Medical Solutions™

Stabilizing the Healthcare Workforce

FROM REACTIVE DECISIONS TO LONG-TERM STRATEGY

What's the hardest workforce challenge you're still reacting to today?

- **A** Filling open positions quickly
- **B** Shortage of qualified clinicians
- **C** Location challenges
  (e.g., safety, cost of living/housing)
- **D** Other
  (retention, labor costs, skill gaps, facility challenges)

What We'll Explore Today

- How the workforce has permanently changed
- Why traditional strategies are falling short
- What it takes to stabilize your workforce long-term
- How to identify your next strategic move

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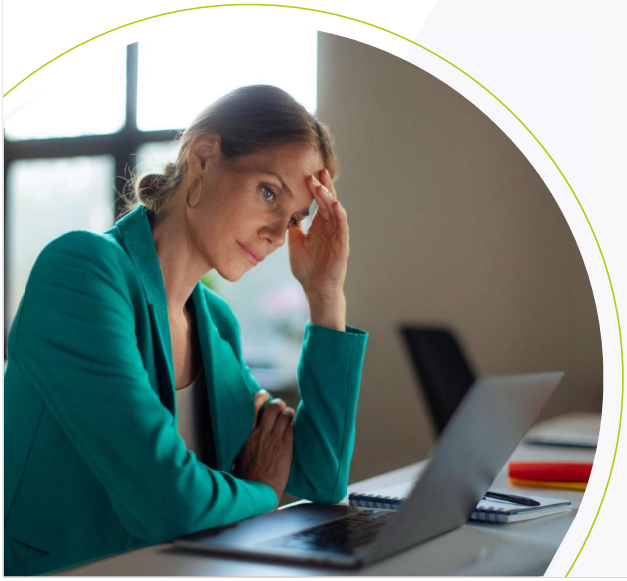
About Us

Medical Solutions™

Medical Solutions is one of the nation's leading healthcare workforce partners, delivering workforce solutions, advisory services, technology, recruiting, and staffing.

With expertise across managed services, internal resource pools, virtual health, workforce disruption, contingent staffing (including PRN, local, and travel), interim leadership, domestic and international direct hire, and dedicated managed staffing, Medical Solutions empowers healthcare systems to optimize labor costs, improve patient care, and prepare for future workforce needs.

Why Workforce Strategies Struggle



- Fragmented ownership
- Disconnected systems
- Data not trusted
- Misaligned incentives

Strategies fail when the system isn't aligned.

The Crisis Has Changed

WHAT HEALTHCARE LEADERS THINK

- Travel spend is down
  - Travel nurse revenue declined 12.1% in 2025, entirely driven by a 12.5% decrease in volume[1]
- Agency utilization is down
- Vacancy rates are improving
  - RN vacancy rate under 7.5% in 2025[2]

THE REALITY

- Clinicians want flexibility
  - Nearly 80% of clinicians are willing to consider all work types (Travel, Local, Per Diem, and Perm).[3]
- Labor spend is fragmented
- Workforce decisions remain siloed
- Financial pressure is increasing
- Productivity remains stagnant

WHAT'S DRIVING DEMAND NOW

- Specialty shortages
- Outpatient expansion
- Aging workforce
- Burnout
- Geographic maldistribution

PANDEMIC CRISIS → **MARKET CORRECTION** → **STRUCTURAL WORKFORCE REDESIGN**

Sources:
1. Staffing Industry Analysts. SIA NATHO Travel Nurse Benchmarking Survey: Selected Findings, 2026
2. Kaufman Hall. Health System Talent Retention in 2025 (Infographic), April 2025
3. 2026 Medical Solutions State of Nursing Survey (n=4845)

Where does your workforce strategy lack the most alignment today?

- **A** Workforce model
- **B** Technology
- **C** Data & analytics
- **D** Governance
- **E** Change management

Fill out the notecard at your table and share your answer.

Fragmentation Breaks Alignment

THE ROOT CAUSE
The system is fragmented

- Workforce spread across multiple labor types
- Limited coordination across teams
- No unified view of supply and demand

THE FALLOUT
Alignment breaks down

- Strong strategies fail in execution
  - The national average RN turnover rate is 17.6%, despite many organizations having workforce strategies.
- Technology underdelivers
- Data lacks credibility
  - Average time to recruit an experienced RN ranged from 56 to 102 days, despite improved visibility into workforce metrics.
- Decisions stay reactive

This isn't just a supply issue. Fragmentation breaks alignment and drives instability.

Source: NSI Nursing Solutions, Inc. 2026 National Health Care Retention & RN Staffing Report

Cost is Not Disappearing

1

- Reducing one labor type shifts the cost elsewhere
- Overtime and burnout increase
- Vacancy cost is often unmeasured
- Productivity loss
- Turnover
- Delayed throughput

Lower bill rates do not always equal lower cost.

Source: U.S. Nursing, Allied Health and Therapy Labor Costs Study, KPMG LLP (Nov 2025), supported by NATHO

HOURLY, ALL-COST FOR PERM VS TRAVEL

Role	Permanent	Travel	Difference
Nursing	$94/hr	$89/hr	-5%
Allied Health	$65/hr	$59/hr	-9%
Therapy	$69/hr	$61/hr	-12%

Many organizations successfully reduced travel spend while increasing total workforce cost.

Workforce Stability Requires Alignment

The highest-performing health systems align all five pillars simultaneously.

THE FRAMEWORK

1	2	3	4	5
Workforce Model	**Technology**	**Data & Analytics**	**Governance**	**Change Management**
Right mix of labor types for demand	Integrated tools that serve the strategy	Trusted, real-time visibility	Clear ownership + accountability	Drive adoption and sustain outcomes

→ Missing even one pillar creates a fault line. That's where instability enters.

It's Not Perm vs. Travel

1

The debate is often framed as a binary choice. It isn't.

OLD FRAME	OLD FRAME	OLD FRAME
Perm vs. Travel	Lowest Bill Rate	Fill the Shift
BETTER QUESTION	**BETTER QUESTION**	**BETTER QUESTION**
Intentional Workforce Design	Quality with Lowest Total Cost of Care	Predict & Prevent the Gap

No single labor type solves the problem. Conversations must shift to intentional workforce design.

Speed Creates Financial Value

1

Open roles create operational strain

Travel shortens time-to-fill

- 8–21 days: ~78% of facilities

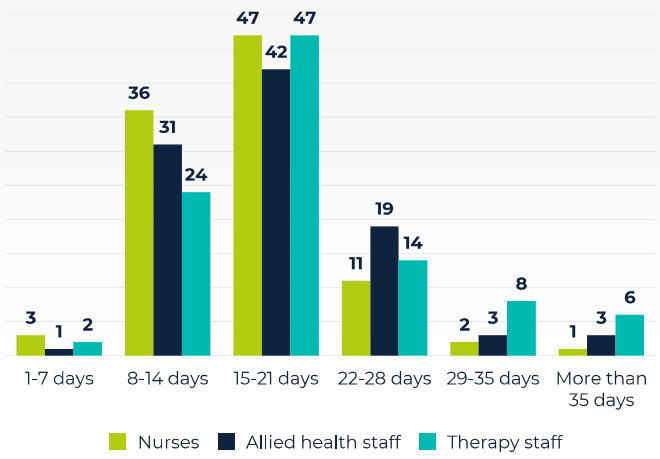
Permanent hiring delays productivity

- 2–3 weeks for travel vs several weeks or months just to recruit a perm nurse before they're trained

This can cause:

- Lost revenue
- Closed beds
- OR capacity
- Delayed patient access

Number of days to hire a traveling staff



Source: U.S. Nursing, Allied Health and Therapy Labor Costs Study, KPMG LLP (Nov 2025), supported by NATHO

Internal Resource Pools Are Rising

1

- **Health systems are building internal flexibility models**

  Over 50% of healthcare leaders have or plan to add IRPs, which has doubled in the last 12 months.

- **IRPs reduce reliance on external labor**
- **Enable retention and redeployment**

Internal pools are a strategic asset.

Advocate Health's flexible working model

Agency staff
External agency

Flexible staff
Enterprise float pool
Local float pool
Flex resource

Core staff
Full-time
Part-time
PRN

"Flex resource" pick up hours based on availability, with a minimal commitment of just **12 hours per six weeks.**

When properly administered, IRPs drive positive outcomes in clinical retention, flexibility and workforce engagement.

Source: 2026 H1 Healthcare Leader Survey (n=877).

Every Labor Type Has a Role

1

PERMANENT = STABILITY

77% of clinicians choose permanent roles for stability and proximity to home.

- Cultural anchor and institutional knowledge
- Lowest variable cost long-term
- Vulnerable to local market competition

TRAVEL = FLEXIBILITY

76% of clinicians choose travel roles for higher pay, flexibility, and mobility.

- Fast time-to-fill for urgent gaps
- Specialty expertise on demand
- Higher unit cost, but lower vacancy cost

PRN / IRP = AGILITY

70% of clinicians choose per diem roles for flexibility and reduced workplace stress.

- Internal pool reduces external dependency
- Retention and redeployment tool
- Requires investment to build and maintain

The goal is balance, not replacement.

Source: 2026 Medical Solutions State of Nursing Survey (n=4,845)

Technology Enables, Not Defines Strategy

2

- Tools are often implemented before workflows
- Systems must support workforce design
- Interoperability is critical

- AI assisted scheduling
- Workforce forecasting
- Productivity analytics
- Administrative burden reduction

Strategy first, technology second

Technology alone will not solve workforce instability.

What's one workforce decision you've made recently that has helped drive a positive result?

PLEASE FILL OUT THE NOTECARD AND SHARE IT WITH YOUR TABLE

Governance is the Missing Link

4

Workforce decisions lack clear ownership

Inconsistent rules across teams and facilities

Vendor and internal accountability vary

Governance turns strategy into execution.

Visibility Drives Better Decisions

3

Data is fragmented across systems

Limited real-time insight into workforce performance

Leaders lack a full view across labor types

Visibility is the foundation of control.

From Staffing to Workforce Strategy

- ✓ Shift from reactive hiring to intentional design
- ✓ Integrate workforce strategy, data, and technology
- ✓ Move toward predictive and adaptive models

WORKFORCE MANAGEMENT IS AN ENGINEERED SYSTEM

Change Management Drives Adoption

5

Strategies fail without stakeholder buy-in

Early alignment with frontline leaders and clinicians prevents resistance before it starts.

Adoption gaps undermine technology investment

Without structured change management, even strong VMS platforms underperform their potential.

Culture must shift alongside process

Sustained behavior change requires reinforcement, not just a one-time rollout event.

Change management turns strategy into lasting behavior.

Workforce Maturity Model

Where does your organization sit today?

Level 1: Reactive

- High agency usage
- Constant backfilling
- Limited data visibility

Level 2: Managed

- Vendor structure in place
- Basic reporting available

Level 3: Designed

- Intentional labor mix
- IRP or float pool implemented

Level 4: Optimized

- Data-driven decisions
- Integrated technology ecosystem
- Predictive capabilities

Understanding your current state is the first step

From Insight to Action

Designing a long-term workforce strategy starts with clarity.

- ✓ Understand where your workforce is today
- ✓ Identify where misalignment is holding you back
- ✓ Choose one area to move forward, then take action

Scan the QR code to access key questions for shaping your long-term workforce strategy.

Q&A

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Key Takeaways

1. Workforce stability requires intentional design
2. Balance across labor types is critical
3. Alignment across systems is required
4. Focus on the system, not just staffing

Workforce stability isn't achieved by filling roles. It's achieved by designing a system that can consistently deliver care.