

HF 9/15



# CHANGE IS IMPERATIVE 2011

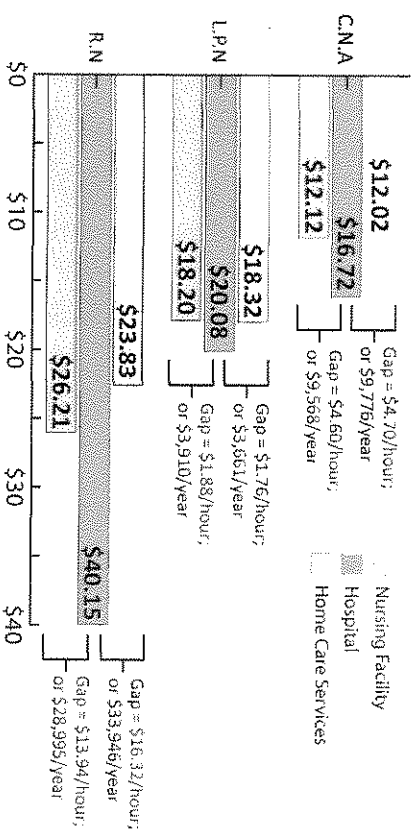
There's no fat to trim in the budgets of Minnesota's nursing homes and assisted living providers.

Caring for seniors is labor intensive, and wages and benefits make up the vast majority of operating costs. Having already streamlined their operations, nursing homes and assisted living establishments have limited options to reduce their budgets when faced with cuts and are forced to reduce staff hours, eliminate healthcare benefits, cut staff and delay capital expenditures.

## FACT: Caregivers' economic well-being declines as funding for older adult services is cut.

Wages already lag behind for nursing home and assisted living caregivers and nurses.

Caring for our seniors is a demanding and selfless job. Unfortunately, in Minnesota there is a significant gap between caregivers' wages in nursing homes as compared to similar positions in hospital settings. The state's chronic underfunding of older adult services puts providers at a competitive disadvantage when it comes to attracting and retaining talent. The following chart demonstrates Minnesota's wage gap.



Wage Gap: MN Hospitals vs. Nursing Facilities and Home Care Services  
 Sources: 2009 Long-Term Care Imperative Salary Survey and 2009 MN Health Care Cost Information Service Hospital Salary Data

## FACT CARD 3: CAREGIVERS

*"My facility was forced to cut my hours in order to survive financially. As a caregiver, I take pride in the services I provide. However, the strain of having to do more, in less time and with fewer resources, weighs heavily on me and the other care staff."*

**- Cynthia Ebeling, CNA, New Brighton Care Center**



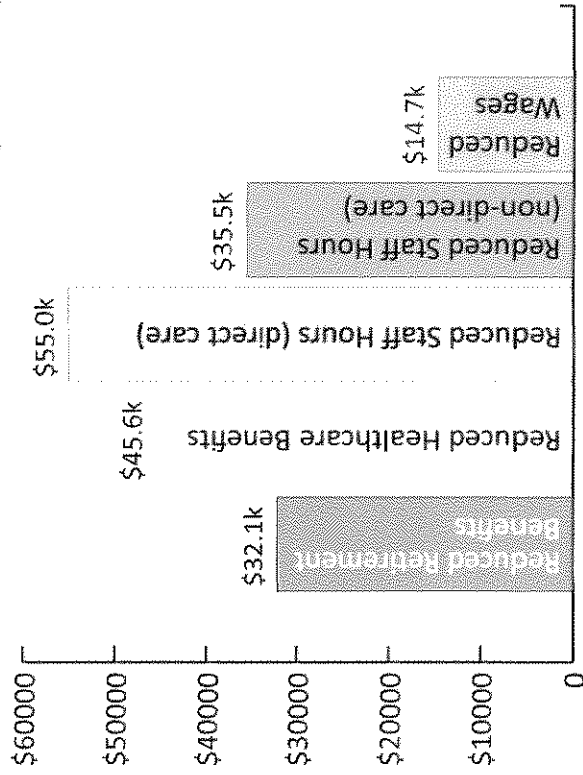
Budget shortfalls mean Minnesota nursing homes and assisted living providers are forced to cut staff, wages and benefits in order to survive financially.

The Long-Term Care Imperative conducted its 2010 legislative survey to collect data on the financial health of older adult service providers around the state. The 206 nursing homes that responded indicated they had implemented the following cuts to deal with budget shortfalls:

- **More than 75%** of nursing homes froze or reduced employee wages
- **26.2%** reduced hours for non-direct care staff; **19.4%** reduced hours for direct care staff
- **13.1%** reduced employee healthcare benefits
- **6.3%** reduced employee retirement benefits

While these reductions were reported by nursing homes, assisted living providers have also experienced **double-digit administrative and legislative cuts**. These cuts significantly jeopardize providers' ability to hire and retain quality staff. These cuts lead to shortages and overworked employees.

Average Amount of Budget Reduction By Option  
(51% of nursing facilities made at least one budget reduction)



Source: Long-Term Care Imperative 2010 Legislative Survey

### About The Long-Term Care Imperative

The Long-Term Care Imperative is a collaborative effort between Care Providers of Minnesota and Aging Services of Minnesota, the state's two long-term care provider associations. Our goal is to advance a shared vision and future for older adult housing, health care, and supportive services.

#### DATA SOURCES

1. 2009 LTC Imperative Salary Survey and 2009 MN Health Care Cost Information Service Hospital Salary Data
2. The Long-Term Care Imperative 2010 Legislative Survey