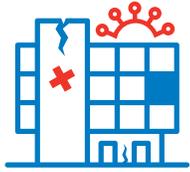


A Workforce in Peril: Shortages Threaten Patient Care



Two years of COVID-19 pandemic care have strained hospital resources and capacity like never before. These extraordinary challenges have acutely impacted the people who provide care inside the walls of hospitals. Burnout and fatigue have plagued the frontlines, and many health care workers have left the field altogether. While health care workforce shortages existed long before COVID-19, staffing costs and other pandemic-related challenges have led to an **unsustainable situation that threatens hospitals' ability to care for patients.**



Texas hospitals report **nursing vacancies** in non-COVID-19 units are about **double** pre-pandemic levels.

Fewer Staff, Less Care

Hospitals are able to provide high-quality patient care because of their skilled and sufficient health care workforce. The existing significant shortage of hospital care providers has forced hospitals to compete for contract labor. These skyrocketing labor costs have profoundly impacted hospital finances, pushing many providers toward a financial cliff. As the challenges to find, procure and maintain staff continue, the impacts on hospitals' ability to provide care will continue.



Pervasive workforce shortages on Texas' health care system could:

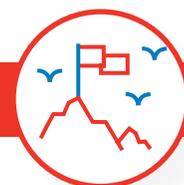
- Reduce essential service lines, like labor and delivery, surgery, oncology and psychiatric units;
- Force rural and smaller hospitals unable to afford increasing labor costs to close; and
- Limit the guaranteed next-level specialized care for patients.



26,000

Over the course of the pandemic, THA advocated for much-needed state staffing to help hospitals combat COVID-19 surges. The State of Texas provided more than 26,000 staffed positions to health care facilities over the duration of the pandemic.





Addressing Short-Term Challenges

Hospitals are scrambling to fill positions with permanent staff, alleviate fatigue, prevent workplace violence, implement retention strategies and pivot staff as the pandemic surges and wanes. Hospitals face an immediate, pervasive and ongoing staffing challenge. **Staffing is roughly 60% of a hospital's total expenses.** Throughout the pandemic, hospitals have seen costs for in-house staffing as well as agency staffing surge to historic levels.



- **Labor & Supply Expenses.** Labor costs per patient have increased 19.5% through November 2021 from pre-pandemic levels. Meanwhile, supply expenses to protect staff have ballooned by 20.5% per patient over pre-pandemic levels.

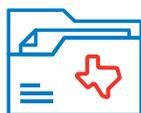


- **Travel Nurses.** Large numbers of nursing staff have left hospital employment to work as travel nurses. **Costs for travel staff were at least double in 2021 over 2020.** Premium rates staffing agencies charge for travel nurses are 150% to 200% of standard hourly rates hospitals pay employed staff. Texas currently has the highest reported demand for travel nurses and travel crisis nurses in the nation.

What's Needed?



- **Reappropriations of American Rescue Plan Act funds.** A total of **\$2 billion** was allocated to the Texas Department of State Health Services to support hospitals through the COVID-19 surges. Once the federal government reimburses DSHS, the returned funds should be used as general revenue to assist health care providers responding to the pandemic.



- **Additional federal Provider Relief Fund allocations with adequate flexibility.** The delta and omicron surges are not included in the current federal fund allocation despite their dramatic strain on hospitals. Texas hospitals have borne more than **\$1 billion in extra staffing costs during these surges**, as nearly 50% of total statewide COVID-19 hospital admissions occurred between July 2021 and February 2022.



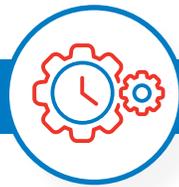
- **Address anticompetitive behavior by nurse staffing agencies during the pandemic.** From January 2020 to January 2022, the advertised pay rate for travel nurses increased 67%, and **hospitals are billed an additional 28% to 32% over those pay rates by staffing firms.** Some staffing agencies are suspected of retaining up to 40% or more of costs for themselves. Hospitals are asking the Federal Trade Commission to investigate those expenses.



- **Provide protections against workplace violence.** Incidents of violence against health care workers have been on the rise over the past decade, but it accelerated during the COVID-19 pandemic. Funding to study and implement best practices to prevent workplace violence is needed.



- **Address widespread burnout.** Behavioral health services are needed for health care workers who served on the frontlines during the pandemic.



Addressing Long-Term Challenges

Long-term workforce challenges existed well before the COVID-19 pandemic, with an aging workforce and shortages of nurse faculty and clinical training sites. The COVID-19 pandemic worsened this years-long pain point faced by the industry.

This year, roughly
**500,000
NURSES**



are expected to
**LEAVE THE
WORKFORCE**



bringing the overall shortage to
**1.1 MILLION
NURSES**

Texas nursing schools turned away more than 15,700 qualified applicants in 2021 due to a shortage of nursing faculty and clinical education capacity.

What's Needed?

Texas needs funding, policies and opportunities to boost the health care workforce pipeline. To keep up with the state's rising population and growing health care needs, increased support should be prioritized for educational and loan programs.



- The **Nursing Shortage Reduction Fund** provides grants to nursing education programs at Texas public and private institutions of higher education. The grants are intended to increase the number of initial licensed nurses through investments in enrolling, retaining and graduating nurses. In 2013, the state appropriated \$34 million to the NSRF, however, by 2021 that had fallen to \$19 million. **Significant funding is needed to increase nurse graduates and grow the number of bedside nurses.**



- The **Graduate Medical Education Expansion Program** supports efforts to increase first-year physician residency positions. The 87th Texas Legislature appropriated \$199 million to the program for the 2022-2023 biennium. **Texas hospitals strongly support a GME program that retains physicians in our state.**



- **Nursing Faculty Loan Repayment Assistance Program** encourages qualified nurses to serve as faculty at eligible institutions of higher education. In 2021, the program had about \$3 million in appropriations. Hospitals support additional funding to increase the availability of nurse faculty.



- The **Physician Education Loan Repayment Program** encourages qualified physicians to practice medicine in a Health Professional Shortage Area or to provide Medicaid and Children's Health Insurance Program services. Texas hospitals support an increase in physicians in rural and underserved areas.



- In our growing and aging state, hospitals **support the growth of the allied health care workforce.** The Texas legislature should direct an evaluation of acute and ongoing allied health care workforce and develop strategies to increase these professionals.