



Memorial Health System

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May 18, 2021

Chairman Johnson, Vice Chairman Cirino, Ranking Member Williams and members of the Senate Workforce & Higher Education Committee:

My name is Scott Cantley and I am the President and CEO of Memorial Health System, a three-hospital system with current operations in Washington County, Ohio; Tyler County, West Virginia; and surrounding counties. We are the region's largest employer with approximately 3,300 employees.

I am sorry I cannot be with you today in person, but I wanted to ensure you hear our story. There will be much said about workforce shortages and statistical projections of anticipated future needs throughout the testimony today. Unfortunately, statistics won't tell you about the real conditions on the ground here in Marietta, OH. Our mission as an organization is to bring truly world class health care to our rural, southeast region. That is a challenging endeavor for all the economic reasons I'm sure you and members of your committee fully understand.

Healthcare as an industry is often represented by large complex buildings with sophisticated medical equipment inside. We use very exciting industry jargon to name our technology - cat scanners, cath labs and even Da Vinci Surgical robots. It is interesting we often push these images to the forefront of newscasts about hospitals and healthcare when the reality is the vast majority of our investments is in people.

In my April 2021 financial statements, the cost of salaries, wages and benefits is exactly 14.7 times the cost of buildings and equipment (as represented by accumulated depreciation.)

For each one dollar I spend monthly on high tech tools, huge buildings and parking garages, I will spend 15 times that on my workforce. The reality of healthcare is we are truly a people industry driven by one of the most highly educated workforces in the world.

In rural Ohio, the challenge of building great healthcare is not architectural or technical. The challenge is about building the right workforce. We must hire great physicians and provide our medical team with appropriately skilled nurses, radiology techs, laboratory science technicians, respiratory therapists and on and on. These professional groups are the real building blocks of great health care.

During our COVID-19 community situation, I was impressed by the response of our government to create amazing new healthcare capacity on naval ships and in convention centers. The reality was that little, if any, of this capacity and expense was used. Why? Because the shortage for most of this nation was never beds, rooms and equipment, although ventilators were helpful! What we really needed was staff to treat patients in all our facilities. During 2020, the cost to hire a “traveling nurse” (our friendly industry term for contracted nurses willing to commit to six-week employment for higher fees) tripled as each city in the United States competed to get the labor pool necessary.

In Marietta, at our peak COVID-19 crisis, 13% of my nursing workforce was “travelers.” This premium adds nearly two million dollars of monthly expense to our health system. My current, non-peak staffing is 10% of the nursing workforce of nearly 600 bedside nurses. Additionally, we consistently run with an approximately 10% vacancy rate that is staffed by overtime. Typically, we offer shift bonuses to nurses in addition to their overtime rates of pay. Today, triple bonuses have been insufficient to induce nurses to voluntarily work the extra shifts we need to respond to our community’s needs.

Let me assure you no rural community can sustain these premium expense levels while addressing the impact of our greater safety net burden placed in rural communities. In fact, we are often penalized in our payment rates by Federal and State programs under the presumption that wage costs are lower in rural communities. In healthcare, nothing could be more false. Our cost of attracting talent, physician or other highly skilled professionals like nurses, will be higher than those of the urban communities that produce the graduates we compete for. Amenities and job opportunities are plentiful in Columbus, Cincinnati and Cleveland and ultimately reduce the recruitment costs in their competitive labor markets for the urban hospitals and facilities in their health systems.

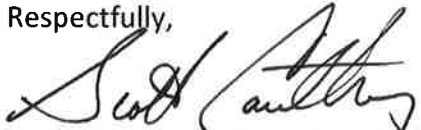
Committee members, I respectfully submit we are still facing a crisis in rural American healthcare. It is no longer a pandemic but is our ability to field a workforce that can meet the community needs of the Medicare and Medicaid populations still disproportionately residing in rural communities.

In Washington County, our hope rests on the strength of our partnerships with regional colleges like Washington State Community College. By collaborating with Dr. Vicky Wood and her team, MHS is building a pipeline of labor for our future. Nursing particularly requires special attention. As healthcare shifts to greater primary care and outpatient focused delivery modalities, those patients being admitted to hospitals have higher acuity and greater nursing needs. Our care models within the hospital are adapting accordingly. Baccalaureate and Masters prepared professional nurses are assuming a larger team role in the care of acutely ill patients. The assessment skills of professional nurses are essential to the post-surgical and complex medical care being delivered today in hospitals.

If we are to retain our community hospital infrastructure in this country, a workforce must be developed **in rural communities**. Previously the mix of BSN and MSN academic preparation I'm referring to was almost exclusively in academic and tertiary medical facilities. Encouraging our young nurses to leave Marietta to complete this academic preparation and then expecting them to return is, in our experience, a bad investment. Allowing young professionals to build families and careers in their hometowns will be the only way we change the paradigm I've described here today.

We respectfully ask you to value communities that want to thrive without the benefit of large universities embedded within them. You can accomplish this by enabling a carefully selected subset of community colleges to expand their partnership and impact within communities like ours. I fully support Washington State Community College's request to advance the ADN program to a BSN program.

Respectfully,

A handwritten signature in black ink, appearing to read "Scott Cantley". The signature is fluid and cursive, with the first name "Scott" written in a larger, more prominent script than the last name "Cantley".

Scott Cantley, President and CEO
Memorial Health System

