

**Statement
of the
American Hospital Association
for the
Committee on Health, Education, Labor and Pensions
of the
U.S. Senate**

“Examining Health Care Workforce Shortages: Where Do We Go From Here?”

February 16, 2023

Chairman Sanders, Ranking Member Cassidy, M.D., and members of the committee, on behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) appreciates the opportunity to provide information regarding health care workforce shortages.

SUSTAINING THE HEALTH CARE WORKFORCE

Health care careers are often a calling, and a qualified, engaged and diverse workforce is at the heart of America’s health care system. However, long building structural changes within the health care workforce, combined with the profound toll of the COVID-19 pandemic, have left hospitals and health systems facing a national staffing emergency that could jeopardize access to high-quality, equitable care for patients and the communities they serve.

Prior to the COVID-19 pandemic, hospitals were already facing significant challenges that were making it difficult to sustain, build and retain the health care workforce. In 2017, the majority of our nursing workforce was close to retirement, with more than half age 50 and older, and almost 30% age 60 and older. Yet, nursing schools had to turn



away over 90,000 qualified applicants in 2021 due to lack of faculty and training sites.¹ Hospitals faced similar demographic trends for physicians, with data from the Association of American Medical Colleges indicating that one-third of practicing physicians will reach retirement age over the next decade. Hospitals also were reporting significant shortages of allied health and behavioral health professionals. On top of this, clinicians reported feelings of extreme stress and anxiety on the job. A National Academy of Medicine report indicated that between 35% and 54% of U.S. nurses and physicians had symptoms of burnout, which it characterizes as high emotional exhaustion, cynicism and a low sense of personal accomplishment from work.

Unfortunately, the COVID-19 pandemic only served to deepen and accelerate health care's workforce challenges. A 2021 [survey](#) from the Kaiser Family Foundation-Washington Post found that nearly 60% of health care workers had experienced a decline in their mental health as a result of their work during the pandemic, and nearly 30% had considered leaving their profession altogether. In addition, a [survey by AHA's American Organization for Nursing Leadership](#) found that one of the top challenges and reasons for health care staffing shortages reported by nurses was "emotional health and well-being of staff."

The result of these mounting pressures on the health care workforce has created a historic workforce crisis complete with real-time short-term staffing shortages and a daunting long-range picture of an unfulfilled talent pipeline. Just within the week of February 9, Department of Health and Human Services (HHS) data showed that 623 hospitals (or 16.7% of reporting hospitals) anticipated a critical staffing shortage. In addition, projections from the Bureau of Labor Statistics [estimate](#) U.S. health care organizations will have to fill more than 203,000 open nursing positions every year until 2031. There also are significant projected shortages of [physicians](#) and allied health and behavioral health care [providers](#), which will likely be felt even more strongly in areas serving structurally marginalized urban and rural communities. This also has resulted in a 20.8% increase in total labor expenses from 2019 to 2022, according to Syntellis Performance Solutions 2023 CFO Outlook for Healthcare.²

TRAVEL NURSE, TEMPORARY LABOR ISSUES

To help offset the critical shortage of workers and maintain appropriate levels of care for patients, nearly every hospital in the country was forced to hire temporary staff at some point during the pandemic, including contract or travel nurses.³ Hospitals' reliance on travel nurses and the inflated associated costs to employ them has grown significantly since the start of the pandemic. This notably peaked in 2022 during the omicron surge. The hours worked by travel nurses as a percentage of total hours worked by nurses in

¹ <https://www.aacnnursing.org/News-Information/Press-Releases/View/ArticleId/25183/Nursing-Schools-See-Enrollment-Increases-in-Entry-Level-Programs>

² <https://www.syntellis.com/resources/report/cfo-outlook-healthcare>

³ <https://www.amnhealthcare.com/siteassets/amn-insights/surveys/amn-survey-of-temporary-allied-healthcare-professional-staff-trends-2021.pdf>

hospitals grew from less than 4% in January 2019 to over 23% in January 2022, according to data from Syntellis Performance Solutions.

The use of contract labor continues to remain much higher than pre-pandemic levels, which has led to increased labor expenses overall for hospitals and health systems. Data from a forthcoming Syntellis Performance Solutions/AHA report will show that travel nurse full time equivalents (FTEs) per patient day rose over 183.4% from 2019 to 2022. Though travel nurses are often the bulk of contract labor, similar trends have affected specialties and departments across hospitals. For example, emergency service contract FTEs per ED visit rose 187.2% over the same time period. As a result, contract labor as a share of total labor expenses rose 178.6% from 2019 to 2022.

This is largely due to health care staffing agencies that took advantage of this desperate moment in history by drastically increasing the hourly rates they charged to hospitals. From January 2019 to January 2022, those rates rose by 213%. However, these agencies are not passing along a comparable increase in wages to travel nurses and other clinicians. According to an analysis conducted by the AHA of data from Syntellis Performance Solutions and Emsi Burning Glass Market Analytics, during pre-pandemic levels in 2019, the average margin retained by staffing agencies for travel nurses was about 15%. In January 2022, the average margin had grown to an astounding 62%.⁴ These high margins have fueled massive growth in the revenue and profits of health care staffing agencies. Several staffing firms reported significant growth in their revenues to as high as \$1.1 billion in just the fourth quarter of 2021,⁵ tripling their revenues and net income compared to 2020 levels.⁶

The AHA remains concerned that the conduct of some of these travel nurse staffing agencies bears all the hallmarks of collusion and perhaps other abuses. The AHA sent letters urging both [the Federal Trade Commission](#) and the [White House](#) to use their authority to investigate these reports of anticompetitive behavior.

Additionally, last year nearly 200 bipartisan members of Congress sent a [letter](#) highlighting their concerns and calling on the White House to enlist one or more federal agencies with competition and consumer protection authority to investigate the exorbitant price increases by these agencies. However, no action has been taken, and many hospitals and health systems continue to face significant financial and operational concerns in part due to the unsustainable rates charged by health care staffing agencies.

⁴ <https://www.aha.org/costsofcaring>

⁵ <https://www.axios.com/amn-healthcare-pandemic-travel-nurses-profit-revenue-ebb5bcfd-4ca9-4263-a091-fb87bbb8d105.html>

⁶ <https://www.healthcarediver.com/news/hospital-lobbies-congress-ftc-travel-nurse-rate-caps-covid/618194/>

SUPPORTING THE WORKFORCE

Hospitals and health systems exist and function because of the doctors, nurses, technologists, facilities management specialists and many other professionals who work in them. We cannot take care of patients without these caregivers and team members who are always there ready to care. Hospitals and health systems are committed to supporting them.

That's why we're collaborating to expand training options, recruiting internationally, launching nurse education programs, reimagining workforce models, investing in upskilling and providing nontraditional support for health care workers.

Collaborating

- Mary Washington Healthcare in Virginia partners with Germanna Community College on an Earn While You Learn program, onboarding two cohorts of as many as 60 nursing students each year, who work 12-20 hours a week using a clinical rotation model. The program now includes an additional nursing school as well as mentor models for nursing assistants and is considering an apprenticeship model for other clinical roles such as surgical technologists.
- Participants in the Jump Start program at MercyOne in Iowa receive a monthly stipend while they finish nursing school, and MercyOne covers the cost of board exams and licensing fees. After RN licensure, the nurses begin work at MercyOne.
- Freeman Health System in Missouri partners with Crowder College to provide an opportunity for education and employment through a 16-week paid certified medical assistant apprentice program.

Recruiting Internationally

- While the U.S. must do more to invest in training the next generation of health care workers at home, we believe recruiting qualified immigrants, and expediting their entry into the country, is an effective short-term approach that deserves support from Congress.
- Over the next three years, Sanford Health in Sioux Falls, S.D., plans to hire more than 700 internationally trained nurses to work in its health system. Sanford covers housing during the initial transition period and has instituted a program to help the nurses get acculturated to their new communities.
- Louisiana-based Ochsner Health is offering employment to eight Ukrainian nurses and will assist their families in settling in the U.S. in the pilot phase of CGFNS International's "Passport2Liberty" initiative.

Launching Nursing Programs

- Nearly 60 schools and hospitals across the country have partnered to start or expand nursing programs in 2022. Programs range from accelerated BSN programs and virtual nursing programs to brand-new nursing schools and licensed practical nursing programs.

- Corewell Health System in Michigan is providing \$20 million to Oakland University — \$10 million in grants for nursing students and \$10 million to support infrastructure expansion and faculty hiring. Students who receive a grant must commit to work for Corewell Health for two years following graduation.

Reimagining Workforce Models

- As part of its ongoing efforts to better recruit and retain talented health professionals amid the significant labor shortages, Pittsburgh-based Allegheny Health Network launched “Work Your Way,” a mobile internal staffing model to provide flexible work life solutions for nurses, surgical technologists and other team members. This unique program allows health professions with the freedom and flexibility to choose how and when they want to work.

Upskilling

- UCHHealth in Colorado plans to invest \$50 million in its new Ascend leadership program to help current and prospective employees earn clinical certification, participate in foundational learning programs such as English language and college prep, and earn degrees in areas such as social work and behavioral health. Newly hired employees also will be able to earn a high school diploma or GED.
- Along with three educational partners, the University Medical Center of El Paso (Texas) will pay up to \$5,000 annually for two years for employees to earn a degree in nursing, respiratory, imaging or other hard-to-fill fields. Employees maintain full-time employment status and compensation while working part-time. Under another new program, the hospital is offering eligible employees pursuing a health care degree up to \$5,250 a year in student loan-repayment assistance.
- To fill the scores of medical assistant openings, in Nashville, Tenn., Vanderbilt University Medical Center partnered with Nashville State Community College to train current employees, including truck drivers and environmental services staff. During the training, workers continue to receive their full salary plus tuition reimbursement. They also are training high school students to receive medical assistant certification.
- In Pennsylvania, Geisinger’s Nursing Scholars Program awards \$40,000 in financial support to each employee who is pursuing a nursing career and makes a five-year commitment to work as an inpatient nurse. The program is open to any employee who has worked with Geisinger for at least a year and is not already a registered nurse or provider.

Nontraditional Support

- St. Luke’s Wood River Medical Center, located in a popular Idaho tourist area, is building 12 single-family homes that will be long-term rentals for employees.
- Bozeman Health in Montana has invested in 100 units in a future workforce housing complex to provide employees with affordable rentals.
- Northwell Health, Johns Hopkins, Cleveland Clinic and BJC Healthcare are among employers offering grants or forgivable loans that can be used for associated housing costs.

POLICY SOLUTIONS

Our workforce challenges are a national emergency that demand immediate attention from all levels of government and workable solutions. These include recruiting, revitalizing and diversifying the health care workforce by the following.

- Addressing physician shortages, including shortages of behavioral health providers, by increasing the number of residency slots eligible for Medicare funding while rejecting cuts to Medicare graduate medical education (GME).
- Addressing nursing shortages by reauthorizing nursing workforce development programs to support recruitment, retention and advanced education for nurses and other allied health professionals and investing in nursing schools, nurse faculty salaries and hospital training time.
- Reducing administrative burdens that take clinicians away from the bedside and contribute to burnout, such as excessive and unnecessary use of prior authorization, as well as inappropriate coverage denials that require substantive clerical rework by staff.
- Supporting apprenticeship programs for nursing assistants and other critical support staff positions.
- Supporting the National Health Service Corps and the National Nurse Corps, which award scholarships and assist graduates of health professions programs with loan repayment in return for an obligation to provide health care services in underserved rural and urban areas.
- Supporting expedition of visas for foreign-trained nurses and continuation of visa waivers for physicians in medically underserved areas.
- Supporting the health care field in eliminating racism and fostering inclusive approaches to care delivery for all patients by incentivizing cultural humility training in medical training programs and in-service training for health care professionals.
- Supporting efforts to increase the diversity of the health care workforce, including through funding for GME and federal scholarship programs.
- Adopting policies to substantially expand loan repayment and other incentive-based programs to retain existing talent and attract new talent.
- Enhancing workplace safety for all team members, including by enacting federal protections for health care workers against violence and intimidation, and providing hospital grant funding for violence prevention training programs, coordination with state and local law enforcement, and physical plant improvements.
- Directing the Government Accountability Office to study the business practices of travel nurse staffing agencies during the pandemic, including potential price gouging and excessive profits, increased margins that agencies retain for themselves, impact of increased reliance on travel nurses in rural areas, and how these practices contribute to workforce shortages across the country.

CONCLUSION

The AHA appreciates your recognition of the challenges ahead and the need to examine America's health care workforce issues. We must work together to solve these issues so that our nation's hospitals and health systems can continue to care for the patients and communities they serve.