Committee #2 | Workforce

The following has been revised based on community feedback and ongoing committee discussion.

The document is broken down into two parts: an executive summary and the original, detailed committee submission. Since original committee submissions often contain technical references, we've provided the executive summary for broader understanding of the priority recommendation.

Executive Summary

We are in the midst of a severe nursing home workforce shortage. Nursing home worker wages need to be increased and the number and types of benefits need to be improved to make an impact on this crisis. We also need to invest in transforming the environment and culture of nursing homes and improving other elements of job quality to support recruitment and retention of nursing home staff.

Primary Priority

How we pay for nursing home care must account for the full costs of delivering quality care to nursing home residents, including costs associated with paying nursing home staff livable and competitive wages and employment benefits, such as health insurance, paid time off, and others. Those funds must be appropriately invested in the workforce and there must be ways to determine how those funds are being spent. The committee will document a detailed plan that builds on existing workforce initiatives and sequences action steps and collaboration with state and federal agencies.

NASEM Report Recommendation(s)

2A: *Federal and state governments, together with nursing homes, should ensure competitive wages and benefits (including health insurance, childcare, and sick pay) to recruit and retain all types of full- and part-time nursing home staff. Mechanisms that should be considered include wage floors, requirements for having a minimum percentage of service rates directed to labor costs for the provision of clinical care, wage pass-through requirements, and student loan forgiveness.*

Detailed Committee #2 Submission

Introduction

Staffing is one of the most important elements, if not the **most** important element, of nursing home care delivery. To ensure that the nursing home sector can recruit and retain a sufficient, well-qualified workforce, our committee agrees that we must start by raising nursing home wages and ensuring that staff have the necessary benefits to support their health and wellbeing. Therefore, we have prioritized Recommendation 2A from the NASEM nursing home quality report.

Our Approach

The long-standing need to improve wages and benefits for nursing home staff has been greatly magnified by the COVID-19 pandemic, leading to acute staffing shortages that are severely undermining the sector's capacity to deliver quality care and support quality of life—but also creating unprecedented momentum for change. Given these conditions, pursuing Recommendation 2A may be more **feasible** now than it ever has been before.

To enhance the feasibility of this effort, we will aim to inform our action plan with robust evidence on the design and impact of different state and federal approaches to improving compensation in nursing homes, including wage pass-through programs, medical loss ratio approaches, tax credits, workforce

development programs, and more (considering the pros and cons of these various approaches). We will also focus initially on certified nursing assistants (CNAs), the largest segment of the nursing home workforce—while acknowledging that better wages and benefits are needed across this essential workforce.

The emphasis in this effort will be on improving stewardship of current funding for nursing homes to ensure that it is appropriately invested in the workforce, as well as on determining whether new funding is needed to support higher wages and benefits. On the latter point, we will assess whether and what enhanced data collection or analysis of existing data is needed at the state and federal levels to track and audit nursing home spending, as well as to monitor workforce trends and to examine the associations between workforce investments and outcomes for both residents and workers. Better data will also likely help support the **sustainability** of efforts to raise the floor on nursing home wages and benefits.

Relatedly, our committee agreed on the importance of **collaboration** with other Moving Forward committees, particularly the Transparency & Accountability and Finance System committees. We are also planning to engage a range of subject matter experts (SMEs) individually and through workgroups, along with other state- and national-level partners as we move forward with implementing our action plan. Given that workforce issues are top of the agenda for many of these stakeholders, we anticipate strong opportunities for collaboration. We also anticipate positive press coverage of this effort. However, there is certainly potential for opposing views, not with regards to the importance of raising wages but with regards to the *mechanisms* of implementation; recognizing this potential pushback underscores the need to build our action plan based on a careful assessment of various implementation approaches.

Related to **equity,** inadequate wages perpetuate poverty among nursing home staff, and particularly CNAs, who are majority low-income women of color and immigrants. Creating a strong and stable workforce will only be achieved through reducing steep inequities in pay experienced by these staff.

Without the creation of good jobs that are supported by adequate pay and sufficient benefits, many of the reforms meant to improve the quality of care provided to residents in nursing homes will be ineffective. Our committee recognizes the importance of considering the extent to which nursing home wages need to be increased and the number and type of benefits that need to

be provided to make an impact. We additionally recognize that efforts will also be needed to transform the environment and culture of nursing homes, to

strengthen career pathways for nursing home staff, to establish minimum staffing standards, and to strengthen recruitment and support of immigrant staff in order to improve nursing home workforce recruitment and retention overall.

Progress Update

Since identifying our priority in November, the committee has defined three potential projects for exploration, informed by listening sessions with a range of subject matter experts and online research.

These potential projects are:

1) Developing a resource guide for state administrators, nursing home leaders, and others to facilitate their implementation of existing programs and initiatives that addresses nursing assistants' wages.
2) Proposing a framework for states to integrate workforce metrics into state-based quality incentive payment programs for nursing homes.
3) Working with the Department of Labor and HRSA to improve nursing home employer and employee access to existing federal workforce development, training, and loan forgiveness programs.

To move this work forward, we've expanded our committee to include new members who bring state policy, nursing home provider, research, and other perspectives. We've also engaged directly with the Moving Forward finance committee and transparency & accountability committees to explore the intersections of our work with theirs.