

June 6, 2022

The Honorable Kevin Cramer
United States Senate
330 Hart Senate Office Building
Washington, DC 20510

Dear Senator Cramer:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) is pleased to support your bill, the Travel Nursing Agency Transparency Study Act.

Due to a decline in hospital employment and higher demand for care, especially during the delta and omicron surges, nearly all health care facilities have relied on travel nurse staffing agencies to address staffing shortages.¹ However, we are concerned that these staffing agencies have been exploiting workforce shortages by inflating prices to increase their own profit margins throughout the pandemic.

The reliance on travel nurses and the associated costs to employ these nurses has grown significantly since the start of the pandemic. The hours worked by travel nurses as a percentage of total hours worked by nurses in hospitals grew from less than 4% in January 2019 to over 23% in January 2022 according to data from Syntellis Performance Solutions. At the same time, hospitals spent a median of almost 40% of their total nurse labor expenses on travel nurses in January 2022, as compared to under 5% in January 2019.

This is largely due to the fact that travel nurse staffing agencies drastically increased the hourly rates they charged to hospitals. From January 2019 to January 2022, those rates

¹ <https://www.amnhealthcare.com/siteassets/amn-insights/surveys/amn-survey-of-temporary-allied-healthcare-professional-staff-trends-2021.pdf>



The Honorable Kevin Cramer

June 6, 2022

Page 2 of 2

increased by 213%. However, these agencies are not passing along a comparable increase in wages to travel nurses. According to an analysis conducted by the AHA of data from Syntellis Performance Solutions and Emsi Burning Glass Market Analytics, during pre-pandemic levels in 2019, the average margin retained by staffing agencies for travel nurses was about 15%. As of January 2022, the average margin had grown to an astounding 62%.²

We appreciate that your bill would instruct the Government Accountability Office to study the dynamics and business practices of travel nurse staffing agencies during the pandemic, including potential price gouging and excessive profits, increased margins that agencies retain for themselves, impact of increased reliance on travel nurses in rural areas, and how these practices contribute to workforce shortages across the country.

Many hospitals and health systems are facing significant financial and operational concerns as a result of the unsustainable rates charged by travel nurse staffing agencies. We thank you for introducing your bill, which will highlight many of these concerns. We look forward to working with you and your colleagues to address this important issue.

Sincerely,

/s/

Stacey Hughes
Executive Vice President

² <https://www.aha.org/costsofcaring>