

September 21, 2021

Dear Members of the Texas Legislature,

On behalf of our approximately 475 member hospitals, we are asking you to assist in addressing the critical staffing needs of hospitals brought on by the ongoing COVID-19 pandemic by creating a mechanism for hospitals and health systems to apply for and receive one-time funding assistance from the American Rescue Plan

The health care staffing shortage was exacerbated by the pandemic and forced hospitals to take extensive proactive measures such as providing recruitment and retention bonuses to retain their existing staff, even as the overall hourly costs for nursing professionals are surging. While we very much appreciate the continued support of the state to provide supplemental staffing during the crisis, these efforts are coming up woefully short in ensuring staff is in place to respond to ongoing spikes in COVID-19 hospitalizations while still addressing the baseline health care needs of communities. This peak is unlike others, in that the shortages in personnel are being seen in pediatric, obstetrics and mental health due to high COVID-19 admissions in those specialties and the number of clinicians leaving jobs for more money elsewhere. Behavioral health providers have been largely unable to access any supplemental staffing support at a time when their caseloads are rising due to the pandemic's impact on behavioral health and substance use disorders. Additionally, hospitals are being forced to allocate significant resources to address the mental health needs of their workforce as the cumulative stress of the pandemic continues to grow. Finally, hospitals are seeing their workforce leave the health profession all together due to the continued stress of the job, which is exacerbating the shortage now and will continue to do so into the future.

While considerable federal resources have been, and continue to be, provided directly to providers, these funds generally serve to help offset the direct costs hospitals have borne due to COVID-19. We are now asking for your support to help defer the broader cost of the pandemic to health systems as a result of the pandemic and associated workforce shortage. Hospitals need and want to move from an over-reliance on contract staff to permanent staffing solutions. Reinstating that balance in the health care workforce will take time and targeted staffing efforts. We propose a one-time assistance program that hospitals could access to help offset the costs related to:

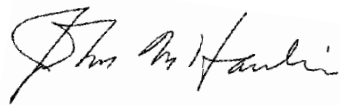
- Aggregate cost of “crisis” rates for health professionals as compared to typical hourly rates
- Critical staffing incentives and shift differentials to maintain existing staff
- Pay equity and retention bonuses to maintain existing staff
- Aggregate cost of crisis rates that are being paid to contract staff compared to the typical “travel” rates
- Amounts paid in recruiting permanent staff
- Cost for supplemental staffing for providers that were unable to access the state-supported staffing
- Costs related to mental health programs and/or wellness services for staff

We also suggest that the state increase funding in the Nursing Shortage Reduction Fund (NSRF) at the Texas Higher Education Coordinating Board to address the ongoing and worsening statewide shortage of nurses. This fund allows all the state's nursing schools to increase enrollments and focuses on the significant need for qualified nursing faculty and clinical education capacity. According to the Texas Center for Nursing Workforce Studies, Texas nursing schools turned away more than 13,000 qualified applicants in 2020. As Texas focuses on long term solutions to address the state's shortage of nurses, the NSRF is a critical tool for the state.

Hospitals are unlike other businesses in Texas. The Federal Emergency Medical Treatment and Labor Act, signed into law by President Ronald Reagan in 1986, requires hospitals to see any patient who presents at any time of the day or night regardless of the person's ability to pay. Our ability to treat patients and create capacity inside a hospital is only as good as the clinical bedside staff on hand. While COVID-19 hospitalizations appear to be plateauing just shy of the record admissions we experienced in the spring, current COVID-19 hospitalizations remain at concerningly high levels and continue to test the capacity of our facilities. All COVID-19 related care must take place in real time while hospitals also handle their core patient needs. The high cost of contract nursing and allied health staffing is an unsustainable market force and hospitals will work post-pandemic to regain a steady and constant workforce. We believe these requests will go a long way to ensuring hospitals can continue to meet the needs of their communities as we battle COVID-19.

We appreciate your consideration and are available to discuss this proposal in more detail.

Sincerely,

A handwritten signature in black ink, appearing to read "John Hawkins". The signature is written in a cursive style with a large initial "J".

John Hawkins  
SVP, Advocacy & Public Policy