The Long-Term Care IMPERATIVE
A Minnesota Collaboration for Changes in Older Adult Services

March 21, 2022

Rep. Jennifer Schultz, Chair House Human Services Finance & Policy
MN House of Representatives
473 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

Rep. Ryan Winkler, House Majority Leader
MN House of Representatives
459 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

CC: Members of the House Human Services Finance & Policy Committee, Yingya Yang, Committee Administrator

Dear Chair Schultz, Members of the Committee and Majority Leader Winkler:

On behalf of the Long-Term Care Imperative, we would like to express our opposition to HF 3405, Minnesota Nursing Home Workforce Standards Act, and respectfully share our concerns for your consideration.

As you have seen in local media or from your constituents, senior care providers, particularly nursing homes, are struggling to survive. While our direct caregiving staff have worked tirelessly to provide care for seniors 24/7, this once-in-a-lifetime pandemic has exacerbated our workforce challenges. Currently there are approximately 23,000 open positions – which represents 20% of our overall workforce – and our survey data indicate we are continuing to lose approximately 1,500 workers per month. These critical staffing shortages have contributed to a steep, widespread decline in nursing home occupancy. With insufficient staff, over 75% of nursing homes have been forced to limit admissions, at a time when the need for care is as great as ever.

Nursing homes very much want to hire and compensate caregivers to provide access to long term care to communities across Minnesota. Caring for our seniors is an honorable, compassionate

profession that offers a rewarding, life-long career option for those who are called to it. To the extent that HF3405 recognizes the need to increase wages of caregivers, we agree.

However, while HF3405 attempts to address staffing and wages of nursing home workers, it fails to acknowledge the very real worker shortage and financial limitations we face and does nothing to alleviate those limitations. In reality, census restrictions, the long period of time incurring pandemic-related expenses, and workforce wage competition from many sectors has created a significant operational gap with more expenses paid out than funds coming in. For example, during COVID-19, it wouldn't be unusual for facilities to spend tens of thousands of dollars each week on personal protective equipment (PPE) and COVID-19 testing alone—money they will not receive in their rates for nearly two more years due to current statutory requirements. One nursing home has estimated they have spent over $300,000 per month in overtime, PPE and COVID-19 testing costs.

Nursing homes are already in a precarious position. When we asked our members about cash flow, many are surviving on a month-to month-basis. About 40% of both nursing homes and assisted living organizations said that if they were to miss one payment from the state, they could not cover their next payroll and other expenses; another 25-30% said they could make it just one month longer. Together, that is **approximately 65-70% of long term care providers who would not survive more than 1 month, if the state missed a payment.**

A proposal that directs an unelected Board with no public accountability to determine and mandate that nursing homes need to raise wages – but cannot actually allocate money to do so – won't help nursing homes, won't help them compensate and retain caregivers, and won't improve their ability to admit new residents or preserve and strengthen their ability to serve as a vital community resource.

We respectfully ask you to vote "no" on HF3405, and instead commit to working with us to invest in our long-term care workforce by providing permanent funding to increase wages and staffing.

Sincerely,

Nicole Mattson, LHSE   Erin Huppert
Vice President of Strategic Initiatives   Vice President of Advocacy
Care Providers of Minnesota   LeadingAge Minnesota
Member, Long Term Care Imperative   Member, Long Term Care Imperative