

February 8, 2022

Oregon State Legislature  
Senate Committee on Labor and Business  
900 Court St. NE  
Salem, OR 97301

**Re: Senate Bill 1549 – Staffing Agency Rate Setting**

Chair Taylor, Vice Chair Knopp, and members of the committee:

On behalf of Oregon’s 62 community hospitals, their employees, and the patients they serve, the Oregon Association of Hospitals and Health Systems (OAHHS) opposes the approach taken in SB 1549, which we fear could impact care for patients by putting undue strain on hospitals and their staff.

For the last two years, when Oregon needed nurses and other front line health care workers, they’ve shown up – during the early days of the pandemic, in the winter surge of 2020, through the devastating delta and omicron hospitalization peaks, and every day in between. The work has been hard, emotional, and unrelenting. Nationally, nearly 1 in 5 health care workers has quit. As a result, hospitals face a staffing shortage at a time when patient needs are substantial. This staffing crisis will not end with COVID-19. Patients will continue to need preventive and lifesaving care – and hospitals must have the staff to provide that care. This is a long-term challenge that requires thoughtful solutions.

Hospitals are there for everyone. They are the only door that is always open, 24-7-365, for the heart attack, the traffic accident, the kid who fell against the coffee table. Whatever the need, the hospital is there. In this, hospitals are different than long-term care and other post-acute providers.

Unlike hospitals, other facilities can close their doors to patients. That means patients who are ready to leave the hospital have to wait until an appropriate facility opens its doors to new patients. These patient discharge delays strain hospital resources and limit access to care for those who need it most.

Hospitals cannot care for patients without staff, and we are concerned this bill will limit our ability to secure an adequate workforce to meet patient needs. Hospitals have turned to staffing agencies to help, relying on their services to staff Emergency Departments, Intensive Care Units, and other areas of their hospitals. As you have heard, the costs for temporary staffing are massive. And they are not sustainable. Hospital labor expenses have soared during the pandemic, with a recent national analysis showing labor expenses per adjusted discharge jumping almost 27% over two years. The nurse caring for you or your loved one might be from a staffing agency, and we can ill afford to lose out to other states who can pay more.

We were pleased to see that the Oregon Health Care Association (OHCA) is aware of and submitted a letter<sup>1</sup> from the American Hospital Association (AHA) and the American Health Care

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<sup>1</sup> See Meredith Coba, on behalf of Oregon Health Care Association, available at: <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/PublicTestimonyDocument/35705>

Association/National Center for Assisted Living (AHCA/NCAL) that explains challenges faced by the nation's hospitals, health systems, nursing homes, and long-term care facilities. The letter indicates an effort to address the problem in a way that is very different from what SB 1549 would do. Our disconnect with OHCA is with the proposed solution in SB 1549, not the description of our challenges.

Following are our specific concerns about the bill:

- The demand for temporary staff is so high that agencies don't have to work in Oregon. A national study released in January found 36,235 travel nursing jobs open and 195,247 open RN direct hire jobs. We can't get enough contract staff as it is. The unintended consequence of this bill could be that agencies stop sending staff to Oregon, which would have devastating consequences for Oregon patients and place a greater strain on our current workforce.
- We are sympathetic to the proponents of this bill, but this solution was tried in other states – and is failing. Two states have regulated rates, Massachusetts, and Minnesota. During the pandemic, one state raised its caps multiple times and the other state waived caps altogether. Why would we think that solutions that failed elsewhere would work here?
- Granting OHA the broad authority in this bill is unwise, especially at a time when the agency has many, many other critical issues in front of it.
- Finally, an issue of this complexity and potential impact requires thoughtful discussion. We should have a robust stakeholder process, adequate economic analysis, and sufficient time for public engagement. This work did not occur in the interim and there is simply not time during the short session.

We understand the concerns with cost this bill is attempting to address. We share them. But this solution is simply untenable if we want our hospitals to continue preventing illness, keeping people well, and providing lifesaving care. We need solutions, but this is not it. We are committed to working with the proponents of this bill to explore solutions for this complex problem.

For the reasons stated above, OAHHS opposes SB 1549.

Thank you,



Becky Hultberg  
President and CEO  
Oregon Association of Hospitals and Health Systems