



Onward Healthcare  
64 Danbury Road  
Wilton, CT 06897

## POSITION STATEMENT

Phone: 800-278-0332  
Fax: 800-970-5001  
Email: [info@onwardhealthcare.com](mailto:info@onwardhealthcare.com)

### **HB. 5637 Will Worsen the Nursing Shortage , Adversely Affect Patient Care , & Limit the Potential for a CT Headquartered Company**

Onward Healthcare, Inc. ("Onward" or "the Company") is a national healthcare staffing company based in Wilton, CT and dedicated to supplementing healthcare facilities temporary nursing services both within our state and the United States. When Onward's founder, Chairman & CEO, Kevin Clark, a nationally-recognized and top-performing chief executive, researched locations to build the company, he determined that Connecticut provided a favorable marketplace for growth companies. Unfortunately, should HB. 5637 pass the General Assembly, the law will create an inhospitable market for healthcare staffing services; will lead to a worsening of the Connecticut nursing shortage, and ultimately, will irreparably harm the Connecticut primary care system.

Healthcare staffing companies attract and recruit nursing professionals from the general nursing population and offer hospitals and nursing homes the benefit of using their nursing employees on a temporary basis or for a finite period of time. More particularly, healthcare staffing companies draw nurses from local, regional and national nursing pools and make their services available to Connecticut healthcare facilities. Nurses that work for healthcare staffing companies are generally seeking individually designed compensation and benefits plans, greater flexibility of schedule and no mandatory scheduling (such as weekends and holidays). These nurses are often women who are the primary earner and caretaker for their household. Flexible schedules and no mandatory shifts provide them with an opportunity to balance the tension between caring for their family and earning for their family. This employment option is practically exclusive to employment with healthcare staffing companies.

Healthcare staffing companies also play a critical role in alleviating staffing pressures placed upon Connecticut's health care system by quickly and efficiently supplementing the staffing needs of healthcare facilities on an as-needed basis. Without healthcare staffing companies providing temporary and travel nurses to hospitals and nursing homes, these facilities would be critically understaffed. This circumstance could lead to dangerous outcomes for patients of Connecticut healthcare facilities. Bill HB. 5637 is clearly not concerned with patient care, but rather with establishing arbitrary and potentially discriminatory pricing limits.

Additionally, the demand for nursing professionals is reaching critical levels and Connecticut's nursing "crunch" is expected to be one of the most severe in the nation. A report prepared by the Connecticut League of Nurses specifically concluded, "The state's [Connecticut] success [current staffing ratios] makes it difficult to communicate the severity of the impending shortage to legislators and other statewide healthcare committees." Furthermore, Connecticut currently ranks 49<sup>th</sup> of 50 states in producing nurses. Since the state is headed toward a severe nurse staffing crisis and is not able to produce its own nurses to meet the care requirements of its population, the state's healthcare system will be required to increasingly rely on the continued support of healthcare staffing companies to supplement the care provided to its patients. Regrettably, Bill HB. 5637 is likely to cause an adversarial relationship between Connecticut healthcare facilities and healthcare staffing companies.

Finally, the use of a rate approval process like that proposed in HB. 5637 will lead to a disruption of the state's nursing labor supply as nurses' request and gravitate toward free-market opportunities in other locales. The healthcare staffing market is highly competitive and pricing equilibrium can be naturally achieved when a healthy balance between the supply and demand for nursing services exists. In absence of these natural market forces, the labor vacuum created by the exodus of temporary and travel nurses will adversely affect patient care.

In conclusion, HB. 5637 must be rejected by the Senate. By doing so, the Senate will be demonstrating the following to the Connecticut healthcare marketplace: (1) that Connecticut maintains its ability to attract and retain essential nursing professionals during a time of critical shortage; (2) that it respects its nursing professionals most of whom are hardworking women that serve as the primary bread-winners for their family, and (3) that it welcomes the business community by supporting free enterprise and fair market opportunities.

CONTACT:  
STEPHEN SAVILLE  
SVP, Per Diem & General Counsel  
Onward Healthcare, Inc.  
(800) 670-3893 x126  
(609) 560-9100  
[ssaville@onwardhealthcare.com](mailto:ssaville@onwardhealthcare.com)

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