

Submitter: Jeff Kruse
On Behalf Of: Integrated Healthcare
Committee: House Committee On Behavioral Health and Health Care
Measure: HB2665

Chair Nosse and Members of the Committee, I encourage you to vote NO on House Bill 2665. This bill would have a detrimental impact in exacerbating the current nursing shortage in Oregon and adversely affecting patient care in our communities.

As a local healthcare staffing agency principal in Portland for the past 25 years, I've recognized that healthcare staffing agencies are a valued partner in the healthcare workforce eco-system. They help procure talent at a local and national level, as the demands for patient care are dynamic and constantly changing in our Oregon communities.

All of the states that considered rate cap bills the last few years determined that rate cap policy was not an effective policy approach in supporting the healthcare workforce or facility providers in their states. HB 2665 would place Oregon at a significant disadvantage in procuring talent and would affect Oregon communities in receiving quality patient care due to a strained and limited healthcare workforce.

The needs of the workforce are changing. If wages are capped in the healthcare staffing industry, the healthcare workforce will pursue employment opportunities in other industries that align with their lifestyle needs or seek opportunities outside Oregon in neighboring states. The unemployment rate is at historical lows within our state and there's an abundance of employment opportunities in other industries that offer highly competitive wages.

House Bill 2665's approach of capping rates is a misguided policy approach in addressing the Oregon healthcare workforce shortage. There needs to be a focus on attracting talent to the healthcare industry and increasing educational enrollment/graduation and training within the healthcare industry to strengthen the healthcare workforce in Oregon.

During the pandemic, many healthcare facilities clamored to get talent by initiating inflated incentive costs to procure talent and caused an unhealthy market environment by increasing labor rates and consequently billing rate costs for our valued healthcare facility partners. Within our organization, these incentive earnings were directly passed thru to our clinicians and there was no profit margin generated from these incentives. Post-pandemic, the labor rates have level set and billing rate costs have begun to normalize based on market-driven dynamics.

I encourage you to complete your own, independent due diligence on the current

state of the union of the healthcare workforce and consider what is the best long-term approach to supporting the healthcare service needs of our Oregon communities.