



HB 200: Kentucky's Healthcare Workforce Investment Fund

Due to ongoing healthcare workforce shortages, patients in Kentucky can wait weeks for healthcare, including emergency and critical mental health services. These delays burden Kentucky families, challenge healthcare providers to provide quality and expedient care, and result in expensive emergency room and hospital visits. Kentucky healthcare systems are at "...immediate risk of reducing, downgrading or eliminating critical services."¹

The Kentucky Nurses Association (KNA) and Kentucky Hospital Association (KHA) identified Kentucky's healthcare workforce turnover as above the national rate of 19.5% (Kentucky is at 24.6%). As a result, the cost of contract labor among providers in Kentucky skyrocketed to \$489 million in the first six months of 2022, compared to \$88 million spent in 2018, a 455% increase.²

Many healthcare providers reported exponential increase in labor costs, 60% or more since Q1 2019 due to labor shortages and contract labor costs.³

Kentucky, along with other states, recognized healthcare workforce shortages during the 2023 legislative session in part by establishing the **Kentucky Healthcare Workforce Investment Fund** administered by the Council on Postsecondary Education (CPE). Through public/private partnerships, HB 200 builds on the strength of Kentucky's greatest asset, its talent. This unique legislation incentivizes healthcare education programs, healthcare industry partners, and state leadership to strengthen the education and training pipeline of health care professions within Kentucky to better serve patients across the state. Within the fund, resources are reserved for healthcare training scholarships for Kentucky resident students and healthcare program incentives to reward performance and excellence among professional programs.

HB 200 Key Elements

- **The fund, administered by CPE, is designed to improve financial support for students who enroll in targeted programs leading to healthcare credentials in areas demonstrating critical workforce need.**
- **The fund rewards performance and excellence among Kentucky healthcare professional education and training programs.**
- **The fund may accept donations, with all monies gifted or donated to the fund to be matched, dollar for dollar, by General Fund disbursements for scholarships and/or educational program incentives.**
- **The fund will prioritize grants by geographic areas of Kentucky with the greatest workforce need and will strive to improve racial and ethnic diversity within healthcare fields.**
- **The fund allows grantors to restrict funding for scholarships for qualified students who are Kentucky residents.**

¹ "Kentucky Has a Nursing Shortage: SOAR Issues Plan to Address Issue in the East where Healthcare is Main Employer." Ky. Health News, Aug. 9, 2022, by Heather Chapman; "Nurse Shortage Plagues Ky. Hospitals." *Courier Journal*, Oct. 1, 2022.

² 2022 Annual KHA Workforce Survey; Testimony of KHA President Galvani before Ky. Interim Health, Welfare and Family Services Committee, July 20, 2022.

³ Company earnings slide decks (publicly available upon request).