# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended June 30, 2022**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the transition period from __________ to __________**
**Commission File No.: 001-16753**

# AMN HEALTHCARE SERVICES, INC.
*(Exact Name of Registrant as Specified in Its Charter)*

| | |
|---|---|
| **Delaware** | **06-1500476** |
| *(State or Other Jurisdiction of Incorporation or Organization)* | *(I.R.S. Employer Identification No.)* |

| | | |
|---|---|---|
| **8840 Cypress Waters Boulevard** | **Suite 300** | |
| **Dallas** | **Texas** | **75019** |
| *(Address of Principal Executive Offices)* | | *(Zip Code)* |

Registrant's Telephone Number, Including Area Code: **(866) 871-8519**

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.01 par value | AMN | New York Stock Exchange |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | | | |
|---|---|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ | Non-accelerated filer | ☐ |
| Smaller reporting company | ☐ | Emerging growth company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

As of August 3, 2022, there were 43,272,573 shares of common stock, $0.01 par value, outstanding.

Auditor Name: KPMG LLP  Auditor Location: San Diego, California  Auditor Firm ID: 185

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# PART I - FINANCIAL INFORMATION

## Item 1. *Condensed Consolidated Financial Statements*

### AMN HEALTHCARE SERVICES, INC.

**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(Unaudited and in thousands, except par value)**

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 79,357 | $ 180,928 |
| Accounts receivable, net of allowances of $7,522 and $6,838 at June 30, 2022 and December 31, 2021, respectively | 781,404 | 789,131 |
| Accounts receivable, subcontractor | 247,707 | 239,719 |
| Prepaid expenses | 27,430 | 72,460 |
| Other current assets | 54,324 | 66,830 |
| Total current assets | 1,190,222 | 1,349,068 |
| Restricted cash, cash equivalents and investments | 61,744 | 64,482 |
| Fixed assets, net of accumulated depreciation of $204,384 and $189,954 at June 30, 2022 and December 31, 2021, respectively | 136,490 | 127,114 |
| Operating lease right-of-use assets | 20,318 | 27,771 |
| Other assets | 148,570 | 156,670 |
| Goodwill | 935,675 | 892,341 |
| Intangible assets, net of accumulated amortization of $318,208 and $278,249 at June 30, 2022 and December 31, 2021, respectively | 515,761 | 514,460 |
| Total assets | $ 3,008,780 | $ 3,131,906 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 458,985 | $ 425,257 |
| Accrued compensation and benefits | 416,375 | 354,381 |
| Current portion of operating lease liabilities | 7,429 | 11,383 |
| Deferred revenue | 15,942 | 15,950 |
| Other current liabilities | 58,648 | 162,419 |
| Total current liabilities | 957,379 | 969,390 |
| Notes payable, net of unamortized fees and premium | 842,914 | 842,322 |
| Deferred income taxes, net | 51,010 | 47,814 |
| Operating lease liabilities | 12,486 | 13,364 |
| Other long-term liabilities | 105,647 | 96,989 |
| Total liabilities | 1,969,436 | 1,969,879 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, $0.01 par value; 10,000 shares authorized; none issued and outstanding at June 30, 2022 and December 31, 2021 | — | — |
| Common stock, $0.01 par value; 200,000 shares authorized; 50,032 issued and 43,272 outstanding at June 30, 2022 and 49,849 issued and 47,263 outstanding at December 31, 2021 | 500 | 498 |
| Additional paid-in capital | 496,682 | 486,709 |
| Treasury stock, at cost; 6,760 and 2,586 shares at June 30, 2022 and December 31, 2021 | (523,722) | (121,831) |
| Retained earnings | 1,066,754 | 796,946 |
| Accumulated other comprehensive loss | (870) | (295) |
| Total stockholders' equity | 1,039,344 | 1,162,027 |
| Total liabilities and stockholders' equity | $ 3,008,780 | $ 3,131,906 |

See accompanying notes to unaudited condensed consolidated financial statements.

## AMN HEALTHCARE SERVICES, INC.

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
**(Unaudited and in thousands, except per share amounts)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | $ 1,426,607 | $ 857,445 | $ 2,979,145 | $ 1,743,390 |
| Cost of revenue | 966,370 | 576,902 | 2,022,740 | 1,173,979 |
| Gross profit | 460,237 | 280,543 | 956,405 | 569,411 |
| Operating expenses: | | | | |
| Selling, general and administrative | 244,430 | 156,629 | 502,009 | 317,841 |
| Depreciation and amortization (exclusive of depreciation included in cost of revenue) | 32,274 | 24,740 | 62,930 | 47,994 |
| Total operating expenses | 276,704 | 181,369 | 564,939 | 365,835 |
| Income from operations | 183,533 | 99,174 | 391,466 | 203,576 |
| Interest expense, net, and other | 10,080 | 10,111 | 19,669 | 19,055 |
| Income before income taxes | 173,453 | 89,063 | 371,797 | 184,521 |
| Income tax expense | 49,653 | 22,293 | 101,989 | 47,373 |
| Net income | $ 123,800 | $ 66,770 | $ 269,808 | $ 137,148 |
| Other comprehensive income (loss): | | | | |
| Unrealized gains (losses) on available-for-sale securities, net, and other | 332 | 3 | (575) | (21) |
| Other comprehensive income (loss) | 332 | 3 | (575) | (21) |
| Comprehensive income | $ 124,132 | $ 66,773 | $ 269,233 | $ 137,127 |
| Net income per common share: | | | | |
| Basic | $ 2.78 | $ 1.40 | $ 5.90 | $ 2.88 |
| Diluted | $ 2.77 | $ 1.39 | $ 5.87 | $ 2.86 |
| Weighted average common shares outstanding: | | | | |
| Basic | 44,504 | 47,659 | 45,702 | 47,629 |
| Diluted | 44,740 | 48,019 | 45,972 | 47,976 |

See accompanying notes to unaudited condensed consolidated financial statements.

# AMN HEALTHCARE SERVICES, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
**(Unaudited and in thousands)**

| | Common Stock | | Additional Paid-in Capital | Treasury Stock | | Retained Earnings | Accumulated Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | | Shares | Amount | | | |
| Balance, December 31, 2020 | 49,614 | $ 496 | $ 468,726 | (2,561) | $ (119,143) | $ 469,558 | $ 40 | $ 819,677 |
| Equity awards vested, net of shares withheld for payroll taxes | 132 | 1 | (5,259) | — | — | — | — | (5,258) |
| Share-based compensation | — | — | 9,287 | — | — | — | — | 9,287 |
| Comprehensive income (loss) | — | — | — | — | — | 70,378 | (24) | 70,354 |
| Balance, March 31, 2021 | 49,746 | $ 497 | $ 472,754 | (2,561) | $ (119,143) | $ 539,936 | $ 16 | $ 894,060 |
| Equity awards vested, net of shares withheld for payroll taxes | 78 | 1 | (471) | — | — | — | — | (470) |
| Share-based compensation | — | — | 6,019 | — | — | — | — | 6,019 |
| Comprehensive income | — | — | — | — | — | 66,770 | 3 | 66,773 |
| Balance, June 30, 2021 | 49,824 | $ 498 | $ 478,302 | (2,561) | $ (119,143) | $ 606,706 | $ 19 | $ 966,382 |

| | Common Stock | | Additional Paid-in Capital | Treasury Stock | | Retained Earnings | Accumulated Other Comprehensive Loss | Total |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | | Shares | Amount | | | |
| Balance, December 31, 2021 | 49,849 | $ 498 | $ 486,709 | (2,586) | $ (121,831) | $ 796,946 | $ (295) | $ 1,162,027 |
| Repurchase of common stock into treasury | — | — | — | (2,298) | (228,024) | — | — | (228,024) |
| Equity awards vested, net of shares withheld for payroll taxes | 164 | 2 | (9,433) | — | — | — | — | (9,431) |
| Share-based compensation | — | — | 11,259 | — | — | — | — | 11,259 |
| Comprehensive income (loss) | — | — | — | — | — | 146,008 | (907) | 145,101 |
| Balance, March 31, 2022 | 50,013 | $ 500 | $ 488,535 | (4,884) | $ (349,855) | $ 942,954 | $ (1,202) | $ 1,080,932 |
| Repurchase of common stock into treasury | — | — | — | (1,876) | (173,867) | — | — | (173,867) |
| Equity awards vested, net of shares withheld for payroll taxes | 19 | — | (366) | — | — | — | — | (366) |
| Share-based compensation | — | — | 8,513 | — | — | — | — | 8,513 |
| Comprehensive income | — | — | — | — | — | 123,800 | 332 | 124,132 |
| Balance, June 30, 2022 | 50,032 | $ 500 | $ 496,682 | (6,760) | $ (523,722) | $ 1,066,754 | $ (870) | $ 1,039,344 |

See accompanying notes to unaudited condensed consolidated financial statements.

# AMN HEALTHCARE SERVICES, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

| | Six Months Ended June 30, 2022 | Six Months Ended June 30, 2021 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income | $ 269,808 | $ 137,148 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization (inclusive of depreciation included in cost of revenue) | 64,757 | 49,081 |
| Non-cash interest expense and other | 953 | (251) |
| Write-off of fees on credit facilities and senior notes | — | 158 |
| Change in fair value of contingent consideration | 580 | — |
| Increase (decrease) in allowance for credit losses and sales credits | 13,803 | (526) |
| Provision for deferred income taxes | 3,421 | (1,390) |
| Share-based compensation | 19,772 | 15,306 |
| Loss on disposal or sale of fixed assets | 479 | 383 |
| Net loss (gain) on investments in available-for-sale securities | 536 | (35) |
| Net loss (gain) on deferred compensation balances | (39) | 245 |
| Non-cash lease expense | 3,542 | (794) |
| Changes in assets and liabilities, net of effects from acquisitions: | | |
| Accounts receivable | (3,535) | (91,911) |
| Accounts receivable, subcontractor | (7,988) | (56,424) |
| Income taxes receivable | (1,022) | 4,791 |
| Prepaid expenses | 45,083 | (4,186) |
| Other current assets | 15,338 | 3,308 |
| Other assets | 1,002 | 962 |
| Accounts payable and accrued expenses | 29,461 | 91,823 |
| Accrued compensation and benefits | 73,349 | 65,101 |
| Other liabilities | (104,729) | (5,765) |
| Deferred revenue | 106 | 3,582 |
| Restricted investments balance | — | 19 |
| Net cash provided by operating activities | 424,677 | 210,625 |
| Cash flows from investing activities: | | |
| Purchase and development of fixed assets | (30,811) | (23,069) |
| Purchase of investments | (10,659) | (17,995) |
| Proceeds from sale and maturity of investments | 9,085 | 30,700 |
| Purchase of equity investment | — | (500) |
| Proceeds from sale of equity investment | 68 | — |
| Payments to fund deferred compensation plan | (12,584) | (1,391) |
| Cash paid for acquisitions, net of cash and restricted cash received | (69,801) | (41,264) |
| Cash paid for other intangibles | (1,060) | (90) |
| Net cash used in investing activities | (115,762) | (53,609) |

| | Six Months Ended June 30, 2022 | Six Months Ended June 30, 2021 |
|---|---|---|
| Cash flows from financing activities: | | |
| Payments on term loans | — | (21,875) |
| Payments on revolving credit facility | — | (70,000) |
| Proceeds from revolving credit facility | — | 70,000 |
| Repurchase of common stock | (401,891) | — |
| Earn-out payments to settle contingent consideration liabilities for prior acquisitions | — | (3,100) |
| Cash paid for shares withheld for taxes | (9,797) | (5,728) |
| Net cash used in financing activities | (411,688) | (30,703) |
| Effect of exchange rate changes on cash | — | (21) |
| Net increase (decrease) in cash, cash equivalents and restricted cash | (102,773) | 126,292 |
| Cash, cash equivalents and restricted cash at beginning of period | 246,714 | 83,990 |
| Cash, cash equivalents and restricted cash at end of period | $ 143,941 | $ 210,282 |
| | | |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for amounts included in the measurement of operating lease liabilities | $ 7,922 | $ 9,740 |
| Cash paid for interest (net of $254 and $195 capitalized for the six months ended June 30, 2022 and 2021, respectively) | $ 18,887 | $ 19,028 |
| Cash paid for income taxes | $ 120,660 | $ 44,061 |
| Acquisitions: | | |
| Fair value of tangible assets acquired in acquisitions, net of cash and restricted cash received | $ 2,731 | $ 1,910 |
| Goodwill | 43,301 | 27,726 |
| Intangible assets | 40,200 | 12,440 |
| Liabilities assumed | (8,431) | (812) |
| Contingent consideration liabilities | (8,000) | — |
| Net cash paid for acquisitions | $ 69,801 | $ 41,264 |
| Supplemental disclosures of non-cash investing and financing activities: | | |
| Purchase of fixed assets recorded in accounts payable and accrued expenses | $ 7,562 | $ 3,665 |

See accompanying notes to unaudited condensed consolidated financial statements.

# AMN HEALTHCARE SERVICES, INC.

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
**(in thousands, except per share amounts)**

### 1. BASIS OF PRESENTATION

The condensed consolidated balance sheets and related condensed consolidated statements of comprehensive income and cash flows contained in this Quarterly Report on Form 10-Q (this “Quarterly Report”), which are unaudited, include the accounts of AMN Healthcare Services, Inc. and its wholly-owned subsidiaries (collectively, the “Company”). All significant intercompany balances and transactions have been eliminated in consolidation. In the opinion of management, all entries necessary for a fair presentation of such unaudited condensed consolidated financial statements have been included. These entries consisted of all normal recurring items. The results of operations for the interim period are not necessarily indicative of the results to be expected for any other interim period or for the entire fiscal year or for any future period.

The unaudited condensed consolidated financial statements do not include all information and notes necessary for a complete presentation of financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”). Please refer to the Company’s audited consolidated financial statements and the related notes for the fiscal year ended December 31, 2021, contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the Securities and Exchange Commission on February 24, 2022 (the “2021 Annual Report”).

The preparation of financial statements in conformity with U.S. GAAP requires management to make a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. On an ongoing basis, the Company evaluates its estimates, including those related to intangible assets purchased in a business combination, asset impairments, accruals for self-insurance, compensation and related benefits, accounts receivable, contingencies and litigation, contingent consideration liabilities associated with acquisitions, and income taxes. Actual results could differ from those estimates under different assumptions or conditions.

***Cash, Cash Equivalents and Restricted Cash***

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include currency on hand, deposits with financial institutions, money market funds, commercial paper and other highly liquid investments. Restricted cash and cash equivalents primarily includes cash, corporate bonds and commercial paper that serve as collateral for the Company’s captive insurance subsidiary claim payments. See Note (6), “Fair Value Measurement” for additional information.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the accompanying condensed consolidated balance sheets and related notes to the amounts presented in the accompanying condensed consolidated statements of cash flows.

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| Cash and cash equivalents | $ 79,357 | $ 180,928 |
| Restricted cash and cash equivalents (included in other current assets) | 31,041 | 29,262 |
| Restricted cash, cash equivalents and investments | 61,744 | 64,482 |
| Total cash, cash equivalents and restricted cash and investments | 172,142 | 274,672 |
| Less restricted investments | (28,201) | (27,958) |
| Total cash, cash equivalents and restricted cash | $ 143,941 | $ 246,714 |

***Accounts Receivable***

The Company records accounts receivable at the invoiced amount. Accounts receivable are non-interest bearing. The Company maintains an allowance for expected credit losses based on the Company’s historical write-off experience, an assessment of its customers’ financial conditions and available information that is relevant to assessing the collectability of cash flows, which includes current conditions and forecasts about future economic conditions.

The following table provides a reconciliation of activity in the allowance for credit losses for accounts receivable:

| | 2022 | 2021 |
|---|---|---|
| Balance as of January 1, | $ 6,838 | $ 7,043 |
| Provision for expected credit losses | 1,280 | (1,213) |
| Amounts written off charged against the allowance | (596) | (317) |
| Balance as of June 30, | $ 7,522 | $ 5,513 |

## 2. ACQUISITIONS

As set forth below, the Company completed two acquisitions during the period of January 1, 2021 through June 30, 2022, which were accounted for using the acquisition method of accounting. Accordingly, the Company recorded the tangible and intangible assets acquired and liabilities assumed at their estimated fair values as of the applicable date of acquisition. Since the applicable date of acquisition, the Company has revised the allocation of the purchase price to the tangible and intangible assets acquired and liabilities assumed based on analysis of information that has been made available through June 30, 2022. The allocations will continue to be updated through the measurement period, if necessary. The goodwill recognized for these acquisitions is attributable to expected growth as the Company leverages its brand and diversifies its services offered to clients, including potential revenue growth and margin expansion. For each acquisition, the Company did not incur any material acquisition-related costs.

***Connetics Acquisition***

On May 13, 2022, the Company completed its acquisition of Connetics Communications, LLC ("Connetics"), which specializes in the direct hire recruitment and permanent placement of international nurse and allied health professionals with healthcare facilities in the United States. The initial purchase price of $78,764 included (1) $70,764 cash consideration paid upon acquisition, funded through cash on hand, and (2) a contingent earn-out payment of up to $12,500 with an estimated fair value of $8,000 as of the acquisition date. The contingent earn-out payment is based on the operating results of Connetics for the twelve months ending May 31, 2023. The results of Connetics have been included in the Company's nurse and allied solutions segment since the date of acquisition.

The preliminary allocation of the $78,764 consisted of (1) $3,694 of fair value of tangible assets acquired, which included $963 cash received, (2) $8,431 of liabilities assumed, (3) $40,200 of identified intangible assets, and (4) $43,301 of goodwill, of which $35,317 is deductible for tax purposes. The intangible assets acquired have a weighted average useful life of approximately thirteen years. The following table summarizes the fair value and useful life of each intangible asset acquired as of the acquisition date:

| | Fair Value | Useful Life (in years) |
|---|---|---|
| Identifiable intangible assets | | |
| Customer relationships | $ 32,800 | 15 |
| Staffing database | 4,200 | 5 |
| Tradenames and trademarks | 3,200 | 5 |
| | $ 40,200 | |

***Synzi and SnapMD Acquisition***

On April 7, 2021, the Company completed its acquisition of Synzi Holdings, Inc. ("Synzi") and its wholly-owned subsidiary, SnapMD, LLC ("SnapMD"). Synzi is a virtual care communication platform that enables organizations to conduct virtual visits and use secure messaging, text, and email for clinician-to-patient and clinician-to-clinician communications. SnapMD is a full-service virtual care management company, specializing in providing software to enable healthcare providers to better engage with their patients. The initial purchase price of $42,240 consisted entirely of cash consideration paid upon acquisition. The acquisition was funded primarily through borrowings under the Company's $400,000 senior secured revolving credit facility (the "Senior Credit Facility"). See additional information regarding the Senior Credit Facility in Part II, Item 8, "Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note (8), Notes Payable and Credit Agreement" of the 2021 Annual Report. The results of Synzi and SnapMD have been included in the Company's technology and workforce solutions segment since the date of acquisition. During the second quarter of 2021, $92 was returned to the Company in respect of the final working capital settlement.

The allocation of the $42,148 purchase price, which was reduced by the final working capital settlement and was finalized during the second quarter of 2022, consisted of (1) $2,757 of fair value of tangible assets acquired, which included $884 cash received, (2) $275 of liabilities assumed, (3) $12,440 of identified intangible assets, and (4) $27,226 of goodwill, of which $6,044 is deductible for tax purposes. The fair value of intangible assets primarily includes $10,890 of developed technology and $1,220 of trademarks with a weighted average useful life of approximately seven years.

## 3. REVENUE RECOGNITION

Revenue primarily consists of fees earned from the temporary staffing and permanent placement of healthcare professionals, executives, and leaders (clinical and operational). The Company also generates revenue from technology-enabled services, including language interpretation and vendor management systems, and talent planning and acquisition services, including recruitment process outsourcing. The Company recognizes revenue when control of its services is transferred to its customers, in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those services. Revenue from temporary staffing services is recognized as the services are rendered by clinical and non-clinical healthcare professionals. Under the Company's managed services program ("MSP") arrangements, the Company manages all or a part of a customer's supplemental workforce needs utilizing its own network of healthcare professionals along with those of third-party subcontractors. Revenue and the related direct costs under MSP arrangements are recorded in accordance with the accounting guidance on reporting revenue gross as a principal versus net as an agent. When the Company uses subcontractors and acts as an agent, revenue is recorded net of the related subcontractor's expense. Revenue from permanent placement and recruitment process outsourcing services is recognized as the services are rendered. Depending on the arrangement, the Company's technology-enabled service revenue is recognized either as the services are rendered or ratably over the applicable arrangement's service period.

The Company's customers are primarily billed as services are rendered. Any fees billed in advance of being earned are recorded as deferred revenue. While payment terms vary by the type of customer and the services rendered, the term between invoicing and when payment is due is not significant.

The Company has elected to apply the following practical expedients and optional exemptions related to contract costs and revenue recognition:

- Recognize incremental costs of obtaining a contract with amortization periods of one year or less as expense when incurred. These costs are recorded within selling, general and administrative expenses.
- Recognize revenue in the amount of consideration that the Company has a right to invoice the customer if that amount corresponds directly with the value to the customer of the Company's services completed to date.
- Exemptions from disclosing the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts for which revenue is recognized in the amount of consideration that the Company has a right to invoice for services performed and (iii) contracts for which variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct service that forms part of a single performance obligation.

See Note (5), "Segment Information," for additional information regarding the Company's revenue disaggregated by service type.

**4. NET INCOME PER COMMON SHARE**

Basic net income per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the reporting period. The following table sets forth the computation of basic and diluted net income per common share:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Net income | $ 123,800 | $ 66,770 | $ 269,808 | $ 137,148 |
| Net income per common share - basic | $ 2.78 | $ 1.40 | $ 5.90 | $ 2.88 |
| Net income per common share - diluted | $ 2.77 | $ 1.39 | $ 5.87 | $ 2.86 |
| Weighted average common shares outstanding - basic | 44,504 | 47,659 | 45,702 | 47,629 |
| Plus dilutive effect of potential common shares | 236 | 360 | 270 | 347 |
| Weighted average common shares outstanding - diluted | 44,740 | 48,019 | 45,972 | 47,976 |

Share-based awards to purchase 60 and 48 shares of common stock were not included in the above calculation of diluted net income per common share for the three and six months ended June 30, 2022, respectively, because the effect of these instruments was anti-dilutive. Share-based awards to purchase 4 and 24 shares of common stock were not included in the above calculation of diluted net income per common share for the three and six months ended June 30, 2021, respectively, because the effect of these instruments was anti-dilutive.

**5. SEGMENT INFORMATION**

The Company’s operating segments are identified in the same manner as they are reported internally and used by the Company’s chief operating decision maker for the purpose of evaluating performance and allocating resources. The Company has three reportable segments: (1) nurse and allied solutions, (2) physician and leadership solutions, and (3) technology and workforce solutions. The nurse and allied solutions segment includes the Company’s travel nurse staffing (including international nurse staffing and rapid response nurse staffing), labor disruption staffing, local staffing, international nurse and allied permanent placement, allied staffing and revenue cycle solutions businesses. The physician and leadership solutions segment includes the Company’s locum tenens staffing, healthcare interim leadership staffing, executive search, and physician permanent placement businesses. The technology and workforce solutions segment includes the Company’s language services, vendor management systems, workforce optimization, virtual care, credentialing solutions, and outsourced solutions businesses.

The Company’s chief operating decision maker relies on internal management reporting processes that provide revenue and operating income by reportable segment for making financial decisions and allocating resources. Segment operating income represents income before income taxes plus depreciation, amortization of intangible assets, share-based compensation, interest expense, net, and other, and unallocated corporate overhead. The Company’s management does not evaluate, manage or measure performance of segments using asset information; accordingly, asset information by segment is not prepared or disclosed.

The following table provides a reconciliation of revenue and operating income by reportable segment to consolidated results and was derived from each segment’s internal financial information as used for corporate management purposes:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | | | | |
| Nurse and allied solutions | $ 1,101,478 | $ 624,485 | $ 2,329,517 | $ 1,281,146 |
| Physician and leadership solutions | 175,697 | 139,104 | 355,203 | 279,860 |
| Technology and workforce solutions | 149,432 | 93,856 | 294,425 | 182,384 |
| | $ 1,426,607 | $ 857,445 | $ 2,979,145 | $ 1,743,390 |
| Segment operating income | | | | |
| Nurse and allied solutions | $ 160,870 | $ 89,674 | $ 355,959 | $ 191,204 |
| Physician and leadership solutions | 19,995 | 21,849 | 40,376 | 43,065 |
| Technology and workforce solutions | 82,501 | 42,653 | 161,381 | 84,742 |
| | 263,366 | 154,176 | 557,716 | 319,011 |
| Unallocated corporate overhead | 38,073 | 23,627 | 81,721 | 51,048 |
| Depreciation and amortization | 32,274 | 24,740 | 62,930 | 47,994 |
| Depreciation (included in cost of revenue) | 973 | 616 | 1,827 | 1,087 |
| Share-based compensation | 8,513 | 6,019 | 19,772 | 15,306 |
| Interest expense, net, and other | 10,080 | 10,111 | 19,669 | 19,055 |
| Income before income taxes | $ 173,453 | $ 89,063 | $ 371,797 | $ 184,521 |

The following tables present the Company's revenue disaggregated by service type. Prior period amounts have been reclassified to conform with current period presentation. These reclassifications have no impact on total revenue by reportable segment.

| | Three Months Ended June 30, 2022 | | | |
|---|---|---|---|---|
| | Nurse and Allied Solutions | Physician and Leadership Solutions | Technology and Workforce Solutions | Total |
| Travel nurse staffing | $ 775,668 | $ — | $ — | $ 775,668 |
| Labor disruption services | 83,070 | — | — | 83,070 |
| Local staffing | 33,394 | — | — | 33,394 |
| Allied staffing | 207,309 | — | — | 207,309 |
| Locum tenens staffing | — | 105,936 | — | 105,936 |
| Interim leadership staffing | — | 47,606 | — | 47,606 |
| Temporary staffing | 1,099,441 | 153,542 | — | 1,252,983 |
| Permanent placement | 2,037 | 22,155 | — | 24,192 |
| Language services | — | — | 53,291 | 53,291 |
| Vendor management systems | — | — | 75,144 | 75,144 |
| Other technologies | — | — | 6,839 | 6,839 |
| Technology-enabled services | — | — | 135,274 | 135,274 |
| Talent planning and acquisition | — | — | 14,158 | 14,158 |
| Total revenue | $ 1,101,478 | $ 175,697 | $ 149,432 | $ 1,426,607 |

| | Three Months Ended June 30, 2021 | | | |
|---|---|---|---|---|
| | Nurse and Allied Solutions | Physician and Leadership Solutions | Technology and Workforce Solutions | Total |
| Travel nurse staffing | $ 457,551 | $ — | $ — | $ 457,551 |
| Labor disruption services | 1,934 | — | — | 1,934 |
| Local staffing | 29,975 | — | — | 29,975 |
| Allied staffing | 135,025 | — | — | 135,025 |
| Locum tenens staffing | — | 77,841 | — | 77,841 |
| Interim leadership staffing | — | 43,911 | — | 43,911 |
| Temporary staffing | 624,485 | 121,752 | — | 746,237 |
| Permanent placement | — | 17,352 | — | 17,352 |
| Language services | — | — | 45,566 | 45,566 |
| Vendor management systems | — | — | 30,818 | 30,818 |
| Other technologies | — | — | 7,852 | 7,852 |
| Technology-enabled services | — | — | 84,236 | 84,236 |
| Talent planning and acquisition | — | — | 9,620 | 9,620 |
| Total revenue | $ 624,485 | $ 139,104 | $ 93,856 | $ 857,445 |

| | Six Months Ended June 30, 2022 | | | |
|---|---|---|---|---|
| | Nurse and Allied Solutions | Physician and Leadership Solutions | Technology and Workforce Solutions | Total |
| Travel nurse staffing | $ 1,745,777 | $ — | $ — | $ 1,745,777 |
| Labor disruption services | 83,070 | — | — | 83,070 |
| Local staffing | 77,451 | — | — | 77,451 |
| Allied staffing | 421,182 | — | — | 421,182 |
| Locum tenens staffing | — | 218,608 | — | 218,608 |
| Interim leadership staffing | — | 91,960 | — | 91,960 |
| Temporary staffing | 2,327,480 | 310,568 | — | 2,638,048 |
| Permanent placement | 2,037 | 44,635 | — | 46,672 |
| Language services | — | — | 102,529 | 102,529 |
| Vendor management systems | — | — | 150,166 | 150,166 |
| Other technologies | — | — | 14,497 | 14,497 |
| Technology-enabled services | — | — | 267,192 | 267,192 |
| Talent planning and acquisition | — | — | 27,233 | 27,233 |
| Total revenue | $ 2,329,517 | $ 355,203 | $ 294,425 | $ 2,979,145 |

| | Six Months Ended June 30, 2021 | | | |
|---|---|---|---|---|
| | Nurse and Allied Solutions | Physician and Leadership Solutions | Technology and Workforce Solutions | Total |
| Travel nurse staffing | $ 955,826 | $ — | $ — | $ 955,826 |
| Labor disruption services | 2,553 | — | — | 2,553 |
| Local staffing | 57,660 | — | — | 57,660 |
| Allied staffing | 265,107 | — | — | 265,107 |
| Locum tenens staffing | — | 164,196 | — | 164,196 |
| Interim leadership staffing | — | 82,770 | — | 82,770 |
| Temporary staffing | 1,281,146 | 246,966 | — | 1,528,112 |
| Permanent placement | — | 32,894 | — | 32,894 |
| Language services | — | — | 86,571 | 86,571 |
| Vendor management systems | — | — | 62,619 | 62,619 |
| Other technologies | — | — | 13,972 | 13,972 |
| Technology-enabled services | — | — | 163,162 | 163,162 |
| Talent planning and acquisition | — | — | 19,222 | 19,222 |
| Total revenue | $ 1,281,146 | $ 279,860 | $ 182,384 | $ 1,743,390 |

The following table summarizes the activity related to the carrying value of goodwill by reportable segment:

| | Nurse and Allied Solutions | Physician and Leadership Solutions | Technology and Workforce Solutions | Total |
|---|---|---|---|---|
| Balance, January 1, 2022 | $ 339,015 | $ 152,800 | $ 400,526 | $ 892,341 |
| Goodwill adjustment for Synzi and SnapMD acquisition | — | — | 33 | 33 |
| Goodwill from Connetics acquisition | 43,301 | — | — | 43,301 |
| Balance, June 30, 2022 | $ 382,316 | $ 152,800 | $ 400,559 | $ 935,675 |
| Accumulated impairment loss as of December 31, 2021 and June 30, 2022 | $ 154,444 | $ 60,495 | $ — | $ 214,939 |

## 6. FAIR VALUE MEASUREMENT

The Company's valuation techniques and inputs used to measure fair value and the definition of the three levels (Level 1, Level 2, and Level 3) of the fair value hierarchy are disclosed in Part II, Item 8, "Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note (3), Fair Value Measurement" of the 2021 Annual Report. The Company has not changed the valuation techniques or inputs it uses for its fair value measurement during the six months ended June 30, 2022.

***Assets and Liabilities Measured on a Recurring Basis***

The Company invests a portion of its cash and cash equivalents in non-federally insured money market funds that are measured at fair value based on quoted prices, which are Level 1 inputs.

The Company has a deferred compensation plan for certain executives and employees, which is composed of deferred compensation and all related income and losses attributable thereto. The Company's obligation under its deferred compensation plan is measured at fair value based on quoted market prices of the participants' elected investments, which are Level 1 inputs.

The Company's restricted cash equivalents and investments that serve as collateral for the Company's captive insurance company include commercial paper that is measured at observable market prices for identical securities that are traded in less active markets, which are Level 2 inputs. The Company's cash equivalents also include commercial paper classified as Level 2 in the fair value hierarchy. Of the $28,702 commercial paper issued and outstanding as of June 30, 2022, none had original maturities greater than three months and were considered available-for-sale securities. As of December 31, 2021, the Company had $80,596 commercial paper issued and outstanding, of which none had original maturities greater than three months and were considered available-for-sale securities.

The Company's restricted cash equivalents and investments that serve as collateral for the Company's captive insurance company also include corporate bonds that are measured using readily available pricing sources that utilize observable market data, including the current interest rate for comparable instruments, which are Level 2 inputs. As of June 30, 2022, the Company had $28,201 corporate bonds issued and outstanding, all of which had original maturities greater than three months and were considered available-for-sale securities. As of December 31, 2021, the Company had $29,159 corporate bonds issued and outstanding, of which $27,958 had original maturities greater than three months and were considered available-for-sale securities.

The Company's contingent consideration liabilities associated with acquisitions are measured at fair value using a probability-weighted discounted cash flow analysis or a simulation-based methodology for the acquired companies, which are Level 3 inputs. The Company recognizes changes to the fair value of its contingent consideration liabilities in selling, general and administrative expenses in the condensed consolidated statements of comprehensive income.

The following tables present information about the above-referenced assets and liabilities and indicate the fair value hierarchy of the valuation techniques utilized to determine such fair value:

| | Fair Value Measurements as of June 30, 2022 | | | |
|---|---|---|---|---|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Money market funds | $ 609 | $ 609 | $ — | $ — |
| Deferred compensation | (117,311) | (117,311) | — | — |
| Corporate bonds | 28,201 | — | 28,201 | — |
| Commercial paper | 28,702 | — | 28,702 | — |
| Acquisition contingent consideration liabilities | (8,580) | — | — | (8,580) |

| | Fair Value Measurements as of December 31, 2021 | | | |
|---|---|---|---|---|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Money market funds | $ 91,454 | $ 91,454 | $ — | $ — |
| Deferred compensation | (119,617) | (119,617) | — | — |
| Corporate bonds | 29,159 | — | 29,159 | — |
| Commercial paper | 80,596 | — | 80,596 | — |

***Level 3 Information***

The following tables set forth a reconciliation of changes in the fair value of contingent consideration liabilities classified as Level 3 in the fair value hierarchy:

| | 2022 | 2021 |
|---|---|---|
| Balance as of April 1, | $ — | $ — |
| Contingent consideration liability from Connetics acquisition on May 13, 2022 | (8,000) | — |
| Change in fair value of contingent consideration liability from Connetics acquisition | (580) | — |
| Balance as of June 30, | $ (8,580) | $ — |

| | 2022 | 2021 |
|---|---|---|
| Balance as of January 1, | $ — | $ (8,000) |
| Settlement of b4health contingent consideration liability for year ended December 31, 2020 | — | 8,000 |
| Contingent consideration liability from Connetics acquisition on May 13, 2022 | (8,000) | — |
| Change in fair value of contingent consideration liability from Connetics acquisition | (580) | — |
| Balance as of June 30, | $ (8,580) | $ — |

***Assets Measured on a Non-Recurring Basis***

The Company applies fair value techniques on a non-recurring basis associated with valuing potential impairment losses related to its goodwill, indefinite-lived intangible assets, long-lived assets, and equity investments.

The Company evaluates goodwill and indefinite-lived intangible assets annually for impairment and whenever events or changes in circumstances indicate that it is more likely than not that an impairment exists. The Company determines the fair value of its reporting units based on a combination of inputs, including the market capitalization of the Company, as well as Level 3 inputs such as discounted cash flows, which are not observable from the market, directly or indirectly. The Company determines the fair value of its indefinite-lived intangible assets using the income approach (relief-from-royalty method) based on Level 3 inputs.

The Company's equity investment represents an investment in a non-controlled corporation without a readily determinable market value. The Company has elected to measure the investment at cost minus impairment, if any, plus or minus changes resulting from observable price changes. The fair value is determined by using quoted prices for identical or similar investments of the same issuer, which are Level 2 inputs, and other information available to the Company such as the rights and obligations of the securities. The Company recognizes changes to the fair value of its equity investment in interest expense, net, and other in the condensed consolidated statements of comprehensive income. The balance of the equity investment was $22,633 as of both June 30, 2022 and December 31, 2021.

There were no triggering events identified, no indication of impairment of the Company's goodwill, indefinite-lived intangible assets, long-lived assets, or equity investments, and no impairment charges recorded during the six months ended June 30, 2022 and 2021.

***Fair Value of Financial Instruments***

The Company is required to disclose the fair value of financial instruments for which it is practicable to estimate the value, even though these instruments are not recognized at fair value in the consolidated balance sheets. The fair value of the Company's 4.625% senior notes due 2027 (the "2027 Notes") and 4.000% senior notes due 2029 (the "2029 Notes") was estimated using quoted market prices in active markets for identical liabilities, which are Level 1 inputs. The carrying amounts and estimated fair value of the 2027 Notes and the 2029 Notes are presented in the following table. See additional information regarding the 2027 Notes and the 2029 Notes in Part II, Item 8, "Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note (8), Notes Payable and Credit Agreement" of the 2021 Annual Report.

| | As of June 30, 2022 | | As of December 31, 2021 | |
|---|---|---|---|---|
| | Carrying Amount | Estimated Fair Value | Carrying Amount | Estimated Fair Value |
| 2027 Notes | $ 500,000 | $ 456,250 | $ 500,000 | $ 517,500 |
| 2029 Notes | 350,000 | 294,875 | 350,000 | 353,500 |

The fair value of the Company's long-term self-insurance accruals cannot be estimated as the Company cannot reasonably determine the timing of future payments.

## 7. INCOME TAXES

The Company is subject to taxation in the U.S. and various states and foreign jurisdictions. With few exceptions, as of June 30, 2022, the Company is no longer subject to state, local or foreign examinations by tax authorities for tax years before 2011, and the Company is no longer subject to U.S. federal income or payroll tax examinations for tax years before 2018.

The Company believes its liability for unrecognized tax benefits and contingent tax issues is adequate with respect to all open years. Notwithstanding the foregoing, the Company could adjust its provision for income taxes and contingent tax liability based on future developments.

***CARES Act***

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted and signed into law in response to the COVID-19 pandemic. Among other things, the CARES Act contains significant business tax provisions, including a deferral of payment of employer payroll taxes and an employer retention credit for employer payroll taxes.

The Company deferred payment of the employer's share of payroll taxes of $48,452. Approximately half of such taxes was paid during 2021 and the other half is to be paid by the end of 2022, which is included in accrued compensation and benefits in the consolidated balance sheets as of both June 30, 2022 and December 31, 2021. The Company claimed an employee retention tax credit of $1,756.

## 8. COMMITMENTS AND CONTINGENCIES

***Legal Proceedings***

From time to time, the Company is involved in various lawsuits, claims, investigations, and proceedings that arise in the ordinary course of business. These matters typically relate to professional liability, tax, compensation, contract, competitor disputes and employee-related matters and include individual and class action lawsuits, as well as inquiries and investigations by governmental agencies regarding the Company's employment and compensation practices. Additionally, some of the Company's clients may also become subject to claims, governmental inquiries and investigations, and legal actions relating to services provided by the Company's healthcare professionals. Depending upon the particular facts and circumstances, the Company may also be subject to indemnification obligations under its contracts with such clients relating to these matters. The Company accrues for contingencies and records a liability when management believes an adverse outcome from a loss contingency is both probable and the amount, or a range, can be reasonably estimated. Significant judgment is required to determine both probability of loss and the estimated amount. The Company reviews its loss contingencies at least quarterly and adjusts its accruals and/or disclosures to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, or other new information, as deemed necessary. The most significant matters for which the Company has established loss contingencies are class actions related to wage and hour claims under California and Federal law. Specifically, among other claims in these lawsuits, it is alleged that certain expense reimbursements should be considered wages and included in the regular rate of pay for purposes of calculating overtime rates.

On May 26, 2016, former travel nurse Verna Maxwell Clarke filed a complaint against AMN Services, LLC, in California Superior Court in Los Angeles County. The Company removed the case to the United States District Court for the Central District of California (Case No. 2:16-cv-04132-DSF-KS) (the "Clarke Matter"). The complaint asserts that, due to the Company's per diem adjustment practices, traveling nurses' per diem benefits should be included in their regular rate of pay for the purposes of calculating their overtime compensation. On June 26, 2018, the district court denied the plaintiffs' Motion for Summary Judgment in its entirety, and granted the Company's Motion for Summary Judgment with respect to the plaintiffs' per diem and overtime claims. The plaintiffs filed an appeal of the judgment relating to the per diem claims with the Ninth Circuit Court of Appeals (the "Ninth Circuit"). On February 8, 2021, the Ninth Circuit issued an opinion that reversed the district court's granting of the Company's Motion for Summary Judgment and remanded the matter to the district court instructing the district to enter partial summary judgment in favor of the plaintiffs. On August 26, 2021, the Company filed a Petition for Writ of Certiorari in the United States Supreme Court seeking review of the Ninth Circuit's decision, which was denied on December 13, 2021. This case is proceeding in the United States District Court.

On May 2, 2019, former travel nurse Sara Woehrle filed a complaint against AMN Services, LLC, and Providence Health System – Southern California in California Superior Court in Los Angeles County. The Company removed the case to the United States District Court for the Central District of California (Case No. 2:19-cv-05282 DSF-KS). The complaint asserts that, due to the Company's per diem adjustment practices, traveling nurses' per diem benefits should be included in their regular rate of pay for the purposes of calculating their overtime compensation. The complaint also alleges that the putative class members were denied required meal periods, denied proper overtime compensation, were not compensated for all time worked, including reporting time and training time, and received non-compliant wage statements. The Company has reached an agreement to settle this matter in its entirety and is awaiting court approval. Final approval of the settlement is expected in late 2022 or early 2023.

Because of the inherent uncertainty of litigation, the Company is not able to reasonably predict if any matter will be resolved in a manner that is materially adverse to the Company. The Company has recorded accruals in connection with the matters described above amounting to $37,225. The Company is currently unable to estimate the possible loss or range of loss beyond amounts already accrued. Loss contingencies accrued as of both June 30, 2022 and December 31, 2021 are included in accounts payable and accrued expenses and other long-term liabilities in the consolidated balance sheets.

***Operating Leases***

In the first quarter of 2022, the Company entered into a lease agreement for an office building located in Dallas, Texas, with future undiscounted lease payments of approximately $29,514, excluding lease incentives. Because the Company does not control the underlying asset during the construction period, the Company is not considered the owner of the asset under construction for accounting purposes. The lease will commence upon completion of the construction of the office building which is expected be in the first quarter of 2023. The initial term of the lease is approximately eleven years with options to renew the lease during the lease term. A right-of-use asset and lease liability will be recognized in the consolidated balance sheet in the period the lease commences.

## 9. BALANCE SHEET DETAILS

The consolidated balance sheets detail is as follows:

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| Other current assets: | | |
| Restricted cash and cash equivalents | $ 31,041 | $ 29,262 |
| Income taxes receivable | 1,022 | — |
| Other | 22,261 | 37,568 |
| Other current assets | $ 54,324 | $ 66,830 |
| Prepaid expenses: | | |
| Prepaid payroll deposits | $ 10,733 | $ 60,014 |
| Other | 16,697 | 12,446 |
| Prepaid expenses | 27,430 | 72,460 |
| Fixed assets: | | |
| Furniture and equipment | $ 44,352 | $ 43,134 |
| Software | 293,631 | 265,137 |
| Leasehold improvements | 2,891 | 8,797 |
| | 340,874 | 317,068 |
| Accumulated depreciation | (204,384) | (189,954) |
| Fixed assets, net | $ 136,490 | $ 127,114 |
| Other assets: | | |
| Life insurance cash surrender value | $ 107,641 | $ 115,095 |
| Other | 40,929 | 41,575 |
| Other assets | $ 148,570 | $ 156,670 |
| Accounts payable and accrued expenses: | | |
| Trade accounts payable | $ 85,863 | $ 77,325 |
| Subcontractor payable | 263,582 | 261,689 |
| Accrued expenses | 80,216 | 61,220 |
| Loss contingencies | 10,774 | 10,400 |
| Professional liability reserve | 6,723 | 7,127 |
| Other | 11,827 | 7,496 |
| Accounts payable and accrued expenses | $ 458,985 | $ 425,257 |
| Accrued compensation and benefits: | | |
| Accrued payroll | $ 137,063 | $ 98,817 |
| Accrued bonuses and commissions | 120,272 | 105,155 |
| Accrued travel expense | 2,964 | 3,058 |
| Health insurance reserve | 6,739 | 6,041 |
| Workers compensation reserve | 12,051 | 12,384 |
| Deferred compensation | 117,311 | 119,617 |
| Other | 19,975 | 9,309 |
| Accrued compensation and benefits | $ 416,375 | $ 354,381 |
| Other current liabilities: | | |
| Income taxes payable | — | 21,162 |
| Client deposits | 56,159 | 141,102 |
| Other | 2,489 | 155 |
| Other current liabilities | $ 58,648 | $ 162,419 |

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| Other long-term liabilities: | | |
| Workers compensation reserve | $ 24,471 | $ 24,130 |
| Professional liability reserve | 34,068 | 34,544 |
| Unrecognized tax benefits | 4,731 | 4,633 |
| Acquisition related liabilities | 8,580 | — |
| Other | 33,797 | 33,682 |
| Other long-term liabilities | $ 105,647 | $ 96,989 |

# Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto and other financial information included elsewhere herein and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the Securities and Exchange Commission ("SEC") on February 24, 2022 ("2021 Annual Report"). Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are "forward-looking statements." See "Special Note Regarding Forward-Looking Statements." We undertake no obligation to update the forward-looking statements in this Quarterly Report. References in this Quarterly Report to "AMN Healthcare," the "Company," "we," "us" and "our" refer to AMN Healthcare Services, Inc. and its wholly owned subsidiaries.

## Overview of Our Business

We provide healthcare workforce solutions and staffing services to healthcare organizations across the nation. As an innovative total talent solutions partner, our managed services programs, or "MSP," vendor management systems, or "VMS," workforce consulting services, predictive modeling, staff scheduling, credentialing services, revenue cycle solutions, language services, and the placement of physicians, nurses, allied healthcare professionals and healthcare leaders into temporary and permanent positions enable our clients to successfully reduce staffing complexity, increase efficiency and lead their organizations within the rapidly evolving healthcare environment.

We conduct business through three reportable segments: (1) nurse and allied solutions, (2) physician and leadership solutions, and (3) technology and workforce solutions. For the three months ended June 30, 2022, we recorded revenue of $1,426.6 million, as compared to $857.4 million for the same period last year. For the six months ended June 30, 2022, we recorded revenue of $2,979.1 million, as compared to $1,743.4 million for the same period last year.

Nurse and allied solutions segment revenue comprised 78% and 74% of total consolidated revenue for the six months ended June 30, 2022 and 2021, respectively. Through our nurse and allied solutions segment, we provide hospitals and other healthcare facilities with a comprehensive managed services solution in which we manage and staff all of the temporary nursing and allied staffing needs of a client. We also provide revenue cycle solutions, which include skilled labor solutions for remote medical coding, clinical documentation improvement, case management, and clinical data registry, and provide auditing and advisory services. A majority of our placements in this segment are under our managed services solution, however, we also provide traditional direct nurse and allied healthcare staffing solutions of variable assignment lengths.

Physician and leadership solutions segment revenue comprised 12% and 16% of total consolidated revenue for the six months ended June 30, 2022 and 2021, respectively. Through our physician and leadership solutions segment, we place physicians of all specialties, as well as dentists and advanced practice providers, with clients on a temporary basis, generally as independent contractors. We also recruit physicians and healthcare leaders for permanent placement and place interim leaders and executives across all healthcare settings. The interim healthcare leaders and executives we place are typically placed on contracts with assignment lengths ranging from a few days to one year, and a growing number of these placements are under our managed services solution.

Technology and workforce solutions segment revenue comprised 10% of total consolidated revenue for both of the six months ended June 30, 2022 and 2021. Through our technology and workforce solutions segment, we provide hospitals and other healthcare facilities with a range of workforce solutions, including: (1) language services, (2) software-as-a-service ("SaaS") VMS technologies through which our clients can manage their temporary staffing needs, (3) workforce optimization services that include consulting, data analytics, predictive modeling, and SaaS-based scheduling technology, (4) recruitment process outsourcing services that leverage our expertise and support systems to replace or complement a client's existing internal recruitment function for permanent placement needs, (5) virtual care services, and (6) credentialing services.

As part of our long-term growth strategy to add value for our clients, healthcare professionals, and shareholders, on May 13, 2022 and April 7, 2021, we acquired Connetics and Synzi (including its wholly-owned subsidiary SnapMD), respectively. Connetics specializes in the direct hire recruitment and permanent placement of international nurse and allied health professionals with healthcare facilities in the United States. Synzi and SnapMD offer virtual care technology platforms; Synzi focuses on the care management and home health markets and primarily serves as a patient communication and engagement platform, while SnapMD focuses on the outpatient market and primarily serves as a clinical communication and documentation platform. See additional information in the accompanying Note (2), "Acquisitions."

## Operating Metrics

In addition to our consolidated and segment financial results, we monitor the following key metrics to help us evaluate our results of operations and financial condition and make strategic decisions. We believe this information is useful in understanding our operational performance and trends affecting our businesses.

- Average travelers on assignment represents the average number of nurse and allied healthcare professionals on assignment during the period, which is used by management as a measure of volume in our nurse and allied solutions segment;
- Bill rates represent the hourly straight-time rates that we bill to clients, which are an indicator of labor market trends and costs within our nurse and allied solutions segment;
- Billable hours represent hours worked by our healthcare professionals that we are able to bill on client engagements, which are used by management as a measure of volume in our nurse and allied solutions segment;
- Days filled is calculated by dividing total locum tenens hours filled during the period by eight hours, which is used by management as a measure of volume in our locum tenens business within our physician and leadership solutions segment; and
- Revenue per day filled is calculated by dividing revenue of our locum tenens business by days filled for the period, which is an indicator of labor market trends and costs in our locum tenens business within our physician and leadership solutions segment.

## Recent Trends

Demand for our temporary and permanent placement staffing services is driven in part by U.S. economic and labor trends, and since early 2020 through present, the COVID-19 pandemic and the “Great Resignation” have impacted demand. Since late 2020, we have been experiencing historically high demand for nurses and allied healthcare professionals and demand across all segments and business lines is above pre-COVID-19 levels.

Our clients continue to face labor shortages resulting from burnout, attrition, and retirements, resulting in high demand levels across our nurse and allied solutions segment. After another COVID-related surge in the first quarter, travel nurse demand is approaching new normal levels, though still above pre-pandemic levels. Demand in our allied staffing division declined from the all-time high in the first quarter, and remains strong and well-above pre-pandemic levels. The wages for nurses and the corresponding bill rates we charge our clients peaked in the first quarter of 2022 due to the higher demand amidst a clinical labor shortage and our clients’ need to frequently fill positions quickly. Bill rates and clinician compensation declined in the second quarter, but remain well above pre-pandemic levels. We expect bill rates and clinician compensation to decline further in the third quarter and stabilize well above pre-pandemic levels as we exit 2022.

In our physician and leadership solutions segment, demand recovered in the first quarter of 2022 and exceeds pre-pandemic levels. Compared to the first quarter of 2022, we saw a decline in COVID-19 project demand, which was partially offset by strong core demand for our locum tenens and interim leadership businesses. Longer term, we expect continued strong demand resulting from an increased level of burnout and turnover of healthcare leadership roles.

In our technology and workforce solutions segment, our language services business continued to experience increased utilization due to a shift to more virtual interpretation during the pandemic and labor shortages. Bill rates and volumes declined in our VMS business after another COVID surge in the first quarter, but still remained well above pre-pandemic levels. We anticipate bill rates will continue to decline in the third quarter before stabilizing well above pre-pandemic levels towards the end of 2022.

The demand for our recruitment process outsourcing services remained strong as clients look for solutions to help address the increased labor shortages and the need to address vacancies in their permanent roles and challenges with staffing their internal recruiting teams. We expect an elevated level of demand to continue in the current constrained labor market.

As our businesses have continued to grow, we have increased our sales and operations workforce to support our clients and healthcare professionals. We have also increased spending to support our current team members and retain talent.

## Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in conformity with United States generally accepted accounting principles (“U.S. GAAP”) requires us to make estimates and judgments that affect our reported amounts of assets and liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to intangible assets purchased in a business combination, asset impairments, accruals for self-insurance, compensation and related benefits, accounts receivable, contingencies and litigation, contingent consideration (“earn-out”) liabilities associated with acquisitions, and income taxes. We base these estimates on the information that is currently available to us and on various other assumptions that we believe are reasonable under the circumstances. Actual results could vary from these estimates under different assumptions or conditions. If these estimates differ significantly from actual results, our consolidated financial statements and future results of operations may be materially impacted. There have been no material changes in our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our 2021 Annual Report.

## Results of Operations

The following table sets forth, for the periods indicated, selected unaudited condensed consolidated statements of operations data as a percentage of revenue. Our results of operations include three reportable segments: (1) nurse and allied solutions, (2) physician and leadership solutions, and (3) technology and workforce solutions. The Connetics and Synzi acquisitions impact the comparability of the results between the three and six months ended June 30, 2022 and 2021, depending on the timing of the applicable acquisition. Our historical results are not necessarily indicative of our future results of operations.

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Unaudited Condensed Consolidated Statements of Operations:** | | | | |
| Revenue | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Cost of revenue | 67.7 | 67.3 | 67.9 | 67.3 |
| Gross profit | 32.3 | 32.7 | 32.1 | 32.7 |
| Selling, general and administrative | 17.1 | 18.3 | 16.9 | 18.2 |
| Depreciation and amortization | 2.3 | 2.8 | 2.1 | 2.8 |
| Income from operations | 12.9 | 11.6 | 13.1 | 11.7 |
| Interest expense, net, and other | 0.7 | 1.2 | 0.6 | 1.1 |
| Income before income taxes | 12.2 | 10.4 | 12.5 | 10.6 |
| Income tax expense | 3.5 | 2.6 | 3.4 | 2.7 |
| Net income | 8.7 % | 7.8 % | 9.1 % | 7.9 % |

***Comparison of Results for the Three Months Ended June 30, 2022 to the Three Months Ended June 30, 2021***

***Revenue.*** Revenue increased 66% to $1,426.6 million for the three months ended June 30, 2022 from $857.4 million for the same period in 2021, primarily attributable to higher organic revenue across our segments.

Nurse and allied solutions segment revenue increased 76% to $1,101.5 million for the three months ended June 30, 2022 from $624.5 million for the same period in 2021. The $477.0 million increase was primarily attributable to a 31% increase in the average number of travelers on assignment, an approximately 31% increase in the average bill rate, and an approximately $81.0 million increase in labor disruption revenue during the three months ended June 30, 2022. The overall increase was partially offset by a 3% decrease in billable hours.

Physician and leadership solutions segment revenue increased 26% to $175.7 million for the three months ended June 30, 2022 from $139.1 million for the same period in 2021. The $36.6 million increase was primarily attributable to growth across businesses within the segment. Revenue in our locum tenens business grew approximately 36% during the three months ended June 30, 2022 primarily due to a 25% increase in the number of days filled and a 9% increase in the revenue per day filled. This growth was driven by a return in core demand and volume. Our interim leadership business experienced an approximately 8% growth, while our physician permanent placement and executive search businesses grew 28% during the three months ended June 30, 2022.

Technology and workforce solutions segment revenue increased 59% to $149.4 million for the three months ended June 30, 2022 from $93.9 million for the same period in 2021. The $55.5 million increase was primarily attributable to growth within our VMS, language services and outsourced solutions businesses. Revenue growth for our VMS and language services businesses was 144% and 17%, respectively, during the three months ended June 30, 2022.

For the three months ended June 30, 2022 and 2021, revenue under our MSP arrangements comprised approximately 60% and 58% of our consolidated revenue, 75% and 75% of our nurse and allied solutions segment revenue, 17% and 15% of our physician and leadership solutions segment revenue, and 1% and 2% of our technology and workforce solutions segment revenue, respectively.

***Gross Profit.*** Gross profit increased 64% to $460.2 million for the three months ended June 30, 2022 from $280.5 million for the same period in 2021, representing gross margins of 32.3% and 32.7%, respectively. The decline in consolidated gross margin for the three months ended June 30, 2022, as compared to the same period in 2021, was primarily due to (1) a lower margin in our nurse and allied solutions segment driven by higher clinician compensation and a decrease in billable hours, (2) a change in sales mix resulting from higher revenue in our nurse and allied solutions segment, and (3) a lower margin in our physician and leadership solutions segment driven by higher clinician compensation and a change in specialty mix in our locum tenens business. The overall decline was partially offset by a higher margin in our technology and workforce solutions segment primarily due to a change in sales mix resulting from increased revenue in our VMS business and its higher margins as compared to our other businesses within the segment. Gross margin by reportable segment for the three months ended June 30, 2022 and 2021 was 25.7% and 26.6% for nurse and allied solutions, 34.2% and 36.6% for physician and leadership solutions, and 78.3% and 67.7% for technology and workforce solutions, respectively.

***Selling, General and Administrative Expenses.*** Selling, general and administrative ("SG&A") expenses were $244.4 million, representing 17.1% of revenue, for the three months ended June 30, 2022, as compared to $156.6 million, representing 18.3% of revenue, for the same period in 2021. The increase in SG&A expenses was primarily due to higher employee compensation and benefits and other expenses associated with our revenue growth. SG&A expenses broken down among the reportable segments, unallocated corporate overhead, and share-based compensation are as follows:

| | (In Thousands) Three Months Ended June 30, | |
|---|---|---|
| | 2022 | 2021 |
| Nurse and allied solutions | $ 122,426 | $ 76,487 |
| Physician and leadership solutions | 40,010 | 29,014 |
| Technology and workforce solutions | 35,408 | 21,482 |
| Unallocated corporate overhead | 38,073 | 23,627 |
| Share-based compensation | 8,513 | 6,019 |
| | $ 244,430 | $ 156,629 |

***Depreciation and Amortization Expenses.*** Amortization expense increased 29% to $20.4 million for the three months ended June 30, 2022 from $15.8 million for the same period in 2021, primarily attributable to (1) the assignment of useful lives to certain tradenames and trademarks intangible assets that were previously not subject to amortization effective December 31, 2021 and (2) additional amortization expenses related to the intangible assets acquired in the Connetics acquisition. Depreciation expense (exclusive of depreciation included in cost of revenue) increased 35% to $12.0 million for the three months ended June 30, 2022 from $8.9 million for the same period in 2021, primarily attributable to an increase in purchased and developed hardware and software placed in service for our ongoing information technology investments to support our total talent solutions initiatives and to optimize our internal systems. Additionally, $1.0 million and $0.6 million of depreciation expense for our language services business is included in cost of revenue for the three months ended June 30, 2022 and 2021, respectively.

***Interest Expense, Net, and Other.*** Interest expense, net, and other was $10.1 million during the three months ended June 30, 2022 as compared to $10.1 million for the same period in 2021. The slight decrease was primarily due to a lower average debt outstanding balance during the three months ended June 30, 2022, which resulted from repayments of our credit facilities.

***Income Tax Expense.*** Income tax expense was $49.7 million for the three months ended June 30, 2022 as compared to $22.3 million for the same period in 2021, reflecting effective income tax rates of 29% and 25% for these periods, respectively. The increase in the effective income tax rate was primarily attributable to the recognition of $4.1 million of discrete tax expense for fair value changes in the cash surrender value of our Company Owned Life Insurance ("COLI") during the three months ended June 30, 2022 compared to a $1.1 million discrete tax benefit for COLI recognized during the same period in 2021, in relation to income before income taxes of $173.5 million and $89.1 million for the three months ended June 30, 2022 and 2021, respectively. We currently estimate our annual effective tax rate to be approximately 27% for 2022. The 29% effective tax rate for the three months ended June 30, 2022 differs from our estimated annual effective tax rate of 27% primarily due to the discrete tax expense for COLI recognized during the three months ended June 30, 2022, in relation to income before income taxes.

***Comparison of Results for the Six Months Ended June 30, 2022 to the Six Months Ended June 30, 2021***

***Revenue.*** Revenue increased 71% to $2,979.1 million for the six months ended June 30, 2022 from $1,743.4 million for the same period in 2021, primarily attributable to higher organic revenue across our segments.

Nurse and allied solutions segment revenue increased 82% to $2,329.5 million for the six months ended June 30, 2022 from $1,281.1 million for the same period in 2021. The $1,048.4 million increase was primarily attributable to an approximately 36% increase in the average number of travelers on assignment, a 33% increase in the average bill rate, and an approximately $81.0 million increase in labor disruption revenue during the six months ended June 30, 2022. The overall increase was partially offset by a 2% decrease in billable hours.

Physician and leadership solutions segment revenue increased 27% to $355.2 million for the six months ended June 30, 2022 from $279.9 million for the same period in 2021. The $75.3 million increase was primarily attributable to growth across businesses within the segment. Revenue in our locum tenens business grew approximately 33% during the six months ended June 30, 2022 primarily due to a 27% increase in the number of days filled and a 5% increase in the revenue per day filled. This growth was driven by a return in core demand and volume. Our interim leadership business experienced an approximately 11% growth, while our physician permanent placement and executive search businesses grew 36% during the six months ended June 30, 2022.

Technology and workforce solutions segment revenue increased 61% to $294.4 million for the six months ended June 30, 2022 from $182.4 million for the same period in 2021. The $112.0 million increase was primarily attributable to growth within our VMS, language services, and outsourced solutions businesses during the six months ended June 30, 2022. Revenue growth for our VMS and language services businesses was 140% and 18%, respectively, during the six months ended June 30, 2022.

For the six months ended June 30, 2022 and 2021, revenue under our MSP arrangements comprised approximately 64% and 58% of our consolidated revenue, 80% and 75% of our nurse and allied solutions segment revenue, 17% and 14% of our physician and leadership solutions segment revenue, and 2% and 1% of our technology and workforce solutions segment revenue, respectively.

***Gross Profit.*** Gross profit increased 68% to $956.4 million for the six months ended June 30, 2022 from $569.4 million for the same period in 2021, representing gross margins of 32.1% and 32.7%, respectively. The decline in consolidated gross margin for the six months ended June 30, 2022, as compared to the same period in 2021, was primarily due to (1) a lower margin in our nurse and allied solutions segment driven by higher clinician compensation, (2) a change in sales mix resulting from higher revenue in our nurse and allied solutions segment, and (3) a lower margin in our physician and leadership solutions segment driven by higher clinician compensation and a change in specialty mix in our locum tenens business. The overall decline was partially offset by a higher margin in our technology and workforce solutions segment primarily due to a change in sales mix resulting from increased revenue in our VMS business and its higher margins as compared to our other businesses within the segment. Gross margin by reportable segment for the six months ended June 30, 2022 and 2021 was 26.0% and 26.8% for nurse and allied solutions, 34.6% and 36.8% for physician and leadership solutions, and 77.5% and 67.7% for technology and workforce solutions, respectively.

***Selling, General and Administrative Expenses.*** SG&A expenses were $502.0 million, representing 16.9% of revenue, for the six months ended June 30, 2022, as compared to $317.8 million, representing 18.2% of revenue, for the same period in 2021. The increase in SG&A expenses was primarily due to higher employee compensation and benefits and other expenses associated with our revenue growth. SG&A expenses broken down among the reportable segments, unallocated corporate overhead, and share-based compensation are as follows:

| | (In Thousands) Six Months Ended June 30, | |
|---|---|---|
| | 2022 | 2021 |
| Nurse and allied solutions | $ 249,422 | $ 151,857 |
| Physician and leadership solutions | 82,499 | 59,829 |
| Technology and workforce solutions | 68,595 | 39,801 |
| Unallocated corporate overhead | 81,721 | 51,048 |
| Share-based compensation | 19,772 | 15,306 |
| | $ 502,009 | $ 317,841 |

***Depreciation and Amortization Expenses.*** Amortization expense increased 29% to $40.0 million for the six months ended June 30, 2022 from $31.0 million for the same period in 2021, primarily attributable to (1) the assignment of useful lives to certain tradenames and trademarks intangible assets that were previously not subject to amortization effective December 31, 2021 and (2) additional amortization expenses related to the intangible assets acquired in the Connetics and Synzi acquisitions. Depreciation expense (exclusive of depreciation included in cost of revenue) increased 35% to $23.0 million for the six months ended June 30, 2022 from $17.0 million for the same period in 2021, primarily attributable to an increase in purchased and developed hardware and software placed in service for our ongoing information technology investments to support our total talent solutions initiatives and to optimize our internal front and back-office systems. Additionally, $1.8 million and $1.1 million of depreciation expense for our language services business is included in cost of revenue for the six months ended June 30, 2022 and 2021, respectively.

***Interest Expense, Net, and Other*****.** Interest expense, net, and other was $19.7 million during the six months ended June 30, 2022 as compared to $19.1 million for the same period in 2021. The increase was primarily due to a $1.3 million gain related to the change in fair value of an equity investment during the six months ended June 30, 2021. The overall increase was partially offset by a lower average debt outstanding balance during the six months ended June 30, 2022, which resulted from repayments of our variable rate credit facilities.

***Income Tax Expense*****.** Income tax expense was $102.0 million for the six months ended June 30, 2022 as compared to $47.4 million for the same period in 2021, reflecting effective income tax rates of 27% and 26% for the six months ended June 30, 2022 and 2021, respectively. The increase in the effective income tax rate was primarily attributable to the recognition of $1.7 million of net discrete tax expense during the six months ended June 30, 2022 compared to $3.5 million of net discrete tax benefits recognized during the same period in 2021, in relation to income before income taxes of $371.8 million and $184.5 million for the six months ended June 30, 2022 and 2021, respectively.

## Liquidity and Capital Resources

In summary, our cash flows were:

| | (In Thousands) Six Months Ended June 30, | |
|---|---|---|
| | **2022** | **2021** |
| Net cash provided by operating activities | $ 424,677 | $ 210,625 |
| Net cash used in investing activities | (115,762) | (53,609) |
| Net cash used in financing activities | (411,688) | (30,703) |

Historically, our primary liquidity requirements have been for acquisitions, working capital requirements, and debt service under our credit facilities and senior notes. We have funded these requirements through internally generated cash flow and funds borrowed under our credit facilities. As of June 30, 2022, (1) no amount was drawn with $378.6 million of available credit under our $400.0 million secured revolving credit facility (the “Senior Credit Facility”), (2) the aggregate principal amount of our 4.625% senior notes due 2027 (the “2027 Notes”) outstanding was $500.0 million, and (3) the aggregate principal amount of our 4.000% senior notes due 2029 (the “2029 Notes”) outstanding was $350.0 million. We describe in further detail our amended credit agreement, under which the Senior Credit Facility is governed, the 2027 Notes, and the 2029 Notes in Part II, Item 8, “Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note (8), Notes Payable and Credit Agreement” of our 2021 Annual Report.

As of June 30, 2022, the total of our contractual obligations under operating leases with initial terms in excess of one year was $20.7 million. We describe in further detail our operating lease arrangements in Part II, Item 8, “Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note (5), Leases” of our 2021 Annual Report. We also have various obligations and working capital requirements, such as certain tax and legal matters, contingent consideration and other liabilities, that are recorded on our consolidated balance sheets. See additional information in the accompanying Note (6), “Fair Value Measurement,” Note (7), “Income Taxes,” Note (8), “Commitments and Contingencies,” and Note (9), “Balance Sheet Details.”

In addition to our cash requirements, we have a share repurchase program authorized by our board of directors, which does not require the purchase of any minimum number of shares and may be suspended or discontinued at any time. See additional information in the accompanying Part II, Item 2, “Unregistered Sales of Equity Securities and Use of Proceeds.”

We believe that cash generated from operations and available borrowings under the Senior Credit Facility will be sufficient to fund our operations and liquidity requirements, including expected capital expenditures, for the next 12 months and beyond. We intend to finance potential future acquisitions with cash provided from operations, borrowings under the Senior Credit Facility or other borrowings under our amended credit agreement, bank loans, debt or equity offerings, or some combination of the foregoing. The following discussion provides further details of our liquidity and capital resources.

***Operating Activities***

Net cash provided by operating activities for the six months ended June 30, 2022 was $424.7 million, compared to $210.6 million for the same period in 2021. The increase in net cash provided by operating activities was primarily attributable to (1) an increase in net income excluding non-cash expenses of $178.3 million primarily due to improved operating results in our nurse and allied solutions and technology and workforce solutions segments, (2) a decrease in accounts receivable and subcontractor receivables between periods of $136.8 million due to a smaller increase in the receivables balance during the six months ended June 30, 2022, which was primarily due to increases in revenue and associate vendor usage during 2021, and (3) a decrease in prepaid expenses between periods of $49.3 million primarily due to refunds received for prepayments to third-party vendors related to labor disruption services. The overall increase in net cash provided by operating activities was partially offset by (1) a decrease in other liabilities between periods of $99.0 million primarily due to cash paid for income taxes and client deposits related to labor disruption services that were returned during the six months ended June 30, 2022 and (2) a decrease in accounts payable and accrued expenses between periods of $62.4 million primarily due to a smaller increase in associate vendor usage during the six months ended June 30, 2022. Our Days Sales Outstanding ("DSO") was 50 days at June 30, 2022, 53 days at December 31, 2021, and 50 days at June 30, 2021.

***Investing Activities***

Net cash used in investing activities for the six months ended June 30, 2022 was $115.8 million, compared to net cash used in investing activities of $53.6 million for the same period in 2021. The increase was primarily due to (1) $69.8 million used for acquisitions during the six months ended June 30, 2022, as compared to $41.3 million during the six months ended June 30, 2021, and (2) a net purchase of investments of $1.6 million during the six months ended June 30, 2022, as compared to net proceeds of $12.7 million during the six months ended June 30, 2021. In addition, capital expenditures were $30.8 million and $23.1 million for the six months ended June 30, 2022 and 2021, respectively.

***Financing Activities***

Net cash used in financing activities during the six months ended June 30, 2022 was $411.7 million due to $401.9 million paid in connection with the repurchase of our common stock and $9.8 million in cash paid for shares withheld for payroll taxes resulting from the vesting of employee equity awards. Net cash used in financing activities during the six months ended June 30, 2021 was $30.7 million, primarily due to (1) repayments of $70.0 million under the Senior Credit Facility and $21.9 million under our then-existing secured term loan credit facility, (2) $5.7 million in cash paid for shares withheld for payroll taxes resulting from the vesting of employee equity awards, and (3) $3.1 million for acquisition earn-out payments, partially offset by borrowings of $70.0 million under the Senior Credit Facility.

***Letters of Credit***

At June 30, 2022, we maintained outstanding standby letters of credit totaling $22.0 million as collateral in relation to our workers' compensation insurance agreements and a corporate office lease agreement. Of the $22.0 million of outstanding letters of credit, we have collateralized $0.6 million in cash and cash equivalents and the remaining $21.4 million is collateralized by the Senior Credit Facility. Outstanding standby letters of credit at December 31, 2021 totaled $23.6 million.

## Recent Accounting Pronouncements

In October 2021, the FASB issued ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." The new guidance will require companies to apply the definition of a performance obligation under Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers, to recognize and measure contract assets and contract liabilities, such as deferred revenue, relating to contracts with customers that are acquired in a business combination. Under existing guidance, an acquirer generally recognizes assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers, at their acquisition-date fair values in accordance with ASC Subtopic 820-10, Fair Value Measurements—Overall. Generally, this new guidance will result in the acquirer recognizing acquired contract assets and liabilities on the same basis that would have been recorded by the acquiree prior to the acquisition under ASC Topic 606. This standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, with early adoption permitted. We are currently evaluating the impact of adopting this standard on our consolidated financial statements.

There have been no other new accounting pronouncements issued but not yet adopted that are expected to materially affect our consolidated financial condition or results of operations.

## Special Note Regarding Forward-Looking Statements

This Quarterly Report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We base these forward-looking statements on our expectations, estimates, forecasts, and projections about future events and about the industry in which we operate. Forward-looking statements are identified by words such as “believe,” “anticipate,” “expect,” “intend,” “plan,” “will,” “should,” “would,” “project,” “may,” variations of such words, and other similar expressions. In addition, any statements that refer to projections of demand or supply trends, financial items, anticipated growth, future growth and revenues, future economic conditions and performance, plans, objectives and strategies for future operations, expectations, or other characterizations of future events or circumstances are forward-looking statements. All forward-looking statements involve risks and uncertainties. Our actual results could differ materially from those discussed in, or implied by, these forward-looking statements. Factors that could cause actual results to differ materially from those implied by the forward-looking statements in this Quarterly Report are set forth in our 2021 Annual Report and include but are not limited to:

- the effects of the COVID-19 pandemic on our business, financial condition and results of operations;
- the duration and extent to which hospitals and other healthcare entities adjust their utilization of temporary nurses and allied healthcare professionals, physicians, healthcare leaders and other healthcare professionals and workforce technology applications as a result of the labor market, economic conditions or COVID-19 pandemic;
- the extent to which a spike in the COVID-19 pandemic may disrupt our operations due to the unavailability of our employees or healthcare professionals because of illness, risk of illness, quarantines, travel restrictions, mandatory vaccination requirements, desire to travel and work on temporary assignments or other factors that limit our existing or potential workforce and pool of candidates;
- the severity and duration of the impact the COVID-19 pandemic has on the financial condition and cash flow of many hospitals and healthcare systems such that it impairs their ability to make payments to us, timely or otherwise, for services rendered;
- the effects of economic downturns, inflation, recession or slow recoveries, which could result in less demand for our services, pricing pressures and negatively impact payments terms and collectability of accounts receivable;
- any inability on our part to anticipate and quickly respond to changing marketplace conditions, such as alternative modes of healthcare delivery, reimbursement, or client needs and requirements, including mandatory vaccination requirements;
- the negative effects that intermediary organizations may have on our ability to secure new and profitable contracts;
- the level of consolidation and concentration of buyers of healthcare workforce, staffing and technology solutions, which could affect the pricing of our services and our ability to mitigate concentration risk;
- the ability of our clients to increase the efficiency and effectiveness of their staffing management and recruiting efforts, through predictive analytics, online recruiting, telemedicine or otherwise, which may negatively affect our revenue, results of operations, and cash flows;
- any inability on our part to recruit and retain sufficient quality healthcare professionals at reasonable costs, which could increase our operating costs and negatively affect our business and profitability;
- any inability on our part to grow and operate our business profitably in compliance with federal and state regulation, including privacy laws, conduct of operations, costs and payment for services and payment for referrals as well as laws regarding employment and compensation practices and government contracting;
- any challenge to the classification of certain of our healthcare professionals as independent contractors, which could adversely affect our profitability;
- the effect of investigations, claims, and legal proceedings alleging medical malpractice, anti-competitive conduct, violations of employment, privacy and wage regulations and other legal theories of liability asserted against us, which could subject us to substantial liabilities;
- any technology disruptions or our inability to implement new infrastructure and technology systems effectively may adversely affect our operating results and ability to manage our business effectively;

- any failure to further develop and evolve our current workforce solutions technology offerings and capabilities, which may harm our business and/or impact our ability to compete with new technologies and competitors;
- disruption to or failures of our SaaS-based or technology-enabled services, or our inability to adequately protect our intellectual property rights with respect to such technologies or sufficiently protect the privacy of personal information, could reduce client satisfaction, harm our reputation and negatively affect our business;
- security breaches and cybersecurity incidents, including ransomware, that could compromise our information and systems, which could adversely affect our business operations and reputation and could subject us to substantial liabilities;
- any inability on our part to quickly and properly credential and match quality healthcare professionals with suitable placements, which may adversely affect demand for our services;
- any inability on our part to continue to attract, develop and retain our sales and operations team members, which may deteriorate our operations;
- our increasing dependence on third parties, including offshore vendors, for the execution of certain critical functions;
- the loss of our key officers and management personnel, which could adversely affect our business and operating results;
- any inability to consummate and effectively incorporate acquisitions into our business operations, which may adversely affect our long-term growth and our results of operations;
- businesses we acquire may have liabilities or adverse operating issues, which could harm our operating results;
- any increase to our business and operating risks as we develop new services and clients, enter new lines of business, and focus more of our business on providing a full range of client solutions;
- any inability on our part to maintain our positive brand awareness and identity, which may adversely affect our results of operation;
- the expansion of social media platforms presents new risks and challenges, which could cause damage to our brand reputation;
- any recognition of an impairment to the substantial amount of goodwill or indefinite-lived intangibles on our balance sheet;
- our indebtedness, which could adversely affect our ability to raise additional capital to fund operations, limit our ability to react to changes in the economy or our industry, and expose us to interest rate risk to the extent of any variable rate debt;
- the terms of our debt instruments that impose restrictions on us that may affect our ability to successfully operate our business; and
- the effect of significant adverse adjustments to our insurance-related accruals on our balance sheet, which could decrease our earnings or increase our losses and negatively impact our cash flows.

## Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates, and commodity prices. During the three and six months ended June 30, 2022, our primary exposure to market risk was interest rate risk associated with our variable interest debt instruments. A 100 basis point increase in interest rates on our variable rate debt would not have resulted in a material effect on our unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022. During the three and six months ended June 30, 2022, we generated substantially all of our revenue in the United States. Accordingly, we believe that our foreign currency risk is immaterial.

## Item 4. *Controls and Procedures*

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as of June 30, 2022 were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

# PART II - OTHER INFORMATION

## Item 1. *Legal Proceedings*

Information with respect to this item may be found in the accompanying Note (8), “Commitments and Contingencies,” which is incorporated herein by reference.

## Item 1A. *Risk Factors*

We do not believe that there have been any material changes to the risk factors disclosed in Part I, Item 1A of our 2021 Annual Report. The risk factors described in our 2021 Annual Report are not the only risks we face. Factors we currently do not know, factors that we currently consider immaterial or factors that are not specific to us, such as general economic conditions, may also materially adversely affect our business or our consolidated operating results, financial condition or cash flows.

## Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

From time to time, we may repurchase our common stock in the open market pursuant to programs approved by our board of directors (the “Board”). On November 1, 2016, our Board authorized us to repurchase up to $150.0 million of our outstanding common stock in the open market. On November 10, 2021, February 17, 2022 and June 15, 2022, we announced increases to the repurchase program under which we may repurchase an additional $150.0 million, $300.0 million, and $250.0 million, respectively, of our outstanding common stock. Under the repurchase program announced on November 1, 2016 and the aforementioned increases (collectively, the “Company Repurchase Program”), share repurchases may be made from time to time, depending on prevailing market conditions and other considerations. The Company Repurchase Program has no expiration date and may be discontinued or suspended at any time.

During the six months ended June 30, 2022, we repurchased 4,174 thousand shares of common stock at an average price of $96.26 per share excluding broker’s fees, resulting in an aggregate purchase price of $401.9 million, funded through cash on hand. We describe in further detail our repurchase program and the shares repurchased thereunder in Part II, Item 5, “Market For Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities” and Item 8, “Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note (10)(b), Capital Stock—Treasury Stock” set forth in our 2021 Annual Report.

| Period | Total Number of Shares (or Units) Purchased | Average Price Paid per Share (or Unit) | Total Number of Shares (or Units) Purchased as Part of Publicly Announced Program | | Maximum Dollar Value of Shares (or Units) that May Yet Be Purchased Under the Program |
|---|---|---|---|---|---|
| January 1 - 31, 2022 | 690,783 | $97.98 | 690,783 | $ | 110,467,685 |
| February 1 - 28, 2022 | 648,346 | $99.67 | 648,346 | $ | 345,825,167 |
| March 1 - 31, 2022 | 958,545 | $99.79 | 958,545 | $ | 250,144,621 |
| April 1 - 30, 2022 | 104,843 | $101.59 | 104,843 | $ | 239,490,711 |
| May 1 - 31, 2022 | 1,771,240 | $92.12 | 1,771,240 | $ | 76,278,235 |
| June 1 - 30, 2022 | — | $— | — | $ | 326,278,235 |
| Total | 4,173,757 | $96.26 | 4,173,757 | $ | 326,278,235 |

## Item 3. *Defaults Upon Senior Securities*

None.

## Item 4. *Mine Safety Disclosures*

Not applicable.

## Item 5. *Other Information*

None.

## Item 6. *Exhibits*

| Exhibit Number | Description |
| --- | --- |
| 10.1 | First Amendment to Employment Agreement, dated as of February 6, 2008, between AMN Healthcare Services, Inc. and Susan R. Nowakowski (aka Susan R. Salka) (Management Contract or Compensatory Plan or Arrangement).** |
| 31.1 | Certification by Susan R. Salka pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.* |
| 31.2 | Certification by Jeffrey R. Knudson pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.* |
| 32.1 | Certification by Susan R. Salka pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |
| 32.2 | Certification by Jeffrey R. Knudson pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |
| 101.INS | XBRL Instance Document.* |
| 101.SCH | XBRL Taxonomy Extension Schema Document.* |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document.* |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document.* |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document.* |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document.* |

* Filed herewith.

** Corrected version of a previously filed exhibit. (Filed herewith.)

# SIGNATURES

**Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.**

Date: August 5, 2022

**AMN HEALTHCARE SERVICES, INC.**

/s/ Susan R. Salka

**Susan R. Salka**
**President and Chief Executive Officer**
**(Principal Executive Officer)**

Date: August 5, 2022

/s/ Jeffrey R. Knudson

**Jeffrey R. Knudson**
**Chief Financial Officer**
**(Principal Financial and Accounting Officer)**

# FIRST AMENDMENT
# TO
# EMPLOYMENT AGREEMENT

The Employment Agreement effective May 4, 2005 by and between AMN Healthcare Services, Inc., a Delaware corporation (the “Company”), and Susan R. Nowakowski, an individual (the “Executive”), is hereby amended as follows:

1. Subsection 6(a) is hereby amended by deleting the second sentence thereof and substituting therefor the following:

> “In addition, the Executive or her estate, as the case may be, shall be entitled to receive an amount equal to the average of the Bonuses received by the Executive for the three most recent Fiscal Years (‘Average Bonus’).”

2. Effective January 1, 2009, Subsection 6(b)(i) is hereby amended by deleting the third sentence thereof and substituting therefor the following:

> “The Salary Severance Benefit and the Bonus Severance Benefit shall be payable in a lump sum not later than thirty (30) days following the Executive’s termination of employment.”

3. Subsection 6(b)(i) is further amended by deleting the last sentence thereof.

4. Subsection 6(b)(ii)(3) is hereby amended by deleting said subsection in its entirety and substituting therefor the following:

> “(3) ‘Bonus Severance Benefit’ shall mean an amount equal to two (2) times the Average Bonus.”

5. Subsection 6(b)(iii) is hereby amended by deleting the first sentence thereof and substituting therefor the following:

> “Notwithstanding anything to the contrary in this Agreement, if the Executive’s employment is terminated pursuant to subsection 5(d) or 5(e) hereof within one year following a Change in Control (as defined below), in lieu of receiving the amounts set forth in the second sentence of subsection 6(b)(i) hereof; the Executive shall receive a lump sum payment, payable as soon as reasonably practicable following the date of such termination, in an amount equal to the sum of (A) the Executive’s Base Salary that would have been payable from the effective date of termination through the end of thirty-six months based on the Base Salary in effect on the effective date of the termination, (B) three (3) times the Average Bonus, and (C) the amount of any unreimbursed business expenses properly incurred by the Executive in accordance with Company policy prior to the date of the Executive’s termination of employment.”

6. Subsection 6(b)(iii) is further amended by deleting the final sentence thereof and substituting therefor the following:

"For purposes of this Section 6(b)(iii), a "Change in Control" shall be deemed to occur upon:

(1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the 'Exchange Act')) (a 'Person') of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of a majority of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors;

(2) the dissolution or liquidation of the Company;

(3) the sale of all or substantially all of the business or assets of the Company; or

(4) the consummation of a merger, consolidation or similar form of corporate transaction involving the Company that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), if immediately following such Business Combination: (x) a Person is or becomes the beneficial owner, directly or indirectly, of a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), or (y) the Company's shareholders cease to beneficially own, directly or indirectly, in substantially the same proportion as they owned the then outstanding voting securities immediately prior to the Business Combination, a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation). 'Surviving Corporation' shall mean the corporation resulting from a Business Combination, and 'Parent Corporation' shall mean the ultimate parent corporation that directly or indirectly has beneficial ownership of a majority of the combined voting power of the then outstanding voting securities of the Surviving Corporation entitled to vote generally in the election of directors."

7. Subsection 6(e) is hereby amended by adding the following sentence at the end thereof:

"Such release must be executed no later than ten (10) days after the Executive's termination of employment and not be revoked during the seven-day revocation period."

8. Section 6 is further amended by adding the following subsection 6(f) at the end thereof:

"(f) Section 409A.

(i) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the 'Code'), the Company determines that the Executive is a 'specified employee' within the meaning of Section 409A(a)(2)(B)(i) of the Code, and if any payment or benefit that the Executive becomes entitled to under this Agreement would be considered deferred compensation subject to interest, penalties and additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, then no such payment shall be payable or benefit shall be provided prior to the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule. The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(ii) If the provision of disability and life insurance coverage to the Executive post-termination of employment is considered deferred compensation subject to Section 409A of the Code, then the Executive shall also pay the Company's portion of the life insurance and disability insurance premiums during the six-month period following the Executive's separation from service, for which the Executive shall be reimbursed on an after-tax basis on the first day of the seventh month following the Executive's separation from service.

(iii) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section."

9. Subsection 7(b) is hereby amended by deleting the fourth sentence thereof and substituting therefor the following:

"If the Accounting Firm determines that any Excise Tax is payable by the Company, the Company shall pay the required Gross-Up Payment to the tax authorities as withholding taxes on behalf of the Executive at such time or times when each Excise Tax payment is due."

10. Subsection 7(d) is hereby amended by deleting the last sentence thereof.

11. Except as otherwise provided in Section 2 hereof, this First Amendment is effective upon execution.

12. Except as amended herein, the Employment Agreement is confirmed in all other respects.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment this 6th day of February, 2008.

AMN HEALTHCARE. SERVICES, INC.

By: /s/ David C. Dreyer
Name: David C. Dreyer
Title: CFO, CAO and Treasurer

/s/ Susan R. Nowakowski
Susan R. Nowakowski

**Exhibit 31.1**

**Certification Pursuant To**
**Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Susan R. Salka, certify that:

1. I have reviewed this report on Form 10-Q of AMN Healthcare Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Susan R. Salka

**Susan R. Salka**
**Director, President and Chief Executive Officer**
**(Principal Executive Officer)**

Date: August 5, 2022

**Exhibit 31.2**

**Certification Pursuant To**
**Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Jeffrey R. Knudson, certify that:

1. I have reviewed this report on Form 10-Q of AMN Healthcare Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ JEFFREY R. KNUDSON

**Jeffrey R. Knudson**
**Chief Financial Officer**
**(Principal Financial and Accounting Officer)**

Date: August 5, 2022

**Exhibit 32.1**

**AMN Healthcare Services, Inc.**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AMN Healthcare Services, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Susan R. Salka, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ SUSAN R. SALKA

**Susan R. Salka**
**Director, President and Chief Executive Officer**
**(Principal Executive Officer)**

Date: August 5, 2022

**Exhibit 32.2**

**AMN Healthcare Services, Inc.**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AMN Healthcare Services, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey R. Knudson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ JEFFREY R. KNUDSON

**Jeffrey R. Knudson**
**Chief Financial Officer**
**(Principal Financial and Accounting Officer)**

Date: August 5, 2022