

Written Testimony of



Delivered by

Tim Ward

Director of Advocacy & Government Relations

**An Informational Hearing on the Nursing
Workforce Crisis From the Nurses'
Perspective**

**Delivered before the House Labor & Industry
Committee**

May 7, 2024

Chairmen Dawkins and Mackenzie and members of the House Labor & Industry Committee, thank you for the opportunity to offer input on the workforce crisis impacting nursing care.

My name is Tim Ward, and I am the director of Advocacy & Government Affairs for the Pennsylvania Health Care Association – or PHCA – which advocates on behalf of nearly 450 long-term care facilities across the Commonwealth.

Nursing care, in particular, is operating at an employee rate not seen since the early 1990s. Pennsylvania has lost 14 percent of its nursing home workforce – 30,000 caregivers – since 2019, according to the state's Independent Fiscal Office. Couple these alarming statistics at a time when the fastest-growing demographic in the commonwealth is individuals 80 and older, PHCA continues to sound the alarm that a caregiving crisis is upon us, and the time for action is now.

As you know, over 70 percent of Pennsylvanians residing in nursing homes rely on the state Medicaid program to fund their care. Unfortunately, as Medicaid rates stagnated for nearly a decade while the costs to deliver care rose dramatically, nursing home providers struggled to compete in the labor market. Keep in mind that members of the General Assembly and the Executive Branch ultimately control the level at which nursing home providers are reimbursed. And when they fail to prioritize the state Medicaid program, they limit a provider's ability to raise employee wages.

In recent years, long-term care providers received increases in Medicaid reimbursement as part of an agreement to increase staffing levels in nursing homes. This was a collaborative effort that brought the industry, the workers union, and our regulators together for a mutual goal of increasing the number of caregivers at the bedside. But, a crucial part of that agreement was that the state government would fully fund these new staffing requirements via the state Medicaid program.

While the first part of that agreement was fully funded and an initial increase in staffing began on July 1, 2023, the second phase of these increased staffing requirements is set to begin on July 1, 2024. To date, the second phase increase is only partially funded, meaning that without additional funding allocated in this year's state budget, nursing homes will be left with an unfunded staffing mandate. The consequences are two-folded: 1) providers will be set up for failure as they do not have the financial resources to retain and hire additional caregivers to meet the ratios and 2) the inability to hire these additional caregivers will mean that providers will have to limit admissions so that they can remain compliant of the state nursing home requirements instead of being able to have the caregivers available to meet the staffing standards.

Ultimately, the consequences of passing along an unfunded mandate on nursing home staffing does harm not only to nursing home providers but to current caregivers who need additional staff in buildings to help them deliver care and Pennsylvania's care continuum as a whole.

In this year's state budget, PHCA is advocating for a \$25.4 million investment in state Medicaid reimbursement rates to fully fund the staffing requirements that begin on July 1st. By allocating this funding, lawmakers have the opportunity to show that they prioritize care delivery in the Commonwealth.

Additionally, PHCA is advocating for a new, innovative approach to deliver additional resources to nursing homes in Pennsylvania. The Enhancing Care With Incentivized Payment program, or 'ecwip', will encourage the advancement of quality care and quality of life for long-term care residents. ecwip will allocate additional funding resources to nursing homes to reinvest in the advancement of resident care. A critical aspect of resident care delivery is the nursing and clinical staff who deserve higher wages.

A key component of ecwip is a quality measure based on staffing turnover within the nursing home. If staffing turnover is high, the nursing home's quality score will suffer and limit its ability to achieve additional resources. We know that high staffing turnover is a signal that a nursing home isn't remaining competitive with wages and benefits, that leadership within the building may be a concern, and that caregivers are not adequately supported as they deliver care to residents.

It is also important to note that nursing homes in Pennsylvania do not have a blank check when it comes to the Medicaid program. **In 2022, PHCA supported the inclusion of statutory language that requires at least 70% of all Medicaid dollars to go towards direct patient care, which means investing in our workers.** We remain steadfast in our support of state staffing requirements so long as they're fully funded. And we are eager to achieve additional funding through ecwip so that nursing home providers can continue to increase wages for caregivers and offset other costs they foot the bill for.

However, increases in funding aren't the end-all-be-all of our efforts. PHCA is proud to lead the charge on several key workforce solutions that we know will strengthen our ability to recruit caregivers.

We ask the General Assembly to enact the following legislative initiatives to support a strong workforce pipeline for long-term care:

- Senate Bill 668 creates the position of certified medication aide (CMA) in nursing homes and allows existing nurse aides to obtain additional skills and certifications to advance in their caregiving career and increase their wages;
- Senate Bill 1102/HB 2113 modernizes the Pennsylvania Nurse Aide training program so that prospective nurse aides can more easily access training programs;
- Senate Bill 1103/HB 2114 requires the Department of Human Services to create a skills competency evaluation for prospective direct caregivers in assisted living communities and personal caregivers who don't have a high school diploma or GED equivalency; and
- Senate Bill 1104/HB 2115 offers high school juniors and seniors credit towards their graduation requirements for working in long-term care facilities as a way to expose

students at a young age to valuable careers in caregiving in the hope that some will choose it as a career path upon graduation.

Finally, PHCA acknowledges that developing the workforce pipeline is more complex than increasing Medicaid funding to increase wages or enacting legislation to remove regulatory roadblocks. Access to affordable childcare and reliable transportation are also barriers that exist within the caregiving crisis. PHCA also supports tuition reimbursement for individuals who choose careers in nursing and there is work to be done to incentivize qualified nurses to administer nursing courses. A shortage of instructors and examiners is a key barrier to nursing education.

PHCA stands ready to collaborate and assist in solutions promoting a strong Pennsylvania nursing workforce.

On behalf of our members, thank you for allowing us to submit testimony to highlight our concerns and solutions to this important issue.