

THE COST OF WAITING

RPO VS. STATUS QUO UNDER REIMBURSEMENT PRESSURE

For CFOs and CEOs navigating CMS cuts: the financial case for shifting from reactive agency spend to a structured, fixed-cost recruiting partnership.

\$911B

10-yr Medicaid Cut
One Big Beautiful Bill Act

477K

Healthcare Jobs at Risk
Projected 2026–2027

40–60%

Traveler Premium
iAbove perm RN total comp

THE FINANCIAL CHAIN REACTION

1. CMS Cuts Revenue

- \$911B–\$1T in Medicaid cuts over 10 years
- New work requirements effective 2026
- States lose provider tax authority
- 477K healthcare jobs at risk nationally

2. Margin Pressure Forces Trade-offs

- TA budget freezes or headcount reductions
- Fewer internal recruiters managing more reqs
- Vacancy backlog builds across units
- Clinical open reqs spike — patient care at risk

3. Reactive Spend Trap Activates

- Travelers deployed to fill critical vacancies
- Bill rate premium: 40–60% above perm
- Housing stipends reset every 13 weeks
- Agency costs grow as margins compress further

THE MATH MOST CFOS HAVE NOT RUN

Every unfilled clinical bed costs \$300–\$500 per day in operational impact. A health system running 40 travel nurses is paying 40–60% above permanent equivalent compensation — plus housing stipends that reset every 13 weeks, plus orientation costs of \$5K–\$10K per assignment, plus the management overhead of running 40 active vendor contracts.

The budget line says ‘traveler expense.’ The P&L consequence is a compounding variable cost that grows as margins shrink — the opposite of what a CMS-pressured operating environment requires.

The question is not whether to change the model. The question is whether you do it before the next budget cycle — or after the next margin review.

THE RPO FIXED-COST ALTERNATIVE

Recruitment Process Outsourcing replaces variable agency and traveler spend with a structured, partnership-based model. Hueman embeds a dedicated recruiting team inside your organization — operating under your brand, your governance, your standards — with SLA-based accountability and predictable rate cards.

The cost model is fundamentally different from agency staffing:

- Fixed partnership rate: no per-placement markups,
- no bill rate premiums
- Permanent pipeline building: reduces traveler need structurally over time
- AI-enabled recruiting: more hires per recruiter,
- faster fill rates, lower marginal cost per hire
- SLA governance: defined performance metrics,
- joint accountability, visible reporting

Result: a recruiting cost structure that trends down as the partnership matures — instead of compounding upward with every traveler renewal.

2X+

Major regional health system
— post AI-enabled RPO

50.2%

Up from 10.8% — same health system, permanent hires

–50%

54 → 27 per recruiter after implementation

A major regional health system implemented AI-enabled RPO through Hueman. Recruiters more than doubled their hire volume. Weekly fill rate increased from 10.8% to 50.2%. Average open reqs per recruiter dropped by half. Client not named by agreement.

