

Submitter: Trisha Stackhouse

On Behalf Of:

Committee: Senate Committee On Labor and Business

Measure: SB1549

Integrated Healthcare Solutions has been providing per-diem healthcare staffing services in Oregon for nearly 25 years, staffing hundreds of healthcare facilities and employing thousands of clinicians, and we are certain that SB 1549 will have a negative impact on both healthcare workers and facilities if passed. Staffing agencies provide a valuable service, stepping in to quickly cover short-term labor shortages created by illness, turnover, or increased census. Without staffing agencies to cover these gaps, patient care will suffer and our already strained frontline workers will be required to do even more.

The majority of health systems require staffing agencies to be certified by The Joint Commission, the recognized global leader for healthcare accreditation, an independent, not-for-profit organization offering unbiased assessment of the quality of patient care and safety. This certification ensures that the experience, credentials and services offered are of the highest caliber and meet all the requirements set forth by this governing authority and provide more oversight than the license requirements that SB1549 will require. Furthermore, the requirement of a state license will further limit the available staffing resources needed to meet the healthcare labor demands in Oregon.

Additionally, SB1549 will cap rates charged by healthcare staffing agencies, but does nothing to change the underlying cost drivers associated with employing temporary healthcare workers. Over the last two years, our bill rates have only increased 8 – 10% from pre-pandemic rates. Bill rates increase for a variety of reasons including limited supply of qualified employees who can demand higher wages, increases to government-imposed employment taxes and benefits and liability insurance costs. In fact, 75 – 80% of a bill rate goes to cover direct costs of labor, 15 – 20% of the bill rate covers the cost of business overhead and only 3 – 5% is actual profit.

Bill rate increases have been driven by the healthcare labor shortage and exacerbated by the pandemic and pay requirements of healthcare workers, NOT staffing agency greed. The shortage is evident in the incentives being offered by healthcare facilities to fill shifts every week. On any given day, we have facilities begging us for help and offering bonuses ON TOP of our bill rates to simply get them staff. Even when a facility is offering to pay \$300- \$500 per shift above and beyond our bill rates, we STILL can't provide the help they desperately need. Staffing agencies aren't driving these incentives, these bonuses are passed directly through to our staff and we do not make any profit off of them!

Facilities are attempting to regulate staffing agencies to make up for their inability to recruit and attract staff to work for their companies. Our employees choose to work for staffing agencies to have flexibility in their work schedules and to avoid poor working conditions without having to jump from employer to employer. Our employees do typically earn slightly more than regular full-time employees, but they also do not receive the same benefits - - benefits that can equate to an additional 30% of an employee's wages.

We have already seen the labor market shrink due to healthcare workers choosing to retire or move to careers with less risk and similar or higher wages. Imposing bill rate caps, and ultimately capping temporary healthcare worker wages, will not help with the labor shortage it will make it worse.

We can all agree that we need to provide high quality patient care at a reasonable cost, but SB1549 will not achieve this goal. We strongly oppose SB1549.