



CONTRACT LABOR **MARKET RATE ANALYSIS**

HEALTHCARE

Q1 2023
RESULTS

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CONTRACT LABOR **MARKET RATE ANALYSIS** OVERVIEW

In this Q1 Contract Labor Market Rate Analysis, we will review data on current and past bill rate averages, provide a comprehensive overview of the challenges facing the healthcare labor market, and discuss how these challenges and the rapidly evolving market will impact healthcare organizations when procuring travel clinicians in the future.

In the bill rate analysis sections, the bill rate data is broken down by clinical category and specialty and national and regional averages are shown and discussed. For the Registered Nurse category - the largest area of contract labor spend - Q1 2023 bill rates will be compared to Q1 2022 bill rates.

NATIONAL CONTRACT LABOR **BILL RATES BY CATEGORY**

In this section, we show national average bill rate lows, highs, and averages by category and specialty. The bill rates were compiled using various job postings sourced from Adaptive Workforce Solutions' Vendor Management Software (VMS), market and supplier surveys, and online contract labor job postings aggregated from hospitals across the country.

NATIONAL AVERAGE BILL RATES

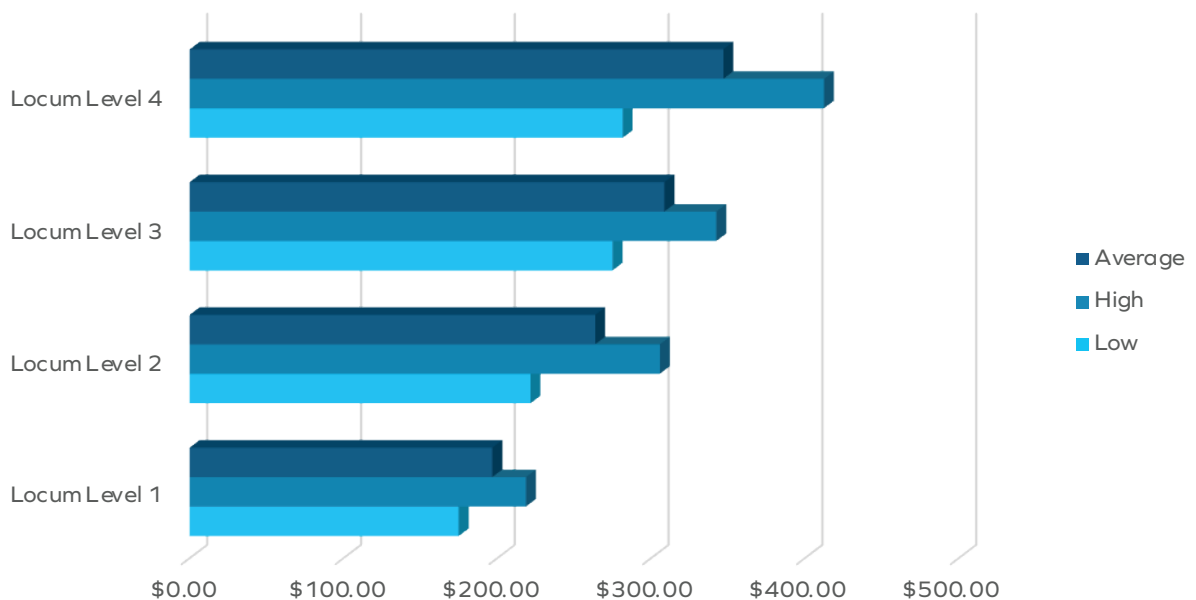
LOCUM TENENS

LOCUM TENENS PHYSICIAN LEVELS

| | |
|----------------|--|
| Level 1 | Primary Care- Family Practice, Internal Medicine, Dentistry |
| Level 2 | General Psychiatry, Pediatrics, Child and Adolescent Psychiatry, OBGYN, Neurology, Hospitalist, Emergency Medicine |
| Level 3 | Critical Care, Pediatric Critical Care, Cardiology, Radiology, Anesthesiology |
| Level 4 | Pediatric Surgery, Neurosurgery, Maternal Fetal, CVT Surgery, Gastroenterology, Interventional Cardiology, Radiology |

2023 Q1 NATIONAL LOCUM TENENS

| Physicians | All Inclusive Bill Rates | | |
|------------|--------------------------|----------|----------|
| | Low | High | Average |
| Level 1 | \$175.00 | \$218.75 | \$196.88 |
| Level 2 | \$221.67 | \$305.83 | \$263.75 |
| Level 3 | \$275.00 | \$342.50 | \$308.75 |
| Level 4 | \$281.67 | \$412.50 | \$347.08 |



CONTRACT LABOR MARKET RATE ANALYSIS

**Q1 2023
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NATIONAL AVERAGE BILL RATES

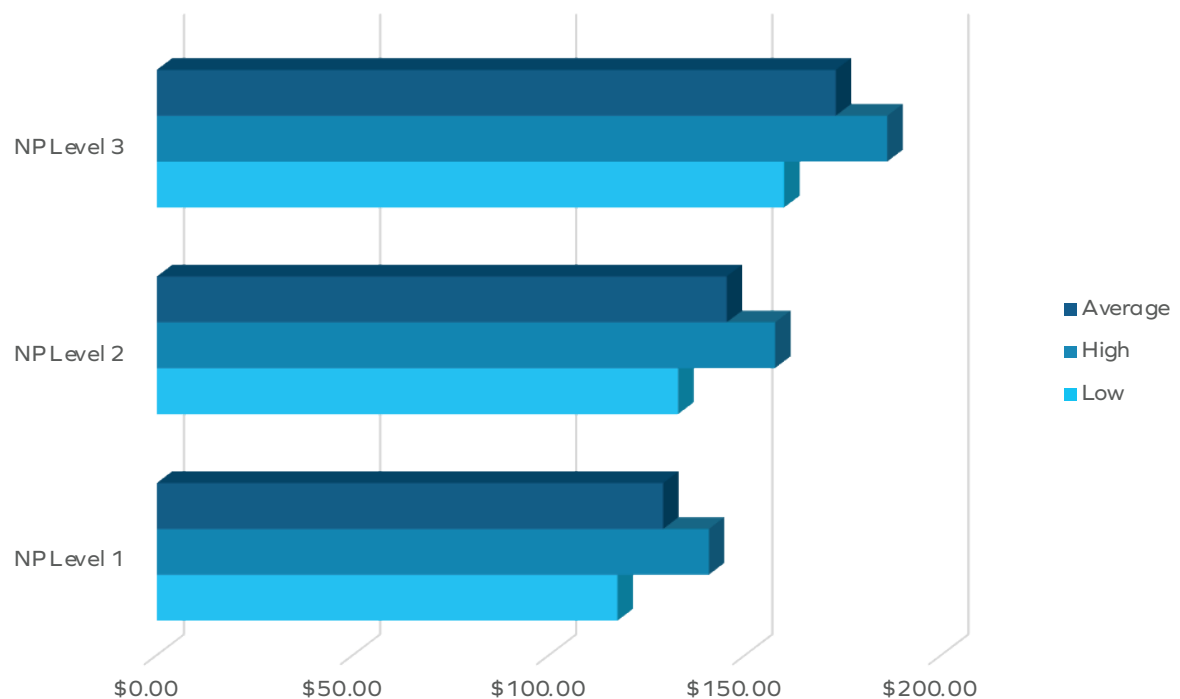
ADVANCED PRACTICE

Nurse Practitioner Levels

| | |
|----------------|--|
| Level 1 | Primary Care, Urgent Care/Fast Track, Psychologist |
| Level 2 | Psychiatry, Inpatient Hospitalist, Pediatrics, Emergency Room, General Surgery, Orthopedic Surgery |
| Level 3 | CRNA, Neonatology, Critical Care, Cardiothoracic/Vascular Surgery & Neurosurgery |

2023 Q1 NATIONAL AVERAGES LOCUM TENENS - NURSE PRACTITIONERS

| Nurse Practitioner | All Inclusive Bill Rates | | |
|--------------------|--------------------------|----------|----------|
| | Low | High | Average |
| Level 1 | \$117.50 | \$140.81 | \$129.16 |
| Level 2 | \$133.00 | \$157.69 | \$145.34 |
| Level 3 | \$160.00 | \$186.31 | \$173.16 |



CONTRACT LABOR MARKET RATE ANALYSIS

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NATIONAL AVERAGE BILL RATES

REGISTERED NURSE

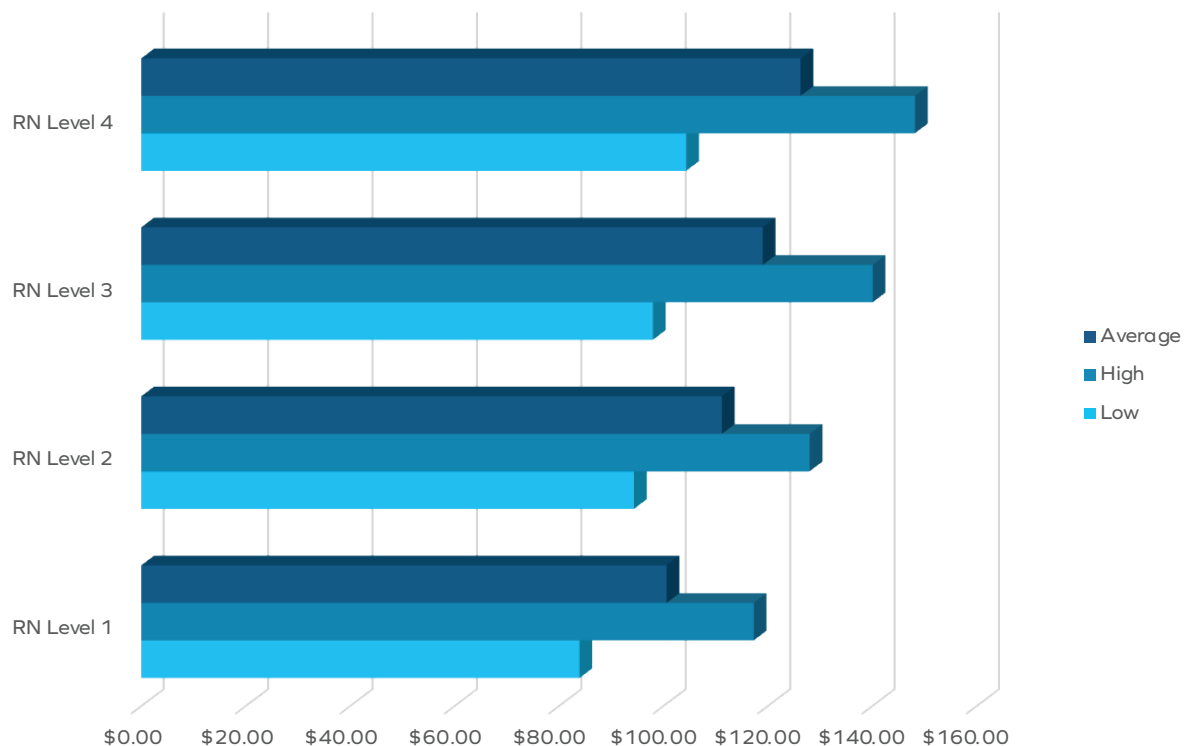
Registered Nurse Levels

| | |
|----------------|--|
| Level 1 | Psych, Clinics, Home Care, Long Term Care |
| Level 2 | MedSurg, Ortho, Rehab, Peds, Case Manager, Tele |
| Level 3 | ER, ICU, PACU, PICU, L&D, Radiology, Dialysis, ONC |
| Level 4 | NICU, Cath Lab, CVICU, OR |

2023 Q1 NATIONAL REGISTERED NURSE AVERAGES

All Inclusive Bill Rates

| Registered Nurse | Low | High | Average |
|------------------|----------|----------|----------|
| Level 1 | \$83.97 | \$117.33 | \$100.65 |
| Level 2 | \$94.41 | \$128.04 | \$111.22 |
| Level 3 | \$98.01 | \$140.13 | \$119.07 |
| Level 4 | \$104.40 | \$148.23 | \$126.31 |



CONTRACT LABOR MARKET RATE ANALYSIS

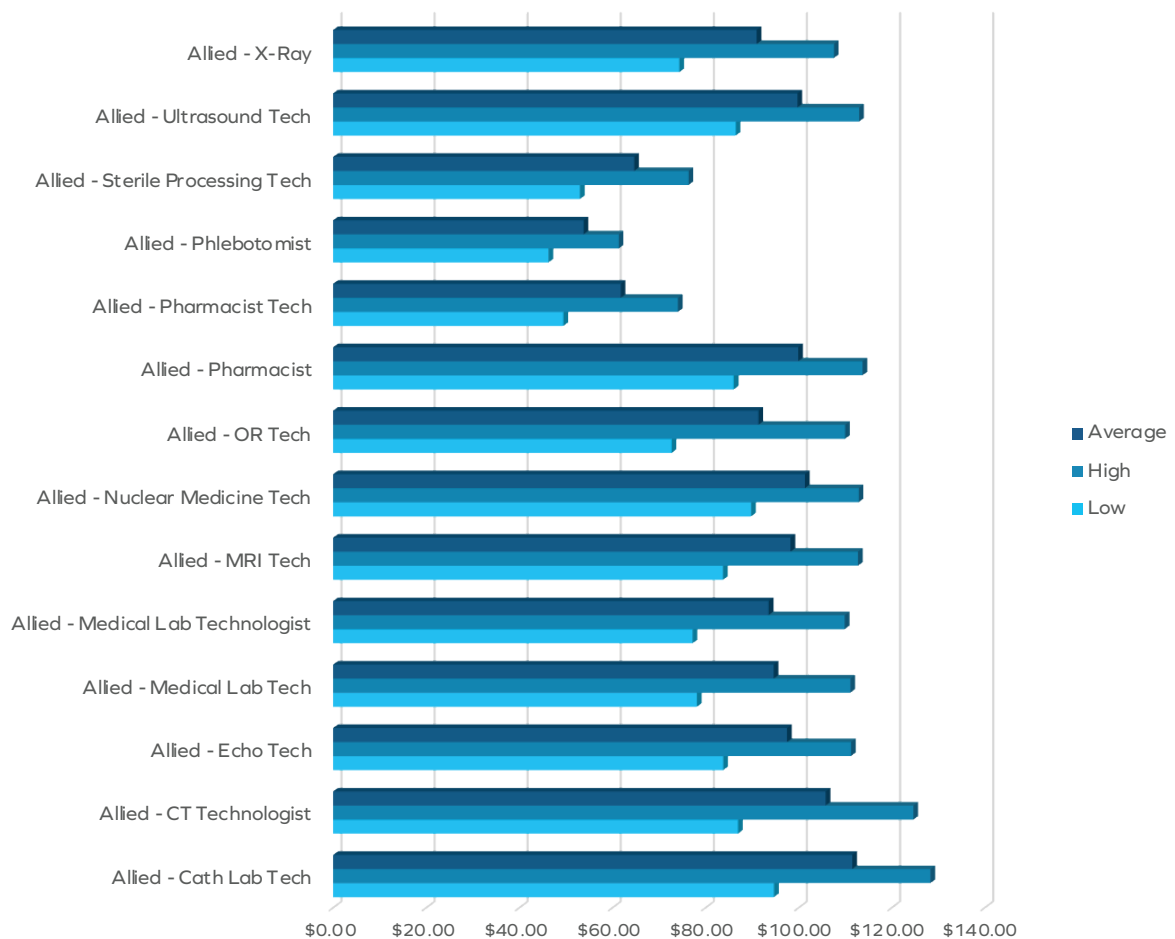
**Q1 2023
RESULTS**

NATIONAL AVERAGE BILL RATES

ALLIED HEALTH

2023 Q1 NATIONAL ALLIED AVERAGES

| Allied | All Inclusive Bill Rates | | |
|--------------------------|--------------------------|----------|----------|
| | Low | High | Average |
| Cath Lab Tech | \$94.73 | \$128.35 | \$111.54 |
| CT Technologist | \$87.00 | \$124.67 | \$105.83 |
| Echo Tech | \$83.81 | \$111.26 | \$97.54 |
| Medical Lab Tech | \$78.17 | \$111.14 | \$94.66 |
| Medical Lab Technologist | \$77.24 | \$109.92 | \$93.58 |
| MRI Tech | \$83.77 | \$112.77 | \$98.27 |
| Nuclear Medicine Tech | \$89.81 | \$112.92 | \$101.37 |
| OR Tech | \$72.76 | \$110.00 | \$91.38 |
| Pharmacist | \$86.08 | \$113.75 | \$99.92 |
| Pharmacist Tech | \$49.50 | \$74.08 | \$61.79 |
| Phlebotomist | \$46.29 | \$61.38 | \$53.83 |
| Sterile Processing Tech | \$53.04 | \$76.38 | \$64.71 |
| Ultrasound Tech | \$86.52 | \$113.03 | \$99.77 |
| X-Ray | \$74.40 | \$107.60 | \$91.00 |

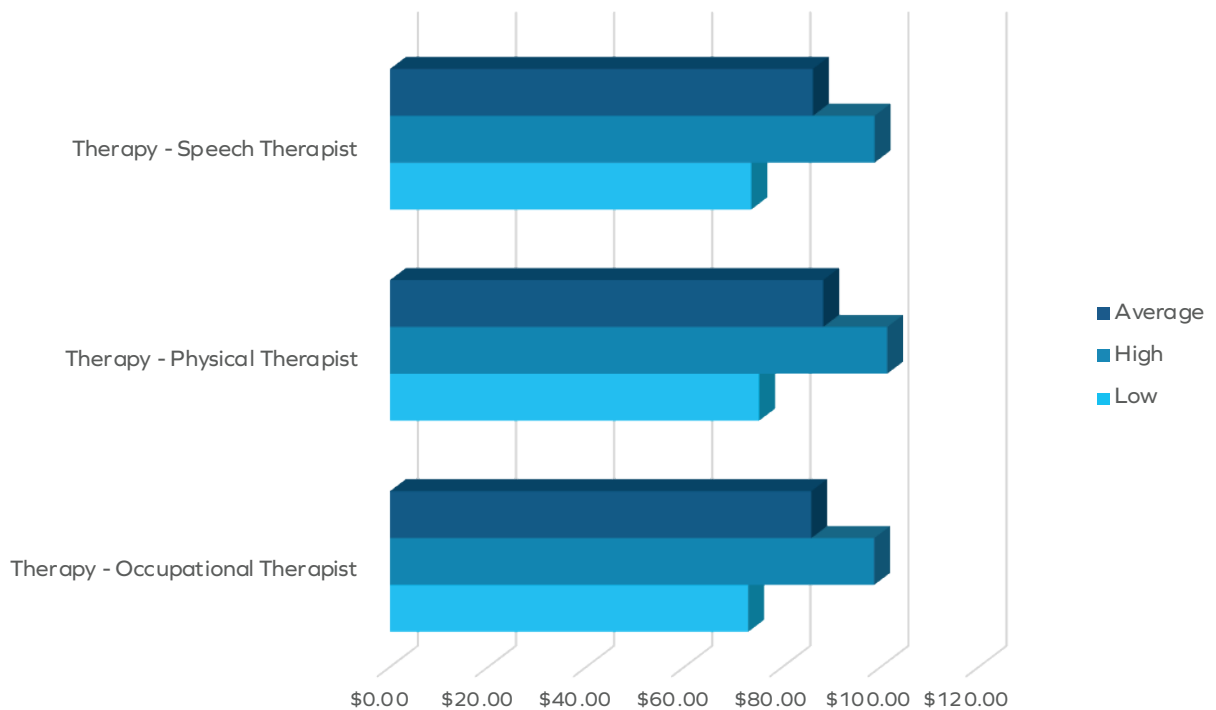


NATIONAL AVERAGE BILL RATES

THERAPY

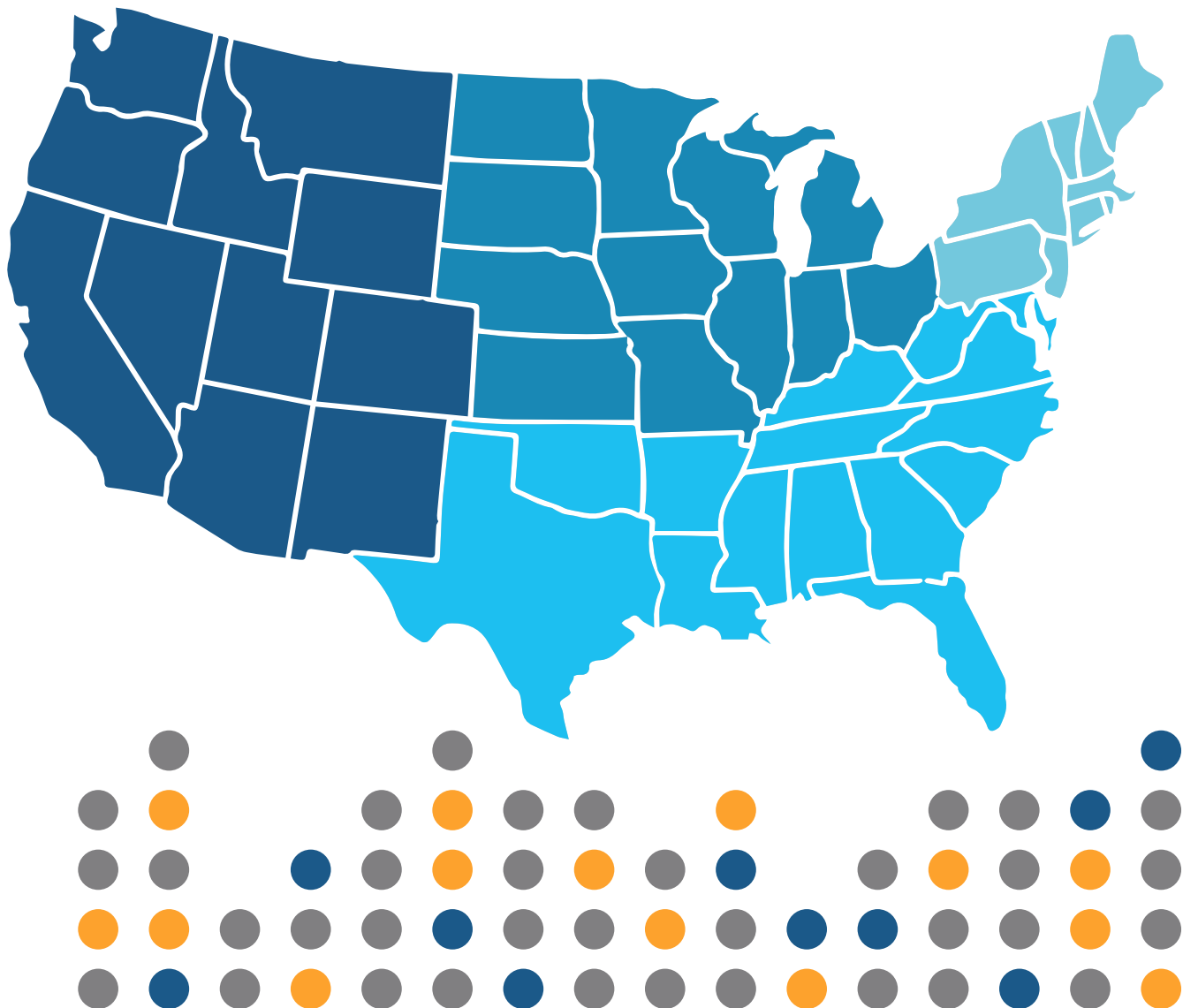
2023 Q1 NATIONAL THERAPY AVERAGES

| Therapy | All Inclusive Bill Rates | | |
|------------------------|--------------------------|----------|---------|
| | Low | High | Average |
| Occupational Therapist | \$73.06 | \$98.74 | \$85.90 |
| Physical Therapist | \$75.29 | \$101.40 | \$88.34 |
| Speech Therapist | \$73.68 | \$98.81 | \$86.24 |



REGIONAL AVERAGE **BILL RATES BY CATEGORY**

In this section we show average lows, average highs, and average bill rates for the selected clinical categories broken down by geographical region – Northeast, Southern, Midwest, and Western.



REGIONAL AVERAGE BILL RATES

LOCUM TENENS

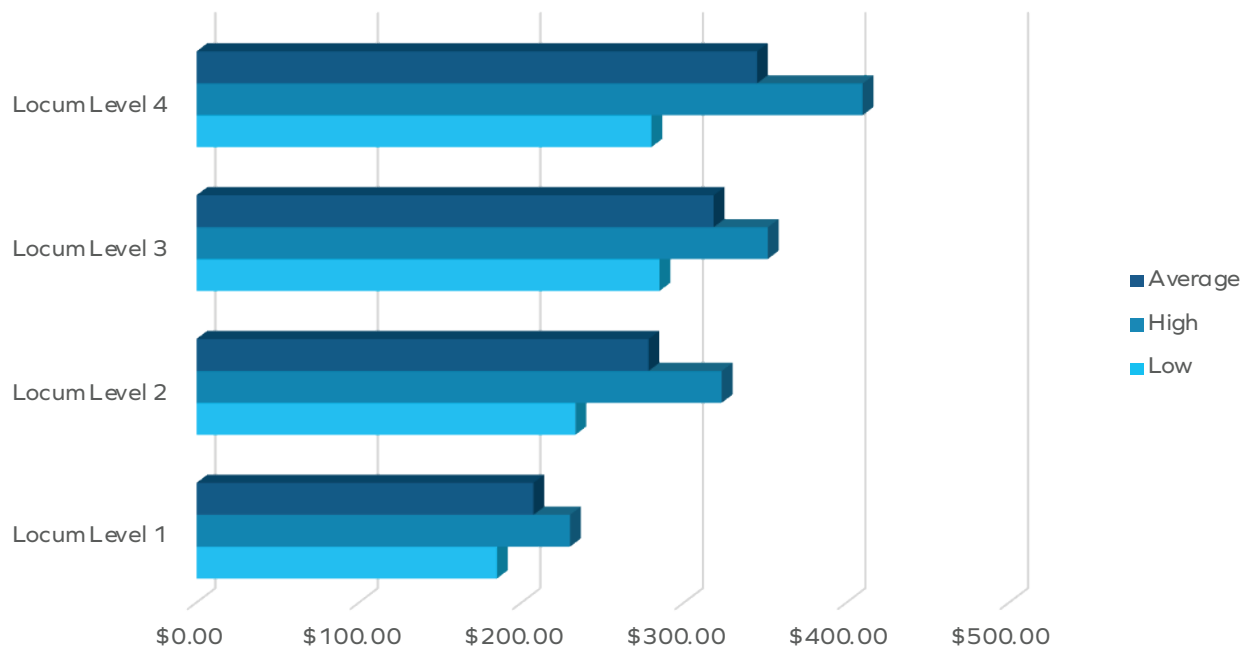
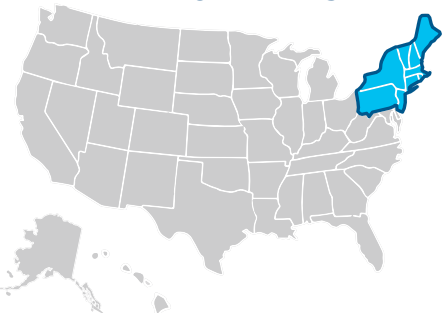
LOCUM TENENS PHYSICIAN LEVELS

| | |
|----------------|--|
| Level 1 | Primary Care- Family Practice, Internal Medicine, Dentistry |
| Level 2 | General Psychiatry, Pediatrics, Child and Adolescent Psychiatry, OBGYN, Neurology, Hospitalist, Emergency Medicine |
| Level 3 | Critical Care, Pediatric Critical Care, Cardiology, Radiology, Anesthesiology |
| Level 4 | Pediatric Surgery, Neurosurgery, Maternal Fetal, CVT Surgery, Gastroenterology, Interventional Cardiology, Radiology |

2023 Q1 NORTHEAST PHYSICIAN AVERAGES

| Physician | All Inclusive Bill Rates | | |
|-----------|--------------------------|----------|----------|
| | Low | High | Average |
| Level 1 | \$185.00 | \$230.00 | \$207.50 |
| Level 2 | \$233.33 | \$323.33 | \$278.33 |
| Level 3 | \$285.00 | \$351.67 | \$318.33 |
| Level 4 | \$280.00 | \$410.00 | \$345.00 |

THE NORTHEAST

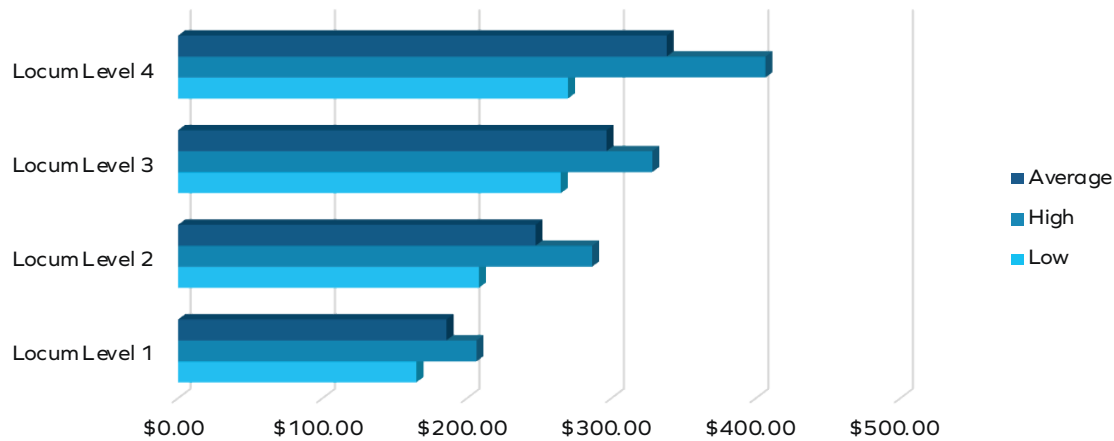
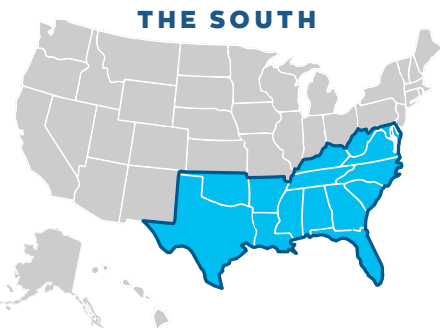


CONTRACT LABOR MARKET RATE ANALYSIS

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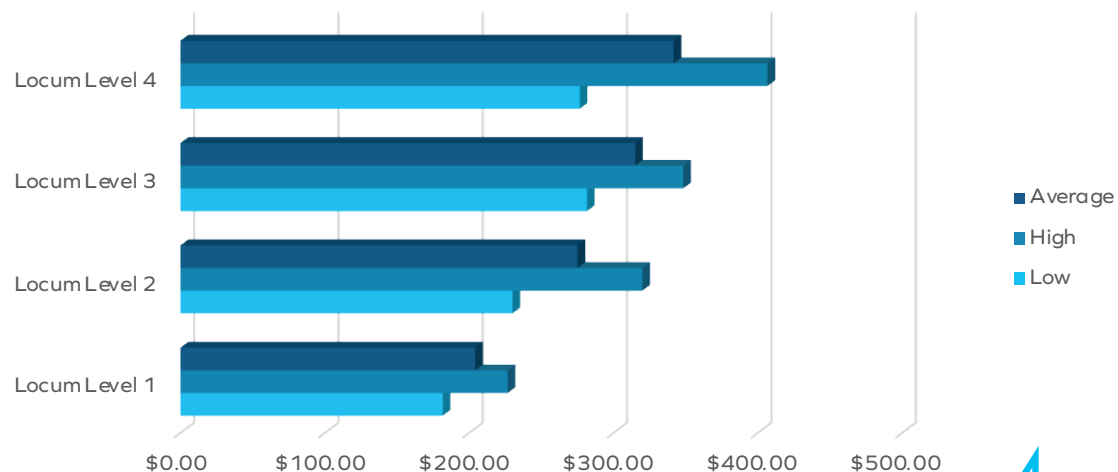
2023 Q1 SOUTHERN PHYSICIAN AVERAGES

| Physician | All Inclusive Bill Rates | | |
|-----------|--------------------------|----------|----------|
| | Low | High | Average |
| Level 1 | \$165.00 | \$206.67 | \$185.83 |
| Level 2 | \$208.33 | \$286.67 | \$247.50 |
| Level 3 | \$265.00 | \$328.33 | \$296.67 |
| Level 4 | \$270.00 | \$406.67 | \$338.33 |



2023 Q1 MIDWEST PHYSICIAN AVERAGES

| Physician | All Inclusive Bill Rates | | |
|-----------|--------------------------|----------|----------|
| | Low | High | Average |
| Level 1 | \$181.67 | \$226.67 | \$204.17 |
| Level 2 | \$230.00 | \$320.00 | \$275.00 |
| Level 3 | \$281.67 | \$348.33 | \$315.00 |
| Level 4 | \$276.67 | \$406.67 | \$341.67 |

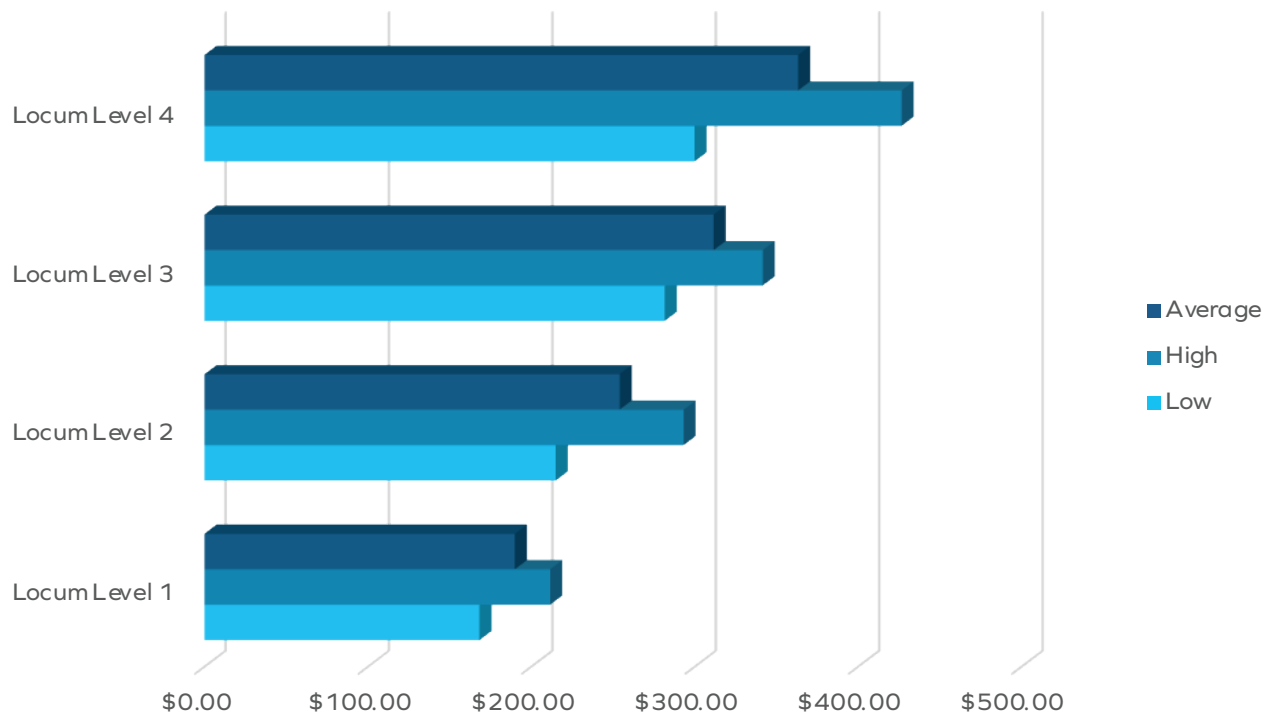


CONTRACT LABOR MARKET RATE ANALYSIS

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2023 Q1 WESTERN PHYSICIAN AVERAGES

| Physician | All Inclusive Bill Rates | | |
|-----------|--------------------------|----------|----------|
| | Low | High | Average |
| Level 1 | \$168.33 | \$211.67 | \$190.00 |
| Level 2 | \$215.00 | \$293.33 | \$254.17 |
| Level 3 | \$281.67 | \$341.67 | \$311.67 |
| Level 4 | \$300.00 | \$426.67 | \$363.33 |



CONCLUSION:

Bill rates for Locums at all practice levels show a decline from pandemic highs, but, like most of the healthcare contract labor clinical categories discussed in this report, remain higher than pre-pandemic levels across all regions.

REGIONAL AVERAGE BILL RATES

ADVANCED PRACTICE

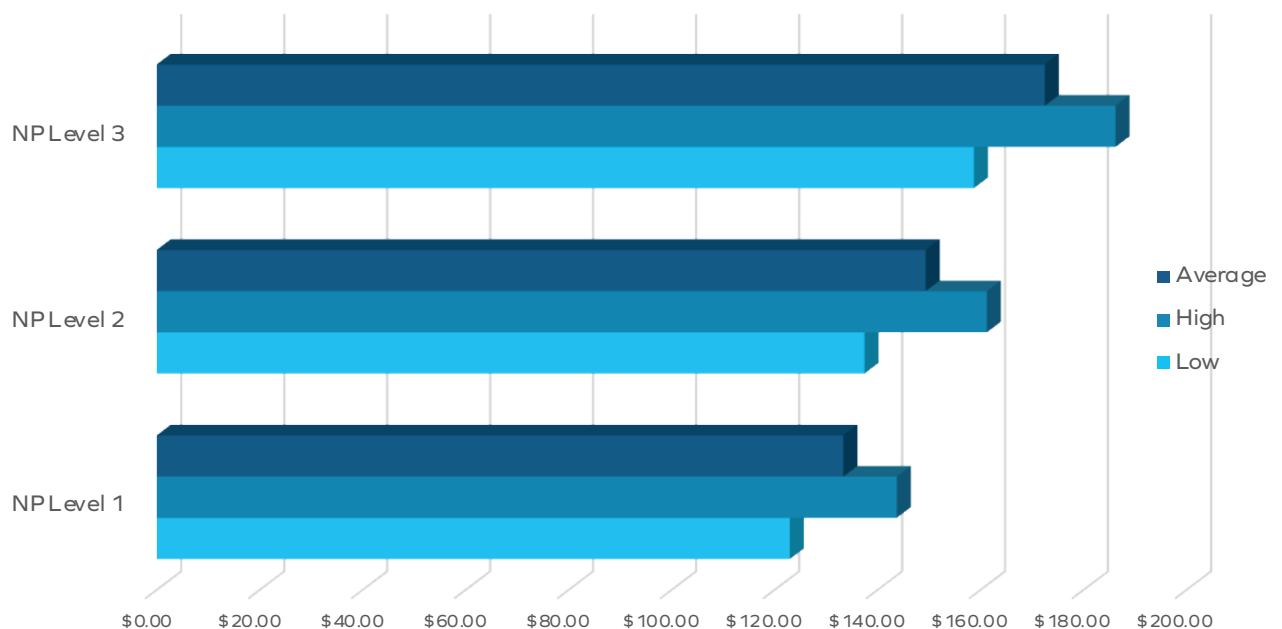
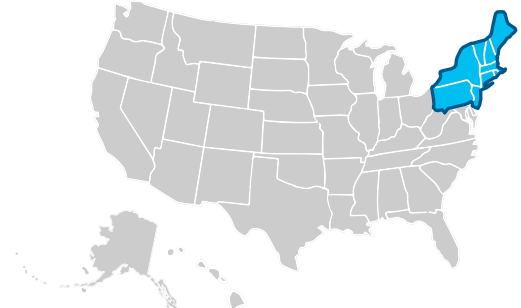
Nurse Practitioner Levels

| | |
|----------------|--|
| Level 1 | Primary Care, Urgent Care/Fast Track, Psychologist |
| Level 2 | Psychiatry, Inpatient Hospitalist, Pediatrics, Emergency Room, General Surgery, Orthopedic Surgery |
| Level 3 | CRNA, Neonatology, Critical Care, Cardiothoracic/Vascular Surgery & Neurosurgery |

**2023 Q1 NORTHEAST NURSE
PRACTITIONER AVERAGES**

| Nurse Practitioner | All Inclusive Bill Rates | | |
|--------------------|--------------------------|----------|----------|
| | Low | High | Average |
| Level 1 | \$123.00 | \$143.75 | \$133.38 |
| Level 2 | \$137.50 | \$161.25 | \$149.38 |
| Level 3 | \$158.75 | \$186.25 | \$172.50 |

THE NORTHEAST



CONTRACT LABOR MARKET RATE ANALYSIS

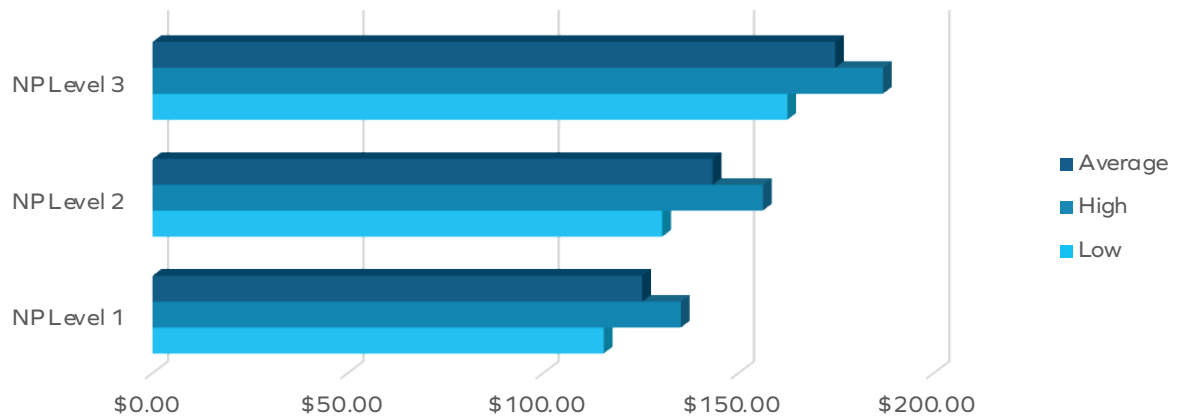
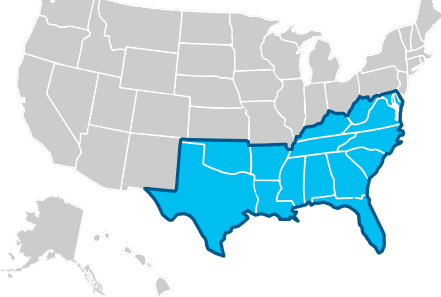
**Q1 2023
RESULTS**

2023 Q1 SOUTHERN NURSE PRACTITIONER AVERAGES

All Inclusive Bill Rates

| Nurse Practitioner | Low | High | Average |
|--------------------|----------|----------|----------|
| Level 1 | \$115.50 | \$135.25 | \$125.38 |
| Level 2 | \$130.50 | \$156.25 | \$143.38 |
| Level 3 | \$162.50 | \$187.00 | \$174.75 |

THE SOUTH

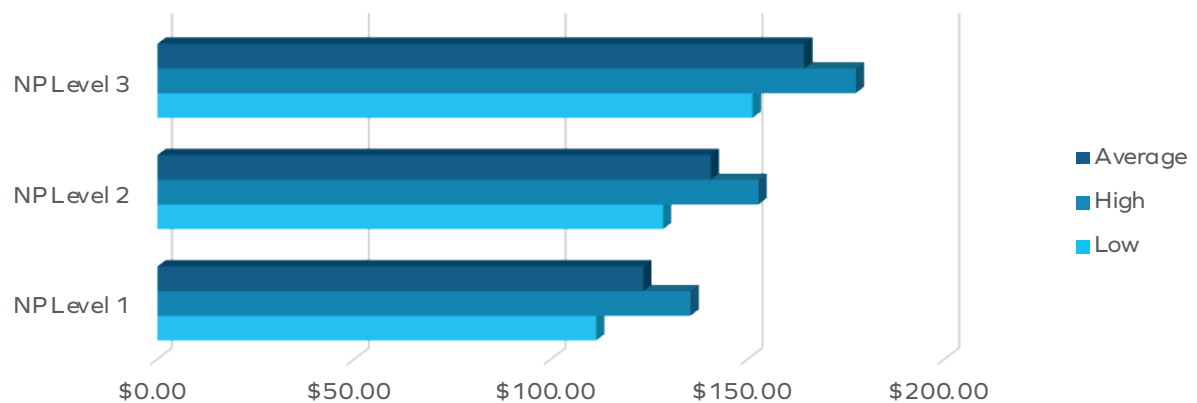
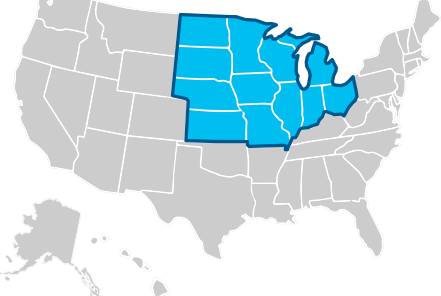


2023 Q1 MIDWEST NURSE PRACTITIONER AVERAGES

All Inclusive Bill Rates

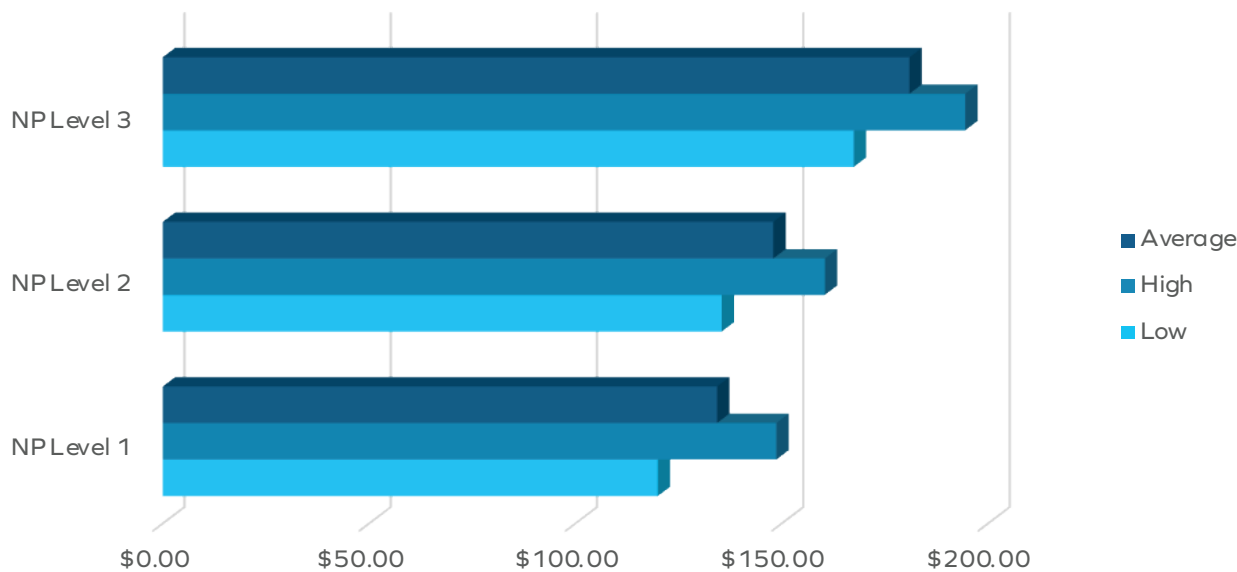
| Nurse Practitioner | Low | High | Average |
|--------------------|----------|----------|----------|
| Level 1 | \$111.50 | \$135.50 | \$123.50 |
| Level 2 | \$128.50 | \$152.75 | \$140.63 |
| Level 3 | \$151.25 | \$177.50 | \$164.38 |

THE MIDWEST



2023 Q1 WESTERN NURSE
PRACTITIONER AVERAGES

| Nurse Practitioner | All Inclusive Bill Rates | | |
|--------------------|--------------------------|----------|----------|
| | Low | High | Average |
| Level 1 | \$120.00 | \$148.75 | \$134.38 |
| Level 2 | \$135.50 | \$160.50 | \$148.00 |
| Level 3 | \$167.50 | \$194.50 | \$181.00 |



CONCLUSION:

Bill rates for Nurse Practitioners have declined from pandemic highs, but remain higher than pre-pandemic levels across all regions. According to the Bureau of Labor Statistics, overall employment of nurse practitioners is projected to grow 46 percent from 2021 to 2031, much faster than the average for all occupations. Several factors are contributing to this demand, including an increased emphasis on preventive care, expanded practice opportunities for Nurse Practitioners, and the demand for healthcare services fueled by demographic change.

REGIONAL AVERAGE BILL RATES

REGISTERED NURSE

Registered Nurse Levels

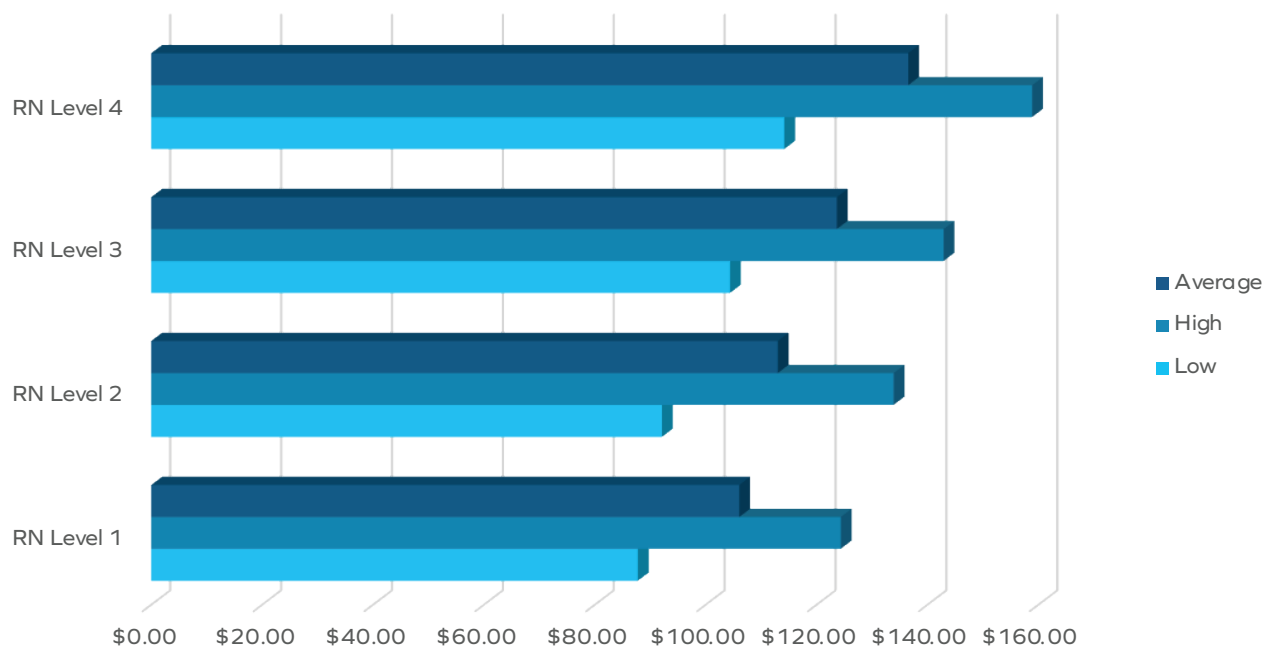
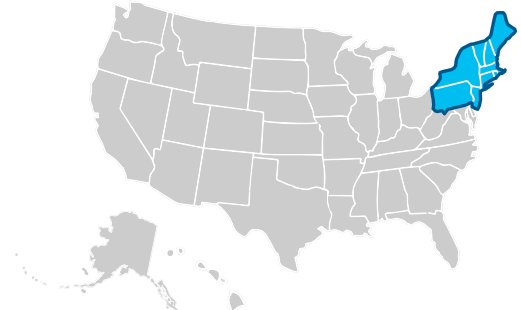
- Level 1** Psych, Clinics, Home Care, Long Term Care
- Level 2** MedSurg, Ortho, Rehab, Peds, Case Manager, Tele
- Level 3** ER, ICU, PACU, PICU, L&D, Radiology, Dialysis, ONC
- Level 4** NICU, Cath Lab, CVICU, OR

**2023 Q1 NORTHEAST REGISTERED
NURSE AVERAGES**

All Inclusive Bill Rates

| Registered Nurse | Low | High | Average |
|------------------|----------|----------|----------|
| Level 1 | \$87.80 | \$124.40 | \$106.10 |
| Level 2 | \$92.14 | \$133.93 | \$113.04 |
| Level 3 | \$104.41 | \$142.95 | \$123.68 |
| Level 4 | \$114.21 | \$158.93 | \$136.57 |

THE NORTHEAST



CONTRACT LABOR MARKET RATE ANALYSIS

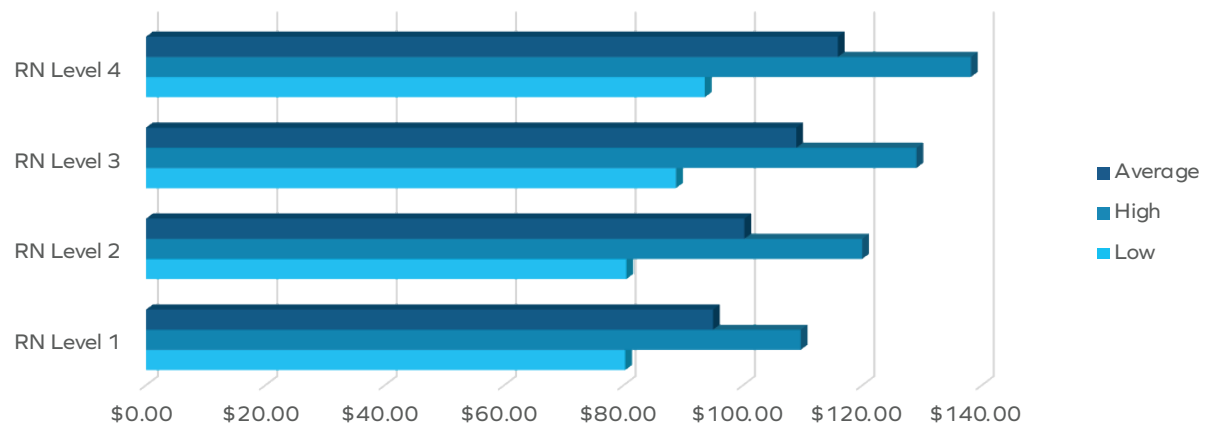
**Q1 2023
RESULTS**

2023 Q1 SOUTHERN REGISTERED NURSE AVERAGES

All Inclusive Bill Rates

| Registered Nurse | Low | High | Average |
|------------------|---------|----------|----------|
| Level 1 | \$80.30 | \$109.70 | \$95.00 |
| Level 2 | \$80.50 | \$120.00 | \$100.25 |
| Level 3 | \$88.82 | \$129.09 | \$108.95 |
| Level 4 | \$93.64 | \$138.21 | \$115.93 |

THE SOUTH

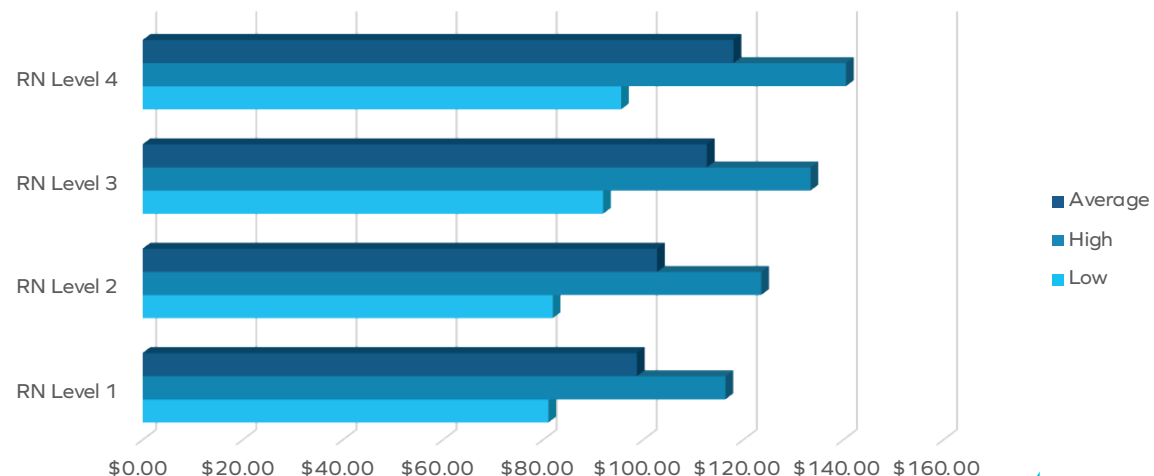


2023 Q1 MIDWEST REGISTERED NURSE AVERAGES

All Inclusive Bill Rates

| Registered Nurse | Low | High | Average |
|------------------|---------|----------|----------|
| Level 1 | \$81.10 | \$116.50 | \$98.80 |
| Level 2 | \$82.00 | \$123.64 | \$102.82 |
| Level 3 | \$92.05 | \$133.50 | \$112.77 |
| Level 4 | \$95.64 | \$140.57 | \$118.11 |

THE MIDWEST

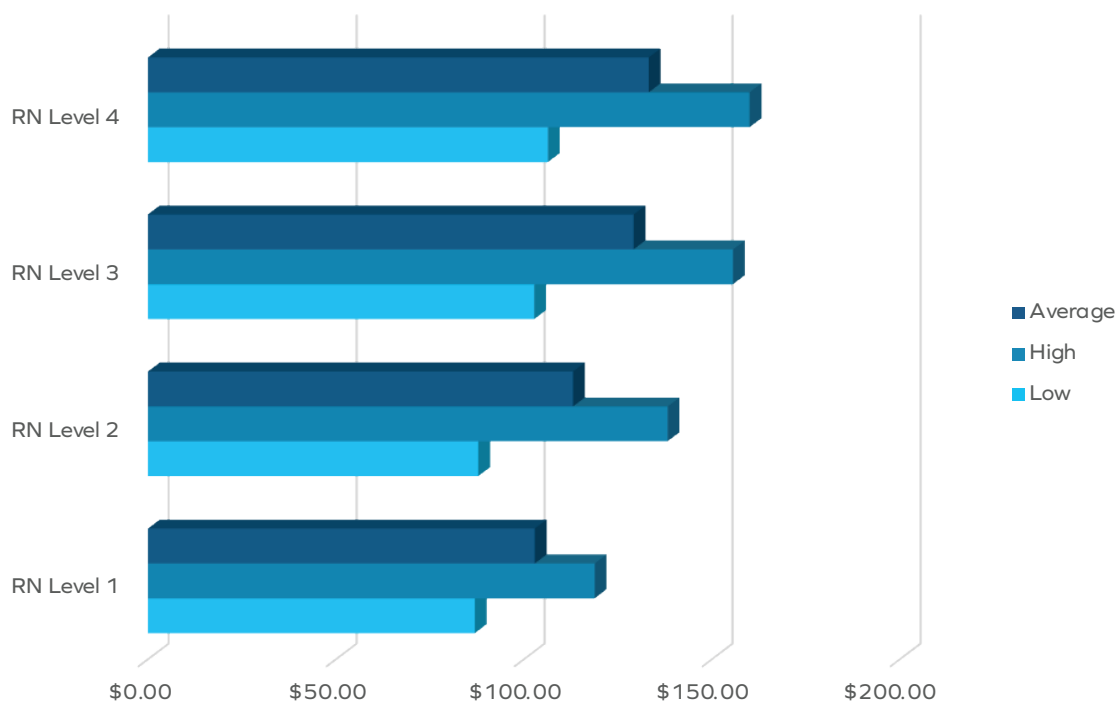


CONTRACT LABOR MARKET RATE ANALYSIS

**Q1 2023
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2023 Q1 WESTERN REGISTERED NURSE AVERAGES

| Registered Nurse | All Inclusive Bill Rates | | |
|------------------|--------------------------|----------|----------|
| | Low | High | Average |
| Level 1 | \$87.00 | \$118.89 | \$102.94 |
| Level 2 | \$87.92 | \$138.31 | \$113.12 |
| Level 3 | \$102.81 | \$155.67 | \$129.24 |
| Level 4 | \$106.46 | \$160.08 | \$133.27 |



CONCLUSION:

Nursing bill rates continue to fluctuate by region, with increased demand in certain specialties. According to the Bureau of Labor Statistics, the employment of registered nurses is projected to grow 6 percent from 2021 to 2031, about as fast as the average for all occupations. About 203,200 openings for registered nurses are projected each year, on average, over the next decade.

REGIONAL AVERAGE BILL RATES

ALLIED HEALTH

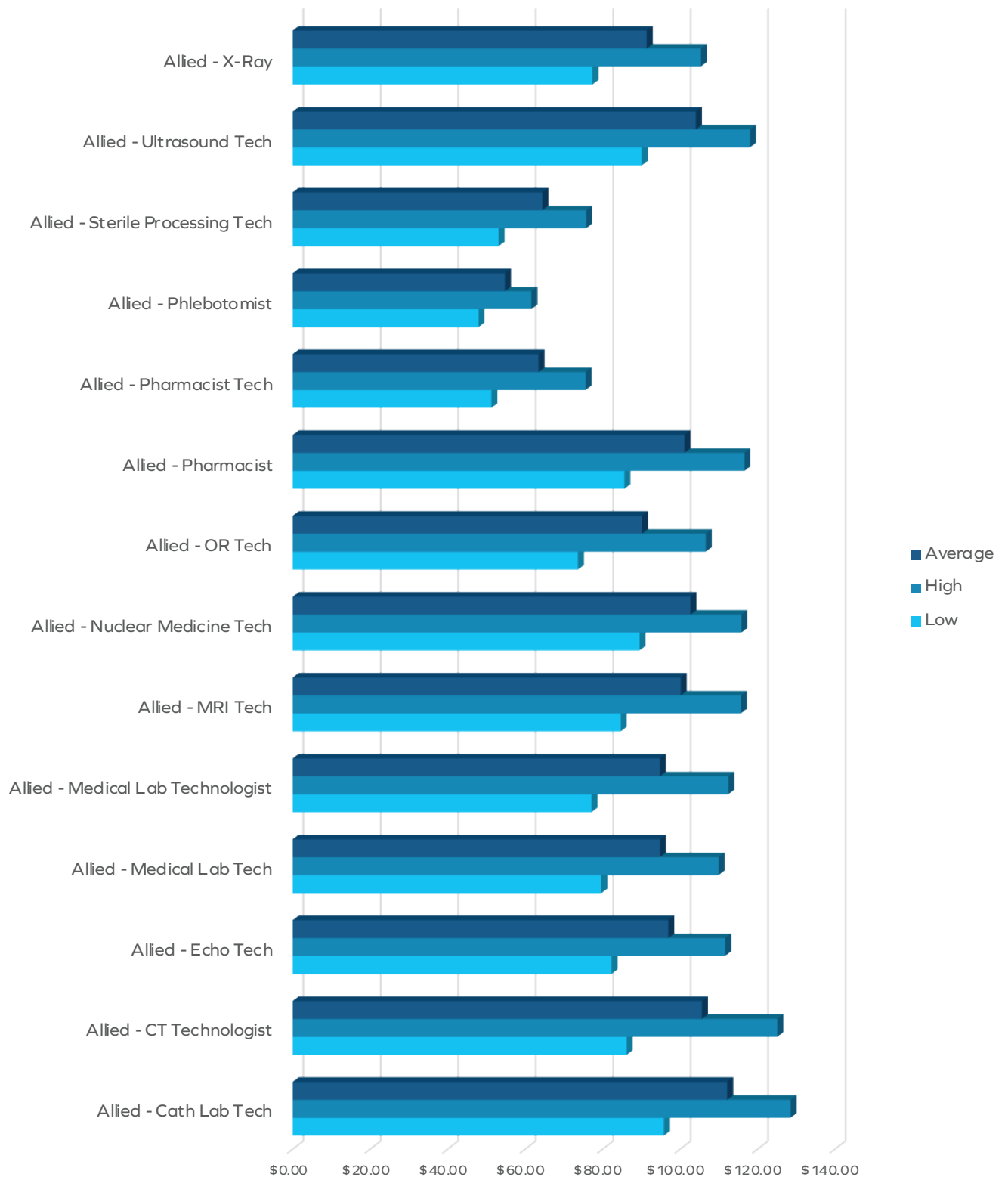


2023 Q1 NORTHEAST ALLIED AVERAGES

| Allied | All Inclusive Bill Rates | | |
|--------------------------|--------------------------|----------|----------|
| | Low | High | Average |
| Cath Lab Tech | \$95.86 | \$128.57 | \$112.21 |
| CT Technologist | \$86.25 | \$125.13 | \$105.69 |
| Echo Tech | \$82.33 | \$111.67 | \$97.00 |
| Medical Lab Tech | \$79.71 | \$110.00 | \$94.86 |
| Medical Lab Technologist | \$77.17 | \$112.50 | \$94.83 |
| MRI Tech | \$84.71 | \$115.71 | \$100.21 |
| Nuclear Medicine Tech | \$89.57 | \$115.86 | \$102.71 |
| OR Tech | \$73.67 | \$106.67 | \$90.17 |
| Pharmacist | \$85.67 | \$116.67 | \$101.17 |
| Pharmacist Tech | \$51.33 | \$75.67 | \$63.50 |
| Phlebotomist | \$48.00 | \$61.67 | \$54.83 |
| Sterile Processing Tech | \$53.17 | \$75.83 | \$64.50 |
| Ultrasound Tech | \$90.13 | \$118.13 | \$104.13 |
| X-Ray | \$77.43 | \$105.43 | \$91.43 |

CONTRACT LABOR MARKET RATE ANALYSIS

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CONTRACT LABOR MARKET RATE ANALYSIS

**Q1 2023
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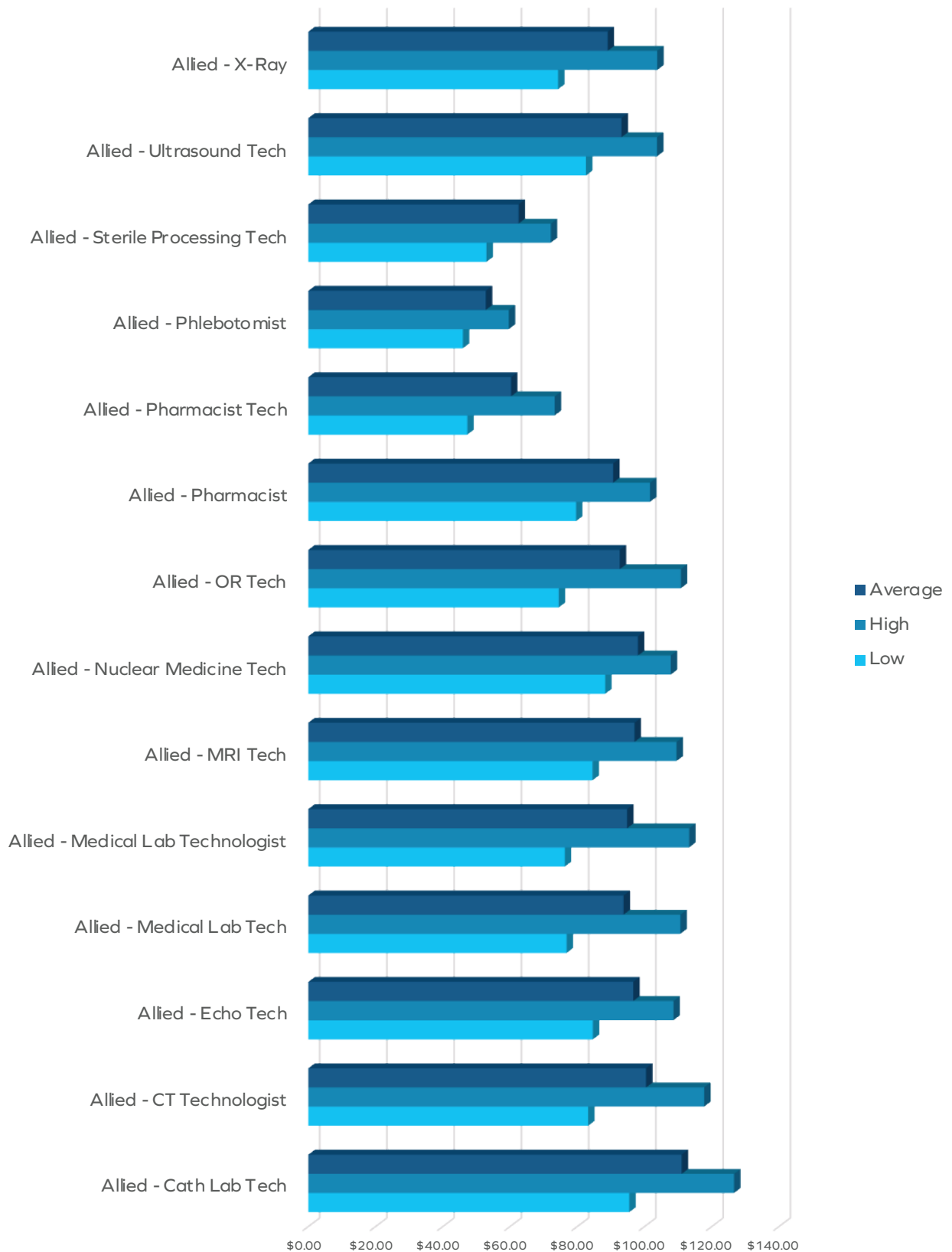


2023 Q1 SOUTHERN ALLIED AVERAGES

| Allied | All Inclusive Bill Rates | | |
|--------------------------|--------------------------|----------|----------|
| | Low | High | Average |
| Cath Lab Tech | \$95.50 | \$126.67 | \$111.08 |
| CT Technologist | \$83.25 | \$117.75 | \$100.50 |
| Echo Tech | \$84.67 | \$108.67 | \$96.67 |
| Medical Lab Tech | \$76.86 | \$110.71 | \$93.79 |
| Medical Lab Technologist | \$76.33 | \$113.33 | \$94.83 |
| MRI Tech | \$84.57 | \$109.57 | \$97.07 |
| Nuclear Medicine Tech | \$88.33 | \$107.83 | \$98.08 |
| OR Tech | \$74.50 | \$110.83 | \$92.67 |
| Pharmacist | \$79.67 | \$101.67 | \$90.67 |
| Pharmacist Tech | \$47.33 | \$73.33 | \$60.33 |
| Phlebotomist | \$46.00 | \$59.67 | \$52.83 |
| Sterile Processing Tech | \$53.00 | \$72.17 | \$62.58 |
| Ultrasound Tech | \$82.63 | \$103.75 | \$93.19 |
| X-Ray | \$74.33 | \$103.83 | \$89.08 |

CONTRACT LABOR MARKET RATE ANALYSIS

**Q1 2023
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CONTRACT LABOR MARKET RATE ANALYSIS

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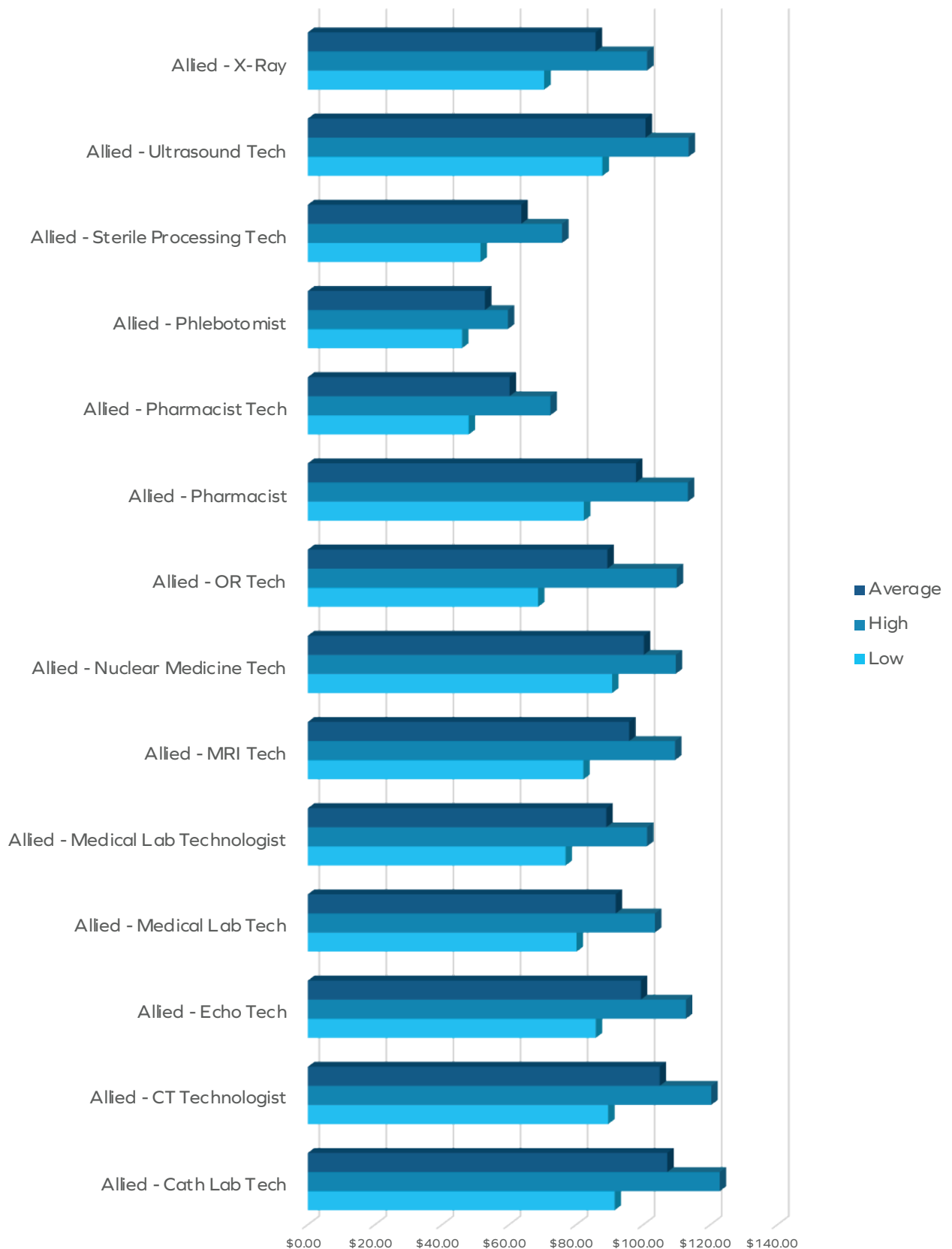


2023 Q1 MIDWEST ALLIED AVERAGES

| Allied | All Inclusive Bill Rates | | |
|--------------------------|--------------------------|----------|----------|
| | Low | High | Average |
| Cath Lab Tech | \$91.50 | \$122.83 | \$107.17 |
| CT Technologist | \$89.57 | \$120.29 | \$104.93 |
| Echo Tech | \$85.88 | \$112.75 | \$99.31 |
| Medical Lab Tech | \$80.13 | \$103.50 | \$91.81 |
| Medical Lab Technologist | \$76.86 | \$101.14 | \$89.00 |
| MRI Tech | \$82.17 | \$109.50 | \$95.83 |
| Nuclear Medicine Tech | \$90.71 | \$109.71 | \$100.21 |
| OR Tech | \$68.67 | \$110.00 | \$89.33 |
| Pharmacist | \$82.33 | \$113.33 | \$97.83 |
| Pharmacist Tech | \$48.00 | \$72.33 | \$60.17 |
| Phlebotomist | \$46.00 | \$59.67 | \$52.83 |
| Sterile Processing Tech | \$51.50 | \$75.83 | \$63.67 |
| Ultrasound Tech | \$87.86 | \$113.57 | \$100.71 |
| X-Ray | \$70.50 | \$101.17 | \$85.83 |

CONTRACT LABOR MARKET RATE ANALYSIS

**Q1 2023
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CONTRACT LABOR MARKET RATE ANALYSIS

**Q1 2023
RESULTS**

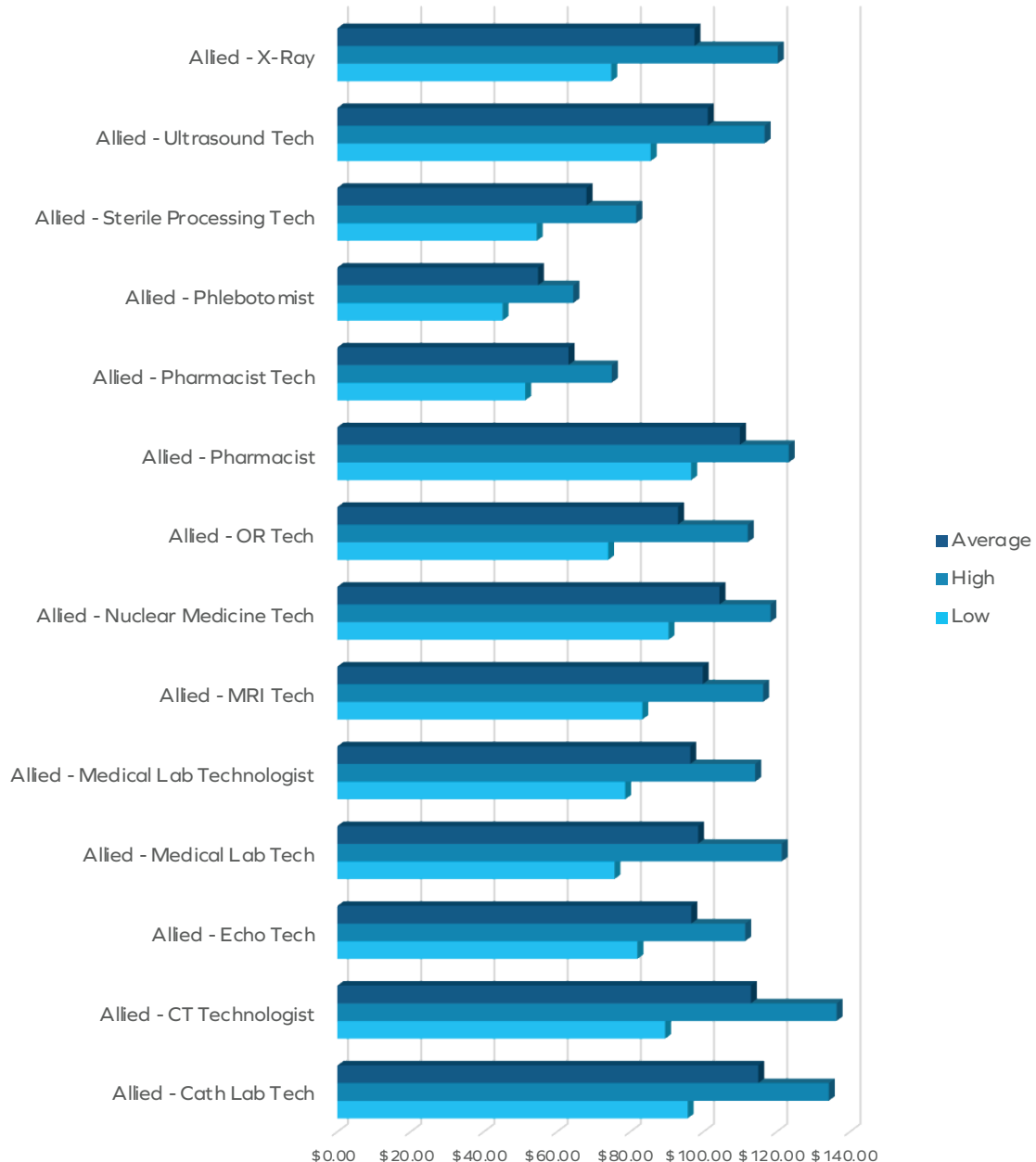


2023 Q1 WESTERN ALLIED AVERAGES

| Allied | All Inclusive Bill Rates | | |
|--------------------------|--------------------------|----------|----------|
| | Low | High | Average |
| Cath Lab Tech | \$95.71 | \$134.29 | \$115.00 |
| CT Technologist | \$89.57 | \$136.43 | \$113.00 |
| Echo Tech | \$82.00 | \$111.43 | \$96.71 |
| Medical Lab Tech | \$75.71 | \$121.43 | \$98.57 |
| Medical Lab Technologist | \$78.67 | \$114.17 | \$96.42 |
| MRI Tech | \$83.33 | \$116.33 | \$99.83 |
| Nuclear Medicine Tech | \$90.50 | \$118.33 | \$104.42 |
| OR Tech | \$74.00 | \$112.14 | \$93.07 |
| Pharmacist | \$96.67 | \$123.33 | \$110.00 |
| Pharmacist Tech | \$51.33 | \$75.00 | \$63.17 |
| Phlebotomist | \$45.17 | \$64.50 | \$54.83 |
| Sterile Processing Tech | \$54.50 | \$81.67 | \$68.08 |
| Ultrasound Tech | \$85.63 | \$116.75 | \$101.19 |
| X-Ray | \$74.83 | \$120.33 | \$97.58 |

CONTRACT LABOR MARKET RATE ANALYSIS

**Q1 2023
RESULTS**



CONCLUSION:

Bill rates for Allied Health professions are showing a general decline from pandemic highs, with some specialties, such as Pharmacy Technician, showing significant declines. Other specialties, however, continue to fluctuate. For example, the demand for Phlebotomists remains high across all regions.

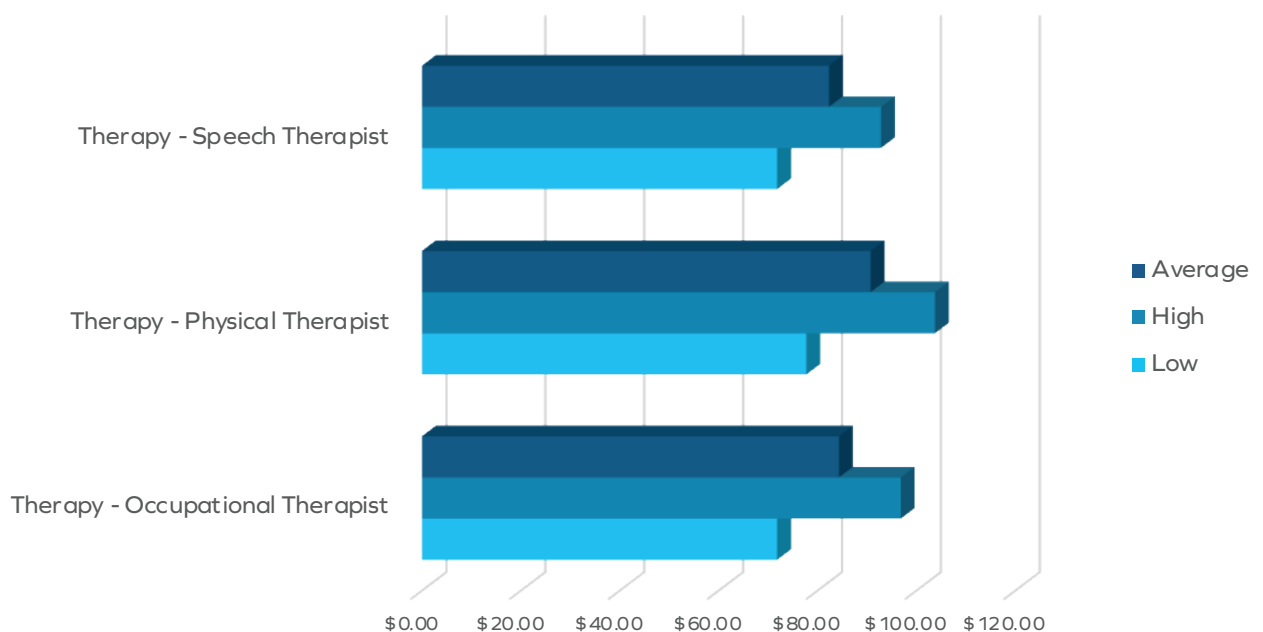
REGIONAL AVERAGE BILL RATES

THERAPY



2023 Q1 NORTHEAST THERAPY AVERAGES

| Therapy | All Inclusive Bill Rates | | |
|------------------------|--------------------------|----------|---------|
| | Low | High | Average |
| Occupational Therapist | \$71.86 | \$96.86 | \$84.36 |
| Physical Therapist | \$77.75 | \$103.75 | \$90.75 |
| Speech Therapist | \$71.86 | \$92.86 | \$82.36 |



CONTRACT LABOR MARKET RATE ANALYSIS

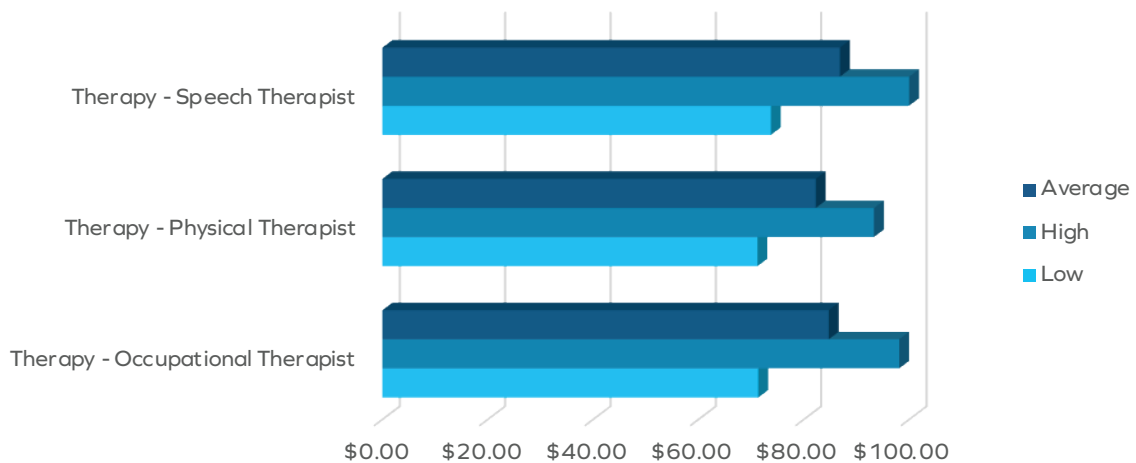
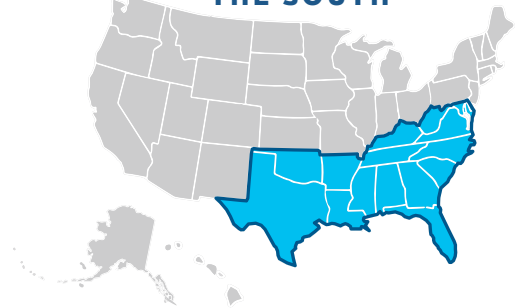
**Q1 2023
RESULTS**

2023 Q1 SOUTHERN THERAPY AVERAGES

All Inclusive Bill Rates

| Therapy | Low | High | Average |
|------------------------|---------|----------|---------|
| Occupational Therapist | \$71.38 | \$98.13 | \$84.75 |
| Physical Therapist | \$71.22 | \$93.33 | \$82.28 |
| Speech Therapist | \$73.75 | \$100.00 | \$86.88 |

THE SOUTH

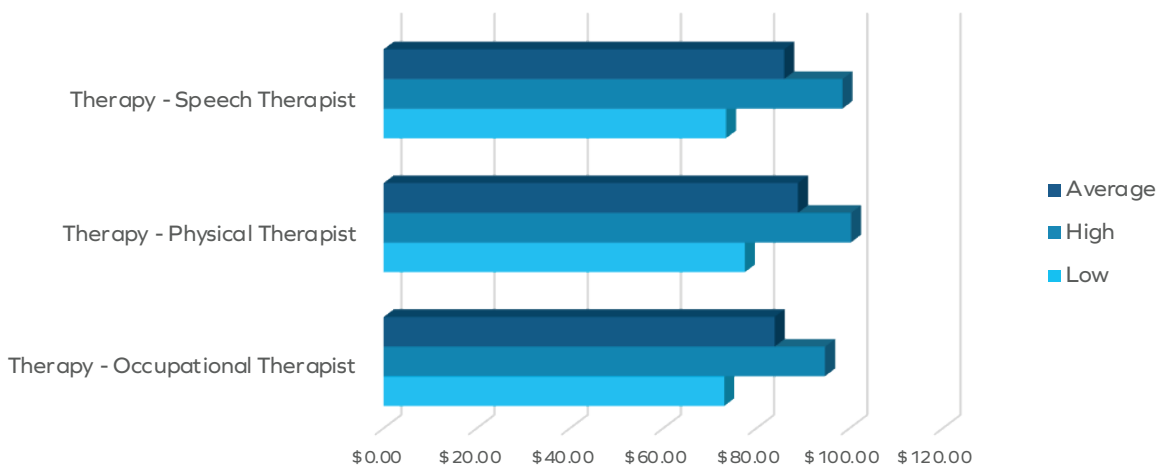


2023 Q1 MIDWEST THERAPY AVERAGES

All Inclusive Bill Rates

| Therapy | Low | High | Average |
|------------------------|---------|----------|---------|
| Occupational Therapist | \$73.13 | \$94.75 | \$83.94 |
| Physical Therapist | \$77.56 | \$100.33 | \$88.94 |
| Speech Therapist | \$73.50 | \$98.50 | \$86.00 |

THE MIDWEST

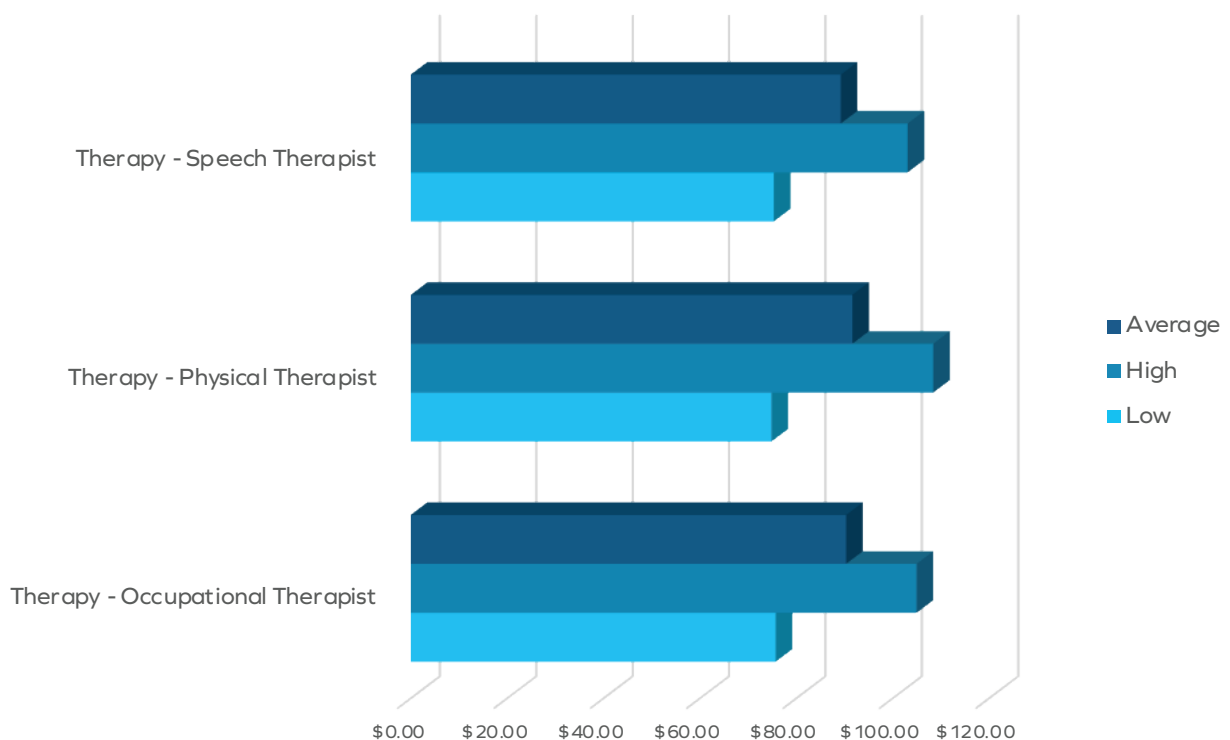


CONTRACT LABOR MARKET RATE ANALYSIS

**Q1 2023
RESULTS**

2023 Q1 WESTERN THERAPY AVERAGES

| Therapy | All Inclusive Bill Rates | | |
|------------------------|--------------------------|----------|---------|
| | Low | High | Average |
| Occupational Therapist | \$75.75 | \$105.00 | \$90.38 |
| Physical Therapist | \$74.89 | \$108.44 | \$91.67 |
| Speech Therapist | \$75.38 | \$103.13 | \$89.25 |



CONCLUSION:

With minor fluctuations, therapy rates are down from pre-pandemic highs across all regions. According to the Bureau of Labor Statistics, the therapy professions are projected to grow at a much faster rate than average. Over the next decade, the employment of Physical Therapists, Occupational Therapists, and Speech Therapists is projected to grow 17 percent, 14 percent, and 21 percent, respectively.

TRAVEL NURSE BILL RATE COMPARISON Q1 2022 - Q1 2023

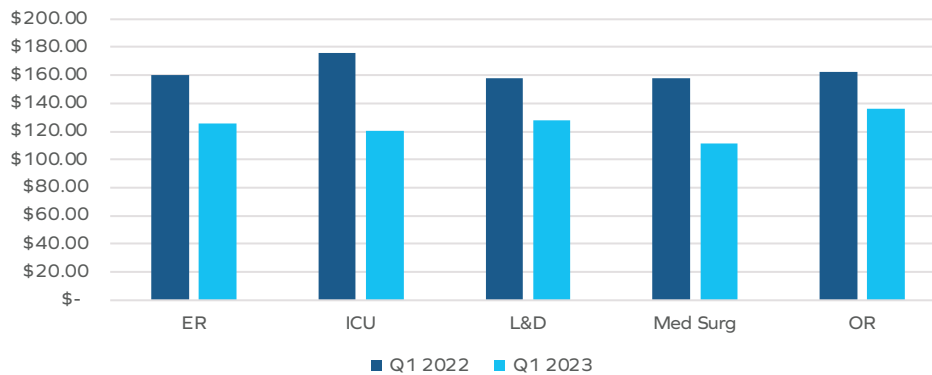
NORTHEAST REGION Q1 NURSING COMPARISON

| Specialty | Q1 2022 | Q1 2023 | Difference |
|-----------|-----------|-----------|------------|
| ER | \$ 160.00 | \$ 125.50 | 22% |
| ICU | \$ 176.00 | \$ 120.25 | 32% |
| L&D | \$ 158.00 | \$ 127.88 | 19% |
| Med Surg | \$ 158.00 | \$ 111.44 | 29% |
| OR | \$ 162.00 | \$ 136.25 | 16% |

THE NORTHEAST



Northeast Region



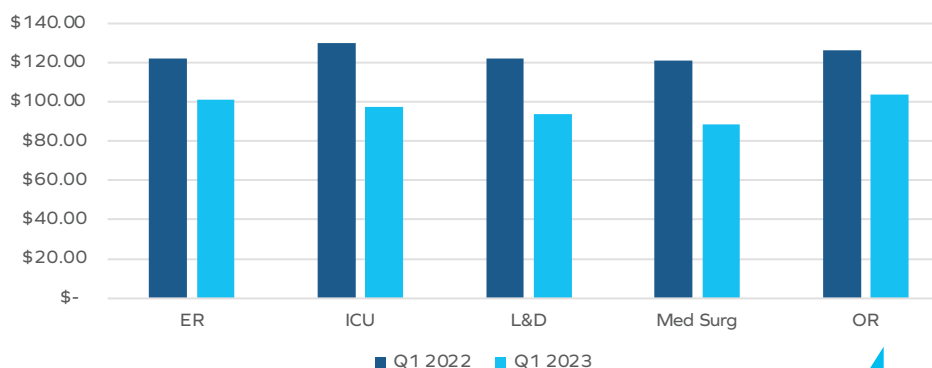
SOUTHERN REGION Q1 NURSING COMPARISON

| Specialty | Q1 2022 | Q1 2023 | Difference |
|-----------|-----------|-----------|------------|
| ER | \$ 122.00 | \$ 100.86 | 17% |
| ICU | \$ 130.00 | \$ 97.29 | 25% |
| L&D | \$ 122.00 | \$ 93.93 | 23% |
| Med Surg | \$ 121.00 | \$ 88.36 | 27% |
| OR | \$ 126.00 | \$ 103.86 | 18% |

THE SOUTH



Southern Region

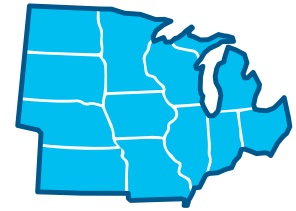


CONTRACT LABOR MARKET RATE ANALYSIS

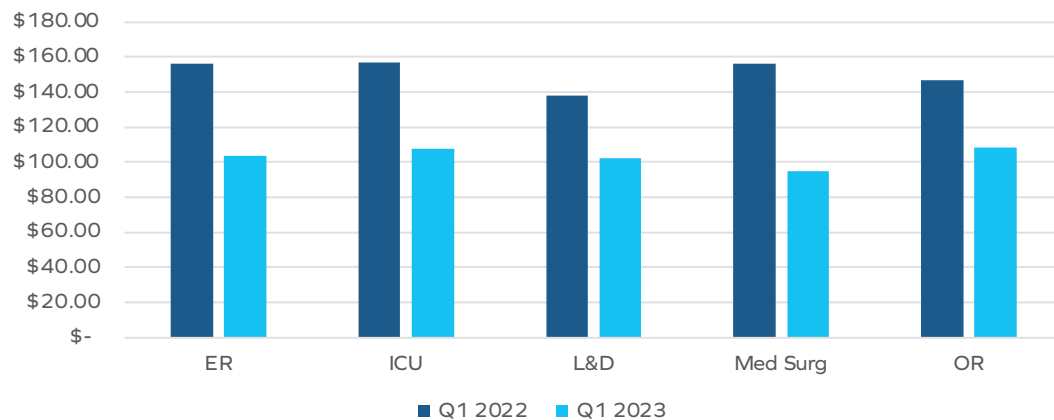
**Q1 2023
RESULTS**

| MIDWEST REGION Q1 NURSING COMPARISON | | | | |
|--------------------------------------|-----------|-----------|------------|--|
| Specialty | Q1 2022 | Q1 2023 | Difference | |
| ER | \$ 156.00 | \$ 103.69 | 34% | |
| ICU | \$ 157.00 | \$ 108.00 | 31% | |
| L&D | \$ 138.00 | \$ 102.00 | 26% | |
| Med Surg | \$ 156.00 | \$ 94.75 | 39% | |
| OR | \$ 147.00 | \$ 108.56 | 26% | |

THE MIDWEST



Midwest Region

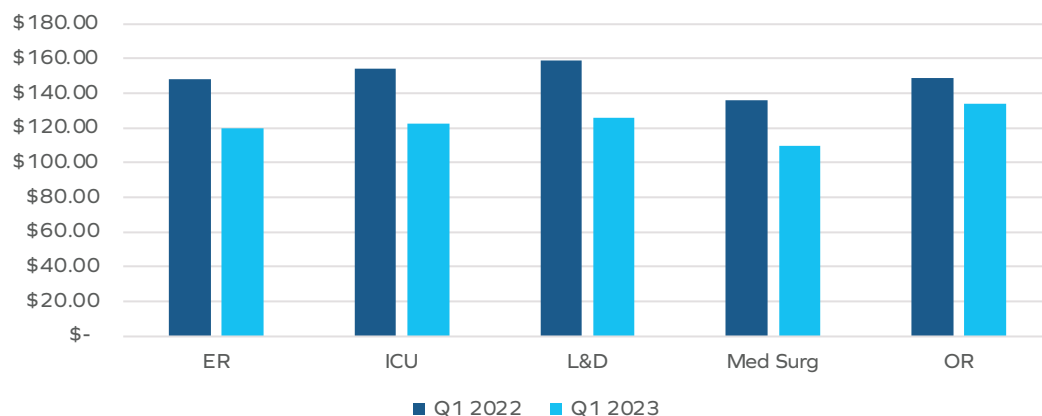


| WESTERN REGION Q1 NURSING COMPARISON | | | | |
|--------------------------------------|-----------|-----------|------------|--|
| Specialty | Q1 2022 | Q1 2023 | Difference | |
| ER | \$ 148.00 | \$ 119.94 | 19% | |
| ICU | \$ 154.00 | \$ 122.81 | 20% | |
| L&D | \$ 159.00 | \$ 126.06 | 21% | |
| Med Surg | \$ 136.00 | \$ 109.75 | 19% | |
| OR | \$ 149.00 | \$ 133.75 | 10% | |

THE WEST



Western Region



TRAVEL NURSE BILL RATE COMPARISON Q1 2022 - Q1 2023



In this section, we compare Q1 2022 bill rates for Registered Nurses to Q1 2023 bill rates, broken down by specialty and geographic region.

As expected - and discussed in more detail in Section 5 of this report - the Q1 2023 rates show a clear decline from Q1 2022, when urgent pandemic staffing needs were fueling demand. The decline is apparent across all practice specialties and regions. While these declines are a sign of equilibrium returning to the market, the bill rates for nursing in all specialties continue to remain above pre-pandemic levels.

CURRENT **CONTRACT LABOR LANDSCAPE**

Even as hourly rates for travel nurses stabilize, the pressures that dominated the healthcare staffing industry news cycle in 2022 – systemic nursing shortages, increasingly assertive union activity, and inflationary labor costs – remain problematic. These ongoing challenges, together with the market power of temporary staffing agencies, will keep traveler pay rates higher than pre-pandemic levels. And while there are no easy answers to the contract labor cost inflation stressing hospitals and healthcare systems around the country, changes in the market – growing regulatory interest and intervention, the appearance of new and nimble temporary staffing business models, and technology-driven cost savings – are a reason for cautious optimism.

NURSE SHORTAGES

The demographic trends driving the nurse shortage – a population with increasingly complex health problems and a nursing workforce aging out of the job market or leaving it earlier – won't be solved overnight. And the forces that prompted nurses to pursue travel or per diem assignments rather than staff positions continue to make these options attractive. While initiatives designed to increase supply, such as nursing school program expansions, increased online degree offerings, imported foreign workers, and re-imagined care models, will undoubtedly assist in the long run, the continuing situation on the ground today is the unfortunate paradox of challenging circumstances driving other trends that are both exacerbating shortages and fueling demand.

LABOR ACTIVITY

According to the Bureau of Labor and Statistics, six unions representing a total of 32,000 nurses launched strikes outside of hospital systems around the country last year. Those strikes represented an increase from 2021 and resulted in major contract gains. Clearly, the clinician burnout that prompted many older nurses to retire early and younger nurses to leave bedside nursing has contributed to this uptick in labor activity and provided a powerful messaging strategy for negotiations. As the January 2023 nurse strike at New York's Mount Sinai Hospital and Montefiore Medical Center suggests, assertive labor activity is likely to continue into 2023, with lower nurse-to-patient ratios being a cornerstone of union demands. In some major markets, minimum staff-to-patient ratios, whether union-contracted, established by staffing committee, or mandated by law, are the new normal.

INFLATIONARY LABOR COSTS

Last year was the worst financial year for U.S. hospitals and health systems since the start of the COVID-19 pandemic, as growth in expenses outpaced growth in revenues and volumes, according to a 2023 report on hospital finances from Kaufman Hall. The increases were driven in part by a competitive labor market, the report notes, as well as hospitals relying on more expensive contract labor to meet staffing demands. While our research also suggests 2023 will be a better year by comparison, staff nurse salaries are still increasing in some markets in response to the trends noted above and travel nurse salaries – even as they come down from pandemic highs – will nevertheless remain higher than pre-pandemic levels. Given the difficult financial months ahead, the Kaufman Hall report advises that “managing cash effectively will be critical to weathering the storm.”

STAFFING AGENCY POWER AND CONSOLIDATION

Although still somewhat fragmented, the healthcare staffing industry is becoming more consolidated and powerful players are emerging. Staffing industry merger and acquisition activity surged to record levels in 2022 with 139 publicly announced transactions in North America, based on an analysis conducted by Staffing Industry Analysts (SIA). According to the August 2022 report, the market share of the five and ten largest healthcare staffing firms last year accounted for 33% and 48% of the market, respectively. This represents an overall increase from the 27% and 40% levels observed in 2008 when SIA started tracking these metrics. The market share of the larger staffing agencies in discreet markets, though difficult to quantify, is undoubtedly even higher.

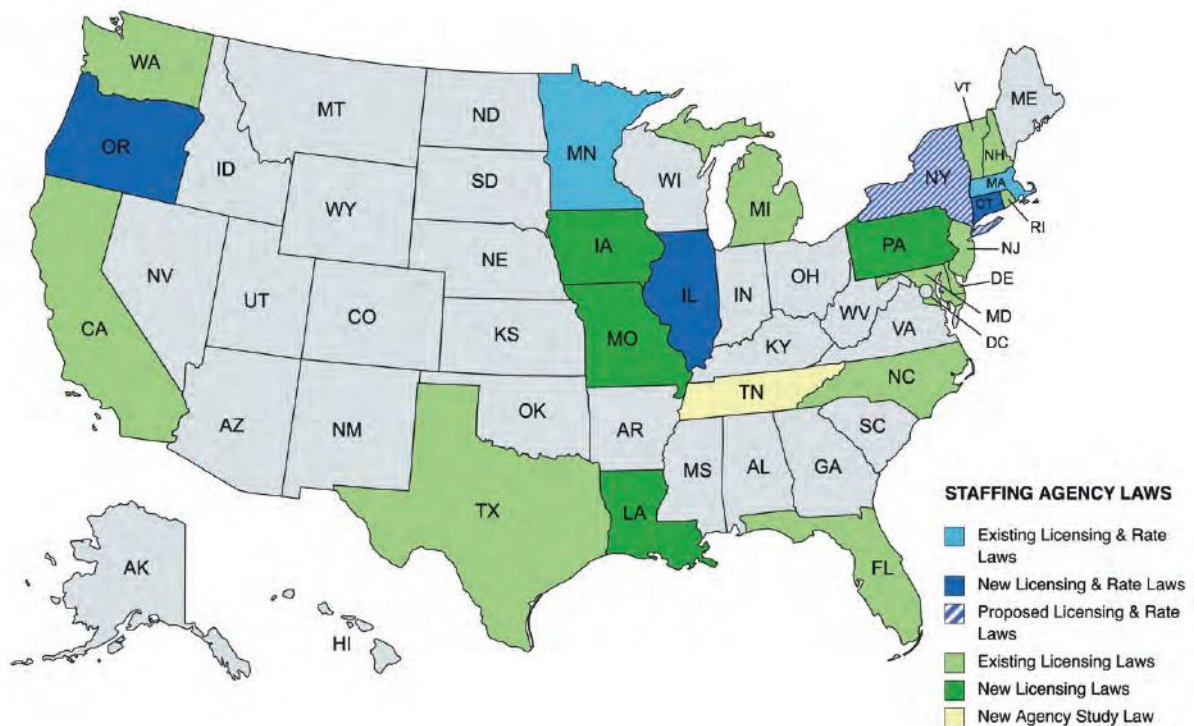


HELP ON THE HORIZON: GROWING REGULATORY ATTENTION

Despite their growing and critical role in staffing US healthcare facilities, temporary staffing agencies have traditionally operated with little or no regulatory oversight. Against the backdrop of the pandemic, and with hospitals and lawmakers calling out staffing agencies for extortionate rates, state lawmakers have begun to show more interest. Since 2021, lawmakers in 14 states have introduced legislation regulating travel nurse or healthcare staffing agencies, eight of which have been enacted. While the new Tennessee law takes a cautious approach and provides for the study of staffing agencies, the new laws in Iowa, Louisiana, Missouri, and Pennsylvania impose licensing, registration, and other requirements on the agencies.

Three of the new laws address travel nurse pay specifically. The new Connecticut law directs the state Commissioner of Social Services to evaluate rates and establish maximum rates agencies can charge to nursing homes. Illinois amended its Nurse Agency Licensing Act, effective July 1, 2022, requiring agencies to submit new health care facility contracts, including a disclosure of the charges to the health care facility and compensation to agency employees, to the Illinois Department of Labor (IDOL) within five business days of their effective date. Agencies must also file quarterly reports listing average amounts charged to health care facilities, average amounts paid to agency employees, and the average amount of labor-related costs. The amended law further requires the agency to pay wages to nurses and CNAs that match the wages listed in the agency contract submitted to IDOL or face penalties. The new Oregon law is even broader and, like Massachusetts and Minnesota, establishes a process for determining annual rates temporary staffing agencies may charge.

Exorbitant rates aren't the only staffing industry practice lawmakers are targeting. The new Iowa law prohibits agencies from engaging in practices that restrict the employment opportunities of healthcare workers with non-compete agreements or by imposing liquidated damages or other charges if an agency employee becomes a permanent employee of the healthcare facility. Similar provisions are included in the new Louisiana and Illinois laws, which also prohibit agencies from engaging in certain kinds of recruiting activities. A newly introduced bill in New York is perhaps the most aggressive of the pending bills, imposing registration requirements and rate restrictions, prohibiting non-compete agreements, conversion fees, and imposing several other novel requirements that, if enacted, will have an enormous impact on staffing agency practices in the New York market. While none of these legislative measures will bring travel nurse rates more in line with pre-pandemic rates in the near term, they are collectively a clear indication that the Wild-West era of staffing agency rates and employment practices is at an end.



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PRIVATE LEGAL ACTION AND BAD PUBLICITY

In another hopeful sign for market stability, questionable staffing agency employment practices are increasingly being challenged and exposed in lawsuits and media reports that are both costly for the agencies to defend and reputationally damaging. In 2022, class actions were filed against Aya Healthcare, Cross Country Healthcare Inc., Maxim Healthcare Services and NuWest alleging the staffing firms used "bait-and-switch" tactics – luring nurses into high-paying contracts and presenting them with mid-contract demands to accept less pay. A handful of other recent lawsuits have alleged violations of the Trafficking Victims Protection Act (TVPA). One, filed in 2022, alleges that Health Carousel, which recruited and hired healthcare workers from the Philippines to work in the U.S., employed the plaintiffs in "essentially indentured servitude" as a consequence of the five-figure penalties the foreign nurses were required to pay for canceling their contracts with the Cincinnati-based staffing agency. Again, although private legal actions and the resulting bad publicity won't put an end to all staffing agency abuses, the heightened legal and reputational risk will undoubtedly help reign in the worst actors and put the industry on notice that unfair and abusive employment practices will come with a price.

TECHNOLOGICAL INNOVATION

Unlike the improving regulatory landscape or the increased scrutiny of agency employment practices, technological innovation, whether in the form of new staffing agency business models or the low-hanging fruit of healthcare facilities automating and simplifying their existing contract labor programs, offers the most promising and immediate answers to the current crisis. While staffing agencies will continue to benefit from high demand, “gig-economy” options such as SnapNurse, CareRev, and Nurseify are gaining market share. From 2018 to 2021, SnapNurse grew an eye-popping 150,000 percent, with most of its growth occurring in just two of those years. In 2020, annual revenue jumped from \$3 million to \$88 million and hit an astonishing \$1.1 billion by 2021. CareRev and Nurseify are even more unique in their approach. Unlike SnapNurse, which operates like a traditional staffing agency with respect to its relationship with nurses, these startups classify their nurses as independent contractors rather than employees. While the healthcare-worker as independent-contractor arrangement raises questions about risk (to healthcare organizations and healthcare workers) and unresolved legal issues, they’re providing an influx of price competition at a time when it’s sorely needed.

Perhaps the least glamorous solution to the problem of inflationary contract labor pricing – but the most reliable and easily harvested – is the savings on contract labor that can be achieved by partnering with a contract labor consulting firm that offers a diverse range of contract labor management services. Whether acting as a full-service and vendor-neutral Managed Service Provider (MSP) in the management of the entire contract labor lifecycle or in providing the cost-savings offered by PRN float pools and in-house travel, returning retiree, and 90-day trial period new hire programs, the right consultant can give healthcare organizations flexibility and produce savings. Staffing industry veteran Julie O’Keefe, President of Adaptive Workforce Solutions, describes her company this way, “Adaptive can provide healthcare facilities with all the savings of the gig-economy platforms that are so popular right now, but with the customized solutions, hands-on services, and innovative programs they need in this enormously challenging environment.”

The year ahead for hospitals and healthcare systems, like 2022, will be challenging. But growing legislative awareness and activity, and the increased availability of lower-cost contract labor suppliers, should begin to have a downward impact on contract labor rates in some markets. And technology-based solutions – ever the most reliable and readily available means of controlling contract labor costs – will continue to provide options and savings for the hospitals and health systems that embrace them.

THE NEW **CONTRACT LABOR MARKETPLACE**

Hospitals and the contract labor suppliers that work with them need to re-think their sourcing practices and traditional supply models to successfully navigate the difficult years ahead. As Julie O’Keefe puts it, “The staffing practices of the past are unsustainable and threatening the viability of our national healthcare infrastructure. Hospitals need to look beyond the contract labor models of the past and find suppliers who, acting as honest brokers and advocates, can offer them a variety of cost-saving staffing services and solutions under a single umbrella.”

Smart, strategic solutions come in all sizes. Whether you’re a large university health system or a small rural hospital, keeping contract labor expenses within manageable limits is essential. You might benefit from a full-service vendor-neutral Managed Service Provider (MSP) to streamline, automate, and manage the entire contract labor lifecycle. Or you may need smaller solutions to give you flexibility with your payroll and reduce your spend.

STRATEGIC SOLUTIONS BIG AND SMALL:

Full Service, Vendor-Neutral MSP:

A truly vendor-neutral MSP can provide the kind of comprehensive contract labor lifecycle automation and hands-on management that many hospitals and health systems are looking for. But the vendor neutrality needs to be real and not just marketing fluff. Because despite what MSPs may promise, not all “vendor-neutral” platforms are truly vendor-neutral. If, for example, the MSP owns a staffing agency, or is owned by one, it may be giving preferential placement to candidates from the favored agency. You may be getting the most qualified healthcare staff – or you may be getting the healthcare staff that is the most profitable for the MSP. Shop wisely.

Other Ways to Get Creative with Your Payroll:

- **PRN Float Pools**
- **In-House Travel Programs**
- **90-day New Employee Trial Period Programs**
- **Returning Retiree Programs**
- **Guaranteed Savings Commitment**
- **Payroll Services**

All indicators suggest that, for many if not most healthcare systems, the years ahead will be challenging. Strategic, technologically savvy solutions like these are the “low-hanging” fruit that, if harvested, can help healthcare organizations meet their unique contract labor needs and reduce spend.

THE ADAPTIVE WORKFORCE SOLUTION

For over 20 years, the dynamic team of healthcare staffing experts at Adaptive Workforce Solutions have been designing solutions to help healthcare organizations procure and manage contract labor. We love what we do and take enormous pride in our role as valued consultants and advocates for the hospitals and healthcare systems we serve across the country.

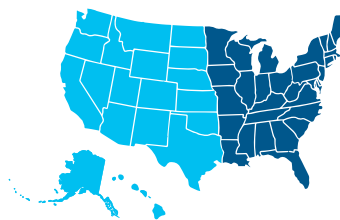
Central to the Adaptive approach to our workforce solutions is the concept of vendor-neutrality, and transparency which means that all staffing vendors receive staffing requisitions through our VMS software at the same time - none are given "advanced access" to requisitions or preferred status - and the rates are completely transparent to all parties. This ensures an even playing field and promotes price competition. This unbiased approach is a core part of who we are, enabling us to deliver uncompromised service, advocacy, and guaranteed cost-savings to our clients.

We specialize in designing customized workforce solutions that streamline and automate the entire contract labor lifecycle onto a single, integrated, and easy-to-use web-based platform. The platform, together with a dedicated Adaptive service delivery team, will simplify and manage all aspects of the workforce management program for the client, greatly expanding access to qualified temporary staff and enabling a wide array of reporting, analytics, and auditing tools. But because bigger isn't always better, we also offer a wide array of more targeted solutions.

Some of the Services We Offer:

- **Managed Service Programs**
- **Payroll Services**
- **PRN Float Pools**
- **Emergency Staffing Services**
- **In-House Travel Programs**
- **International Nurse Programs**
- **Guaranteed Savings Commitment**

WEST REGION



EAST REGION

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