



September 15, 2021

Attorney General Rob Bonta
California Department of Justice
P.O. Box 944255
Sacramento, CA 94244-2550

Dear Attorney General Bonta:

The California Hospital Association, on behalf of more than 400 member hospitals and health systems, applauds your office's efforts to combat price gouging and false, deceptive, or misleading advertising during the COVID-19 public health emergency. It is imperative to protect the public against false COVID-19 treatments and cures, opportunistic pricing for hand sanitizer and masks, and fraudulent sales of non-existent personal protective equipment. We are grateful that your office has been at the forefront of protecting Californians from these and other predatory practices.

Hospitals today are facing the worst staffing shortage since the beginning of the pandemic, a phenomenon that is coinciding with the worst patient surge yet for many communities across the state. **We have fewer people working in our hospitals today than we had 18 months ago, as COVID-19 has taken a devastating physical and emotional toll on California's health care workforce. Many nurses and other health care workers have reached their breaking point and are leaving hospital employment, retiring early, or leaving their profession altogether.** To offer one example, a hospital system in the San Diego area recently reported that job openings have grown by more than 50%, and nurse vacancies have increased by 96% ([Nurse shortages in California reaching crisis point | CalMatters](#)).

Under normal circumstances, hospitals turn to staffing agencies to help fill temporary gaps. But in recent weeks, it has become next to impossible for many California hospitals to obtain staff from contracted agencies due to increased nationwide demand. Desperate hospitals increasingly face unprecedented pricing due to the rates that some staffing agencies are charging. The skyrocketing prices affect hospitals in poorer communities and communities of color the most, as they are least likely to be able to afford these rates.

CHA requests that your office use its resources and expertise to promptly investigate these concerns and act accordingly on your findings. We need your immediate support to ensure that high-quality, affordable care remains available for all who will need it in the coming weeks and months.

To be clear, California hospitals recognize that travel nurses are in high demand and are caring for unusually complex patients with an infectious disease. However, we are troubled by the fact that rates have increased rapidly and to levels never before seen. Also, we have observed significant and similar markups by multiple

staffing agencies, which raises questions about how exactly these rates are set. In addition to excessive pricing complaints, we have received numerous reports of agencies sending staff who do not have the skills or experience they were represented to have, are unwilling to do the work they were engaged to do, are unprepared despite representations otherwise from the staffing agency, and/or do not complete their assignments as agreed by the staffing agency.

Public and private hospitals throughout the state have made similar reports, leading to a concern that this appears to be widespread and part of an ongoing pattern, rather than occasional miscommunications or contract breaches.

CHA has learned from other state hospital associations and the American Hospital Association that these problems are being experienced nationwide. We ask that you engage your peers through the National Association of Attorneys General to help resolve these issues.

Hospitals are in dire need of temporary nurses and other staff to care for their patients and have little choice but to pay the current rates. They are often fearful that public airing of concerns could lead to an unwillingness on the part of some agencies to work with them. The harm this causes to safe, affordable patient care for all Californians — indeed, to all Americans — cannot be overstated.

Therefore, we request that the Department of Justice investigate these unprecedented rates and take appropriate action to protect hospitals and the patients they serve.

Sincerely,



Carmela Coyle
President & CEO