Testimony of Maine Health Care Association and Maine Hospital Association

Before the Committee on Health and Human Services In Support of

LD 1769, An Act to Ensure Data Reporting for Temporary Nurse Agencies

Friday, May 2, 2025

Senator Ingwersen and Representative Meyer as well as Distinguished Members of the Health and Human Services Committee:

My name is Ben Hawkins, and I serve as the Director of Public Affairs for the Maine Health Care Association. We represent approximately 200 nursing homes, assisted living centers, and residential care facilities across the state. Our mission is to empower members to ensure the integrity, quality, and sustainability of long term care in Maine.

On behalf of the Maine Health Care Association and our colleagues at the Maine Hospital Association, I am pleased to testify in support of *LD 1769, An Act to Ensure Data Reporting for Temporary Nurse Agencies.* This legislation would require the Department of Health and Human Services to provide an annual report to the joint standing committee of the Legislature having jurisdiction over health and human services matters summarizing the annual reports submitted by temporary nurse agencies.

LD 1769 builds upon prior legislation, LD 451 that passed in the 131st Legislature, which requires Temporary Nurse Agencies (TNAs) to register annually with the Department of Health and Human Services and to report data on temporary staffing on a yearly basis. This data includes a number of important metrics such as the total number of employees placed in health care settings in Maine, average duration, state of licensure for those employees, total and average amounts **charged** to the health care facility each quarter, and total and average wages **paid** to the employee each quarter, as well as total and average stipends paid to the employee each

quarter. The original legislation (LD 451) required the Department to make a report of TNA data to this Committee. This bill makes that report on an on-going requirement for the Department to compile this data and present a report to this committee each year.

Long term care facilities and hospitals across Maine are struggling. They are struggling to keep their doors open and meet the needs of their communities because of the ongoing staffing crisis and a lack of adequate and timely reimbursement. Reliance on temporary agency staffing increased significantly during the pandemic and is still not back to pre-pandemic levels. For example, Maine's nursing homes utilization of temporary agency staffing increased from a statewide average of 22% in 2022 to 26% in 2023 (graph on page 3). The new nursing facility rate model has a built-in assumption that usage of temporary staffing will reduce to 10% by January 2026, which we sadly don't anticipate happening. Consequently, nursing home MaineCare rates will decrease by $12.85 per MaineCare resident per day starting 1/1/26. The decreased MaineCare rates will put additional strain on providers.

The Maine Hospital Association reports that agency staffing has decreased some over the last few years, but it is still very costly:
- FY 23 - $450M
- FY 24 - $375M
- FY 25 (projected) - $320M

Policymakers need to have accurate and up-to-date information to inform decision-making. The impact of temporary nurse agencies on the labor market cannot be entirely estimated by individual providers or associations. Having the Division of Licensure and Certification collect this important data on an annual basis will help to identify trends over time.

Now that we have one year's worth of baseline data, it is important to keep collecting this information. We urge the committee to vote ought to pass on LD 1769. Thank you for your time.

2022 and 2023 Nursing Home Facility Counts and Percentage of Contract Labor (Temporary Agency Staffing)

2022 and 2023 Percent Contract Hours
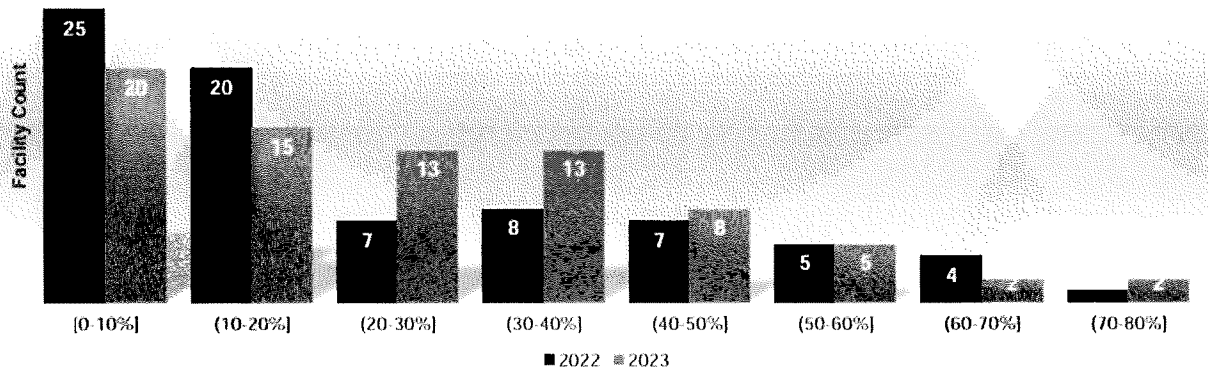
The percentage of total direct contract labor hours provided by temporary workers increased and shifted slightly among nursing homes from 2022 to 2023.