



2023 House Bill 1476
Senate Human Services Committee
Senator Judy Lee, Chairman
March 13, 2023

Chairman Lee and members of the Senate Human Services Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I testify in support of engrossed House Bill 1476 and ask that you give the bill a **Do Pass** recommendation.

Hospitals appreciate the intent of the bill sponsor to raise awareness of the high cost of contract nursing services and we support the bill as amended by the House.

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 in North Dakota 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.

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. Hospitals had to rely on contract nursing services to fill those gaps so they could continue to provide essential health care services in their communities during the pandemic. Hospitals continue to need contract services due to the shortage of nurses.

There have been reports of nurse 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 support the engrossed bill's consideration of 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.

NDHA requests that you give the bill a **DO PASS** recommendation. Thank you.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association