



Charles N. Kahn III
President and CEO

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The Honorable Bernie Sanders
United States Senate
332 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Bill Cassidy
United States Senate
455 Dirksen Senate Office Building
Washington, D.C. 20510

Delivery via email to: HealthWorkforceComments@help.senate.gov

Dear Senators Sanders and Cassidy,

On behalf of the Federation of American Hospitals (FAH), thank you for the opportunity to submit information in response to the Senate Committee on Health, Education, Labor, and Pensions (HELP) hearing entitled *Examining Health Care Workforce Shortages: Where Do We Go From Here?*

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

Workforce challenges are plaguing a multitude of industries across the United States, and the health care sector is no exception. Warning signs of an imminent health care workforce shortage were evident long before the COVID-19 pandemic spread to the United States in early 2020. According to a Bipartisan Policy Center study on the health care nurse staffing shortage, in 2019 the U.S. was already short 68,000 trained nurses necessary for a robust workforce.¹

Over the last three years, the pandemic has changed the landscape of health care in America. When the pandemic first began, despite the workforce shortages that occurred prior to the pandemic, the health care sector was resilient in responding to the unknown, striving to overcome the monumental challenges of caring for patients across the nation impacted by the

¹ <https://bipartisanpolicy.org/health-care-help-wanted-finding-solutions-to-the-staffing-shortages/>

virus. However, one of the biggest tolls the pandemic has taken has been on our frontline workers and caregivers -- hospitals' most precious resource.

Hospitals have witnessed unprecedented worker burn-out, record retirement among veteran caretakers, and historic difficulties attracting a pipeline of future workers. FAH members are experiencing shortages of physicians, medical technicians, laboratory assistants, nurses, food service staff, housekeeping staff, and sanitation staff. In some instances, hospitals do not have enough staff to operate at full capacity, impacting patient care and even leading to closures of service lines. Our rural hospitals and communities are especially vulnerable to limitations in access to care due to lack of available workforce.

While the long-term effects of the pandemic on our workforce remains to be seen, the Bipartisan Policy Center report found that “in 2021 the national supply of registered nurses (RNs) experienced its single greatest drop in four decades—fueling hospital vacancies across the country, and from 2020 to 2022, hospital vacancy rates for RNs nearly doubled.”²

As hospitals struggle to reinforce gaps in their workforce, we urge Congress to promote private sector solutions to nursing workforce challenges, implement policies that will invest in an adequately trained and qualified workforce to fill long-vacant and newly-open positions, and protect the payment hydraulics that ensure hospitals have adequate resources.

Hospitals have been doing our part to recruit, train, and upskill employees. Investments in schools of nursing, such as the Galen College of Nursing, are contributing to private sector solutions by making high quality programs available to those seeking to enter the profession. However, ensuring that barriers to learning (e.g., child care support) are addressed as well as creating incentives for nursing students to both attend school and retain employment, or return from retirement, could be significant for the nursing workforce of tomorrow.

Hospitals are also investing heavily in both training and patient care management innovation to improve the bandwidth of registered nurses and reduce nurse workload burden. Allowing nurses to reduce paperwork and non-clinical responsibilities through technology and process enhancements would have the added benefit of reducing burnout. A recent study conducted by the American Medical Association found that physicians and their staff spend an average of almost two business days, or more than 16 hours, each week completing paperwork such as prior authorizations.³

Another pathway for new workers in the health care sector is legal immigration from foreign countries. The downstream impact of reduced net legal immigration in recent years due to both policy and pandemic factors has created enormous gaps in “unskilled” employment areas, pushing up the wages for those roles due to worker demand and shortages. There are an estimated 2 million fewer working-age immigrants in the US than there would have been if pre-pandemic levels were maintained⁴. Hospitals are seeing entry-level candidates for non-licensed positions being pulled to sectors with higher wages in a less demanding environment. The result

² <https://bipartisanpolicy.org/health-care-help-wanted-finding-solutions-to-the-staffing-shortages/>

³ <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf>

⁴ <https://www.governing.com/work/where-are-the-workers-labor-market-millions-short-post-pandemic>

of this is fewer healthcare workers staying in the industry at the entry level, which compounds the demands on nurses and other licensed staff – ultimately leading to their burnout.

Additional federal legislative action is essential to support frontline health care providers and help hospitals 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 physicians that Congress has previously authorized and allocate those visas to international physicians and nurses.
- Enhancing investment in provider loan repayment programs, including the Nurse Corps, to incentivize providing care in rural and underserved communities without limits to the clinician’s choice to serve in a taxpaying health facility.
- Enhancing investment in nurse education and faculty programs.
- Ensuring any policy increasing Pell Grant funding, funding Title VIII nursing workforce programs, or funding *Nursing Workforce Act* programs, are eligible to nursing students attending 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.
- Enacting the *Improving Seniors’ Timely Access to Care Act* to reduce the administrative burden of prior authorizations on healthcare providers and help streamline patient care.

Parity for Tax-Paying Hospitals Regarding Eligibility for Federal Health-Related Programs

Another longstanding issue FAH member hospitals face is ineligibility for federal health-related programs, including some within the Public Health Service Act, which unjustly exclude tax-paying hospitals and their health care workers who choose to work in our facilities. This policy unfairly ignores a significant portion of the health care workforce serving in rural and underserved communities and ultimately impacts impoverished and uninsured patients.

We strongly urge Congress to enact an across-the-board solution to expand eligibility and allow tax-paying hospitals to apply for, and participate in, all federal health-related programs. This is an easy first step in addressing the health care workforce crisis.

We thank members of the HELP Committee and other bipartisan members of the House and Senate for the provisions in the *CARES Act* of the 116th Congress that eliminated eligibility restrictions for the Nurse Corps Loan Repayment program.

Expanding this program is an exemplary success story which has given tax-paying hospitals a key recruitment tool to incentivize patient care in rural and underserved communities. The policy has helped level the playing field for nurses practicing at tax-paying hospitals located

in critical shortage areas who were previously excluded solely based on the tax status of the facility.

To build on this success, 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 patients, and further demonstrate the dire need for Congress to take corrective action.

Ensure Adequate Public and Private Sector Payment

Finally, threats to Medicare and Medicaid payments at both the federal and state level, would threaten the very ability for hospitals to make the staffing investments necessary to meet patient needs. Further, arbitrary payment denials and delays from commercial payors result in cash flow turbulence that can disrupt staffing investments for hospitals with thin to negative margins.

We appreciate the opportunity to address these important issues and look forward to working with you as you craft legislation that addresses the root causes of the health care workforce shortage and help hospitals meet the challenges they face in recruiting and retaining a qualified workforce. 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,

