

27 January 2022

House Committee on Children and Seniors:

I appreciate you taking the time to consider my input and support for HB 2524 Nursing Services Agency Legislation Hearing. I am Chris Osborn from Olathe, KS. I am the CEO at Evergreen Community of Johnson County in Olathe, KS. Evergreen is an adult care home serving up to 112 residents and employing 150+ staff members.

COVID-19 has been an extremely challenging two years. It has taken its toll on residents' and employees' mental and physical health. It has created resource shortages in medical supplies, medical equipment, and workforce.

Evergreen is known for providing great person-centered care. Our consistent staffing model has the same employees working with the same residents each day. This creates positive relationships, a sense of security for residents, and better quality of care outcomes. The current workforce shortage and dependency on staffing agencies does not allow for relationships and a sense of security to develop for residents and negatively affects the quality of care residents receive.

Beyond the relationships and quality of care challenges is the strain on financial resources staffing agencies place on adult care homes. Evergreen pays registered nurses \$30-\$39/hour. We have contracts with 12 staffing agencies. Those agencies charge adult care homes anywhere from \$58/hour to \$109/hour for a registered nurse. The pricing has steadily increased over the last two years during the pandemic. The staffing agencies now have created a tiered pricing structure. An adult care home can choose the base rate, incentive rate, or crisis rate. The price for a nurse, certified medication aide, or certified nursing aide increases at each tier level. If one adult care home is only willing or only able to afford the base rate, they most likely will not be able to get an agency staff member to pick up an open shift. That is because another adult care home is willing or able to pay the incentive rate or crisis rate. The agency staff members are picking up the shifts at the adult care homes that are paying the highest rates. So essentially, adult care homes must find a way to pay the higher rates to fill an open shift.

Full-time staff at adult care homes are leaving to work for staffing agencies to make the higher wages. Government Provider Reliefs Funds have been the lifeline keeping adult care homes from going out of business. Those funds are being siphoned off by staffing agencies charging exorbitant fees that draw adult care home staff away from the adult care homes that were employing them.

If an adult care home would like to hire an agency staff member there is a buyout price that must be paid to the staffing agency. The buyout price for a nurse can range from \$5,000 to \$7,500. Adding insult to injury, this is yet another strain on financial resources for adult care homes fighting to hire and retain qualified staff.

This legislation would allow agency staff members to move freely between employment opportunities without penalty or buyout clauses. It would also limit the rates for which staffing agencies can charge based on 150% the average wage per contracted staff position.





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The staffing agencies wage rates must be reined in to protect government dollars and residents' safety. In some cases, it protects the residents' homes. Adult care home closures due to financial strains are already occurring. Every time an adult care home closes people lose their home.

Additionally, the legislation contains requirements that help to protect the people living at adult care homes. It will require oversight of all staffing agencies working in Kansas, create a survey process, complaint investigation process, and fines for staffing agencies who are found to be in non-compliance of provisions included in the bill, ensure staffing agencies carry the appropriate insurance coverages and bonds to operate in the state of Kansas, and ensure staffing agencies provide properly trained and credentialed staff who have passed all necessary background checks.

Passing this legislation will be one tool in helping to find a solution to the workforce shortages facing adult care homes and protecting the people that live there.

Thank you for your time and consideration.

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