



## House Bill 2665 – Maximum Rate Development

The purpose of this document is to provide a high-level overview of the House Bill 2665 maximum rate development methodology and process. Please see the HB 2665 Maximum Rate Development Process<sup>1</sup> for more detail.

### Background

In 2023, the Oregon Legislature passed House Bill (HB) 2665 to address the increased use of temporary staffing services by Oregon (OR) facilities. HB 2665 instructs the Oregon Health Authority (OHA) to adopt rules and establish maximum rates that a temporary staffing agency (TSA) may charge to or receive from an entity that engages the temporary staffing agency. The authority shall establish more than one maximum rate under this section. The maximum rates must bear a reasonable relationship to the Employment Department data.

### Maximum Rates

Personnel Type	Maximum Rates	Maximum Rates (Holiday and Overtime)
<b>Registered Nurse (RN) – Hospital</b>	\$131.95	\$197.93
<b>Registered Nurse (RN) – Other Facilities</b>	\$117.49	\$176.24
<b>Licensed Practical Nurse (LPN) / Licensed Vocational Nurse (LVN)</b>	\$70.32	\$105.48
<b>Certified Nursing Assistant (CNA)</b>	\$42.23	\$63.35
<b>Certified Medical Assistant (CMA)</b>	\$47.06	\$70.59
<b>Direct Caregiver</b>	\$36.28	\$54.42

As a component of the maximum bill rate, there is also a maximum amount of the bill rate that an agency can retain (i.e., the margin): 34.2%.

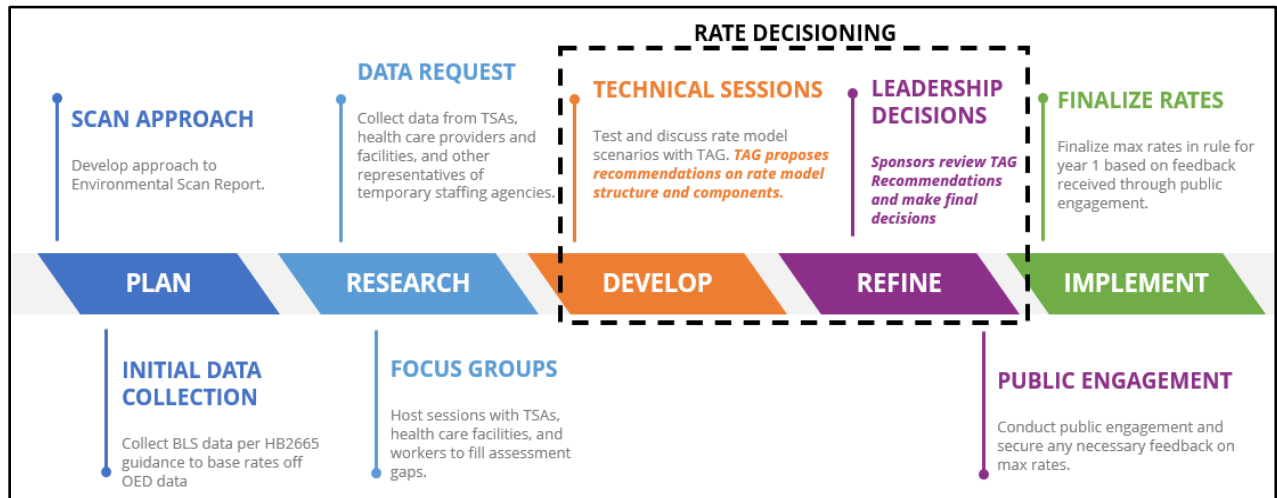
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<sup>1</sup> [https://www.oregon.gov/oha/HPA/HP-PCO/Documents/HB2665-Rate-Development-Process\\_Final.pdf](https://www.oregon.gov/oha/HPA/HP-PCO/Documents/HB2665-Rate-Development-Process_Final.pdf)  
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## Rate Setting Process

The iterative, data-driven approach to determining the 2025 maximum rates involved various phases of work (see “Rate Development Approach” graphic below) based on Bureau of Labor Statistics (BLS) data, sessions with a Technical Advisory Group (TAG), and data collected from TSAs, health care providers, facilities and other representatives of TSAs.

### Rate Development Approach



Throughout the rate development process, several decisions were discussed through multiple rounds of partner engagement (see “Partner Engagement” below for details). Numerous scenarios of maximum rates were considered and vetted (some resulting in higher maximum rates, others resulting in lower maximum rates) before OHA ultimately decided upon the proposed maximum rates for CY 2025.

## Environmental Scan

An environmental scan was performed that shared research that assessed the temporary health care staff landscape, both in OR and nationally, to inform the development of maximum rates TSAs are authorized to charge or receive from facilities in OR. The Environmental Scan can be found on OHA’s website.<sup>2</sup>

### Partner Engagement

- Over 1,000 TSA, hospital, and facility contacts operating in OR identified by OHA’s Health Licensing Office, Oregon Department of Human Services: Adults and People with Disabilities, trade associations, and health care unions were invited to complete a data request regarding temporary and permanent health care staff in March 2024.

<sup>2</sup> <https://www.oregon.gov/oha/HPA/HP-PCO/Documents/Environmental-Scan-Deliverable.pdf>  
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- OHA hosted five interviews with TSAs and three focus groups with multiple facilities to gather additional feedback to inform HB 2665 implementation.
- OHA collaborated with the TAG, comprised of subject-matter-experts (i.e., economists and actuaries from OHA, Oregon Department of Human Services, Oregon Employment Department, and Oregon Office of Economic Analysis - Department of Administrative Services) during over 10 iterative working sessions and additional small group discussions to assess potential rate scenarios and make recommendations on the rate structure and components that makeup maximum rates.
- OHA hosted several ad-hoc meetings with partners (including but not limited to other state agencies, Department of Justice, associations, and unions) to gather feedback to help inform the development of the maximum rate.

### Rate Development

Utilizing recommendations from the TAG, feedback from partners, 2023 BLS data, and data in the Environmental Scan Report, OHA made multiple decisions to develop the maximum rates.

#### *Maximum Rate Structure*

Maximum rates are a two-part rate cap comprised of: 1) the maximum bill rate and 2) a cap on agency margin of 34.2%.

*Note that the maximum rates in the table on page one are **inclusive** of the agency margin.*

### Estimated Pay Rate

- The rates were developed to be statewide, adjusted to Portland wage levels, with licensed care setting differentiation for RNs in hospitals.
- A compensation alignment factor was then applied to adjust the permanent wages to account for differences in temporary and permanent staff compensation (e.g., benefit differential).
- The maximum rates were developed through analysis of 2023 Employment Department Data for the wage component and alignment factors and 2023 cost data provided by TSAs for the administrative component.
- Because 2023 wage data was used for the base wage of maximum rates, two years of trending was applied to be comparative to 2025 wage levels when HB 2665 becomes effective.

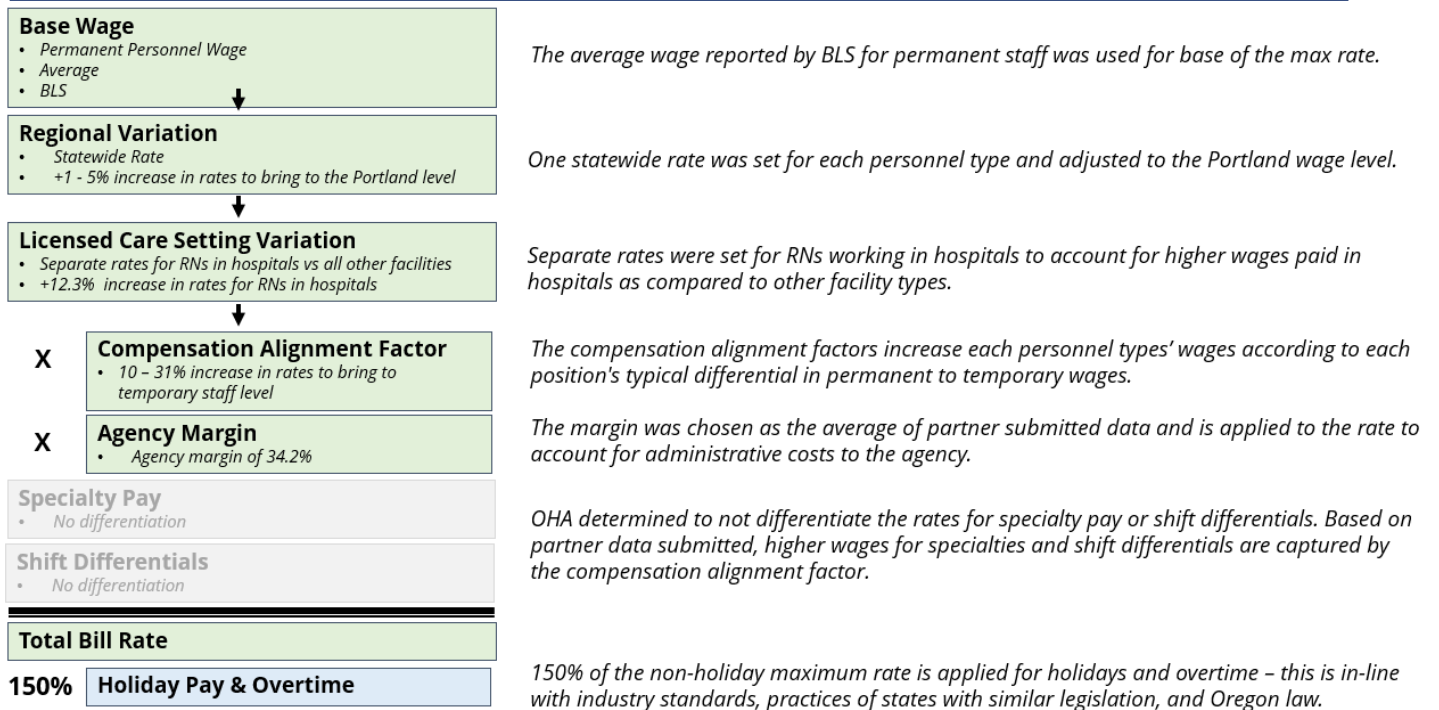
### TSA Margin

- Represented as a percentage of the bill rate, the TSA margin includes any costs not paid directly to the temporary staff such as, but not limited to, administrative costs, contracting fees, employee costs, margin, profit.

The maximum bill rate that a TSA may bill a facility for a temporary personnel per hour (*not including stipends such as travel or housing*) are calculated separately for RNs, LPNs, CNAs, CMAs, and Direct Caregivers. The maximum rate build considered regional variation, licensed care setting,



aligning compensation between temporary and permanent wages, agency margin, specialty pay, and shift differentials.



For additional details regarding the decision-making and rate development processes, please refer to the [HB 2665 Maximum Rate Development Process](#) on the OHA website.