



Kansas Hospital
ASSOCIATION

TO: House Children and Seniors

FROM: Tara Mays, Vice President State Legislative Relations

DATE: February 1, 2022

RE: House Bill 2524

The Kansas Hospital Association appreciates the opportunity to provide comments on House Bill 2524. The proposed legislation attempts to regulate supplemental nursing services agencies in Kansas. The types of services offered by staffing agencies have been utilized by Kansas hospitals and other health care providers for decades as a mechanism to ensure an acceptable workforce to treat the needs of our patients.

During the pandemic, and as staffing shortages have been a continued challenge, many of our hospitals have had to rely more on staffing agencies to provide critical clinical roles. As a result, Kansas hospitals and other health care providers have reported experiencing significant increases in staffing agency rates throughout the last few years, raising concerns about possible exploitation of market position.

Many of our hospitals have reported paying rates two or three times pre-pandemic levels. We remain concerned about the possibility of market exploitation during a health care crisis. And, while our national peer organizations continue to raise these concerns with the Federal Trade Commission, the White House, and Congress, we appreciate the legislature's willingness to talk about this important issue.

As our hospitals continue to raise this issue, we appreciate a willingness to talk more about what can be done at the state level. As we review the legislation, we do want to point out the potential unintended consequence of capping rates at a state level, which could discourage staffing agencies from sending critically necessary health care workers to our state at a time when we need them most. However, as we analyze the legislation, we appreciate the oversight provided by House Bill 2524. Currently, supplemental nursing agencies have very little regulatory oversight at the state or federal level.

As we seek ways to improve this matter at the state level, additional oversight and transparency are key to providing solutions. We would raise for this committee's consideration that any legislative work to improve transparency would allow policymakers the ability to better understand what part of the rates are actually getting to the clinical staff and how much is being retained by the staffing agency. Further, additional transparency may ensure Kansas health care providers keep our health care workers paid at a fair and sustainable rate.

We appreciate your consideration of this important issue and support the transparency and oversight components outlined in House Bill 2524.