

Qualivis Partnership:

Through the Pandemic and Navigating the Road Ahead



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It's hard to believe we're approaching a full year since the WHO declared COVID-19 a global pandemic in March 2020. No one could have predicted or imagined how COVID-19 would impact healthcare and the toll it would take on our staff. As COVID-19 cases rose, so did the workload on nurses to manage the increased patient load and hold their hands for comfort due to visitor restrictions.

To effectively manage patient care, the demand for contingent labor skyrocketed to an all-time high of over 30K+ travel nurses. Rates increased dramatically as healthcare systems and hospitals competed for talent nationally. These presented significant challenges for hospitals and healthcare facilities, and Qualivis, a national provider of workforce solutions, worked closely with state hospital and healthcare associations to help alleviate the strain on their members.

SETTING THE STAGE ON THE NURSING SHORTAGE

The contingent labor market has grown to address the critical nursing shortage in the industry. The average

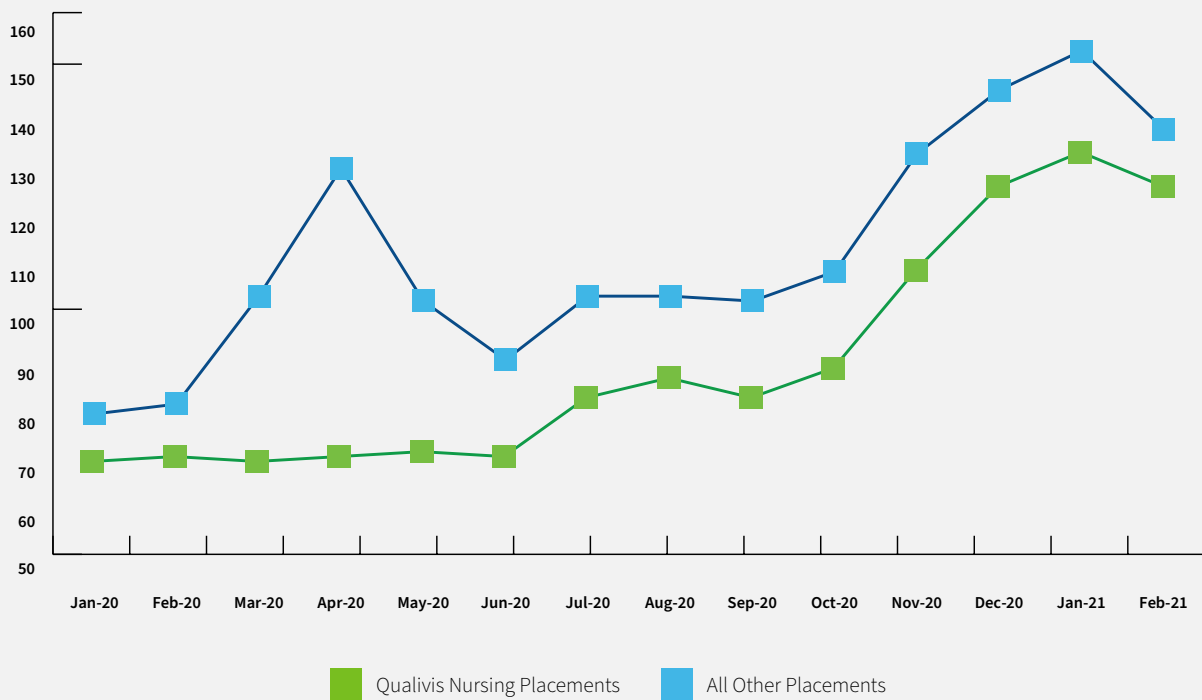
vacancy rate for nurses, who are the primary patient caregivers in hospitals, is 9% — with one-third of hospitals reporting a greater than **10% vacancy**. The shortage was evident before the pandemic when over 100,000 open permanent positions were advertised in January 2020. According to the US Bureau of Labor Statistics, the travel nurse market in 2019 comprised of 64,000 travel nurses, representing only 1.7% of all 3.7 million nurses. In essence, the healthcare industry relies on the 1.7% of travel nurses to make up for the 9% nurse shortage in hospitals. This sets the stage for an extreme supply and demand imbalance, which was exacerbated during the pandemic as demand for nurses skyrocketed.

RATE INFLATION AND ECONOMIC STEWARDSHIP

Hospitals and health systems were in direct competition with each other for limited clinical resources. Rates rose dramatically to the detriment of many smaller health systems, rural hospitals and care facilities that did not have the resources to pay the market-clearing rates being offered. As rates escalated to meet demand, Qualivis remained an ethical and accountable partner for its clients. Throughout the pandemic, Qualivis rates increased slower than all other placements and remained 20% lower on average than the national market ceiling.

QUALIVIS AVERAGE PLACEMENT RATE TRENDS – RN

February 21, 2021



- Data is based on Lotus Workforce data including direct contracts, managed service contracts, and support of third-party staffing programs.
- Rates are based on placements during the time period.

While Qualivis and its suppliers did need to raise rates to effectively recruit talent, Qualivis eliminated vendor fees and engaged with its accountable supplier panel to control costs while keeping patients safe with adequate staffing. Subsidizing these costs is a testament to our economic stewardship and accountability as your workforce solutions partner.

THE PATH TO MARKET STABILIZATION

As vaccine efforts roll out and seasonal changes cause infection rates to decline, the demand for the contingent market is beginning to stabilize. How can your healthcare system move to a more sustainable model without leaving your staff and patients in a complete bind? Qualivis is undertaking a thoughtful and data-driven approach to market stabilization with its clients and is leading the market

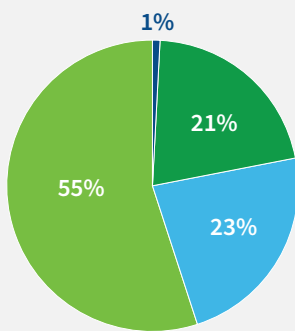
in terms of offering lower bill rates versus competitive and insourced solutions.

As we saw demand begin to level off in January, we began to discuss strategies for market stabilization. By examining the open jobs across the market, we identified where to impact rates. As of January 24, 2021, only 1% of Qualivis jobs were in the top-tier rate and 45% of jobs were in the mid- and high-tier rates, compared with Direct/Third Party jobs which had 3% in the top-tier rate and 50% in the mid- and high-tier rates.

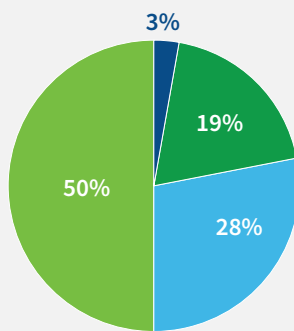
Within one week of focus on market stabilization for our clients, we were able to reduce the number of Qualivis jobs in the top-tier rate by 59%, and jobs within the high-tier range by 25%. During this same period, we continue to see growth in the mid-, high-, and top-tier rates in Direct/Third Party jobs.

MARKET STABILIZATION STRATEGIES

January 24, 2021



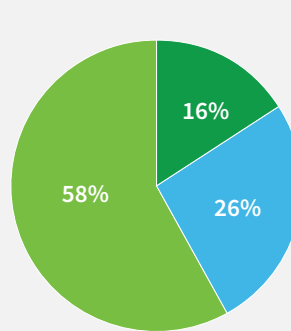
Qualivis MSP



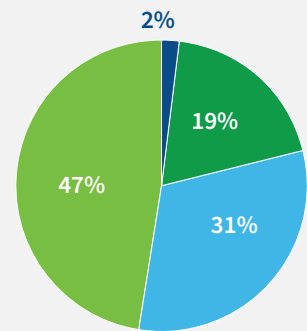
Direct/Third Party

■ Top-tier rate
 ■ High-tier rate
 ■ Mid-tier rate
 ■ Low-tier rate

February 2, 2021



Qualivis MSP



Direct/Third Party

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The Qualivis team is actively collaborating with clients on balancing continuing contingent labor needs with cost savings. Through analysis of market demand and bill rates, Qualivis is developing market stabilization plans centered on incremental rate reductions and shorter contract extensions. During the height of the pandemic, while other providers led with market-clearing rates to recruit talent, the Qualivis accountable model has proven to save money, but also improve efficiencies, fill rates, and patient outcomes.

WHO IS LEADING THE MARKET NOW?

February 21, 2021

Top-Tier Rates

Competitive Vendor-Neutral and Staffing-Led Solutions

Mid & High Tier Rates

Insourced Hospital Solutions

Low-Tier Rates

Qualivis, Aya

• Data is based on Lotus Workforce data including direct contracts, managed service contracts, and support of third-party staffing programs.

THE ROAD AHEAD

As hospital and healthcare systems move forward into the near-term (hopefully) post-pandemic world, Qualivis takes a personalized approach to develop flexible solutions for workforce management, from workforce consulting to continued service line expansions, including direct sourcing assistance, non-clinical staffing, locum tenens and more.

Undoubtedly, recovery will include a heightened focus on recruitment and retention strategies. This will be challenging as internal talent acquisition teams are rebuilding from being furloughed during the pandemic. With 100,000+ jobs open for direct-hire nursing and many nurse leaders nearing retirement, Qualivis delivers direct sourcing assistance and interim management services.

In navigating the road ahead, Qualivis maintains a data-driven approach to stay ahead of the trends and provides ongoing education to help hospitals and healthcare systems plan accordingly. There is still much work to do, and Qualivis is committed to being the accountable partner to help navigate the uncertainty that remains.