

# **Nursefinders®**

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HB-5637

February 13, 2007

Connecticut Department of Social Services  
Select Committee on Aging  
Legislative Office Building  
Hartford, CT 06106

Distinguished Committee Members,

Nursefinders is one of the nation's largest healthcare staffing companies, providing per diem nursing, allied healthcare specialists, locum tenens and travel nurses. We provide staff to thousands of facilities annually. Last year over 90,000 nurses received W-2's from Nursefinders.

Nursefinders has had a strong presence in the Greater Hartford marketplace. We provide staff to many of the large and smaller Long Term Care healthcare systems in the state. We are extremely concerned about the ramifications of the proposed House Bill 5090.

There are a variety of reasons why Long Term Care and Acute Hospitals utilize temporary staffing services. Many systems rely upon our services for vacations, maternity coverage, short and long term illness of staff, increases in patient census, and overall system growth. Many systems rely on us for limited coverage and their utilization would be considered low utilization. Outside of the reasons mentioned before, they are staffed appropriately. They have strong cultures and retain their staff. We are a small component of their support services.

Other systems have higher demands. Changes in their internal environment as well as external market changes force these systems to rely upon temporary agency more than they budgeted for. To lay blame on the temporary nursing sector for increases in financial expenditure resulting from factors outside of our direct control makes no sense at all. To suggest temporary nursing services hurt Medicaid and Medicare programs also make no sense.

A facility that states they spend \$200,00.00 in temporary nursing is somewhat misleading, and by no means necessarily a bad decision. In all likelihood the \$200,000.00 they spend in temporary nursing is balance by a shortfall in their full-time salary budget. In essence, if they are spending it in temporary help, they are not spending it in Full Time Equivalents (FTE's). The net impact is a slightly higher cost to the facility, but certainly not \$200,000.00. The cost is for flexibility in ordering, quality of staff, response time and overall customer service.

The Connecticut marketplace is highly competitive, with close to 100 providers competing for the healthcare staffing dollar. Regulation may be called for in monopolistic environments, but in a purely competitive environment such as nurse staffing, bill and pay equilibrium is naturally achieved based on the supply and demand for nursing services. There is absolutely no reason for staffing agencies to overcharge their customers. Placing our customers at risk to 'go out of business' would create a demand-side imbalance. Just as the facilities need the staffing agencies to remain healthy and provide quality temporary nursing, the nurse staffing agencies need the health care facilities to remain healthy and remain in business. Rate caps would only damage that natural balance and drive out both providers and the very nurses that we starve for.

The proposed law would also adversely affect patient care. Systems that were understaffed would pose health care dangers to their patients. National healthcare statistics indicates that higher nursing to patient ratios leads to stronger, safer patient outcomes. Without temporary nurses to fill the open shifts, overall patient care would suffer severely.

The proposed law also is discriminatory against nursing health care workers, of which more than 90% are females, many who are single and head-of-household. Many nurses require flexible schedules due to child care and other family related issues. Many cannot accept the permanent positions in health care facilities due to minimum hours or work, weekend work (many times required) and holiday work. If the nurse only had the choice of full time employment, she might choose to leave the nursing profession altogether (which we have already experienced nationwide), further exacerbating the shortage.

Nursefinders operates on razor thin profits of 1.5% - 2%. We have seen the market drive bill rates down and pay rates up. Our net revenues are down 18% from 2004. Even with expenses removed from the operation, net contributions are down almost 30%. Average bill rates are down almost 22% from 2004, with gross margin dollars down 25.6%. Any change in bill rates could possibly put Nursefinders out of business in Connecticut. Due to the highly competitive nature in our industry, I believe most of the nurse staffing agencies in Connecticut finds themselves in a similar financial situation.

I am certain you can appreciate the impact of an increased nursing shortage. I strongly urge you to oppose House Bill 5090 and allow the local marketplace to make the best decisions on bill and pay rates. Let the great state of Connecticut continue to maintain and attract nurses to our marketplace. Let us continue to support the hard working nurse professionals so they may be able to support and raise their families appropriately. Rejection of House Bill 5090 is a fiscally responsible decision.

Thank you,



Michael Moran  
Divisional Vice President, Nursefinders Inc.