To: House Committee on Pension and Benefits

From: Chad Austin
Senior Vice President, Government Relations

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RE: House Bill 2654

The Kansas Hospital Association appreciates the opportunity to provide comments on House Bill 2654. The proposed legislation would allow retired individuals licensed by the board of nursing or the state board of healing arts the opportunity to return to work while not being subject to the KPERS income cap.

Kansas hospitals continue to face a workforce shortage for qualified health care professionals. It is estimated that an additional 7,472 jobs for RNs and 1,396 jobs for LPNs will be needed by 2020. Further, the average RN age continues to increase. By combining the increased demand for health care services by an aging population and the existing workforce shortage, it is vital that we do not discourage retired nurses from re-entering the workforce.

At present, there are 25 community hospitals participating in the KPERS program. Similar to the Rural Opportunity Zone program, House Bill 2654 provides another workforce retention and recruitment tool for Kansas hospitals. Absent of House Bill 2654, many Kansas hospitals may have to rely on other more expensive staffing options, such as traveling nurses. Additionally, House Bill 2654 requires the participating employer of a KPERS retiree to pay into the KPERS system the actuarially determined employer contribution based on the retirant's compensation and the statutorily prescribed employee contribution during the time of employment.

Retired health care professionals, who are seasoned and possess invaluable experience, should be given flexibility to return to the workforce and not be subject to the KPERS income cap. For this reason, KHA supports the provisions of House Bill 2654.

Thank you for the opportunity to present this testimony.