

Representative Rob Nosse, Chair  
House Behavioral Health and Health Care Committee

February 20, 2023

Re: HB 2697 Hospital Staffing Plans (Sponsored by Representative Nosse, Senator Manning Jr, Representative Nelson, Senator Patterson, and Senator Campos)

Dear Members of the House Behavioral Health and Health Care Committee:

Please accept this testimony in opposition to HB 2697.

At a time when hospital finances are flagging (64% of Oregon hospitals currently operate in the red) and labor shortages run the gamut (from housekeepers to physicians and between), this is not the time to enact costly regulations that may jeopardize access to care when patients need it most.

St. Anthony Hospital (Critical Access Hospital in Pendleton) experienced a 14.2% increase (\$6.9 million) in operating expenses for the 7 month period ended January 31, 2023, \$4.5 million of which comprised salary and benefit increases to attract and retain staff. In support of safe staffing for nursing and maintaining patient access to care, we increased the number of traveler staff from a baseline of 6 pre-COVID to a peak of 17.5. We still retain 11 traveler staff because an adequate supply of RNs is simply not available.

Even though salary and benefits increased 19.2% (\$4.5 million) during the past 7 months (on top of a 20% increase in wages for the 12 month period ended June 30, 2022), we still cannot find enough staff. St. Anthony implemented retention bonuses, "tier" pay, sign-on bonuses, broad based awards, and more but still cannot find enough staff.

Enacting staffing ratios, increasing staffing committees from one to four, imposing binding arbitration at the expense of the hospital, etc., create one set of difficulties, but mandating strict fines is quite another. Hospitals can ill afford minimum civil penalties of \$10,000 for each day that a unit is staffed below standards plus minimum civil penalties of \$200 for each missed meal or rest break. With staff shortages persisting well into the future, an unintended consequence of this legislation may very be a reduction in admission of patients to hospitals in order to comply with the law.

Unless legislation is passed exempting hospital incremental costs associated with HB 2697 or any other new health care legislation from the 3.4% Cost Growth Target, then the Committee should take pause and instead create a task force to conduct a cost/benefit analysis with objective, third party research. What has been the experience of other states that have enacted staffing ratios? How will staff ratios account for differences in patient acuity between rural and urban hospitals? How will ratios affect the supply of acute care RNs, quality of care, cost of care, and patient access to care? What sort of unintended consequences loom?

As it stands, St. Anthony's 14.2% increase in operating expense is well above the 3.4% Cost Growth Target. With labor costs exceeding 51% of total operating expenses, adding more cost associated with burgeoning regulations is simply unsustainable.

Enable hospitals to stabilize staffing by focusing on increasing the supply of nurses first. Then we can have a discussion about staffing ratios.

Thank for your consideration.

Harold S. Geller, President  
St. Anthony Hospital

