Workforce Challenges in Virginia's Nursing Homes

October 5, 2021

Commission Meeting

Study purpose

- Quantify nursing facility workforce needs in Virginia
- Analyze how staffing impacts quality of care
- Identify opportunities to address issues related to:
  - Workforce availability
  - Quality of care
  - Regulation and oversight
  - Financing

NOTE: Study mandate approved by the Commission on December 15, 2020.

Findings in brief

One-fifth of Virginia's nursing homes are not meeting expected staffing levels, disproportionately impacting low-income and Black residents

Low staffing increases the risk of low-quality care

A shrinking workforce contributes to staffing challenges, exacerbated by the COVID-19 pandemic

Policy options in brief

Staffing requirements

- Require a standard, minimum number of hours of care
- Require hours of care based on resident acuity

Workforce

- Fund the Long-Term Facility Nursing Scholarship program
- Design a quality improvement program targeting nursing home staff and leadership capacity-building

Policy options in brief (cont.)

Financing

- Increase reimbursement rates for nursing homes with a disproportionate share of Medicaid residents
- Increase reimbursement rates for nursing home residents with behavioral health diagnoses
- Direct DMAS to develop a nursing home provider assessment
- Fund formal evaluation of the DMAS nursing home value-based purchasing program

Agenda

Background

Staffing is a challenge across Virginia nursing homes

Low staffing increases the risk of low-quality care

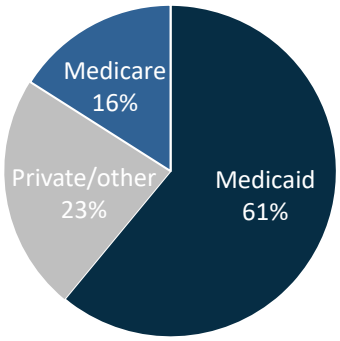
Workforce shortage contributes to inadequate staffing

Additional strategies to incentivize better staffing and care quality

Medicaid is the largest payer for nursing home care

Distribution of certified NF residents in Virginia by primary payer source (2019)

Medicare covers:
- Medically necessary short-term care
- Skilled nursing/rehabilitation
- Up to 100 days of care after a hospitalization



Medicaid covers:
- Long-term care
- Medical/skilled nursing services
- Custodial care (e.g., bathing, dressing, eating)

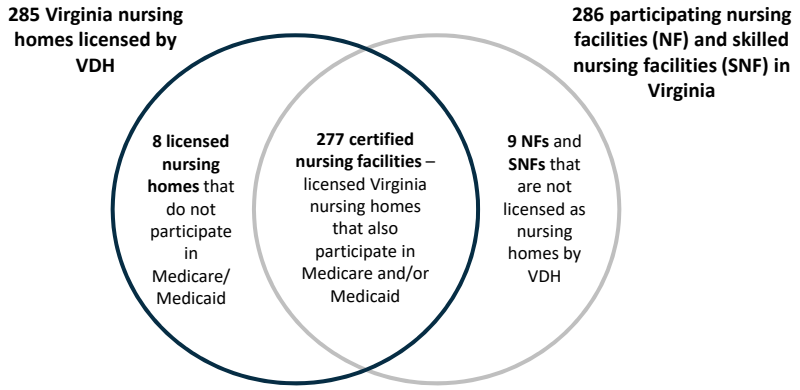
SOURCE: Kaiser Family Foundation analysis of 2019 Certification and Survey Provider Enhanced Reports (CASPER) data.

Multiple agencies oversee nursing home care and management

- **VDH** Office of Licensure and Certification licenses facilities, conducts surveys and inspections, and investigates care complaints
- **DMAS** manages provider enrollment and provider reimbursement, and value-based purchasing programs
- **DARS** Office of the State Long-Term Care Ombudsman receives and investigates care complaints

DARS = Department for Aging and Rehabilitative Services DMAS = Department of Medical Assistance Services VDH = Virginia Department of Health

Certified nursing facilities are not always Virginia licensed nursing homes



SOURCE: Nursing facility licensure data from the Virginia Department of Health.

Agenda

Background

Staffing is a challenge across Virginia nursing homes

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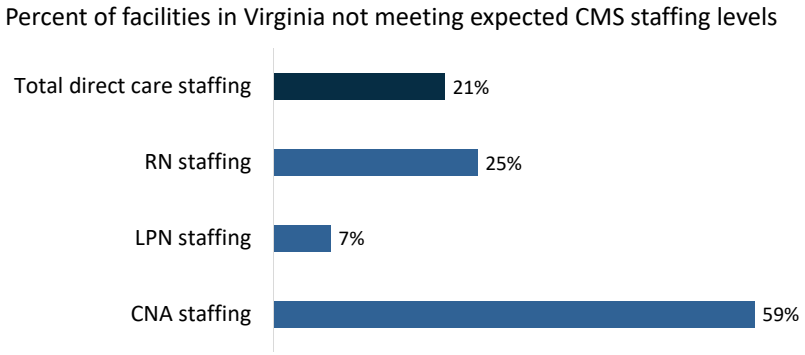
Additional strategies to incentivize better staffing and care quality

Findings

About one-fifth of Virginia's nursing homes do not meet CMS expectations for staff hours

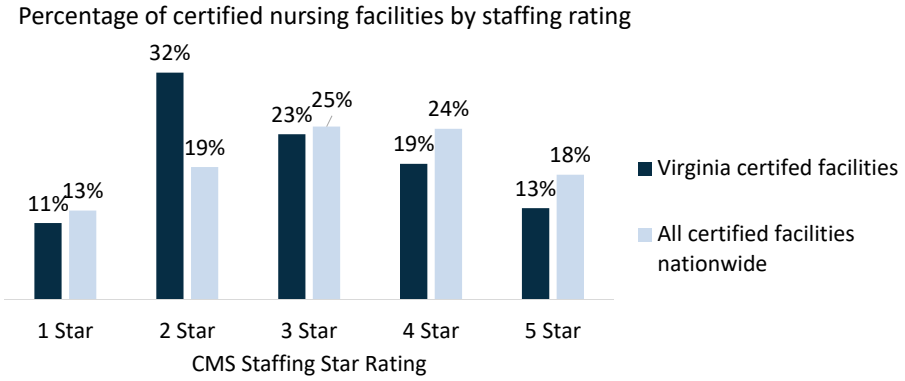
Facilities serving low-income and Black residents are particularly affected by poor staffing

21% of Virginia's nursing homes do not meet CMS expectations for care hours



SOURCE: Centers for Medicare & Medicaid Services Nursing Home Compare, "Provider Information." Updated August 1, 2021. Data includes all certified nursing facilities in Virginia, some of which are not licensed as nursing homes by the Virginia Department of Health (e.g., long-term care units operating inside hospitals). Data do not include any information about nursing homes that are not certified.

Virginia has more facilities with low staffing ratings than other states



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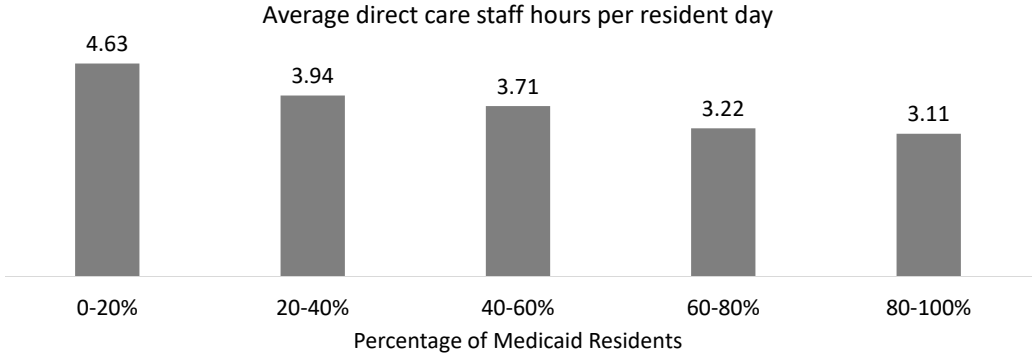
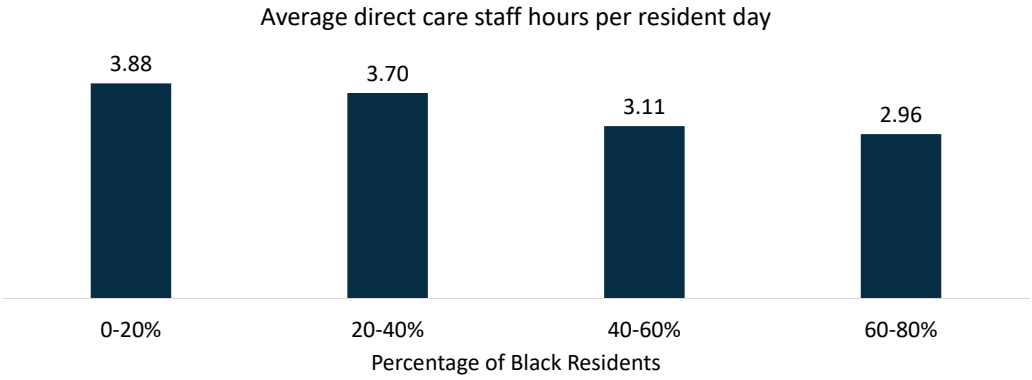
Staffing shortages disproportionately impact low-income residents



SOURCE: LTCFocus Public Use Data sponsored by the National Institute on Aging (P01 AG027296) through a cooperative agreement with the Brown University School of Public Health. State data from 2018.

Facilities with more Black residents have lower average direct-care staff hours



SOURCE: LTCFocus Public Use Data sponsored by the National Institute on Aging (P01 AG027296) through a cooperative agreement with the Brown University School of Public Health. State data from 2018.

Increasing reimbursement rates for Medicaid facilities could address disparities

- Medicaid is designed to cover costs, not to be profitable
- Black older Virginians are more likely to be on Medicaid
- Higher Medicaid reimbursement rates are associated with better staffing and care quality, particularly in facilities with a higher concentration of minorities

JCHC Policy Option 1

JCHC Members could direct DMAS to develop a plan to increase nursing home reimbursement rates for nursing homes with a high percentage of Medicaid residents

Agenda

Background

Staffing is a challenge across Virginia nursing homes

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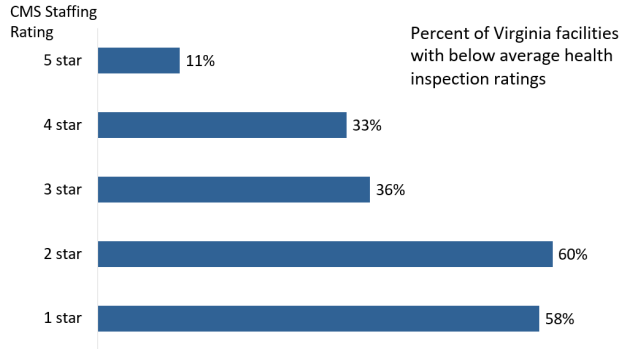
Additional strategies to incentivize better staffing and care quality

Finding

Facilities with low staffing are more likely to have poor quality and health inspection ratings

Facilities with low staff ratings are twice as likely to have low health inspection ratings



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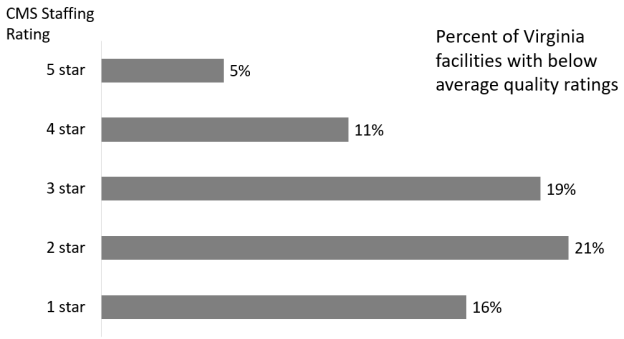
NOTE: Facilities with CMS health inspection ratings of 1 or 2 stars were considered "below average"

Facilities with low staff ratings are more likely to have low quality ratings



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NOTE: Facilities with CMS quality measures ratings of 1 or 2 stars were considered "below average"

Low staffing impacts care quality, and staff and resident well-being

- When staff are overextended there is higher likelihood for burnout and turnover
- Almost half of complaints received by the Virginia Long-Term Care Ombudsman are related to staffing
- Facilities with more direct care hours tend to have lower rates of mortality, pressure ulcers, and hospitalization

Finding

Virginia could require all nursing homes and certified nursing facilities to meet a staffing standard

A minimum “floor” is more effective than an aspirational standard

- Staffing mandates have the strongest positive effect in facilities with the lowest staffing
- After implementing staffing minimums, nursing homes in the bottom quartile improved the most in reducing deficiencies and pressure ulcers
- Virginia can set a “floor” using an across-the-board standard, or base the standard on resident acuity

An across-the-board staffing requirement is easier to implement

Estimated Annual Cost:

$28.1M
($14.1 in state funds)

+	−
Establishes a "floor"	Does not account for resident acuity
Affects only the lowest-performing nursing homes	Requires a new VDH oversight process
Transparent and intuitive	Lack of consequences for failing to meet the standard
Predictable workload for staff	

An acuity-based staffing requirement is more customized to resident need

Estimated Annual Cost:

$30.1M
($15.1 in state funds)

+	−
Establishes a minimum target	Staffing data is submitted quarterly
Affects all nursing homes	Case-mix hours are calculated by CMS
Specific to each nursing home's resident acuity	Requires a new VDH oversight process
	Lack of consequences for failing to meet the standard

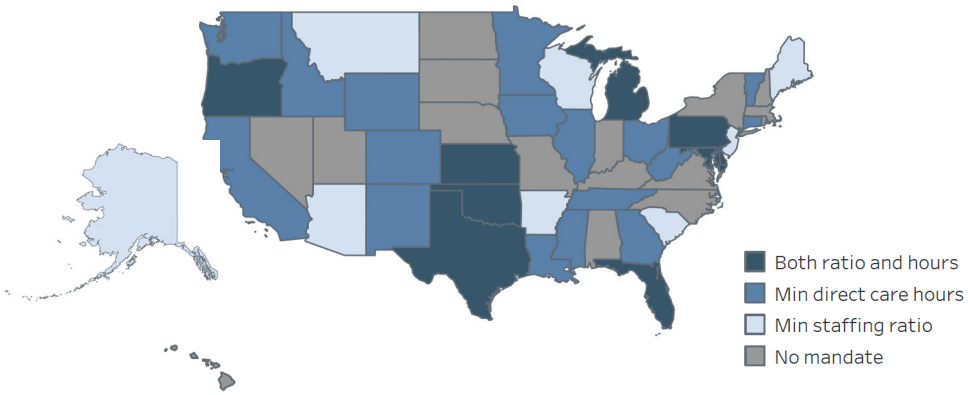
CMS calculates expected hours for each facility's resident acuity

Example for illustrative purposes

	Total Direct Care Staffing			RN Staffing		
	Actual HPRD		Expected HPRD	Actual HPRD		Expected HPRD
Facility A	10.86	>	3.63	2.51	>	0.41
Facility B	2.43	<	2.96	0.73	>	0.32
Facility C	3.14	<	3.39	0.27	<	0.41

SOURCE: Centers for Medicare & Medicaid Services Nursing Home Compare, "Provider Information." Updated August 1, 2021.

Most states have a nursing home staffing requirement



SOURCE: Virginia Department of Health Office of Licensure and Certification. "Availability of Clinical Workforce for Nursing Homes – Report to the General Assembly", 2020.

JCHC Policy Options 2 & 3

Require nursing homes to provide at least **3.25 hours** per resident day of total direct patient care (total RN, LPN, and CNA hours), including at least **0.4 hours** per resident day of RN care

OR

Require nursing homes to provide at least the number of **expected** total direct care hours (total RN, LPN, and CNA hours) and total RN hours calculated by CMS based on case-mix

Considerations for funding a staffing mandate

Considerations

- Wage pass-through measures
- Conditional payments
- Distribution of funds

Revenue sources

- General funds
- Proposed estate tax
- Nursing home provider assessment

Most states have a nursing home provider assessment to help fund care

- Virginia is one of six states that does not currently have a nursing home provider assessment
- Provider-specific tax levied on all nursing homes
- Only those that accept Medicaid would see increased reimbursement
- Requires CMS approval

JCHC Policy Option 4

JCHC Members could direct DMAS to develop a proposal for a nursing home provider assessment

Agenda

Background

Staffing is a challenge across Virginia nursing homes

Low staffing increases the risk of low-quality care

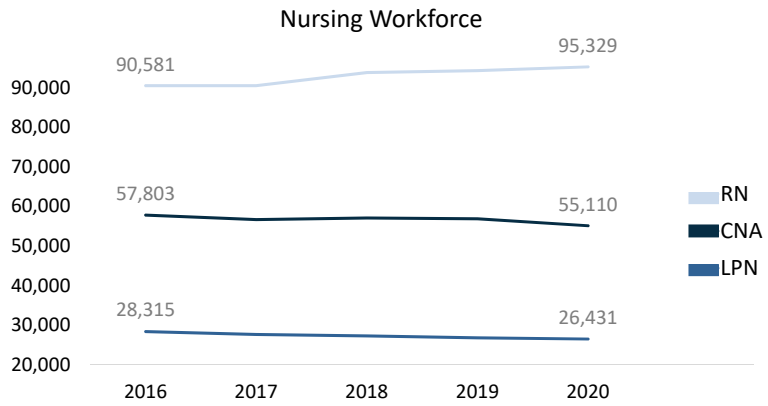
Workforce shortage contributes to inadequate staffing

Additional strategies to incentivize better staffing and care quality

Finding

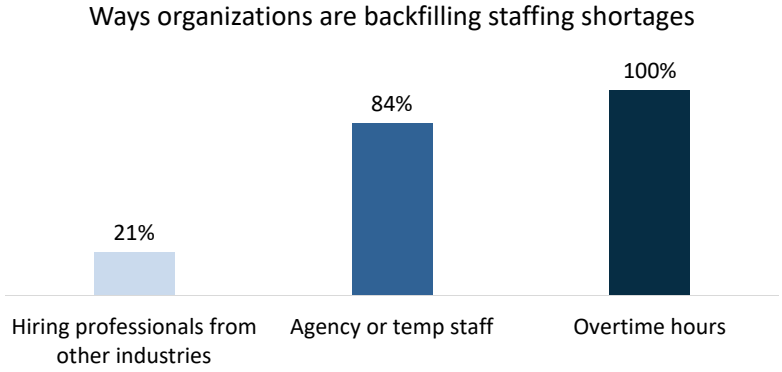
The health care workforce shortage contributes to inadequate staffing

There are decreasing numbers of LPNs and CNAs entering the workforce



SOURCE: Virginia Department of Health Professions, Healthcare Workforce Data Center.

The COVID-19 pandemic continues to exacerbate the labor shortage



SOURCE: NIC Executive Survey Insights (Wave 31, July 12-August 8, 2021).

Successful recruitment and retention of staff depends on many factors

- Wages
- Benefits
- Training and opportunities for advancement
- Workplace culture
- Leadership

Efforts to support the workforce can build on existing Virginia programs

- Education incentives
  - Nurse Loan Repayment Program
  - Long-Term Facility Nursing Scholarship
- Staff and leadership capacity-building
  - Virginia Gold pilot

JCHC Policy Options 5 & 6

JCHC Members could appropriate funds to the Long-Term Facility Nursing Scholarship available to CNAs, LPNs, and RNs in nursing homes

JCHC Members could direct DMAS to design a quality improvement program addressing nursing home capacity-building using the Civil Monetary Penalties Reinvestment Fund

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Findings

Incentivizing quality can improve care for facilities already meeting staffing standards

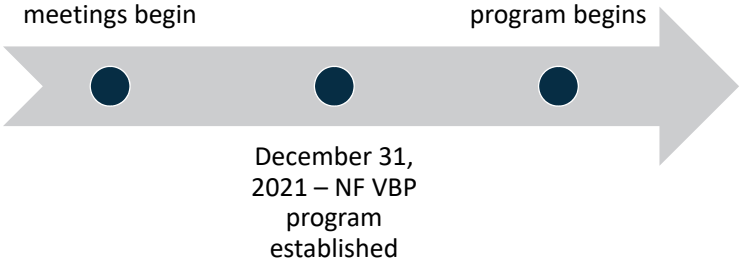
Behavioral health needs are increasing, but not sufficiently recognized in reimbursement rates

Prioritizing other types of care would reduce the need for nursing home workforce over the long term

Incentivizing quality can improve care at facilities

- Skilled nursing facilities already participate in Medicare pay-for-performance
- Other states have coupled nursing home staffing standards with value-based purchasing programs
- Programs must be designed and implemented effectively to improve quality

DMAS is developing a Value-Based Purchasing program for nursing homes



Priorities:

- Maintenance of adequate staffing levels
- Avoidance of negative care events (e.g., hospital admissions, emergency department visits)

Pay for performance needs to be effectively designed to impact quality

- Incentive payments need to be sufficient to motivate changes
- Value-based purchasing is including a staffing component, but does not have a planned evaluation to assess its effectiveness

JCHC Policy Option 7

JCHC Members could direct DMAS to include a formal evaluation that includes assessing the VBP program's effectiveness at increasing staffing and quality, and provide funding for the assessment

Nursing homes are seeing more residents with behavioral health needs

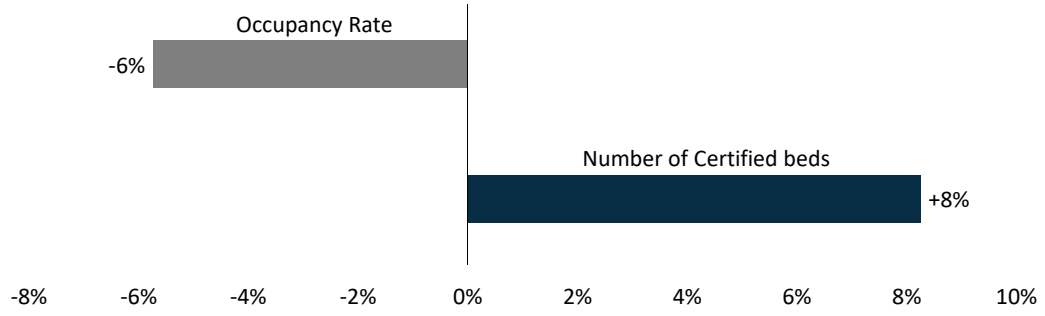
- Behavioral health disorders affect 65-90% of nursing home residents
- Residents with behavioral health needs require more attention and staff time that nursing homes do not have
- Current Medicaid reimbursement does not adequately consider behavioral health needs

JCHC Policy Option 8

JCHC Members could direct DMAS to develop a plan for enhanced reimbursement for residents with behavioral health diagnoses

Occupancy in Virginia's nursing homes is declining even before COVID-19

Change in occupancy rate and certified beds, 2000-2017



SOURCE: LTCFocus Public Use Data sponsored by the National Institute on Aging (P01 AG027296) through a cooperative agreement with the Brown University School of Public Health. State data from 2000-2017.

Strategies to adjust occupancy rates could limit excess capacity

- Bed buyback programs
- Expanded Medicaid reimbursement for private rooms
- Increased occupancy standards

Opportunities for public comment

- Submit written public comments by close of business on Thursday, October 21

  Email: jchcpubliccomments@jchc.Virginia.gov

  Fax: 804-786-5538

  Mail: PO Box 1322
  Richmond, VA 23218

- Sign up to provide public comments at the JCHC workgroup meeting on Friday, October 22 at 10:00 AM

NOTE: All public comments are subject to FOIA and must be released upon request.

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