



MEASURE: HB 2976  
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SUBMITTED BY: Laura Elliott

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**Presented to:**

**Oregon House Committee on Business and Labor  
Regarding Proposed Bill 2976: An Act Relating to the  
Regulation of Employment**

**Presented on March 13, 2013**

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**Introduction**

My name is Laura Elliott. I am an Account Relations Manager at Favorite Healthcare Staffing's Portland Office and am testifying today on Favorite's behalf. I have been with Favorite in the Healthcare Staffing Industry for 7 ½ years. Favorite services the entire state of Oregon through our Portland Regional office.

Favorite is a national, privately-held healthcare staffing company fully compliant with all Oregon legislation and certified by The Joint Commission on Health Care Staffing Services. I am here today to address and share Favorite's strong opposition to the proposed bill HB-2976 relating to the Regulation of Employment.

**Favorite's Position**

Favorite Healthcare Staffing has provided temporary and contract nursing and allied health professionals through our Portland Office to facilities across Oregon since 1981. House Bill 2976 would jeopardize our ability to continue staffing Oregon's healthcare facilities, as well as limit our ability to employ the many healthcare professionals providing these contingent staffing services throughout our state.

Oregon staffing firms employed almost 29,000 people each day in 2011, an increase of 9,000 workers per day from just 2 years prior. With an average tenure of more than 11 weeks, these jobs generated more than \$783 million in payroll revenue for Oregon. Additionally, staffing firms bridged more than 48,750 temporary positions for Oregon workers into full-time jobs.<sup>1</sup>

Temporary and contract contingent staffing is required to maintain safe staffing levels within the Healthcare Industry due to census and acuity changes, training, leaves of absence, and other types of relief staffing requirements. Because these needs are critical, the provision of temporary and contingent healthcare professionals is required to safeguard to the public safety of Oregonians.

Although Oregon's hospitals directly provide almost 60,000 full and part-time jobs, as well as 70,000 jobs indirectly, the economic climate for healthcare is fragile and uncertain.<sup>2</sup> Budget cuts and decreases in reimbursement have led to reduced staffing levels and lost jobs in hospitals and healthcare systems across Oregon.

- Salem Hospital cut more than 150 jobs in 2012.<sup>3</sup>
- Legacy Health is cutting nearly 400 jobs this year.<sup>2</sup>
- Providence Hospital cut an estimated 150 jobs.<sup>2</sup>
- Silverton Hospital cut 30 jobs in its austerity efforts.<sup>4</sup>
- Even OSHU has instituted a hiring freeze.<sup>5</sup>

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<sup>1</sup> Source: US Bureau of Labor Statistics and the American Staffing Association.

<sup>2</sup> Oregon Healthcare News, [www.orhcnews.com](http://www.orhcnews.com), March 12, 2013

<sup>3</sup> Bloomberg BusinessWeek, [www.investing.businessweek.com](http://www.investing.businessweek.com). May 11, 2012

<sup>4</sup> Statesman Journal, [www.statesmanjournal.com](http://www.statesmanjournal.com). Feb 20 2013.

<sup>5</sup> Portland Business Journal. [www.bizjournals.com/portland](http://www.bizjournals.com/portland). Mar 7, 2013

In the current climate of shrinking budgets and uncertainty about healthcare reform, full-time hospital staffing is understandably being kept at minimal levels. The nature of staffing in the Healthcare Industry requires the provision of contingent staffing as acuity and census increases in order to maintain safe staffing levels and to protect the public safety of Oregon's population.

**30% Wage Surcharge:**

Requiring staffing firms to pay temporary employees wages equal to those paid to clients' permanent employees, plus a 30% surcharge, would significantly increase the cost for healthcare facilities and jeopardize safe staffing levels. This wage disparity would discourage full-time employment in healthcare facilities and undermine the client, agency, and employee benefits of using and maintaining flexibility in the healthcare labor force. Legislatively overriding private contracts would be an unprecedented repudiation of free-market principles and would have a devastating impact on the temporary jobs market.

**"Right-to-Know" Provision:**

The "right to know" provisions cited in this proposed legislation are already standard policy within the healthcare staffing industry. All agency healthcare personnel are required to complete orientation programs with their agency employers, in addition to meeting required orientation standards determined by facilities in which they are placed, prior to physically working in any healthcare facility.

**Permanent Placement Fee Prohibition:**

The prohibition of payment or conversion fees to be charged for permanently placed employees is also not appropriate as applied to healthcare professionals. The high level of candidates being considered in the healthcare field relative to their education, credentialing, and job history legitimately requires extensive recruitment, screening, and interviewing.

Payment for such services is standard to common business practice for employees at this level and is currently supported without issue by both businesses and agencies within the state. We find no compelling reason for such services to be provided without remuneration and would consider this a penalization against agencies providing such permanent staffing services.

**Favorite's Requested Opposition to this Bill**

As Oregon and the rest of the nation struggles with high unemployment, budget reductions, and impending healthcare changes, policy makers bear a heavy burden to justify imposing additional regulations and subsequent costs on business -- especially those focused on revenue creation and constituent safety.

We understand the original intent of this proposed bill is to assist Oregon's temporary, seasonal, and contingent workers, especially day-workers and lower-wage earners. However, the potential collateral impact of this legislation on the healthcare industry would be problematic to the point of compromising public safety.

***Favorite's Requested Opposition to this Bill (continued)***

Favorite Healthcare Staffing is committed to the concept that America's open market system provides our industry with natural self-regulatory mechanisms and pricing controls. We are convinced that competition, pricing, and regulation are naturally reconciled in the open marketplace to the benefit of the consumer.

Enactment of this legislation would be devastating to healthcare staffing agencies, hospitals, healthcare facilities, and the thousands of healthcare professionals in the state of Oregon. Favorite Healthcare Staffing strongly feels the Healthcare Staffing Industry should be carved out from application of this legislation on the basis that no compelling evidence of need has been presented and the collateral impact poses substantial danger to the health and safety of the Oregon population.

Thank you for your time and attention.

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