

May 4, 2022

House Committee on Higher Education

Re: House Committee on Higher Education Interim Hearing on 60x30TX Plan

Dear Chairman Murphy and Members of the Committee:

Hospitals face an existing workforce challenge intensified by the COVID-19 pandemic. Staffing is roughly 60% of a hospital's total expenses and costs have surged to historic levels. Labor costs per patient have increased 19.5% through November 2021 from pre-pandemic levels. Hospitals are able to provide high-quality patient care because of their workforce. Hospitals have had to compete for contract labor at an unprecedented premium. Texas has the highest demand for travel nurses in the nation, with costs for travel staff 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.

This year, roughly 500,000 nurses are expecting to leave the workforce, bringing the overall shortage of nurses to 1.1 million. However, Texans still want to join the nursing field. Texas nursing schools turned away more than 15,700 qualified applicants in 2021 primarily due to a shortage of nursing faculty and clinical education capacity.

Texas needs funding, policies and opportunities to boost the health care workforce pipeline, which can largely be achieved through existing programs.

Congress established the Governor's Emergency Education Relief Fund to assist states with education-related challenges. Last year, the Governor designated \$25 million of \$123.3 million to support nursing education and innovation. That \$25 million is currently held at the Texas Higher Education Coordinating Board. THA encourages the Board to expeditiously release these funds.

The Nursing Shortage Reduction Program provides grants to nursing education programs. In 2013, the state appropriated \$34 million to the NSRP, however, by 2021 that had fallen to \$19 million. A significant funding increase is needed to increase nurse graduates and bedside nurses. In addition, THA encourages the Committee to designate a portion of funding to offset the cost of clinical space.

The Nursing Faculty Loan Repayment Assistance Program encourages nurses to serve as faculty. In 2021, the program had about \$3 million in appropriations. Hospitals support additional funding. The program also needs reform, such as making part time faculty eligible for loan repayment.

The Graduate Medical Education Expansion Program supports efforts to increase first-year physician residency positions. Last session, the Legislature appropriated \$199 million to the program for the biennium. Texas hospitals strongly support increases in GME.

The Physician Education Loan Repayment Program encourages qualified physicians to practice medicine in a Health Professional Shortage Area or to provide Medicaid and CHIP services. Texas hospitals support this program.

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The Loan Repayment Program for Mental Health Professionals was established in 2015. The program has been allocated just over \$2 million per biennium. THA supports efforts to increase public outreach about this program and an increase in funding.

Respectfully Submitted,



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Texas Hospital Association