WORKFORCE SHORTAGE
WHO WILL ANSWER THE CALL BUTTON?

Issue

Long-term care facilities are suffering from a critical, chronic and severe labor shortage. This shortage has a direct impact on access to care, quality of care, and quality of life for the millions of elderly and disabled who rely on long term care services. Among the primary reasons for the shortage are:

- Medicaid payments that are $4.1 billion below cost of care impede our ability to pay higher wages, to attract qualified staff and compete with hospitals;
- Medicare (nursing component) cut of 10% that took place October 1st 2002 and additional cuts could occur in 2005 with proposed reductions in allowable bad debt provider payments and the potential refinement of resource utilization group (RUG) payment system threaten financial instability;
- Increasing regulatory requirements that cause high turnover;
- A tight labor market, negative public perception and misconceptions about nurse experience needed for long term care have made it increasingly difficult to recruit and retain an adequate and experienced caregiving workforce.

Right now, 15% of staff nurse (RN) positions are vacant, 13.2% of Licensed Practical Nurse (LPN) positions are vacant, and 8.5% of Certified Nurse Aide (CNA) positions are vacant. This shortage is jeopardizing access and high quality patient care. In total, nearly 100,000 caregiver positions are vacant in nursing homes alone. Add to this the tens of thousands of vacancies in assisted living and home care, and the crisis is enormous. Unlike previous nursing shortages and compounding the current crisis, nursing school enrollments have dwindled because more career opportunities are open to women. Additionally, the number of nursing educators available to offer instruction is currently insufficient to meet today's nursing workforce needs. We must pass new federal laws with appropriate levels of funding to recruit, train and retain vital, frontline, long term care workers.

AHCA/NCAL Proposal

The American Health Care Association (AHCA) and the National Center on Assisted Living (NCAL) propose that Congress pass labor and staffing initiatives that enable us to fill our vacant positions with dedicated workers, help the economy, keep Americans working, and improve the quality of care delivered to our senior citizens. Funding to screen, train, and place these workers must be made available through the Department of Labor's Workforce Investment Act grant programs. Additional steps must be taken to address this workforce crisis – a crisis resulting from inadequate reimbursement and the critical lack of focus on long term care needs in workforce policy.

Recruitment, retention and training efforts, supplemental staff positions, adequate funding, and increasing supply through immigration reform are important parts of the overall solution.

Background

The long term care profession is facing a dire shortage of Registered Nurses (RNs), Licensed Practical Nurses (LPNs) and Certified Nurse Aides (CNAs). The average age of a long term care RN is over 50 years old. Approximately 50 percent of the current nursing educators will retire in the next four to five years and there is no influx of nurses to take their place. Simultaneously, nursing workforce policy is moving away from training the LPNs and CNAs to move up to become RNs. This critical flow of caring and experienced workers must no longer be stifled. With most states reporting critical shortages of direct care staff and the problem escalating, US policy must support the upward mobility of nursing

professionals. The Bureau of Labor Statistics estimates that by 2010, there will be a need for an additional 800,000 direct care workers in long term care settings – a 45 percent increase.

Each one of the nearly 100,000 nursing vacancies has an impact on the care and quality of life of elderly and disabled patients with very complex clinical and psychosocial needs. Steps must be taken to provide the means to care for them appropriately.

AHCA has established a national long term care workforce commission to identify strategies and programs to help improve the profession's ability to recruit and retain an experienced, qualified and dedicated workforce. Long term care providers have partnered with their Workforce Investment Boards, with community colleges and high school counselors, Job Corps, and have hired over 150,000 people from welfare to work.

The simple fact is that the caregivers needed to care for our growing elderly population do not exist in this country today. A plan is needed to address the underpinning shortages that are the root cause of this crisis. AHCA and NCAL support a comprehensive solution to the long term care labor crisis. This must include Medicare and Medicaid payment adequacy, regulatory relief and a well-funded educational infrastructure that can train the workers that are needed.

To address the professional registered nurse shortage, we must develop the domestic workforce for the long term, while tapping foreign RNs to provide care in the short term.

Action

Proposals supported by AHCA and NCAL include:

- Increased FY 2005 funding for the Nurse Reinvestment Act, which is aimed at increasing the supply of nurses in the American workforce over the next 5 to 20 years by establishing public service announcements, nursing recruitment grants, a career ladder grant program, grants for health care academies, and nursing school fast-track faculty development programs. Remove inequities that prevents direct "for profit" employer access to program grants.
- Correcting the funding bias in Title VIII Public Health Service Act funding to assure allocation of needed funding to basic nursing and geriatric nursing.
- Support reauthorization of the Workforce Investment Act that provides multiple employment and training opportunities in local communities and facilitates connecting job seekers with employers.
- Support reauthorization of the Welfare to Work Tax Credit and the Work Opportunity Tax Credit, tax incentive programs that long term care providers have utilized to recruit and train thousands of people from welfare.
- Congress should pass comprehensive immigration reform to help provide an adequate supply of caregivers that are needed to ensure workforce stability.

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June 14, 2004