

Long Term Care and Skilled Nursing Facilities

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Introduction

Long term care (LTC) is experiencing a workforce crisis. For years this industry, including skilled nursing facilities (SNFs) and assisted living communities, has experienced workforce challenges that have needed to be addressed. The LTC workforce includes nurses and direct care workers. Certified nursing assistants (CNAs), licensed practical nurses (LPNs), and registered nurses (RNs) make up the nursing workforce in this industry. Personal care aides account for direct care workers. The COVID-19 pandemic only exacerbated the problem of retention and recruitment of SNF and assisted living community workers. The industry suffers from workforce shortages even though wages have increased, and bonuses have been offered. Facilities cannot maintain operational costs as the prices of goods and services have increased and hiring contract workers is more expensive than hiring employees. Additionally, there is a lack of qualified and interested candidates to fill open positions as many have left. Overall, the LTC industry lacks adequate funding. Still, the demand for LTC and SNFs is high and will likely increase as the population ages. Nationally, the population of adults 65 and older is expected to increase to 94.7 million by 2060.¹ In Delaware, the proportion of adults aged 65 and older is estimated to increase by 48.6% by 2050. Additionally, the population of adults 85 and older will increase by 165%.^{2,3} The older population of the United States will lack access to and quality care without proper changes. Solutions must be implemented to enhance the workforce in this industry.

Long-Term Care Vs. Skilled Nursing Facilities

Long-Term Care

According to the Administration for Community Aging, “long-term care is services and supports necessary to meet health or personal care needs over an extended period of time.”⁴ Long-term care can be provided to anyone at any age, but older adults aged 65 and older who are unable to be independent use long-term care services and live in these facilities, where medical and personal care services are provided.^{5,6} Assistance with activities of daily living (ADLs), including help with dressing, bathing, eating, and moving around, is provided in multiple settings such as community settings like adult-day cares, assisted living communities, nursing homes, and continuing care retirement communities (CCRCs).^{4,6-8} Nurses, CNAs, and personal care aides provide services to these populations.^{6,9}

Skilled Nursing Facilities

According to the Centers for Medicare and Medicaid Services, a skilled nursing facility is “a facility (which meets specific regulatory certification requirements) which primarily provides inpatient skilled nursing care and related services to patients who require medical, nursing, or rehabilitative services but does not provide the level of care or treatment available in a hospital.”¹⁰ Individuals are discharged to a SNF when they no longer need care provided by a

hospital but are unable to be sent home because they cannot get out of bed, move around, or use a wheelchair safely; have surgical wounds; or do not have adequate help at home. Like other long-term care facilities, SNFs provide assistance with activities of daily living, however SNFs also provide intravenous injections and physical therapy.^{10,11} These services are carried out by trained and licensed professionals (i.e. registered nurses and doctors). Personal care aides and CNAs are unable to perform these activities but assist with other duties. Other licensed professionals working at SNFs include physician assistants, nurse practitioners, physical therapists, occupational therapists, and speech language pathologists.¹²

Workforce Landscape and Demographics of LTCs and SNFs

The primary LTC and SNF workforce is composed of nurses and direct care workers. Nurses monitor residents' and patients' health conditions, provide education, give medicine, and perform wound care. According to the U.S. Bureau of Labor Statistics (BLS), six percent of nurses work in nursing and rehabilitation facilities.¹³ Nursing assistants take vital signs and assist with activities of daily living and are supervised by RNs. Most nursing assistants work in SNFs (37%) while some work in CCRCs or assisted living communities (11%).¹⁴ Personal care aides have similar roles. Like nursing assistants, they help residents and patients with ADLs. However, they may also assist with cleaning and laundry, if needed. About 7% personal care aides work in CCRCs and assisted living facilities.¹⁵

Direct care aides are mainly women (87%), people of color (59%), and immigrants (27%).¹⁶ Generally, there is little training provided for direct care workers and little opportunity for these workers to advance in their career. However, in Delaware regulations are stronger than federal regulations and require not only initial training but on-going continuing education that is monitored by the Division of Healthcare Quality. Within the 24 month recertification period they need to have 24 hours of Continuing education, of which 6 hours must include dementia training, 2 hours residential/patient abuse prevention and they have to have had at least 64 hours of nursing related services for pay under the supervision of a nurse. In addition there is a competency exam with both a written and clinical portion. Seventy-five hours of training is required for CNAs, but no training is required for personal care aides.¹⁶

Changes in the Workforce Due to the Pandemic

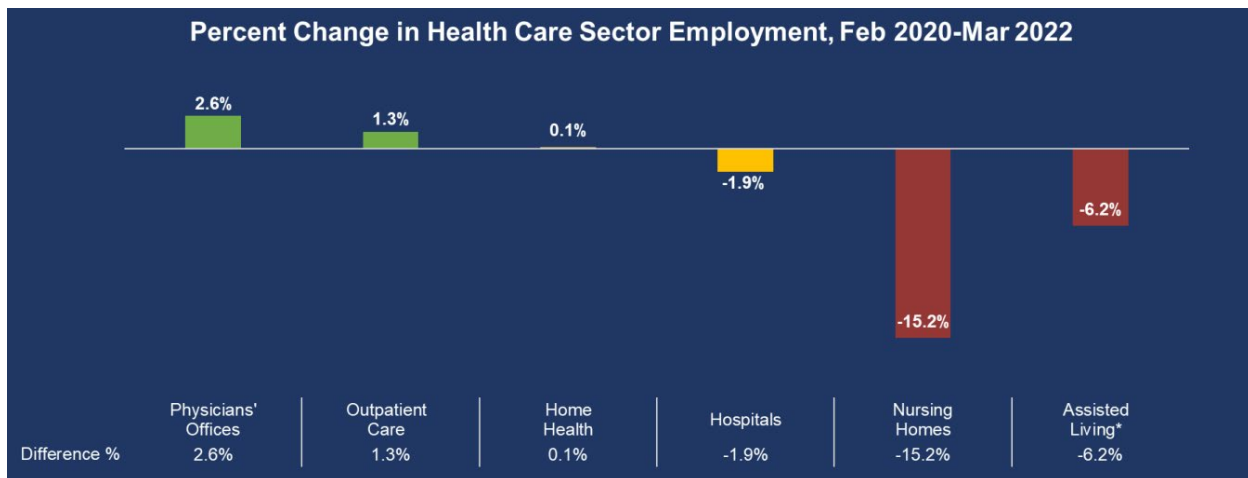
There have been LTC staffing issues prior to the pandemic, but COVID-19 highlighted the issues related to workers of LTC and SNFs. The rapid spread of COVID-19 put additional stress on care workers: these facilities are home to older residents who were likely to become ill, and residents lived close together, so it was difficult to follow distancing recommendations. Additionally, care workers were susceptible to getting sick, but did not always get paid time off, which influenced them to go into work.¹⁷ COVID-19 put undue stress on workers who were already burntout, so many left the workforce. Personal Assistance Services Agencies require an orientation, competency test, and training for their establishment.

Impact of COVID-19 on Nurses and Direct Care Workers

There was a nursing shortage before the pandemic, but COVID-19 exacerbated the situation. In Indiana, 1,300 more nurses need to graduate every year until 2030 to meet the workforce demand for nurses in the State.¹⁸ As of March 2022, nursing staff accounted for the largest workforce shortage in nursing homes.¹⁹ In May 2020, 1,414 current and resigned direct care workers were

surveyed to understand the challenges that these workers were facing. These workers reported external challenges like managing personal and family needs and financial circumstances; as well as staffing shortages, increased demands at work, and high risk of the virus being transmitted to and from residents.²⁰ The nursing industry continued to suffer staffing shortages throughout the pandemic; by November 2021, 234,000 nursing home employees and 39,000 assisted living employees had left their jobs (Figure 1).²¹

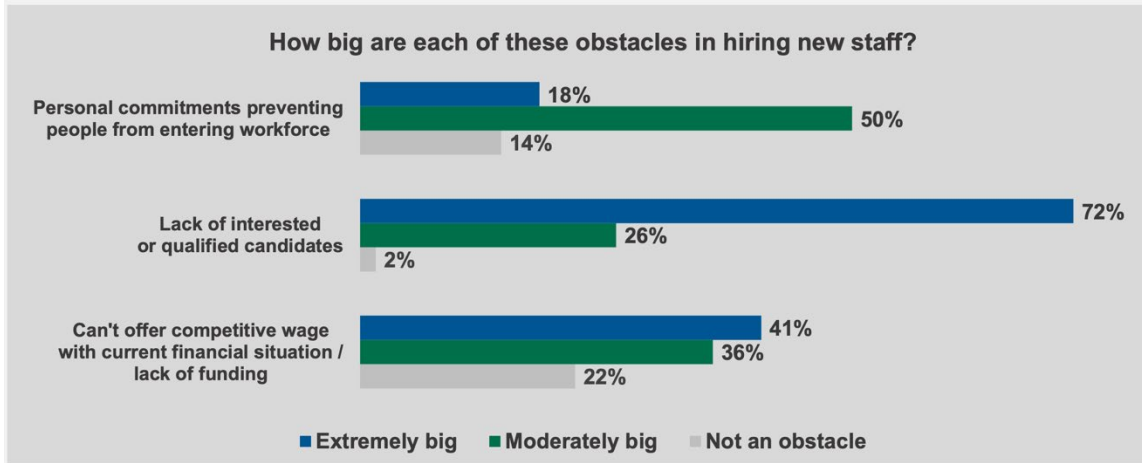
Figure 1. Percent Change In Healthcare Sector Employment, February 2020 - March 2022²¹



Staffing Shortages

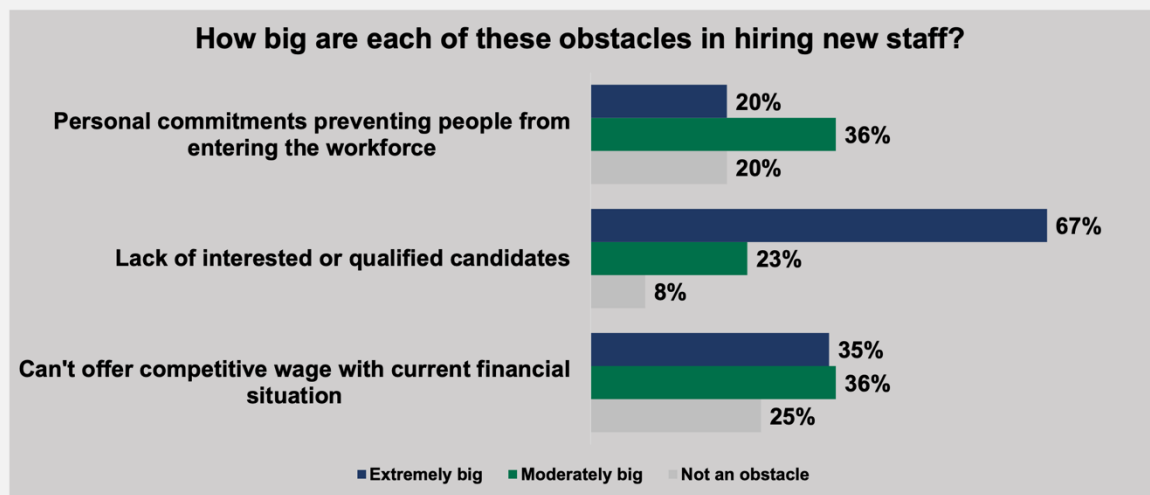
Even as the pandemic has started to slow down, the industry has not fully recovered.^{22,23} An Agency for Healthcare Administration (AHCA) survey of 759 nursing home providers showed that staffing problems have only been made worse for 60% of nursing homes since January 2022. Specifically, 87% of nursing homes have moderate to high levels of staffing shortages and hiring new staff has been challenging for 98% of nursing homes. These shortages could lead to facility closures: 73% of nursing homes are worried they will have to close.²⁴ The National Center for Assisted Living (NCAL) surveyed 120 assisted living facilities and found similar—though less dramatic—results. According to the report from June 2022, staffing issues have only worsened for more than 50% of assisted living communities since the beginning of 2022. Sixty-three percent of facilities have moderate to high levels of staffing shortages, and it has been difficult for 87% of facilities to hire new staff. Some assisted living facilities (16%) are very worried about the possibility of having to close. Others (32%) are somewhat concerned about closing due to understaffing.²⁵ “Lack of interested or qualified” workers is the top issue reported preventing nursing homes and assisted living facilities from hiring new staff (Figures 2 & 3). Due to understaffing, both facilities have asked workers to work overtime, hired staff from agencies, and reduced new admissions. Both types of facilities have even provided bonuses and benefits, increased wages, enhanced the workplace culture, and paid for staff trainings. Ninety percent of nursing home facilities have raised wages and proposed bonuses and over 90% of assisted living facilities have increased wages to entice workers.^{24,25}

Figure 2. Obstacles to Hiring New Staff in Nursing Homes²



Figure

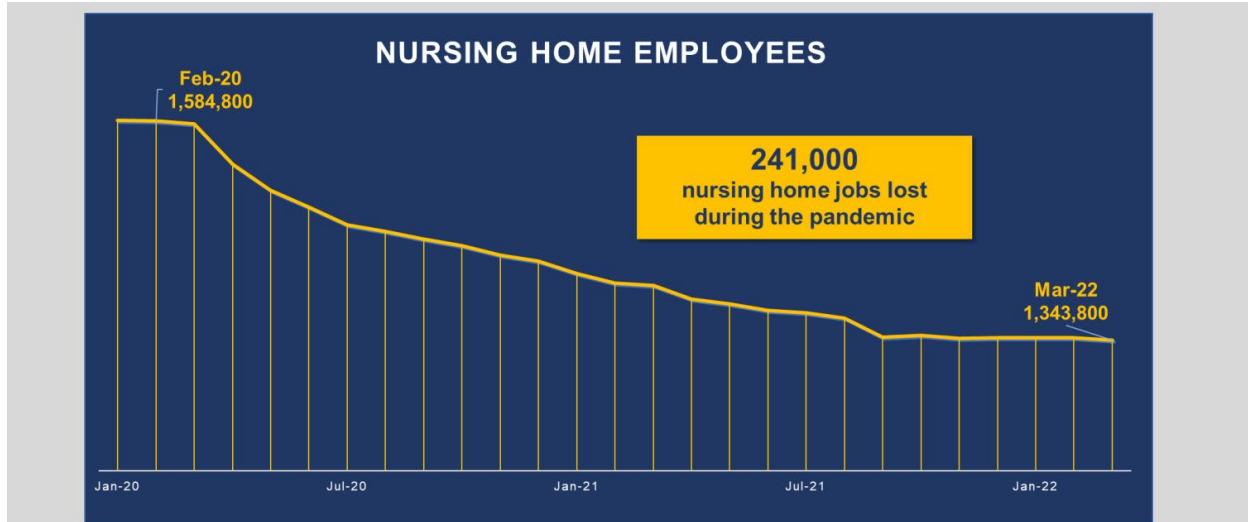
3. Obstacles to Hiring New Staff in Assisted Living Facilities²⁵



In

March of 2022, a total of 406,200 employees had left jobs in long-term care facilities since the beginning of the pandemic.²³ Nursing homes lost 15.2% of their workforce or 241,000 employees (Figure 4). There has been an increase in assisted living jobs by 1.8% and CCRC jobs by 0.8%, but this sector has not fully recovered.²² Adequate labor in this industry is important as new residents cannot be admitted without proper employment levels. Facilities need an adequate number and type of staff to admit residents and patients, maintain quality care, and remain open. In July 2022, it was reported that greater than 60% of nursing homes in the United States have limited new admissions.²⁶ Facilities are not closing admissions because they do not have enough beds. New patients are denied admission due to the lack of workers. The median occupancy rate for 2022 was estimated to be 77%, which is a lower occupancy rate than pre-COVID.²⁷ In Oklahoma, a senior home closed due to staffing shortages. Another home in Pennsylvania had to close 61 beds out of 344 due to understaffing.²⁸ Other states like New Hampshire and Massachusetts have closed new admissions due to worker shortages as well.²⁶

Figure 4. Nursing Home Jobs Lost, March 2020 to March 2022²³



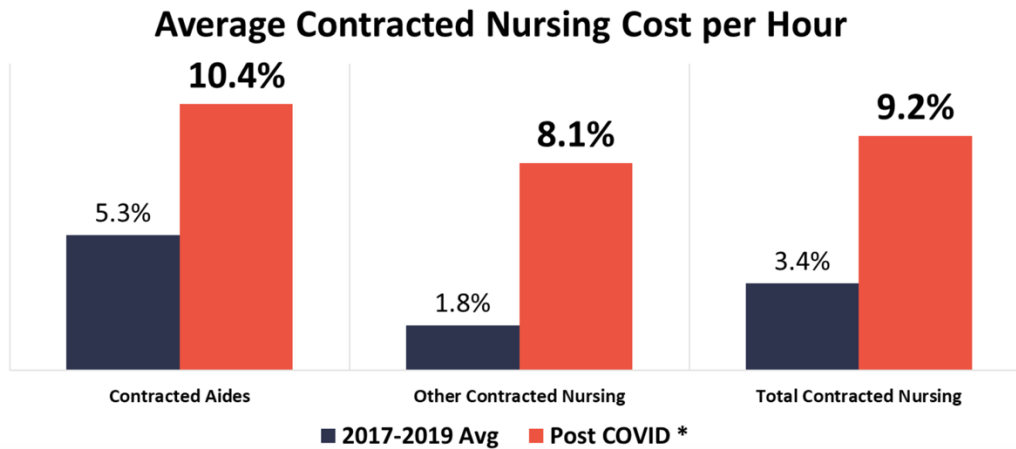
These closures not only affect nursing homes but affect other sectors of the healthcare system: a hospital near a nursing home that closed twenty-two beds in Buffalo, New York due to staffing shortages was unable to discharge patients as efficiently because patients ready to be transferred to the nursing home had to wait for available space. This caused a backup at the hospital because patients in the emergency department could not be transferred to a hospital room due to capacity issues.²⁸ In July 2022, 1,066 patients from various hospitals in Massachusetts were waiting to be discharged to a nursing home.²⁶ Many facilities have had to fully close due to understaffing. Since the pandemic, 327 nursing homes have closed across the United States and in April 2022, more than 400 were estimated to close within the year.²⁹ Many of these facilities even obtained 4 or 5-Star ratings from the Centers for Medicare and Medicaid Services (CMS).

Financial Concerns

Financial circumstances also hinder the industry. These circumstances were emphasized during the pandemic as facilities paid higher wages for employees and contracted workers, and the prices of goods and services increased. Specifically, in 2021, the average hourly wage doubled for nursing staff, like RNs, LPNs, and aides.²⁷ Due to the staffing shortages, many facilities hired staff from agencies, which have higher rates. For contracted and agency nursing wage costs, the average wage per hour doubled to tripled post pandemic (Figure 5).²⁷ In April 2022, hourly wages for SNF, assisted living, and CCRC employees increased again. SNF employees have experienced an average hourly increase of \$3.73 (18.2%). The total average hourly wage for SNF in April 2022 was \$24.25. Assisted living employees' wages have increased by 16% for a total average hourly wage of \$20.72 and CCRC employees have received an average hourly increase of 17.1% for a total average hourly wage of \$22.31.²² A survey of 330 SNFs show that nursing wages per hour and contracted work are still increasing in 2022.³⁰ Retaining staff has been difficult for many facilities and this issue has forced them to hire staff from agencies. However, the cost to hire staff from these agencies further hinders the staffing problem. Contracted hourly rates are higher than hourly rates for employees. In May 2022, the average employee hourly wage for an RN was reported as \$42.31 whereas the average contracted hourly rate for an RN was reported as \$54.33 (a 28.4% difference).³⁰ Similar differences were reported for LPNs and CNAs for employee versus contracted rates.

Figure 5. Average Contracted Nursing Cost per Hour

Post COVID, contracted nursing costs per hour have increased 2x to 3x historical levels



Costs of goods and services also increased during the pandemic. From 2020 to 2021, the average inflation rate was 6.9%.²⁷ From March 2021 to March 2022, there was an overall inflation of goods and services of 8.5%.³⁰ Inflation causes cost of care to rise. In June 2022, the average operational costs of nursing home facilities were reported to have increased by 41% in one year while the average operational costs for assisted living facilities were estimated to have increased by 40%.^{24,25} In May 2022, the number of SNFs at financial risk were estimated to increase to 47%. These facilities would include almost 417,000 residents, and many of the residents at these SNFs are of racial and ethnic minorities.³⁰

Changes in LTC and SNF Industry in Delaware

According to the 2021 Delaware Nursing Home Utilization Statistical Report, there are 47 nursing homes with a total of 4,926 beds in the State of Delaware. During this time, two nursing homes were reported to have closed (Forward Manor Nursing Home and Foulk Manor South). In 2020, there were 8,238 nursing home admissions; this number increased in 2021 to 9,260. However, the 9,260 nursing home admissions is still 20% lower than before March 2020. From 2020 to 2021, the private nursing home occupancy rate reduced to 74% from 77.1%. Prior to COVID-19, occupancy rates for nursing homes were around 90%, and these occupancy rates have decreased for all three counties in the State of Delaware (New Castle, Kent, and Sussex).² According to the 2021 Delaware Assisted Living Utilization Statistical Report, there are thirty-two assisted living facilities and two rest residential facilities providing long-term care in Delaware. No assisted living facility closures were reported for 2021. These facilities have a total of 2,003 units and 2,320 beds.³ These facilities are recovering at a faster rate than nursing homes in the State: in 2021, 809 new residents moved into these facilities, which was a 43.4% increase from 2020. Still, this sector has not fully recovered, this increase is 9.7% fewer than the number of residents who moved into these facilities prior to the pandemic.³

The LTC and SNF industry has not fully recovered from the effects of the pandemic, even with these increases in admissions and move-ins. The population of older adults is expected to increase exponentially from 2020 to 2050, emphasizing the need to improve this sector of healthcare and increase the number of staff recruited to work in LTC and SNFs.

Conclusion

The LTC and SNF industry needs improvement now more than ever. Unlike other sectors of healthcare, this industry has not been able to fully recover from the pandemic. Staffing shortages have existed prior to the pandemic, but the rapid spread of COVID-19 made the issue worse. Workers became stressed and burnt out in times of increasing workload demand. Workers leaving the industry exacerbated the stress felt from the employees who stayed. Understaffing influenced facilities to increase wages and offer bonuses and forced them to use contract agencies. Contract workers cost facilities more money but do not always deliver the same level of care as nursing employees. Contract staff do not work at the same facilities every day, leading to inconsistent care for residents and patients. The supply of long-term care workers needs to be increased as other healthcare facilities, like hospitals need to hire similar staff such as nurses. In February 2022, the Biden Administration suggested a minimum nursing home staff requirement. With such a limited pool of qualified and interested workers this requirement would cause many nursing homes (94%) to have to hire more staff, increasing costs for facilities.^{31,32}

Of note, DELPROS does not collect information on CNAs. The Division of Healthcare Quality is responsible for the training and testing program for CNAs and for the CNA Registry. At the time of this report, we were unable access their database, thus the lack of essential CNA information in this report.

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