

**Public Testimony on SB 2012**  
**Senate Appropriations – Human Resource Division**  
**January 25, 2023**

Good afternoon, Chairman Dever and members of the Senate Appropriations Human Resource Division. Thank you for the opportunity to testify on SB 2012. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. We represent 192 assisted living, basic care, and skilled nursing facilities in North Dakota. I am here to testify in support of SB 2012 and ask for your consideration of some additional dollars.

Thank you for your support in the current biennium. Two years ago, DHHS and our Association asked for your support to implement a new nursing facility payment system. You provided the funding, as well as went one step further. You provided us the CMS inflator, as well as the 2% and .25% inflator provided to all Medicaid providers. That helped us tremendously, as the pandemic and workforce crisis has devastated many providers. Let me share with you what is occurring.

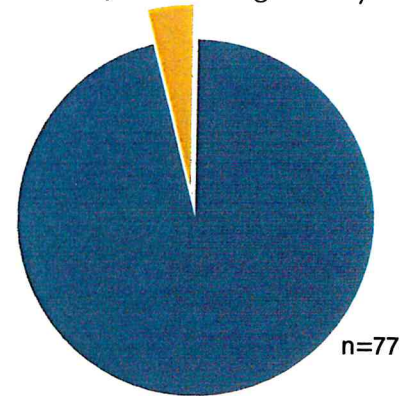
Our new payment system was not equipped to withstand a pandemic, record inflation in 2022, and a loss of over 15% of our workforce. Many of our facilities continue to struggle. If we are unable to secure our own permanent staff more facilities will need to close.

# Nursing Facility Facts

## Nursing Facilities AT A GLANCE

77 licensed nursing facilities  
 5,226 licensed beds  
 2022 average daily rate is **\$352.42**  
 2022 average occupancy was **85%**

Ownership of Nursing Facility



## Nursing Facility Facts

- Resident needs are complex and they are in need of 24-hour nursing care.
- Half of residents are admitted directly from a hospital.
- The most significant issue necessitating admission to a nursing facility is the need for care throughout the day. Residents are unable to meet their own needs for dressing, toileting, eating, and remaining safe. Most often their medical needs are complex, requiring continuous attention.
- Current residents range in age from 26 years to 111 years old, with the average age being 83.1.
- Forty-four of the 77 reporting facilities discharge 2837 residents in the 12-months period ending June 30, 2022.
- North Dakota's discharge to community rate is 52%.
- North Dakota's nurse hours per resident day is 4.66, compared to the US average 3.77.

Gender of Nursing Facility Residents  
 n=2515



**63%** of residents in North Dakota NURSING FACILITIES are female



# Nursing Facility Facts

## Nursing Facility WORKFORCE

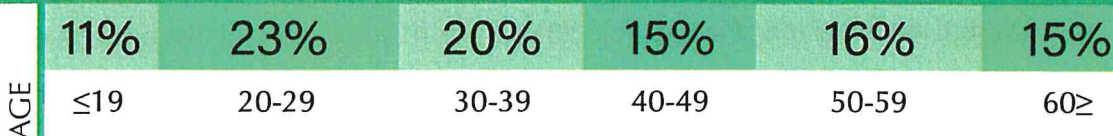


- The top issue facing nursing facilities is workforce.
- In July 2022, the midpoint CNA wage was \$19.71.
- 50% of nursing facilities stopped admissions in 2022 because of lack of staff.
- 90% of nursing facilities used contract agency staff in 2022.
- During the pandemic nursing facilities lost 15.3% of their staff and they have not returned.
- In the past year, contract nursing costs have more than doubled from the previous 12 months, spending \$63.8 million compared to \$28.8 million.
- Thirty-one percent of the workforce is age 50 or older, with the oldest employee being 90.
- During the pandemic, five nursing facilities closed and 60% of those remaining are operating at a loss.

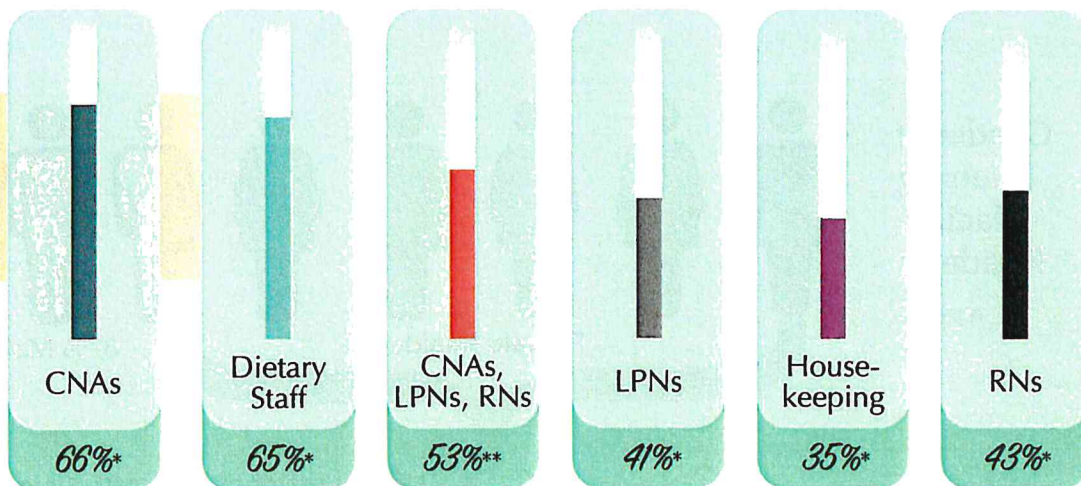


### Age of Nursing Facility Workforce

n=5677



### 2022 Nursing Facility Staff Turnover



\*NDLTCA Survey

\*\*CMS PBJ Reporting

**Long Term Care Facility Closures**  
**Updated January 2023**

<b>City</b>	<b>Facility</b>	<b>NF Beds</b>	<b>BC Beds</b>	<b>Close Date</b>
Bismarck	CHI St. Alexius Health - TCU	19		July 2022 *
Bowman	Southwest Healthcare Services	34		December 2021
Crosby	St. Luke's Sunrise Care Center	35		September 2021
Devils Lake	Eventide Devils Lake (closed 1 of 2 NF)	48		January 2021
Mott	GSS - Mott	42		June 2022
Northwood	Northwood Deaconess health Center	32		2024
Rugby	Heart of America	33		2024
Wilton	Redwood Village		16	July 2022
		<b>243</b>	<b>16</b>	

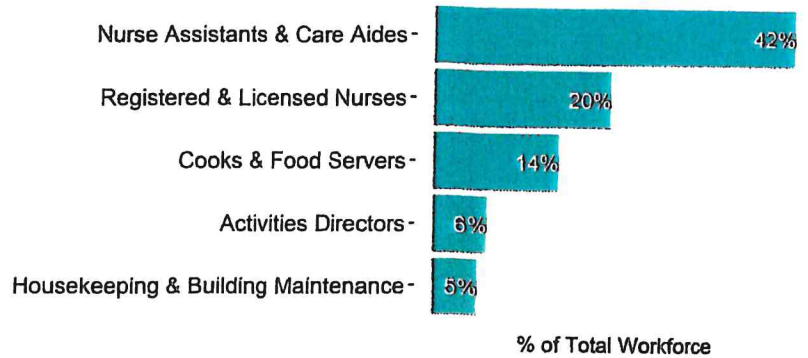
\*Temporarily Closed - Has the option to re-open by 04-01-2023



## Skilled Nursing Workforce

# 7,205 Employees

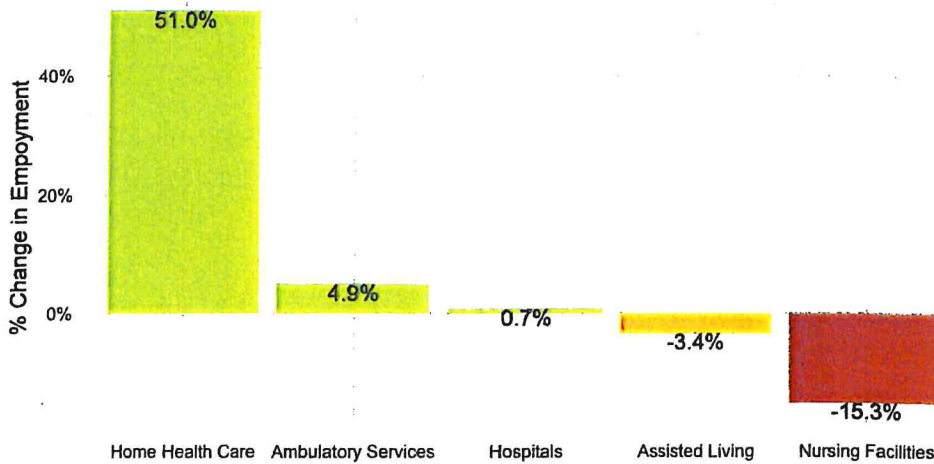
### Top 5 Occupations



## Impact of COVID

While some health care industries have reached or surpassed pre-pandemic staffing levels, long term care facilities are still experiencing substantial job losses alongside rising wage costs and increasing agency staff use.

Percent Change in Employment by Health Care Sector  
Feb 2020 - Jun 2022



**10.4%**  
Increase in Average Weekly  
Wage: Mar'20 - Jun'22

**2.1x**  
Increase in Agency Nurse Staff  
Hours: Q4'19 - Q2'22

Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (Jun 2022) and Occupational Employment and Wage Statistics (May 2021) for NAICS Industries 623 and 6231. CMS Payroll Based Journal (2019-2022)



# Nursing Facilities

## North Dakota is ranking high Resident Satisfaction

Item	Rating Value	North Dakota	United States
Overall Satisfaction	4 & 5	<b>89%</b>	75%
Nursing Care	4 & 5	<b>92%</b>	82%
Cleanliness	4 & 5	<b>96%</b>	86%
Dignity & Respect	4 & 5	<b>96%</b>	89%
Recommend to Others	4 & 5	<b>93%</b>	80%
Safety & Security	4 & 5	<b>97%</b>	91%
Individual Needs	4 & 5	<b>92%</b>	80%



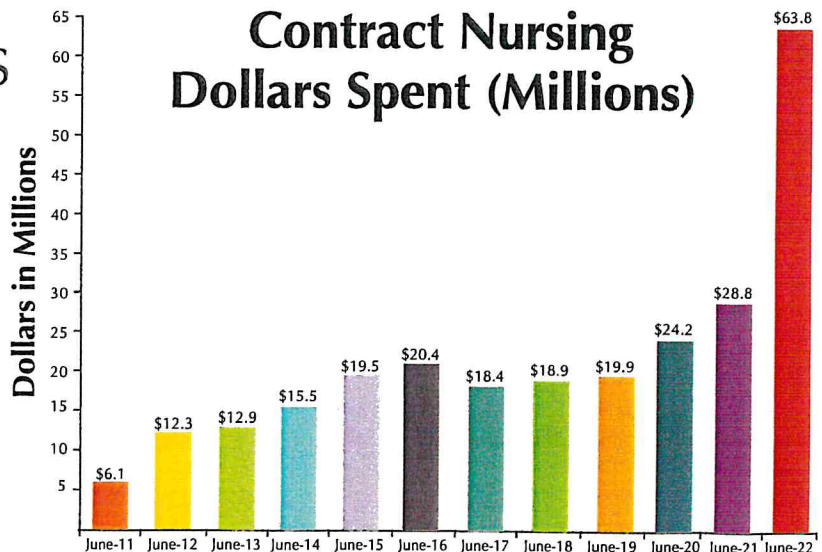
CMS tracks the hours worked by different types of staff in nursing facilities. These hours are used to calculate a ratio of staffing hours per resident per day. Hours per resident per day indicate the average amount of time staff are available to spend with each resident per day.

- ND Nurse hours per day **4.66**
- US Nurse hours per day **3.77**

## Contract Nursing IN NURSING FACILITIES

When facilities face staffing shortages, one option is to use contract staff to provide daily resident care. In the past 11 years, the amount spent on contract nursing has increased over 400%.

### Contract Nursing Dollars Spent (Millions)



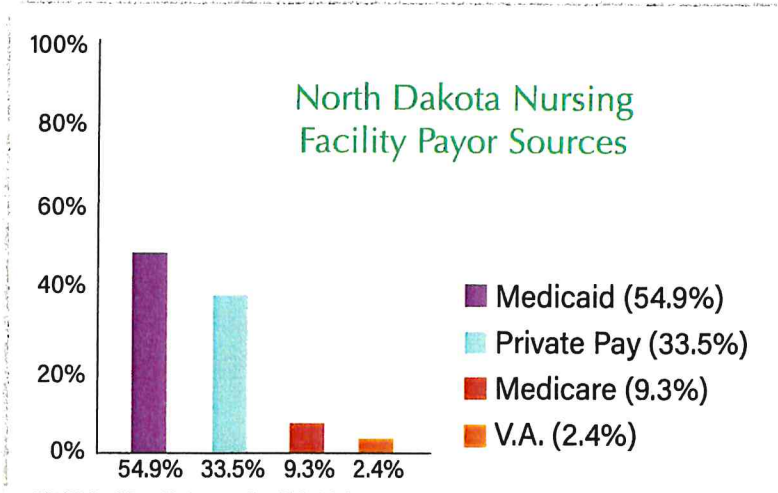


# Nursing Facility Facts

## Nursing Facility COST

In 2022, **16%** of residents had a long term care insurance policy paying for a portion of their care.

In 2022,  
the average cost for  
**ONE DAY** of  
nursing facility care is  
**\$352.42**



### Why do individuals move into a nursing facility?

The top three reasons for nursing facility admission:

- 1) Assistance with daily care
- 2) Complex Medical needs
- 3) Needs continuous supervision

When residents are discharged from a skilled nursing facility, where do they go?

**52%** of ND nursing home residents are **discharged back home** or to a lower level of care.



# NDLTCA Member Survey on Workforce Shortage Crisis & The Impact of COVID-19 In Long Term Care Facilities

North Dakota's long term care facilities have been in the epicenter of the COVID-19 pandemic, which exacerbated an already serious workforce shortage. The North Dakota Long Term Care Association recently surveyed its members and received concerning responses showing just how seriously workforce shortages are crippling the ability of long term care facilities to meet the needs of residents.

**Eighty-Nine percent** of facilities are reporting a **shortage** of staff members to fill a shift. Virtually all facilities, (96%), are asking staff to work overtime or take extra shifts.

The **costs to fight the pandemic** have left the majority of **long term care facilities struggling**, with **57% operating at a loss today.**

**THE SURVEY RESULTS** **74%** of long term care facilities say their workforce situation **has gotten worse** since 2020.

How North Dakota Long Term Care Association members are trying to address these workforce challenges

- 79%** working to hire new staff
- 70%** increasing pay to staff
- 56%** offering bonuses to staff who work overtime/double shifts
- 54%** hiring contract staff



## In the Past 60 Days

- 96%** have asked staff to work overtime or take extra shifts
- 89%** do not have sufficient staff to fill shifts
- 57%** have turned to agency staff to fill shifts



When asked about their current staffing situation, North Dakota Long Term Care Members responded:

- 79%** ranked it concerning to crisis
- \*34%** concerning, beginning to have numerous open shifts
- \*24%** disconcerting, few applicants and we need more staff
- \*21%** crisis, numerous open shifts and few qualified applicants or no applicants



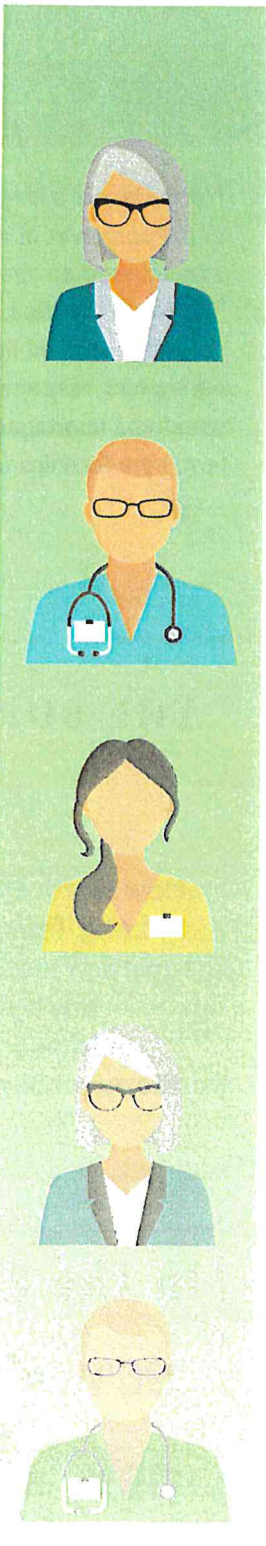
**Members indicated the following positions that are vacant or are recruiting to fill:**

- 88% CNA or direct caregiver
- 70% Dietary Staff
- 52% RN
- 51% LPN
- 49% Housekeeping
- 24% Activities
- 24% Other support staff (e.g., maintenance, office)
- 10% Director of Nursing
- 6% Rehab Staff
- 6% Social Workers
- 4% Infection Preventionist
- 2% Administrators

**In 2020, what was the primary reason staff members left their job?**

- #1 Quit
- #2 Burn out/Stress of job
- #3 Retirement

**78%** felt directly or indirectly the reason related to staff losses was due to **COVID-19**



When asked to rank steps that would **help them improve** their ability to **recruit and retain staff**, over three quarters of members cited higher **reimbursement** as the **BEST** way to retain staff.

They ranked measures as follows:

- #1 Higher reimbursement to offer better pay and benefits
- #2 Less regulations and/or paperwork
- #3 Improved perception of working in the profession
- #4 Improving the workplace culture/environment
- #5 Reinstatement of the temporary nurse aid program
- #6 More training programs at local schools and higher institutions
- #7 Career ladder programs

We need your help! Get vaccinated and apply for a job in a long term care facility – You will make a difference!



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What I understand is in the budget is funding to continue the new pricing model and fair rental system. One of the most important features of the system will be rebasing of our rates on 1-1-24, which will be based on our June 20, 2023 cost report. Without that important feature, the payment system would fail. When you come back in 2025, that will undoubtedly be a top priority for us. Thank goodness it is in the budget and I hope you will continue to support it.

For our basic care members, they need some extra help this session. The past two years have been very difficult for them. Although only one facility has closed, another last week indicated closure is probably inevitable.

SB 2283 relating to the basic care payment system was heard in Senate Human Services yesterday. Based on the recommendations on a DHHS and North Dakota Long Term Care Association study on basic care, we are requesting an additional \$6 million dollars to improve the payment system, (SB 2283 is intertwined with SB 2012). Of the \$6 million, \$3.9 million is one-time funding. I will provide greater details on that legislation and the needs in basic care hopefully when that bill is re-referred to you. Besides the one-time funding of \$3.9 million paid directly to basic care facilities, we are asking for inflationary adjustment of 6% and 4%, the same amount the Governor is proposing for state employees. I don't understand why anyone would give less to our Medicaid providers, those who are caring for our most vulnerable population. Not only does our inflator cover salary costs, which is 80% of our costs, but it is supposed to cover everything else, our health insurance, medical supplies, food, insurance, etc.



In 2022 Medicaid providers got an inflator of .25%, a period when we had record inflation of 9%. I urge you to consider inflationary adjustment of 6% and 4%.

This money is necessary to help stabilize our workforce which is in shambles. If a sufficient inflator is not provided, we don't have a prayer of getting out of the crisis we are experiencing. See attached handout on basic care costs.

One final word on behalf of our residents in nursing facilities and basic care facilities. SB 2012 provides for an increase in the personal needs allowance for residents. This money is used for such items as a cellphone, to stay in communication with family members, cable TV, which was considered a luxury when the payment system was built in 1989 and DHHS rules require residents pay for, special hair care, including perms and color, clothing, shoes, and small gifts you still want to give grandchildren.

SB 2012 provides an increase of \$35 per month, which would give nursing facility residents \$100 per month and basic care residents \$135 per month. The personal needs allowance for nursing facility residents has not been increased for 10 years and we are asking that you keep that intact in SB 2012.

In summary, thank you for your support and continued hard work. You have a monumental task ahead of you and we know you will do what is best for our vulnerable at risk residents depending on this support.

I would be happy to answer any questions.

Shelly Peterson, President  
North Dakota Long Term Care Association

# Basic Care Facts

## Basic Care COST

Almost half of the residents living in basic care need assistance to pay for their care. The average basic care assistance rate on July 1, 2022 was \$137.56 per day. The average cost for providing care is \$146.25, so for each resident served, the facility is losing almost \$9.00 per day.

Almost half of all basic care facilities are operating at a loss, with 35% indicating they get few applicants for numerous open positions and feel they are in a continuing workforce crisis.



**Does LTC Insurance pay in Basic Care Facilities?** \*11% of residents have LTC insurance that helps pay for their care. n=798



Continued losses of the *past 7 years* are making it almost impossible to care for the residents with B-Cap (state assistance) as a payment source.

### Basic Care Average Costs and State Reimbursement Rates

\$	SFY 2016	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
<b>Average Cost</b>	\$116.12	\$117.26	\$121.64	\$130.52	\$124.52	\$133.92	\$146.25
<b>Average Rate</b>	\$107.88	\$111.60	\$117.13	\$123.80	\$122.83	\$129.12	\$137.56
<b>Difference</b>	-\$8.24	-\$5.66	-\$4.51	-\$6.72	-\$1.69	-\$4.80	-\$8.69

### Basic Care Satisfaction Survey Results

Satisfaction	1-Poor	2-Average	3-Good	4-Very Good	5-Excellent
Overall Satisfaction (n=558)	<1%	7%	12%	42%	39%
Quality of Staff (n=558)	<1%	5%	14%	39%	42%
Quality of Care (n=558)	1%	4%	15%	39%	41%
Quality of Food (n=558)	4%	12%	17%	40%	26%