

Go beyond staffing

Imperative 2: Enterprise-wide workforce optimization



CHG
Healthcare

Imperative 2

Enterprise-wide workforce optimization

Building agility into the clinical model

Unlock new levels of flexibility and resilience by rethinking how physician labor is designed, deployed, and scaled across care settings.

Variability in patient volumes, care acuity, and payer mix means health systems must be able to scale clinical capacity in real time. But traditional staffing models—built on rigid FTE allocations and fragmented departmental planning—are too slow and inflexible to respond. This mismatch drives up labor costs, burnout, and downstream access issues.

As healthcare organizations confront increasing staffing complexities, a new framework is emerging to guide more deliberate workforce decisions: order of utilization. Rather than defaulting to reactive, last-minute staffing solutions, this model encourages organizations to take a structured, stepwise approach.

Developed by CHG Healthcare and grounded in its decades of experience managing flexible clinical labor, the order of utilization model defines a strategic, prioritized sequence of workforce options based on cost-efficiency, continuity of care, and patient access. It's a shift away from ad hoc, department-level

decisions and a move toward enterprise-wide, data-informed deployment—a playbook for how to think proactively, not just reactively, about provider coverage.

The process begins by assessing whether internal provider pools can meet patient care demands. If gaps persist, permanent recruitment is prioritized—a process that often requires significant lead time, with some specialties averaging over 200 days to fill.

To bridge these critical gaps, organizations can strategically deploy interim solutions such as locum tenens providers, telehealth services, or advanced practice providers, depending on the situation's urgency and complexity.

“Ideally, this level of visibility and optimization is supported through technology that can manage and predict when to move resources

“This helps shift the labor conversation from cost-cutting to emphasizing the value the right provider brings to the right moment.”

— Scott Boecker, chief growth officer, CHG Healthcare



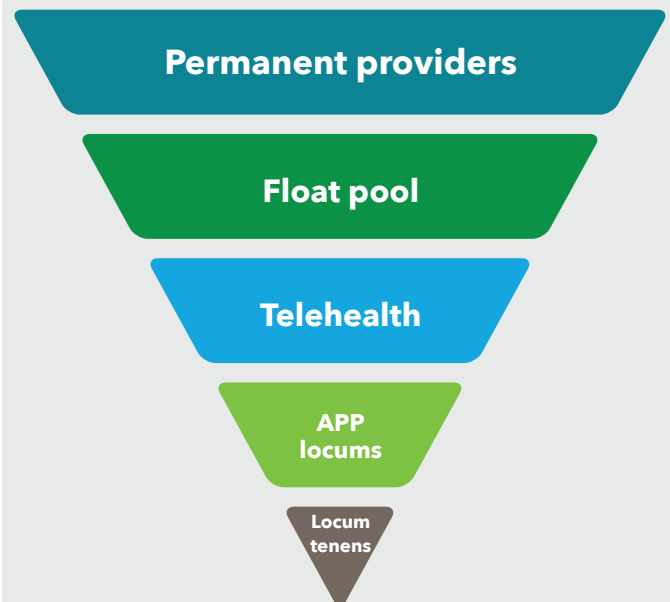
into the right place at the right time,” says Scott Boecker. “This helps health systems move beyond reactive staffing to a proactive utilization strategy that sequences their available options for optimal efficiency and continuity. This helps shift the labor conversation from cost-cutting to emphasizing the value the right provider brings to the right moment.”

A structured, stepwise workforce strategy (order of utilization) should be supported by tools that sequence available options for optimal staffing efficiency and continuity and allow for enterprise-level decision-making. A vendor management system (VMS) can streamline the engagement and credentialing process for locum tenens and other external providers.

By enforcing consistent workflows—such as prioritizing internal float pools or advanced practice providers before turning to external locums—a *smart VMS* helps organizations apply a more structured and strategic approach to contingent staffing. This visibility allows health systems to respond faster to clinical coverage needs and maintain better control over agency spending across the enterprise.

The CHG Healthcare order of utilization model shifts staffing discussions away from short-term fixes toward long-term workforce optimization. By sequencing staffing options thoughtfully, organizations can better balance quality, continuity, and cost. Ultimately, adopting a structured utilization strategy fosters greater operational resilience, ensuring that staffing decisions are aligned with both immediate needs and future growth objectives.

Implementing an order of utilization model



Instead of reacting to vacancies with ad hoc solutions, organizations following this model adopt a stepwise approach:

- 1. Assess internal resources**
Can existing employed providers cover demand?
- 2. Prioritize permanent recruitment**
If not, begin sourcing permanent hires, noting that filling specialty roles can take 200+ days.
- 3. Bridge gaps strategically**
Use temporary staffing solutions, such as locum tenens, telehealth, or advanced practice providers (APPs), timed to complement long-term workforce goals.
- 4. Integrate technology**
A vendor management system can serve as the operational backbone for centralizing staffing data and supporting decision logic.

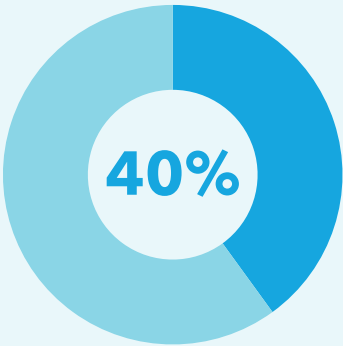
As Austin Chatlin, senior director of Advisory Services by CHG Healthcare says, “Too often decisions about provider coverage are made reactively at the clinic level, when they should instead be guided by a centralized, enterprise-wide strategy that aligns workforce deployment with broader organizational goals.”

Leading systems are embracing an enterprise-wide model of workforce planning. This approach unifies permanent staff, internal float pools, locums, and telehealth providers into a

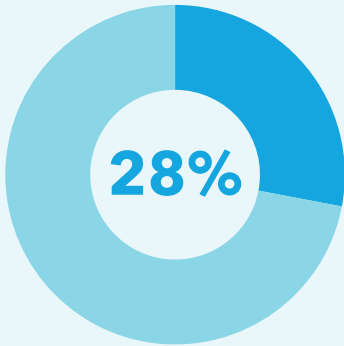
centralized labor pool that can be strategically deployed across service lines. Done well, it creates the clinical equivalent of just-in-time inventory management.

The order of utilization model prioritizes a strategic sequence of provider coverage. This approach encourages organizations to first consider permanent hires, then leverage internal float pools, telehealth solutions, and locums when necessary.

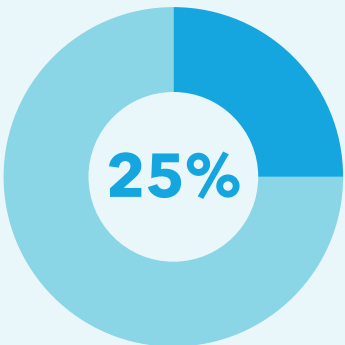
How executives use locums to stay agile



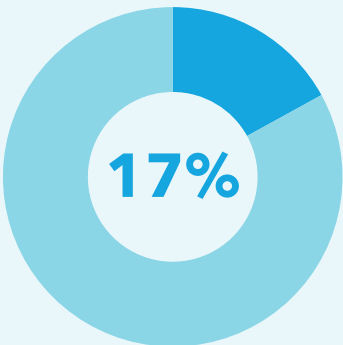
To meet increased patient demand



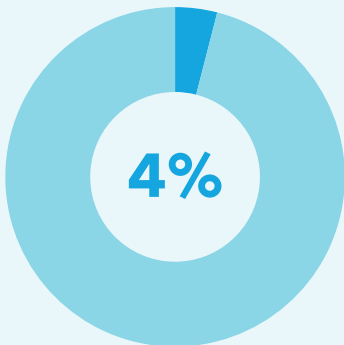
To supplement staff during peak periods



To maintain services while transitioning their organization model



To maintain flexibility to upsize or downsize staff as needed



To test a new service in the market

CHG Healthcare, “State of Locum Tenens Report,” 2024

“You know you might not find the exact match in a high-demand marketplace, and you have to determine which is more important: finding the exact match and maybe taking longer to fill the need or having some flexibility,” Luke Woodyard, group president at CHG Healthcare, says.

Smart locums strategies are unlocking new value in high-demand specialties where permanent recruitment timelines pose critical financial risks. With advanced workforce modeling, locums become a precision instrument for revenue protection and growth—not a blunt coverage tool.

“Locums are seen primarily as coverage. But in reality, they are a revenue-optimizing component of flexible workforce models designed to adapt quickly to market shifts, patient demand spikes, and talent gaps,” says Woodyard.

Staffing models that incorporate advanced practice practitioners (APPs) can also help stabilize the physician workforce by alleviating workload pressures. In 2023, over a quarter of physicians reported insufficient physician and support staff as a key source of job stress.¹⁸ The ongoing need for additional nurses, medical assistants, and documentation support highlights how expanded care teams—including APPs—can reduce administrative burdens and mitigate physician burnout.

“When a practice is running at its best... the physician is the bottleneck. That means everything else is working,” says the director of physician and medical group research at the Advisory Board. In particular, primary care’s inevitable evolution toward team-based models

where APPs shoulder increasing patient care responsibilities are a future state for physician workforce resilience. APPs will be the majority of the primary care workforce by 2031. Non-metro markets already reached this in 2021.¹⁹ “APPs are not just a stopgap—they’re the future,” she says.

When staffing decisions are based on real-time acuity, productivity benchmarks, and clinical coverage goals—not departmental politics or outdated ratios—systems gain control over labor costs while improving clinical consistency.

! Executive takeaway

- **Creating a future-ready workforce requires a strategy anchored in full-time physicians, augmented by a strategic, flexible workforce and technology.**

Priorities for physician workforce agility

- Strategic workforce planning, including order of utilization models and proactive succession planning
- Balancing permanent hires, float pools, locum tenens, and hybrid models to increase agility
- Consolidating fragmented workforce operations to achieve scale efficiencies and reduce referral leakage

Case study | Ardent Health

Centralizing an order of utilization system at scale

Ardent Health System footprint

200+**facilities****6****states****1000+****physicians**

Challenge

Ardent Health's decentralized locum tenens strategy created major inefficiencies. With hundreds of temporary physicians, Ardent Health struggled to consistently enroll its locum tenens providers with payers and bill for services, leading to frustration and lost revenue. The heavy administrative burden made it difficult for Ardent Health to efficiently use locum tenens to meet patients' needs.

Solution

By consolidating its locum tenens operations under a single VMS, Ardent Health accessed over 70 agencies via one contract and enabled leadership to establish approval protocols, automate candidate tracking, streamline onboarding, and standardize pricing and contract terms across the system.

Over \$3.5M

increase in revenue from contracted providers in two years

Over 20K+

estimated savings in annual administrative costs

Over \$145K+

estimated saving in one year due to invoicing improvements

Increased confidence

in payer enrollment and billing for patient care provided by contingent providers

Sources

1. AHA. The Cost of Caring: Challenges Facing America's Hospitals in 2025. <https://www.aha.org/costsofcaring>
2. AAMC. Why Health Workforce Projections Are Worth Doing. 2023. <https://www.aamc.org/data-reports/workforce/why-health-workforce-projections-are-worth-doing>
3. Becker's Healthcare. The burden of physician turnover in 11 numbers. 2025. <https://www.beckershospitalreview.com/quality/hospital-physician-relationships/the-burden-of-physician-turnover-in-11-numbers/>
4. CMS.gov. National Health Expenditure Projections 2024-2033 (2024). <https://www.cms.gov/files/document/nhe-projections-forecast-summary.pdf>
5. AAPPR. Steady Through the Turns: A Path for AAPPR's Next Chapter. 2025. <https://aappr.org/2025/04/14/steady-through-the-turns-a-path-for-aapprs-next-chapter/>
6. Medscape. Physician Mental Health & Well-Being Report. 2025. <https://www.medscape.com/sites/public/mental-health/2025>
7. Advisory Board. How corporate medical group growth strategies are disrupting healthcare delivery. 2025. <https://www.advisory.com/topics/physician/2025/corporate-medical-group-growth-strategies>
8. Physicians Advocacy Institute. Updated Report: Hospital and Corporate Acquisition of Physician Practices and Physician Employment 2019-2023 (2024). <https://www.physiciansadvocacyinstitute.org/Portals/0/assets/docs/PAI-Research/PAI-Avalere%20Physician%20Employment%20Trends%20Study%202019-2023%20Final.pdf?ver=uGHF46u1GSeZgYXMKFyYvw%3d%3d>
9. CHG Healthcare. State of Locum Tenes Report. 2024. <https://chghealthcare.com/chg-state-of-locum-tenens-report>
10. Paul Keckley. The Healthcare Workforce Crossroad: Incrementalism or Transformation. 2024. <https://paulkeckley.com/the-keckley-report/2024/7/8/the-healthcare-workforce-crossroad-incrementalism-or-transformation/>
11. NORC. Surveys of Trust in the U.S. Health Care System. 2021. https://www.norc.org/content/dam/norc-org/pdfs/20210520_NORC_ABIM_Foundation_Trust%20in%20Healthcare_Part%201.pdf
12. KLAS Research. Clinician Turnover. 2024. <https://klasresearch.com/archcollaborative/report/clinician-turnover-2024/621>
13. MGMA. Formalizing your physician retention strategies amid worsening shortages. 2023. <https://www.mgma.com/mgma-stat/finalizing-your-physician-retention-strategies-amid-worsening-shortages>
14. JAMA. Burnout, Professionalism, and the Quality of US Health Care. 2023. <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2802872>
15. Becker's Healthcare. Physicians working more but generating less revenue. 2025. <https://www.beckershospitalreview.com/finance/physicians-working-more-but-generating-less-revenue/>
16. Weatherby Healthcare. The real cost of vacancies and provider turnover. <https://weatherbyhealthcare.com/staffing-solutions/resources/real-cost-vacancies-and-provider-turnover>
17. Becker's Healthcare. The cost of physician turnover. 2023. <https://www.beckershospitalreview.com/finance/the-cost-of-physician-turnover/>
18. AMA. Physician burnout rate drops below 50% for first time in 4 years. 2024. <https://www.ama-assn.org/practice-management/physician-health/physician-burnout-rate-drops-below-50-first-time-4-years>
19. HRSA. Workforce Projections. <https://data.hrsa.gov/topics/health-workforce/nchwa/workforce-projections>
20. AMA. AMA Augmented Intelligence Research Physician sentiments around the use of AI in health care: motivations, opportunities, risks, and use cases. 2025. <https://www.ama-assn.org/system/files/physician-ai-sentiment-report.pdf>
21. Harvard Business Review. The Workplace Psychological Contract Is Broken. Here's How to Fix It. 2025. <https://hbr.org/2025/05/the-workplace-psychological-contract-is-broken-heres-how-to-fix-it>
22. AHA Trustee Services. Leadership Matters: A Roadmap Toward Effective Governance of Quality and Safety. <https://trustees.aha.org/leadership-matters-roadmap-toward-effective-governance-quality-and-safety>
23. AAMC. New AAMC Report Shows Continuing Projected Physician Shortage. 2024. <https://www.aamc.org/news/press-releases/new-aamc-report-shows-continuing-projected-physician-shortage>



Let's connect

Schedule a workforce strategy session or risk assessment consult with a CHG Healthcare physician workforce strategist. We'll evaluate your physician workforce, capture unrealized care opportunities, and provide insights on how to better manage your provider pool.

866.570.9920 | ecs.contact@chghealthcare.com