

March 28, 2022

The Honorable Dave Cortese  
Senate Labor, Public Employment and Retirement Committee  
1021 O Street, Room 6740  
Sacramento, CA 95814

**SUBJECT: SB 1212 (Caballero) – Support**

Dear Senator Cortese:

The Alliance of Catholic Health Care, which represents California's Catholic-affiliated health systems and hospitals, is pleased to support SB 1212 (Caballero). The Alliance represents California's Catholic-affiliated health systems and hospitals and together, our health systems operate 51 acute care hospitals, which represent nearly 15% of all hospitals and over 16% of the hospital beds in California.

Throughout the unprecedented global pandemic, our hospitals have responded with an unyielding commitment to protect our communities. To care for the most vulnerable patients and ensure all Californians receive the care they need, they have taken unprecedented steps, suspending many procedures and services when called to do so, purchasing all necessary PPE to keep staff safe, testing supplies for the staff and community, and doing whatever is needed to train and hire additional staff amid a national shortage.

The pandemic has revealed fundamental needs within the state's health care system, including around workforce issues. In particular, the COVID-19 pandemic has shown that gaps in state law permit unscrupulous health care staffing agencies to price gouge, which increases the cost of health care, jeopardizes access to care, and undermines the fundamental labor rights of health care workers. For these reasons, we are pleased to support SB 1212, which will address consistent and challenging problems with staffing agencies that provide temporary health care workers.

During the pandemic, health care staffing agencies, which provide temporary workers to hospitals and clinics, have dramatically increased their prices, in some cases by 200%-400%. For most of the agencies, the increase has almost entirely been due to the increased demand for workers due to the COVID-19 pandemic coupled with the limited supply of health care workers, and all parties have benefited from the arrangement: the temporary worker was paid market rate, the staffing agency profited, and the hospital had sufficient staff to care for patients.

However, hospitals throughout the state report that some health care staffing agencies dramatically increased prices, but then retained the increase as profit, depriving workers of the higher rates. Moreover, hospitals have reported time-sensitive, artificial increases in rates that are not supported by market demand.



*Representing California's Catholic  
Health Systems and Hospitals*

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This price gouging jeopardizes patient care, limits nurses' labor rights, and ultimately results in market dysfunction.

SB 1212 will provide necessary transparency in bills sent by health care staffing agencies to hospitals, ensuring that hospitals know exactly what they are paying for. Additionally, SB 1212 will prohibit sharp price increases during a state of emergency that are not supported by market demand. This will prevent price gouging in future health crises and natural disasters, and it will curb unscrupulous behavior by bad actors.

For these reasons, we urge your support of SB 1212 (Caballero).

Sincerely,

A handwritten signature in black ink, appearing to read "Lori C Dangberg". The signature is fluid and cursive, with the first name "Lori" and last name "Dangberg" clearly visible.

Lori Cappello Dangberg  
Executive Vice President

cc: Senator Anna Caballero  
Members, Senate Labor, Public Employment and Retirement  
Committee  
Jake Ferrera, Consultant, Senate Labor, Public Employment and  
Retirement Committee  
Cory Botts, Senate Republican Caucus