

'Indentured servitude': Nurses hit with hefty debt when trying to leave hospitals

Requiring nurses to repay for training programs has become increasingly common, with some hospitals sending \$15,000 bills.

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WASHINGTON — When Jacqui Rum quit her nursing job at Los Robles Regional Medical Center last fall over the heavy workload and low staffing levels, it came with a high price — a \$2,000 bill from her former employer for training costs.

The payment was related to a contract Rum was required to sign when she took the job at the Thousand Oaks, California, hospital owned by HCA Healthcare, the nation's largest for-profit hospital chain. Under the agreement, which is standard for entry-level nurses working at HCA hospitals and becoming increasingly standard for other health systems, Rum agreed to pay back the hospital for training if she quit or was fired before her two-year contract expired.

Despite the agreement, Rum said she quit after 13 months because of the physical and mental strain, citing staffing that was so thin she was often unable to take even a 30-minute break during her 12-hour shifts. As a result of leaving, she has received seven letters since October from a collection agency working for HCA demanding payment for the remaining \$2,000 in training costs the hospital says she owes, and threatening to charge her interest and legal fees.

“We’re being preyed on by someone in power. We’re desperate for a job, we just got out of school, we don’t know any better,” said Rum, 38, who lives in Westlake Village, California. “I didn’t even have time to take a lunch break, my hair was falling out, the level of stress just wasn’t sustainable.”

While Rum said she did receive about 10 weeks of training and mentorship, it fell short of what she’d expected given the \$4,000 value the hospital placed on it. Some of the in-person classes covered material she’d already gone over in nursing school or that wasn’t relevant to her specialty, and she had limited time to spend shadowing a more experienced nurse.

The practice of requiring repayment for training programs aimed at recent nursing school graduates has become increasingly common in recent years, with some hospitals requiring nurses to pay back as much as \$15,000 if they quit or are fired before their contract is up, according to more than a dozen nursing contracts reviewed by NBC News and interviews with nurses, educators, hospital administrators and labor organizers.

Hospitals say the repayment requirement is necessary to help them recoup the investment they make in training recent nursing school graduates and to incentivize them to stay amid a tight labor market. But some nurses say the system has left them feeling trapped in jobs and afraid to speak out about unsafe working conditions for fear of being fired and having to face thousands of dollars in debt.

“These training programs do not provide nurses with any sort of new qualification. Rather, employers are passing on to nurses the cost of basic on the job training that’s required for any RN position at any hospital, and then they’re using these contracts to lock nurses into their jobs or risk this devastating financial penalty,” said Brynne O’Neal, a regulatory policy specialist with [National Nurses United](#), a labor group with more than 200,000 members. “Having that debt hanging over them means that nurses have a harder time advocating for safe conditions for themselves and their patients.”

HCA said in a statement that its programs were developed by nurse educators as “an important investment in our colleagues and demonstrate our commitment to advancing the nursing profession.” The hospital system, which has 184 hospitals, said the program also allows nurses to receive training across a wide range of specialties such as oncology, surgical services, critical care and pediatrics. It also gives nurses the option to transfer to its other facilities.

“Given our substantial investment in this professional development program, we ask participants to commit to stay with us for a certain period of time after completing the training. During the course of their commitment, nurses are eligible for promotion and have the flexibility to pursue opportunities at any of our more than 2,300 sites of care across the country,” the HCA statement said.

The practice has caught the attention of the Consumer Financial Protection Bureau, which in September [began investigating](#) forms of debt created by employers for their employees through training programs. The agency is in the process of reviewing the training repayment programs as a type of debt product being offered to workers, similar to a student loan, and assessing whether the agency should take additional oversight actions, said a CFPB official.

'Undoubtedly to trap you'

Labor experts say that employers in a [growing number of industries](#) have been using similar training repayment requirements as forms of debt to keep workers from leaving their jobs in a tight labor market. Along with nurses, workers in the trucking, retail and pet grooming industries have also raised concerns with the CFPB over onerous debts they have incurred through employer training programs.

“We’re seeing these expand exponentially, especially in sectors where there’s a huge demand for workers that predated the pandemic,” said Jonathan Harris, an associate professor at Loyola Law School and a fellow at the Student Borrower Protection Center. “The main purpose is not to provide real useful training to workers and simply to just recoup the cost of that. The main purpose has, in many instances, been simply as a mechanism to keep workers from leaving their job through debt and using the training part of it as basically a pretext to make it try to appear justifiable.”

California [passed a law](#) in 2020 that would prevent hospitals from charging employees for job-related training required by the employer that isn’t related to getting a state-mandated license or certification. Still, HCA has continued to send letters to former nurses there, including Rum, seeking to collect payment for the training costs, according to collection letters shared with NBC News. Harris said that practice appears to be in violation of the California law.

Hospital training programs for recent nursing school graduates aren’t uncommon, but not all hospitals have a reimbursement requirement. A [survey](#) by National Nurses United found about half of nurses said they were required to participate in a training or residency program at some point in their career, and among hospital nurses who participated, 55% said they were required to repay their employer for the cost of that training if they left before their contract expired.

The practice has become increasingly common for recent graduates, with nurses who finished school in the past five years being twice as likely to say they had been in a job with a training repayment requirement compared with more veteran nurses who started their careers 11 to 20 years ago, according to the same survey.

Cassie Pennings said she thought she had no choice but to sign a two-year contract and agree to repay her employers as much as \$7,500 for training if she wanted a job out of nursing school at the major health center in the Denver area, UCHHealth.

UCHHealth University of Colorado Hospital in Aurora. David Zalubowski / AP

She said she received some training from the hospital in her first months on the job that included online modules, several weeks of in-person lectures and three months of shadowing a more senior nurse. But she said she got little value from the formal instruction and had limited time to spend shadowing her mentor given the heavy workflow at the hospital.

Despite the contract, Pennings said she quit after one year because she believed the high patient-to-nurse ratio was creating an unsafe work environment in which she feared she could harm a patient or lose her nursing license. She said she'd seen other nurses continue to stay in their jobs despite wanting to leave because of the fear of having to pay back the training costs.

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“You’re not buying a product, you’re an employee and employees get on-the-job training all the time because they want you to be a good employee. This is undoubtedly to trap you,” said Pennings, who left her job in October. “They have an issue keeping nurses there, it’s a retention issue, and so their solution to the retention issue is to trap you. To make it so that if you leave you will owe just enough money that you can’t afford it. It makes you uncomfortable.”

At UCHealth, where Pennings worked, officials decided last fall to stop requiring repayment from nurses who left before their contracts were up and were looking for other ways to incentivize nurses to stay, said JoAnne DelMonte, the hospital system's vice president of professional development and practice.

DelMonte said it has been a long-standing practice for hospitals to seek training repayment because of the investment hospitals make in training new nurses. Programs like the one used at UCHealth can cost a hospital \$60,000 to \$100,000 per nurse for the first year. Those costs include having to pay new nurses a salary with benefits for several months before they can take on their own caseloads of patients, as well as paying a higher hourly rate to the more senior nurses who mentor and teach them for three to six months.

“In terms of the repayment agreements, those have been the national standard for many, many years. It is just recently that that has been looked at through a different lens and we are no longer requiring that repayment agreement,” said DelMonte. “The real objective there was to demonstrate that we felt that we were providing a commodity, a program that was of value to the individual and to really encourage them to stay with UCHealth for two years, and we are not doing that anymore.”

Rather, she said the hospital is working on ways to encourage nurses to stay, like offering fellowship opportunities for them to move to different areas of the health system and trying to lessen the workload

on new nurses.

'Indentured servitude'

Emily Boundaone, a nursing instructor at San Antonio College in Texas, said her students frequently enter into contracts with repayment requirements, and she worries the practice is contributing to the nursing shortage by locking the students into jobs they are unhappy with and then keeping them from switching into other areas of nursing during the first few years of their careers.

“When they get stuck in these unsafe situations or the short-staffed situations, they can burn out so easily that they just say, I can’t do this anymore, and they don’t have enough experience or perspective to know that there’s other kinds of jobs out there,” said Boundaone. “So I really think that it’s going to exacerbate our nursing shortage.”

The amount of debt nurses have to take on can vary widely by hospital. One two-year nursing contract from 2022 with Baptist Health Systems in Texas, which is owned by Tenet Health, required the nurse to repay the hospital \$15,000 on a prorated basis for the nurse’s training, according to the document reviewed by NBC News.

The contract states that the training was being provided for the “benefit of the Hospital and the Employee and that the Hospital will be making significant investment of time and money in the employee by allowing the employee to participate in this program.” It says the hospital would withhold any owed training costs from the employee’s final paycheck if the employee was to leave before a two-year period.

Tenet didn’t respond to calls and emails seeking comment.

While Rum’s training with HCA was valued by the hospital at \$4,000, former HCA hospital nurse Sarah Kidd said she signed a contract in 2017, when she took her first job after nursing school at a hospital in Arlington, Texas, that required her to repay \$10,000 in training costs if she left within two years. She said the training largely consisted of three months of shadowing a more experienced nurse, along with some in-person meetings and online training modules.

After a few months on the job, she said she wanted to quit when she realized how short-staffed the hospital was but was afraid of taking on more debt in addition to her nursing school loans. At the time, she was making \$500 a week and couldn’t afford to live on her own.

“It’s a common scheme they use to trap new grads into working for them,” said Kidd, 31, who now works as a travel nurse in San Francisco. “It really is like an indentured servitude.”