Craft

WORKFORCE STRATEGY BRIEF

The math on your next allied health cohort.

What a turnkey rural healthcare apprenticeship returns, and how it scales with you.

Prepared by Craft Education.

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EXECUTIVE SUMMARY

Three numbers run this document.

One unfilled surgical tech, sterile processing tech, or EKG tech absorbs more dollars in twelve months than building three of them does. The turnkey allied health apprenticeship program that Craft runs with rural hospitals is how that math gets executed at scale.

A single unfilled allied health position at a rural hospital costs between $90,000 and $180,000 a year in traveler labor, overtime drag, and case throughput loss. A cohort of twelve internally promoted allied health roles, built on incumbent CNAs, surgical aides, and patient care techs, completes for between $480,000 and $720,000 in total program cost, nearly all of which is offset by braided workforce funding when the stack clears at the site.

Craft's model is proving in rural hospitals now, and this brief lays out what the math looks like for the next hospital that adopts it.

$90K to $180K

cost of one unfilled allied health role, per year†

$480K to $720K

to build a cohort of twelve internally, nearly all funding-offset†

Training Costs Astonishingly Low

when braided funding is leveraged with Craft.

† All dollar figures provisional pending site-specific funding stack review.

01 THE PROBLEM

What an unfilled allied health role actually costs.

A vacant surgical tech, sterile processing tech, or EKG tech position is not zero on the books. It is a series of pass-through expenses and opportunity costs that compound month over month.

Traveler labor. Contract allied health staff cost $1,700 to $2,500 per week in current rural markets, before housing stipends and agency fees. A single vacancy backfilled with traveler labor runs $88,000 to $130,000 per year in raw spend.

Overtime drag. When the role cannot be backfilled at all, existing staff absorb the load. Overtime premiums plus burnout-driven turnover risk add an estimated $20,000 to $40,000 per role per year.

Case throughput loss. OR delays, sterile processing bottlenecks, canceled cases, and elective rescheduling driven by shortages produce a documented revenue hit. For a community-hospital OR running 1,800 cases annually, even a 2% case loss is meaningful margin.

Patient access impact. Cases that cannot be performed locally migrate to larger systems. The community loses access. The hospital loses revenue and downstream service-line attachment.

Total cost per unfilled allied health position, conservative range: $90,000 to $180,000 per year. This is the number we help hospitals stop paying.

$90K to $180K

per unfilled position, per year. Conservative range.

$1,700 to $2,500

traveler benchmark, per week, before housing stipends and agency fees.

External recruiting does not fix rural allied health.

The conventional response to a shortage is to recruit externally: post the role, raise the sign-on bonus, run a search firm. In urban markets that sometimes works. In rural markets it does not, for three reasons.

The pool is not there. Allied health training programs cluster around urban community colleges. Rural candidates have to relocate to train, then choose to relocate back. Most do not.

The sign-on cost climbs. Recent rural hires require $5,000 to $15,000 sign-on bonuses plus relocation, and still post 12 to 24 month time-to-fill in many rural markets.

Retention is fragile. An externally recruited allied health tech in a rural community has no roots there. Retention runs materially below internal-promote retention in the literature and in operator data.

The Craft program flips the recruiting problem into a training problem, and then funds the training.

12 to 24
months

time-to-fill for external rural allied health hires, despite bonuses.

03 THE PROGRAM

The turnkey allied health apprenticeship, four moving parts.

01

Local talent, found in-building.

CNAs, surgical aides, sterile processing techs, and patient care techs are screened by clinical coordinators. The next credentialed allied health tech is almost always already on payroll.

02

National-quality RTI via Pangea Learning.

Pangea Learning supplies the academic and credentialing curriculum, mapped to nationally recognized credentials. The hospital does not have to build it.

03

Infrastructure via Craft Connect.

Apprentice hours, on-the-job learning competencies, preceptor evaluations, simulation rubrics, and credential attainment flow through one platform. Coordinator spreadsheet load drops to near zero.

04

Braided funding, mapped by Craft.

Federal streams (WIOA, Perkins, SAEF, Title II, Workforce Pell) are layered with state incumbent worker training funds. Rural Health Transformation Program (RHTP) supplements at eligible sites. Craft's workforce team produces the funder-ready reporting.

Apprenticeship sponsorship is handled at the program level. The hospital signs one MOU with Craft.

04 THE RETURN, PER COHORT · PROVISIONAL

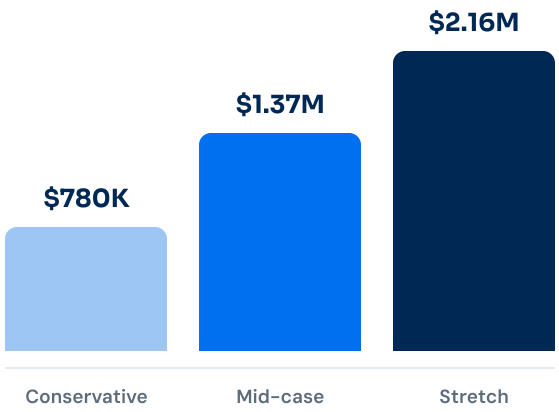
ROI math, per cohort.

Conservative inputs. Twelve-apprentice cohort, 18-week program for surgical tech (comparable for adjacent allied health roles), in a rural market where state incumbent worker training funds and at least one of WIOA, Perkins, or RHTP are accessible.

LINE	CONSERVATIVE	MID-CASE	STRETCH
Apprentices completing credential	10	11	12
Direct program cost (RTI, sim, materials, coordinator time)	$540,000	$600,000	$660,000
Braided funding offset (state IWT, WIOA, Perkins, RHTP where eligible)	$420,000	$540,000	$660,000
Net cost to hospital	$120,000	$60,000	$0
Vacancy cost avoided, year 1 (per position)	$90,000	$130,000	$180,000
Year-1 vacancy cost avoided, cohort total	$900,000	$1,430,000	$2,160,000
Net Year-1 return per cohort	**$780,000**	**$1,370,000**	**$2,160,000**

Even in the conservative case, every $1 the hospital nets after funding returns roughly **$6** in year-1 vacancy cost avoided. The mid and stretch cases break even before the first cohort completes.

NET YEAR-1 RETURN PER COHORT



ROI math, five-year outlook.

Assume a rural health system runs two cohorts per year per participating hospital across 12 hospitals in its footprint, starting in year 1.

Year 1

Roughly 60 credentialed allied health techs. Six hospitals with one cohort each. $5M to $10M in year-1 vacancy cost avoided.

Year 2

Roughly 240 credentialed cumulatively. Twelve hospitals with two cohorts each. Compounding retention return.

Year 5

Approximately 1,000+ credentialed allied health techs across the network. Vacancy rate moves from chronic to managed. Reliance on traveler labor materially reduced.

Even discounting heavily for attrition, exam failure, and program ramp, the network-level story is an order of magnitude larger than the per-cohort math, before extending the model to adjacent occupations in the Pangea Learning pathway library.

1,000+

credentialed allied health techs across the network by year 5.

2 cohorts

per year, per participating hospital, across 12 hospitals.

06 WHAT WE ALREADY KNOW

The model is in market.

Craft is operating the model with rural hospitals in market on the surgical technologist pathway now. Additional partners are in the pipeline across the country as of this brief.

Cohort in market.

Craft's anchor partner is running the model with clinical coordinators trained, apprentices in RTI, and cohort activity live.

Funding cleared.

Site funding stacks have cleared through state incumbent worker training programs, validating the braided-funding hypothesis in at least one state context.

Tech adopted.

Craft Connect is the system of record for hours, competencies, and credentialing. Replaces spreadsheet-and-email tracking.

Coordinators engaged.

Clinical coordinators are trained on on-the-job learning documentation, case competency, and simulation rubrics. Early signal: substantial drop in admin overhead per apprentice.

07 HOW IT GETS PAID FOR

The funding stack.

Craft maps every site to a funding stack before a cohort is approved. The braided sources below are layered together. If a site cannot stack state incumbent worker training funds plus at least one other source, the cohort is not approved at low cost to the hospital.

IWT — STATE

State incumbent worker training.

State workforce agencies (CareerSource in Florida, equivalents in other states). Anchor stream in most sites.

WIOA — FEDERAL

Workforce Innovation and Opportunity Act.

Participant training funds and supportive services via Local Workforce Development Boards. Most sites map to at least one active WDB.

Perkins / CTE — FEDERAL

Career and technical education funds.

Often accessible through community college partners delivering complementary credentials.

SAEF — FEDERAL

State Apprenticeship Expansion Fund.

Sponsor-infrastructure funds for Registered Apprenticeship programs. Relevant once the pathway is formally registered.

Workforce Pell — EMERGING

Short-term Pell for workforce pathways.

Emerging eligibility for approved pathways. Pangea RTI is positioned to meet criteria as policy finalizes.

RHTP — EMERGING

Rural Health Transformation Program.

Site-conditional. Federal funding for rural health infrastructure and workforce, reviewed for eligibility site by site. Layered where eligible, not assumed everywhere.

Braided correctly, the stack offsets **$420K to $660K** of program cost per cohort. That is the difference between a $540K line item and a $0 to $120K net cost to the hospital.

Risks, and how the program addresses them.

RISK **Cohort doesn't complete.**

MITIGATION Incumbent workers have demonstrated commitment by definition. The program keeps apprentices on payroll, removing the financial pressure that drives external-recruit attrition. Historical completion rates for incumbent apprenticeship cohorts run materially above external-recruit training completion.

RISK **Funding stack doesn't clear.**

MITIGATION Craft maps funding before the cohort starts. If a site cannot stack state incumbent worker training plus one other source, it is not approved at low cost to the hospital. The team is honest about which sites are ready and which need to wait.

RISK **Exam pass rate.**

MITIGATION Pangea Learning's RTI is benchmarked against nationally recognized credential standards. Exam prep and one retake are covered under the program.

RISK **Program operational lift.**

MITIGATION Craft Connect carries the documentation, reporting, and competency-tracking workload that would otherwise fall on clinical coordinators. The hospital's operational lift is measured in hours per week, not FTE.

RISK **Retention post-credential.**

MITIGATION The two-year service commitment, plus the fact that apprentices already live and work in the community, produces materially better retention than external recruits. Operator data supports this.

09 RECOMMENDATION

Start with a discovery call.

The math supports the model. The pilot with our anchor partner validates it. The funding environment is favorable now, and will not stay this open forever.

The next step is a 30-minute discovery call. Craft's workforce team will produce a vacancy diagnosis on the top three sites, a funding-stack map for each, and a first-cohort scoping document. No commitment beyond that call.

Craft is built to move quickly once a partner is ready. First cohort scoping typically completes within one quarter of the initial call.

Schedule a 30-minute discovery call.

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APPENDIX

Sources and assumptions.

BLS Occupational Outlook Handbook, Surgical Technologists.

Median annual wage $62,830 (May 2024). 5% projected employment growth 2024 to 2034. Approximately 8,700 openings projected annually.

DOL / Urban Institute, American Apprenticeship Initiative evaluation.

Median employer ROI of 144% on apprentice productivity. $244 returned for every $100 invested.

Craft anchor partner pilot.

Internal partnership data. Details available under mutual NDA.

Industry traveler labor rates.

$1,700 to $2,500 per week as reported across rural and community hospital markets in 2025 and 2026.

Craft × Pangea Learning operational plan.

Joint operational plan for turnkey allied health apprenticeship delivery.

Additional context.

NSI National Health Care Retention Report. HSPA sterile processing benchmarks. Penn Medicine Earn-to-Learn program precedent (public).

All dollar figures in this document are provisional pending site-specific funding stack review. Ranges reflect conservative to stretch modeling and vary by site funding eligibility.