



**TESTIMONY OF
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CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
AGING COMMITTEE
Thursday, March 3, 2022**

**HB 5194, An Act Concerning Registration Of Temporary
Nursing Services Agencies**

My name is Paul Kidwell, and I am the Senior Vice President, Policy at the Connecticut Hospital Association. I am here today to testify concerning **HB 5194, An Act Concerning Registration Of Temporary Nursing Services Agencies**. CHA supports the intent of the legislation and seeks amendments to strengthen its impact.

Since early 2020, hospitals and health systems have been at the center of Connecticut's response to the COVID-19 public health emergency, acting as a vital partner with the state and our communities. Hospitals expanded critical care capacity, procured essential equipment and supplies, and stood up countless community COVID-19 testing locations. Hospitals have been an essential component of the statewide vaccine distribution plan including efforts to reach and serve historically under-resourced communities disproportionately affected by the virus. Through it all, hospitals and health systems have continued to provide high-quality care for everyone, regardless of ability to pay. This tireless commitment to the COVID-19 response confirms the value of strong hospitals in Connecticut's public health infrastructure and the well-being of our communities and reinforces the need for a strong partnership between the state and hospitals.

Connecticut's healthcare workforce has responded to the COVID-19 pandemic with inspiring dedication. For nearly two years, hospital and health system employees have treated more than 50,000 COVID-19 patients, dedicated themselves to testing and vaccine administration, maintained services to non-COVID-19 patients, and worked through wave after wave of the disease. They have shown enormous compassion and caring for their patients, while sacrificing time with their families and friends.

The pandemic has strained an already stressed healthcare workforce. It has made worse shortages across clinical disciplines, most notably in nursing. Many healthcare professionals are experiencing burnout, some are considering early retirement, and others are leaving acute care settings or healthcare altogether.

Vacancy rates and employee turnover are increasing, and it is taking longer to fill positions, all of which result in labor costs that are rising steadily.

Hospitals and health systems are working hard to retain the current workforce and recruit additional staff. Providing financial incentives, identifying opportunities for career advancement, and supporting continuing education are only a few of the ways they are working to support the workforce in the short term.

They are also turning to staffing agencies to fill the gaps. Hospitals and health systems have long used nurse staffing agencies to supplement their workforce for hard-to-fill shifts, for a specific skill set, or on a temporary basis to cover an unexpected need. Unfortunately, given the nursing workforce shortage, hospitals are turning to nurse staffing agencies for more conventional, day-to-day needs, unable to fill permanent nursing positions, and requiring the nurses that the staffing agency can provide.

The prices being charged by the nurse staffing agencies today are simply outrageous. These agencies appear to be taking advantage of staffing shortages, exacerbated by a global pandemic, for their own profit—charging supracompetitive prices to hospitals that cannot say no.

They are not only harming hospitals and health systems that are already faced with pandemic-induced financial hardship, but are also causing long-term harm to the labor market as nurses leave hospital and health system employment for these agencies. Relatively unseen before, it is now common for nurses who reside in Connecticut to “travel” for temporary employment within the state.

We appreciate that HB 5194 is intended to shine a light on this issue. We support the provisions of the legislation that require temporary nursing services agencies to register with the state and that authorize the Department of Public Health to establish minimum qualifications for nursing personnel working for these agencies and to require annual reporting to the state on each agency’s prices and the percentage of their fees that are actually being paid to nurses.

In order to strengthen the legislation to ensure that it is capturing all of these arrangements and so that it results in the collection of data important to monitoring the influence these agencies are having on Connecticut’s labor market, we suggest three amendments.

The first is to ensure that the definition of “fixed-term nursing services” requires clearly that all three tests be met in order to be exempt from reporting: (A) services provided for not less than 90 days, (B) nursing personnel’s residence is at least 200 miles from the healthcare facility, and (C) the nursing personnel established a temporary residence with the temporary nursing services agency paying those expenses. We are concerned that if this definition is not clear, nurse staffing agencies will attempt to game the definition to avoid reporting. The

second is to add “limited liability company” to the definition of “temporary nursing services agency.” The third is to include, as part of the annual reporting requirement set out in subsection (d), information on the state of residence of the nursing personnel being provided by the staffing agencies. These data should be aggregated by state of residence and reported by type of nurse.

Please find line edits below intended to execute these amendments:

- 1) Line 4, insert after “means”, “(A)”
- 2) Line 5, strike “(A)” and insert “, (B)” after personnel
- 3) Line 7, strike “(B)” and replace with “(C)”
- 4) Line 18, insert after “partnership,” “, limited liability company”
- 5) Line 36, strike “and”
- 6) Line 37, strike the period and insert after “personnel”, “, and (C) aggregated data reporting of the state of residence by type of nursing personnel.”

Finally, we would like to bring to the Committee’s attention the relevant, current state statute (Section 19a-123 through 19a-123d, inclusive) related to regulation of nurse staffing agencies. We encourage the Committee to review the relevant statute in order to avoid potential confusion in administering the provisions of HB 5194.

We are happy to discuss these suggested amendments with you at your convenience.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.