

# Workforce Crisis

## AHCA/NCAL Talking Points

### Updated: November 2021

#### Key Messages

- **Crisis:** The long term care industry is grappling with a workforce crisis brought on by the pandemic. Caregivers are burned out, and providers are struggling to compete for workers.
- **Impact:** Access to long term care for vulnerable seniors is at risk. Many facilities are limiting new patients or are in danger of closing altogether because they cannot find enough staff to properly care for the residents.
- **Solutions:** Nursing homes are chronically underfunded, so we cannot resolve this crisis on our own. We need immediate assistance, but we also need a more long-term solution from policymakers.
- **Reforms:** Through the Care For Our Seniors Act, we propose a multi-tiered strategy to properly fund long term care, offer assistance programs to caregivers, and build up our higher learning institutions to train the next generation.
- **Call to Action:** Federal and state policymakers must consider meaningful policies coupled with proper resources to help build back the long term care workforce.

#### Talking Points

- Workforce recruitment and retention has been a persistent challenge for years and is among the most pressing challenges confronting long term care. Now, we're facing a crisis.
- More than half of nursing homes are limiting new admissions and some are in danger of closing because they cannot find enough staff to properly care for the residents. This is devastating to the residents and their families who need 24/7 clinical support as well as our entire health care system.
- Even prior to COVID, chronic Medicaid underfunding left long term care providers struggling to compete for qualified, dedicated caregivers. We've been calling for help for years.
- COVID has only exacerbated the workforce crisis due to staff members getting sick, having to isolate, or a lack of childcare options. At the same time, they have had to provide residents with more one-on-one care to help prevent spread.
- COVID has taken an emotional and physical toll on caregivers, and burnout is real.
- Providers have spent and continue to spend tens of billions of dollars on their staff during the pandemic. From sign-on bonuses to hero pay and overtime, to personal protective equipment to keep them safe. The ongoing costs have caused an economic crisis, and many facilities are on the verge of closing their doors.

- The new federal COVID-19 vaccine mandate for health care workers may push many more caregivers out of long term care for good. We support efforts to increase vaccination rates, but the CMS policy neglects to offer any resources to long term care facilities to address potential staffing shortages caused by the mandate.
- Meanwhile, many long term care providers are forced to turn to temporary staffing agencies in order to ensure residents have enough caregivers. However, these agencies are currently charging [exorbitant prices](#), depleting precious resources from facilities who would prefer to invest in full-time, dedicated employees.
- Those who take care for our nation's most vulnerable are heroes, and we must rally around them and our vulnerable residents.
- We cannot resolve this crisis on our own. We need immediate assistance from public health officials, but we also need a more long-term solution from policymakers.
- **Care for Our Seniors Act:** The industry has proposed [bold reforms](#) for America's nursing homes, including a multi-tiered approach to help recruit and retain more caregivers through:
  - Assistance programs for staff like affordable housing, childcare, and tax credits
  - Loan forgiveness for new graduates who work in LTC
  - Subsidies to higher learning institutions whose graduates work in nursing homes
  - Key: properly fund nursing home care, so that providers can invest in their workforce and better compete for qualified staff.
- Now, we need lawmakers in Congress and in statehouses to put their support behind our seniors and their caregivers and make these proposals a reality.

## Numbers

- **AHCA/NCAL [report](#) on BLS data, released October 2021:**
  - Nursing homes alone have seen its industry's employment level drop by 14 percent or 221,000 jobs since the beginning of the pandemic. Nursing homes have lost the most jobs than any other health care sector.
  - While hospitals, physicians' offices, outpatient care centers and other health care facilities have reached or surpassed pre-pandemic staffing levels, nursing homes and assisted living communities are still experiencing substantial job losses.
- **AHCA/NCAL [survey](#) conducted September 2021:**
  - 86% of nursing homes and 77% of assisted living providers said their workforce situation has gotten worse over the last three months.
  - Nearly every nursing home (99%) and assisted living facility (96%) in the U.S. is facing a staffing shortage. 59% of nursing homes and nearly one-third of assisted living providers are experiencing a high level of staffing shortages.
  - More than 7 out of 10 nursing homes and assisted living communities said a lack of qualified candidates have been the biggest obstacles in hiring new staff.
  - Due to these shortages, nearly every nursing home and assisted living community is asking staff to work overtime or extra shifts.

- Nearly 70% of nursing homes are having to hire expensive agency staff.
- 58% of nursing homes are limiting new admissions.
- 78% of nursing homes and 61% of assisted living facilities are concerned workforce challenges might force them to close. More than one-third of nursing homes are very concerned about having to shut down their facility(ies).
- Roughly [3 in 10 health care workers](#) have weighed leaving their profession.
- Industry employment has fallen every month except one since the global pandemic was officially declared in March 2020 ([WSJ, August 2021](#)).
- Nursing homes spent [\\$30 billion](#) on personal protective equipment and staffing (e.g., hero pay, additional staff) alone last year.

## Unfunded Mandates in the Build Back Better Act

- The provisions currently drafted in House version of the budget reconciliation bill are unfunded mandates that fail to offer any support to nursing homes.
- We cannot solve this labor crisis on our own.
- Without full funding and coordinated efforts to attract more caregivers to the long term care profession, these provisions will exacerbate the current workforce crisis and further limit access to care for millions.
- These are complex issues with serious implications, and they require proper deliberation through the traditional committee review process. Lawmakers should remove these provisions from the reconciliation package and give this matter the thorough consideration it deserves.
- We look forward to working with members of Congress to meet our common goal to build back the long term care workforce and improve the care delivered to our nation's most vulnerable.

### 24/7 RN Requirement

- We are ardent supporters of having a registered nurse on-staff in nursing homes 24 hours a day; the nursing home industry originally proposed the policy in its [reform agenda](#) earlier this year.
- But in order to hire thousands of more nurses to our profession, we need Congress to fully fund this policy and include incentive programs as well as more training opportunities.
- Nursing homes cannot compete against other health care settings, like hospitals, for clinical staff.

### Minimum Staffing Levels Study

- Focusing solely on minimum staffing levels or ratios is putting the cart before the horse.
- Nursing homes cannot meet staffing requirements when we can't find people to fill the open positions.

- This is a real challenge right now, especially in rural communities where there is a limited pool of potential applicants.
  - We must focus on how to attract and retain caregivers, so residents have consistent, quality care.
- Nursing homes need resources to attract and retain their staff in order meet potential new quotas.
- Additionally, there needs to be a comprehensive approach to staffing beyond numbers—staff training and experience matters.
  - Facilities with high staff retention and training methods can help caregivers perform responsibilities more efficiently.
- Ratios don't consider different resident needs and acuity.
  - Nursing homes need to be able to assess the appropriate staffing levels based on their number of residents and the specific needs of their residents.
- CMS data is consistent with other [literature](#) which found that staffing levels did not change significantly over the course of the pandemic as census also declined.
- Ultimately, setting minimum staffing requirements without any resources to implement those requirements will limit access to care for seniors. Already, many facilities can't take on new patients because they can't find staff.

## Higher Wages/Better Pay

- Nursing homes cannot simply offer higher wages and better benefits, since their revenue is fixed by government reimbursement rates.
- Most residents rely on Medicaid, which underfunds nursing homes by 20-30 percent. This makes the average nursing home barely break even.
- With 70% of expenses going to labor, it's extremely difficult to make additional investments in our workforce.
- We need state and federal policymakers to properly fund nursing homes, so they can become a more competitive employer.
- **Minimum wage increase:** we support a phased-in approach to increase the minimum wage over a period of time, as long as the government covers the costs for nursing homes.