

Aging Committee JOINT FAVORABLE REPORT

Bill No.: SB-246

AN ACT ESTABLISHING MAXIMUM RATES FOR TEMPORARY NURSING SERVICES PROVIDED BY A TEMPORARY NURSING SERVICES AGENCY TO

Title: A NURSING HOME FACILITY.

Vote Date: 3/12/2024

Vote Action: Joint Favorable Substitute

PH Date: 3/5/2024

File No.:

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SPONSORS OF BILL:

Aging Committee

REASONS FOR BILL:

This bill is raised to study the differences between temporary nursing services' wages and permanent employees' wages.

JFS language (LCO 2837) changes the title of the bill to "AA Establishing A Task Force To Study Temporary Nursing Services Provided To Nursing Home Facilities". It defines who the members of the task force will be, who will appoint them, and directs that the task force shall submit a report to the Aging and Public Health Committees in the General Assembly. The report is to be completed by January 1, 2025, and the task force will terminate on that date.

RESPONSE FROM ADMINISTRATION/AGENCY:

Connecticut Aging and Disability Services, Ms. Mairead Painter, State Long-Term Care Ombudsman: She offered testimony in **support** of this legislation. Imposing a limit on what temporary nursing service agencies can charge is taking a necessary step towards ensuring that funds intended for resident care are used effectively. The absence of a maximum rate cap has led to situations that can only be described as price gouging where excessive fees charged by staffing agencies siphon off resources that should be directed towards resident care. Establishing a maximum rate for temporary nursing services, can help ensure that our resources are being used in a manner that prioritizes the well-being and care of our residents.

NATURE AND SOURCES OF SUPPORT:

LeadingAge, Connecticut, Ms. Mag Morelli, President: They are in **support** of this bill. They support the establishment of a maximum rate but defer to the state regulatory agencies to determine the appropriate maximum rate level. They also encourage the Committee to expand the scope of the proposal to the entire health care sector so that the entire sector will benefit which would prevent the agencies from abandoning the nursing home sector. The DSS conducted a study of the impact of the temporary staffing rates charged to nursing homes and it confirmed the financial pressure that the agency rate placed on nursing homes requiring them to depend on the temporary staffing agencies.

Ryders Health Management, Mr. Joseph Colaci, COO: They **support** this bill and urge its passage. The practices of the staffing agencies are creating costs that are not sustainable and its continuation is undermining the quality of services that can be delivered. The agencies are routinely charging fees for RN, LPN, and CNA services that are more than double what our customary payroll costs are usually. We must cap these fees to curtail the poaching of our staff.

Avon Health Center & West Hartford Health and Rehabilitation Center, Mr. Russell Schwartz, VP/Director of Operations: They fully **support** this proposal. The bill will cap the rates that temporary nursing services agencies can charge nursing home for RN, LPN and CAN staffing at 200% of the median hourly wage for nursing personnel. These bill practices have created staffing costs that are not sustainable. During the pandemic, minimum staffing levels were increased at a time when recruitment challenges plagued the industry. On top of this regulatory consequences were added for facilities that were non-compliant with the staffing requirements. Finally, the quality and continuity of care suffers when temporary staffing agencies are used since they don't know our residents or have the same level of commitment as our own permanent staff.

Complete Care Glendale, Naugatuck, Ms. Marian Gaudio, Administrator: They offered testimony in **support** of this bill. The bill will cap a temporary nursing service agency rate that it can charge a nursing home for staffing at 200% of the median hourly wage for nursing personnel. The proposal is modeled on a Rhode Island law that passed last year. During the pandemic hourly rates for all staffing types was 2.5 to 3 times higher than wages paid to their staff on their payroll. This led to poaching of their staff since the agency staff shared what they were being paid with the full-time staff.

Connecticut Association of Health Care Facilities/Connecticut Center for Assisted Living, Mr. Matt Barrett, President and CEO: Their testimony was in **support** of this legislation. He mentions the cap for temporary nursing staff at 200% and mentions that this bill is modeled on Rhode Island legislation that was passed last year. (They included an explanation of that bill in their testimony) (They also included a report on a study completed by the DSS in September 2023 titled "DSS Temporary Nursing Services Agency Report" for review.

CT Statewide Family Council, Mr. Frederic Kaeser, Vice Chairperson: His testimony indicated his **support** for this bill.

Ms. Jessica Hill, Caregiver: She is support of this bill. Her testimony offered her insights and comments about her own personal experience.

NATURE AND SOURCES OF OPPOSITION:

American Staffing Association, Mr. Toby Malara, Esq., Vice President, Government Relations: Their testimony was in **opposition** to this legislation. Their concerns are regarding the impact that the rate cap provisions would have on the supply of nurses and patient care in Connecticut aggravating the state's ongoing nursing shortage. They believe a critical flaw in the bill is that the "median hourly wage in the state" on which the cap is based does not reflect current wages in a particular market or the impact on wages caused by extraordinary events, like the pandemic, that are not reflected in the historical data. They feel arbitrary caps will exacerbate the nursing shortage and harm patient care and that steps should be to address the long-term nursing shortage.

Reported by:
Toni Lombardi, Clerk
Richard Ferrari, Assistant Clerk

Date: 3/14/24