



2023 House Bill 1476
House Human Services Committee
Representative Robin Weisz, Chairman
February 7, 2023

Chairman Weisz and members of the House Human Services Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I testify in opposition to House Bill 1476 and ask that you give the bill a **Do Not Pass** recommendation unless it can be amended as described below.

We appreciate the intent of the bill sponsor to raise awareness of the high cost of contract nursing services. The number one challenge facing hospitals has been workforce and the lack of nurses is acute in both the rural and urban areas. It was problematic even before the COVID-19 pandemic and became so critical during that time that travel nurses had to be used to meet the rising demand. Urban hospital wages increased \$382 million since 2019, mainly due to contract labor. The escalating cost of contracted nursing staff and the upward pressure it puts on wages is not sustainable, but capping the number of contract nursing hours that a health care provider is allowed will only make the problem worse.

To give an idea of how big the challenge is, NDHA conducted a nursing survey last summer. It showed there were 1,326 nurse openings throughout the state. Hospitals contracted with staffing agencies for another 717 nurses. If hospitals could not have relied on contract nursing services to fill those gaps, how would they have taken proper care of patients? If a hospital cannot contract for services when they cannot find a nurse to hire, how would they continue to provide essential health care services in their communities?

There have been reports of staffing agencies inflating prices and monopolizing the nursing workforce, potentially leading to several troubling consequences for providers, patients, and taxpayers, including inflated prices for care, further nursing shortages, and continued strain on the entire health care system. We could possibly support the bill with amendments, such as a study to give everyone a better understanding of the business and payment practices of nurse staffing agencies and how such extreme prices negatively affect

patients and hospitals. We support solutions that would prevent conduct that takes advantage of these difficult circumstances to increase contract agency profits at the expense of patients and the hospitals that treat them.

Making it harder for hospitals to maintain the clinical staff needed to care for patients – such as by capping the number of contract labor hours a health care provider can use as this bill would do – means patients may not get the care they need, drives up the cost of health care for everyone and only makes the nurse shortage worse. Unless amended to address these concerns, NDHA requests that you give the bill a **DO NOT PASS** recommendation. Thank you.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association