



The Hospital + Healthsystem
Association of Pennsylvania

Leading for Better Health

Statement of The Hospital and Healthsystem Association of Pennsylvania

For the

Majority Policy Committee
Pennsylvania House of Representatives

Submitted by

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Hershey, Pennsylvania
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Good Morning, Chairman Causer and members of the committee. Thank you for the opportunity to participate in this hearing addressing the health care staffing crisis in Pennsylvania. My name is Jeff Bechtel, and I serve as the senior vice president of health economics and policy for The Hospital and Healthsystem Association of Pennsylvania (HAP). HAP advocates for approximately 240 member organizations across the commonwealth, as well as for the patients and communities they serve.

Background

The American economy and labor markets are undergoing fundamental shifts. All industries are currently challenged in unprecedented ways. Time-tested solutions do not fit anymore. The health care system has been uniquely challenged by the COVID-19 pandemic and resulting economic shifts.

Hospitals across the commonwealth face extraordinary staffing challenges. Throughout the pandemic, hospitals have used a variety of strategies to safeguard, retain, and promote the resilience of their workforce. Despite those efforts, a large number of employees are leaving the workforce due to pandemic stress and other reasons, and the workforce strain is compounded by the fact that more patients are presenting with more advanced disease needing higher-level care.

The pandemic's impact of higher demand and lower supply in the health care workforce has affected the nursing profession most acutely. One large health system, for example, currently reports that 4 percent of nurses leave its workforce each month. To ensure uninterrupted, high-quality patient care, hospitals are increasingly reliant on nurse staffing agencies to fill immediate, temporary operating gaps. Nationwide and throughout Pennsylvania, hospitals are currently reporting paying agency rates that have, in some instances, tripled over recent months.



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The American Hospital Association (AHA) has responded to staggering pricing reports from hospitals across the nation to [implore](#) the White House and Federal Trade Commission to investigate and take action against this practice. HAP also sent a [November 12 letter](#) to the Pennsylvania Attorney General, requesting that his office publicly recognize this problem and investigate suspected instances of price gouging.

HAP and Pennsylvania hospitals recognize the important role staffing agencies play in supporting the health care infrastructure, as well as all nurses serving Pennsylvania patients. However, we are deeply troubled by reports that staffing agency rates are rapidly increasing to historically high levels which will have a lasting impact on the cost of health care.

HAP's Health Care Talent Task Force

During early 2020—prior to the pandemic—HAP released a workforce report entitled [Addressing Pennsylvania's Health Care Workforce Challenges](#). This report was the culmination of a year-long process by HAP's Health Care Talent Task Force to develop strategies to support HAP's goal of assisting members with enhancing their health care team talent pool.

The report outlined action-oriented recommendations that would:

- Build the infrastructure to collect timely health care workforce data
- Develop programs to encourage individuals to enter and remain in health care fields
- Expand education and workforce development capacity
- Foster diversity in the workforce
- Incorporate changes in the structure and delivery of health care

Since the issuance of the report, the General Assembly has enacted several workforce-related bills into law, including [Act 51 of 2020](#) (which raises the penalty for an assault on a health care practitioner from a misdemeanor to a felony), [Act 54 of 2020](#) (which allows hospitals to omit employees' last names on name badges), and [Act 68 of 2021](#) (which will permit Pennsylvania to join 36 other states in the Nurse Licensure Compact).

Most recently, the legislature passed laws that removed regulatory barriers and permit Certified Registered Nurse Anesthetists to practice to the top of their licenses. Additionally, Acts [78](#) and [79](#) of 2021 were passed, providing physician assistants and physicians more flexibility to decide how they want to work together in their daily practice.

Due to the scope and extent of this crisis, much more remains to be done. The commonwealth can achieve success only through a coordinated and persistent multi-year effort by the administration, General Assembly, and other stakeholders.



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Recommendations

Current priorities identified and recommended by HAP's Health Care Talent Task Force include the following:

Address Price Gouging—The Federal Trade Commission and Pennsylvania Attorney General should investigate and take appropriate action to target instances of price gouging. In addition, the General Assembly and administration should evaluate opportunities to use federal COVID-19 relief funds to alleviate extraordinary staffing costs.

Build on COVID-19 Era Innovations—A range of regulatory waivers and policy changes designed to maximize the availability of health care workers during the COVID-19 pandemic should be sustained, and massive positive shifts in how patients access care through telemedicine should be permanently embedded in health care delivery.

Ensure Proper Placement of Patients—When patients experience delays being placed in the care they need, such as long-term care or to receive behavioral health services, our care teams are placed under additional strain. Legislation (HB 1644) holding behavioral health managed care organizations accountable for the timely moving of patients into the proper treatment settings will free up critical emergency department and inpatient resources for others.

Improve Practitioner Licensing—Our members have reported experiencing issues regarding licensure and other practice applications not being processed in a timely manner. The backlog of applications receiving approval hinders a practitioner's ability to perform their duties and impedes patients' access to care. Resources need to be made available to increase the total staff complement at the Department of State, Bureau of Professional and Occupational Affairs so they are better suited to swiftly process applications.

Support Current Legislation to Transition Military Veterans—The General Assembly should support legislation to transition military veterans with health care training into careers in health care (HB 1868, HB 387, HB 388, HB 389). Pennsylvania can expand our pipeline of qualified health care professionals by removing barriers to entry into health care occupations for veterans returning to civilian life who have existing qualifications or certifications.

Enhance Loan Repayment Programs—The commonwealth should improve existing state loan repayment programs (e.g., enhance awards and increase length of service commitments) because they are necessary to rebuild Pennsylvania's health care workforce.

Invest in Clinical Education—The supply of nurses in Pennsylvania is severely limited by the ability of educators to provide sufficient nurse education training. Currently, clinical education sites are at a premium and additional resources are necessary to provide sufficient training opportunities.



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Support Utilization of International Health Workers—The General Assembly should pass legislation ensuring graduates of international medical schools are held to the same educational standards as graduates of U.S. and Canadian medical schools when seeking licensure in Pennsylvania (HB 245). Additional staff resources and/or administrative flexibility should be provided for the Pennsylvania Department of Health to better administer the ARC J-1 Visa and Conrad 30 programs.

Enhance Workforce Diversity—The commonwealth should continue to develop opportunities to promote workforce diversity, including providing resources for training and developing an infrastructure to support workforce diversity initiatives.

Conclusion

Health care is important to every patient and family seeking care, as well as every dedicated health care hero serving our loved ones. It is also a crucial factor in attracting and retaining businesses in the commonwealth.

While the financial toll of the pandemic for Pennsylvania’s hospitals has been estimated to exceed \$6.5 billion in increased costs and lost revenue, during fiscal year 2020, Pennsylvania hospitals still:

- Contributed \$155 billion to state and local economies
- Supported more than 615,000 jobs for Pennsylvanians
- Generated more than \$38 billion in wages, salaries, and benefits

With the benefit of having HAP’s Health Care Talent Task Force refresh its recommendations to reflect the workforce shifts resulting from COVID-19, the association is currently planning its 2022 legislative agenda. Health care workforce issues will be a prominent component of that work and we will be reaching out to you during the coming months with additional specificity for long-term solutions.

Thank you for this opportunity to share HAP’s perspective as it relates to Pennsylvania’s health care workforce crisis. We appreciate the chance to offer commentary surrounding some of the ways we believe you may be immediately effective. I would be happy to respond to any questions you may have.