

Testimony Opposing Staffing Agency Provision of HB 33

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Good afternoon, Chairman Romanchuk, Vice Chair Wilson, Ranking Member Ingram, and members of the committee. Thank you for the opportunity to discuss HB 33.

The staffing crisis in skilled nursing and assisted living centers is a dire situation. I have been in this field for 30-plus years as an operator and have never seen the recruiting and staffing challenges we are now experiencing. I am the Chief Operating Officer for LeaderStat, a healthcare staffing company that supports many post-acute centers and hospitals nationwide. We are headquartered in Worthington, Ohio, and place many nurses and nursing assistants here.

I started at LeaderStat 20 years ago, and I have seen the need for temporary administrators and Directors of Nursing in long term care facilities, both in Ohio and around the country. In March, 2020, many of our clients came to us, desperate for staffing support. They had many staff members out on quarantine, many sick staff and residents, and many of their team members who quit – just not able to manage the horrible stress of caring for our elderly in this raging pandemic. We stepped up. Our teams worked 6 days a week, finding staff who were willing to go into these facilities to help. I know that at least 3 facilities would have been forced to close if we had not sent relief staff. We currently work with the Ohio Department of Aging to provide relief staff to these centers, along with the National Guard.

Our supplemental staff members are deployed to skilled nursing facilities and hospitals that are experiencing extremely challenging situations. These healthcare centers are very short-staffed so our nursing staff work long hours to help provide care. Oftentimes, they are caring for very sick, contagious patients. Because many of them are travel nurses, they go back to a hotel at night and are away from family and friends for over a month, sometimes as long as 13 weeks. Yes, they are paid at higher rates to compensate them for this commitment they are making to these tough situations.

I understand the concerns expressed by providers who believe staffing companies are taking advantage of this critical situation and are unfairly raising their prices. I want to assure you that at LeaderStat, our pricing methodology remains the same as before the COVID crisis as it does now during this current staffing crisis. Our increased pricing reflects escalating market rates and what it costs to recruit temporary healthcare staff. It costs more to recruit a nurse now than it did even 6 months ago.

In my experience, we don't lose staff to staffing firms who are "poaching" them to work for their agencies. We lose nursing assistants to fast food, retail and of course, Amazon.

You see the ads – they offer \$21.00 an hour plus great benefits at their warehouses. Our nursing assistants typically make \$15.00 an hour. Let's get the data. How many staff members are actually getting recruited away by agencies? My guess is, it's a very small number.

I do not believe capping staffing rates is the answer to this very complex issue. This proposed pricing restriction will limit our ability to attract the additional staff that is so desperately needed right now. The competition for staff in all sectors is fierce right now, everywhere. This legislation will not help the situation. In fact, by hindering our efforts to provide relief staff to our client facilities, it will make it worse.

The methodology for capping rates is flawed. These proposed rates also do not include sufficient money for the necessary taxes and benefits we pay to our staff. They certainly do not account for our basic cost of doing business, such as recruiting expenses, job postings, credentialing and placing staff.

Let's work together to solve the real problem. Skilled nursing providers need to be able to pay competitive wage rates and benefits for their staff. Medicare and Medicaid reimbursement needs to increase so skilled nursing providers can afford to pay attractive wage rates to their staff. Caring for our nation's elders should be a career path that many aspire to. Clearly, we need to offer our nursing assistants more money than working in fast food and retail.

I know that staffing healthcare facilities and caring for people are the most important needs in this labor market. Let's let the natural market forces drive this pricing. We are already seeing wage rates for nurses and nursing assistants start to moderate and the pandemic subsidies.

We take our duty and responsibility to support our partner healthcare facilities very seriously and work hard to keep our rates controlled in a very dynamic labor market. We are fully committed to ethical practices and standards. We will continue to be an honorable partner as we support our client facilities during these difficult times.

Julie Osborne
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