

Congress of the United States
Washington, DC 20515

November 15, 2021

Mr. Jeffrey Zients
COVID-19 Response Team Coordinator
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. Zients:

As you know, the most recent surge in COVID-19 cases put tremendous strain on the entire health care system, particularly the supply of desperately needed hospital staff. Providers across the country reported extreme physical and mental burnout, and in September 2021 alone, health care employment fell by 17,500. COVID-19 has affected every state and every corner of the nation, and cases are still rising in some areas. The persistent strain of the pandemic on health care providers has required many hospitals to rely on nurse-staffing agencies to supply urgently needed staff to care for the increasing number of patients.

We are writing to inquire about the extreme prices being reported for nurse staffing agencies from hospitals in our states, and the concern that certain staffing agencies may be taking advantage of these difficult circumstances to increase their profits at the expense of patients and the hospitals that treat them. We have received anecdotal reports that the nurse staffing agencies are vastly inflating price, by two, three or more times pre-pandemic rates, and then taking 40% or more of the amount being charged to the hospitals for themselves in profits. We have heard the amounts charged to hospitals rose precipitously when the most recent wave of the COVID-19 crisis swept the nation and the agencies seemingly seized the opportunity to increase their bottom line. But this is not the first time the agencies have engaged in this sort of conduct. As the first wave of COVID-19 swept the nation in 2020, they similarly inflated their prices to hospitals. Hospitals have no choice but to pay these exorbitant rates because of the dire workforce needs facing hospitals around the country.

This model is unsustainable for many health systems. As the pandemic continues and we enter flu season, we request you enlist one or more of the federal agencies with competition and consumer protection authority to investigate this conduct to determine:

- Is this activity the product of anticompetitive activity?
- What is the ownership structure of these staffing agencies and is there evidence of price collusion or other anti-competitive pricing patterns?
- Does this activity violate consumer protection laws?
- Are these increased rates translating to higher pay for contract nurses?
- What impact have these price increases had on rural and underserved areas?
- Have nurse staffing agencies increased their own percentage of profit during the COVID-19 pandemic? If so, by how much?

- How much of the COVID-19 relief funds are directly or indirectly going to pay these contracts?
- How may the 100% cost share for FEMA reimbursement be contributing to the ability of the staffing agencies to extract higher payment?

We urge you to ensure that this matter gets the attention from the federal government it merits to protect patients in dire need of life saving health care treatment and prevent conduct that is exacerbating the shortage of nurses and continuing to strain our health care system. We look forward to your response.

Sincerely,



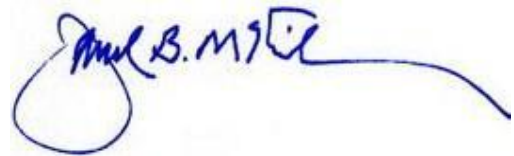
Mark Kelly
United States Senator



Bill Cassidy, M.D.
United States Senator



Doris Matsui
Member of Congress



David B. McKinley P.E.
Member of Congress

CC:

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Ave., SW
Washington, DC 20201

The Honorable Deanne Criswell
Administrator
Federal Emergency Management Agency
500 C St., SW
Washington, DC 20472

The Honorable Merrick Garland
Attorney General
U.S. Department of Justice
950 Pennsylvania Ave., NW
Washington, DC 20530

The Honorable Lina Khan
Chair
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, DC 20580

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building, Room 445-G
200 Independence Ave., SW
Washington, DC 20201