

**Statement of Patty Jeffrey  
President  
American Association of International Healthcare Recruitment**

**On:  
“HB23-1030 Prohibit Direct-hire Fee Health-care Staff Agency”**

**Before the Colorado Senate Business Affairs, Labor, and Technology Committee**

**March 7, 2023**

The American Association of International Healthcare Recruitment is pleased to submit this statement for the record to the Colorado Senate Business Affairs and Labor Committee on the extraordinary contributions to patient care made by international healthcare staffing agencies and the foreign-educated clinicians whose emigration and work placement they facilitate.

As the preeminent nonpartisan advocate for international healthcare workers and the health systems that rely on them, the AAIHR is uniquely positioned to comment on the legislation before the Committee today and how it will negatively impact the delivery of quality healthcare across the state.

The AAIHR is the largest and leading business league of international healthcare staffing organizations in the United States. Our members are the silent lynchpin of America's over-stressed healthcare system by addressing long-term staffing needs.

International nurses placed by our members become deeply-rooted fixtures of their new communities and many of them would never have made it through the complex, years-long process required of healthcare immigration. (Frieden, 2022)

Consider the story of Gigi Roy, a Filipino-born registered nurse who emigrated to the United States in 2014 through a long-term placement opportunity with an AAIHR member firm.

After demonstrating equivalent or higher education and passing US licensure and English language proficiency exams, Mrs. Roy's husband and children built a new life—a distinctly American one. After visiting the site of the 9/11 terrorist attack in New York, Mrs. Roy's daughter was moved to serve her adopted country by enlisting in the United States Air Force. Tragically, Airman Patricia Roy died while on active duty and was posthumously awarded the Air Force Achievement Medal in recognition of her outstanding service. To honor Airman Roy's unfulfilled wish of becoming a nurse like her mother, her father, Gigi's husband, enrolled in nursing school and now holds a leadership role in the healthcare field. After Mrs. Roy's contract with the staffing agency who placed her and supported her legally, professionally, and emotionally had expired, she accepted a staff position at the same hospital in which she had been placed. (Roll Call, 2019)

Mrs. Roy's story—and all the American patients she treated along the way—was only possible because of the technical expertise of a healthcare staffing agency. She, like tens of thousands of other international healthcare clinicians who've been supported by healthcare staffing agencies, stepped into

the breach of this country's persistent nurse staffing shortage. We need more stories like Mrs. Roy's, not less.

HB23-1030 is well-intentioned but ultimately shortsighted proposition that will imperil patient care in Colorado by catastrophically disrupting the business of ethical international healthcare recruitment.

This legislation prohibits a staffing agency from lawfully executing its contractual agreements that protect the enormous investments it makes in the nurses it places. It would mean international recruitment firms that bankroll an international nurse's complicated green card process have no legal protection. In practical terms, it would mean international healthcare recruiters forgo placements in Colorado. Nurses that could be treating patients in rural health systems across Colorado would instead go to other states.

## **Healthcare staffing by the numbers**

Demand for healthcare has never been higher, thanks to a growing and aging population. At the same time, staffing has never been so strained.

By 2025, global management consultancy McKinsey & Company estimates the US nursing staffing gap will balloon upwards of 20 percent, making for a shortage of as many as 450,000 necessary nurses. (Assessing the Lingering Impact of COVID-19 on the Nursing Workforce, 2022) To bridge this yawning gap, the US would need to more than double the number of nurse graduates for at least three years without losing any to attrition once in the workforce.

Unfortunately, that's not possible. In 2020, 80,000 qualified nursing school applications were rejected, according to a study by the American Association of Colleges of Nursing. (Letourneau, n.d.) Nursing schools were forced to reject these otherwise qualified candidates because of a chronic shortage of nurse educators, limited clinical placement opportunities, and insufficient classroom space. (AACN Fact Sheet - Nursing Faculty Shortage, n.d.) The United States has neither the professors nor desks to train the next generation of nurses.

The Colorado Center for Nursing Excellence reports that, of the state's 61,000 nurses, roughly one-third are over the age of 55. As these nurses leave the workforce by retirement, the state's shortage will only worsen. One study projects the state will suffer a shortage of 10,000 nurses by 2026. (Peters, 2023)

In 2007, labor economists estimated that foreign-educated nurses represented seven percent of the US registered nurse (RN) workforce. (Aiken et al., 2014) One in six RNs treating patients today is an immigrant, accounting for roughly 16 percent of the total workforce as health systems struggle to respond to rising demand for care and Baby Boomer retirements. (Reuters, 2018)

In a national survey of RNs conducted by the AAIHR last year, 78 percent of nurses said staffing in their unit had reached "unsafe levels." (AAIHR Survey, 2022) Thirty-nine percent of all survey respondents reported a patient workload increase of three or more.

The US and Colorado meeting or missing its annual goal of training or internationally recruiting massive numbers of new nurses could mean the difference between life and death for ordinary patients. Model nurse staffing mix is one of the strongest predictors of positive patient outcomes, whereas understaffed units carry increased patient safety events, morbidity, and mortality. One study by the National Institute

of Nursing Research (NINR) found that increasing a nurse's workload by just one patient increases the risk of patient mortality by seven percent. (Aiken et al., 2014)

## **Hurdles to nurse immigration**

Despite the urgency to staff patient bedsides, immigration laws don't make it easy for qualified international nurses to emigrate or for desperate-to-staff hospitals to hire them. These rules require foreign-educated nurses living abroad to secure an offer of employment before initiating the permanent resident application process, which often takes a year or more and must be completed before entering the country.

This lengthy process is unlike those for other high-skilled employment fields, like tech workers, who are already living and working in the US on work visas while awaiting green card consideration.

Healthcare staffing agencies like those represented by the AAIHR help highly-skilled foreign clinicians navigate this complex process and find placement opportunities in the United States.

## **Results in a more educated and stable nursing workforce**

Higher nurse education is associated with lower mortality and failure to rescue rates. (Aiken et al., 2014)

Immigrant nurses are statistically better educated than their US-born peers. Owing to immigration regulations, virtually all foreign-educated nurses arrive in the US with a bachelor's degree. (Audet et al., 2018) Meanwhile, just 57% of their native-born peers have earned a bachelor's degree. (Campaign for Action, 2019)

One 2020 paper published in the Journal of Nursing Economics found that not only did the presence of international nurses not lead to a decrease in collaboration among nurses and with physicians, but they positively affected overall retention rates because they are more likely to remain in the same unit longer than native-born peers. (Nursing Economic\$, the Journal for Healthcare Leaders, n.d.) Taken together, this combination of higher-than-average education and a propensity to remain at the bedside, immigrant nurses have a demonstrable, positive impact on patient care.

## **Ethical recruiting principles**

The American Association of International Healthcare Recruitment recognize the rights of foreign-educated nurses to lawfully emigrate to countries of their choosing. Affirming an international nurse's agency in immigration provides enormous benefits to the clinician, their family, their country of origin, and their new home.

The ethical recruitment of these nurses is central to our mission. As a condition of membership in the AAIHR, member organizations must adhere to a strict and detailed code of ethics as administered by an independent oversight panel. We believe our policies and the external oversight protections ensures that international nurses are treated with the dignity they deserve.

Our policies ask that international recruiters think of the sustainability of healthcare services within source countries; that members comply with all applicable immigration, wage, and labor laws; that

members be transparent in the contracting process; honor all commitments made to clinicians and their families; and adhere to credentialing standards.

While the AAIHR is the largest and leading business league of international healthcare recruiting agencies, we do not represent all actors in this space. We strive to lead by example.

## **Conclusion**

American healthcare would have collapsed through the pandemic without the enormous contributions of immigrant nurses, who make up one in six practicing RNs today. An overwhelming majority of international nurses working today in the US have been placed by health care staffing agencies.

The worst of the coronavirus is behind us, but the nurse staffing crisis is worse than ever. The AAIHR commends the Committee's attention to health care staffing and urge it reconsider any provisions or proposals that would hinder the ability of staffing agencies to place qualified international nurses in Colorado.

## Citations

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March 7, 2023

RE: Please support HB23-1030

Thank you Chair Rodriguez and members of the committee for the opportunity to provide written testimony on HB23-1030. My name is Deborah Lively, and I am the Director of Public Policy and Public Affairs for LeadingAge Colorado. We are a statewide trade association that represents the full continuum of senior living and care providers, including nursing facilities, assisted living residences, adult day centers, independent housing, and the state's PACE providers. We are in support of HB23-1030.

Long-term care providers have experienced debilitating workforce and staffing challenges since the onset of COVID-19 and these issues have been exacerbated by the actions of temporary staffing agencies. The temporary staffing agencies have significantly raised their rates, yet providers are forced to use these arrangements because they need to staff their communities at adequate levels to care for their residents. Members report to me that these agencies charge 2 to 4 times the average wage for nurses and nurse aides.

Providers prefer to use their own permanent staff. However, they are forced to contract with nurse-staffing agencies to cover shifts when workers are not available due to COVID-19 absences or the inability to hire enough staff. Providers are trying all tactics to hire and retain staff including wage increases, sign on and retention bonuses, childcare and scheduling flexibility. However, it is still very difficult. One of my members has raised nurse and nurse aide wages by 20 percent and are offering \$10,000 sign on bonuses and still they only receive a few applications. Medicaid helps pay for most long-term care services in the state and payment rates are not structured to respond to these increasing and excessive costs.

Additionally, staffing agencies charge a significant fee if one of their employees decides to seek permanent employment with a health care facility. We believe these fees are excessive and further add to the difficulties our members experience in hiring permanent staff. HB23-1030 prohibits staffing agencies from charging these fees. LeadingAge Colorado supports this bill to lessen the financial burdens placed on health care facilities by staffing agencies and to support the efforts of our members to recruit quality employees.

Please support HB23-1030.

Thank you in advance for your consideration.

A handwritten signature in black ink, appearing to read "Deborah Lively".

Deborah Lively  
Director of Public Policy & Public Affairs  
LeadingAge Colorado