



OHIO HOUSE OF REPRESENTATIVES

State Representative Jay Edwards

House Bill 466 Sponsor Testimony

Chair Stein, Ranking Member Lepore-Hagan and members of the committee, thank you for the opportunity to testify today in support of House Bill 466.

As you know, staffing issues have been plaguing the health care industry, especially long-term care services and support providers such as skilled nursing and assisted living facilities.

[AARP's recent analysis of staffing data](#)^[1] shows that **one out of every three nursing homes is facing a staffing shortage.**

In response, facilities have been compelled to use agency staff to fill the shortfall. A recent survey done by Scripps Gerontology Center showed that the number of facilities using agency staff from the first quarter of 2020 to the first quarter of 2021 increased 23%, to almost two-thirds of those surveyed.

As demand for agency staff has increased, **the staffing agencies have taken advantage of the labor shortage to drive-up the cost of care, exacerbate the full-time staff shortage, and reduced quality.**

We estimate staffing agencies **are marking-up the cost for RNs by 82% and STNAs by 120% over Bureau of Labor Statistic wage rates.** In some cases, providers pay five times the pay rate of their current staff.

^[1] <https://www.aarp.org/ppi/issues/caregiving/info-2020/nursing-home-covid-dashboard.html>

Anecdotal evidence suggests that staffing agencies are recruiting and headhunting currently employed nursing home staff. This includes approaching staff as they leave work and offering current agency staff bonuses for recruiting staff in the homes they are assigned. **The recruiting of currently employed staff drives-up costs, creates more staffing shortages, and reduces the quality of care by creating inconsistent staffing.**

There is anecdotal evidence of staffing agencies creating bidding wars between providers for difficult to cover shifts, such as weekends. Again, this only serves to drive-up costs to the provider with no benefit to the residents.

Staffing agencies are charging significant fees if a provider wants to hire an agency staffer full time. These fees create a barrier to reducing the dependency on agency staff and protects the staffing agency's demand; thus, it allows the agencies to further increase costs to the nursing home providers to only the agencies' benefit.

Agency staff are usually not aware of the frequently changing regulations and are not prepared to perform the job properly. While the provider is ultimately held responsible, the agency staff person is accountable only to the staffing agency, not the provider for whom they are filling-in or the residents they are serving. This leads to poor outcomes and increased complaints.

Staffing agencies can behave in this manner because **there is currently no regulation or accountability for the industry in Ohio.** Anyone can create a staffing agency and there are no limits to rates or fees, or their actions. Furthermore, **there is no complaint system to hold the agency accountable** to ensure the staff meet training and licensure requirements, are prepared and willing to do the job they are hired for, and they provide quality services to the residents.

That would change under House Bill 466, which takes common sense approach to staffing agency oversight to ensure our nursing home residents are receiving quality care and providers are not being charged excessive fees.

The language in HB 466 would create a registry and complaint system in the Department of Health that will hold these agencies accountable while limiting their ability to increase the cost of direct care in nursing homes.

Thank you for your consideration of House Bill 466. I'm happy to answer any questions you may have.