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 September 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 November 2, 2022, there were 43,335,911 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)

	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 155,723	$ 180,928
Accounts receivable, net of allowances of $15,194 and $6,838 at September 30, 2022 and December 31, 2021, respectively	724,966	789,131
Accounts receivable, subcontractor	253,954	239,719
Prepaid expenses	17,019	72,460
Other current assets	54,504	66,830
Total current assets	1,206,166	1,349,068
Restricted cash, cash equivalents and investments	64,883	64,482
Fixed assets, net of accumulated depreciation of $212,702 and $189,954 at September 30, 2022 and December 31, 2021, respectively	140,995	127,114
Operating lease right-of-use assets	18,505	27,771
Other assets	152,970	156,670
Goodwill	935,675	892,341
Intangible assets, net of accumulated amortization of $339,092 and $278,249 at September 30, 2022 and December 31, 2021, respectively	499,067	514,460
Total assets	$ 3,018,261	$ 3,131,906
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 459,237	$ 425,257
Accrued compensation and benefits	338,833	354,381
Current portion of operating lease liabilities	8,226	11,383
Deferred revenue	15,060	15,950
Other current liabilities	69,890	162,419
Total current liabilities	891,246	969,390
Notes payable, net of unamortized fees and premium	843,210	842,322
Deferred income taxes, net	42,159	47,814
Operating lease liabilities	10,785	13,364
Other long-term liabilities	98,228	96,989
Total liabilities	1,885,628	1,969,879
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value; 10,000 shares authorized; none issued and outstanding at September 30, 2022 and December 31, 2021	—	—
Common stock, $0.01 par value; 200,000 shares authorized; 50,087 issued and 43,327 outstanding at September 30, 2022 and 49,849 issued and 47,263 outstanding at December 31, 2021	501	498
Additional paid-in capital	497,744	486,709
Treasury stock, at cost; 6,760 and 2,586 shares at September 30, 2022 and December 31, 2021, respectively	(523,722)	(121,831)
Retained earnings	1,159,199	796,946
Accumulated other comprehensive loss	(1,089)	(295)
Total stockholders' equity	1,132,633	1,162,027
Total liabilities and stockholders' equity	$ 3,018,261	$ 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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	$ 1,138,586	$ 877,800	$ 4,117,731	$ 2,621,190
Cost of revenue	753,560	571,935	2,776,300	1,745,914
Gross profit	385,026	305,865	1,341,431	875,276
Operating expenses:				
Selling, general and administrative	215,419	173,932	717,428	491,773
Depreciation and amortization (exclusive of depreciation included in cost of revenue)	33,239	26,104	96,169	74,098
Total operating expenses	248,658	200,036	813,597	565,871
Income from operations	136,368	105,829	527,834	309,405
Interest expense, net, and other	8,961	5,223	28,630	24,278
Income before income taxes	127,407	100,606	499,204	285,127
Income tax expense	34,962	26,583	136,951	73,956
Net income	$ 92,445	$ 74,023	$ 362,253	$ 211,171
Other comprehensive income (loss):				
Unrealized gains (losses) on available-for-sale securities, net, and other	(219)	11	(794)	(10)
Other comprehensive income (loss)	(219)	11	(794)	(10)
Comprehensive income	$ 92,226	$ 74,034	$ 361,459	$ 211,161
Net income per common share:				
Basic	$ 2.11	$ 1.55	$ 8.04	$ 4.43
Diluted	$ 2.10	$ 1.54	$ 7.99	$ 4.40
Weighted average common shares outstanding:				
Basic	43,785	47,737	45,056	47,666
Diluted	44,039	48,080	45,332	48,022

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 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 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
Equity awards vested, net of shares withheld for taxes	12	—	(527)	—	—	—	—	(527)
Share-based compensation	—	—	2,589	—	—	—	—	2,589
Comprehensive income	—	—	—	—	—	74,023	11	74,034
Balance, September 30, 2021	49,836	$ 498	$ 480,364	(2,561)	$ (119,143)	$ 680,729	$ 30	$ 1,042,478

	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 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 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
Equity awards vested, net of shares withheld for taxes	55	1	(3,836)	—	—	—	—	(3,835)
Share-based compensation	—	—	4,898	—	—	—	—	4,898
Comprehensive income (loss)	—	—	—	—	—	92,445	(219)	92,226
Balance, September 30, 2022	50,087	$ 501	$ 497,744	(6,760)	$ (523,722)	$ 1,159,199	$ (1,089)	$ 1,132,633

See accompanying notes to unaudited condensed consolidated financial statements.

AMN HEALTHCARE SERVICES, INC.

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

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income	$ 362,253	$ 211,171
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (inclusive of depreciation included in cost of revenue)	99,087	75,871
Non-cash interest expense and other	1,427	(4,541)
Write-off of fees on credit facilities and senior notes	—	158
Change in fair value of contingent consideration	(1,190)	—
Increase in allowance for credit losses and sales credits	22,199	2,103
Provision for deferred income taxes	(5,364)	(4,328)
Share-based compensation	24,670	17,895
Loss on disposal or sale of fixed assets	571	386
Net loss (gain) on investments in available-for-sale securities	652	(41)
Net loss (gain) on deferred compensation balances	(1,324)	96
Non-cash lease expense	4,818	(257)
Changes in assets and liabilities, net of effects from acquisitions:		
Accounts receivable	44,532	(196,342)
Accounts receivable, subcontractor	(14,235)	(67,641)
Income taxes receivable	(1,426)	5,472
Prepaid expenses	55,495	(5,695)
Other current assets	12,399	3,411
Other assets	(608)	780
Accounts payable and accrued expenses	31,855	112,183
Accrued compensation and benefits	2,937	96,666
Other liabilities	(99,534)	(26,268)
Deferred revenue	(809)	6,276
Restricted investments balance	—	16
Net cash provided by operating activities	538,405	227,371
Cash flows from investing activities:		
Purchase and development of fixed assets	(51,229)	(38,710)
Purchase of investments	(13,152)	(32,437)
Proceeds from sale and maturity of investments	12,549	40,000
Purchase of equity investment	—	(500)
Proceeds from sale of equity investment	68	78
Payments to fund deferred compensation plan	(21,411)	(6,094)
Cash paid for acquisitions, net of cash and restricted cash received	(69,801)	(41,264)
Cash paid for other intangibles	(5,091)	(90)
Net cash used in investing activities	(148,067)	(79,017)

	Nine Months Ended September 30,	
	2022	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	(13,632)	(6,255)
Net cash used in financing activities	(415,523)	(31,230)
Effect of exchange rate changes on cash	—	(10)
Net increase (decrease) in cash, cash equivalents and restricted cash	(25,185)	117,114
Cash, cash equivalents and restricted cash at beginning of period	246,714	83,990
Cash, cash equivalents and restricted cash at end of period	$ 221,529	$ 201,104
Supplemental disclosures of cash flow information:		
Cash paid for amounts included in the measurement of operating lease liabilities	$ 10,700	$ 35,066
Cash paid for interest (net of $452 and $248 capitalized for the nine months ended September 30, 2022 and 2021, respectively)	$ 18,950	$ 19,301
Cash paid for income taxes	$ 164,757	$ 72,863
Acquisitions:		
Fair value of tangible assets acquired in acquisitions, net of cash and restricted cash received	$ 2,731	$ 1,906
Goodwill	43,301	28,135
Intangible assets	40,200	12,440
Liabilities assumed	(8,431)	(1,217)
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	$ 5,187	$ 5,080

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.

	September 30, 2022	December 31, 2021
Cash and cash equivalents	$ 155,723	$ 180,928
Restricted cash and cash equivalents (included in other current assets)	27,764	29,262
Restricted cash, cash equivalents and investments	64,883	64,482
Total cash, cash equivalents and restricted cash and investments	248,370	274,672
Less restricted investments	(26,841)	(27,958)
Total cash, cash equivalents and restricted cash	$ 221,529	$ 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	10,129	325
Amounts written off charged against the allowance	(1,773)	(1,220)
Balance as of September 30,	$ 15,194	$ 6,148

2. ACQUISITIONS

As set forth below, the Company completed two acquisitions during the period of January 1, 2021 through September 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 September 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) contingent consideration (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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	$ 92,445	$ 74,023	$ 362,253	$ 211,171
Net income per common share - basic	$ 2.11	$ 1.55	$ 8.04	$ 4.43
Net income per common share - diluted	$ 2.10	$ 1.54	$ 7.99	$ 4.40
Weighted average common shares outstanding - basic	43,785	47,737	45,056	47,666
Plus dilutive effect of potential common shares	254	343	276	356
Weighted average common shares outstanding - diluted	44,039	48,080	45,332	48,022

Share-based awards to purchase 14 and 15 shares of common stock were not included in the above calculation of diluted net income per common share for the three and nine months ended September 30, 2022, respectively, because the effect of these instruments was anti-dilutive. Share-based awards to purchase 21 and 26 shares of common stock were not included in the above calculation of diluted net income per common share for the three and nine months ended September 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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue				
Nurse and allied solutions	$ 828,317	$ 627,049	$ 3,157,834	$ 1,908,195
Physician and leadership solutions	175,152	150,663	530,355	430,523
Technology and workforce solutions	135,117	100,088	429,542	282,472
	$ 1,138,586	$ 877,800	$ 4,117,731	$ 2,621,190
Segment operating income				
Nurse and allied solutions	$ 115,182	$ 92,564	$ 471,141	$ 283,768
Physician and leadership solutions	23,904	19,301	64,280	62,366
Technology and workforce solutions	71,145	47,210	232,526	131,952
	210,231	159,075	767,947	478,086
Unallocated corporate overhead	34,635	23,867	116,356	74,915
Depreciation and amortization	33,239	26,104	96,169	74,098
Depreciation (included in cost of revenue)	1,091	686	2,918	1,773
Share-based compensation	4,898	2,589	24,670	17,895
Interest expense, net, and other	8,961	5,223	28,630	24,278
Income before income taxes	$ 127,407	$ 100,606	$ 499,204	$ 285,127

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 September 30, 2022			
	Nurse and Allied Solutions	Physician and Leadership Solutions	Technology and Workforce Solutions	Total
Travel nurse staffing	$ 583,463	$ —	$ —	$ 583,463
Labor disruption services	19,479	—	—	19,479
Local staffing	31,814	—	—	31,814
Allied staffing	190,044	—	—	190,044
Locum tenens staffing	—	106,055	—	106,055
Interim leadership staffing	—	47,559	—	47,559
Temporary staffing	824,800	153,614	—	978,414
Permanent placement	3,517	21,538	—	25,055
Language services	—	—	55,502	55,502
Vendor management systems	—	—	60,304	60,304
Other technologies	—	—	7,290	7,290
Technology-enabled services	—	—	123,096	123,096
Talent planning and acquisition	—	—	12,021	12,021
Total revenue	$ 828,317	$ 175,152	$ 135,117	$ 1,138,586

	Three Months Ended September 30, 2021			
	Nurse and Allied Solutions	Physician and Leadership Solutions	Technology and Workforce Solutions	Total
Travel nurse staffing	$ 444,803	$ —	$ —	$ 444,803
Labor disruption services	22,573	—	—	22,573
Local staffing	23,272	—	—	23,272
Allied staffing	136,401	—	—	136,401
Locum tenens staffing	—	88,994	—	88,994
Interim leadership staffing	—	43,814	—	43,814
Temporary staffing	627,049	132,808	—	759,857
Permanent placement	—	17,855	—	17,855
Language services	—	—	47,135	47,135
Vendor management systems	—	—	33,467	33,467
Other technologies	—	—	7,819	7,819
Technology-enabled services	—	—	88,421	88,421
Talent planning and acquisition	—	—	11,667	11,667
Total revenue	$ 627,049	$ 150,663	$ 100,088	$ 877,800

	Nine Months Ended September 30, 2022			
	Nurse and Allied Solutions	Physician and Leadership Solutions	Technology and Workforce Solutions	Total
Travel nurse staffing	$ 2,329,240	$ —	$ —	$ 2,329,240
Labor disruption services	102,549	—	—	102,549
Local staffing	109,265	—	—	109,265
Allied staffing	611,226	—	—	611,226
Locum tenens staffing	—	324,663	—	324,663
Interim leadership staffing	—	139,519	—	139,519
Temporary staffing	3,152,280	464,182	—	3,616,462
Permanent placement	5,554	66,173	—	71,727
Language services	—	—	158,031	158,031
Vendor management systems	—	—	210,470	210,470
Other technologies	—	—	21,787	21,787
Technology-enabled services	—	—	390,288	390,288
Talent planning and acquisition	—	—	39,254	39,254
Total revenue	$ 3,157,834	$ 530,355	$ 429,542	$ 4,117,731

	Nine Months Ended September 30, 2021			
	Nurse and Allied Solutions	Physician and Leadership Solutions	Technology and Workforce Solutions	Total
Travel nurse staffing	$ 1,400,629	$ —	$ —	$ 1,400,629
Labor disruption services	25,126	—	—	25,126
Local staffing	80,932	—	—	80,932
Allied staffing	401,508	—	—	401,508
Locum tenens staffing	—	253,190	—	253,190
Interim leadership staffing	—	126,584	—	126,584
Temporary staffing	1,908,195	379,774	—	2,287,969
Permanent placement	—	50,749	—	50,749
Language services	—	—	133,706	133,706
Vendor management systems	—	—	96,086	96,086
Other technologies	—	—	21,791	21,791
Technology-enabled services	—	—	251,583	251,583
Talent planning and acquisition	—	—	30,889	30,889
Total revenue	$ 1,908,195	$ 430,523	$ 282,472	$ 2,621,190

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, September 30, 2022	$ 382,316	$ 152,800	$ 400,559	$ 935,675
Accumulated impairment loss as of December 31, 2021 and September 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 nine months ended September 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 $29,296 commercial paper issued and outstanding as of September 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 September 30, 2022, the Company had $26,841 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 September 30, 2022				Fair Value Measurements as of December 31, 2021			
Assets (Liabilities)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market funds	$ 125,859	$ —	$ —	$ 125,859	$ 91,454	$ —	$ —	$ 91,454
Deferred compensation	(116,922)	—	—	(116,922)	(119,617)	—	—	(119,617)
Corporate bonds	—	26,841	—	26,841	—	29,159	—	29,159
Commercial paper	—	29,296	—	29,296	—	80,596	—	80,596
Acquisition contingent consideration liabilities	—	—	(6,810)	(6,810)	—	—	—	—

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Beginning balance	$ (8,580)	$ —	$ —	$ (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	1,770	—	1,190	—
Ending balance	$ (6,810)	$ —	$ (6,810)	$ —

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 September 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 nine months ended September 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 September 30, 2022		As of December 31, 2021	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
2027 Notes	$ 500,000	$ 447,500	$ 500,000	$ 517,500
2029 Notes	350,000	294,000	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 September 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 September 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 September 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:

	September 30, 2022	December 31, 2021
Other current assets:		
Restricted cash and cash equivalents	$ 27,764	$ 29,262
Income taxes receivable	1,426	—
Other	25,314	37,568
Other current assets	$ 54,504	$ 66,830
Prepaid expenses:		
Prepaid payroll deposits	$ —	$ 60,014
Other	17,019	12,446
Prepaid expenses	17,019	72,460
Fixed assets:		
Furniture and equipment	$ 47,618	$ 43,134
Software	303,197	265,137
Leasehold improvements	2,882	8,797
	353,697	317,068
Accumulated depreciation	(212,702)	(189,954)
Fixed assets, net	$ 140,995	$ 127,114
Other assets:		
Life insurance cash surrender value	$ 110,279	$ 115,095
Other	42,691	41,575
Other assets	$ 152,970	$ 156,670
Accounts payable and accrued expenses:		
Trade accounts payable	$ 84,334	$ 77,325
Subcontractor payable	254,697	261,689
Accrued expenses	89,196	61,220
Loss contingencies	14,933	10,400
Professional liability reserve	7,712	7,127
Other	8,365	7,496
Accounts payable and accrued expenses	$ 459,237	$ 425,257
Accrued compensation and benefits:		
Accrued payroll	$ 93,495	$ 98,817
Accrued bonuses and commissions	90,640	105,155
Accrued travel expense	2,312	3,058
Health insurance reserve	7,685	6,041
Workers compensation reserve	11,500	12,384
Deferred compensation	116,922	119,617
Other	16,279	9,309
Accrued compensation and benefits	$ 338,833	$ 354,381
Other current liabilities:		
Acquisition related liabilities	$ 6,810	$ —
Income taxes payable	—	21,162
Client deposits	61,319	141,102
Other	1,761	155
Other current liabilities	$ 69,890	$ 162,419

	September 30, 2022	December 31, 2021
Other long-term liabilities:		
Workers compensation reserve	$ 22,633	$ 24,130
Professional liability reserve	38,163	34,544
Unrecognized tax benefits	4,785	4,633
Other	32,647	33,682
Other long-term liabilities	$ 98,228	$ 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 September 30, 2022, we recorded revenue of $1,138.6 million, as compared to $877.8 million for the same period last year. For the nine months ended September 30, 2022, we recorded revenue of $4,117.7 million, as compared to $2,621.2 million for the same period last year.

Nurse and allied solutions segment revenue comprised 77% and 73% of total consolidated revenue for the nine months ended September 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 13% and 16% of total consolidated revenue for the nine months ended September 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% and 11% of total consolidated revenue for both of the nine months ended September 30, 2022 and 2021, respectively. 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.

We continue to see high demand levels across our nurse and allied solutions segment driven by vacancies resulting from burnout, attrition, and retirements. In the third quarter, we also saw demand increase due to seasonal needs including flu clinics, winter orders, and staffing in school settings. Demand remains above pre-pandemic levels as the industry approaches what we believe to be new normal levels. The wages for nurses and the corresponding bill rates we charge our clients peaked in the first quarter of 2022. Bill rates and clinician compensation declined in the second and third quarters, but remain well above prior year and pre-pandemic levels. We expect bill rates and clinician compensation to decline at a slower rate in the fourth quarter and remain above pre-pandemic levels as we exit 2022.

Demand across our physician and leadership solutions segment exceeded pre-pandemic levels during the first half of 2022. Compared to the second quarter of 2022, we saw a decline in our interim leadership business as some healthcare organizations are streamlining leadership roles to reduce costs. We expect continued strong demand for locum tenens staffing in the fourth quarter of 2022.

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 from peak levels in the first quarter, but still remained well above pre-pandemic levels. We anticipate bill rates will continue to decline in the fourth 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 nine months ended September 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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Unaudited Condensed Consolidated Statements of Operations:				
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	66.2	65.2	67.4	66.6
Gross profit	33.8	34.8	32.6	33.4
Selling, general and administrative	18.9	19.8	17.4	18.8
Depreciation and amortization	2.9	2.9	2.4	2.8
Income from operations	12.0	12.1	12.8	11.8
Interest expense, net, and other	0.8	0.6	0.7	0.9
Income before income taxes	11.2	11.5	12.1	10.9
Income tax expense	3.1	3.1	3.3	2.8
Net income	8.1 %	8.4 %	8.8 %	8.1 %

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

Revenue. Revenue increased 30% to $1,138.6 million for the three months ended September 30, 2022 from $877.8 million for the same period in 2021, primarily attributable to higher organic revenue across our segments.

Nurse and allied solutions segment revenue increased 32% to $828.3 million for the three months ended September 30, 2022 from $627.0 million for the same period in 2021. The $201.3 million increase was primarily attributable to a 23% increase in the average number of travelers on assignment and an approximately 13% increase in the average bill rate during the three months ended September 30, 2022. The overall increase was partially offset by a 2% decrease in billable hours.

Physician and leadership solutions segment revenue increased 16% to $175.2 million for the three months ended September 30, 2022 from $150.7 million for the same period in 2021. The $24.5 million increase was attributable to growth in our core businesses across the segment, partially offset by lower COVID-19 project work. Revenue in our locum tenens business grew approximately 19% during the three months ended September 30, 2022 primarily due to a 13% increase in the number of days filled and a 6% 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 9% growth, while our physician permanent placement and executive search businesses grew 21% during the three months ended September 30, 2022.

Technology and workforce solutions segment revenue increased 35% to $135.1 million for the three months ended September 30, 2022 from $100.1 million for the same period in 2021. The $35.0 million increase was primarily attributable to growth within our VMS and language services businesses. Revenue growth for our VMS and language services businesses was 80% and 18%, respectively, during the three months ended September 30, 2022.

For the three months ended September 30, 2022 and 2021, revenue under our MSP arrangements comprised approximately 61% and 52% of our consolidated revenue, 79% and 69% of our nurse and allied solutions segment revenue, 18% and 16% of our physician and leadership solutions segment revenue, and 2% and 3% of our technology and workforce solutions segment revenue, respectively.

Gross Profit. Gross profit increased 26% to $385.0 million for the three months ended September 30, 2022 from $305.9 million for the same period in 2021, representing gross margins of 33.8% and 34.8%, respectively. The decline in consolidated gross margin for the three months ended September 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 lower billable hours and (2) 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 September 30, 2022 and 2021 was 27.0% and 29.3% for nurse and allied solutions, 34.0% and 34.8% for physician and leadership solutions, and 75.6% and 69.4% for technology and workforce solutions, respectively.

Selling, General and Administrative Expenses. Selling, general and administrative (“SG&A”) expenses were $215.4 million, representing 18.9% of revenue, for the three months ended September 30, 2022, as compared to $173.9 million, representing 19.8% of revenue, for the same period in 2021. The increase in SG&A expenses was primarily due to $18.3 million of higher employee compensation and benefits to support revenue growth and a $10.4 million increase in other expenses associated with the 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 September 30,	
	2022	2021
Nurse and allied solutions	$ 108,163	$ 91,449
Physician and leadership solutions	35,596	33,070
Technology and workforce solutions	32,127	22,957
Unallocated corporate overhead	34,635	23,867
Share-based compensation	4,898	2,589
	$ 215,419	$ 173,932

Depreciation and Amortization Expenses. Amortization expense increased 31% to $20.9 million for the three months ended September 30, 2022 from $16.0 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 acquisition. Depreciation expense (exclusive of depreciation included in cost of revenue) increased 23% to $12.4 million for the three months ended September 30, 2022 from $10.1 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, $1.1 million and $0.7 million of depreciation expense for our language services business is included in cost of revenue for the three months ended September 30, 2022 and 2021, respectively.

Interest Expense, Net, and Other. Interest expense, net, and other was $9.0 million during the three months ended September 30, 2022 as compared to $5.2 million for the same period in 2021. The increase was primarily due to a $5.4 million gain related to the change in fair value of an equity investment during the three months ended September 30, 2021.

Income Tax Expense. Income tax expense was $35.0 million for the three months ended September 30, 2022 as compared to $26.6 million for the same period in 2021, reflecting effective income tax rates of 27% and 26% for these periods, respectively. The increase in the effective income tax rate was primarily attributable to the recognition of $1.5 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 September 30, 2022 compared to a $0.6 million discrete tax benefit for COLI recognized during the same period in 2021, in relation to income before income taxes of $127.4 million and $100.6 million for the three months ended September 30, 2022 and 2021, respectively. We currently estimate our annual effective tax rate to be approximately 27% for 2022.

Comparison of Results for the Nine Months Ended September 30, 2022 to the Nine Months Ended September 30, 2021

Revenue. Revenue increased 57% to $4,117.7 million for the nine months ended September 30, 2022 from $2,621.2 million for the same period in 2021, primarily attributable to higher organic revenue across our segments.

Nurse and allied solutions segment revenue increased 65% to $3,157.8 million for the nine months ended September 30, 2022 from $1,908.2 million for the same period in 2021. The $1,249.6 million increase was primarily attributable to an approximately 32% increase in the average number of travelers on assignment, a 27% increase in the average bill rate, and an approximately $77.0 million increase in labor disruption revenue during the nine months ended September 30, 2022. The overall increase was partially offset by a 2% decrease in billable hours.

Physician and leadership solutions segment revenue increased 23% to $530.4 million for the nine months ended September 30, 2022 from $430.5 million for the same period in 2021. The $99.9 million increase was attributable to growth in our core businesses across the segment, partially offset by lower COVID-19 project work. Revenue in our locum tenens business grew approximately 28% during the nine months ended September 30, 2022 primarily due to a 22% 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 10% growth, while our physician permanent placement and executive search businesses grew 30% during the nine months ended September 30, 2022.

Technology and workforce solutions segment revenue increased 52% to $429.5 million for the nine months ended September 30, 2022 from $282.5 million for the same period in 2021. The $147.0 million increase was primarily attributable to growth within our VMS and language services businesses during the nine months ended September 30, 2022. Revenue growth for our VMS and language services businesses was 119% and 18%, respectively, during the nine months ended September 30, 2022.

For the nine months ended September 30, 2022 and 2021, revenue under our MSP arrangements comprised approximately 63% and 55% of our consolidated revenue, 80% and 73% of our nurse and allied solutions segment revenue, 17% and 15% of our physician and leadership solutions segment revenue, and 2% and 2% of our technology and workforce solutions segment revenue, respectively.

Gross Profit. Gross profit increased 53% to $1,341.4 million for the nine months ended September 30, 2022 from $875.3 million for the same period in 2021, representing gross margins of 32.6% and 33.4%, respectively. The decline in consolidated gross margin for the nine months ended September 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 nine months ended September 30, 2022 and 2021 was 26.2% and 27.6% for nurse and allied solutions, 34.4% and 36.1% for physician and leadership solutions, and 76.9% and 68.3% for technology and workforce solutions, respectively.

Selling, General and Administrative Expenses. SG&A expenses were $717.4 million, representing 17.4% of revenue, for the nine months ended September 30, 2022, as compared to $491.8 million, representing 18.8% of revenue, for the same period in 2021. The increase in SG&A expenses was primarily due to $159.3 million of higher employee compensation and benefits, a $21.1 million increase in other expenses related to revenue growth, and a $6.8 million increase in share-based compensation expense. SG&A expenses broken down among the reportable segments, unallocated corporate overhead, and share-based compensation are as follows:

	(In Thousands) Nine Months Ended September 30, 2022	2021
Nurse and allied solutions	$ 357,585	$ 243,306
Physician and leadership solutions	118,095	92,899
Technology and workforce solutions	100,722	62,758
Unallocated corporate overhead	116,356	74,915
Share-based compensation	24,670	17,895
	$ 717,428	$ 491,773

Depreciation and Amortization Expenses. Amortization expense increased 29% to $60.8 million for the nine months ended September 30, 2022 from $47.0 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 30% to $35.3 million for the nine months ended September 30, 2022 from $27.1 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, $2.9 million and $1.8 million of depreciation expense for our language services business is included in cost of revenue for the nine months ended September 30, 2022 and 2021, respectively.

***Interest Expense, Net, and Other*.** Interest expense, net, and other was $28.6 million during the nine months ended September 30, 2022 as compared to $24.3 million for the same period in 2021. The increase was primarily due to a $6.7 million gain related to the change in fair value of an equity investment during the nine months ended September 30, 2021. The overall increase was partially offset by a lower average debt outstanding balance during the nine months ended September 30, 2022, which resulted from repayments of our variable rate credit facilities.

***Income Tax Expense*.** Income tax expense was $137.0 million for the nine months ended September 30, 2022 as compared to $74.0 million for the same period in 2021, reflecting effective income tax rates of 27% and 26% for the nine months ended September 30, 2022 and 2021, respectively. The increase in the effective income tax rate was primarily attributable to the recognition of $2.5 million of net discrete tax expense during the nine months ended September 30, 2022 compared to $4.3 million of net discrete tax benefits recognized during the same period in 2021, in relation to income before income taxes of $499.2 million and $285.1 million for the nine months ended September 30, 2022 and 2021, respectively.

Liquidity and Capital Resources

In summary, our cash flows were:

	(In Thousands) Nine Months Ended September 30, 2022	2021
Net cash provided by operating activities	$ 538,405	$ 227,371
Net cash used in investing activities	(148,067)	(79,017)
Net cash used in financing activities	(415,523)	(31,230)

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 September 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 September 30, 2022, the total of our contractual obligations under operating leases with initial terms in excess of one year was $19.7 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 nine months ended September 30, 2022 was $538.4 million, compared to $227.4 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 $209.3 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 $294.3 million primarily due to a decrease in the receivables balance in the current year as compared to an increase in the prior year, which was due to increases in revenue and associate vendor usage in the prior year along with timing of collections, and (3) a decrease in prepaid expenses between periods of $61.2 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 accrued compensation and benefits between periods of $93.7 million primarily due to prior year increases in pay rates, billable hours, and the average number of travelers on assignment in our nurse and allied solutions segment and increased employee compensation and benefits in 2021, (2) a decrease in accounts payable and accrued expenses between periods of $80.3 million primarily due to an increase in associate vendor usage in 2021, and (3) a decrease in other liabilities between periods of $73.3 million primarily due to cash paid for income taxes and client deposits related to labor disruption services that were returned during the nine months ended September 30, 2022. Our Days Sales Outstanding (“DSO”) was 59 days at September 30, 2022, 53 days at December 31, 2021, and 60 days at September 30, 2021.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2022 was $148.1 million, compared to net cash used in investing activities of $79.0 million for the same period in 2021. The increase was primarily due to (1) $69.8 million used for acquisitions during the nine months ended September 30, 2022, as compared to $41.3 million during the nine months ended September 30, 2021, (2) $21.4 million of payments to fund the deferred compensation plan during the nine months ended September 30, 2022 as compared to $6.1 million of payments during the nine months ended September 30, 2021, and (3) a net purchase of investments of $0.6 million during the nine months ended September 30, 2022, as compared to net proceeds of $7.6 million during the nine months ended September 30, 2021. In addition, capital expenditures were $51.2 million and $38.7 million for the nine months ended September 30, 2022 and 2021, respectively.

Financing Activities

Net cash used in financing activities during the nine months ended September 30, 2022 was $415.5 million due to $401.9 million paid in connection with the repurchase of our common stock and $13.6 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 nine months ended September 30, 2021 was $31.2 million 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) $6.3 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 September 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 nine months ended September 30, 2022, our primary exposure to market risk was interest rate risk associated with our variable interest debt instruments and our investment portfolio. 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 nine months ended September 30, 2022. A 100 basis point change in interest rates as of September 30, 2022 would not have resulted in a material effect on the fair value of our investment portfolio. For our investments that are classified as available-for-sale, unrealized gains or losses related to fluctuations in market volatility and interest rates are reflected within stockholders' equity in accumulated other comprehensive income (loss) in the consolidated balance sheets. Such unrealized losses would be realized only if we sell the investments prior to maturity.

During the three and nine months ended September 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 September 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 September 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 nine months ended September 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
July 1 - 31, 2022	—	$—	—	$	326,278,235
August 1 - 31, 2022	—	$—	—	$	326,278,235
September 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	Form of AMN Healthcare Equity Plan Restricted Stock Unit Agreement—Director (Management Contract or Compensatory Plan or Arrangement).**
10.2	Severance Agreement, effective as of November 28, 2022, between AMN Healthcare, Inc. and Cary Grace (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: November 4, 2022

AMN HEALTHCARE SERVICES, INC.

/S/ SUSAN R. SALKA

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

Date: November 4, 2022

/S/ JEFFREY R. KNUDSON

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

Exhibit 10.1

AMN HEALTHCARE
EQUITY PLAN
RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (the "Agreement"), made this DATE by and between AMN Healthcare Services, Inc. (the "Company"), a Delaware corporation, and NAME (the "Grantee").

W I T N E S S E T H:

WHEREAS, the Company sponsors the AMN Healthcare Equity Plan (the "Plan"), and desires to afford the Grantee the opportunity to share in the appreciation of the Company's common stock, par value $.01 per share ("Stock") thereunder, thereby strengthening the Grantee's commitment to the welfare of the Company and Affiliates and promoting an identity of interest between stockholders and the Grantee.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. Definitions.

The following definitions shall be applicable throughout the Agreement. Where defined terms are not defined herein, their meaning shall be that set forth in the Plan.

(a) "Affiliate" means (i) any entity that directly or indirectly is controlled by, or is under common control with the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

(b) "Cause" means the Company or an Affiliate having "cause" to terminate an Grantee's service, as defined in any existing consulting or any other agreement between the Grantee and the Company or a Subsidiary or Affiliate, or, in the absence of such a consulting or other agreement, upon (i) the determination by the Committee that the Grantee has ceased to perform his duties to the Company or an Affiliate (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to such party, (ii) the Committee's determination that the Grantee has engaged or is about to engage in conduct injurious to the Company or an Affiliate, (iii) the Grantee having been convicted of, or pleaded guilty or no contest to, a felony or a crime involving moral turpitude or (iv) the failure of the Grantee to follow the lawful instructions of the Board or his direct superiors; provided, however, that in the instances of clauses (i), (ii) and (iv), the Company or Affiliate, as applicable, must give the Grantee twenty (20) days' prior written notice of the defaults constituting "cause" hereunder.

(c) "Change in Control" shall, unless in the case of a particular RSU, the applicable Restricted Stock Unit Agreement states otherwise or contains a different definition of "Change in Control," be deemed to occur upon:

(i) 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;

(ii) the dissolution or liquidation of the Company;

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

(iv) 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.

(d) "Committee" means the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

(e) "Grant Date" means __________ which is the date specified in the authorization of this RSU grant.

(f) "Grantee" means an individual who has been selected by the Committee to participate in the Plan and to receive a RSU grant pursuant to Section 2.

(g) "Restricted Stock Unit" or "RSU" means an award granted under Section 2.

2. Grant of Restricted Stock Units. Subject to the terms and conditions set forth herein, the Company hereby grants to the Grantee an aggregate of ________ Restricted Stock Units ("RSUs").

3. Vesting Schedule. No RSUs may be settled until they shall have vested. Except as otherwise set forth in this Agreement or in the Plan, 33% of the RSUs shall vest on the earlier of the first anniversary of the Grant Date or the date of the Company's annual meeting of stockholders the first year following the Grant

Date, 34% of the RSUs shall vest on the earlier of the second anniversary of the Grant Date or the date of the Company's annual meeting of stockholders the second year following the Grant Date and 33% of the RSU's shall vest on the third anniversary of the Grant Date.

4. Settlement of RSUs.

(a) Each vested RSU entitles the Grantee to receive one share of Stock on the "Settlement Date" which shall be the date of the Grantee's termination of service from the Company.

(b) Shares of Stock underlying the RSUs shall be issued and delivered to the Grantee in accordance with paragraph (a) and upon compliance to the satisfaction of the Committee with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Committee as to such compliance shall be final and binding on the Grantee. The shares of Stock delivered to the Grantee pursuant to this Section 4 shall be free and clear of all liens, fully paid and non-assessable.

(c) Until such time as shares of Stock have been issued to the Grantee pursuant to paragraph (b) above, and except as set forth in Section 5 below regarding dividend equivalents, the Grantee shall not have any rights as a holder of the shares of Stock underlying this Grant including but not limited to voting rights.

5. Dividend Equivalents. If on any date the Company shall pay any cash dividend on shares of Stock of the Company, the number of RSUs credited to the Grantee shall, as of such date, be increased by an amount determined by the following formula:

W = (X multiplied by Y) divided by Z, where:

W = the number of additional RSUs to be credited to the Grantee on such dividend payment date;

X = the aggregate number of RSUs (whether vested or unvested) credited to the Grantee as of the record date of the dividend;

Y = the cash dividend per share amount; and

Z = the Fair Market Value per share of Stock (as determined under the Plan) on the dividend payment date.

6. Termination of Service.

(a) If, prior to the Settlement Date, the Grantee shall undergo a termination of service other than for Cause, the RSUs which are not vested at the date of such termination shall expire on such date.

(b) If, prior to the Settlement Date, the Grantee is terminated from the service with the Company for Cause, all RSUs then held by such Grantee (whether or not vested) shall expire immediately upon such cessation of service.

7. Company; Grantee.

(a) The term "Company" as used in this Agreement with reference to service shall include the Company, its Subsidiaries and its Affiliates, as appropriate.

(b) Whenever the word "Grantee" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to whom the RSUs may be transferred by will or by the laws of descent and distribution, the word "Grantee" shall be deemed to include such person or persons.

8. Non-Transferability. The RSUs are not transferable by the Grantee other than to a designated beneficiary upon death, by will or the laws of descent and distribution, to a trust solely for the benefit of the Grantee or his immediate family, and are exercisable during the Grantee's lifetime only by him, or in the case of the RSUs being held by such a trust, by the trustee.

9. Forfeiture for Violation.

(a) Non-Solicit. The Grantee agrees that during the term of Grantee's service and for a period of two years thereafter (the "Coverage Period"), he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the term of his service was a traveling nurse, physician, allied healthcare professional or other healthcare professional, employee, customer, client or supplier of the Company.

(b) Confidential and Proprietary Information. The Grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the Grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 9(b) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of Grantee; or (iii) is hereafter disclosed to Grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except in service of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the Grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of service, Grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(c) Forfeiture for Violations. If the Grantee shall at any time violate the provisions of Section 9(a) or (b), the Grantee shall immediately forfeit his RSUs (whether vested or unvested) and any issuance of shares of Stock which occurs after (or within 6 months before) any such violation shall be void ab initio.

10. Rights as Stockholder. The Grantee or a transferee of the RSUs shall have no rights as a stockholder with respect to any share of Stock covered by the RSUs until the Grantee shall have become the holder of record of such share and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Stock for which the record date is prior to the date upon which he shall become the holder of record thereof.

11. Effect of Change in Control.

(a) In the event of a Change in Control, notwithstanding any vesting schedule, 100% of the RSUs shall become immediately vested and the Company shall issue shares of Stock to the Grantee to settle the RSUs.

(b) The obligations of the Company under this Agreement shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company agrees that it will make appropriate provisions for the preservation of the Grantee’s rights under this Agreement in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

12. Notice. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided, provided that, unless and until some other address be so designated, all notices or communications by the Grantee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Grantee may be given to the Grantee personally or may be mailed to her at her address as recorded in the records of the Company.

13. No Right to Continued Service. This Agreement shall not be construed as giving the Grantee the right to be retained in the service of the Company, a Subsidiary or an Affiliate. Further, the Company or an Affiliate may at any time dismiss the Grantee or discontinue any consulting relationship, free from any liability or any claim under this Agreement, except as otherwise expressly provided herein.

14. **Binding Effect**. Subject to Section 7 hereof, this Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

15. **Amendment of Agreement**. The Committee may, to the extent consistent with the terms of this Agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any portion of the RSUs heretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of the Grantee in respect of any RSUs already granted shall not to that extent be effective without the consent of the Grantee.

16. **RSUs Subject to Plan**. By entering into this Agreement, the Grantee agrees and acknowledges that the Grantee has received and read a copy of the Plan. The RSUs are subject to the terms of the Plan. The terms and provisions of the Plan as they may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

17. **Governing Law**. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Delaware without regard to the principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

AMN HEALTHCARE SERVICES, INC.

By: ________________________
Name:
Title:

GRANTEE

By: ________________________
Name:

Exhibit 10.2

SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (the “Agreement”), entered into by and between AMN Healthcare, Inc. (the “Company”) and **Cary Grace** (“Executive”), is effective as of November 28, 2022 (the “Effective Date”).

1. Employment at Will.

The Company agrees to employ Executive, and Executive hereby agrees to be employed by the Company upon such terms and conditions as are mutually agreed upon. Executive’s employment with the Company shall be at the discretion of the Company. Executive hereby agrees and acknowledges that the Company may terminate Executive’s employment at any time, for any reason, with or without cause, and without notice. Nothing contained in this Agreement shall (a) confer on Executive any right to continue in the employ of the Company, (b) constitute any contract or agreement of employment, or (c) interfere in any way with the at will nature of Executive’s employment with the Company.

2. Severance Benefits.

(a) In the event that the Company terminates Executive’s employment without “Cause” (as defined below) or the Executive resigns for “Good Reason” (as defined below), the Company agrees to pay to Executive severance payments in an amount equal to the sum of twenty-four (24) months base salary at the rate in effect on the date of the termination of Executive’s employment (the “Termination Date”), plus the prorated portion of Executive’s “Average Bonus” (an amount equal to the average of the annual performance bonus payments received by the Executive for the three most recent Fiscal Years (or such fewer number of fiscal years during which Executive was employed)), multiplied by the product of the number of days during the Performance Period that Executive was employed, divided by 365)(“Severance Benefits”). The Severance Benefits, reduced by any withholding taxes and other deductions that the Company is required by law to withhold from wage payments to employees, shall be payable in a lump sum on the first payroll date after the satisfaction of the conditions set forth in Section 5 below.

(b) In the event that the Company terminates Executive’s employment without “Cause” or the Executive resigns with “Good Reason,” in either case within one year after a “Change in Control” (as defined below), Executive shall be entitled to receive a lump sum payment equal to the sum of (i) two and one-half (2.5) times twelve (12) months base salary at the rate in effect for the Executive immediately prior to the Change in Control plus (ii) two and one-half (2.5) times the Average Bonus plus (iii) the prorated portion of Executive’s Average Bonus, multiplied by the product of the number of days during the Performance Period that Executive was employed, divided by 365 (the “Change in Control Benefits”). The Change in Control Benefits, reduced by any withholding taxes and other deductions that the Company is required by law to withhold from wage payments to employees, shall be payable in a lump sum on the first payroll date after the satisfaction of the conditions set forth in Section 5 below. The Change in Control Benefits payable under this Section 2(b) shall be in lieu of the Severance Benefits payable under subsection 2(a).

(c) If Executive is entitled to receive benefits under either (a) or (b) above and makes an election to continue Executive’s coverage under the Company’s group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), during the period beginning on the

Termination Date and ending on the earlier of (i) the eighteen month anniversary of the Termination Date or (ii) the date upon which Executive becomes eligible for comparable coverage under another employer's group health plans, Executive shall continue to pay premiums with respect to such coverage to the same extent that Executive was paying such premiums immediately prior to such termination. Such period shall run concurrently with the period of Executive's rights under COBRA.

(d) For the sake of clarity, if Executive's employment terminates as a result of death or disability, such termination shall not be considered a termination without "Cause" that will entitle Executive to any benefits under this Agreement.

(e) The Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to her due under this Agreement, and the amount of any payment that the Company is obligated to make to the Executive shall not be reduced by any compensation earned by the Executive as the result of employment by another employer or retirement benefits.

3. Definitions. For purposes of this Agreement, the following terms are defined as follows:

(a) "Cause" for termination of Executive shall mean (A) Executive's failure to perform in any material respect his or her duties as an employee of the Company, (B) violation of the Company's Code of Business Conduct, Code of Ethics for Senior Financial Officers and Principal Executive Officer, and/or Securities Trading Policy, (C) the engaging by Executive in willful misconduct or gross negligence which is injurious to the Company or any of its affiliates, monetarily or otherwise, (D) the commission by Executive of an act of fraud or embezzlement against the Company or any of its affiliates, or (E) the conviction of Executive of a crime which constitutes a felony or any lesser crime that involves Company property or a pleading of guilty or nolo contendere with respect to a crime which constitutes a felony or any lesser crime that involves Company property. The Executive shall not be deemed to have been terminated for Cause unless the Company shall have given or delivered to the Executive (1) reasonable notice setting forth the basis for termination for Cause, and (2) a reasonable opportunity for the Executive to cure such alleged Cause, to the extent curable as determined in the Company's sole discretion. For purposes of this Agreement, no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Company.

(b) "Change in Control" shall be deemed to occur upon:

(i) 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;

(ii) the dissolution or liquidation of the Company;

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

(iv) 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.

(c) "Good Reason" shall mean the occurrence of any of the following events without the Executive's express written consent: (i) a material reduction in the Executive's base salary or target annual bonus compensation; provided, however that a reduction in the Executive's base salary or target annual bonus compensation that is commensurate with reductions simultaneously made to similarly situated executives shall not constitute a material reduction, (ii) the Company's assignment to the Executive of duties that are both materially inconsistent with and materially adverse to the Executive's position, in effect on the Effective Date (iii) any failure to nominate the Executive as a member of the Board or (iv) the Company's relocation of Executive's principal place of employment, other than to the Company's headquarters that is designated in its filings with the Securities and Exchange Commission, to a locale that is more than fifty (50) miles from the Executive's principal place of employment as of the Effective Date.

On and after a Change in Control and ending on the first anniversary thereof, "Good Reason" means the occurrence of any of the following events without the Executive's express written consent: (i) a material reduction in the Executive's base salary or target annual bonus compensation, as in effect on the date immediately prior to a Change in Control, (ii) the Company's assignment to the Executive without the Executive's consent of duties materially and adversely inconsistent with the Executive's position, duties or responsibilities as in effect immediately before the Change in Control, including, but not limited to, any material reduction in such position, duties or responsibilities, or a change in the Executive's title or office, as then in effect, or any removal of the Executive from any of such positions, titles or offices including Executive ceasing to be the Chief Executive Officer of the surviving company, or any failure to nominate the Executive as a member of the Board or (iii) the Company's relocation of Executive's principal place of employment to a locale that is more than fifty (50) miles from the Executive's principal place of employment immediately prior to the Change in Control.

In all cases, an event shall constitute Good Reason only if the Executive provides the Company with written notice of resignation that specifies in reasonable detail the event constituting Good Reason within ninety (90) days after the initial existence of such event and the Company fails to cure the Good Reason event within thirty (30) days following receipt of such notice. If the Company timely cures the Good Reason event, then Executive's notice of resignation shall be automatically rescinded and of no further force or effect. If the Company does not timely cure the Good Reason event, then Executive's

Termination Date shall be the date immediately following the end of the Company’s cure period.

4. No Other Payments.

Executive understands and agrees that the payments and benefits described above are in lieu of, and discharge, any obligations of the Company to Executive for compensation, incentive or performance payments, or any other expectation or form of remuneration or benefit to which Executive may be entitled, including severance benefits under any Company plan or program, except for: (a) any unpaid wages due for work performed during any pay period(s) prior to the Termination Date; (b) any unused vacation which is duly recorded on the Company’s payroll records as of the Termination Date; (c) the continuation of Executive’s coverage under the Company’s group health plans pursuant to COBRA; (d) any equity awards earned in accordance with the terms of award agreements granted under an equity plan of the Company; and (e) any amounts payable to Executive under any retirement or savings plan of the Company in accordance with the terms of any such plan as in effect on the Termination Date.

5. Severance Benefits Conditioned Upon Release.

Executive acknowledges and understands that Executive’s eligibility for severance pay and other benefits hereunder is contingent upon Executive’s execution and acceptance of the terms and conditions of, and the effectiveness of the Company’s standard Covenant and General Release of All Claims (the “Release”) as in effect on the Termination Date. The Company’s standard Release may be modified from time to time in the Company’s discretion as it deems appropriate. If Executive fails to execute a Release within twenty-one (21) days of receipt of such Release (or if Executive revokes such Release in a manner permitted by law or the applicable Release), then Executive shall not be entitled to any severance payments or other benefits to which Executive would otherwise be entitled under this Agreement.

6. Section 409A.

Anything in this Agreement to the contrary notwithstanding, if at the time of Executive’s separation from service, the Company determines Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the “Code”), and if any payment that Executive becomes entitled to under this Agreement would be considered deferred compensation subject to interest 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 prior to the date that is the earlier of (1) six months and one day after Executive’s separation from service, or (2) 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; provided, however, that each payment under this Agreement shall be treated as a separate payment and all payments under this Agreement shall be treated as exempt from Section 409A of the Code to the maximum extent permissible after using the exemption for short-term deferrals, then the exemption for bona fide severance arrangements, and then additional exemptions. 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. The Company makes no representation or warranty and shall have no liability to 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.

7. Additional Limitation.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that any compensation, payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, the following provisions shall apply:

(i) If the Severance Payments, reduced by the sum of (A) the Excise Tax and (B) the total of the Federal, state, and local income and employment taxes payable by Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, Executive shall be entitled to the full benefits payable under this Agreement.

(ii) If the Threshold Amount is less than (A) the Severance Payments, but greater than (B) the Severance Payments reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the benefits payable under this Agreement shall be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments shall not exceed the Threshold Amount.. Any such reduction will occur in the following order: (x) first, reduction of cash payments, in reverse order of scheduled payment date (or if necessary, to zero), (y) then, reduction of non-cash and non-equity benefits provided to the Executive, on a pro rata basis (or if necessary, to zero) and (z) then, cancellation of the acceleration of vesting of equity award compensation in the reverse order of the date of grant of the Executive's equity awards.

(b) For the purposes of this Section 7, "Threshold Amount" shall mean three times Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar ($1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by Executive with respect to such excise tax.

(c) The determination as to which of the alternative provisions of Section 6(a) shall apply to Executive shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Termination Date, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Section 7(a) shall apply, Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of the Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

8. Miscellaneous Provisions.

(a) This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and may be amended, modified, or changed only by a written instrument executed by Executive and the Company. No provision of this Agreement may be waived except by a writing executed and delivered by the party sought to be charged.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without reference to principles of conflict of laws.

(c) All notices and other communications hereunder shall be in writing; shall be delivered by hand delivery to the other party or mailed by registered or certified mail, return receipt requested, postage prepaid; shall be deemed delivered upon actual receipt; and shall be sent to the following address, or to such other address as either party shall have furnished to the other in writing in accordance herewith:

If to the Company:

AMN Healthcare
8840 Cypress Waters Blvd.
Dallas, Texas 75019
Attention: Chief Legal Officer and Corporate Secretary

If to Executive:

At the Executive's most recent address reflected in the Company's records;

(d) Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

AMN HEALTHCARE, INC.

Date:

By:
Name: Carolyn Kenny
Title: Chief People Officer

EXECUTIVE

Date:

By:
Name: Cary Grace
Title: President and Chief Executive Officer

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: November 4, 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: November 4, 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 September 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: November 4, 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 September 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: November 4, 2022