

March 1, 2022

The Honorable Frank Pallone
Chairman
U.S. House of Representatives
Energy & Commerce Committee
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
U.S. House of Representatives
Energy & Commerce Committee
Washington, DC 20515

The Honorable Diana DeGette
Chair
U.S. House of Representatives
Oversight & Investigations Subcommittee
Energy & Commerce Committee
Washington, DC 20515

The Honorable H. Morgan Griffith
Ranking Member
U.S. House of Representatives
Oversight & Investigations Subcommittee
Energy & Commerce Committee
Washington, DC 20515

Dear Chairman Pallone and Ranking Member Rodgers, Chair DeGette and Ranking Member Griffith:

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) writes to provide information regarding the challenges facing America's health care workforce as the country enters the third year of the COVID-19 pandemic.

Since the beginning of 2020, hospitals, health systems and post-acute care providers — along with our doctors, nurses and other team members — have been on the front lines of the COVID-19 pandemic, working tirelessly to provide lifesaving care for patients, families and communities. Their steadfast mission of caring and compassion has saved lives, healed families and helped to protect communities.

Health care providers continue to confront a landscape deeply altered by the COVID-19 pandemic's effects. Since the beginning of the pandemic, there have been nearly [80 million COVID-19 cases](#) and nearly [950,000 deaths](#), with approximately 30 million cases and over 120,000 deaths in just the last two months. To date, there have been approximately [4.5 million total reported COVID-19 hospital admissions](#), with 49% of those admissions occurring since July 1, 2021 during the Delta and Omicron surges, with no Provider Relief Funds allocated for those surges.



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Hospitals' operating margins are still below pre-pandemic levels, driven in large part by the massive growth in expenses. In 2021, total expenses were [11% higher](#) than 2019. When looking at expenses on a per patient basis, total expenses were up even more, [increasing over 20%](#) from pre-pandemic levels. Of particular note is the growth in labor expenses, which have grown [nearly 13%](#) on an absolute basis and [19.1% on a per patient basis](#).

SUPPORTING THE WORKFORCE

Because our workforce is our most precious resource, hospitals and health systems are committed to supporting them. That's why we've created programs and developed resources to promote caregiver well-being and resiliency. Examples include helping to pay back student loans, providing child care and transportation, offering tuition reimbursement and training benefits, providing referral and retention bonuses, and supporting programs that address mental and physical health.

For example, in Virginia, Mary Washington Healthcare collaborated with a local community college on a clinical education model allowing student nurses to support the current nurse workforce before they had graduated, addressing the critical demand for more nurses. In Pennsylvania, Geisinger provides \$40,000 in financial support each year for employees who want to pursue a nursing career and make a five-year work commitment as an inpatient nurse. And in Maine, Northern Light Maine Coast Hospital works with the local community to train future nurses and medical assistants and alleviate a crucial shortage of these professionals.

Hospitals also are developing new team-based care models that allow health care workers from various disciplines and specialties to provide customized, patient-centered care. This allows them to manage medical and social needs across all settings to improve care and enhance professional satisfaction

THE PANDEMIC'S TOLL ON BEHAVIORAL HEALTH OF HEALTH CARE WORKERS

The nation's entire health care workforce is strained from the ongoing pandemic, and health care workers often suffer emotional and physical stress from treating COVID-19 patients. A National Academy of Medicine study found that between 35%-54% of clinicians report at least one symptom of burnout, more than double the amount of burnout found in other fields.

Another recent study on the experiences of health care workers during the COVID-19 pandemic found that 93% reported experiencing stress, 86% reported experiencing anxiety, 77% reported frustration, 76% reported exhaustion and burnout, and 75% said they were overwhelmed. Worry and stress have led to sleep disturbances, headaches or

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stomachaches, and increased alcohol or drug use, according to a Kaiser Family Foundation Survey.

Congress has begun to address these issues, through provisions included in the American Rescue Plan Act dedicating \$140 million to establish programs to reduce suicide, burnout and substance use disorders among front-line workers, and directing the Health Resources and Services Administration to develop mental health and substance use disorder training programs for the health care workforce.

In addition, Congress has enacted the Lorna Breen Health Care Provider Protection Act, which AHA supported. The legislation directs resources to reduce and prevent health care professionals' suicides, burnout and behavioral health disorders. This bipartisan, bicameral legislation authorizes grants to health care providers to establish programs that offer behavioral health services for front-line workers, and requires the Department of Health and Human Services to study and develop recommendations on strategies to address provider burnout and facilitate resiliency. Moreover, the legislation directs the Centers for Disease Control and Prevention to launch a campaign encouraging health care workers to seek assistance when needed.

HEALTH CARE WORKFORCE SHORTAGES

Hospitals are facing a critical shortage of workers. With [23% of hospitals](#) reporting a critical staffing shortage to the government, hospitals have seen a [decrease of nearly 105,000](#) employees since February 2020. This has resulted in an increased reliance on contract labor from health care travel staffing firms, which have been charging hospitals exorbitant rates for labor, thereby driving up expenses for hospitals and further exacerbating hospitals' financial challenges.

Nurses, who are critical members of the patient care team, are one of the many health care professions that are currently in shortage. In fact, a study found that the nurse turnover rate was 18.7% in 2020, illustrating the magnitude of the issue facing hospitals and their ability to maintain nursing staff. The same study also found that 35.8% of hospitals reported a nurse vacancy rate of greater than 10%, which is up from 23.7% of hospitals prior to the pandemic. In fact, two-thirds of hospitals currently have a nurse vacancy rate of 7.5% or more.

Almost every hospital in the country has been forced to hire temporary contract staff to maintain operations at some point during the pandemic. According to a survey by AMN Healthcare, 95% of health care facilities reported hiring staff from contract labor firms, with respiratory therapists being the primary need for many hospitals and a critical team member necessary for COVID-19 patient care.

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Hospitals were already spending more money on contract labor even before the latest COVID-19 surge. According to a Definitive Healthcare study, contract labor expenses for hospitals have more than doubled over the last decade. However, the prices charged by contract labor firms during the pandemic have become exorbitant as supply is scarce and demand is at an all-time high. For example, average pay for hospital contract nurses has more than doubled compared to pre-pandemic levels. According to data from Syntellis Performance Solutions, median hourly rates that hospitals were billed for contract nurses in January 2022 more than tripled from rates billed in January 2019 to a median of \$148.20 per hour. Some media reports also have highlighted that pay rates for contract nurses have been as high as \$240 per hour or more. The data from Syntellis also showed that, contract nurses accounted for a median of 38.6% of total hospital nurse expenses in January 2022, compared to a median of just 4.7% in January 2019. This has contributed to the dramatic increase in hospitals' labor costs.

The AHA is concerned that the conduct of some of these contract travel nurse staffing agencies bears all the hallmarks of collusion and perhaps other abuses. We [sent a letter](#) to the Federal Trade Commission (FTC) over one year ago urging the commission to investigate these reports of anticompetitive behavior, but the FTC still has not responded to the letter. More recently, 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.

The staffing crisis currently plaguing our nation's hospitals is only expected to worsen. In 2017, more than half of nurses were age 50 and older, and almost 30% were age 60 and older. According to Bureau of Labor Statistics data, it is anticipated that 500,000 nurses will leave the workforce in 2022, bringing the overall shortage to 1.1 million nurses. And due to significant shortages of faculty, classroom space and clinical training sites, nursing schools actually had to turn away more than 80,000 qualified applicants in 2019. These data highlight the need to develop and implement longer-term solutions to avoid the further deepening of this crisis, which includes investing in more opportunities and slots for health care workers in the pipeline.

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:

- Lifting the cap on Medicare-funded physician residencies;
- Boosting support for nursing schools and faculty;
- Providing scholarships and loan forgiveness;

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- Expediting visas for highly trained foreign health care workers;
- Disbursing any remaining funds in the Provider Relief Fund, as well as replenishing the funds repurposed out of the program;
- Investigating reports of anticompetitive behavior from travel nurse staffing agencies;
- Pursuing visa relief for foreign-trained nurses; and
- Supporting the health of physicians, nurses and others so they can deliver safe and high-quality care by providing additional funding and flexibility to address behavioral health needs and funding for best practices to prevent burnout.

In addition, Congress should increase funding for the Health Resources and Services Administration's Title VII and VIII programs, including the health professions program, the National Health Service Corps, and the nursing workforce development program, which includes loan programs for nursing faculty. Congress also should consider expanding the loan program for allied professionals and direct support for community college education to high priority shortage areas in the health care workforce.

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.

Sincerely,

/s/

Stacey Hughes
Executive Vice President

Cc: Energy and Commerce Committee Members
Oversight and Investigations Subcommittee Members