



**Testimony of Lisa Henderson,
Executive Director of LeadingAge Maine & New Hampshire**

To the Joint Standing Committee on Health & Human Services

March 16, 2023 at 2:00 pm

**In Support of LD 451 - An Act to Ensure Transparent and
Accountable Temporary Nurse Agencies**

Good afternoon Senator Baldacci, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services.

My name is Lisa Henderson, and I am the Executive Director of LeadingAge Maine & New Hampshire, which is an association of mission-driven providers of housing and long-term care for older adults in the two states. We represent 25 not-for-profit providers in Maine, including nursing homes, residential care facilities and senior living communities.

I am speaking today in support of LD 451 - An Act to Ensure Transparent and Accountable Temporary Nurse Agencies.

A persistently tight labor market, combined with burnout and fatigue after three stressful years of the COVID pandemic, continues to put a strain on providers. At any one time, our members report 20% or more of their positions are open, with no viable applicants to speak of.

Providers who have never needed to use staffing agencies in the past are now forced to do so to ensure residents receive necessary care.

Our members are digging deep to cover the cost of staffing agency personnel—paying two, three, or more times as much per hour as they would for full-time employees. The behavior of some agencies is frankly predatory. There is no transparency or accountability regarding why they charge what they do, other than they see a lucrative business opportunity in the form of desperate providers.

While LD 451 does not dictate what staffing agencies can charge, it's time to shed some light on potentially unfair business practices.

Transparency about costs is a critical step in the right direction. The bill would require temporary nurse agencies to disclose:

- The total number of employee placements, where employees were placed, how long they were placed;
- The total and average amount charged for each category of health care employee providing services;
- The total and average amount of wages paid to each category of health care employee for providing services;
- The total and average amount of stipends paid to each health care employee; and
- Documentation of appropriate credentials for each employee

Such oversight is well in line with laws in other states working to ensure fair practices among staffing agencies, including Iowa, Missouri, Colorado, Oregon, Kentucky and Delaware. (It is interesting to note that these states include both Republican and Democratically controlled legislatures.)

Because it is public dollars that largely fund long-term care (i.e. MaineCare), it is in the public interest for there to be transparency in this industry. MaineCare dollars are propping up these profit-motivated agencies. Meanwhile, widening shortfalls between the cost of care and reimbursement are causing providers to shutter wings or close admissions altogether. It is consumers who can't access care when they need it who ultimately pay the price.

In summary, providers and MaineCare shouldn't be held hostage by staffing agencies willfully taking advantage of Maine's workforce crisis. The State of Maine deserves accountability for MaineCare dollars flowing to temporary nurse agencies.

LeadingAge Maine & New Hampshire urges passage of LD 451.

Sincerely,



Lisa Henderson
Executive Director