

Testimony on SB 2142
Senate Industry and Business Committee
January 10, 2023

Good afternoon, Senator Larsen and members of the Senate Industry and Business Committee. 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. We are here to support SB 2142 which serves to create a healthcare Office of Immigration. We appreciate Senator Mathern as well as other bill co-sponsors in bringing this issue forward.

First, we are supportive of having the bill amended to reflect an Office of Immigration that serves all businesses in North Dakota, not just solely healthcare. Secondly, we envision the Office of Immigration to be self-sufficient, to operate on fee's paid by businesses to secure international staff. However, one-time funding to establish the office and secure staff will be necessary. Today, long term care facilities have staff from all over the world, from many African countries, Jamacia, the Philippines, Bosnia, and Servia, to just name a few. They fill many positions, providing outstanding care, a strong work ethic and a strong desire to be part of the community.

They are here legally and we wish we could secure many more. They are a value to facilities, families, and residents. The process to get them to the United States and North Dakota is extensive and expensive. Facilities have paid up to \$50,000 per person to get one person to their skilled nursing facility. Generally, that gives us a three year work commitment.

However, we have been successful with them loving our facilities and residents and they make the decision to stay for years. They bring their families and thus all of North Dakota benefits.

We have been told there are over 1.5 million visas that are unused and available. Imagine for a moment if North Dakota's Office of Immigration would become the very best state at processing Visas and expanding our workforce to meet everyone's workforce needs? Think how this could make North Dakota prosper even more. For long term care, having sufficient employees to meet the needs of residents would be a Godsend.

Let me talk for a moment about our workforce challenges. Our workforce crisis is the worse it has ever been. Our labor crisis was here before the pandemic but has escalated beyond what we ever imagined possible.

The top issue facing nursing facilities is workforce. Fifty percent of nursing facilities stopped admissions in 2022 because of lack of staff. Long term care facilities have few if any applicants for job openings. Ninety percent of nursing facilities used contract staff in 2022. Contract staff are meant to be temporary, but we, out of necessity have come to depend on them long term. The cost of contract staff has escalated beyond our ability to pay for them. On 1-1-23 nursing facilities received about a 3.75% increase in their rates, our cost to operate is much higher. Seventy percent of our cost to operate is staff and benefits.

Between January 2021 and July 2022, five nursing facilities and one basic care closed. In 2024, two additional nursing facilities have announced plans to close their nursing facility and only operate their critical access hospitals. In 2023, I anticipate additional closures. See Appendix A which shows the facility closures.

A year ago, 57% of nursing facilities reported operating at a loss. Today, 60% are operating at a loss. Contract nursing hours have more than doubled and the cost has escalated as the demand increased. Look at Appendix B, the 2011 – 2022 History on Contract Nursing Dollars Spent.

Appendix C is the North Dakota Skilled Nursing Jobs Report. While some health care industries have returned or surpassed pre-pandemic staffing levels, nursing facilities are still experiencing substantial job losses alongside rising wage costs and increasing agency staff use. By June 2021 we lost 13.1% of our workforce, in June 2022 that climbed to 15.3%.

Appendix D shows our 2022 Turnover Rates. So you can see we are in trouble. If we can't secure our own staff and significantly decrease our dependence on contract staff, our financial viability will never return and more facilities will close.

We believe an Office of Immigration could help to expedite and coordinate the visa/immigration process for placement of international nurses, CNA's, housekeepers, (and their families), at our nursing homes and hospitals and other business struggling to survive. Let's be the best state at knowing and understanding the process of getting legal immigrants to our state. All businesses in North Dakota could be helped through this office.

Long term care facilities have always been committed to providing the best quality of care. We have always valued having sufficient staff to care for residents. We have been one of the best states for assuring residents have sufficient staff to care for them. But we are slipping and we need your help. We ask for your support of SB 2142 and create an Office of Immigration.

Thank you again for the opportunity to testify. I would be happy to answer any questions.

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Long Term Care Facility Closures
Updated January 2023

City	Facility	NF Beds	BC Beds	Close Date
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
		243	16	

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

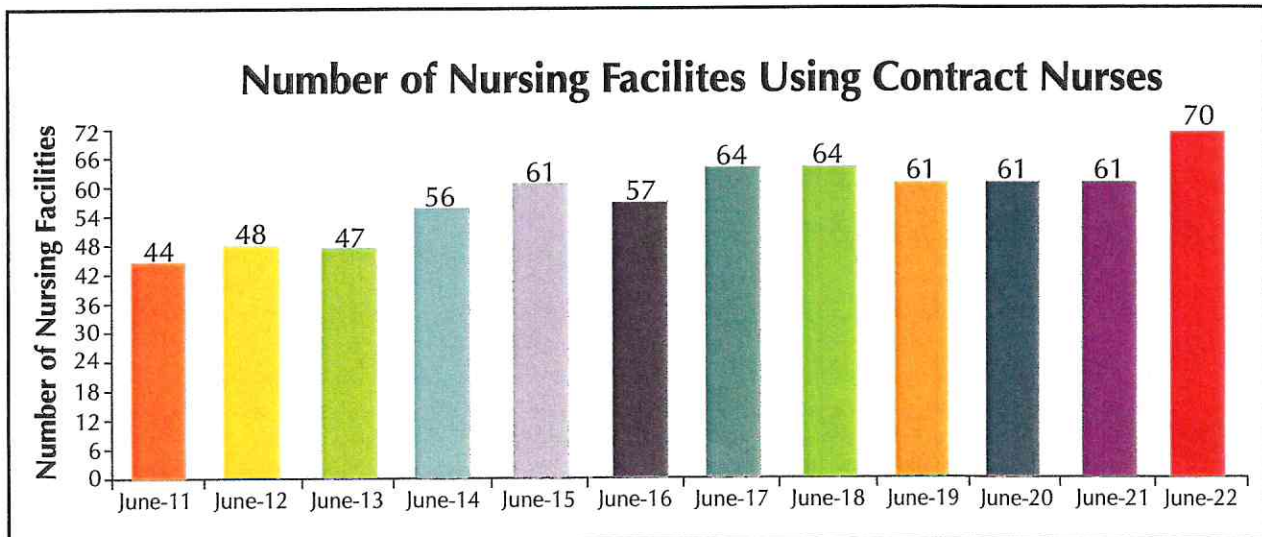
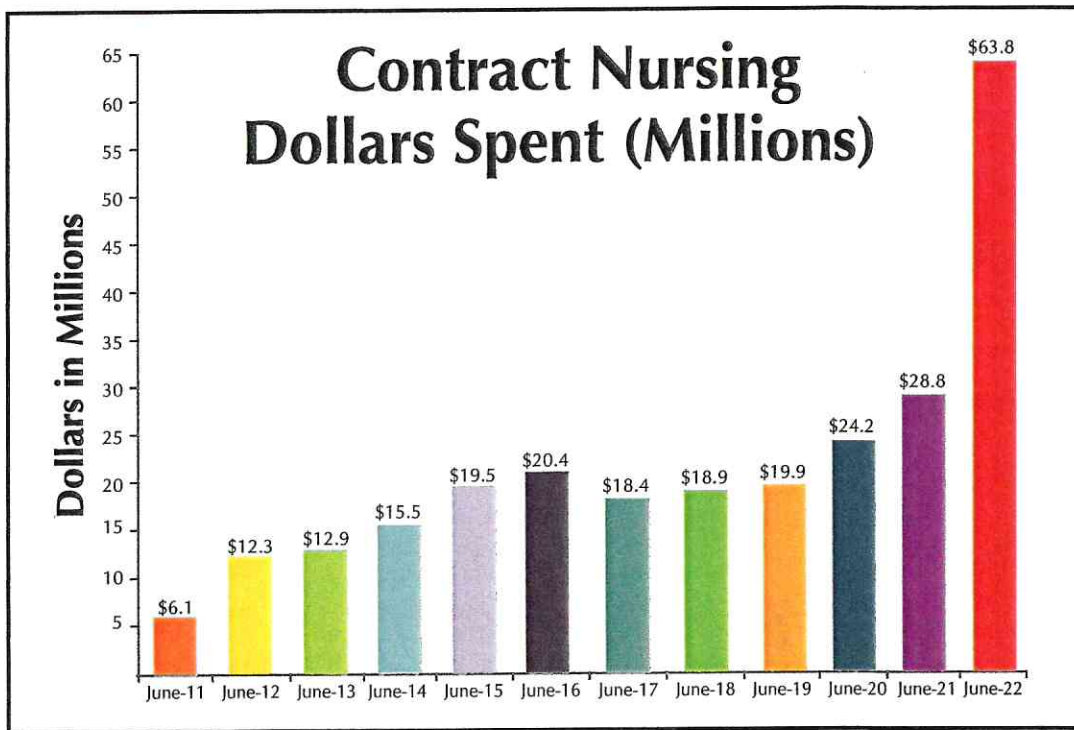


2011-2022

Nursing Facilities

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 year, contract nursing costs has more than doubled from the previous 12 months.

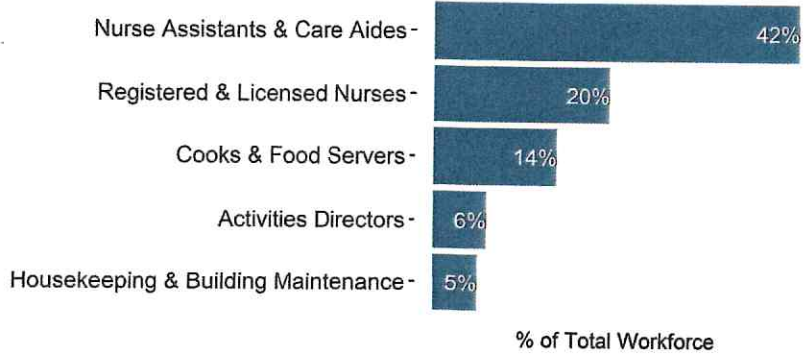




Skilled Nursing Workforce

7,205 Employees

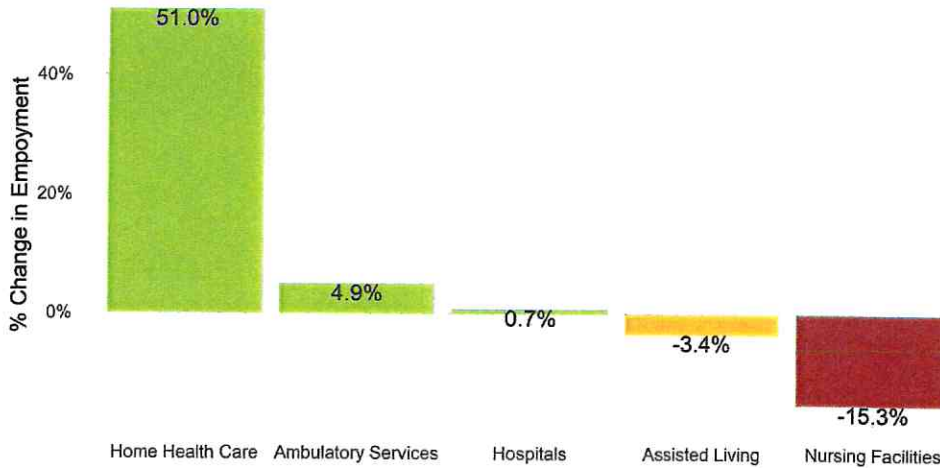
Top 5 Occupations



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

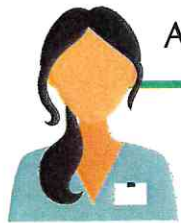
Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (Jun 2022) and Occupational Employment and Wage Statistics (May 2021) for NAICS Industries 623 and 6231. CMS Payroll Based Journal (2019-2022)

Nursing Facility Facts

Nursing Facility WORKFORCE

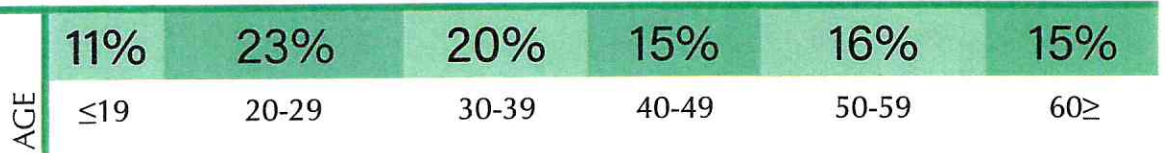


- The top issue facing nursing facilities is workforce.
- In July 2022, the midpoint CNA wage was \$19.71.
- 50% of nursing facilities stopped admissions in 2022 because of lack of staff.
- 90% of nursing facilities used contract agency staff in 2022.
- During the pandemic nursing facilities lost 15.3% 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.

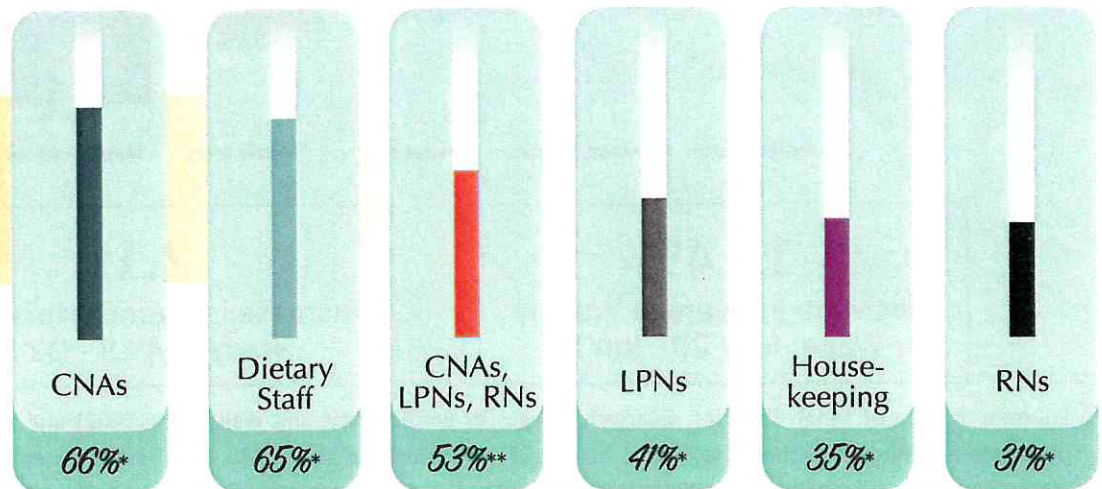


Age of Nursing Facility Workforce

n=5677



2022 Nursing Facility Staff Turnover



*NDLTCA Survey
**CMS PBJ Reporting

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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