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Commerce and Labor Committee
Testimony on House Bill 466
March 8, 2022

Chairman Stein, Ranking Member Leopore-Hagan and members of the Commerce and Labor Committee, thank you for allowing me to speak to you today.

My name is Larry Kidd, Founder, President and CEO: hire. I own and operate :hire (formerly Reliable Staffing Services) in Jackson, Ohio. My company is an employment staffing firm. We have offices throughout Central and Southeastern Ohio and serve both rural and urban clients. Our primary clients are in the light industrial and warehousing markets. We do participate in health care staffing, but it is a small portion of our business.

I am here today to discuss House Bill 466.

I have a broad perspective and outlook on HB 466. For context, I serve on the U.S. Chamber Board of Directors. I am a former Chairperson and current Board Director of the Ohio Chamber of Commerce. I served eight years as a Board Director of JobsOhio, I am on the legislative committee of the American Staffing Association, and I serve on the board of a rural hospital board. I do not represent any of these



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organizations today but do appreciate a unique perspective from my service of these boards.

I watched a video recording of the initial introduction of HB466. The Sponsor Representative made interesting and frankly scary comments about the practice a small number of health care staffing firms. While there are specific and individual cases of abuses, it is certainly not the practice of most firms in the staffing industry. As we have seen from previous crises and disasters, a few companies have taken advantage of consumers, businesses, and government. We should remember Hurricane Katrina when \$20 bottles of water were for sale or most recently during the beginning of the pandemic when toilet paper sold for \$15 a roll. However, during the pandemic most health care staffing businesses maintained their integrity and did not “gouge” their clients.

It is not in the best interest of the State, to regulate an entire section of an industry when other and more optimal alternatives are available. These could include reporting abusers to the Inspector General, Attorney General, Federal Trade Commission, or other government agencies.

The bill limits the amount a health care staffing provider can charge and does not allow for “buyouts” of employees. We want to encourage a free market in Ohio. The talent pool has shrunk, and all employers, regardless of their industry have

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felt the pinch of empty positions. Tens of thousands of able working adults have “taken themselves” out of the labor market. The demographics of our population is showing more early retirement and a lower number of people entering the workforce. The labor shortage is a long-term issue that will continue throughout our lifetime.

Unfortunately, the labor conditions have left health care facilities with a challenging situation. The talent shortage has resulted in an unprecedented increase in wages. This is simply a supply and demand issue. The lack of talent has dramatically driven up the wages.

It was said in the initial testimony that the long-term care facilities must use health care staffing firms because they cannot get enough workers. With the proposed legislation, Ohio will see mass exit of health care staffing firms; Ohio will no longer be competitive. The proposed legislation inhibits the health care staffing firm’s ability to earn a reasonable profit. As an unintended consequence, the health care systems, especially long-term care facilities would lose the pool of employees from the health care staffing firms. The increased labor costs may harm the health care facilities more than other industries because much of their revenue is generated with fixed reimbursement payments from Medicaid and Medicare payments. Increases in



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reimbursement from Medicare and Medicaid to health care providers would help alleviate the wage pressure.

We need to keep Ohio competitive. We have had recent wins for new companies, such as Intel. Please allow the markets adjust according to free market system. We should monitor and correct “bad apples” through other avenues other than regulation. We do not want to lose future projects due overregulation and difficulty doing business in Ohio. Please keep Ohio competitive.

Thank you for your time and I will any questions you may have.

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