

Long-Term Care Workforce Update



Access to Care findings from
fall admissions survey



LTC sector's workforce
financials and operations
update

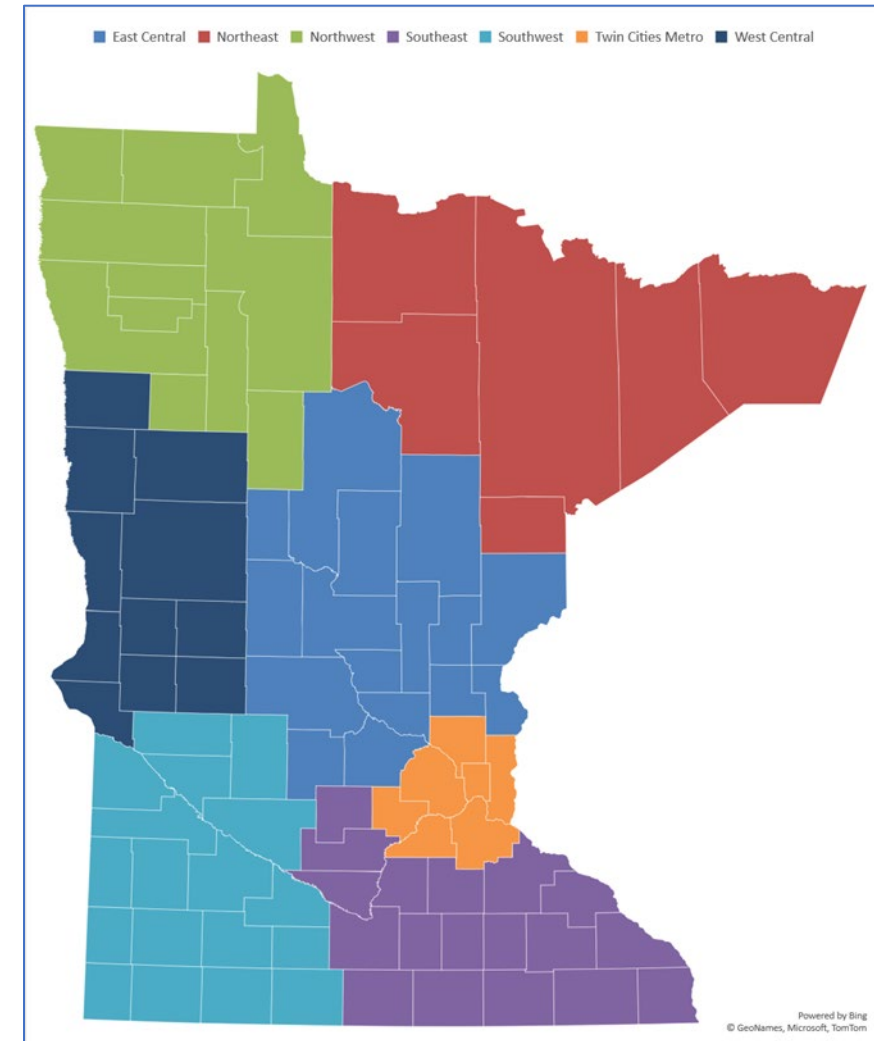
Access to Care findings from fall admissions survey



Background

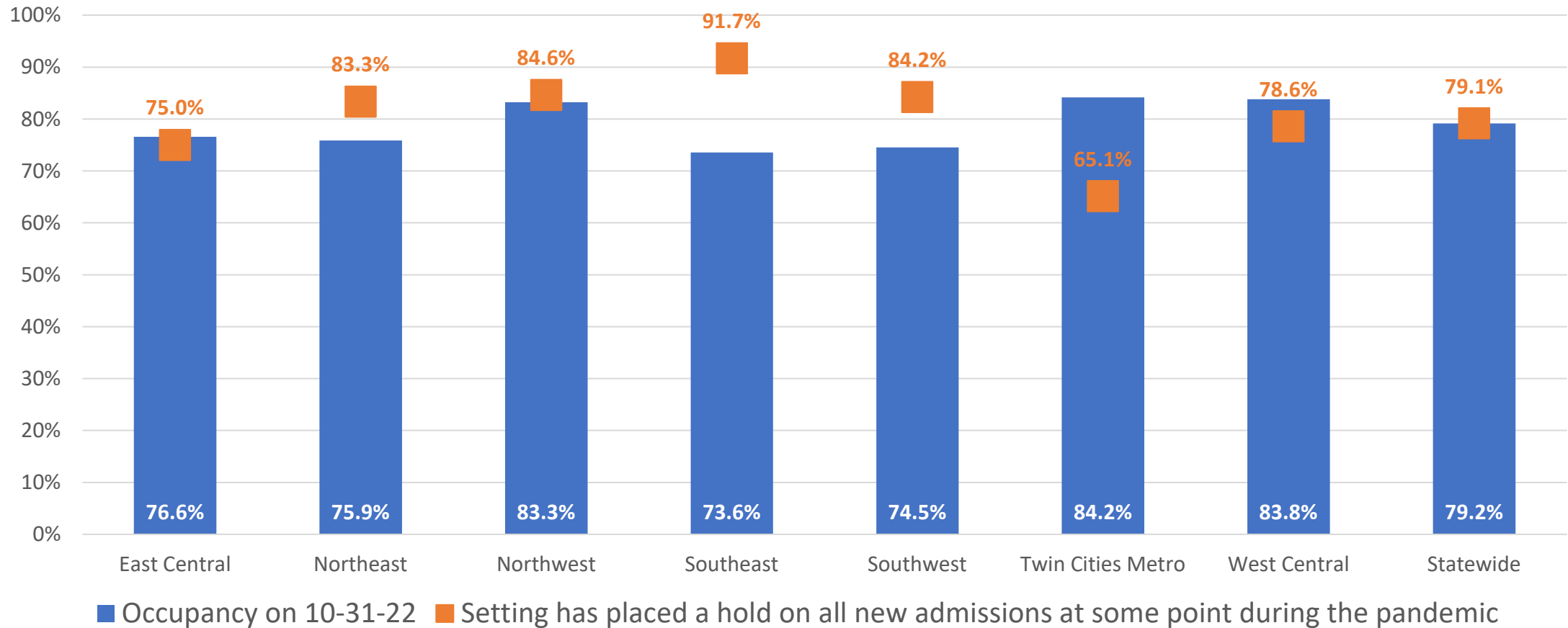
- Survey emailed on October 31, 2022
- Survey closed on November 7, 2022
- Respondents

Region	Assisted Living	Nursing Facility
East Central	35	20
Northeast	13	18
Northwest	12	13
Southeast	38	36
Southwest	24	19
Twin Cities Metro	116	43
West Central	24	14
State	262	163

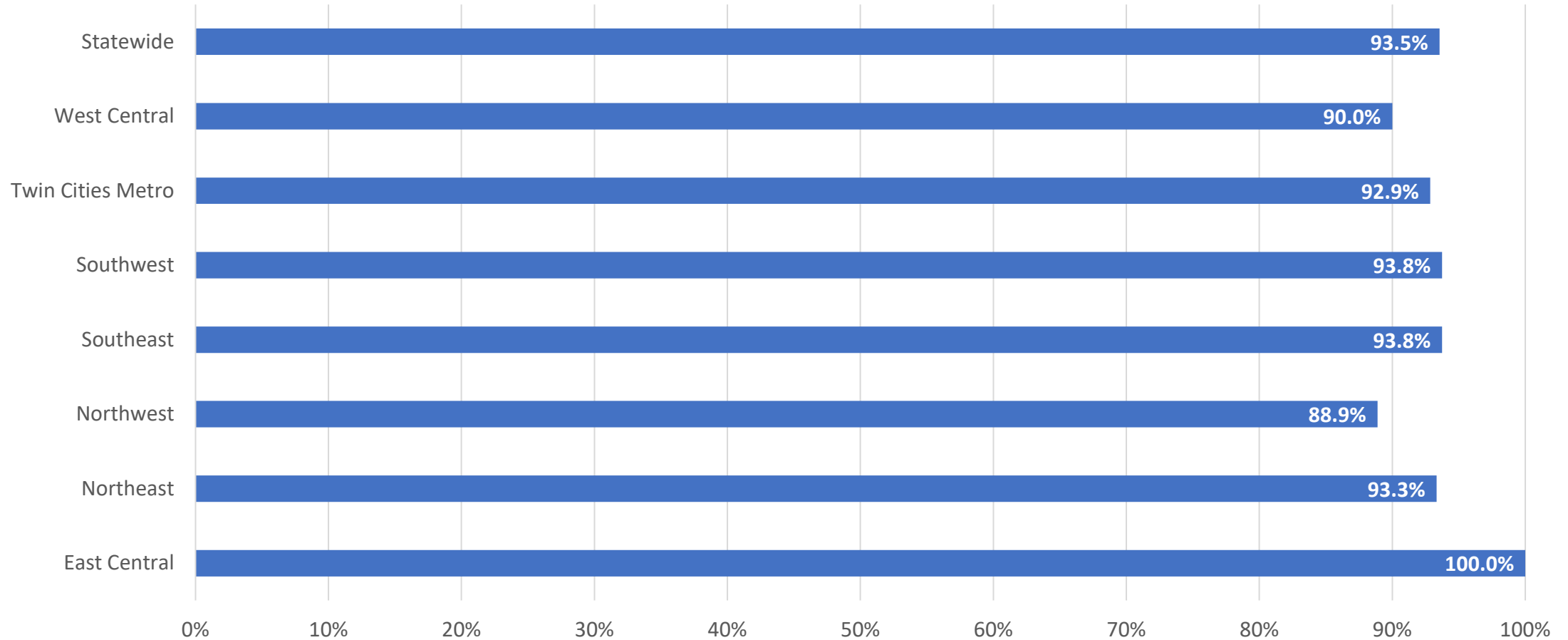


Nursing Facility Census Remains Historically Low

4 of 5 Nursing Facilities Placed Hold on Admissions during the Pandemic

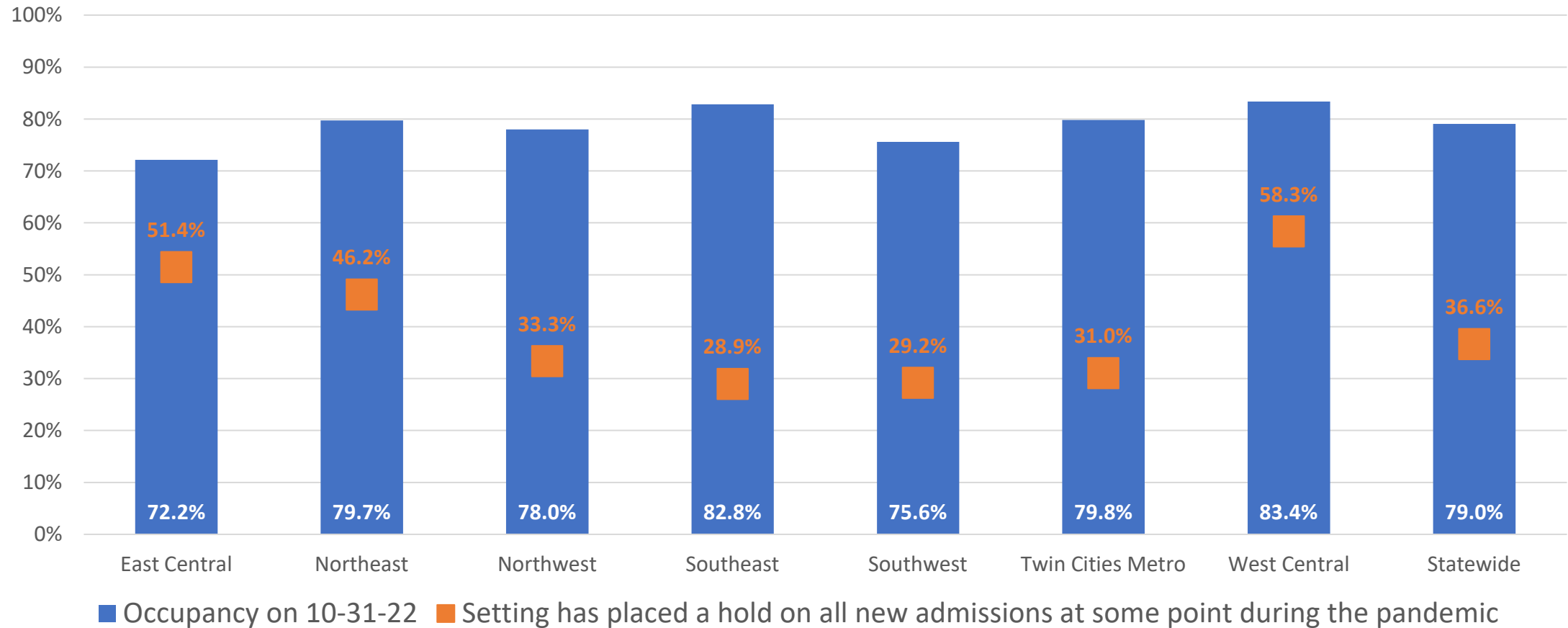


Nearly All Nursing Facilities that Have Placed Hold on Admissions Report Turning Away More Hospital Admissions than Before the Pandemic

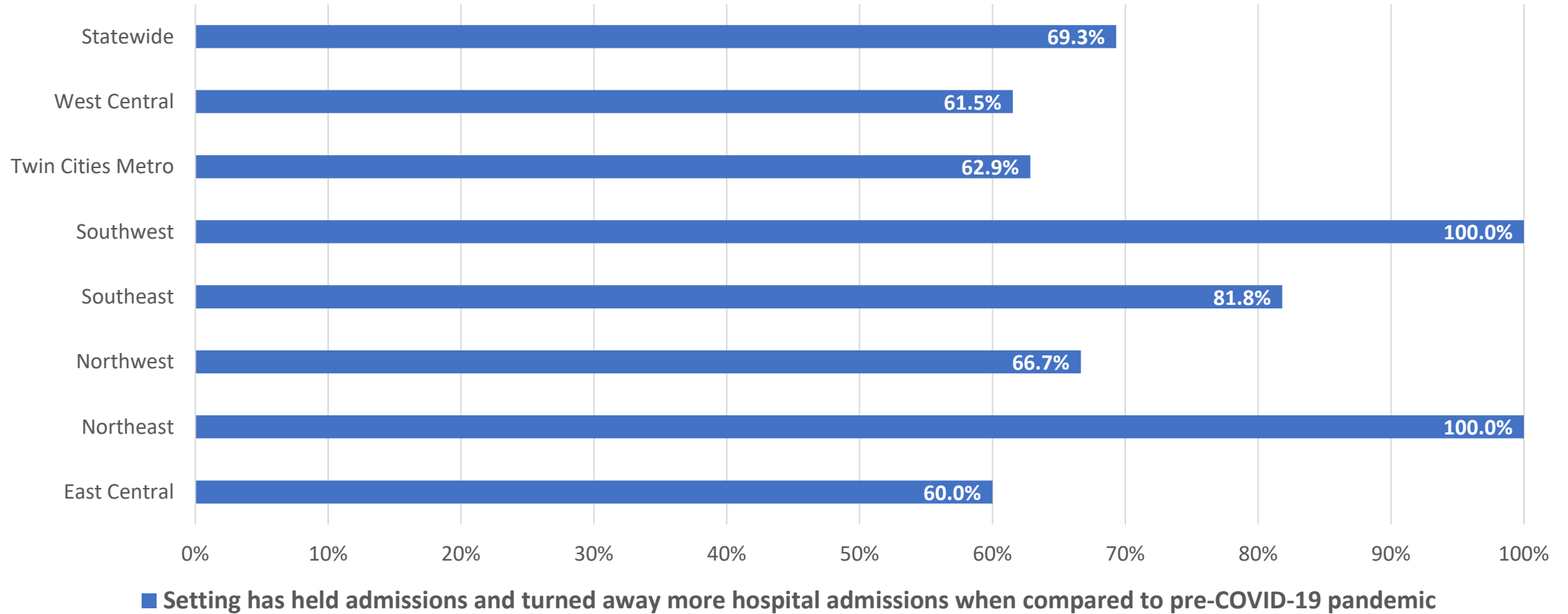


Assisted Living Census Remains Historically Low

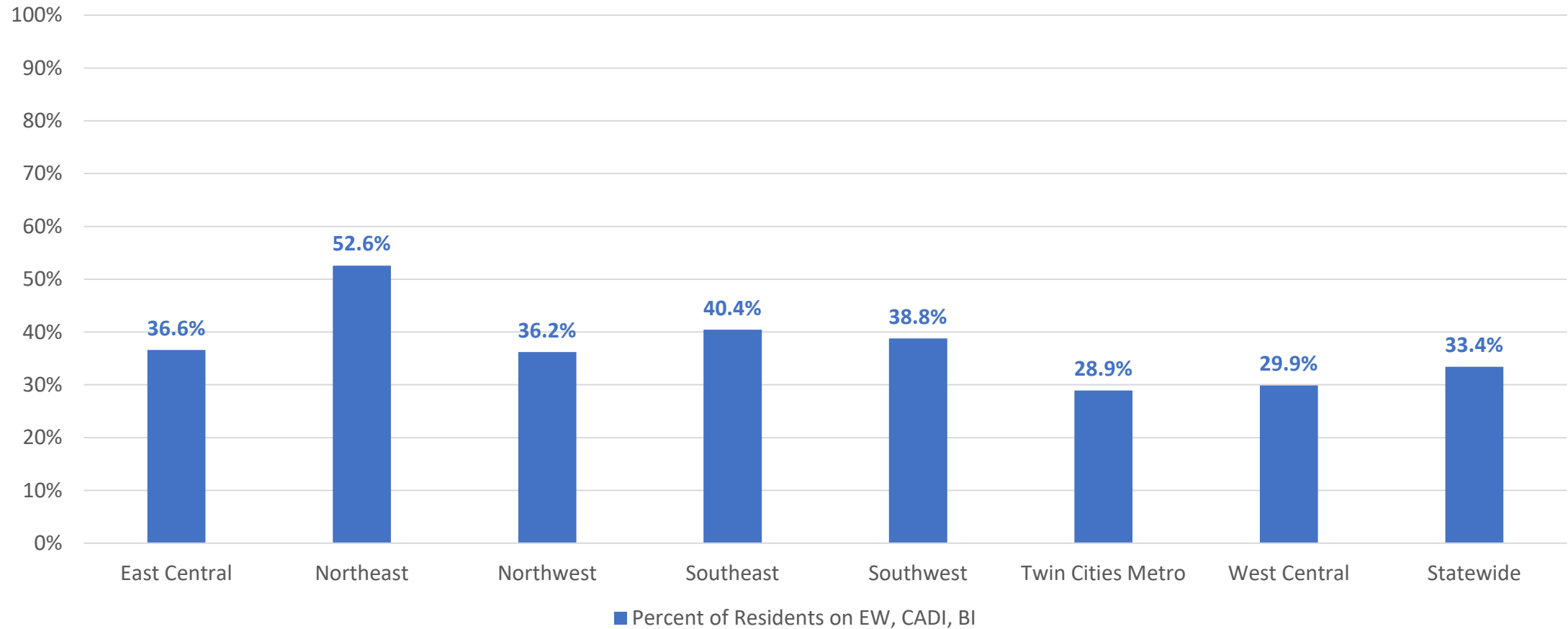
More than 50% of Assisted Living Facilities in East Central and West Central Have Placed Hold on Admissions during the Pandemic



Nearly 70% of Assisted Living Facilities that Have Placed Hold on Admissions Report Turning Away More Hospital Admissions than Before the Pandemic

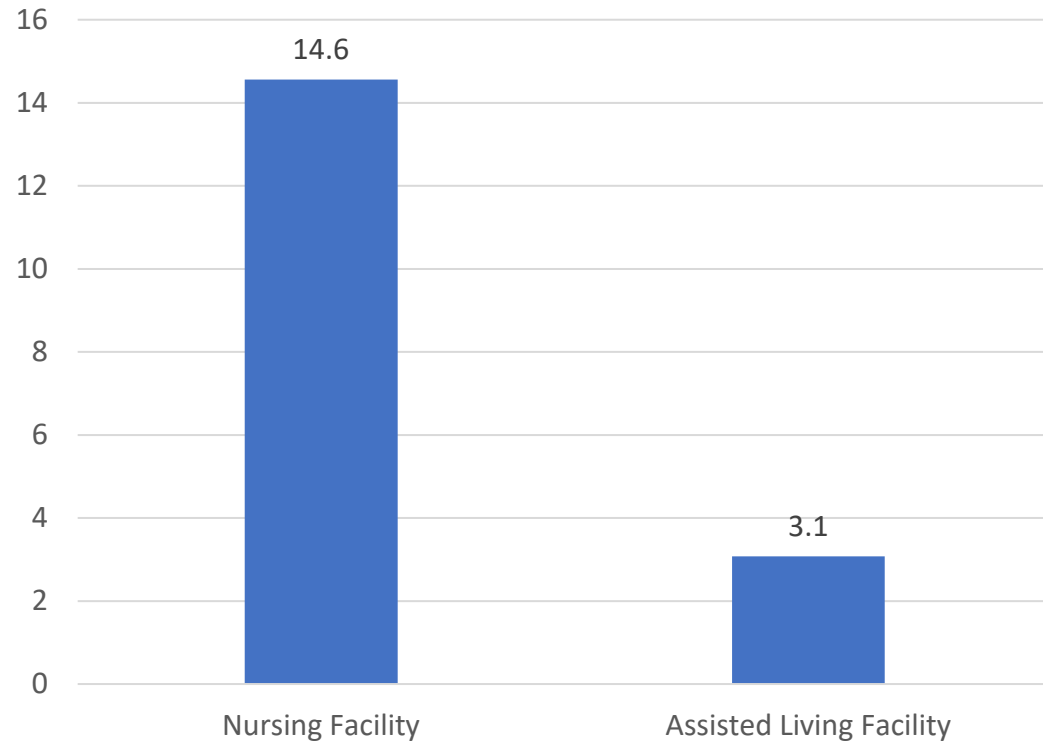


One-Third of Assisted Living Residents are Enrolled in Medicaid Waiver

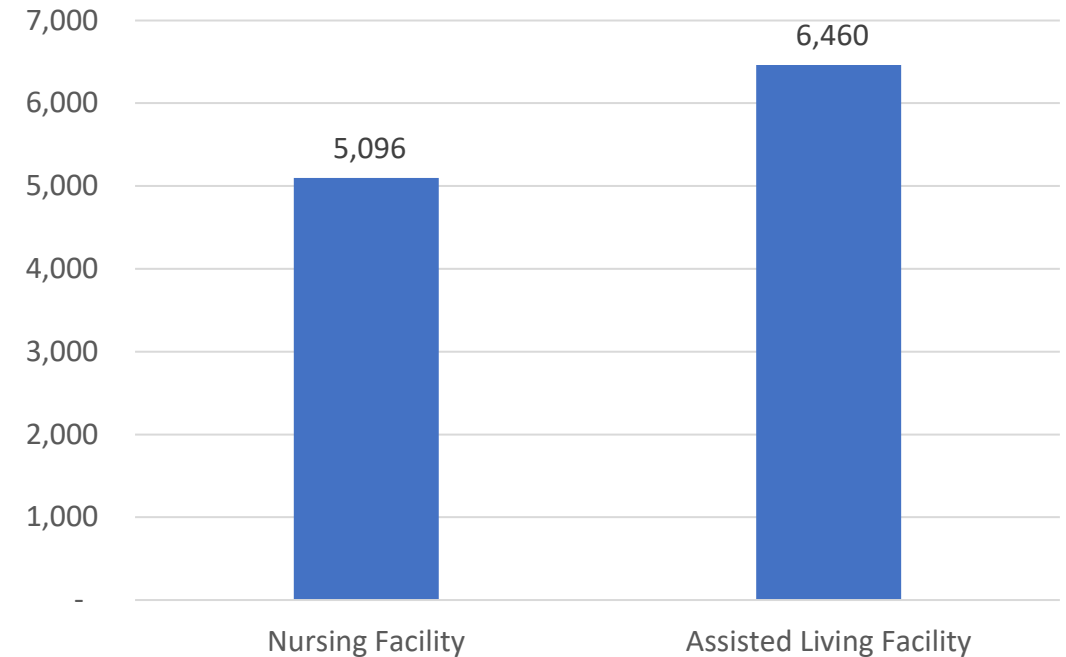


Typical Nursing Facility Decline Nearly 15 Admission Referrals during October 2022

Average Number of Declined Admission Referrals Decline by Facility for October 2022

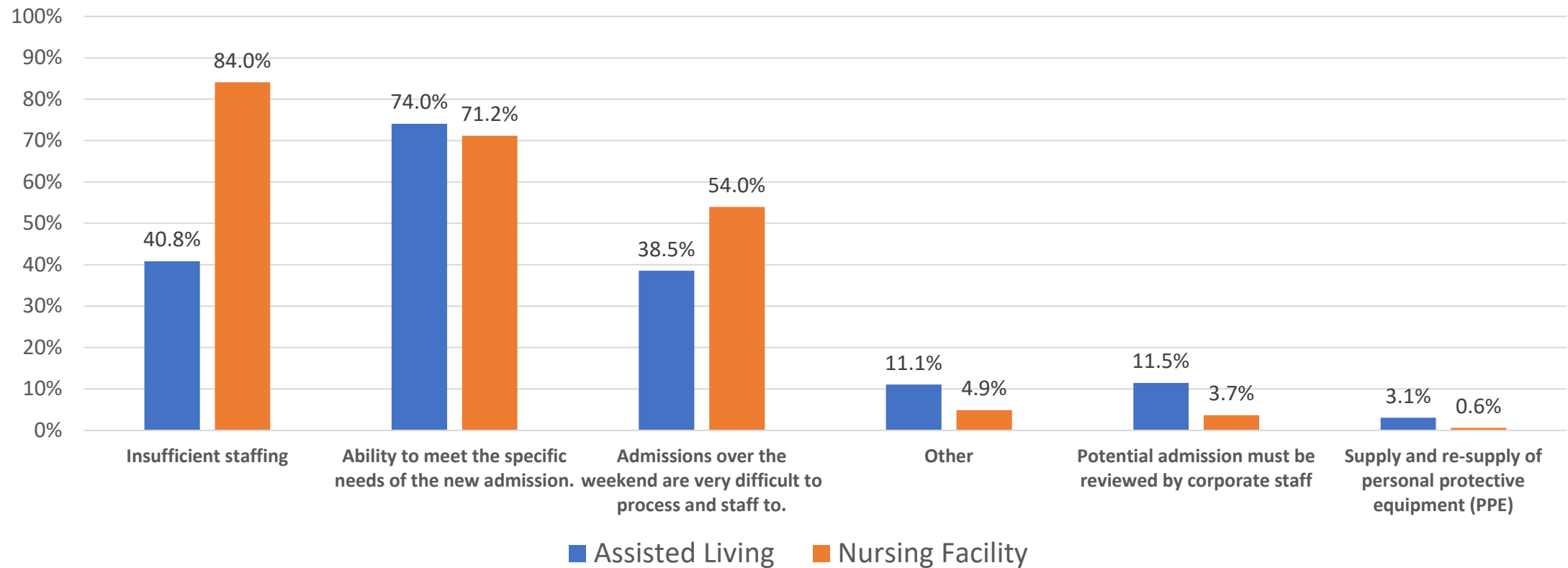


Estimated Number of Declined Admission Referrals for Minnesota in October 2022



Insufficient Staffing, Ability to Meet Specific Needs, and Weekends Used Most Frequently when Deciding to Admit

Criteria used to presently inform decision to accept or not accept an admission



LTC Admissions Major Findings

- **Staffing is a key admission criteria** for nursing homes (84%) and Assisted Living settings (41%).
- **Seniors were denied admission to nursing homes or assisted living settings 11,000 times in October.**
 - 35% of nursing homes statewide denied more than 20 referrals in October.
- Many Nursing Homes (65%) and Assisted Living settings (56%) have **waiting lists for admissions.**

LTC sector's workforce financials and operations update



About the Financial Condition Survey



The Long-Term Care Imperative surveyed organizations with experience in closing nursing facilities in August of 2022.



Specifically, the surveyed asked for the measures, constraints/pressures and trends considered when deciding to close or sell a nursing facility.



Typically, a provider will first look to a sale before proceeding with closure.



This questions used by this survey are based on the measures, constraints/pressures and trends used by members to evaluate the sale or closure of a nursing facility.

Nursing facilities considering sale or closure have a lot in common. Except location.

Answers to Criteria	Considering Sale	Considering Closure	Considering Neither
Staffing availability, staff turnover, and loss of experienced staff has increased likelihood of regulatory problems for the facility.	100%	100%	59.8%
More than once a week leadership staff are working shifts providing direct care (floor nurse, C.N.A., etc.) or other services including housekeeping, dietary etc.	100%	88.9%	62.2%
Nursing facility is currently limiting census to an amount below capacity because you are unable to staff to full capacity	94.4%	88.9%	54.9%
Facility is receiving “little to no” interest for posted vacant positions.	94.4%	88.9%	69.5%
We do not have enough licensed staff (especially to cover nights and weekends).	94.4%	77.8%	63.4%
Daily census remains well below pre-pandemic levels.	77.8%	77.8%	57.3%
Nursing facility is unable to provide wage increases needed to compete with other employers.	27.8%	77.8%	56.1%
Nursing facility has physical plant deficiencies that require an expenditure of at least \$100,000	77.8%	44.4%	22.0%
We are part of a multifacility organization and depend on corporate office for financial support and resources.	77.8%	44.4%	65.9%
Nursing facility is in breach of covenant with financial institution(s)	11.1%	33.3%	12.2%
Nursing facility has inadequate referrals to operate at full capacity.	61.1%	22.2%	19.5%

TWO CLEAR GROUPS: Those facing closure and those moving closer to closure unless something changes

GROUP ONE: Nursing facilities considering closure or sale. These facilities share many of the same circumstances that separate them from other facilities.

- Those approaching closure are doing what they need to do, which is to hang on after using up available reserves and borrowing capacity.
- According to a subset of data of 66 nursing facilities:
 - 2 are 90 plus days behind accounts payable for food.
 - 11 are 31 to 90-plus days behind accounts payable for SNSA/pools
 - 12 are 31 to 90-plus days behind accounts payable for therapy vendor
- Median operating margin of facilities considering closure is -17.8%

GROUP TWO: Nursing facilities sliding toward the first group in many cases due to ongoing negative cash flow.

Without interventions, nursing facilities continue to face significant financial hardship.

- Margins have improved somewhat since March but remain negative. This is likely due to DHS's implementation of interim Medicaid payments.
- Up to 20% of nursing homes are significantly behind on payments to at least one major vendor (food, staffing pool, etc).
- Almost 10% of nursing homes have exhausted reserves and/or their ability to borrow to cover operations.
- More nursing homes considering sale than closure.
 - Sale is the big option in the metro (30%) and closure (10%) is more common in Greater MN.
 - Closure of close to 10% of facilities would be more than 30 statewide.

Providers still facing significant obstacles in meeting DHS background studies requirements

- Deadline of December 31, 2023 for resubmission of emergency studies. Unclear how many subjects are still in the queue.
- Insufficient access to fingerprinting sites. We are hearing of closed sites, limited hours, appointment cancellations, insufficient access in certain parts of the state, especially in South Central Minnesota.
- Limited ability of DHS to provide assistance and support for NETStudy questions.
- Longer than usual processing times for background studies. Providers have indicated some studies are taking 45-60 days to return with a determination.
- Longer than usual processing time for set-aside requests.

An informal survey of LTC providers found that over 60% of respondents are waiting 14-30 days to receive a completed background study; this exceeds DHS' performance goal of 7 days.

The staffing shortage in senior care is a crisis, affecting seniors and families in every corner of the state.

- More than 20,000 caregiver positions are vacant in senior living, a shortage that has not improved over the past year.
- Senior care operators are doing all they can to recruit and retain staff, and more than one-third have increased base wages by 10% or more.
- Today, the average wage for a direct senior care worker in Minnesota is \$16 to \$17 per hour, which is mainly determined by state reimbursement rates. That isn't high enough to attract enough quality caregivers.

Minnesota seniors and their families are waiting for the care they need because there aren't enough caregivers.

- In nursing homes and assisted living settings, available rooms and floors are not being used because there are not enough caregivers to provide care.
- As senior care operators attempt to manage this crisis, they are increasingly operating in the red – further threatening access to care.
- When seniors lose access to care facilities, it impacts the entire health care system.
- In the next 5 years, Minnesota will have 50,000 more residents who are 80+ than we have today. If we can't take care of today's seniors, what will we do for tomorrow's seniors?