



RECOVER-CARE

"WE CARE ABOUT YOUR RECOVERY"

House Children and Seniors Committee
Chairwoman Concannon and Committee Members
February 1, 2022

House Bill 2524 – requiring regulation of supplemental nursing services agencies

Proponent

Good Afternoon Madam Chair and Committee Members. I am Tony Johnson, Chief Operating Officer for Recover-Care Healthcare and hold the position of Vice President of Government Affairs on the KHCA Board of Directors. The following bullets provide an overview of our company's Kansas operation:

- Recover-Care operates 20 skilled nursing facilities 2 Assisted Livings, 1 Independent housing, and one hospital in Kansas.
- Our footprint extends as far north as Highland, as south as Conway Springs, as far west as Salina and as East as Shawnee, Kansas.
- We operate 1622 licensed beds
- Employ 2300 employees and approximately 350 contractors.

A. Staffing

1. According to Bureau of Labor Statistics data, the nursing home sector has lost a quarter-million jobs during the pandemic or 14% of its workforce since March 2020. Not only are long-term care facilities dealing with caregiver burnout, but the billions of dollars providers spent fighting the virus and chronic Medicaid under-funding have caused significant operational challenges.
2. We have lost a net 106 FTEs from March 2020 to March 2021! 95% are in nursing.
3. Facility leadership working to provide the care 7 days a week.
4. Burnout is real, we are losing great people to other industries.
5. Low applicant interest.
6. Wages are increasing at an alarming rate, not sustainable long term.
7. Training managers to be C-NAs or feeding assistants.
8. Hospitals have much larger budgets to pay high wages. They received encumbered monies to assist them in funding wage enhancements.

B. Covid Pandemic

1. Post-acute providers have been in a crisis for two years.
2. Other vendors are not allowed to price-gouge when a natural disaster happens for building materials, etc.

3. Vaccine Mandate implementation will result in driving more caregivers from the field creating more supply demand issues with the workforce.

Agency

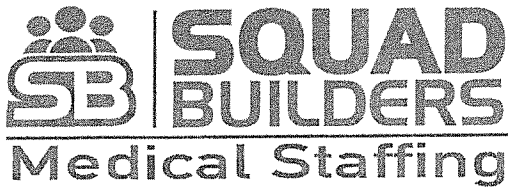
1. Prior to the pandemic, agencies were not desirable due to the cost, inconsistent care, and quality issues.
2. Agencies have become a collective bargaining unit for healthcare mercenaries.
3. Poach our own employees by offering them more pay and pass along the rate to the nursing homes.
4. We pay \$55/hour for a C.N.A and \$82.50 for any Overtime.
5. Costs have increased exponentially in the last 18 months, exceeding our revenues.
6. Our organization has spent \$9.8 million on agency through November 2021.
7. Very unreliable, they will commit to a shift and cancel at the last minute for a provider who will pay more.
8. COVID rates are tiered and subjective. Agencies will ask providers to pay more for higher likelihood of filling the shift. Sometimes the premium is requested after the agency employee calls-in.
9. Markup of 300 percent for Christmas. We were billed \$5025 for one RN to work to work 12 hours on Christmas. Highly unlikely, the nurse received a fair proportion of the premium. Based on 2080 hours, this nurse would cost \$624,000 annually.
10. Agency stipulates they can change the rates at any time in their contract (Please see Exhibit D)
11. Premium rates charged to all facilities regardless of COVID status Exhibit E-E-2)
12. Please review the invoices attached for pricing.

C. Consequences

1. There is a distinct possibility of care access issues by facilities closing due to the financial hardship, particularly in rural communities.
2. Loss of jobs from closure.
3. Potential for poor quality outcomes due to management working the floor and not auditing clinical systems.
4. Difficulty in retaining or recruiting talented caregivers and leaders due to the challenging work environment caused by staffing shortages.

D. Possible Solutions

1. Limiting what agencies can legally charge providers.
2. Develop grants and incentives for future nurses and caregivers. Perhaps a plan that incentivizes nurses to work in rural communities.
3. More access to schools and programs to educate nurses and CNAs.



RE: Billing Updates

December 16, 2021

To Our Valued Customer:

The last two years have thrown a number of challenges at us all and has made us adjust business operations in ways we never thought possible. Believe me when I say I yearn for the old days when things were much simpler. Our business has been serving the KC community through 3 generations for over 30 years and seen many market conditions.

As we continue to assess our business and our ability to serve our customers we have been working diligently to understand where the market is heading. Through our research and many discussions with customers and colleagues we have decided to update our billing structure to reflect a more comprehensive approach to pricing. We are NOT increasing our base rates at this time. We are however ADDING a tiered structure which will allow our customers more flexibility to move up and down in parallel with market conditions.

We have seen this type of pricing structure work very well in our Travel Nursing division which supports customers nationwide. This type of pricing structure offers a more systematic approach to pricing in these dynamic times. Below you will see the updated tiers to include the Base, Incentive, Premium, and Crisis Rates.

Rate Type	CNA	CMA	LPN	RN
Base	\$34.00	\$36.00	\$50.00	\$70.00
Incentive	\$39.00	\$42.00	\$57.00	\$74.00
Premium	\$42.00	\$47.00	\$62.00	\$79.00
Crisis	\$48.00	\$52.00	\$70.00	\$87.00

→ Rarely billed at this level

To be clear the rates above (other than the Base Rate) are ONLY applicable at your choosing/approval when you provide your order(s) to us. In other words you will indicate which rate type you would like to offer when sending your shift order. We are making this tiered pricing structure available effective immediately. Your dedicated Staffing Manager will be available to assist with implementation or questions.

Additionally, at the beginning of the new year we will be moving our billing frequency from bi-weekly to weekly. This will not affect your MSA payment terms in any way.

Exhibit B

Merriam Gardens Healthcare and Rehabilitation



Addendum to Agency Agreement: COVID-19 Staffing Rates

*Rates in effect until Facility is free of COVID-19

COVID-19 Diagnosis Present at Facility

	Weekday	Weekend
C.N.A	34.00	36.00
CMA/CMT	36.00	38.00
LPN	54.00	56.00
RN	63.00	65.00

Staff Assigned to Direct Care of Patients with COVID-19

	Flat Rate
C.N.A	46.00
CMA/CMT	48.00
LPN	62.00
RN	76.00

Overtime

Zack Group's workweek begins Sunday at 7a and ends with the Saturday 11p-7a shift. All work in excess of 40 hours per week will be billed at time and one half of the regular rate.

Holidays

The following Holidays are billed at time and one-half the regular rate:

Memorial Day	7a-3p, 7a-7p, 3p-11p, 7p-7a, 11p-7a
July 4th	7a-3p, 7a-7p, 3p-11p, 7p-7a, 11p-7a
Labor Day	7a-3p, 7a-7p, 3p-11p, 7p-7a, 11p-7a
Thanksgiving	7a-3p, 7a-7p, 3p-11p, 7p-7a, 11p-7a
Christmas Eve	3p-11p, 7p-7a, 11p-7a
Christmas Day	7a-3p, 7a-7p, 3p-11a, 7p-7a, 11p-7a
New Year's Eve	3p-11p, 7p-7a, 11p-7a
New Year's Day	7a-3p, 7a-7p, 3p-11a, 7p-7a, 11p-7a

Agency:

Sign: Courtney Morris

Courtney Morris

Senior Director of Travel & Operation

Date: 9-22-2021

Facility:

Sign: _____

Name: _____

Title: _____

Date: _____

Exhibit C

APPENDIX A

HOURLY RATE SCHEDULE LONG TERM CARE Effective 10/16/21

CLASSIFICATION	WEEKDAY		WEEKEND*	
	7a - 3p 7a - 7p 3p - 11p	11p - 7a 7p - 7a	7a - 3p 7a - 7p 3p - 11p	11p - 7a 7p - 7a
RN	\$58.00	\$59.00	\$59.00	\$60.00
LPN	\$50.00	\$52.00	\$54.00	\$56.00
CERT MED AIDE/TECH	\$37.00	\$39.00	\$41.00	\$43.00
CERT NURSE AIDE	\$35.00	\$37.00	\$37.00	\$39.00

*Weekend rates begin at 7 pm Friday and continue until 7 am, Monday morning.

PREMIUM PAY RATES

An authorized Facility representative can approve premium pay rates for any shift as an incentive to fill. Please contact CareStaf's Scheduling Team for this option.

RN	\$75.00
LPN	\$66.00
CMA/CMT	\$48.00
CNA	\$44.00

SHIFT START TIMES

If shifts begin at times other than 7a, 3p, 7p or 11p, the applicable bill rate is the hourly rate closest to the shift start times in the above rate table.

OVERTIME

Work in excess of forty (40) hours per week for licensed nurses is billed at time and one-half the regular hourly rate. CareStaf's work week begins at 7 am, Saturday morning. Work in excess of forty-eight (48) hours for Certified Nurse Aides and Certified Med Aides/Techs is billed at time and one-half the regular hourly rate. (CareStaf reserves right to amend overtime policy with a 30 day notice).

Kristen Barrett

Exhibit D

From: Kristen Barrett
Sent: Wednesday, January 26, 2022 2:46 PM
To: Anthony Johnson
Subject: FW: CareStaf Rate Increase
Attachments: CareStaf Rate Schedule-2021.pdf

From: Martha Kaiser <marthak@CARESTAF.com>
Sent: Tuesday, October 26, 2021 3:33 PM
To: Kristen Barrett <KBarrett@meadowbrookrh.com>
Cc: Karla Alvarado <KAlvarado@meadowbrookrh.com>
Subject: FW: CareStaf Rate Increase

This message was sent from outside the company. Please do not click links or open attachments unless you recognize the source of this email and know the content is safe.

Hi Kristin,

I am writing to inform you that CareStaf is increasing our hourly billing rates effective 11/06/21. Attached is our new rate sheet that replaces Appendix A in your CareStaf Staffing Agreement.

Our Staffing Agreement states that we can increase our rates at anytime, but for professional courtesy, we wanted to offer a notice. These rates to apply to all patient care areas of Meadowbrook.

Please let me know if we can help by sending your staffing needs to our 24/7 email kcstaff@carestaf.com or call 913.498.2888.

Thank you.

Martha Kaiser
Senior Account Manager



8001 College Blvd. Suite 250
Overland Park, KS 66210

(913) 498-2888 Office

Direct Email-marthak@carestaf.com
Staffing Email-kcstaff@carestaf.com

The information contained in this e-mail message is privileged and confidential information intended for the use of the addressee(s) listed above and no one else. If you are not the intended recipient(s) or the employee or agent responsible to deliver this message to the intended recipient(s), please do not use this transmission in any way, but contact the sender by telephone.

Kristen Barrett

Exhibit E

From: Anthony Johnson
Sent: Wednesday, January 26, 2022 3:11 PM
To: Kristen Barrett
Subject: RE: Important CareStaf Announcement regarding Premium Rates

Thank you-
Tony

Anthony Johnson
Chief Operating Officer
612-644-0677



From: Kristen Barrett <KBarrett@meadowbrookrh.com>
Sent: Wednesday, January 26, 2022 1:17 PM
To: Anthony Johnson <AJohnson@Recover-care.com>
Subject: FW: Important CareStaf Announcement regarding Premium Rates

From: Lynne Atwater <LATwater@meadowbrookrh.com>
Sent: Thursday, January 6, 2022 3:57 PM
To: Kristen Barrett <KBarrett@meadowbrookrh.com>; Karla Alvarado <KAlvarado@meadowbrookrh.com>
Subject: Fwd: Important CareStaf Announcement regarding Premium Rates

My favorite lol

Sent from my iPhone

Begin forwarded message:

From: Martha Kaiser <marthak@carestaf.com>
Date: January 6, 2022 at 3:43:44 PM CST
Subject: Important CareStaf Announcement regarding Premium Rates

This message was sent from outside the company. Please do not click links or open attachments unless you recognize the source of this email and know the content is safe.

To our LTC Facility Clients-

Exhibit E.2

Unfortunately the Omicron variant has created an influx of positive covid cases and we are so sorry that your community may be experiencing this worry. From what we are hearing, most positive cases are asymptomatic and we hope that is true in your community.

As you may expect on our end, filling your staffing needs has become very difficult. Unfortunately, we filled a lower number of staffing needs during the past holiday weekends, primarily due to covid concerns by our staff. Whether vaccinated or not, many CareStaf employees are concerned about covid exposure because if tested positive, they will be quarantined for a minimum of 5 days and unable to work.

We understand that our challenges do not compare to the challenges your LTC facility may be facing, ie, a covid outbreak of your staff or that family visitation may again be restricted. Again, we are very sympathetic to these challenges you are facing.

Earlier today, CareStaf's owner and senior team members met to address how we can be continue to be a strong LTC staffing partner during this surge of covid. We agreed that we will be charging all clients our Premium Rates, **regardless of facility covid status or if our employees provide direct care to a covid positive resident (s).**

Therefore, please be advised that our premium rates will be billed for all shifts starting at 7pm tomorrow (1/7/22) until 7pm on January 31, 2022.

PREMIUM RATES (All Shifts)

RN	\$75.00
LPN	\$66.00
CMA/CMT	\$48.00
CNA	\$44.00

We are providing our employees this additional pay incentive to accept this risk to work with covid patients. We are now reconfirming with our staff not to accept assignments if they are not willing to work directly with covid positive patients.

Finally, as many of our clients have done, if you choose to add an incentive (ie. extra pay, bonus etc.) above our premium rates this increases the odds staff willing to work will select your facility.

If you have any questions, please contact me.

Martha Kaiser
Senior Account Manager

8001 College Blvd. Suite 250
Overland Park, KS 66210

(913) 498-2888 Office

Direct Email-marthak@carestaf.com
Staffing Email-kcstaff@carestaf.com

Medstar Healthcare Staffing LLC

8101 College Blvd Suite 100 PMB1026
Overland Park, KS 66210
+1 9134400011
info@mhstaffing.org



INVOICE

BILL TO
Meadowbrook Rehabilitation Hospital
427 W Maint St
Gardner, Kansas 66030

INVOICE 1120
DAIE 12/20/2021
TERMS Net30
DUE DATE 01/19/2022

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
12/20/2021	Staffing CNA	CNA. NOC shift HOSP contract	11.53	50.00	576.50
12/22/2021	Staffing CNA	CNA. NOC shift HOSP contract	11.72	50.00	586.00
12/23/2021	Staffing RN	RN. Day shift HOSP contract	12.75	80.00	1,020.00
12/23/2021	Staffing LPN	LPN. NOC shift HOSP	11.78	50.00	589.00
12/23/2021	Staffing CNA	CNA. NOC shift HOSP	11.90	34.00	404.60
12/24/2021	Staffing LPN	LPN. Day shift HOSP triple time offered	6.55	225.00 / h o l l "	1,473.75
12/24/2021	Staffing CNA	CNA. Day shift HOSP triple time offered	11.58	153.00/h o	1,771.74
12/24/2021	Staffing RN	RN. Day shift HOSP	12.33	120.00 / h & S t " : : .	1,479.60

THIS ACCOUNT HAS BEEN SOLD & ASSOCIATED TO FLEX CAPITAL LLC. PLEASE DIRECT PAYMENT TO:
FLEX CAPITAL, LLC c/o

Medstar Healthcare Staffing, LLC

P.O. BOX 219472

KANSAS CITY, MO 64121-9472

FOR FURTHER CLAIMS, OFFSETS/INVOICES OR DISPUTES TO

913-229-4224 OR ACCOUNTING@FLEXCAPITAL.COM

Page 1 of 2

Another Invoice with 300% markup

12/24/2021	Staffing LPN	contract , LPN. NOC shift SNF triple time offered	5.55	225.00	1,248.75
12/24/2021	Staffing CNA	CNA. NOC shift HOSP triple time offered	12.03	153.00	1,840.59
12/25/2021	Staffing LPN	, LPN. Day shift SNF triple time offered	11.50	234.00	2,691.00
12/25/2021	Staffing LPN	LPN. NOC shift HOSP triple time offered	12	234.00	2,808.00
12/25/2021	Staffing CNA	CNA. NOC shift HOSP triple time offered	12.55	162.00	2,033.10
12/25/2021	Staffing CNA	CNA. NOC shift HOSP contract	11.60	78.00	904.80
12/25/2021	Staffing CNA	, CNA. Day shift HOSP triple time offered	11.80	162.00	1,911.60

BALANCE DUE:

\$21,339.03

THIS ACCOUNT HAS BEEN SOLD & ASSIGNED TO PLEX CAPITAL LLC. PLEASE DIRECT PAYMENT TO:
PLEX CAPITAL, LLC c/o

Medstar Healthcare Staffing, LLC

P.O. BOX 219472

KANSAS CITY, MO 64121-9472

REPORT ALL CLAIMS, OFFSETS AND/OR DISPUTES TO

913-229-4224 OR ACCOUNTING@PLEXCAPITAL.COM

Page 2 of 2



6600 College Blvd
Ste 300
Overland Park, KS 66211

Client #: 0001398
Invoice#: 1210005750
Invoice 12/27/2021
Tenns: Net 30
Due Date: 01/26/2022
Page:2
PO#:

Account Billed:

Meadowbrook Rehabilitation Hospital
Attn: A/P
427 W. Main St
Gardner, KS 66030

Remit To: Zack Group
6600 College Blvd., Ste. 300
Overland Park, KS 66211

Date	Registrant	Discipline	Specialty	Shift	Hours	Bill Rate	Amount
		LPN		12 Hours AM-PM	2.00R 9.500	\$80.00 \$120.00	\$160.00 \$1,140.00
		LPN		12 Hours PM-AM	12.00R	\$80.00	\$960.00
		LPN		12 Hours PM-AM	12.00R	\$80.00	\$960.00
		LPN		12 Hours PM-AM	11.75 R	\$80.00	\$940.00
		LPN		12 Hours PM-AM	4.25R wh 7.500 wh	\$120.00 \$180.00	\$510.00 \$1,350.00
		CNA		12 Hours AM-PM	11.50R w	\$50.00	\$575.00
		CNA		12 Hours PM-AM	11.25 R w	\$50.00	\$562.50
		CNA		12 Hours PM-AM	11.50R	\$50.00	\$575.00
		CNA		12 Hours PM-AM	11.25 R	\$50.00	\$562.50
		CNA		12 Hours PM-AM	11.50 R w	\$50.00	\$575.00
		CNA		12 Hours PM-AM	11.75 R	\$50.00	\$587.50
		CNA		12 Hours PM-AM	5.00R	\$50.00	\$250.00
		LPN		12 Hours AM-PM	12.00R	\$42.00	\$504.00
		RN		12 Hours AM-PM	2.50R 9.500	\$300.00 \$450.00	\$750.00 \$4,275.00
		LPN		12 Hours AM-PM	12.00R	\$240.00	\$2,880.00
		LPN		Evening	6.25R	\$240.00	\$1,500.00
		CNA		Evening	6.00R	\$150.00	\$900.00
		LPN		12 Hours AM-PM	11.50 R	\$240.00	\$2,760.00
		CNA		Evening	8.50R h	\$150.00	\$1,275.00
		CNA		12 Hours AM-PM	12.00R	\$150.00	\$1,800.00
		LPN		Night	0.00 wh 8.000 wh	\$240.00 \$360.00	\$0.00 \$2,880.00
		LPN		Night	5.00 R w h	\$160.00	\$800.00
		LPN		12 Hours AM-PM	11.50 R w h	\$240.00	\$2,760.00
		LPN		12 Hours AM-PM	12.00 R w h	\$240.00	\$2,880.00
		CNA		Evening	6.00 R w h	\$150.00	\$900.00
		CNA		12 Hours AM-PM	12.00 R w h	\$150.00	\$1,800.00
		CNA		Evening	6.00 R w h	\$150.00	\$900.00
		CNA		12 Hours AM-PM	9.75 R w h	\$150.00	\$1,462.50
		RN		12 Hours AM-PM	5.00 R w h 6.750 w h	\$300.00 \$450.00	\$1,500.00 \$3,037.50
		LPN		12 Hours AM-PM	3.50 R w h 8.500 w h	\$240.00 \$360.00	\$840.00 \$3,060.00
		RN		12 Hours AM-PM	12.75 R w h	\$300.00	\$3,825.00
		RN		12 Hours AM-PM	11.75 R w h	\$300.00	\$3,525.00
		LPN		12 Hours AM-PM	11.75 R w h	\$240.00	\$2,820.00

t.J

Invoice Copies showing 300% markup



Client #: 0001398
 Invoice #: 1210005750
 Invoice 12/27/2021
 Tent1S:Net30
 Due Date: 01/26/2022
 Page: 1
 PO#:

Account **Billed:**
 Meadowbrook Rehabilitation Hospital
 Attn: N P
 427 W. Main St
 Gardner, KS 66030

Remt:To: Zack Group
 6600 College Blvd., Ste. 300
 Overland Park, KS 66211

Date	Registrant	Discipline	Specialty	Shift	Hours	Bill Rate	Amount
		CNA		12 Hours PMAM	11.50R	\$50.00	\$575.00
		CNA		12 Hours PMAM	11.25R	\$50.00	\$562.50
		CNA		12 Hours PMAM	9.75R wh 1.750 wh	\$75.00 \$112.50	\$731.25 \$196.88
		CNA		12 Hours AMPM	11.50R	\$50.00	\$575.00
		CNA		12 Hours AMPM	11.75R	\$50.00	\$587.50
		CNA		12 Hours AMPM	11.50R wh	\$75.00	\$862.50
		LPN		12 Hours PMAM	11.25R w	\$80.00	\$900.00
		LPN		12 Hours PMAM	11.50 R wh	\$120.00	\$1,380.00
		LPN		12 Hours AMPM	12.00R	\$80.00	\$960.00
		LPN		12 Hours AMPM	12.00R	\$80.00	\$960.00
		LPN		12 Hours AMPM	12.50R	\$80.00	\$1,000.00
		LPN		12 Hours PMAM	12.25R w	\$80.00	\$980.00
		LPN		12 Hours PMAM	11.75R w	\$80.00	\$940.00
		LPN		12 Hours PMAM	11.75R	\$80.00	\$940.00
		LPN		12 Hours PMAM	12.00R wh	\$120.00	\$1,440.00
		LPN		12 Hours AMPM	0.00 w 12.50Ow	\$80.00 \$120.00	\$0.00 \$1,500.00
		LPN		12 Hours AMPM	11.75R w	\$80.00	\$940.00
		LPN		12 Hours AMPM	12.00R	\$80.00	\$960.00
		LPN		12 Hours AMPM	4.50R 7.500	\$80.00 \$120.00	\$360.00 \$900.00
		LPN		12 Hours AMPM	0.00 11.500	\$80.00 \$120.00	\$0.00 \$1,380.00
		LPN		12 Hours AMPM	0.00 12.500	\$80.00 \$120.00	\$0.00 \$1,500.00
		LPN		12 Hours AMPM	11.75R w	\$80.00	\$940.00
		LPN		12 Hours AMPM	12.00R	\$80.00	\$960.00
		RN		12 Hours PMAM	11.75R	\$100.00	\$1,175.00
		RN		12 Hours PMAM	12.00R	\$100.00	\$1,200.00
		RN		12 Hours PMAM	12.50R	\$100.00	\$1,250.00
		CNA		12 Hours PMAM	9.75R w	\$100.00	\$975.00
		CNA		12 Hours PMAM	12.50R w	\$50.00	\$625.00
		LPN		12 Hours AMPM	12.50R	\$80.00	\$1,000.00
		LPN		12 Hours AMPM	12.25R	\$80.00	\$980.00
		LPN		12 Hours AMPM	12.00R w	\$80.00	\$960.00
		LPN		12 Hours AMPM	13.00R	\$80.00	\$1,040.00
		LPN		12 Hours AMPM	13.00R	\$80.00	\$1,040.00



6600 College Blvd
Ste 300
Overland Park, KS 66211

Client #: 0001398
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Meadowbrook Rehabilitation Hospital
Attr: A/P
427 W. Main St
Gardner, KS 66030

Rerrit To: Zack Group
6600 College Blvd., Ste. 300
Overland Park, KS 66211

Date	Registrant	Discipline	Specialty	Shift	Hours	Bill Rate	Amount
					Total Hours:	736.50	Invoice: \$92,617.13
							(0.0000%) Tax: \$0.00
							Payments: \$0.00
							Balance: \$92,617.13