Control	Rate Transparency	Best Fit
Traditional Agency	High premium	Days	Low	Low	Reactive only
MSP / VMS	Medium-high premium	Days-Weeks	Low-Med	High	Best for scale
Employer of Record	Low: Up to 25% less than agency	Days	High	Medium	Best for control
Internal Float Pool	Lowest long-term	Same-day	Highest	High	Build over time
Local / PRN Staffing	Low-Medium: avoids agency markup	Hours-Days	High	Medium	Best for local flex
Direct Sourcing	Low: No agency markup	Days	High	High	Build over time
Gig / On-Demand	Variable	Hours-Days	Medium	Low-Med	Niche roles



Key Insight

Leading health systems deploy a blended model.

Base Contingent:
Internal Float/PRN/Local

Flex Demand:
EOR/MSP-VMS

Last Resort:
Traditional Agency

Reducing Agency Dependence Without Disruption

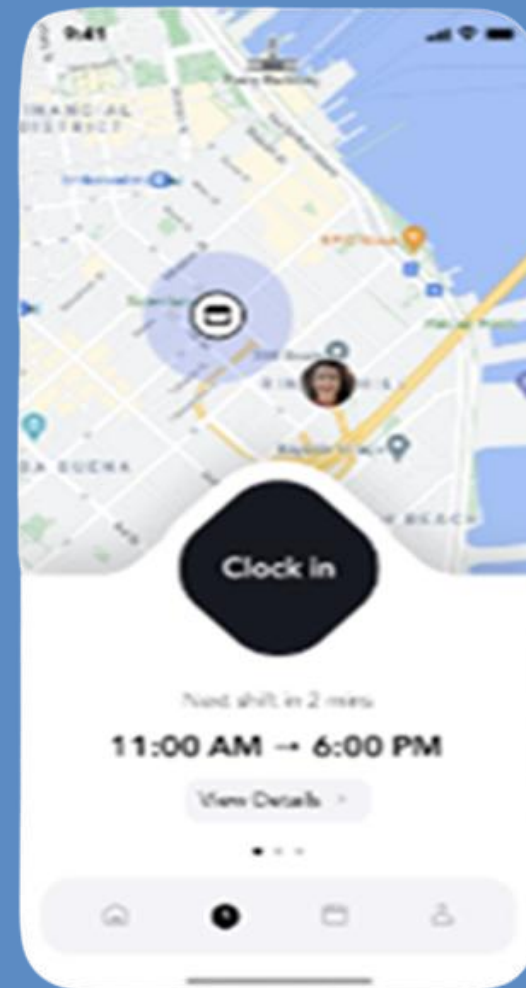
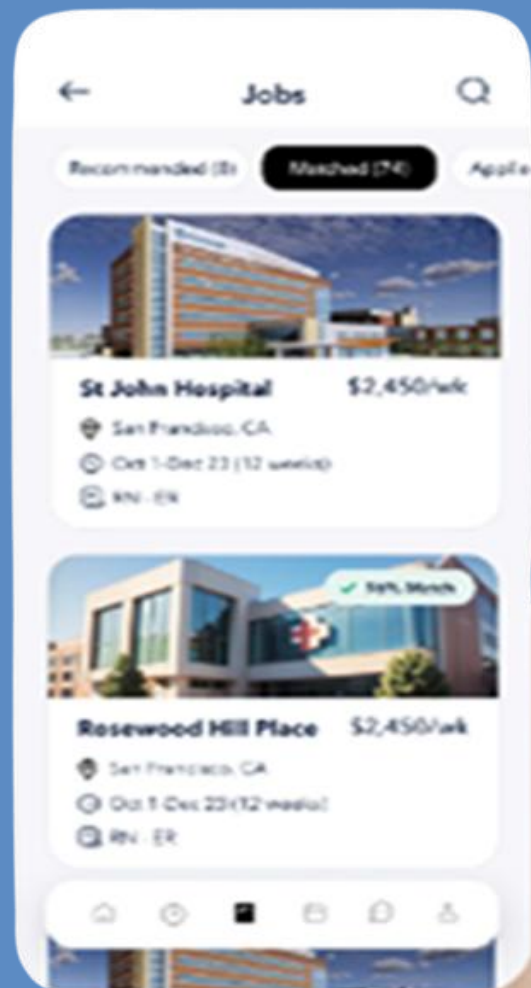
*Innovative Solutions for
Gaining Control of Your
Workforce*



Three Innovative Solutions

Creating More Control, Flexibility, and Sustainability

MULTIPLE SOLUTIONS, ONE APP



1

EMPLOYER OF RECORD
AGENT OF RECORD

2

FLOAT POOLS
IN-HOUSE TRAVEL
PROGRAMS

3

GIG WORKER
ON DEMAND STAFFING

EMPLOYER OF RECORD (EOR)

- **Cuts labor costs by up to 25%** compared to traditional agency staffing by eliminating staffing agency markups and hidden fees
- **Delivers full compliance** with FLSA, ACA, and IRS employment regulations
- **Supports worker retention** with access to health insurance, retirement plans, and other competitive benefits
- **Provides a practical path** to reduce travel nurse dependence
- **Maintains workforce flexibility and oversight** without compromising quality

BEST FOR:

- High-volume contingent roles
- multi-state health systems
- organizations reducing travel nurse dependence
- rural or smaller hospitals with limited HR infrastructure

LESS IDEAL FOR:

- Urgent same-day coverage
- Short-term, one-off assignments
- Roles filled more efficiently through local PRN or float pool models





Employer of Record Savings Calculator

See how traditional agency bill rates compare with the Employer of Record (EOR) model for temporary staffing.

Staffing Model Cost Assumptions

Adjust the parameters to see real-time updates

Position

Nursing

\$ Hourly Pay

50

Hrs/Week

36

Weeks

13

Agency Model Inputs

% Taxes, Benefits & Insurance

12

% Margin & Overhead

50

EOR Model Inputs

% Taxes, Benefits & Insurance

12

% EOR Fee Amount

28

Agency Total

\$35,100

Worker pay + agency markup

EOR Total

\$29,952

Worker pay + EOR fee

Total Savings

14.7% LESS

\$5,148

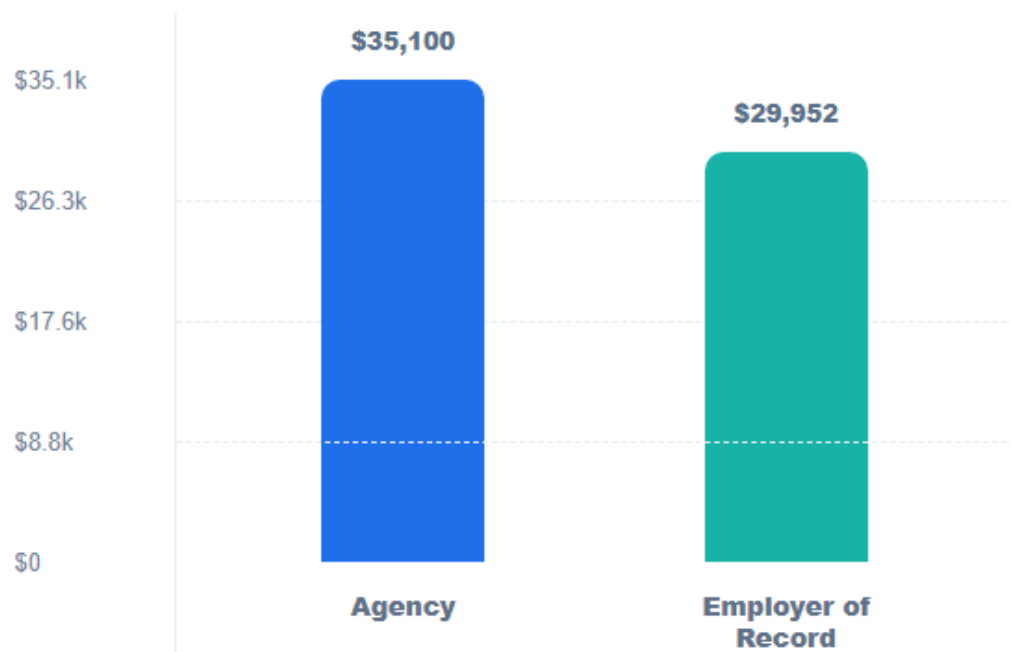
Over 13 Weeks Assignment

Projected annual savings

\$5,148

Total Cost Comparison

Scaled by selected positions and assignments per year



Agency Cost Breakdown



HOURLY BILL RATE

\$75.00

- Worker Pay
- Included Taxes, Benefits & Insurance

EOR Cost Breakdown



HOURLY BILL RATE

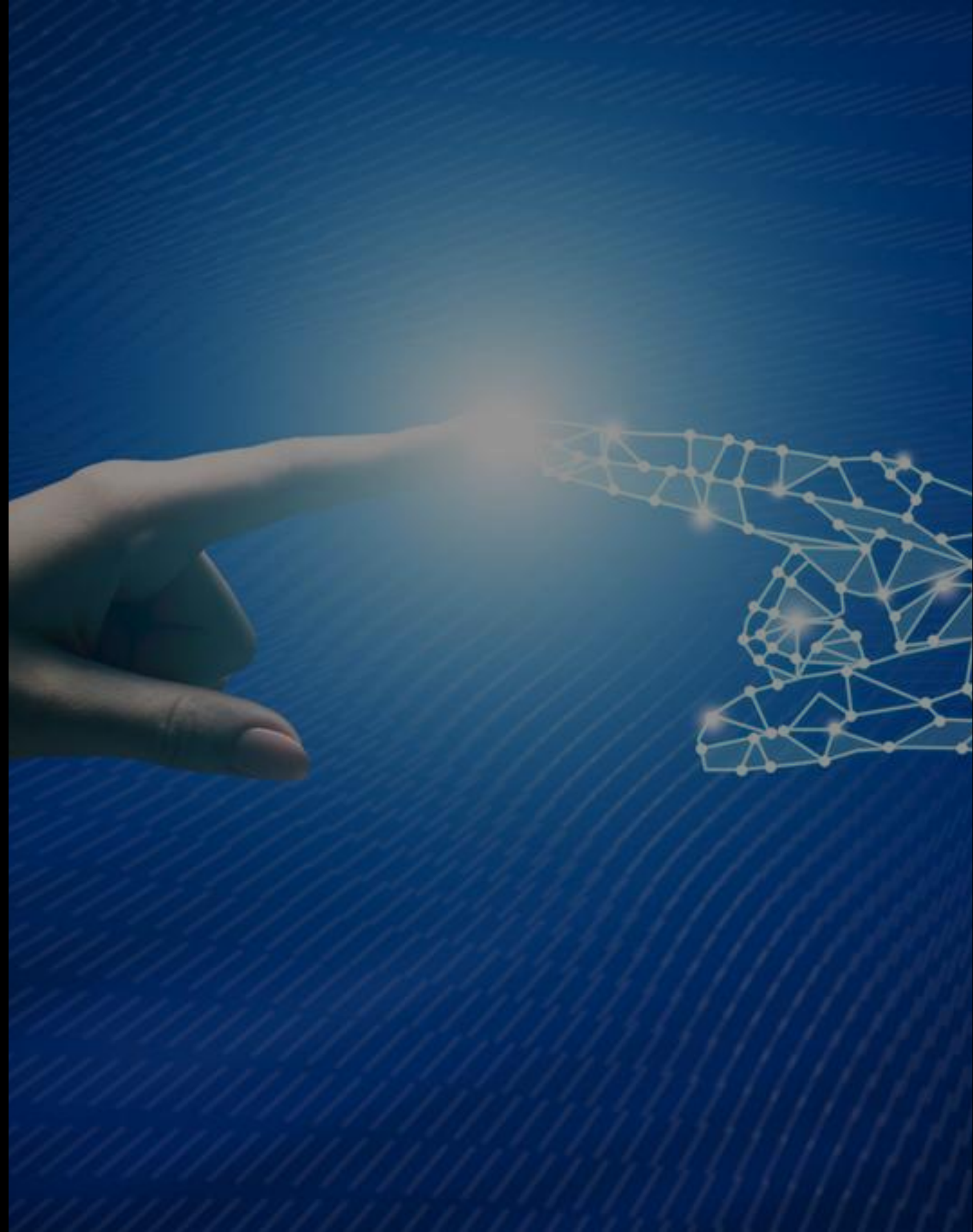
\$64.00

- Worker Pay
- Included Taxes, Benefits & Insurance

LAUNCH CALCULATOR

AI & Next-Gen Technology in Workforce Management

*From Reactive Staffing to
Predictive Workforce Intelligence*



Four Ways AI Is Transforming Healthcare Staffing Right Now

AI-Driven Screening & Matching

Impact: Reduces time-to-fill by 40-60%
Lowers mis-hiring and early attrition

Predictive Demand Forecasting

Impact: Reduces crisis contract spend
Improves manager planning cycles

Skills-to-Care Alignment

Impact: Improves patient safety outcomes
Reduces staff stress and errors

Automated Credentialing & Onboarding

Impact: Cuts onboarding time by 50-70%
Reduces compliance errors

Proven Cost Savings: Real-World Results

*Strategies validated by
health systems that have
made the shift*

Scan to download
the full case study



CASE STUDY

**SIX HOSPITALS
ONE PROVEN
MODEL
MILLIONS IN
SAVINGS**

A Data-Driven Approach to Cost Control &
Workforce Optimization in Clinical Settings

www.adaptivewfs.com

Key Questions to Ask Your MSP Vendor



What is your typical internal vs. external fill rate?



What service level agreements (SLAs) do you commit to, and how are performance failures measured, reported, and financially enforced?



Can exclusivity terms be structured as a limited-duration window (e.g., 14 days), and how do you ensure performance justifies that exclusivity?



What specific strategies, programs, or models do you offer to reduce long-term reliance on contingent labor?



What measurable cost savings have you delivered for comparable health systems, and how do you track, validate, and guarantee those savings over time?

Real-World Results: What Health Systems Have Achieved

**University of Rochester
Medical Center
Rochester, NY**



UNIVERSITY of
ROCHESTER
MEDICAL CENTER



Verified Results

- + 18.7% reduction in traveler spend
- + \$39.7M saved in 2024
- + \$10.6M in avoided agency costs
- + 123 traveler conversions to FTE

+ \$72.4M in savings through 2025

Real-World Results: What Health Systems Have Achieved



Cherokee Nation Health Services Tahlequah, OK



GWYD DBP
CHEROKEE NATION®
Health Services

251
Fewer
Clinicians on
Assignment

62
Traveler
Conversions

\$2.3M
Avoided
Agency Costs

61.7%
Reduction in
Traveler
Headcount

\$13.2M in Verified Savings Through 2025

Southwest General Health Center Middleburg Heights, OH



Southwest General

49
Fewer
Clinicians on
Assignment

3
Traveler
Conversions

\$67K
Avoided
Agency Costs

71%
Reduction in
Traveler
Headcount

\$415K in Verified Savings



**New
Program!**

Ohio's Rural Hospitals: Special Considerations & Solutions

700+ rural hospitals nationally at risk of closure • Ohio rural margins well below national median • Geographic isolation compounds agency dependency

Unique Rural Challenges

Geographic isolation

Financial constraints

Professional isolation

Payer mix pressure

No internal HR infrastructure

Right-Sized Solutions for Rural Ohio

Regional Float Pools

Local Staffing

EOR

MSP Alternative Programs

Locum Tenens Optimization

NEXT
HOSPITAL
100+
MILES

MSP Alternatives for Small and Rural Hospitals

Not advertised, but flexible options are available if you know what to ask for

Key Structural Characteristics

FLEXIBLE PARTICIPATION STRUCTURE

- No exclusivity requirements**
- No contractual commitment**
- No technology disruption**
- No conversion fees**

VENDOR NEUTRAL SOURCING FRAMEWORK

- Compatible with existing agency relationships**
- No contractual commitment**
- No technology disruption**
- No conversion fees**

CENTRALIZED ADMINISTRATION

- Coordinated Onboarding & Compliance Process**
- Standardized Credentialing**
- Scalable across small or larger traveler volumes**

Putting It All Together

Your 90-Day Action Roadmap



Designing the Right Workforce Mix

An Innovative Workforce Management Model

NEXT-GEN WORKFORCE STRATEGY

Scaling gig and float pool workforce capabilities through strategic sourcing, contract management partnerships, and centers of excellence

TEMPORARY WORKERS

Strengthen orchestration by deepening integrations with a staffing supplier to streamline sourcing fulfilment and workforce delivery



**Optimizing
Multichannels
for Talent: The
Next Frontier**

INDEPENDENT CONTRACTORS

Partnering with third-party Employer of Record providers to ensure efficient sourcing, compliant onboarding, and management

DIRECT SOURCING WORKERS

Partnering with direct sourcing technology providers to enable stronger talent pooling, engagement, and fulfillment

90 Day - 12-Month Workforce Transformation Roadmap

Days 1-60 Diagnose

- 1 Audit full agency spend and utilization
- 2 Identify units with highest agency dependency
- 3 Align HR, Finance, and CNO on goals, metrics, and governance
- 4 Assess HR/Ops to manage a transition program
- 5 Map out technology objectives and timeline

Days 61-90 Design

- 1 Design integration structure and workflows
- 2 Introduce direct sourcing and EOR model in highest-cost role category
- 3 Test technology software and configurations
- 4 Build internal communication for managers, vendors and staff
- 5 Provide training and learning sessions

Days 91-120 Launch Pilot

- 1 GO LIVE
- 2 Transition to new MSP model
- 3 Launch direct sourcing | EOR program
- 4 Launch float pool soft rollout in 1-2 units
- 5 Bi-weekly cadence meetings to review progress

Month 4-12 Scale & Sustain

- 1 Establish monthly performance reporting
- 2 Set 6 month target: 25-30% reduction in total agency dependency
- 3 Expand float pool to additional units and facilities
- 4 Integrate AI-enabled demand forecasting tools
- 5 Quarterly executive review of workforce cost vs. target

Let's Keep the Conversation Going

Adaptive Workforce Solutions - Your Partner in Sustainable Workforce Strategy

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President & CEO

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www.Adaptivewfs.com



Tony Lehman

**Director of Business
Development**

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- **Schedule a complimentary Workforce Cost Analysis for your organization**
- **Review your current agency vendor contracts against today's rate benchmarks**
- **Identify your highest-cost 2-3 roles and units, and we'll build a custom ROI model**
- **Connect with us today at the conference, visit our booth or hallway conversations are welcome**