



March 15, 2023

House Committee on Behavioral Health and Health Care
Oregon State Capitol
900 Court St. NE
Salem, OR 97301

Re: Support of HB 2665

LeadingAge Oregon is an association of nonprofit and mission driven organizations dedicated to advancing quality aging services. We urge support for House Bill ("HB") 2665.

Long-term care providers are at a breaking point. Many communities are digging into reserves and unable to continue sustaining operating costs and temporary staffing agencies are taking advantage of providers at their most vulnerable time.

With healthcare staffing shortages, providers are forced to contract with agencies to adequately staff communities to care for their residents. In addition, without using agency staff, providers could face regulatory actions and penalties from state and federal agencies. The use of agency staff has increased the cost of care dramatically all while providers have been subject to unexpected costs due to COVID such as PPE, testing, and increased infection control supplies while simultaneously navigating rising costs in food, labor, insurance, and every other operational component due to inflation.

Most long-term care is paid through the Medicare and Medicaid programs and isn't structured to respond nimbly to excessive costs. HB 2665 requires the Oregon Health Authority to adopt rules to establish rates a temporary staffing agency may charge or receive. This bill doesn't cap the wages an individual can earn, and it takes into consideration free market trends by reviewing rates annually so changes can be based on the market and industry wages.

HB 2665 takes recommendations from an interim workgroup led by the Oregon Health Authority to establish maximum annual rates a temporary staffing agency may charge a health care provider utilizing their services. Rates would be based on various factors including licensed setting, job position and geographic region. Providers have been experiencing these cost issues since the onset of the pandemic and the issue is not resolving itself. As providers continue experiencing unsustainable financial distress, the need for legislative action is clear.

Enclosed please find data provided from Friendsview Retirement Community, that clearly shows the efforts this provider has made to respond to the staffing shortages and the cost of agency.

Respectfully submitted,

A handwritten signature in black ink that reads "Kristin Milligan".

Kristin Milligan
Chief Executive Officer
LeadingAge Oregon



Friendsview Health Services

A life plan community located in Newberg Oregon, operating for more than 62 years.

Friendsview has implemented the following retention and recruitment efforts:

- CNA collaborative with the local Highschool and Chemeketa Community College
- English Language Learner program
 - Healthcare language learning and coaching support to become caregiver
- Recruitment activities and tabling events with High Schools, and George Fox University
- Agency reduction program paying current employees \$2.00+ per hour if agency shifts are under 100 per week
- Hired a recruitment specialist

Additionally, in the last year Friendsview has increased wages:

- Certified Med Assistants (CMA) increased wages by 45%
- Certified Nursing Assistants (CNA) increased wages by 28%
- Licensed Nurses (LPN) increased wages by 38%

And Friendsview increased shift differentials for hard-to-fill shifts (evening, nights and weekends):

- Evening shifts increased by 300%
- Night shifts increased by 100%
- Weekend shifts increased by 100%

In spite of these efforts, Friendsview is competing with agency to recruit, hire and retain workers.

Friendsview fills **217** shifts per week to care for residents (caregivers, Med Aid, and Nurses) and currently relies on agency staff to cover anywhere from **60** to **120** shift per week.

- Average cost of 100 permanent (non-agency) employee shifts: \$15,200
- Average cost of 100 agency shifts: \$46,680 (**207% more than non-agency**)