

**Statement
of the
American Hospital Association
to the
Subcommittee on Employment and Workplace Safety
of the
Committee on Health, Education, Labor and Pensions
of the
United States Senate**

“Recruiting, Revitalizing & Diversifying: Examining the Health Care Workforce Shortage”

February 10, 2022

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) appreciates the opportunity to submit this statement for the record as the Subcommittee on Employment and Workplace Safety of the Committee on Health, Education, Labor and Pensions examines America’s health care workforce shortage.

As America enters the third year of the COVID-19 pandemic, health care providers are confronting a landscape deeply altered by its effects. As of Feb. 10, 2022, there have been approximately 80 million COVID-19 cases and over 900,000 deaths in the U.S., with nearly 30 million cases and approximately 110,000 deaths in just the last two months.

Our nation’s hospital and health system workers have been on the front lines of this crisis since the outset, caring for millions of patients, including nearly 4.4 million patients hospitalized with COVID-19. During this time, hospitals have continued to face a range of pressures, with workforce-related challenges among those most critical.

Though managing workforce pressures were a challenge for hospitals even before the pandemic, these challenges have only grown more acute. The incredible physical and emotional toll that hospital workers have endured in caring for patients during the pandemic has, among other issues, exacerbated the shortage of hospital workers. This shortage has



become so critical that some states and the federal government have deployed military and National Guard resources to help mitigate staffing challenges at some hospitals. As this shortage has worsened and COVID-19 hospitalizations have reached record levels, labor costs for hospitals have increased dramatically. This combination of factors has been exploited by travel staffing companies and other firms that provide contract labor resources, driving up workforce costs even more for hospitals. Hospitals also have incurred significant costs in recruiting and retaining staff, which have included overtime pay, bonus pay and other incentives. This is occurring at a time when many hospitals and health systems are still facing other immense financial constraints. For many hospitals around the country this has led to an unsustainable situation that threatens their ability to care for the patients and communities they serve.

Health Care Workforce Shortages

Hospitals are facing a critical shortage of workers. Approximately, 1,130 hospitals or 27% of hospitals that reported data on staffing to the federal government indicated that they were anticipating a critical staffing shortage within the week of Feb. 8. Further, 15 states had 33% or more of their hospitals reporting a critical staffing shortage.

Nurses, who are critical members of the patient care team, are one of the many health care professions that are currently in shortage. In fact, a study found that the nurse turnover rate was 18.7% in 2020, illustrating the magnitude of the issue facing hospitals and their ability to maintain nursing staff. The same study also found that 35.8% of hospitals reported a nurse vacancy rate of greater than 10%, which is up from 23.7% of hospitals prior to the pandemic. In fact, two-thirds of hospitals currently have a nurse vacancy rate of 7.5% or more.

Almost every hospital in the country has been forced to hire temporary contract staff to maintain operations at some point during the pandemic. According to a survey by AMN Healthcare, 95% of health care facilities reported hiring staff from contract labor firms, with respiratory therapists being the primary need for many hospitals and a critical team member necessary for COVID-19 patient care.

As hospitals have looked to bring in more staff, job postings for both clinical and non-clinical staff have increased from pre-pandemic levels. Based on data from Liquid Compass analyzed by Prolucent Health, job postings for clinical staff have increased by 45% for nurses and 41% for other allied clinical staff between January 2020 and January 2022. At the same time, non-clinical staff such as environmental service and facilities workers, who play an important role in maintaining hospital operations, have seen job postings increase nearly 40%.

Hospitals were already spending more money on contract labor even before the latest COVID-19 surge. According to a Definitive Healthcare study, contract labor expenses for hospitals have more than doubled over the last decade. However, the prices charged by contract labor firms during the pandemic have become exorbitant as supply is scarce and demand is at an all-time high. For example, average pay for hospital contract nurses has more than doubled compared to pre-pandemic levels. According to Prolucent Health, there

has been a 67% increase in the advertised pay rate for travel nurses from January 2020 to January 2022, and hospitals are billed an additional 28%-32% over those pay rates by staffing firms. In fact, in some areas pay rates for travel nurses have been as high as \$240/hour or more, which have contributed to the dramatic increase in hospitals' labor costs. Labor expenses are up 12.6% on an absolute basis, and 19.1% on a per patient basis compared to levels in 2019.

With COVID-19 hospitalizations reaching record highs, the staffing crisis currently plaguing our nation's hospitals is only expected to worsen. In 2017, more than half of nurses were age 50 and older, and almost 30% were age 60 and older. According to Bureau of Labor Statistics data, it is anticipated that 500,000 nurses will leave the workforce in 2022, bringing the overall shortage to 1.1 million nurses. And due to significant shortages of faculty, classroom space and clinical training sites, nursing schools actually had to turn away more than 80,000 qualified applicants in 2019. These data highlight the need to develop and implement longer-term solutions to avoid the further deepening of this crisis, which includes investing in more opportunities and slots for health care workers in the pipeline.

Supporting the Workforce

Because our workforce is our most precious resource, hospitals and health systems are committed to supporting them. That's why we've created programs and developed resources to promote caregiver well-being and resiliency. Examples include helping to pay back student loans, providing child care and transportation, offering tuition reimbursement and training benefits, providing referral and retention bonuses, and supporting programs that address mental and physical health.

Hospitals also are developing new team-based care models that allow health care workers from various disciplines and specialties to provide customized, patient-centered care. This allows them to manage medical and social needs across all settings to improve care and enhance professional satisfaction.

For example, in Virginia, Mary Washington Healthcare collaborated with a local community college on a clinical education model allowing student nurses to support the current nurse workforce before they had graduated, addressing the critical demand for more nurses. In Pennsylvania, Geisinger provides \$40,000 in financial support each year for up to 175 employees who want to pursue a nursing career and make a five-year work commitment as an inpatient nurse. And in Maine, Northern Light Maine Coast Hospital invites financial support from the local community to help underwrite the cost of programs to train future nurses and medical assistants and alleviate a crucial shortage of these professionals.

Policy Solutions

Our workforce challenges are a national emergency that demand immediate attention from all levels of government and workable solutions. These include recruiting, revitalizing and diversifying the health care workforce by:

- Lifting the cap on Medicare-funded physician residencies;
- Boosting support for nursing schools and faculty;
- Providing scholarships and loan forgiveness;
- Expediting visas for all highly trained foreign health care workers;
- Disbursing any remaining funds in the Provider Relief Fund, as well as replenishing the fund to help providers cope with increased staffing costs;
- Investigating reports of anticompetitive behavior from nurse-staffing agencies during the pandemic that is further exacerbating critical workforce shortages;
- Pursuing visa relief for foreign-trained nurses; and
- Supporting the health of physicians, nurses and others so they can deliver safe and high-quality care by providing additional funding and flexibility to address behavioral health needs and funding for best practices to prevent burnout.

We urge Congress to enact the Lorna Breen Health Care Provider Protection Act, which would direct resources to reduce and prevent health care professionals' suicides, burnout and behavioral health disorders. This bipartisan, bicameral legislation would authorize grants to health care providers to establish programs that offer behavioral health services for front-line workers, and require the Department of Health and Human Services (HHS) to study and develop recommendations on strategies to address provider burnout and facilitate resiliency. The bill also would direct the Centers for Disease Control and Prevention to launch a campaign encouraging health care workers to seek assistance when needed.

In addition, we must support state efforts to expand scope of practice laws to allow health care professionals to practice at the top of their license. Congress also should increase funding for the Health Resources and Services Administration's Title VII and VIII programs, including the health professions program, the National Health Service Corps, and the nursing workforce development program, which includes loan programs for nursing faculty. Congress also should consider expanding the loan program for allied professionals and direct support for community college education to high priority shortage areas in the health care workforce.

Finally, Congress should expand and increase funding for Centers of Excellence and the Health Careers Opportunity Programs, which focus on recruiting and retaining minorities into the health professions to build a more diverse health care workforce.

Conclusion

The AHA appreciates your recognition of the challenges ahead and the need to examine America's health care workforce shortage. We must work together to solve these issues so that our nation's hospitals and health systems can continue to care for the patients and communities they serve.