



How Increasing Labor Costs Impact Kentuckians' Access to Healthcare

Like every industry across the nation, Kentucky hospitals and healthcare systems continue to face critical workforce shortages, exponential growth in their labor costs and ongoing dependency on temporary staffing. However, unlike other industries, when it comes to hospitals, this ever-increasing burden has a significant impact upon Kentuckians' access to the healthcare they need.

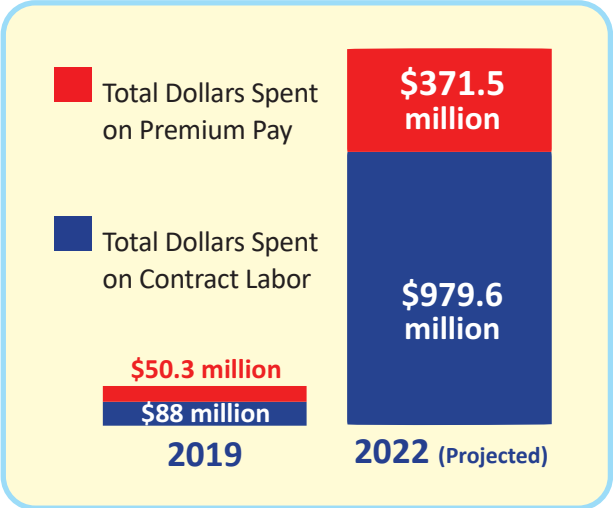
With unprecedented increases in hospital labor costs along with the significant inflation faced by the entire nation, the economic vitality of the Commonwealth's hospitals is in danger. As one of the major employers and economic drivers in the state, these burdens can impact the entire economy of Kentucky.

To address the significant nursing workforce shortage, Kentucky hospitals are coping with extraordinary expenditures to retain staff and fill vacancies, including premium pay, and the extremely high-cost contract labor.

Nursing Workforce Cost Trends in Kentucky

In addition to wages and salaries, Kentucky hospital spending on premium pay to retain nurses and contract labor costs to employ additional temporary nurses to fill open positions has grown substantially since 2019.

Source: KHA Survey of Kentucky Hospitals, 2022



Over Nearly Three Years . . .

- ▶ Total dollars spent on nursing contract labor increased exponentially by **1,014%**
- ▶ Kentucky hospital spending on premium pay for nurses jumped by **643%**

Hospitals need support to ensure patient care is available to every Kentuckian when they need it.

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