



House Human Services Committee

Formal Request for Information – Interim Charge 4

September 25, 2020

LeadingAge Texas represents the full continuum of mission-driven, not-for-profit aging services providers in Texas. We are committed to assisting our members in providing the highest quality of services possible to the Texans they serve. We appreciate the opportunity to provide recommendations to Chairman Frank and members of the committee on topics including; Health Care Access and Medicaid, Impacts of COVID-19 on Long Term Care Facilities, Interim Charge Four, and Interim Charge Five.

LeadingAge Texas is comprised of more than 350 members, including approximately 200 not-for-profit retirement communities, affordable senior housing, assisted living facilities, continuing care retirement communities, nursing homes, and home and community based services providers.

***Interim Charge 4:** Examine the long-term services and support system of care in Texas. Study workforce challenges for both institutional and community services, with a focus on home- and community-based services in the state's STAR+PLUS program. Review what impact funding provided by the 86th Legislature to increase the base wage for community attendant services and the increased funding for rate enhancements have on workforce retention and quality. Consider options to both stabilize and expand the workforce. Review the long-term care programs and services available to Texas' seniors, including community alternatives to institutional care available through programs like the Program of All-Inclusive Care for the Elderly. Examine the adequacy of current funding mechanisms, including Medicaid reimbursement rates and supplemental or add-on payments, to incentivize high-quality care. Consider mechanisms to promote a stable, sustainable and quality-based long-term care system to address current and future needs of the state.*

Workforce

Texas' workforce shortage in long-term care poses one of the greatest threats to patient safety, as adequate staffing levels are the primary indicator of quality care in nursing homes. High vacancy and turnover also increase workload and stress levels of existing staff and place greater financial strain on facilities that rely on government funding sources to operate. While this has been an ongoing challenge in long term care, the problem has been exacerbated by the COVID-19 pandemic.

A recent report by the U.S. Department of Health and Human Services projects Texas to have the largest increase in demand for overall long-term services and supports nursing care provided by RNs and LPNs between 2015 and 2030. The Texas Center for Nursing Workforce Studies showed that the state will be 60,000 nurses short of demand by 2030. In the same study, projections show that demand for nurses in long-term care settings (nursing homes) will double between 2015 and 2030.

In 2019, the Long Term Care Nurse Staffing Study reported median turnover rates among direct resident care RNs in Texas long term care facilities was 48.1%, which was similar to 2017 (50.0%). The median facility turnover rate for direct resident care LVNs was 44.4%, the same as in 2017. Certified Nursing Assistants (CNAs) produced the highest overall median facility turnover rate at 67.4%.¹

Texas' Nursing Facility Direct-Care Staff Rate Enhancement has been an effective pay-for-performance model that earmarks funding for staffing wages and benefits. The goal of the enhancement is to provide an incentive to nursing facilities to increase direct care staff and compensation to improve quality of care. There are 27 levels of participation.

In the 2018-2019 budget, the Direct Care Staff Rate Enhancement program was funded at \$53 million (\$23 million GR; \$30 million federal) – meaning the program is currently underfunded. As a result, nursing facilities with high staffing ratios experience capped staffing incentives. According to Texas' Health and Human Services Commission, a total of 410 facilities out of 1,154 total facilities requested a level increase in 2019 and did not receive that increase.

The Health and Human Services Commission's rate methodology estimates that to fully fund the FY 2019 program based on applications received and current participation requirements, the state would need to add approximately \$12 million in GR.

According to HHSC, the Direct Care Rate Enhancement Program for SFY20 was funded up to level 8 with an estimated \$64,089,689 all funds, and up to level 9 with an estimated \$66,814,400 all funds for FY21 pending adjudication.

LeadingAge Texas Recommendations: The Legislature should fund initiatives that encourage health care professionals to enter geriatrics and long-term care settings. Offering innovative hands-on educational opportunities, certification programs, and career tracks to high school students would strengthen the workforce. In addition, developing a student loan forgiveness program available to nursing students who enter long-term care, which would produce more opportunity for new nurses, improve quality care for aging Texans, and generate potential long-term cost savings for the state. Nursing programs should also be encouraged to expose students to long term care facilities to complete required clinical experiences.

Texas should strengthen and simplify existing programs like the Nursing Facility Direct-Care Staff Rate Enhancement program. By adequately funding this program, nursing facilities that are currently staffing at higher levels will be awarded based on their actual level of staffing or program participation – allowing them to increase wages and benefits of direct-care staff. Additional funding allocated to this program will also enable providers to offer more competitive wages and benefits.

¹ Available at: <https://dshs.texas.gov/chs/cnws/LTCNSS/2019/2019-LTCNSS-Highlights-and-Recommendations.pdf>

Lastly, dollars recouped from nursing facilities in the Direct Care Staff Rate Enhancement are re-appropriated to general revenue and not reinvested into this vital program. Based on estimates provided by HHSC, dollars recouped would fully-fund the current program year if reallocated. LeadingAge Texas recommends the Legislative amend relevant statute to allow these recouped funds to be reallocated to the program directly, rather than into general revenue.

Community Alternatives

Programs that offer day services such as PACE, Day Activity Health Services, and respite are vital components to the long term care continuum. Older Texans want to receive services in the setting of their choice.

Aging services providers are limited in the types of services they are able to offer due to a fragmented regulatory framework that unnecessarily impedes access. Especially, in underserved rural communities. As the delivery of aging services continues to evolve and encourage models that promote “aging in place”, regulations and licensure requirements should be updated to reflect this change. Streamlining regulations to encourage multiple service-types in the same location will enable providers to better serve aging Texans.

LATX Recommendations: The Legislature should explore regulatory reform to improve access to community based services like respite and adult day by leveraging available resources in existing licensed service models.

Long term care settings such as assisted living communities and nursing homes may be a safe environment to offer day services to older adults in need, and their at-home caregivers. Especially, in rural areas where these service providers are less accessible. Often, nursing homes are equipped with the appropriate and necessary space, staffing capabilities, and services to offer shorter-term day only services to people living in the community. However, they may not offer certain services without separate licensure, space, and staff.