

Advocating for Oregon's Hospitals & the Patients They Serve

Committee: House Business and Labor
Bill: HB 2976
Date: March 12, 2013

The Oregon Association of Hospitals and Health Systems, on behalf of all 58 acute care hospitals in the state, strongly opposes House Bill 2976.

Hospitals, by necessity, rely on employment agencies for staffing whenever they find themselves short-staffed or have the need to temporarily increase staffing for a major project.

This bill would greatly increase the cost of doing business for staffing agencies and for the employers that use their services. This will harm staffing agencies, the employers that contract with them to find employees, and ultimately the employees that use the staffing agencies' services. **The legislation, as currently composed, also runs counter to the public policy of reducing the costs of health care access and affordability.**

This bill (in particular Section 9) would greatly increase what employers have to pay contingent employees- including temporary and on-call workers hired through staffing agencies. It would require that contingent employees receive the same gross hourly wages as regular full-time employees, "plus a 30 percent surcharge." This would make it prohibitively expensive to hire these workers, and in turn, will severely harm the ability of staffing agencies to continue to do business in Oregon. Enforcing this payment provision would also be very problematic, especially as it applies to union contracts, seniority, qualifications, and all the other factors that, as a matter of common practice, are considered in determining employees' compensation.

We would urge the legislature to consider the serious negative consequences of this bill on employment in Oregon, as Oregon continues to struggle with high unemployment rates. As a hospital community that relies on staffing agencies and the employees that use their services, we are strongly opposed to the inflexibility and the huge increase in costs this bill would create, particularly as the State and health care providers in Oregon are striving to lower the costs of health care.

We thank you for your careful consideration of these points, and for the opportunity to provide testimony.