



Charles N. Kahn III
President and CEO

February 10, 2022

The Honorable John Hickenlooper
United States Senate
374 Russell Senate Office Building
Washington, DC 20510

The Honorable Mike Braun
United States Senate
404 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Hickenlooper and Ranking Member Braun:

On behalf of the Federation of American Hospitals (FAH), thank you for the opportunity to comment in advance of the Senate Health, Education, Labor, and Pensions (HELP) Subcommittee on Employment and Workplace Safety hearing, *Recruiting, Revitalizing & Diversifying: Examining the Health Care Workforce Shortage*.

The FAH is the national representative of more than 1,000 leading tax-paying hospitals and health systems throughout the United States. FAH members provide patients and communities with access to high-quality, affordable care in both urban and rural areas across 46 states, plus Washington, DC and Puerto Rico. Our members include teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children's, and cancer services.

Health Care Workforce: Challenges and Solutions

As the third year of the pandemic begins, the mental and physical toll of the COVID-19 public health emergency (PHE or pandemic) has put an unprecedented strain on our frontline caregivers and hospital support staff. The struggle to maintain a robust workforce has been exacerbated in recent months as Omicron has rapidly spread, while potential future variants also threaten to sideline critically needed health care providers. At the same time, caregivers are still bearing the emotional burden of treating patients throughout multiple COVID-19 waves.

The pandemic continues to have lingering effects on health care providers, as we are seeing rising instances of burnout and resignation. According to the American College of Healthcare Executives' annual survey, hospital CEOs reported 'personnel shortages' as their top organizational concern.¹ FAH members are experiencing staffing shortages that existed prior to

¹ <https://www.ache.org/learning-center/research/about-the-field/top-issues-confronting-hospitals>

COVID-19 and have become significantly more pronounced and problematic due to the strain and ongoing nature of the PHE. ***We therefore must implement policy solutions that will yield short and long-term stability in the recruitment, retention, and diversification of our health care workforce.***

FAH members are experiencing shortages of medical technicians, laboratory assistants, and nurses, as well as food service, housekeeping, and sanitation staff, and in some instances, hospitals do not have enough staff to operate at full capacity. To ensure that patient care and general operations are not compromised, hospitals have been forced to significantly increase their reliance on contract labor and staffing companies.

It has been widely reported that nurse-staffing agencies are exploiting the COVID-19 crisis with predatory price increases that can be disconnected from the wages paid to these contract nurses who are providing needed clinical care to hospitals. Bipartisan members of the House and Senate have expressed concerns over these practices and, in particular, worry that hospitals will be unable to sustain these exorbitant staffing costs. We join those in Congress to urge the Administration to investigate nurse-staffing agencies' conduct during the pandemic through federal agencies with jurisdiction.

We further urge Congress to prioritize certain measures to support frontline health care providers and maintain a strong workforce, including:

- Extending the Medicare-funded residency training slots cap building period to ten years, as opposed to the current five years, for new teaching hospitals
- Enacting the *Healthcare Workforce Resilience Act* to recapture 25,000 unused immigrant visas for nurses and 15,000 unused immigrant visas for doctors that Congress has previously authorized and allocate those visas to international doctors and nurses
- Enhancing investment in provider loan repayment programs, including the Nurse Corps, to incentivize providing care in rural and underserved communities
- Enacting the *Technical Reset to Advance the Instruction of Nurses (TRAIN) Act*, which would prohibit the Centers for Medicare and Medicaid Services (CMS) from recouping overpayments made in past years to hospital-based nursing and allied health education programs when CMS failed to make technical annual updates to the program, and instead invest those resources in training the next generation of caregivers
- Ensuring any policy that increases Pell Grant funding makes certain that nursing students are eligible to receive such benefits to attend high-quality nursing schools, regardless of the educational institution's tax status
- Enacting the *Conrad State 30 and Physician Access Reauthorization Act* to extend and expand the Conrad 30 program.

Parity for Tax-Paying Hospitals - and Our Workforce - is Needed Regarding Eligibility for Federal Health-Related Programs

We strongly urge Congress to expand the eligibility of federal health-related programs that currently and unjustly exclude tax-paying hospitals – and thereby our workforce – to the detriment of our patients and communities. Tax-paying hospitals are not eligible to apply for many federal programs, including some within the *Public Health Service Act*, based solely on their tax-filing status. This lack of program access among tax-paying hospitals, especially in

rural communities, unjustly ignores a significant component of the health care safety net serving impoverished and uninsured patients.

For example, for years, nurses practicing at tax-paying hospitals located in a critical shortage area were ineligible to benefit from the Nurse Corps Loan Repayment program – a key recruitment tactic that incentivizes patient care in rural and underserved communities. With the leadership of the Senate HELP Committee and other bipartisan members of the House and Senate, this eligibility restriction was finally struck in *The Coronavirus Aid, Relief, and Economic Security (CARES) Act* in the 116th Congress. But we now need an across-the-board solution that can play a pivotal role in addressing the health care workforce crisis.

As a first step towards rectifying this matter, we urge the Senate HELP Committee to direct the Government Accountability Office (GAO) to prepare a comprehensive analysis of all federal health care programs that exclude tax-paying hospitals (and/or providers serving in such facilities) from eligibility. Such an analysis will shed light on how this lack of parity is a disservice to the health care workforce and our patients, and further demonstrate the dire need for Congress to take corrective action.

We appreciate the opportunity to comment and look forward to working with you in 2022 to meet the significant challenges that hospitals face in treating patients during these unprecedented times. If you have any questions or wish to discuss these issues further, please do not hesitate to reach out to me or a member of my staff at 202-624-1534.

Sincerely,

