

2023 HOUSE HUMAN SERVICES

HB 1476

2023 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Pioneer Room, State Capitol

HB 1476
2/7/2023

Relating to a moratorium on contract nursing services.

Chairman Weisz called the meeting to order at 2:50 PM, roll call was taken:

All Members are Present: Chairman Robin Weisz, Vice Chairman Matthew Ruby, Reps. Karen A. Anderson, Mike Beltz, Clayton Fegley, Kathy Frelich, Dawson Holle, Dwight Kiefert, Carrie McLeod, Todd Porter, Brandon Prichard, Karen M. Rohr, Jayme Davis, and Gretchen Dobervich.

Discussion Topics:

- Contract (Traveling) Nursing Costs
- Wage Caps
- Staffing Shortages

Representative Mitskog- Introduces HB 1476 and proposed amendment. (Testimony #19626, #19624 and # 19621)

Shelly Peterson- President of the North Dakota Long Term Care Association- Testifies in opposition to HB 1476 (Testimony #19307)

Tim Blasl- North Dakota Hospital Association- Testifies in opposition (Testimony #19397)

Chairman Weisz- Closes the hearing for HB 1476 at 3:26 PM

Phillip Jacobs, Committee Clerk by Risa Berube

2023 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee Pioneer Room, State Capitol

HB 1476
2/13/2023

Relating to a moratorium on contract nursing services.

Chairman Weisz called the meeting to order at 5:19 PM.

All Members are Present: Chairman Robin Weisz, Vice Chairman Matthew Ruby, Reps. Karen A. Anderson, Mike Beltz, Clayton Fegley, Kathy Frelich, Dawson Holle, Dwight Kiefert, Carrie McLeod, Todd Porter, Brandon Prichard, Karen M. Rohr, Jayme Davis, and Gretchen Dobervich.

Discussion Topics:

- Committee work
- Amendment

Chairman Weisz- called for a discussion on HB 1476.

Vice Chairman Ruby moved to adopt amendment to HB 1476, (23.1030.02002).

Seconded by Rep. Anderson.

Motion carries by voice vote.

Rep. Beltz moved do pass as amended on HB 1476.

Seconded by Rep. Dobervich.

Committee discussion

Roll Call Vote:

Representatives	Vote
Representative Robin Weisz	Y
Representative Matthew Ruby	Y
Representative Karen A. Anderson	Y
Representative Mike Beltz	Y
Representative Jayme Davis	Y
Representative Gretchen Dobervich	Y
Representative Clayton Fegley	Y
Representative Kathy Frelich	Y
Representative Dawson Holle	N
Representative Dwight Kiefert	Y

Representative Carrie McLeod	Y
Representative Todd Porter	Y
Representative Brandon Prichard	N
Representative Karen M. Rohr	N

Motion carries 11-3-0.

Carried by Rep. Beltz.

Chairman Weisz- Closes the hearing for HB 1476 at 5:23 PM.

Phillip Jacobs, Committee Clerk by Risa Berube

at
2-13-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1476

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of contract nursing agencies."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - CONTRACT NURSING AGENCIES. During the 2023-24 interim, the legislative management shall consider studying the impact of entities that receive Medicaid and Medicaid expansion funding utilizing contract nursing agencies. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1476: Human Services Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1476 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of contract nursing agencies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - CONTRACT NURSING AGENCIES. During the 2023-24 interim, the legislative management shall consider studying the impact of entities that receive Medicaid and Medicaid expansion funding utilizing contract nursing agencies. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

2023 SENATE HUMAN SERVICES

HB 1476

2023 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Lincoln Room, State Capitol

HB 1476
3/13/2023

Relating to a legislative management study of contract nursing agencies.

10:38 AM **Madam Chair Lee** called the hearing to order. **Senators Lee, Cleary, Clemens, K. Roers, Weston, and Hogan** were present.

Discussion Topics:

- Medicare expansion
- Medicaid expansion
- Contracted nursing costs
- Federal level cap
- Price gouging
- Study

10:38 AM **Representative Mitskog** introduced SB 1476 and testified in favor. #24364.

10:46 **Tim Blasl, President, North Dakota Hospital Association**, testified in favor, #23969

10:47 AM **Tim Blasl** handed out testimony from **Shelly Peterson, President North Dakota Long Term Care Association**. #23808.

10:53 AM **Madam Chair Lee** adjourned the hearing.

Patricia Lahr, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Lincoln Room, State Capitol

HB 1476
3/21/2023

Relating to a legislative management study of contract nursing agencies.
--

2:53 PM **Madam Chair Lee** called the meeting to order. **Senators Lee, Clemens, K. Roers, Weston, and Hogan** are present. **Senator Cleary** was absent.

Discussion Topics:

- Contracted nursing costs
- Study

Senator Hogan moved **DO PASS**.

Senator Clemens seconded the motion.

Roll call vote.

Senators	Vote
Senator Judy Lee	N
Senator Sean Cleary	AB
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	N
Senator Kent Weston	Y

The motion passed 3-2-1.

Senator Hogan will carry HB 1476.

2:57 PM **Madam Chair Lee** adjourned the meeting.

Patricia Lahr, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1476, as engrossed: Human Services Committee (Sen. Lee, Chairman) recommends **DO PASS** (3 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1476 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

TESTIMONY

HB 1476

Testimony on HB 1476
House Human Services Committee
February 7, 2023

Good morning, Chairman Weisz and members of the House Human Services. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. We represent 192 assisted living, basic care, and skilled nursing facilities in North Dakota. I am here to testify in opposition to HB 1476. We appreciate the efforts of Representatives Mitskog and Kreidt to shed light on the issue of contract nursing, but the approach outlined in HB 1476 will further harm, not help, nursing facilities in North Dakota.

The bill as written states, "If a provider that accepts reimbursement for medical assistance services under this chapter uses contract nursing services, the maximum hours of contract nursing services in a month may not exceed the monthly average hours of contract nursing services the provider used in calendar year 2021." Today, all skilled nursing facilities accept reimbursement for medical assistance, so all are affected by HB 1476.

Please look at the chart on Contract Nursing in North Dakota. Today we have 77 licensed nursing facilities and in 2022, 91% or 70 facilities used contract nursing services. Of those 70 licensed nursing facilities, all of them, with the exception of 5 facilities, spent more dollars and hours on contract nursing in 2022 compared to 2021. As you see in the chart, \$28.8 million was spent on contract nursing in 2021 and that escalated to a total spend in 2022 of \$63.8 million.

The bill does not say what the penalty would be if you exceed your total hours from 2021 to 2022, we assume the total hours/dollars exceeded in 2022 would be disallowed in the Medicaid cost report. What happens in 2023 or 2024, does the same limitation apply, you can't exceed the hours used in 2021? This is a penalty directed at nursing facilities and potentially a disallowance of \$35 million dollars. How would that money be recaptured from nursing facilities?

We turn to contract nursing when we don't have staff to care for residents. How can we care for residents if we don't have sufficient staff and we've already exceeded our 2021 usage of contract staff? Over 50% of nursing facilities stopped admissions last year because they didn't have sufficient staff. Nursing facilities lost 15.3% of their staff during the pandemic and this exodus has not yet stopped. (Appendix B)

I have two other handouts, the RN average/hourly wage/salary for all 50 states and the travel nurses' pay in each state as reported by Vivian Health, a national healthcare hiring marketplace. I've highlighted North Dakota in both handouts and show the findings below:

North Dakota RN Average Wages

Hourly \$34.23

Annual Wage: \$71,200

North Dakota RN Travel Wages*

Average Weekly Pay in Dec 2022 \$3,338

Average Weekly Pay in Jan 2023 \$3,227

*Converting the Jan 2023 weekly wage to an hourly wage is \$80.67 per hour.

Besides the higher travel wage per hour, they also receive lodging/travel/meals stipends.

I've also attached the maximum hourly allowed charges Minnesota sets for travel nurses for January 1, 2023 through December 31, 2023.

Minnesota is one of the few states that has set a maximum charge for travel staffing working nursing facilities.

This concludes my testimony and urge a Do Not Pass and would be happy to answer any questions.

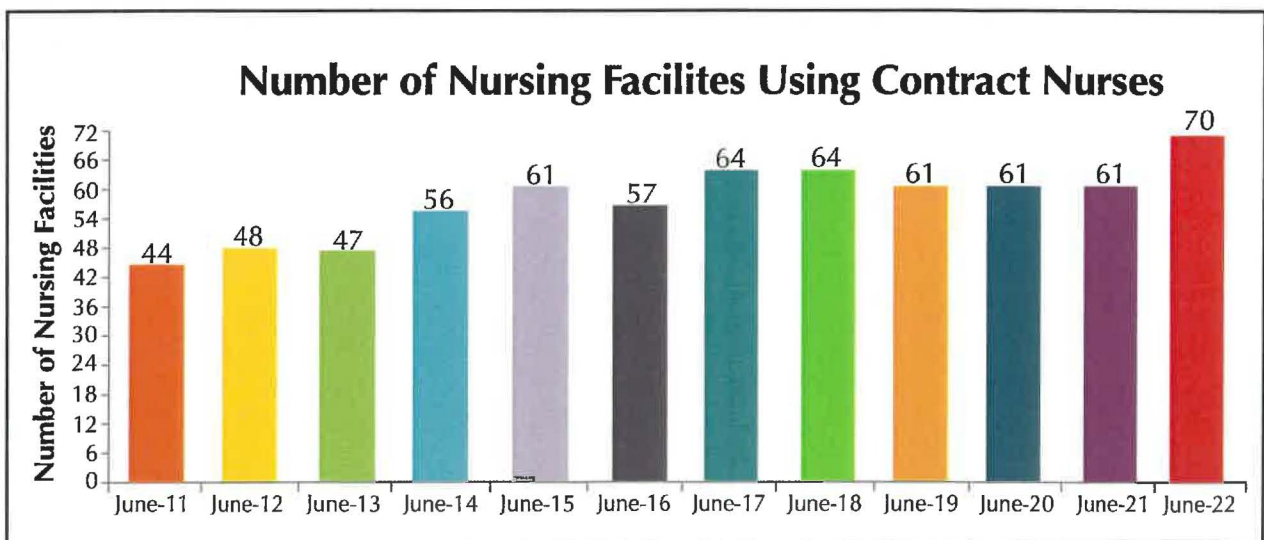
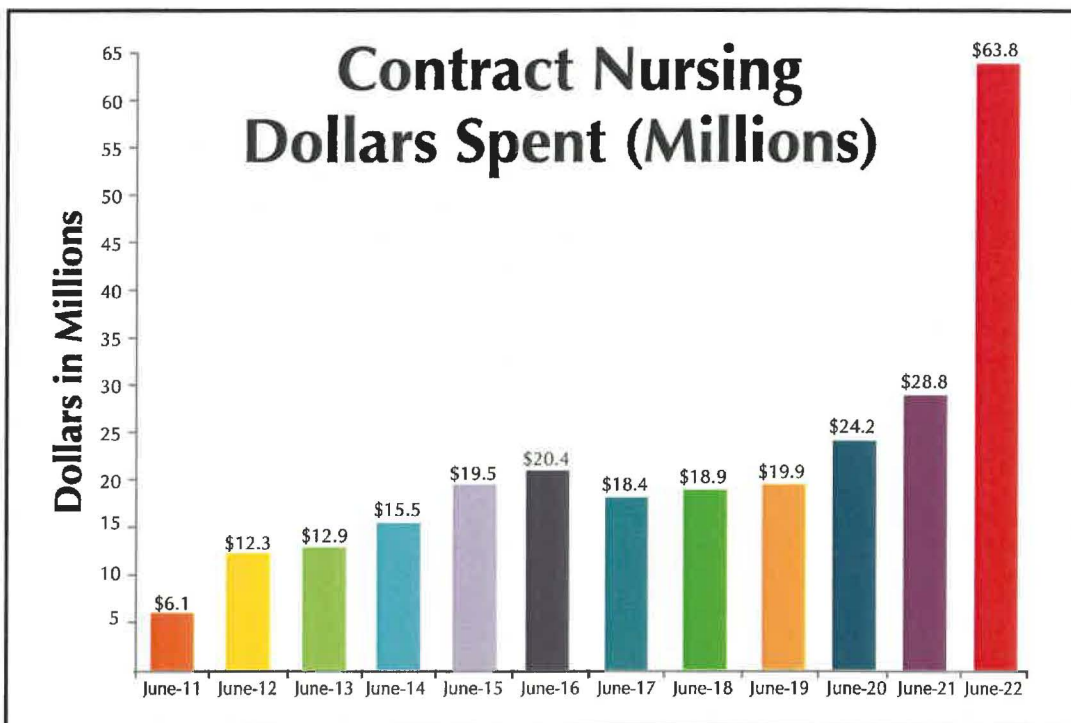
Shelly Peterson, President
North Dakota Long Term Care Association
1900 North 11th Street
Bismarck, ND 58501
(701) 222-0660

Nursing Facilities

2011-2022

Contract Nursing In Nursing Facilities

When facilities face staffing shortages, one option is to use contract staff to provide daily resident care. In the past year, contract nursing costs has more than doubled from the previous 12 months.

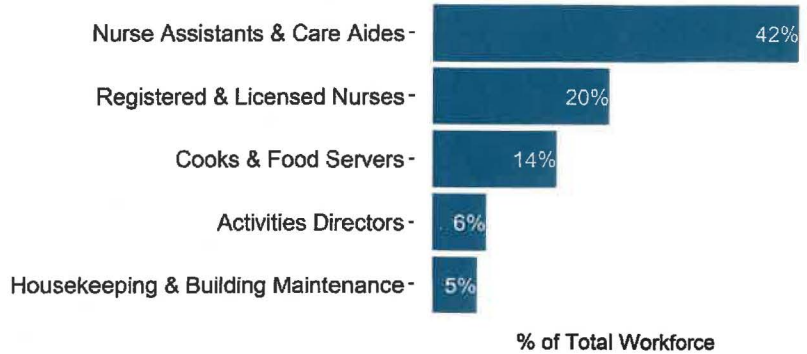




Skilled Nursing Workforce

7,205 Employees

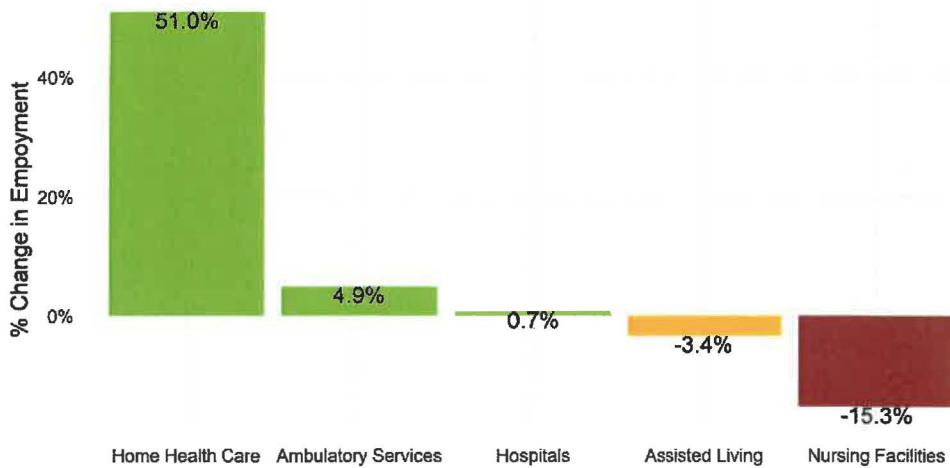
Top 5 Occupations



Impact of COVID

While some health care industries have reached or surpassed pre-pandemic staffing levels, long term care facilities are still experiencing substantial job losses alongside rising wage costs and increasing agency staff use.

Percent Change in Employment by Health Care Sector
Feb 2020 - Jun 2022



10.4%
Increase in Average Weekly
Wage: Mar'20 - Jun'22

2.1x
Increase in Agency Nurse Staff
Hours: Q4'19 - Q2'22

Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (Jun 2022) and Occupational Employment and Wage Statistics (May 2021) for NAICS Industries 623 and 6231. CMS Payroll Based Journal (2019-2022)

RN average hourly wage, salary for all 50 states

Registered nurses in the U.S. make an average of \$82,750 annually and have a mean hourly wage of \$39.78, though these figures vary greatly by state.

Below are the average mean hourly wages and salaries for nurses in all 50 states, based on May 2021 BLS [data](#), the most recent data available, and listed in alphabetical order.

Median annual household income is based on data from the U.S. Census Bureau 2021 American Community Survey, [compiled and reported](#) by Kaiser Family Foundation.

Alabama

Hourly: \$29.77

Annual wage: \$61,920

Median annual household income: \$53,913

Alaska

Hourly: \$46.74

Annual wage: \$97,230

Median annual household income: \$77,845

Arizona

Hourly: \$39.23

Annual wage: \$81,600

Median annual household income: \$69,056

Arkansas

Hourly: \$31.64

Annual wage: \$65,810

Median annual household income: \$52,528

California

Hourly: \$59.62

Annual wage: \$124,000

Median annual household income: \$84,907

Colorado

Hourly: \$38.78

Annual wage: \$80,670

Median annual household income: \$82,254

Connecticut

Hourly: \$42.56

Annual wage: \$88,530

Median annual household income: \$83,771

Delaware

Hourly: \$37.39

Annual wage: \$77,760

Median annual household income: \$71,091

Florida

Hourly: \$34.62

Annual wage: \$72,000

Median annual household income: \$63,062

Georgia

Hourly: \$36.24

Annual wage: \$75,380

Median annual household income: \$66,559

Hawaii

Hourly: \$51.22

Annual wage: \$106,530

Median annual household income: \$84,857

Idaho

Hourly: \$35.41

Annual wage: \$73,640

Median annual household income: \$66,474

Illinois

Hourly: \$37.63

Annual wage: \$78,260

Median annual household income: \$72,205

Indiana

Hourly: \$33.12

Annual wage: \$68,890

Median annual household income: \$62,743

Iowa

Hourly: \$31.25

Annual wage: \$64,990

Median annual household income: \$65,600

Kansas

Hourly: \$32

Annual wage: \$66,560

Median annual household income: \$64,124

Kentucky

Hourly: \$32

Annual wage: \$66,560

Median annual household income: \$55,573

Louisiana

Hourly: \$33.84

Annual wage: \$70,380

Median annual household income: \$52,087

Maine

Hourly: \$35.40

Annual wage: \$73,630

Median annual household income: \$64,767

Maryland

Hourly: \$39.74

Annual wage: \$82,660

Median annual household income: \$90,203

Massachusetts

Hourly: \$46.46

Annual wage: \$96,630

Median annual household income: \$89,645

Michigan

Hourly: \$36.51

Annual wage: \$75,930

Median annual household income: \$63,498

Minnesota

Hourly: \$40.40

Annual wage: \$84,030

Median annual household income: \$7,720

Mississippi

Hourly: \$30.35

Annual wage: \$63,130

Median annual household income: \$48,716

Missouri

Hourly: \$32.59

Annual wage: \$67,790

Median annual household income: \$61,847

Montana

Hourly: \$35.39

Annual wage: \$73,610

Median annual household income: \$63,249

Nebraska

Hourly: \$33.58

Annual wage: \$69,850

Median annual household income: \$66,817

Nevada

Hourly: \$42.69

Annual wage: \$88,800

Median annual household income: \$66,274

New Hampshire

Hourly: \$37.63

Annual wage: \$78,270

Median annual household income: \$88,465

New Jersey

Hourly: \$43.12

Annual wage: \$89,690

Median annual household income: \$89,296

New Mexico

Hourly: \$37.31

Annual wage: \$77,590

Median annual household income: \$53,992

New York

Hourly: \$44.86

Annual wage: \$93,320

Median annual household income: \$74,314

North Carolina

Hourly: \$34.23

Annual wage: \$71,200

Median annual household income: \$61,972

North Dakota

Hourly: \$34.23

Annual wage: \$71,200

Median annual household income: \$66,519

Ohio

Hourly: \$34.44

Annual wage: \$71,640

Median annual household income: \$62,262

Oklahoma

Hourly: \$32.78

Annual wage: \$68,180

Median annual household income: \$55,826

Oregon

Hourly: \$47.42

Annual wage: \$98,630

Median annual household income: \$71,562

Pennsylvania

Hourly: \$36.54

Annual wage: \$76,000

Median annual household income: \$68,957

Rhode Island

Hourly: \$40.99

Annual wage: \$85,270

Median annual household income: \$74,008

South Carolina

Hourly: \$ 33.45

Annual wage: \$69,580

Median annual household income: \$59,318

South Dakota

Hourly: \$29.11

Annual wage: \$60,540

Median annual household income: \$66,143

Tennessee

Hourly: \$32.06

Annual wage: \$66,680

Median annual household income: \$59,695

Texas

Hourly: \$38.04

Annual wage: \$79,120

Median annual household income: \$66,963

Utah

Hourly: \$34.99

Annual wage: \$72,790

Median annual household income: \$79,449

Vermont

Hourly: \$36.13

Annual wage: \$75,160

Median annual household income: \$72,431

Virginia

Hourly: \$36.87

Annual wage: \$76,680

Median annual household income: \$80,963

Washington

Hourly: \$45.84

Annual wage: \$95,350

Median annual household income: \$84,247

West Virginia

Hourly: \$32.52

Annual wage: \$67,640

Median annual household income: \$51,248

Wisconsin

Hourly: \$36.95

Annual wage: \$76,850

Median annual household income: \$67,125

Wyoming

Hourly: \$35.16

Annual wage: \$73,130

Median annual household income: \$65,204

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[Travel nurses' pay in each state: A month-over-month comparison](#)

[10 states with the largest decreases to travel nurse pay](#)

[North Carolina hospital launches on-demand pay for workers](#)

<https://www.beckershospitalreview.com/compensation-issues/rn-average-hourly-wage-salary-for-all-50-states.html>

Travel nurses' pay in each state: A month-over-month comparison

Average weekly travel nurse pay in January in the U.S. varied across states compared to the month prior, according to a report shared with *Becker's* from Vivian Health, a national healthcare hiring marketplace.

As of Feb. 1, there were 571,044 active RN travel jobs on the Vivian Health platform nationwide in the last seven days.

Here is a state-by-state breakdown of average weekly travel nurse pay (January compared to December), per the Vivian report:

Alabama

December: \$2,595

January: \$2,529

Alaska

December: \$3,401

January: \$3,276

Arizona

December: \$3,140

January: \$3,029

Arkansas

December: \$2,929

January: \$2,921

California

December: \$4,013

January: \$3,859

Colorado

December: \$2,953

January: \$2,925

Connecticut

December: \$3,366

January: \$3,367

Delaware

December: \$3,019

January: \$3,233

Florida

December: \$2,486

January: \$2,429

Georgia

December: \$2,732

January: \$2,640

Hawaii

December: \$3,037

January: \$2,848

Idaho

December: \$2,951

January: \$2,824

Illinois

December: \$3,201

January: \$3,147

Indiana

December: \$3,105

January: \$2,987

Iowa

December: \$3,269

January: \$2,982

Kansas

December: \$2,714

January: \$2,679

Kentucky

December: \$2,950

January: \$2,807

Louisiana

December: \$2,660

January: \$2,536

Maine

December: \$3,350

January: \$3,296

Maryland

December: \$3,301

January: \$3,086

Massachusetts

December: \$3,522

January: \$3,467

Michigan

December: \$3,000

January: \$2,794

Minnesota

December: \$3,530

January: \$3,378

Mississippi

December: \$2,515

January: \$2,604

Missouri

December: \$3,075

January: \$2,879

Montana

December: \$2,700

January: \$2,689

Nebraska

December: \$3,224

January: \$3,087

Nevada

December: \$3,229

January: \$3,117

New Hampshire

December: \$3,243

January: \$3,285

New Jersey

December: \$3,646

January: \$3,496

New Mexico

December: \$3,109

January: \$2,915

New York

December: \$3,523

January: \$3,459

North Carolina

December: \$2,872

January: \$2,695

North Dakota

December: \$3,338

January: \$3,227

Ohio

December: \$3,057

January: \$3,047

Oklahoma

December: \$2,645

January: \$2,530

Oregon

December: \$3,504

January: \$3,400

Pennsylvania

December: \$3,359

January: \$3,281

Rhode Island

December: \$3,273

January: \$3,115

South Carolina

December: \$2,860

January: \$2,798

South Dakota

December: \$3,354

January: \$3,104

Tennessee

December: \$2,588

January: \$2,550

Texas

December: \$2,608

January: \$2,567

Utah

December: \$2,802

January: \$2,856

Vermont

December: \$3,223

January: \$3,116

Virginia

December: \$3,081

January: \$2,994

Washington

December: \$3,490

January: \$3,362

District of Columbia

December: \$3,568

January: \$3,600

West Virginia

December: \$3,109

January: \$2,947

Wisconsin

December: \$3,172

January: \$3,097

Wyoming

December: \$3,176

January: \$3,197

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SNSA Maximum Charges For Nursing Facilities Effective January 1, 2023

Published January 2023

**Statewide Maximum Allowed Hourly Charges
Effective January 1, 2023 - December 31, 2023**

RN	\$67.02
LPN	\$54.87
CNA	\$37.43
TMA	\$39.86

**Statewide Maximum Allowed Holiday Hourly Charges
Effective January 1, 2023 - December 31, 2023**

RN	\$115.28
LPN	\$96.57
CNA	\$65.12
TMA	\$72.14

**Statewide Maximum Allowed Hourly Charges
Effective January 1, 2022 - December 31, 2022**

RN	\$62.36
LPN	\$50.75
CNA	\$34.10
TMA	\$36.57

**Statewide Maximum Allowed Holiday Hourly Charges
Effective January 1, 2022 - December 31, 2022**

RN	\$107.25
LPN	\$89.31
CNA	\$59.33
TMA	\$66.20



2023 House Bill 1476
House Human Services Committee
Representative Robin Weisz, Chairman
February 7, 2023

Chairman Weisz and members of the House Human Services Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I testify in opposition to House Bill 1476 and ask that you give the bill a **Do Not Pass** recommendation unless it can be amended as described below.

We appreciate the intent of the bill sponsor to raise awareness of the high cost of contract nursing services. The number one challenge facing hospitals has been workforce and the lack of nurses is acute in both the rural and urban areas. It was problematic even before the COVID-19 pandemic and became so critical during that time that travel nurses had to be used to meet the rising demand. Urban hospital wages increased \$382 million since 2019, mainly due to contract labor. The escalating cost of contracted nursing staff and the upward pressure it puts on wages is not sustainable, but capping the number of contract nursing hours that a health care provider is allowed will only make the problem worse.

To give an idea of how big the challenge is, NDHA conducted a nursing survey last summer. It showed there were 1,326 nurse openings throughout the state. Hospitals contracted with staffing agencies for another 717 nurses. If hospitals could not have relied on contract nursing services to fill those gaps, how would they have taken proper care of patients? If a hospital cannot contract for services when they cannot find a nurse to hire, how would they continue to provide essential health care services in their communities?

There have been reports of staffing agencies inflating prices and monopolizing the nursing workforce, potentially leading to several troubling consequences for providers, patients, and taxpayers, including inflated prices for care, further nursing shortages, and continued strain on the entire health care system. We could possibly support the bill with amendments, such as a study to give everyone a better understanding of the business and payment practices of nurse staffing agencies and how such extreme prices negatively affect

patients and hospitals. We support solutions that would prevent conduct that takes advantage of these difficult circumstances to increase contract agency profits at the expense of patients and the hospitals that treat them.

Making it harder for hospitals to maintain the clinical staff needed to care for patients – such as by capping the number of contract labor hours a health care provider can use as this bill would do – means patients may not get the care they need, drives up the cost of health care for everyone and only makes the nurse shortage worse. Unless amended to address these concerns, NDHA requests that you give the bill a **DO NOT PASS** recommendation. Thank you.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association

23.1030.02002
Title.

Prepared by the Legislative Council staff for
Representative Mitskog
February 6, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1476

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of contract nursing agencies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - CONTRACT NURSING AGENCIES. During the 2023-24 interim, the legislative management shall consider studying the impact of entities that receive Medicaid and Medicaid expansion funding utilizing contract nursing agencies. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

House Human Services Committee
February 7, 2023
HB 1476

Chairman Weisz, committee members:

Good afternoon, I am Rep. Alisa Mitskog-District 25. HB 1476 is a bill that proposes to put a moratorium on contracted nursing services for entities that accept Medicaid and Medicaid Expansion.

Background

I learned about the issue of contract nursing costs during my first session on the House Appropriations Committee 2 years ago. Since that time, I have watched the costs escalate to the point that some facilities are facing a questionable future. Taxpayer dollars are subsidizing these costs. I understand the labor shortage facing nursing homes and hospitals and their staffing requirements. My intention of this bill is not to harm long term care facilities or hospitals that currently employ travel nurses and CNAs and but rather, I want to make you and the legislature aware of the runaway costs surrounding the use of these nursing agencies. The trajectory is unsustainable. The costs associated with using contract nursing services have significantly increased in 2021 and 2022.

Costs Associated with Contracted Nursing Services

North Dakota long term care facilities:

Fiscal year 2021 **28.8 million** in contracted labor

Fiscal year 2022 **63.8 million** in contracted labor

On a local level, St. Gerard's in Hankinson,

Fiscal year 2021 **\$300,869** (7089 hours of contracted labor)

Fiscal year 2022 **\$827, 513** (14,163 hours of contracted labor)

Another rural nursing home shared their contracted nursing costs:

2020 agency CNA **\$368,000**

2021 agency CNA **\$592,460**

7/1/22-12/31/22 CNA **\$505,478.00** \$36,000 agency nurses.

The ND Veteran's Home

Jan 1, 2020 – June 30, 2020	\$71,765.79
Jan 1, 2021 – Dec 31, 2021	\$103,563.42
Jan 1, 2022 – Dec 31, 2022	\$309,784.38

<u>AWM 2019 – 2020 Rates</u>	<u>2021 – 2022 Rates</u>
RN \$56.35 - \$60.54	\$110.00 - \$200.00
C.N.A. \$34.33 - \$40.59	\$59.85 - \$108.85

<u>Nela Rate on Oct 2021 Sept 2022</u>	<u>Rate change on April 8, 2022</u>	<u>Rate change requested</u>
RN \$53.00	RN \$59.90	RN \$80.00
LPN \$42.50	LPN \$52.50	LPN \$70.00
C.N.A. \$32.00	C.N.A. \$42.50	C.N.A. \$60.00

An analysis by the American Hospital Association projected the cost of labor to be **57 billion higher in 2022 with 29 billion due to contract labor expenses.**

These numbers demonstrate that we need better clarity and transparency on the costs. How much is the agency paying their CNAs and nurses? Why the significant increase in the rate nursing homes were billed in 2021 and 2022? What are the profit margins?

14 other states as of last fall have moved forward legislation addressing this issue. Minnesota has had a cap on rates that nursing agencies can charge facilities for the past 20 years and according to a long term hospital and nursing home administrator in a rural Minnesota community, the caps have worked well in reining in costs.

In June 2022, U.S. Sen. Cramer introduced the Travel Nursing Agency Transparency Study Act, a bill that would require the Government Accountability Office to conduct a study on the effects hiring agencies have had across the health care industry during the Covid-19 pandemic. The bill proposes to look into the business and payment practices of staffing agencies, including potential price gouging and taking of excessive profits. It also proposes to look at the difference between how much agencies charged health care institutions and how much they paid contracted nurses. No action has occurred on this legislation. Therefore, as a state, I believe we need to do our due diligence looking into this issue.

In conclusion, I recognize the challenges that long term care facilities and hospitals are facing with the labor shortage and their required staffing requirements. But the ongoing reliance and costs associated with the use of contracted nursing agencies has to be addressed. The path we are on is not economically sustainable. I realize that putting forth a moratorium could be a challenge for nursing homes and hospitals so I would like to offer an amendment that proposes to study the issue.

Congress of the United States
Washington, DC 20515

November 15, 2021

Mr. Jeffrey Zients
COVID-19 Response Team Coordinator
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. Zients:

As you know, the most recent surge in COVID-19 cases put tremendous strain on the entire health care system, particularly the supply of desperately needed hospital staff. Providers across the country reported extreme physical and mental burnout, and in September 2021 alone, health care employment fell by 17,500. COVID-19 has affected every state and every corner of the nation, and cases are still rising in some areas. The persistent strain of the pandemic on health care providers has required many hospitals to rely on nurse-staffing agencies to supply urgently needed staff to care for the increasing number of patients.

We are writing to inquire about the extreme prices being reported for nurse staffing agencies from hospitals in our states, and the concern that certain staffing agencies may be taking advantage of these difficult circumstances to increase their profits at the expense of patients and the hospitals that treat them. We have received anecdotal reports that the nurse staffing agencies are vastly inflating price, by two, three or more times pre-pandemic rates, and then taking 40% or more of the amount being charged to the hospitals for themselves in profits. We have heard the amounts charged to hospitals rose precipitously when the most recent wave of the COVID-19 crisis swept the nation and the agencies seemingly seized the opportunity to increase their bottom line. But this is not the first time the agencies have engaged in this sort of conduct. As the first wave of COVID-19 swept the nation in 2020, they similarly inflated their prices to hospitals. Hospitals have no choice but to pay these exorbitant rates because of the dire workforce needs facing hospitals around the country.

This model is unsustainable for many health systems. As the pandemic continues and we enter flu season, we request you enlist one or more of the federal agencies with competition and consumer protection authority to investigate this conduct to determine:

- Is this activity the product of anticompetitive activity?
- What is the ownership structure of these staffing agencies and is there evidence of price collusion or other anti-competitive pricing patterns?
- Does this activity violate consumer protection laws?
- Are these increased rates translating to higher pay for contract nurses?
- What impact have these price increases had on rural and underserved areas?
- Have nurse staffing agencies increased their own percentage of profit during the COVID-19 pandemic? If so, by how much?

- How much of the COVID-19 relief funds are directly or indirectly going to pay these contracts?
- How may the 100% cost share for FEMA reimbursement be contributing to the ability of the staffing agencies to extract higher payment?

We urge you to ensure that this matter gets the attention from the federal government it merits to protect patients in dire need of life saving health care treatment and prevent conduct that is exacerbating the shortage of nurses and continuing to strain our health care system. We look forward to your response.

Sincerely,



Mark Kelly
United States Senator



Bill Cassidy, M.D.
United States Senator



Doris Matsui
Member of Congress



David B. McKinley P.E.
Member of Congress

Testimony on HB 1476
Senate Human Services Committee
March 13, 2023

Good morning, Chairman Lee and members of the Senate Human Services. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. We represent 192 assisted living, basic care, and skilled nursing facilities in North Dakota. I am here to testify in support of HB 1476. We appreciate the efforts of Representatives Mitskog and Kreidt to shed light on the issue of contract nursing. The House amended the bill and turned it into a study and we are supportive of a study.

I will share some information on contract nursing in North Dakota and also what is occurring in other states surrounding the issue of contract nursing.

We turn to contract nursing when we don't have staff to care for residents. How can we care for residents if we don't have sufficient staff and we've already exceeded our 2021 usage of contract staff? Over 50% of nursing facilities stopped admissions last year because they didn't have sufficient staff. Nursing facilities lost 15.3% of their staff during the pandemic and this exodus has not yet stopped. (Appendix B)

I have a few handouts. The first one is a history on our dollars spent on contract nursing and the number of nursing facilities using contract nursing. The second handout is the skilled nursing facility jobs report. The third handout is the RN average/hourly wage/salary for all 50 states and the travel nurses' pay in each state as reported by Vivian Health, a

national healthcare hiring marketplace. I've highlighted North Dakota in both handouts and show the findings below:

North Dakota RN Average Wages

Hourly \$34.23

Annual Wage: \$71,200

North Dakota RN Travel Wages*

Average Weekly Pay in Dec 2022 \$3,338

Average Weekly Pay in Jan 2023 \$3,227

*Converting the Jan 2023 weekly wage to an hourly wage is \$80.67 per hour.

Besides the higher travel wage per hour, they also receive lodging/travel/meals stipends.

I've also attached the maximum hourly allowed charges Minnesota sets for travel nurses for January 1, 2023 through December 31, 2023.

Minnesota is one of the few states that has set a maximum charge for travel staffing working nursing facilities.

The final handout is a summary and link of proposed legislation in other states, newly enacted laws and regulations and existing laws and regulations related to contact nursing in other states.

This concludes my testimony and I would be happy to answer any questions.

Shelly Peterson, President
North Dakota Long Term Care Association
1900 North 11th Street
Bismarck, ND 58501
(701) 222-0660

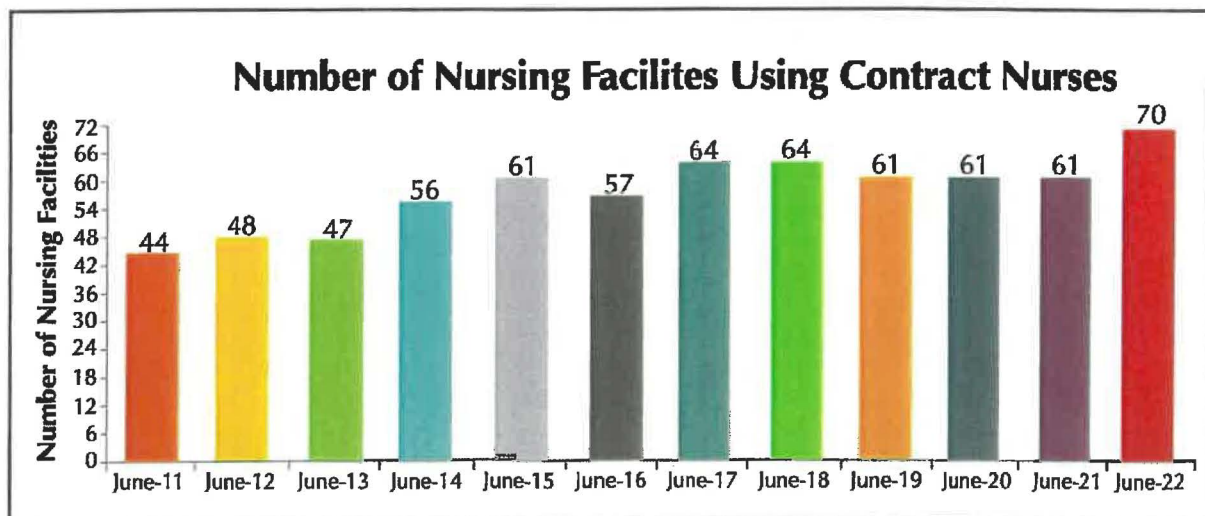
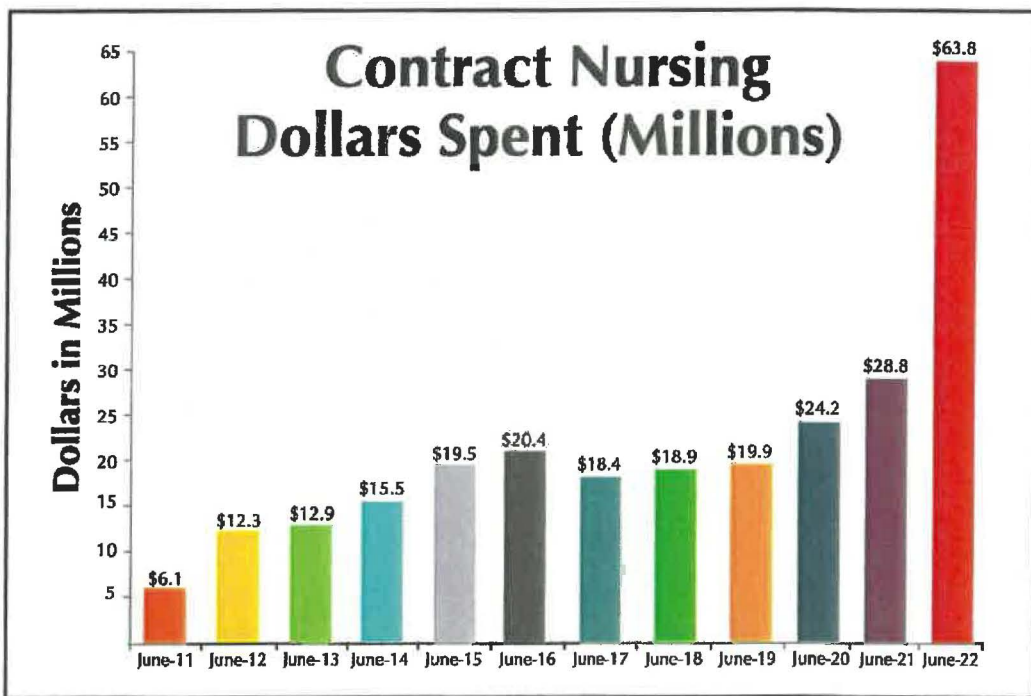


2011-2022

Nursing Facilities

Contract Nursing In Nursing Facilities

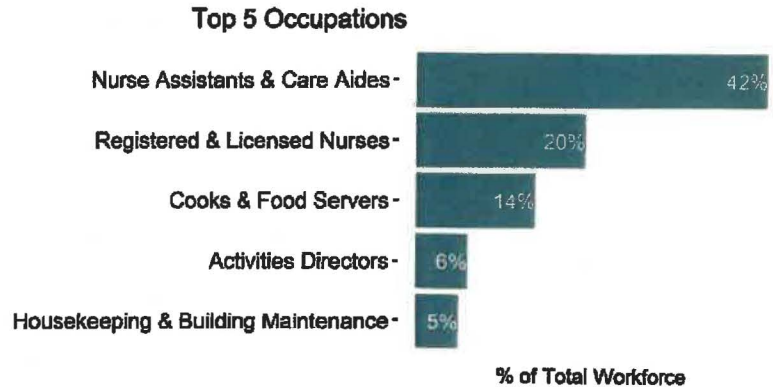
When facilities face staffing shortages, one option is to use contract staff to provide daily resident care. In the past year, contract nursing costs has more than doubled from the previous 12 months.





Skilled Nursing Workforce

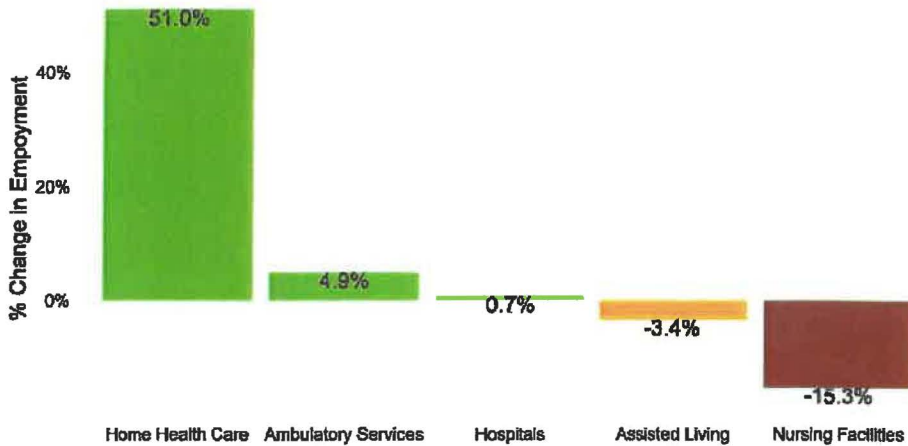
7,205 Employees



Impact of COVID

While some health care industries have reached or surpassed pre-pandemic staffing levels, long term care facilities are still experiencing substantial job losses alongside rising wage costs and increasing agency staff use.

Percent Change in Employment by Health Care Sector
Feb 2020 - Jun 2022



10.4%
Increase in Average Weekly
Wage: Mar'20 - Jun'22

2.1x
Increase in Agency Nurse Staff
Hours: Q4'19 - Q2'22

Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (Jun 2022) and Occupational Employment and Wage Statistics (May 2021) for NAICS Industries 623 and 6231. CMS Payroll Based Journal (2019-2022)

RN average hourly wage, salary for all 50 states

Registered nurses in the U.S. make an average of \$82,750 annually and have a mean hourly wage of \$39.78, though these figures vary greatly by state.

Below are the average mean hourly wages and salaries for nurses in all 50 states, based on May 2021 BLS [data](#), the most recent data available, and listed in alphabetical order.

Median annual household income is based on data from the U.S. Census Bureau 2021 American Community Survey, [compiled and reported](#) by Kaiser Family Foundation.

Alabama

Hourly: \$29.77

Annual wage: \$61,920

Median annual household income: \$53,913

Alaska

Hourly: \$46.74

Annual wage: \$97,230

Median annual household income: \$77,845

Arizona

Hourly: \$39.23

Annual wage: \$81,600

Median annual household income: \$69,056

Arkansas

Hourly: \$31.64

Annual wage: \$65,810

Median annual household income: \$52,528

California

Hourly: \$59.62

Annual wage: \$124,000

Median annual household income: \$84,907

Colorado

Hourly: \$38.78

Annual wage: \$80,670

Median annual household income: \$82,254

Connecticut

Hourly: \$42.56

Annual wage: \$88,530

Median annual household income: \$83,771

Delaware

Hourly: \$37.39

Annual wage: \$77,760

Median annual household income: \$71,091

Florida

Hourly: \$34.62

Annual wage: \$72,000

Median annual household income: \$63,062

Georgia

Hourly: \$36.24

Annual wage: \$75,380

Median annual household income: \$66,559

Hawaii

Hourly: \$51.22

Annual wage: \$106,530

Median annual household income: \$84,857

Idaho

Hourly: \$35.41

Annual wage: \$73,640

Median annual household income: \$66,474

Illinois

Hourly: \$37.63

Annual wage: \$78,260

Median annual household income: \$72,205

Indiana

Hourly: \$33.12

Annual wage: \$68,890

Median annual household income: \$62,743

Iowa

Hourly: \$31.25

Annual wage: \$64,990

Median annual household income: \$65,600

Kansas

Hourly: \$32

Annual wage: \$66,560

Median annual household income: \$64,124

Kentucky

Hourly: \$32

Annual wage: \$66,560

Median annual household income: \$55,573

Louisiana

Hourly: \$33.84

Annual wage: \$70,380

Median annual household income: \$52,087

Maine

Hourly: \$35.40

Annual wage: \$73,630

Median annual household income: \$64,767

Maryland

Hourly: \$39.74

Annual wage: \$82,660

Median annual household income: \$90,203

Massachusetts

Hourly: \$46.46

Annual wage: \$96,630

Median annual household income: \$89,645

Michigan

Hourly: \$36.51

Annual wage: \$75,930

Median annual household income: \$63,498

Minnesota

Hourly: \$40.40

Annual wage: \$84,030

Median annual household income: \$7,720

Mississippi

Hourly: \$30.35

Annual wage: \$63,130

Median annual household income: \$48,716

Missouri

Hourly: \$32.59

Annual wage: \$67,790

Median annual household income: \$61,847

Montana

Hourly: \$35.39

Annual wage: \$73,610

Median annual household income: \$63,249

Nebraska

Hourly: \$33.58

Annual wage: \$69,850

Median annual household income: \$66,817

Nevada

Hourly: \$42.69

Annual wage: \$88,800

Median annual household income: \$66,274

New Hampshire

Hourly: \$37.63

Annual wage: \$78,270

Median annual household income: \$88,465

New Jersey

Hourly: \$43.12

Annual wage: \$89,690

Median annual household income: \$89,296

New Mexico

Hourly: \$37.31

Annual wage: \$77,590

Median annual household income: \$53,992

New York

Hourly: \$44.86

Annual wage: \$93,320

Median annual household income: \$74,314

North Carolina

Hourly: \$34.23

Annual wage: \$71,200

Median annual household income: \$61,972

North Dakota

Hourly: \$34.23

Annual wage: \$71,200

Median annual household income: \$66,519

Ohio

Hourly: \$34.44

Annual wage: \$71,640

Median annual household income: \$62,262

Oklahoma

Hourly: \$32.78

Annual wage: \$68,180

Median annual household income: \$55,826

Oregon

Hourly: \$47.42

Annual wage: \$98,630

Median annual household income: \$71,562

Pennsylvania

Hourly: \$36.54

Annual wage: \$76,000

Median annual household income: \$68,957

Rhode Island

Hourly: \$40.99

Annual wage: \$85,270

Median annual household income: \$74,008

South Carolina

Hourly: \$ 33.45

Annual wage: \$69,580

Median annual household income: \$59,318

South Dakota

Hourly: \$29.11

Annual wage: \$60,540

Median annual household income: \$66,143

Tennessee

Hourly: \$32.06

Annual wage: \$66,680

Median annual household income: \$59,695

Texas

Hourly: \$38.04

Annual wage: \$79,120

Median annual household income: \$66,963

Utah

Hourly: \$34.99

Annual wage: \$72,790

Median annual household income: \$79,449

Vermont

Hourly: \$36.13

Annual wage: \$75,160

Median annual household income: \$72,431

Virginia

Hourly: \$36.87

Annual wage: \$76,680

Median annual household income: \$80,963

Washington

Hourly: \$45.84

Annual wage: \$95,350

Median annual household income: \$84,247

West Virginia

Hourly: \$32.52

Annual wage: \$67,640

Median annual household income: \$51,248

Wisconsin

Hourly: \$36.95

Annual wage: \$76,850

Median annual household income: \$67,125

Wyoming

Hourly: \$35.16

Annual wage: \$73,130

Median annual household income: \$65,204

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[Travel nurses' pay in each state: A month-over-month comparison](#)

[10 states with the largest decreases to travel nurse pay](#)

[North Carolina hospital launches on-demand pay for workers](#)

<https://www.beckershospitalreview.com/compensation-issues/rn-average-hourly-wage-salary-for-all-50-states.html>

Travel nurses' pay in each state: A month-over-month comparison

Average weekly travel nurse pay in January in the U.S. varied across states compared to the month prior, according to a report shared with *Becker's* from Vivian Health, a national healthcare hiring marketplace.

As of Feb. 1, there were 571,044 active RN travel jobs on the Vivian Health platform nationwide in the last seven days.

Here is a state-by-state breakdown of average weekly travel nurse pay (January compared to December), per the Vivian report:

Alabama

December: \$2,595

January: \$2,529

Alaska

December: \$3,401

January: \$3,276

Arizona

December: \$3,140

January: \$3,029

Arkansas

December: \$2,929

January: \$2,921

California

December: \$4,013

January: \$3,859

Colorado

December: \$2,953

January: \$2,925

Connecticut

December: \$3,366

January: \$3,367

Delaware

December: \$3,019

January: \$3,233

Florida

December: \$2,486

January: \$2,429

Georgia

December: \$2,732

January: \$2,640

Hawaii

December: \$3,037

January: \$2,848

Idaho

December: \$2,951

January: \$2,824

Illinois

December: \$3,201

January: \$3,147

Indiana

December: \$3,105

January: \$2,987

Iowa

December: \$3,269

January: \$2,982

Kansas

December: \$2,714

January: \$2,679

Kentucky

December: \$2,950

January: \$2,807

Louisiana

December: \$2,660

January: \$2,536

Maine

December: \$3,350

January: \$3,296

Maryland

December: \$3,301

January: \$3,086

Massachusetts

December: \$3,522

January: \$3,467

Michigan

December: \$3,000

January: \$2,794

Minnesota

December: \$3,530

January: \$3,378

Mississippi

December: \$2,515

January: \$2,604

Missouri

December: \$3,075

January: \$2,879

Montana

December: \$2,700

January: \$2,689

Nebraska

December: \$3,224

January: \$3,087

Nevada

December: \$3,229

January: \$3,117

New Hampshire

December: \$3,243

January: \$3,285

New Jersey

December: \$3,646

January: \$3,496

New Mexico

December: \$3,109

January: \$2,915

New York

December: \$3,523

January: \$3,459

North Carolina

December: \$2,872

January: \$2,695

North Dakota

December: \$3,338

January: \$3,227

Ohio

December: \$3,057

January: \$3,047

Oklahoma

December: \$2,645

January: \$2,530

Oregon

December: \$3,504

January: \$3,400

Pennsylvania

December: \$3,359

January: \$3,281

Rhode Island

December: \$3,273

January: \$3,115

South Carolina

December: \$2,860

January: \$2,798

South Dakota

December: \$3,354

January: \$3,104

Tennessee

December: \$2,588

January: \$2,550

Texas

December: \$2,608

January: \$2,567

Utah

December: \$2,802

January: \$2,856

Vermont

December: \$3,223

January: \$3,116

Virginia

December: \$3,081

January: \$2,994

Washington

December: \$3,490

January: \$3,362

District of Columbia

December: \$3,568

January: \$3,600

West Virginia

December: \$3,109

January: \$2,947

Wisconsin

December: \$3,172

January: \$3,097

Wyoming

December: \$3,176

January: \$3,197

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SNSA Maximum Charges For Nursing Facilities Effective January 1, 2023

Published January 2023

**Statewide Maximum Allowed Hourly Charges
Effective January 1, 2023 - December 31, 2023**

RN	\$67.02
LPN	\$54.87
CNA	\$37.43
TMA	\$39.86

**Statewide Maximum Allowed Holiday Hourly Charges
Effective January 1, 2023 - December 31, 2023**

RN	\$115.28
LPN	\$96.57
CNA	\$65.12
TMA	\$72.14

**Statewide Maximum Allowed Hourly Charges
Effective January 1, 2022 - December 31, 2022**

RN	\$62.36
LPN	\$50.75
CNA	\$34.10
TMA	\$36.57

**Statewide Maximum Allowed Holiday Hourly Charges
Effective January 1, 2022 - December 31, 2022**

RN	\$107.25
LPN	\$89.31
CNA	\$59.33
TMA	\$66.20

Summary of Staffing Agency Statutes, Regulations, and Legislation

PROPOSED STATE LEGISLATION:

Kansas

House Bill 2524: Requiring the secretary for aging and disability services to regulate supplemental nursing services agencies in the state of Kansas.

- Bill Page: http://www.kslegislature.org/li/b2021_22/measures/hb2524/
- Bill Text: http://www.kslegislature.org/li/b2021_22/measures/documents/hb2524_00_0000.pdf

Kentucky

House Bill 282: Create new sections of KRS Chapter 216 to define and establish registration of health care services agencies.

- Bill Page: <https://apps.legislature.ky.gov/record/22rs/hb282.html>
- Bill Text: https://apps.legislature.ky.gov/recorddocuments/bill/22RS/hb282/orig_bill.pdf

Ohio

- Draft Bill Text: https://www.ahcancal.org/Workspaces/ashcae/Documents/I_134_2083-2.pdf

Oregon

- Senate Bill 1549: <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/SB1549/Enrolled>
- Bill Summary: <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureAnalysisDocument/64137>

Wisconsin

- Draft Bill Text: <https://www.ahcancal.org/Workspaces/ashcae/Documents/WI%20draft.pdf>

Summary of Staffing Agency Statutes, Regulations, and Legislation

NEWLY ENACTED LAWS AND REGULATIONS

Colorado

- Governor Polis has signed Senate Bill 22-210: <https://leg.colorado.gov/bills/sb22-210>

Connecticut

Bill passed and signed into law:

- <https://www.cga.ct.gov/2022/ACT/PA/PDF/2022PA-00057-R00HB-05313-PA.PDF>

Illinois

Passed HB4666 and it has been signed into law. Final bill did not include caps rather removed conversion/placement fees, brought transparency to contracts with state and healthcare providers, guaranteed 100% of reported wages were given to the employee, removed the ability for non-compete clauses between agencies and nurses, updated liability requirements, included an attestation detailing number of contracted shifts vs. missed shifts, established a system to report complaints against an agency, prohibited recruiting potential employees on the premises of a health care facility, and created a page on the Department of Labor's website that providers can look at to see the average wage agencies are charging for Licensed Nurses and CNAs based on county.

- Bill Number [HB4666](#) and now [PA 102-0946](#)

Iowa

Bill passed and signed into law.

- House File 2521: <https://www.legis.iowa.gov/legislation/BillBook?ba=HF2521&ga=89>

Summary of Staffing Agency Statutes, Regulations, and Legislation

Louisiana

Bill passed and signed into law.

- <https://legis.la.gov/legis/ViewDocument.aspx?d=1289785>

Missouri

- Missouri Governor signed staffing agency legislation that can be found on pages 65 to 72 here: <https://www.senate.mo.gov/22info/pdf-bill/tat/SB710.pdf>, and will go into effect in August of 2022.

Pennsylvania

[HB 2293](#) was signed by Governor on 11/13/2022

- The new law requires registration of and establishes operating requirements for health care staffing agencies.

Tennessee

Tennessee passed SB2463/HB2347, which was enacted into law as [Public Chapter 1118](#). The legislation does not regulate staffing agencies, but directs the Tennessee Comptroller of the Treasury, in conjunction with our Medicaid agency and Health Department to produce a study examining the use of temporary staffing agencies in long-term care facilities. It requires that the study examine the effects that costs of temporary staffing have upon the Medicaid program and upon assisted-care living facilities, and practices that may improve the quality of long-term care for residents while reducing costs to the Medicaid program.

- Public Chapter 1118: <https://publications.tnsosfiles.com/acts/112/pub/pc1118.pdf>

Summary of Staffing Agency Statutes, Regulations, and Legislation

EXISTING LAWS AND REGULATIONS:

Massachusetts

[General Laws: Part I – Title XVI-Chapter 111 - Section 72Y: Nursing pool registrations](#)

[General Laws: Part I – Title XVII-Chapter 118E - Section 13D: Duties of ratemaking authority; criteria for establishing rates](#)

Regulations: 105 CMR: DEPARTMENT OF PUBLIC HEALTH

[105 CMR 157.000: The Registration and Operation of Temporary Nursing Service Agencies](#)

Minnesota

SUPPLEMENTAL NURSING SERVICES AGENCY

[144A.70](#) Registration of Supplemental Nursing Services Agencies.

[144A.71](#) Supplemental Nursing Services Agency Registration.

[144A.72](#) Registration Requirements; Penalties.

[144A.73](#) Complaint System.

[144A.74](#) Maximum Charges.

Supplemental Nursing Services Agency Registration Page:

<https://www.health.state.mn.us/facilities/regulation/snsa/index.html>



2023 House Bill 1476
Senate Human Services Committee
Senator Judy Lee, Chairman
March 13, 2023

Chairman Lee and members of the Senate Human Services Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I testify in support of engrossed House Bill 1476 and ask that you give the bill a **Do Pass** recommendation.

Hospitals appreciate the intent of the bill sponsor to raise awareness of the high cost of contract nursing services and we support the bill as amended by the House.

The number one challenge facing hospitals has been workforce and the lack of nurses is acute in both the rural and urban areas. It was problematic even before the COVID-19 pandemic and became so critical during that time that travel nurses had to be used to meet the rising demand. Urban hospital wages in North Dakota increased \$382 million since 2019, mainly due to contract labor. The escalating cost of contracted nursing staff and the upward pressure it puts on wages is not sustainable.

To give an idea of how big the challenge is, NDHA conducted a nursing survey last summer. It showed there were 1,326 nurse openings throughout the state. Hospitals contracted with staffing agencies for another 717 nurses. Hospitals had to rely on contract nursing services to fill those gaps so they could continue to provide essential health care services in their communities during the pandemic. Hospitals continue to need contract services due to the shortage of nurses.

There have been reports of nurse staffing agencies inflating prices and monopolizing the nursing workforce, potentially leading to several troubling consequences for providers, patients, and taxpayers, including inflated prices for care, further nursing shortages, and continued strain on the entire health care system. We support the engrossed bill's consideration of a study to give everyone a better understanding of the business and payment practices of nurse staffing agencies and how such extreme prices negatively affect

patients and hospitals. We support solutions that would prevent conduct that takes advantage of these difficult circumstances to increase contract agency profits at the expense of patients and the hospitals that treat them.

NDHA requests that you give the bill a **DO PASS** recommendation. Thank you.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association



North Dakota House of Representatives

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Alisa Mitskog

District 25
1001 Second Avenue North
Wahpeton, ND 58075-4309
amitskog@nd.gov

COMMITTEES:
Appropriations

Senate Human Services Committee

March 13, 2023
HB 1476

Chairman Lee, committee members:

Good Morning, I am Rep. Alisa Mitskog-District 25. HB 1476 is a bill that proposes to study the impact of contract nursing agencies on entities that receive Medicaid and Medicaid expansion.

Background

I learned about the issue of contract nursing costs during my first session on the House Appropriations Committee 2 years ago. Since that time, I have watched the costs escalate to the point that some facilities are facing a questionable future. Taxpayer dollars are subsidizing these costs. I understand the labor shortage facing nursing homes and hospitals and their staffing requirements. My intention of this bill is not to harm long term care facilities or hospitals that currently employ travel nurses and CNAs and but rather, I want to make you and the legislature aware of the runaway costs surrounding the use of these nursing agencies. The trajectory is unsustainable. The costs associated with using contract nursing services have significantly increased in 2021 and 2022.

Costs Associated with Contracted Nursing Services

North Dakota Long Term Care Facilities:

2021: **28.8 million** in contracted labor 2022: **63.8 million** in contracted labor

On a local level, St. Gerard's in Hankinson,

2021: **\$300,869** (7089 hours of contracted labor) 2022: **\$827, 513** (14,163 hours of contracted labor)

Other rural nursing home shared their contracted nursing costs:

2020: agency CNAs **\$368,000** 2021 agency CNAs **\$592,460**
7/1/2022-12/31/2022:CNA **\$505,478.00** **\$36,000** nurses.

The ND Veteran's Home

2020	\$71,765.79
2021	\$103,563.42
2022	\$309,784.38

Agency rates:

<u>AWM 2019 – 2020 Rates</u>	<u>2021 – 2022 Rates</u>
RN \$56.35 - \$60.54	\$110.00 - \$200.00
C.N.A. \$34.33 - \$40.59	\$59.85 - \$108.85

<u>Nela Rate on Oct 2021</u>	<u>Rate change on April 8, 2022</u>	<u>Rate change requested Sept 2022</u>
RN \$53.00	RN \$59.90	RN \$80.00
LPN \$42.50	LPN \$52.50	LPN \$70.00
C.N.A. \$32.00	C.N.A. \$42.50	C.N.A. \$60.00

An analysis by the American Hospital Association projected the cost of labor to be **57 billion higher in 2022 with 29 billion due to contract labor expenses.**

These numbers have made me realize that we need better clarity and transparency on the costs. How much is the agency paying their CNAs and nurses? Why the significant increase in the rate nursing homes were billed in 2021 and 2022? What are the profit margins?

14 other states as of last fall have moved forward legislation addressing this issue. Minnesota has had a cap on rates that nursing agencies can charge facilities for the past 20 years and according to a long term hospital and nursing home administrator in a rural Minnesota community, the caps have worked well in reining in costs. In June 2022, U.S. Sen. Cramer introduced the Travel Nursing Agency Transparency Study Act, a bill that would require the Government Accountability Office to conduct a study on the effects hiring agencies have had across the health care industry during the Covid-19 pandemic. The bill proposes to look into the business and payment practices of staffing agencies, including potential price gouging and taking of excessive profits. Specifically, GAO's investigation will look at the difference between how much agencies charged health care institutions and how much they paid contracted nurses. No formal action has occurred on this legislation. As a state, I believe we need to do our due diligence looking into this issue.

In conclusion, I recognize the challenges that long term care facilities and hospitals are facing with the labor shortage and their required staffing requirements. But the ongoing reliance and costs associated with the use of contracted nursing agencies has to be addressed. The path we are on is not economically sustainable. I realize that putting forth a moratorium could be a challenge for nursing homes and hospitals so I would like to offer an amendment that proposes to study the issue. With the goal of bringing transparency to the issue of the costs.

Congress of the United States
Washington, DC 20515

November 15, 2021

Mr. Jeffrey Zients
COVID-19 Response Team Coordinator
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. Zients:

As you know, the most recent surge in COVID-19 cases put tremendous strain on the entire health care system, particularly the supply of desperately needed hospital staff. Providers across the country reported extreme physical and mental burnout, and in September 2021 alone, health care employment fell by 17,500. COVID-19 has affected every state and every corner of the nation, and cases are still rising in some areas. The persistent strain of the pandemic on health care providers has required many hospitals to rely on nurse-staffing agencies to supply urgently needed staff to care for the increasing number of patients.

We are writing to inquire about the extreme prices being reported for nurse staffing agencies from hospitals in our states, and the concern that certain staffing agencies may be taking advantage of these difficult circumstances to increase their profits at the expense of patients and the hospitals that treat them. We have received anecdotal reports that the nurse staffing agencies are vastly inflating price, by two, three or more times pre-pandemic rates, and then taking 40% or more of the amount being charged to the hospitals for themselves in profits. We have heard the amounts charged to hospitals rose precipitously when the most recent wave of the COVID-19 crisis swept the nation and the agencies seemingly seized the opportunity to increase their bottom line. But this is not the first time the agencies have engaged in this sort of conduct. As the first wave of COVID-19 swept the nation in 2020, they similarly inflated their prices to hospitals. Hospitals have no choice but to pay these exorbitant rates because of the dire workforce needs facing hospitals around the country.

This model is unsustainable for many health systems. As the pandemic continues and we enter flu season, we request you enlist one or more of the federal agencies with competition and consumer protection authority to investigate this conduct to determine:

- Is this activity the product of anticompetitive activity?
- What is the ownership structure of these staffing agencies and is there evidence of price collusion or other anti-competitive pricing patterns?
- Does this activity violate consumer protection laws?
- Are these increased rates translating to higher pay for contract nurses?
- What impact have these price increases had on rural and underserved areas?
- Have nurse staffing agencies increased their own percentage of profit during the COVID-19 pandemic? If so, by how much?

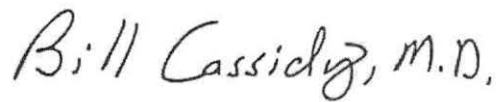
- How much of the COVID-19 relief funds are directly or indirectly going to pay these contracts?
- How may the 100% cost share for FEMA reimbursement be contributing to the ability of the staffing agencies to extract higher payment?

We urge you to ensure that this matter gets the attention from the federal government it merits to protect patients in dire need of life saving health care treatment and prevent conduct that is exacerbating the shortage of nurses and continuing to strain our health care system. We look forward to your response.

Sincerely,



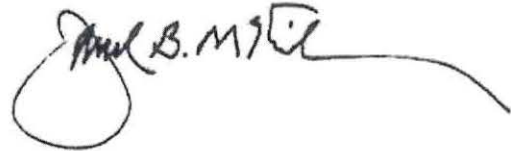
Mark Kelly
United States Senator



Bill Cassidy, M.D.
United States Senator



Doris Matsui
Member of Congress



David B. McKinley P.E.
Member of Congress