



FROM: Richie Farran, V.P. of Government Services, Health Care Association of Michigan
DATE: March 24, 2022
SUBJECT: House Health Policy Committee - Nursing Facility Workforce Challenges

Chair Kahle and committee members, thank you for the opportunity to testify today on the direct care worker shortage impacting our state. My name is Richie Farran, I am the V.P. of Government Services for the Health Care Association of Michigan. HCAM represents more than 360 nursing facilities in the state.

The past two years have been the most difficult the nursing facility profession has ever experienced. The challenges during the first few months of the pandemic are well known – the world lacked adequate PPE and testing, and nursing facilities were not made a priority for the resources that were available. At first, we knew very little about the novel coronavirus. We quickly learned that the residents in our nursing facilities were especially vulnerable, and the lack of testing and resources led to tragic outcomes for many Michiganders, including nursing facility staff and residents.

Nursing facility staff worked to protect residents in compliance with myriad state and federal regulations and guidelines that were changing on a daily basis. An effective response to the pandemic required operational changes, physical plant improvements, and significant increased use of personal protective equipment to enhance infection control and protect residents and staff alike – changes that substantially increased the costs to deliver care at a time when revenues were down significantly.

Through experience and accessibility to necessary resources, facilities learned how to best combat the virus, and we are thankful that today we have vaccines and therapies that are effective in greatly decreasing the likelihood of severe illness, hospitalization, and death from COVID-19.

While the situation has improved from a clinical standpoint, the operational challenges remain. Revenue remains well below pre-pandemic levels. After bottoming out in January of 2021, occupancy rates are at a statewide average of approximately 73.5% - down ten points from pre-pandemic levels. The increased costs remain – facilities are having to do far more with far less.

Decreased utilization of nursing facilities in 2020 was likely due to hesitation to access healthcare. The current census troubles, however, are likely due to the workforce crisis brought on by the pandemic. The difficulties over the past two years have regrettably driven facility leadership and front line staff out of the profession at a time when they are needed most.

While sectors across the economy face similar challenges, the workforce shortage in the health care sector, and nursing facilities specifically, is uniquely challenging. According to data from the U.S. Bureau of Labor Statistics, the long-term care industry is facing the worst job loss among all health care providers. Nationally, hundreds of thousands of jobs have been lost during the pandemic, equaling more than a 14% decrease in the workforce. In Michigan, an HCAM survey of membership indicates a 17% decrease in the workforce from pre-pandemic levels, with currently more than 9,000 job openings. A survey by our national association shows that 99% of nursing facilities in the U.S. are facing a staffing shortage.

Providers have recognized these dedicated caregivers with retention bonuses, additional paid time off, health care benefits, 401k contributions, referral bonuses, and tuition and student loan reimbursement. Wages have increased significantly, with many facilities paying CNAs well over \$20 per hour.

Unfortunately, the workforce challenges remain, leaving many facilities no choice but to refuse admissions and close entire units due to lack of staff. If we do not solve these problems, we risk the ability for residents to access the 24/7 nursing care they need.

HCAM has worked with the legislature, state departments, the administration, and many of you on this committee to implement policies that can improve the dire situation. Our number one focus as an association is addressing the workforce crisis. While there is no silver bullet to solve this problem, there are a number of initiatives we have advocated for that can bring immediate help.

The Board of Nursing recently approved a change to the administrative rules that would allow internationally trained nurses to practice in Michigan without having to take a redundant examination that is not required in most other states. This CGFNS exam is an extra hurdle for these international nurses to work in Michigan – I've heard from a number of members who are proud of the competitive compensation they can offer to these nurses, but oftentimes lose out on them to other states that do not require the exam. Allowing for options other than passage of the CGFNS exam, as this rule set offers, will have an immediate impact on providers' ability to attract nurses to our state.

It is critical we support our frontline caregivers in nursing facilities – our nurses and certified nurse aides (CNAs). We can offer them support by eliminating burdens to be a registered CNA, and offering them opportunities to grow and advance in their careers. House Bills 5089 and 4316 – both bills previously approved by this committee, will do just that. HB 5089 allows temporary aides working during the pandemic to have a pathway to the CNA registry, and HB 4316 allows CNAs to receive training to pass regularly scheduled medications.

HCAM is also exploring potential legislation to address issues arising from the increased use of staffing agencies due to the workforce crisis. The use of agencies comes at a high cost for staff that is more transient in nature and less familiar with the policies, procedures, and residents at the facility.

HCAM has also received a grant through the MI Department of Labor and Economic Opportunity for members to put CNAs through additional training to become more proficient in their jobs. In the coming weeks, HCAM will be offering members the opportunity to participate in an Apprenticeship Program for CNAs.

The state has recognized the workforce crisis, directing wage increases for direct care workers since July of 2020. This has proven very helpful, and the governor's fiscal year 2023 budget recommendation continues this funding and expands it to non-direct nursing facilities employees as well. The supplemental passed earlier this year also directs funding to facilities to help with recruitment, retention, and training efforts. HCAM is very supportive of these programs.

We are grateful for the support of all of these initiatives, and for all the assistance directed to long-term care during the pandemic. Unfortunately, the rhetoric regarding the COVID experience in nursing facilities is doing little to help attract and retain staff to the profession. When most of what the public hears is negative, why would anyone choose to work in a long-term care facility? The focus for much of the past two years has been on deaths in nursing facilities – from the federal government, to the state government, to the media, anecdotal stories are sensationalized and too often the blame for the tragedies of the pandemic are placed on the shoulders of facility staff. This is entirely unfair, and is disrespectful to the heroes on the frontlines of the pandemic.

Rather than placing blame on facilities, and having a hyper focus on the negative outcomes, government leaders and our communities should celebrate the efforts of the selfless caregivers who persevered over the past 24 months. I've provided the committee with an editorial published in USA Today authored by the chief medical officer of our national association, Dr. David Gifford. Dr. Gifford does an excellent job detailing the challenges facing facilities, the battle they faced to protect residents amidst rampant community spread, and highlighting that facilities are not to blame for this once-in-a-lifetime pandemic. I invite you to read this brief OpEd.

Dr. Gifford ends with a call for all of us together to focus on meaningful solutions that can improve the care residents receive and prioritize long-term care. I echo Dr. Gifford's call – it is imperative that clinical and financial resources continue to be directed to nursing facilities to protect our residents.

We look forward to our continued work with the legislature to ensure nursing facilities are armed with all the necessary tools to deliver high quality care to our state's seniors. I thank you for the opportunity to testify and I am available to answer any questions the committee may have.

