



The Healthcare Workforce Shortage for Skilled Nursing Facilities Requires Immediate Attention

Skilled Nursing Facilities' (SNFs) workforce shortages and the markup by contract agencies are costs that the PA Long Term Care system cannot sustain.

The US Bureau of Labor Statics reports that PA skilled nursing facilities have 2,200 fewer registered nurses (RNs), 4,600 fewer licensed practical nurses (LPNs) and 13,000 fewer certified nurse assistants (CNAs) in 2022 compared to 2018. Seven out of 10 nursing homes still have fewer employees than they did before the pandemic.

Staff turnover has been a contributing factor to workforce staffing shortages. In 2021, median turnover rates were 94% and there were some nursing homes experiencing rates of 300%.

To maintain their licenses, SNFs must meet staffing ratios and requirements. Those that have not been able to hire enough staff to meet licensure staffing requirements have had to fill the staffing at SNFs through agency contracted staff or by reducing admissions and closing beds.

Agency issues: Contracted agency worker rates were 24% higher than the rate of inflation and reflect gouging by the contracted agencies, as they know that the SNFs with workforce shortages will lose their license if they don't contract with the agencies to fill these staffing shortages. As a result, in 2022, agency contracted employees at SNFs were paid 40%-84% more on average than SNFs paid their staff for equivalent positions. This has interfered with the SNFs' ability to increase staff wages and recruit staff.

Financial Impacts to Care Access:

- 87% of nursing homes are on the financial brink, either operating in the red or barely breaking even.
- 46% of nursing homes have limited admissions due to labor shortages, even with hiring of agency staff and offering extra shifts to existing staff.
- Too many nursing homes in PA are closing for financial reasons, resulting in a SNF bed reduction, despite an increase in older Pennsylvanians who do and will continue to need this care.

Actions Needed:

- Cap the amount agencies can charge long-term care facilities to meet staffing shortages as has been done by Minnesota and Massachusetts.
- Maximize opportunities to allow students in healthcare schools to work in licensed facilities and be counted towards required staff, as was done with nursing students in long-term care facilities during the Public Health Emergency.
- Increase the supply of the needed healthcare workforce by requiring Community HealthChoices managed care plans to provide adequate reimbursement for direct care staff at SNFs in their networks. (30% of direct care workers qualify for some form of public assistance because their work does not pay a living wage.)
- Support nursing home training programs.