



Nursing Home Policy in a Post-Pandemic World: Financing and Quality Challenges

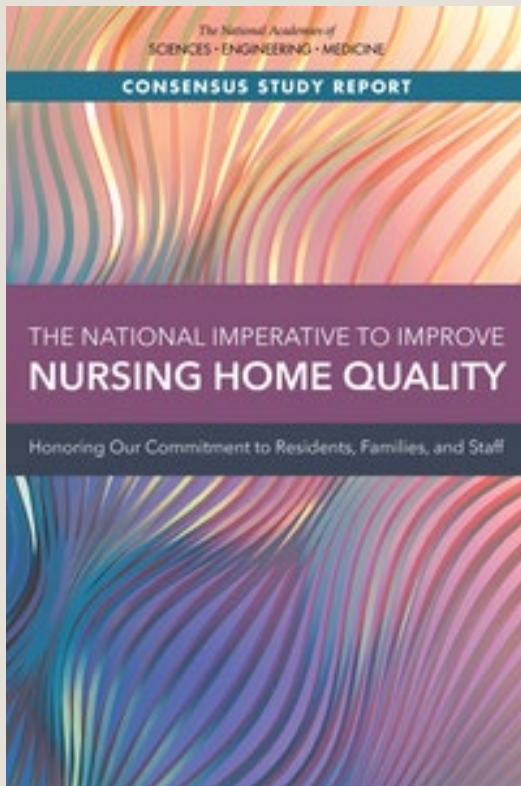
David C. Grabowski, PhD

 @DavidCGrabowski

November 14, 2023



National Academies Report



“The pandemic has lifted the veil on what has been an invisible social ill for decades.”

- *Daughter and caregiver of two parents with dementia who needed nursing home care*

“The way the U.S. finances, delivers, and regulates care in nursing home settings is **ineffective, inefficient, fragmented, and unsustainable.**”



Seven Goals of NASEM report...

1. Person-centered care
2. Support staff
3. Financial/ownership accountability
4. Transform financing & payment
5. More effective oversight
6. Expand quality measurement
7. Health information technology

Putting the nursing and home in nursing homes



Special Issue: Translational Research on the Future of U.S. Nursing Home Care: Invited Article

Putting the Nursing and Home in Nursing Homes

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Decision Editor: Howard B. Degenholtz, PhD, FGSA

Abstract

As the late Robert Kane observed, the term nursing home is often a misnomer. Most U.S. nursing homes lack adequate nursing staff, and they are typically not very homelike in either their physical structure or culture. These problems were magnified during the pandemic. The underlying reasons for these longstanding issues are that most state Medicaid payment systems reimburse nursing homes at a relatively low level and the government does not hold nursing homes accountable for spending dollars on direct resident care. To encourage increased staffing and more homelike models of care, policymakers need to reform how nursing homes are paid and hold facilities accountable for how they spend government dollars. With these reforms, the term nursing home will become more appropriate in the United States.

Translational Significance: Many U.S. nursing homes are insufficiently staffed and not very homelike in either their physical structure or culture. Through increased Medicaid investment and better financial accountability, nursing homes can be transformed into well-staffed, homelike models of care.

Keywords: Long-term care, Person-centered care, Quality of care, Quality of life, Workforce issues

The late Robert Kane often questioned why nursing homes were called nursing homes. He pointed out that most nursing homes were short on nursing staff and not very homelike (Kane, 2011). This very basic observation is at the root of many problems with nursing homes that persist today. U.S. nursing homes are critically understaffed, and they are far too institutional in both their physical structure and their culture. These issues have been present for decades, but they were magnified during the pandemic.

The production of nursing home care relies heavily on staff, with roughly two thirds of facility expenditures devoted to labor. A range of different staff types work in nursing homes, but the three predominant ones involved in direct resident care are registered nurses (RNs), licensed

practical nurses (LPNs), and certified nurse aides (CNAs). All three types are essential for good quality nursing home care. Yet, U.S. nursing homes are often severely understaffed across all three categories. Using the Payroll-Based Journal data, a recent study found daily staffing levels are often below the expectations of the Centers for Medicare and Medicaid Services (CMS) (Geng et al., 2019). Specifically, over half of facilities met the expected CMS level less than 20% of the time. Staffing levels were also quite variable across days, with lower levels observed during the weekends.

The turnover of nursing home staff members is also quite high (Gandhi et al., 2021). The average nursing home was recently found to have 128% annual staff turnover,

“The late Robert Kane often questioned why nursing homes were called nursing homes. He pointed out that most nursing homes were short on nursing staff and not very homelike.”



Nursing home staffing

Labor represents 60-70% of nursing home expenses

- Registered Nurses (RNs)
- Licensed Practical Nurses (LPNs)
- Certified Nurse Aides (CNAs)
 - CNAs provide 80-90% of direct care to patients
 - Over 90% female
 - Many are recent immigrants/minorities
 - Paid close to the minimum wage
 - Less than half have any health insurance coverage through employer



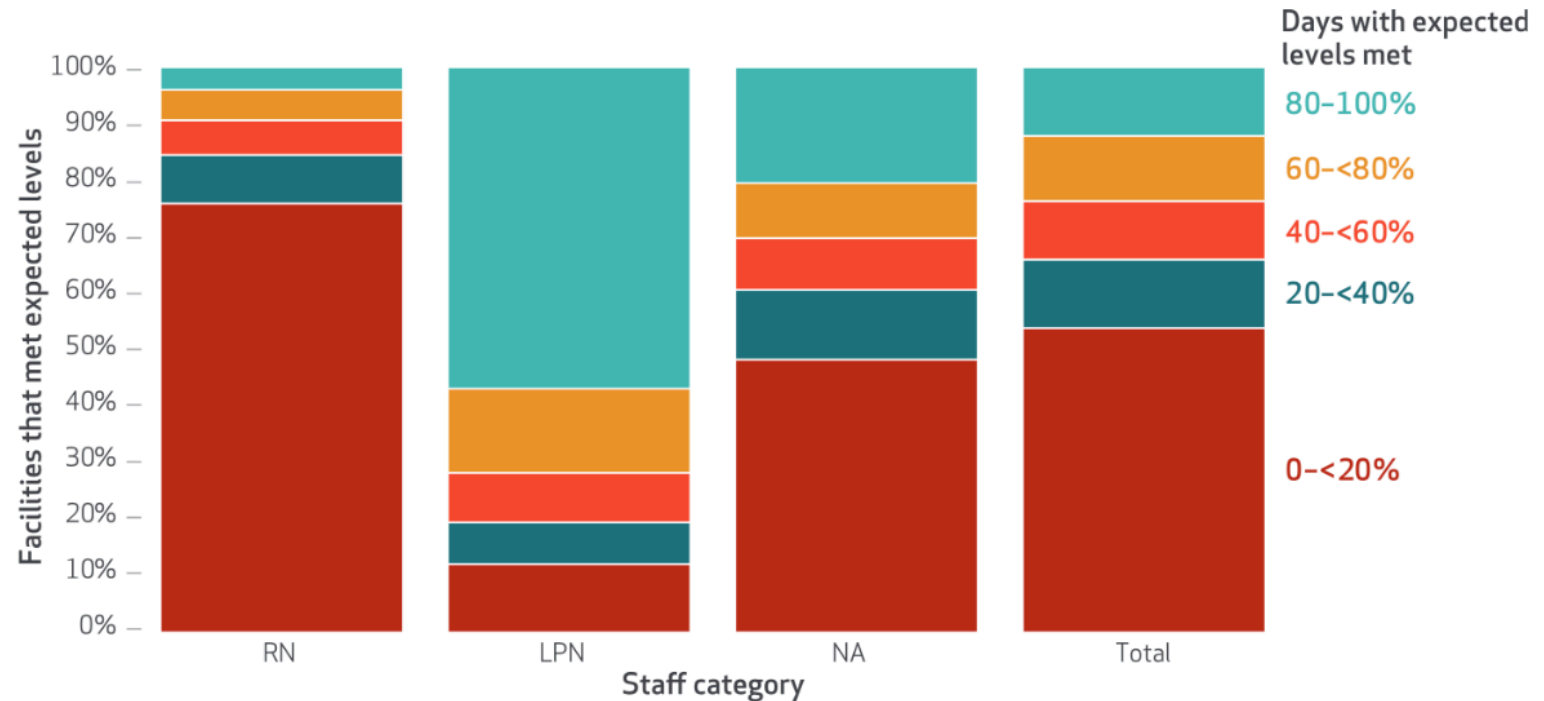
Better staffing = Better quality

- Fewer deficiencies
- Fewer pressure ulcers
- Fewer physical restraints
- Fewer inappropriate antipsychotics
- Fewer ED visits/hospitalizations
- Greater resident satisfaction & quality of life

Most nursing homes staff below acuity-adjusted expectation most of the time...

EXHIBIT 1

Percent of nursing homes that met the staffing levels expected by the Centers for Medicare and Medicaid Services (CMS) for all staff categories and total staffing time, by percent of days when expected levels were met, April 2017–March 2018

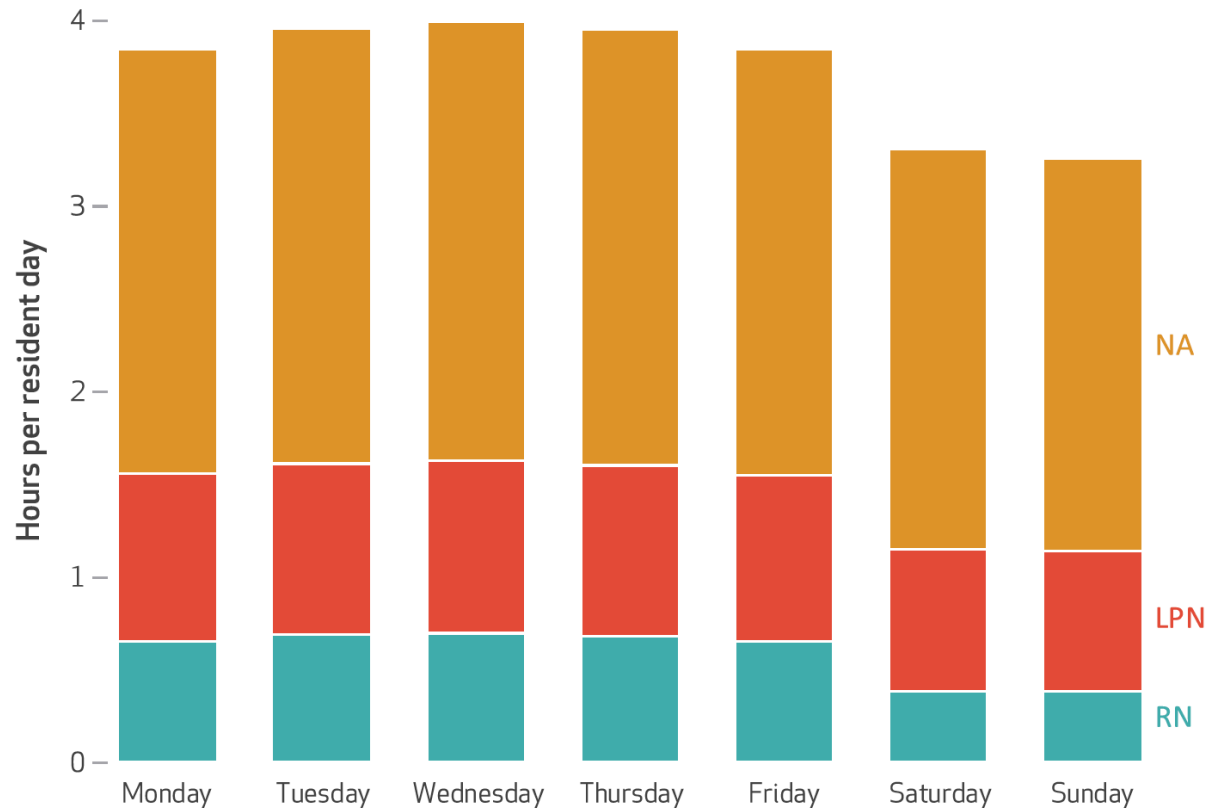




Staffing is lower on weekends

EXHIBIT 4

Staffing hours per resident day at nursing homes across days of the week, by staff category, April 2017–March 2018

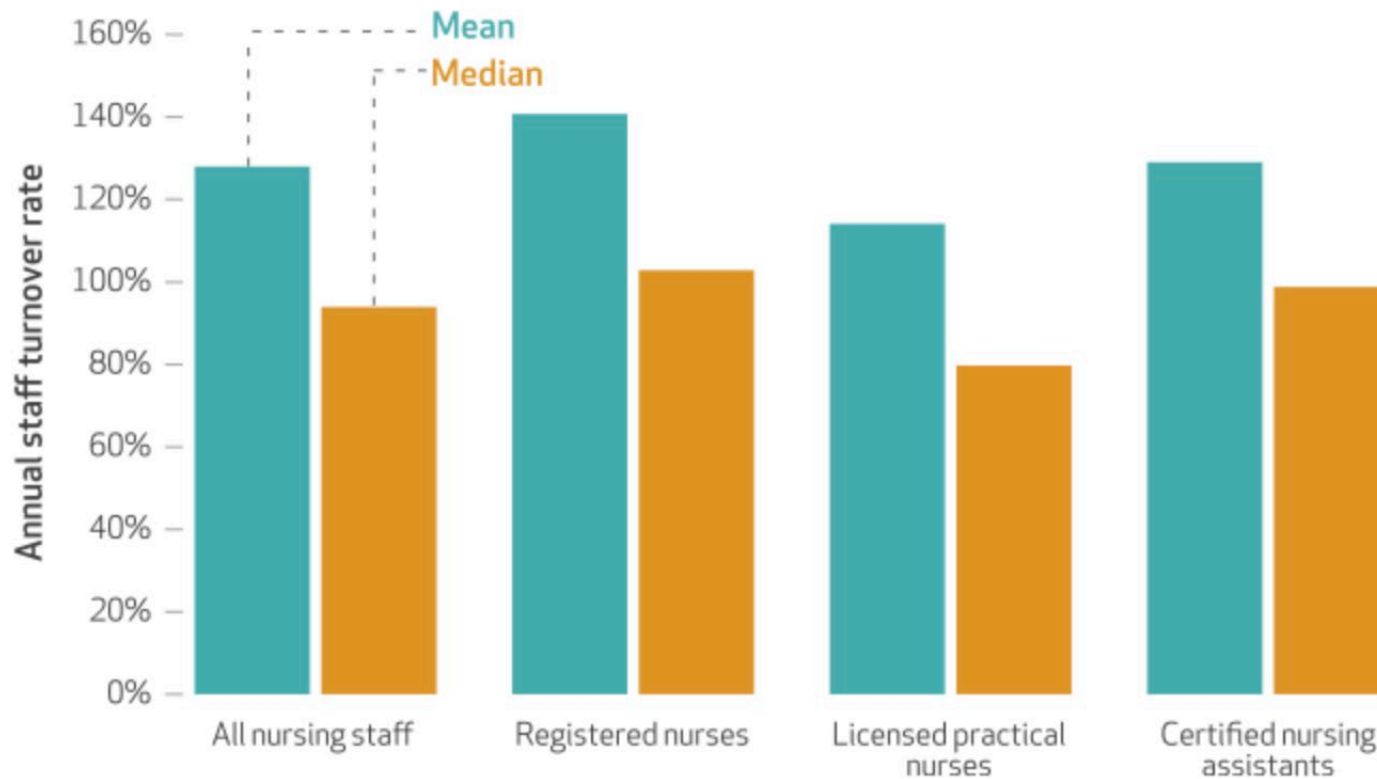




Average annual NH staff turnover exceeds 100%

EXHIBIT 1

Mean and median of annual nursing staff turnover rates at nursing homes, by staff type, 2017-18

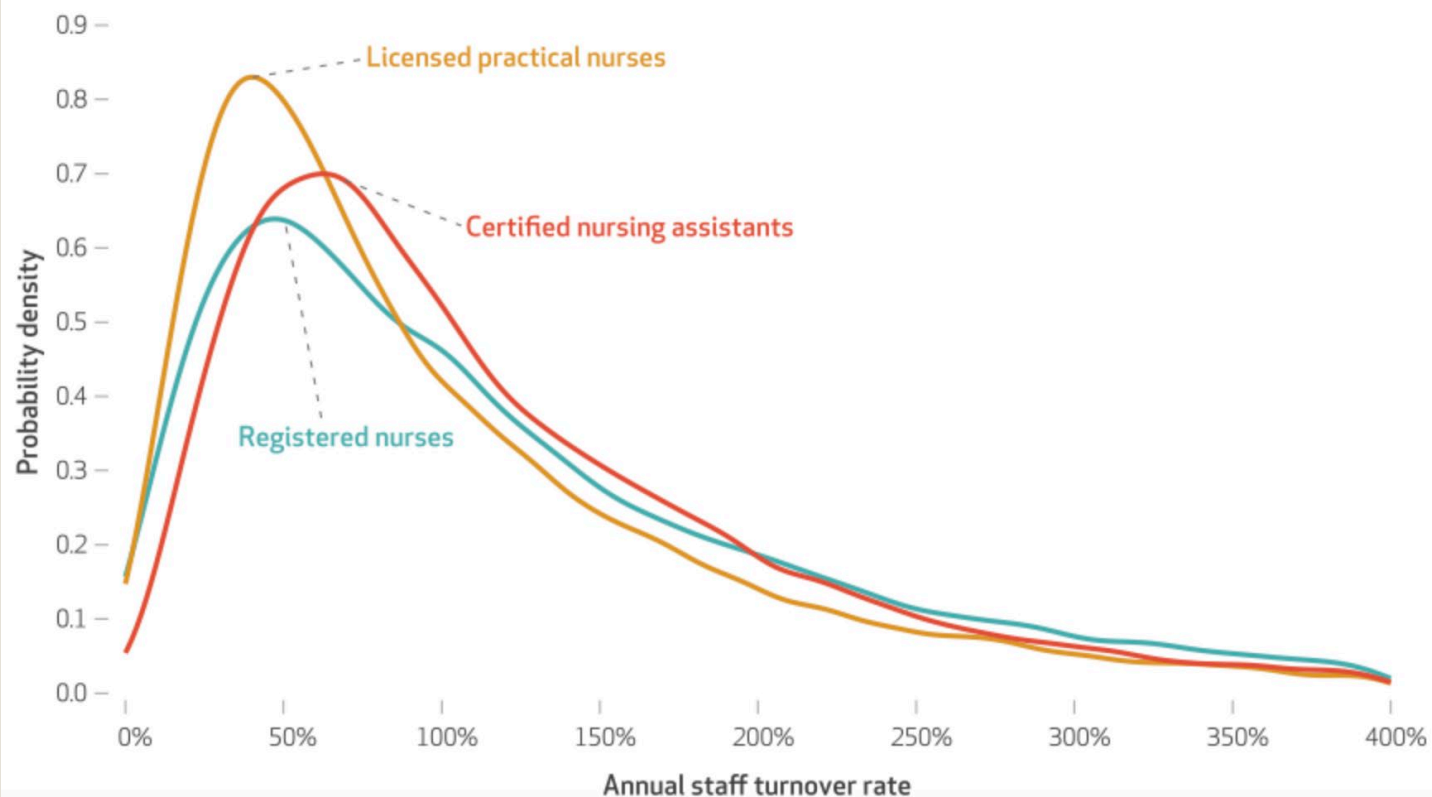




Staff turnover distribution is skewed

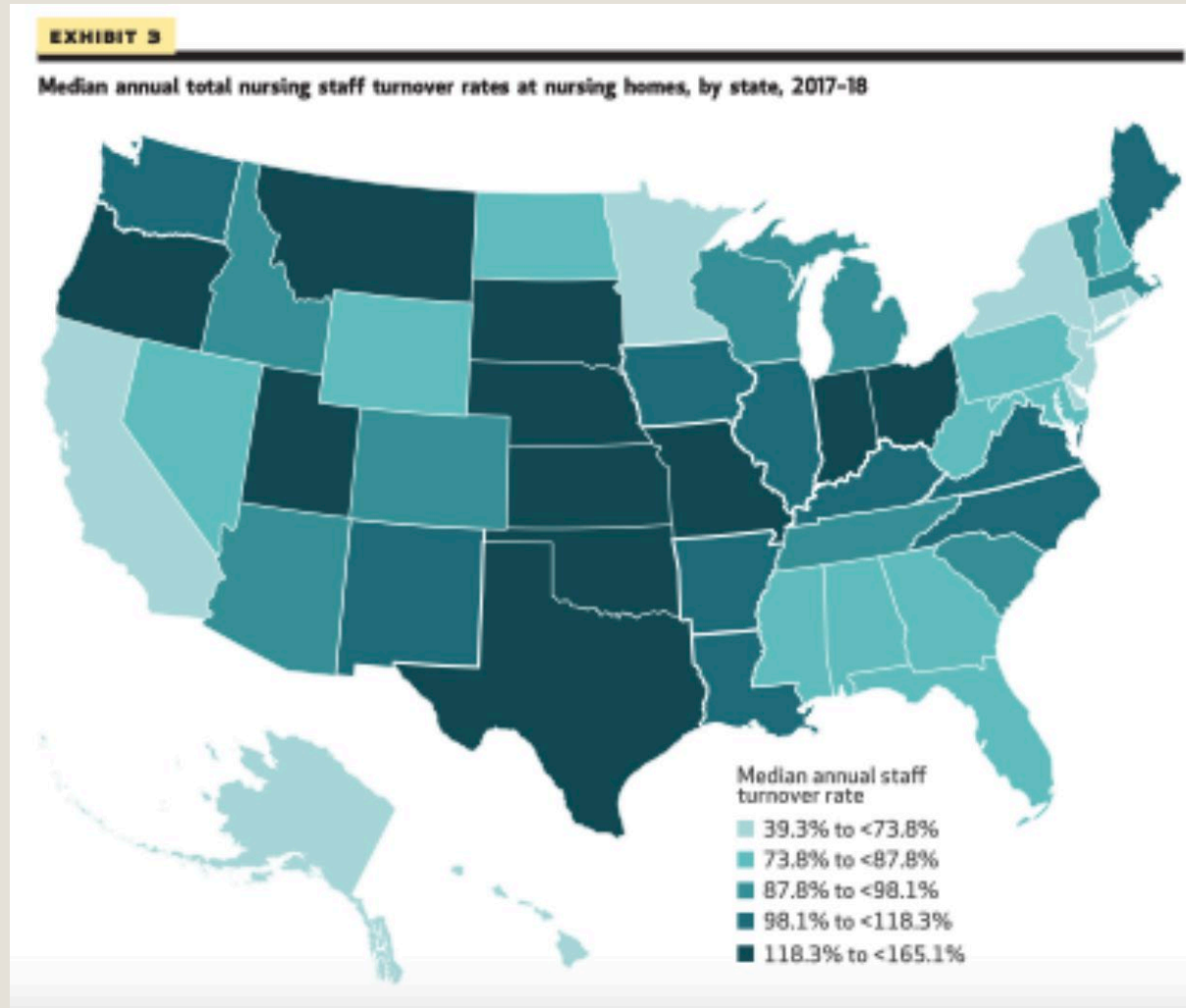
EXHIBIT 2

Distribution of annual nursing staff turnover rates at nursing homes, by staff type, 2017-18

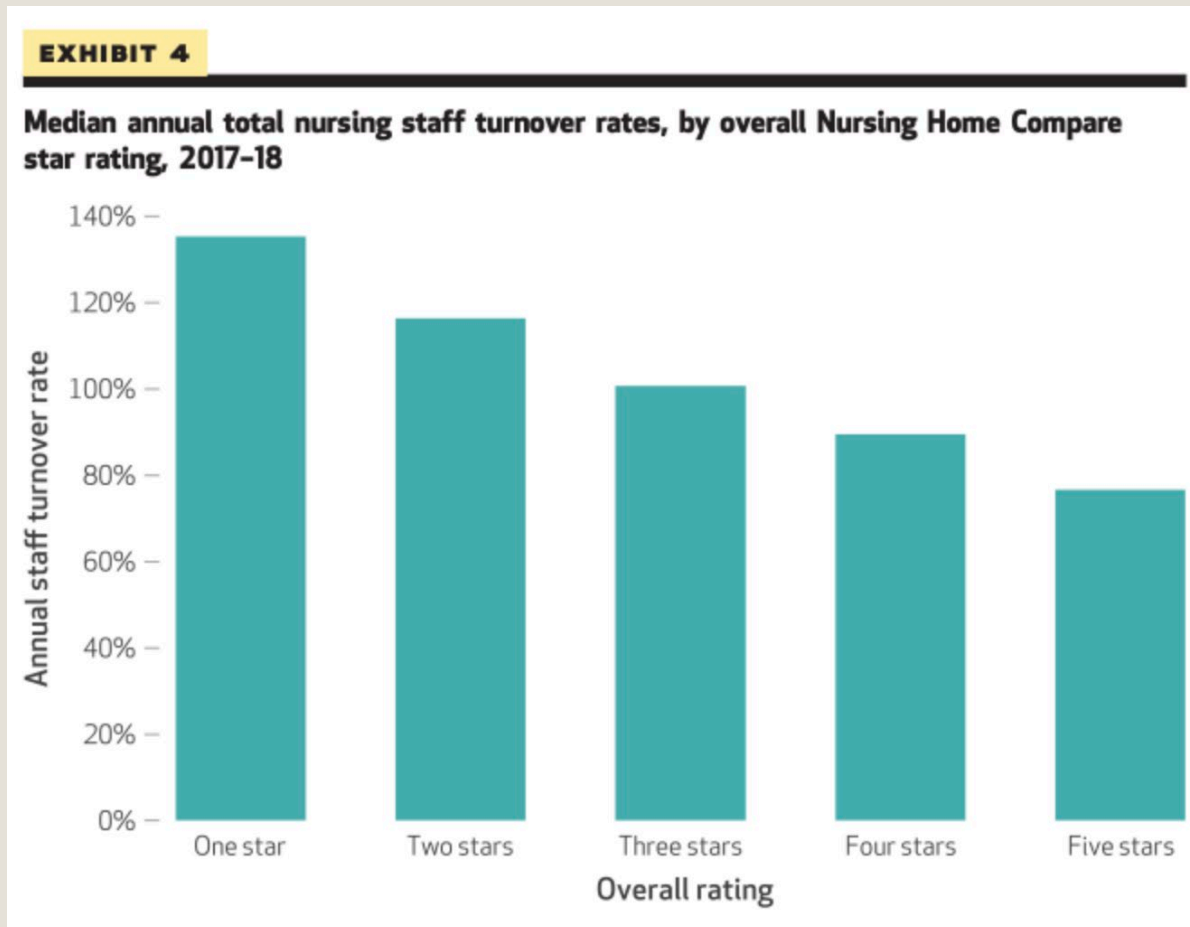




Staff turnover varies by state



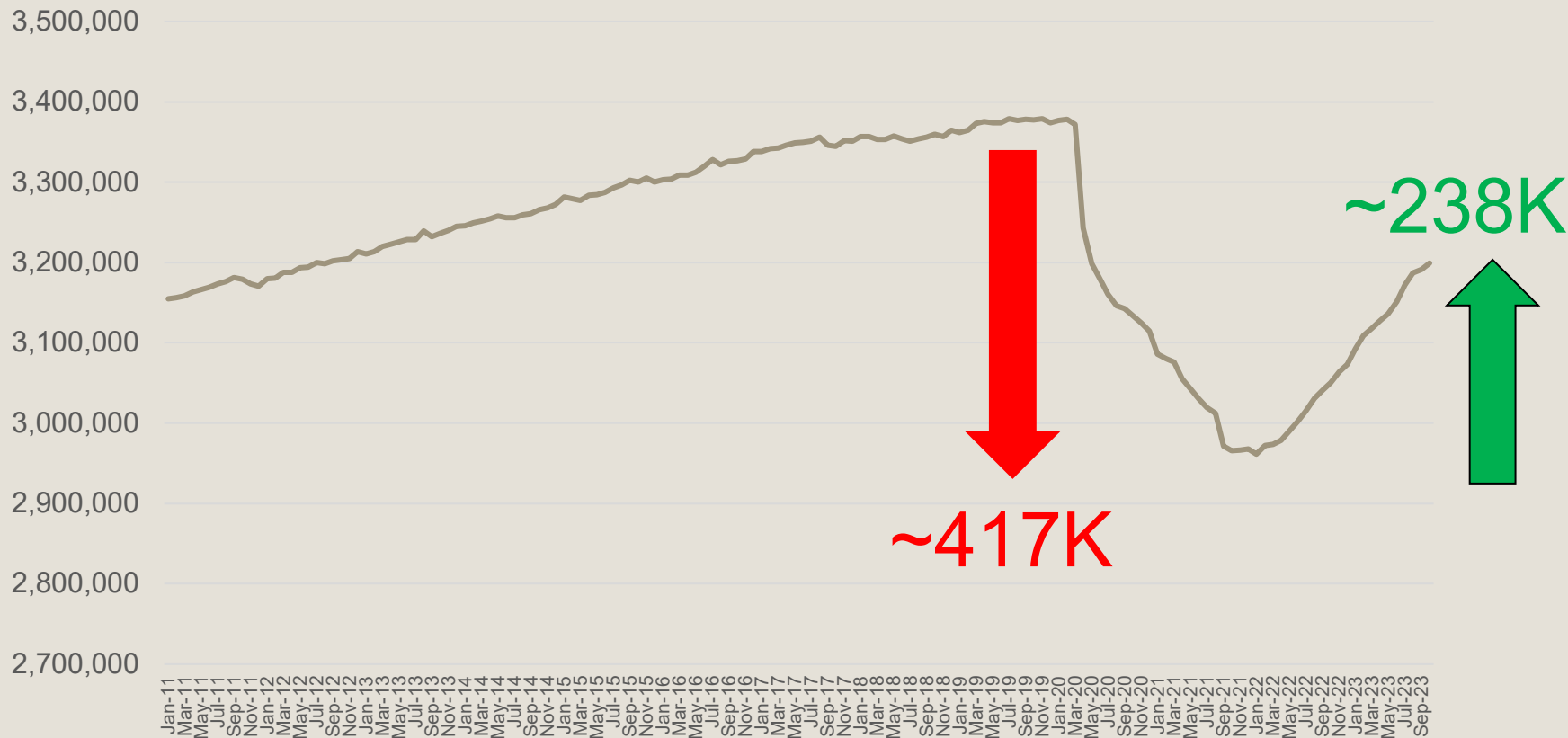
Staff turnover correlated with five-star rating



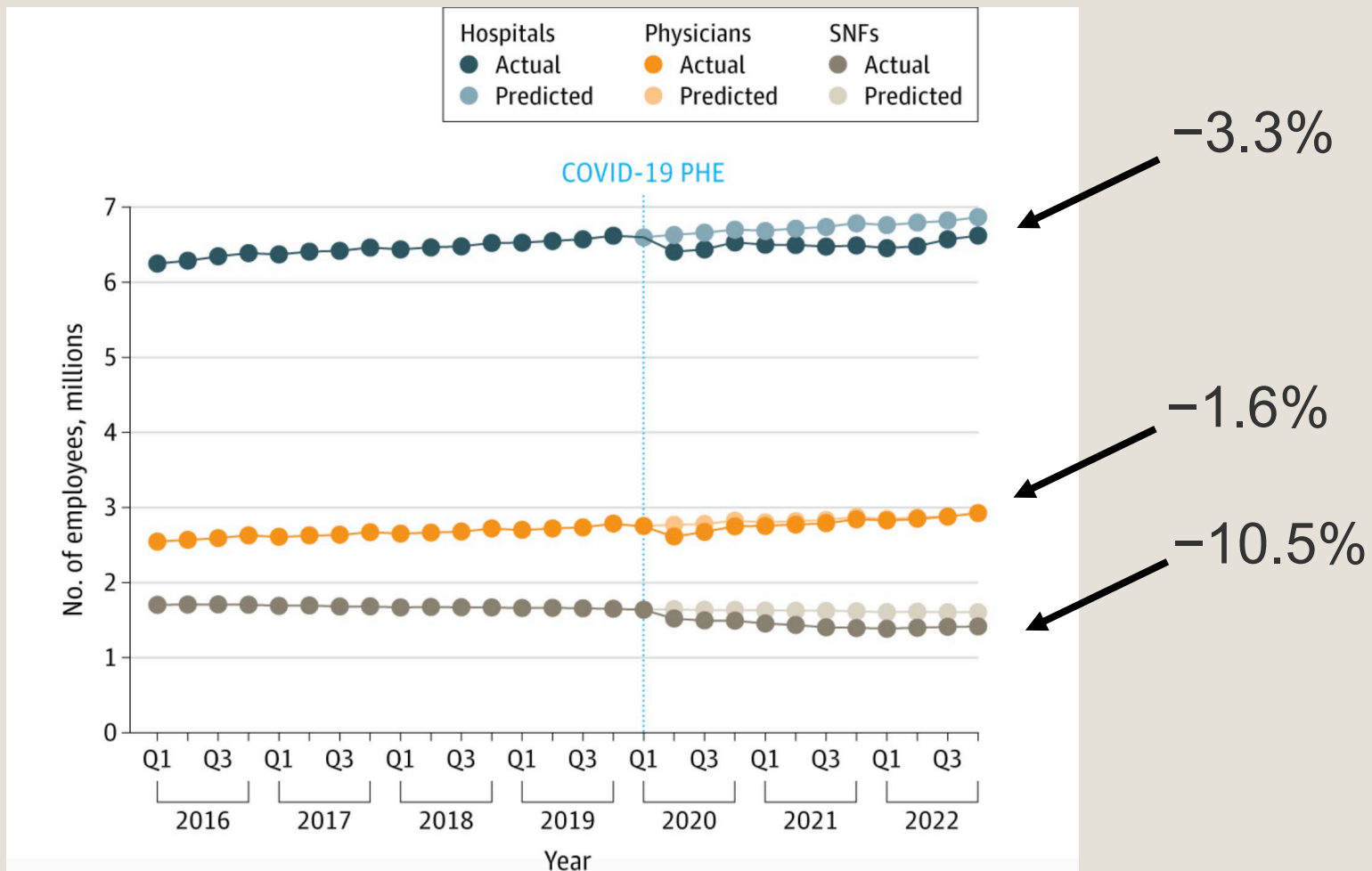


~179,000 Fewer U.S. Nursing Home Workers Since Start of Pandemic

Nursing Home Workers

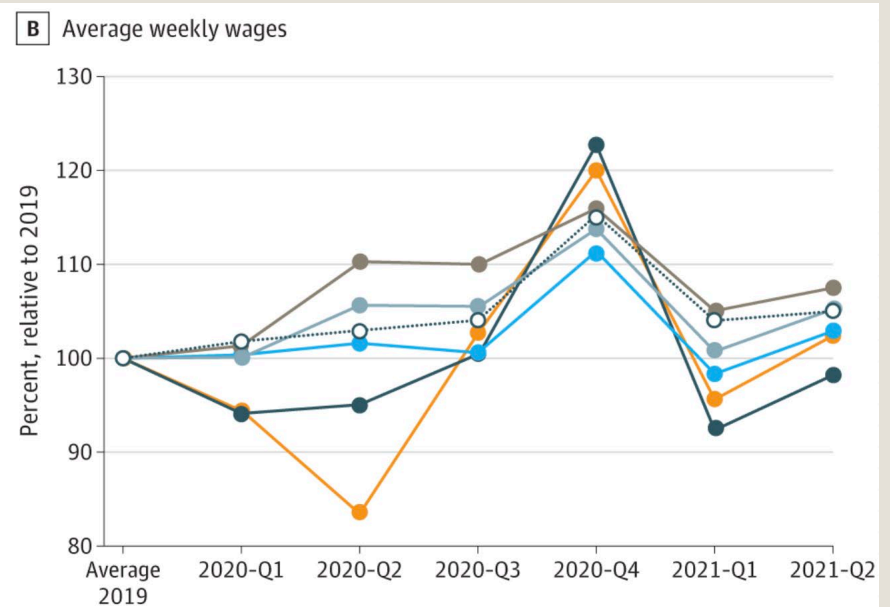
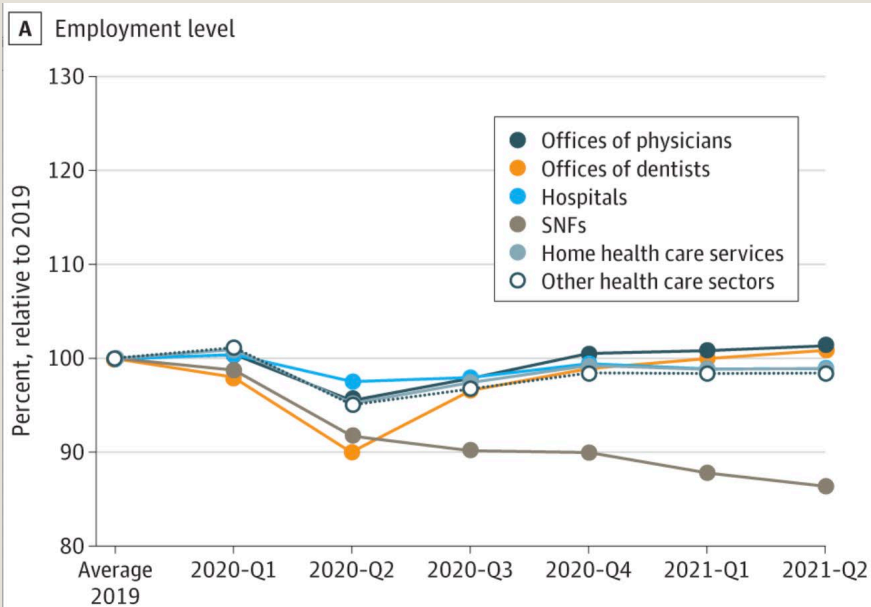


SNF staffing has larger actual-versus-predicted gap than hospitals or physicians





Higher wages: necessary but not sufficient....





Opinions

Nursing home workers now have the most dangerous jobs in America. They deserve better.



A health worker arrives to take a nose swab sample as part of testing for the covid-19 at a nursing and rehabilitation facility in Seattle on April 17. (Ted S. Warren/AP)

Opinion by **Brian E. McGarry**, **Lori Porter** and **David C. Grabowski**

July 28, 2020 at 7:00 a.m. EDT

Brian E. McGarry is an assistant professor in the Department of Medicine at the University of Rochester. Lori Porter is the co-founder and chief executive officer of the National Association of Health Care Assistants. David C. Grabowski is a professor of health-care policy at Harvard Medical School.

As covid-19 has ravaged nursing homes, it has also made working in these facilities the most dangerous job in America. Since the start of the pandemic, facilities have [reported](#) 760 covid-19-related deaths among their staff.

If deaths continue at this pace over a full year, it will equate to more than 200 fatalities per 100,000 workers. This would more than double the rate of previous years' [deadliest](#) occupations, such as logging and commercial fishing.

“If deaths continue at this pace over a full year, it will equate to more than 200 fatalities per 100,000 workers.”



NH staff and resident census both declined similarly during early pandemic

AGE-FRIENDLY HEALTH

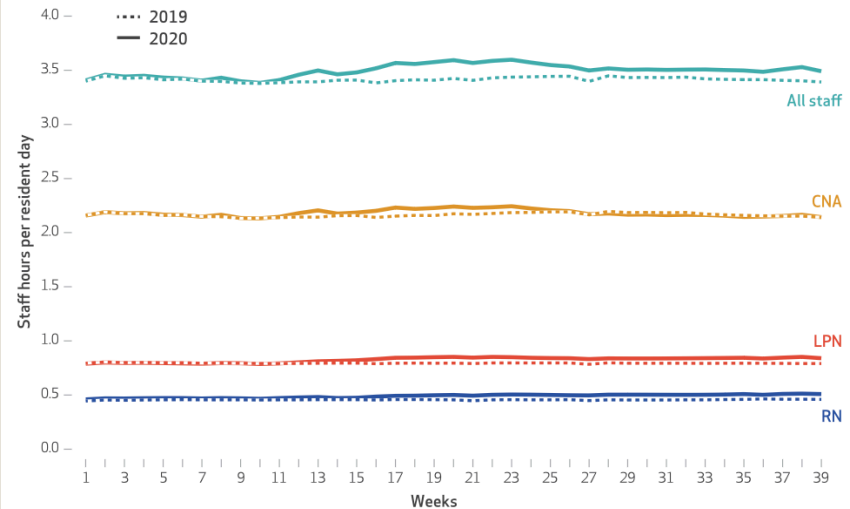
By Rachel M. Werner and Norma B. Coe

Nursing Home Staffing Levels Did Not Change Significantly During COVID-19

ABSTRACT Prior research and the popular press have anecdotally reported inadequate nursing home staffing levels during the COVID-19 pandemic. Maintaining adequate staffing levels is critical to ensuring high-quality nursing home care and an effective response to the pandemic. We therefore sought to examine nursing home staffing levels during the first nine months of 2020 (compared with the same period in 2019), using auditable daily payroll-based staffing data from the Centers for Medicare and Medicaid Services. We found that the total number of hours of direct care nursing declined in nursing homes during the COVID-19 pandemic, as did the average nursing home census. When we accounted for changes in census, the number of nurse staff hours per resident day remained steady or, if anything, increased slightly during the pandemic. The observed increases in staff hours per resident day were small but concentrated in nursing homes operating in counties with high COVID-19 prevalence, in nursing homes with low Medicaid census (which typically have more financial resources), and in not-for-profit nursing homes (which typically invest more in staffing). These findings raise concerns that although the number of staff hours in nursing homes did not decline, the perception of shortages has been driven by increased stresses and demands on staff time due to the pandemic, which are harder to quantify.

EXHIBIT 2

Nurse staff hours per resident day in US nursing homes in the first 39 weeks of 2020



“These findings raise concerns that although the number of staff hours in nursing homes did not decline, the perception of shortages has been driven by increased stresses and demands on staff time due to the pandemic, which are harder to quantify.”



Labor shortage?

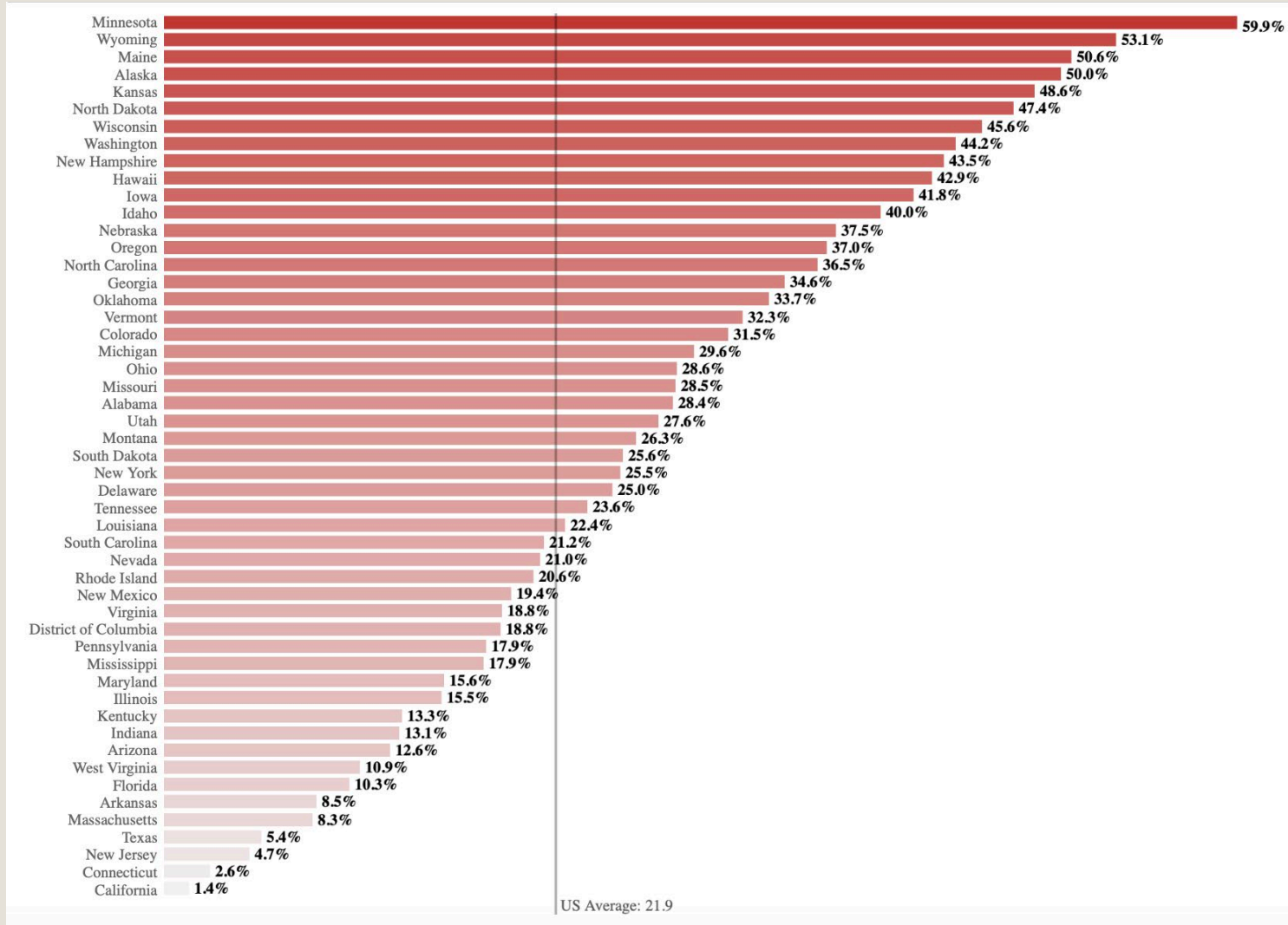
- Job vacancies > available workers
- Most care paid for by Medicare/Medicaid, thus limited ability to raise NH prices to pay higher wages

Measures:

- Facility-reported shortage
- Hospitals inability to discharge patients
- Increased use of agency staff

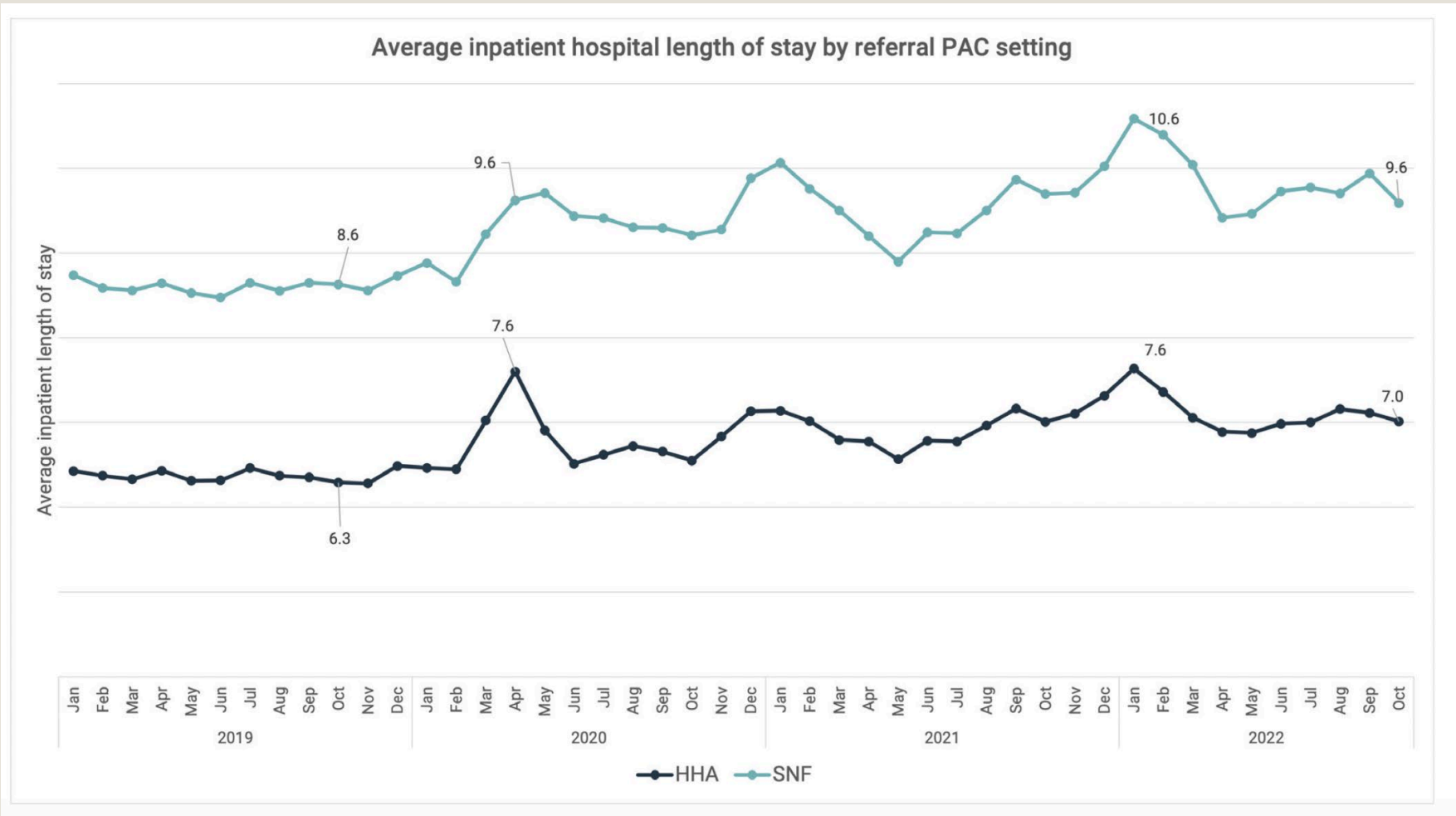


Share of nursing homes reporting shortage of nurses and/or aides (May 2023)





Patients are staying longer in hospital before SNF discharge





Oregon hospitals overstuffed with patients ready to leave but with nowhere to go

Updated: Nov. 06, 2022, 10:18 a.m. | Published: Nov. 06, 2022, 5:00 a.m.

With no place to go, some patients in Maine spend months in hospitals

A lack of beds and staffing at assisted living facilities and nursing homes creates an unwelcome situation that benefits neither the languishing patients nor the hospitals shouldering their care.

Report: Hundreds waiting for nursing home beds

By Christian M. Wade | Statehouse Reporter Feb 18, 2023

Modern Healthcare

NEWS BLOGS OPINION EVENTS & AWARDS MULTIMEDIA DATA & INSIGHTS

Home > Post-Acute Care

October 04, 2022 04:00 AM

Battling bottlenecks: Post-acute staffing shortages cause months of hospital discharge delays

GINGER CHRIST

ALERT EDITOR'S PICK

Reduced access to skilled nursing beds creates bottleneck in hospital system

Emily Schabacker Feb 13, 2023 0

Nov 16, 2022 - Health

Hospitals seek more aid to house patients they can't discharge

Arielle Dreher

FORBES > MONEY > PERSONAL FINANCE

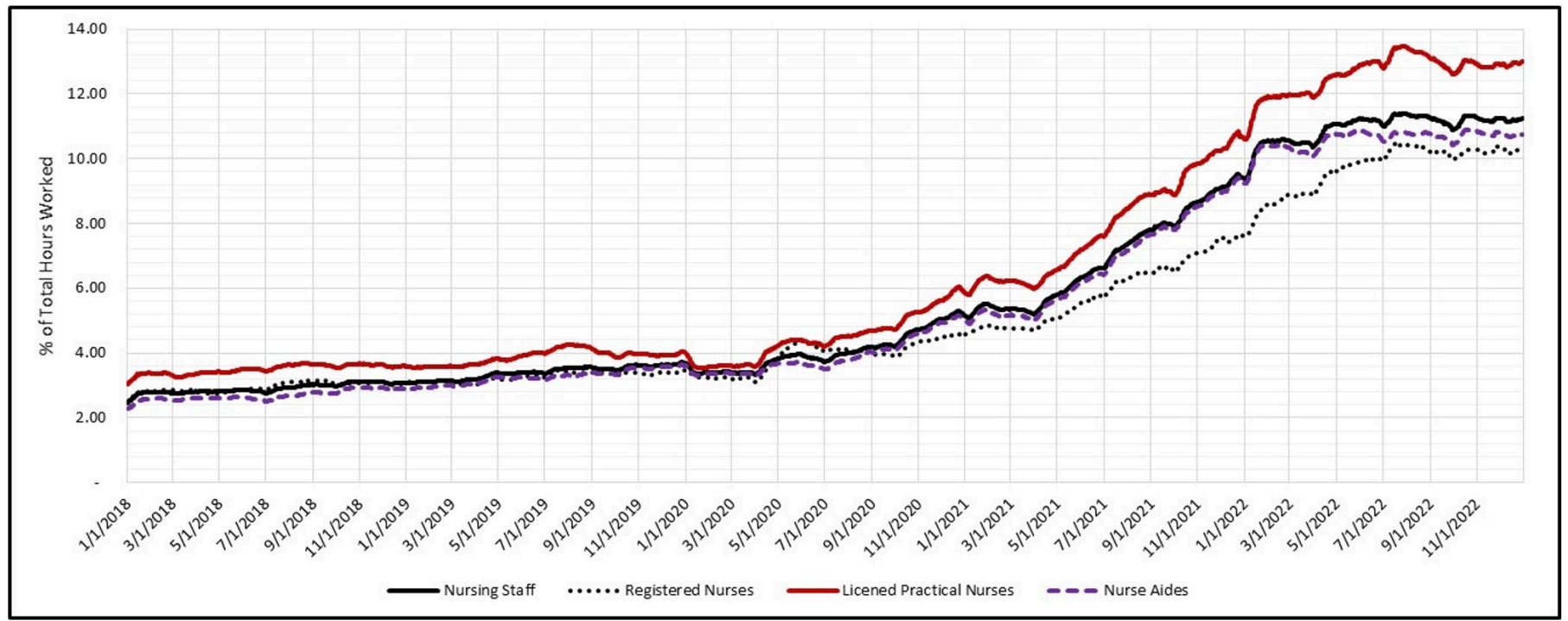
How Nursing Home Staff Shortages Are Hurting Hospital Care

Howard Gleckman Senior Contributor

I cover tax, budget and retirement policy from Washington

Follow

Large increase in share of hours worked by agency staff

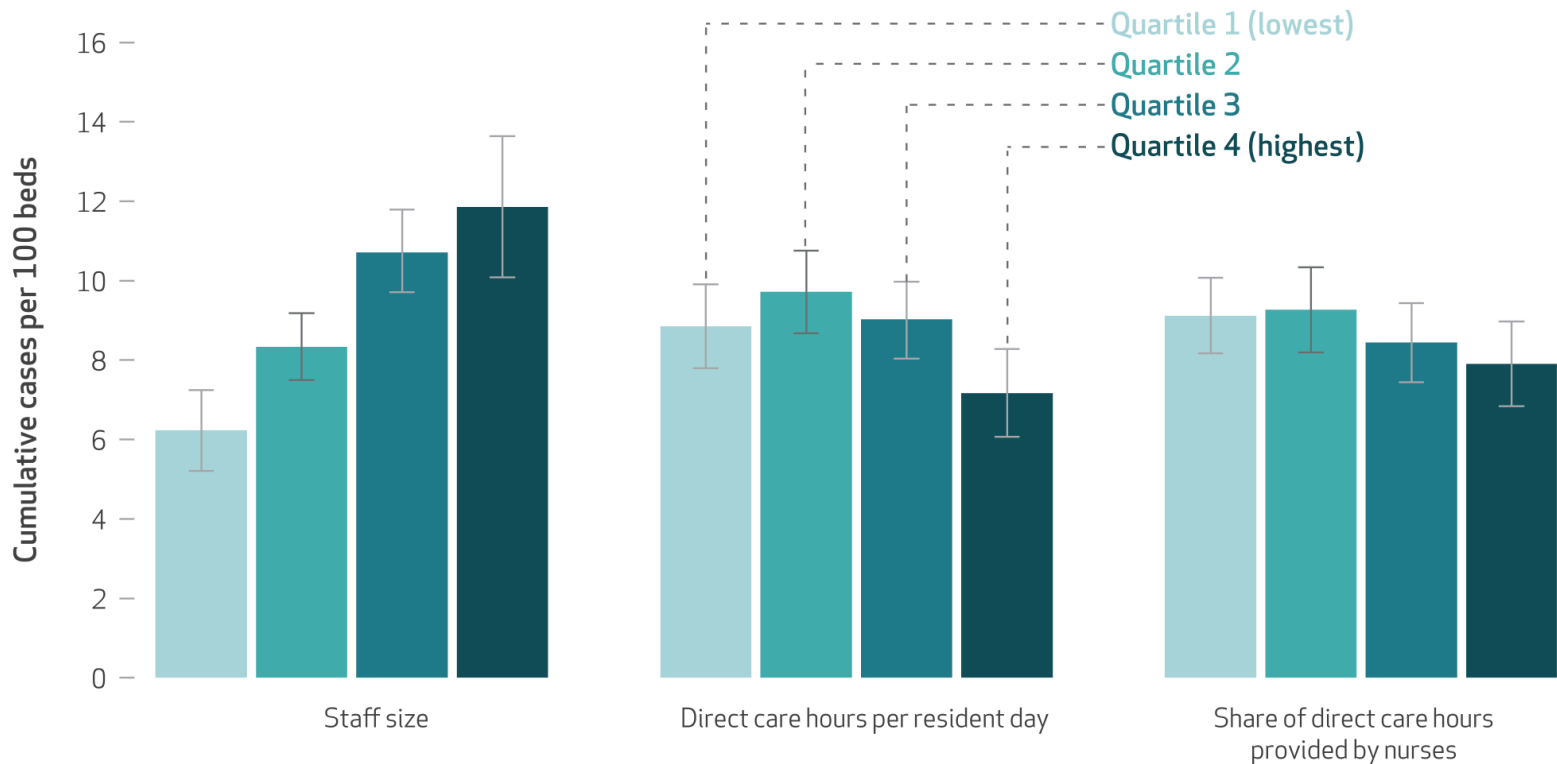




Larger staff size linked to more covid cases...

EXHIBIT 4

Adjusted cumulative resident COVID-19 cases per 100 beds in US skilled nursing facilities, by selected staffing characteristics, June-September 2020





POLITICO

OPINION | RECOVERY LAB

Nursing homes need fixing. Here's where to start.

The most dangerous job in America is nursing home caregiver, but a few key policy changes could make senior homes safer for everyone in the post-Covid era.



Scott Goldsmith for Politico

By DAVID C. GRABOWSKI
03/11/2021 04:30 AM EST

Ideas:

- Increase pay/benefits
- Minimum staffing standards
- Raise reimbursement rates
- Increase financial accountability
- Provide career advancement
- Improve work environment



Biden's Nursing Home Reforms



Administration | Priorities | COVID Plan

BRIEFING ROOM

FACT SHEET: Protecting Seniors and People with Disabilities by Improving Safety and Quality of Care in the Nation's Nursing Homes

FEBRUARY 28, 2022 • STATEMENTS AND RELEASES

All people deserve to be treated with dignity and respect and to have access to quality medical care. And in no case should a health care facility be causing a patient harm. The President believes we must improve the quality of our nursing homes so that seniors, people with disabilities, and others living in nursing homes get the reliable, high-quality care they deserve. That's why he is announcing a set of reforms—developed by and implemented through the Department of Health and Human Services (HHS)—that will improve the safety and quality of nursing home care, hold nursing homes accountable for the care they provide, and make the quality of care and facility ownership more transparent so that potential residents and their loved ones can make informed decisions about care.

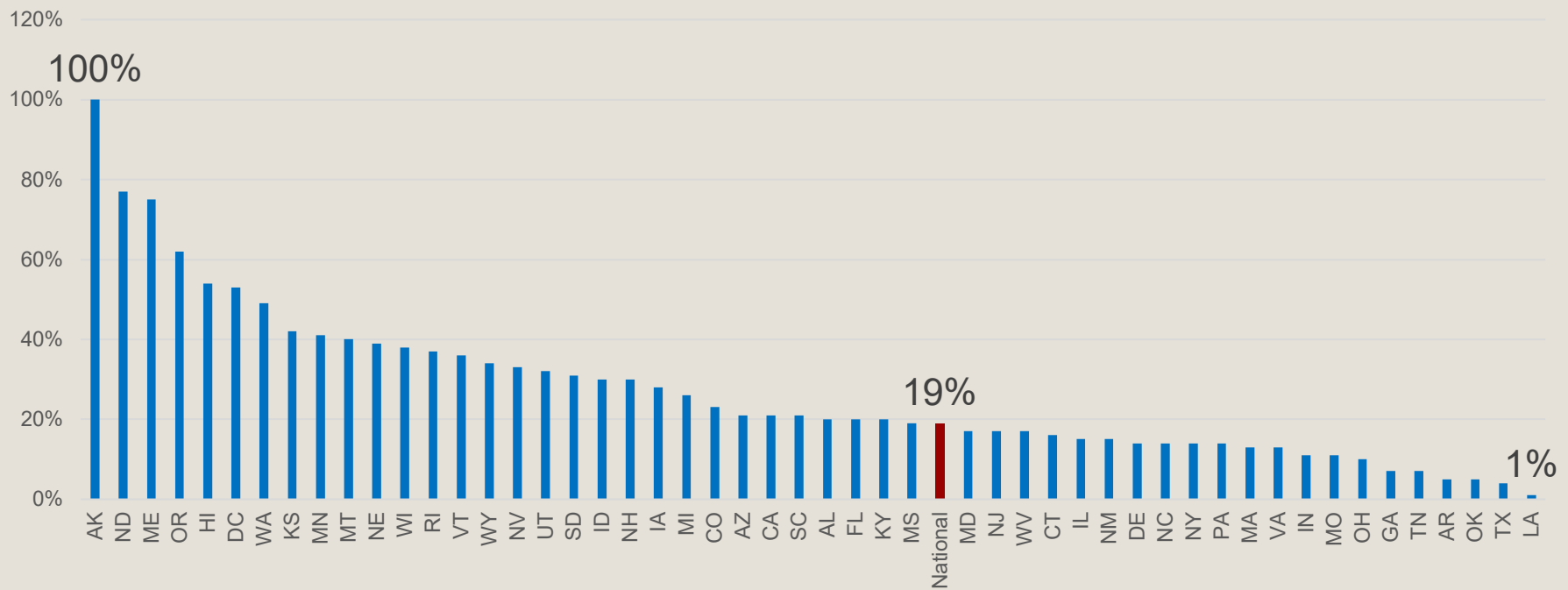
Three Major Reforms

- Minimum staffing standard
- Increased quality accountability
- Better financial and ownership transparency

Proposed Minimum Staffing Rule

Current Rule	Proposed Rule
Nursing homes must staff at level that ensures resident safety and well-being	Must have 0.55 RN hours per resident day (HPRD) and 2.45 CNA HPRD (no LPN requirement)
RN or LPN present in facility 24/7	RN present in facility 24/7
	Exemptions based on local labor conditions
	3- to 5-year implementation period
	\$75 million for workforce training

Only 19% of nursing homes nationally meet both RN and CNA thresholds



Most important nursing home reform in decades but...



The NEW ENGLAND JOURNAL of MEDICINE

Perspective
NOVEMBER 2, 2023

Minimum-Staffing Rules for U.S. Nursing Homes — Opportunities and Challenges

David C. Grabowski, Ph.D., and John R. Bowblis, Ph.D.

U.S. nursing homes have faced staffing challenges for decades.¹ Registered nurses (RNs), licensed practical nurses (LPNs), and certified nurse aides (CNAs) are the primary caregivers

in nursing homes. RNs and LPNs focus on the clinical tasks of resident assessment, treatment, and medication management, while CNAs provide the bulk of the hands-on care, such as assistance with eating, bathing, toileting, and dressing.

A recent report from the National Academies of Sciences, Engineering, and Medicine (NASEM) called for the establishment of a federal minimum standard for nurse staffing, among other reforms.¹ Although federal law currently requires nursing homes to have sufficient staff to ensure the safety and well-being of each resident, federal regulations do not define a minimum level of nursing staff, other than requir-

ing that an RN or LPN be on site at all times. Nursing homes therefore currently have considerable flexibility in determining their staffing levels.

In September 2023, the Centers for Medicare and Medicaid Services (CMS) released a proposed rule mandating a specific minimum-staffing standard for U.S. nursing homes. It calls for 0.55 RN hours per resident day (HPRD) and 2.45 CNA HPRD but does not make any stipulation about LPN HPRD. The rule also calls for having an RN on site at all times, which would replace the current rule that an RN or LPN always be on site. To help nursing homes attract new workers, the rule provides \$75 million in

funding for staff training. In recognition of labor shortages in certain markets, nursing homes would be exempt from the staffing requirements if they can meet certain criteria and show good faith efforts to hire and retain staff, which includes demonstrating a financial commitment to staffing by documenting expenditures on nursing staff relative to revenue.

To give nursing homes time to adjust to the new rule, CMS proposed a delayed implementation. Urban nursing homes would be required to always have an RN on site 2 years after the publication date of the final rule, whereas rural nursing homes would have to meet this requirement in 3 years. Similarly, urban facilities would have to comply with the 0.55 and 2.45 HPRD requirements in 3 years, whereas rural facilities would have to comply in 5 years.

- Overall staffing level should be addressed
- The rule should include LPNs
- Nursing homes should not be exempted from rule due to challenging local labor market conditions
- Rule should be implemented faster
- Should be the start of larger set of nursing home reforms.

Putting the nursing and home in nursing homes

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Innovation in Aging
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OXFORD

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Abstract

As the late Robert Kane observed, the term nursing home is often a misnomer. Most U.S. nursing homes lack adequate nursing staff, and they are typically not very homelike in either their physical structure or culture. These problems were magnified during the pandemic. The underlying reasons for these longstanding issues are that most state Medicaid payment systems reimburse nursing homes at a relatively low level and the government does not hold nursing homes accountable for spending dollars on direct resident care. To encourage increased staffing and more homelike models of care, policymakers need to reform how nursing homes are paid and hold facilities accountable for how they spend government dollars. With these reforms, the term nursing home will become more appropriate in the United States.

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“The late Robert Kane often questioned why nursing homes were called nursing homes. He pointed out that most nursing homes were short on nursing staff and not very homelike.”



Green House Model

Re-designs structure, roles, and processes of nursing home care with the goal of improving quality of life and changing culture

- *Meaningful Life*: Empowers residents with greater control over their lives and care
- *Empowered Staff*: Eliminates hierarchical nurse staffing structure and empowers the *Shahbazim* to manage daily life in each GH home using a universal worker model
- *Real Home*: Small homes of 8-12 elders



Neighborhood Feel



Green Hill, West Orange, NJ





In Any Neighborhood...



Rural

Porter Hills, Grand Rapids, MI



Suburban

St. Martin's, Birmingham, AL



Urban

Leonard Florence Center for Living, Chelsea, MA



Kitchen/Dining Room



Green Hill, West Orange, NJ



St. John's Home, Rochester, NY





Bedrooms



Green Hill, West Orange, NJ



St. John's Home, Rochester, NY

Gardens



St. John's Home, Rochester, NY



Porter Hills, Grand Rapids, MI

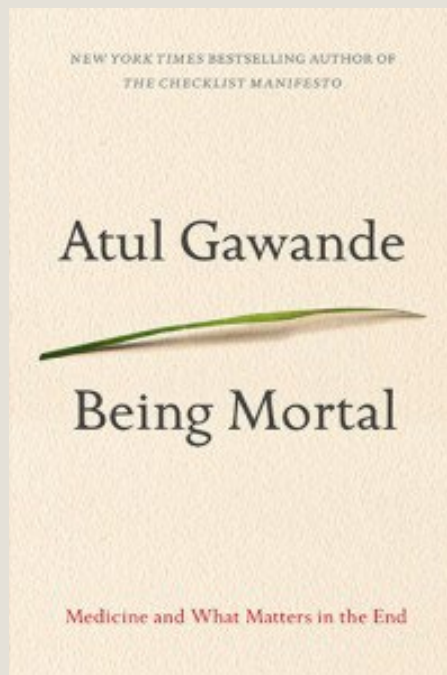




Green House quality of life?

Gawande spent time with Lou Sanders, a 94-year-old GH resident:

“It struck me that, for the first time I can remember, I did not fear reaching his phase of life.... [Lou] was able to live in a way that made him feel that he still had a place in this world. They still wanted him around. And that raised the possibility that the same could be the case for any of us.”





THRIVE Evaluation

- Organizational adoption of GH is not random, assignment within an organization to a GH home is not random
- Comparison group constructed via two-stage matching process:
 - *Facility level*: Blocked on state and then used nearest neighbor matching based on ownership (FP/NFP), chain status, facility size, payer mix, and a facility-level acuity score
 - *Individual level*: Propensity score weighting
- “Differences-in-differences” study using two approaches to examine:
 - Overall organizational impact
 - Specific impact in GH and “legacy” units



THRIVE Results: Quality

Overall: Lowered total and avoidable hospitalizations (18%) and presence of bedfast (14.3%) residents.

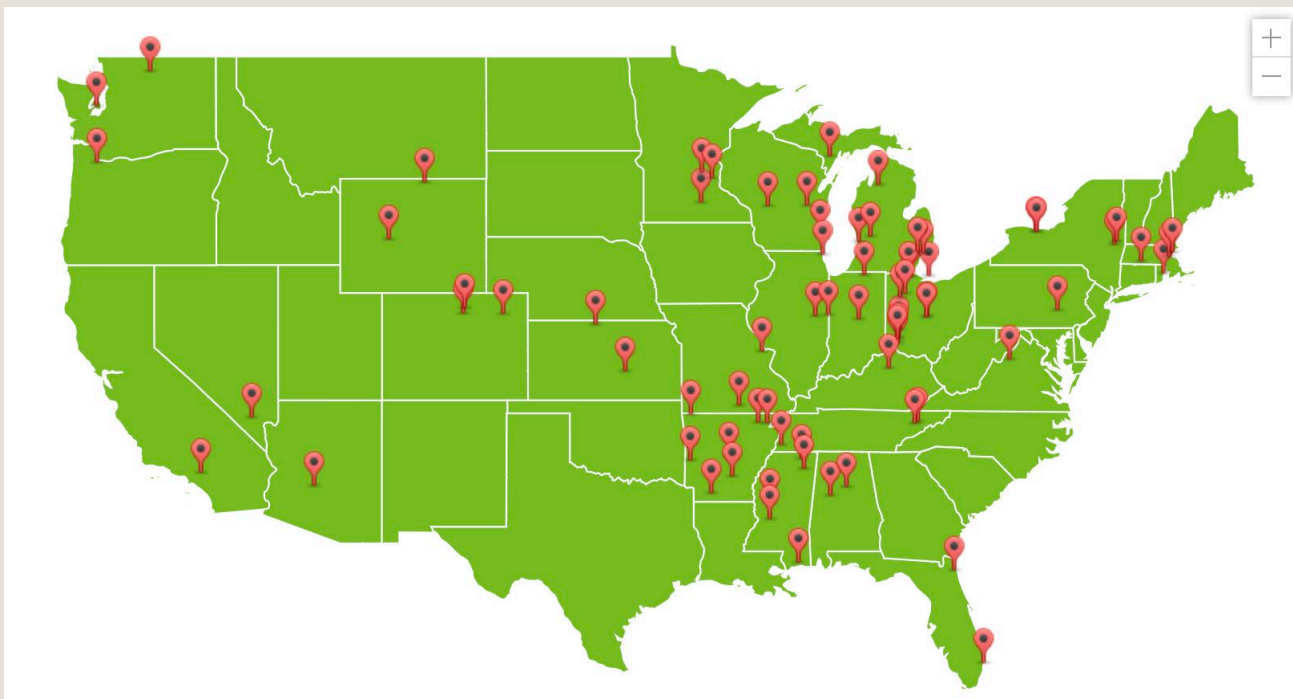
GH Units: Lowered readmissions (59%) and presence of bedfast (16%), catheter (45%), and low-risk pressure ulcers (38%) indicators.



THRIVE Results: Medicare Spending

- Overall: No statistically significant impacts
- GH Units: Decrease in Medicare spending of \$7,746 (or 30%) per resident/year

Yet very few Green Houses nationally



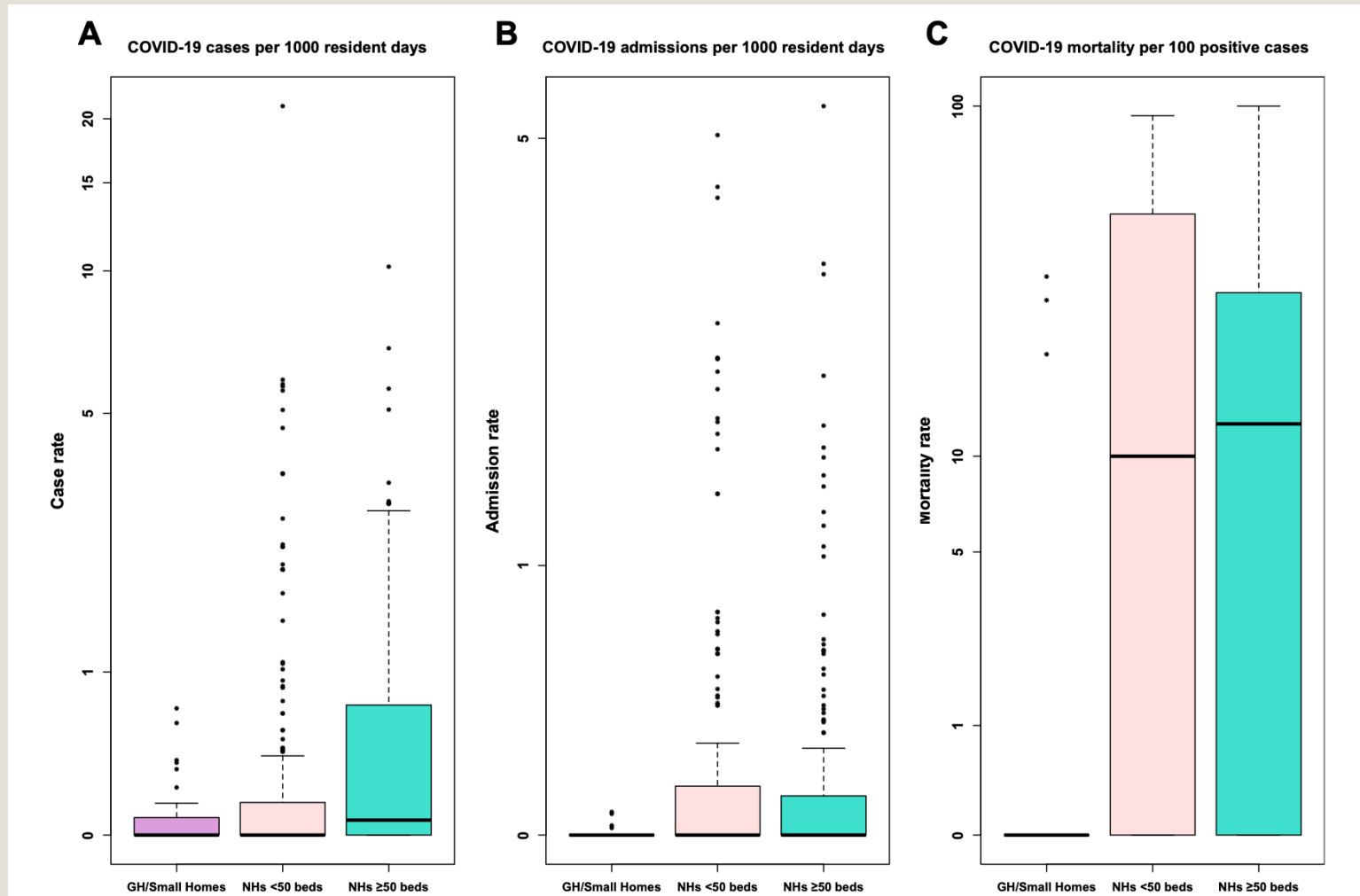
58 (<1%) nursing homes nationally with ~2,300 beds



Culture change adopters more likely to be...

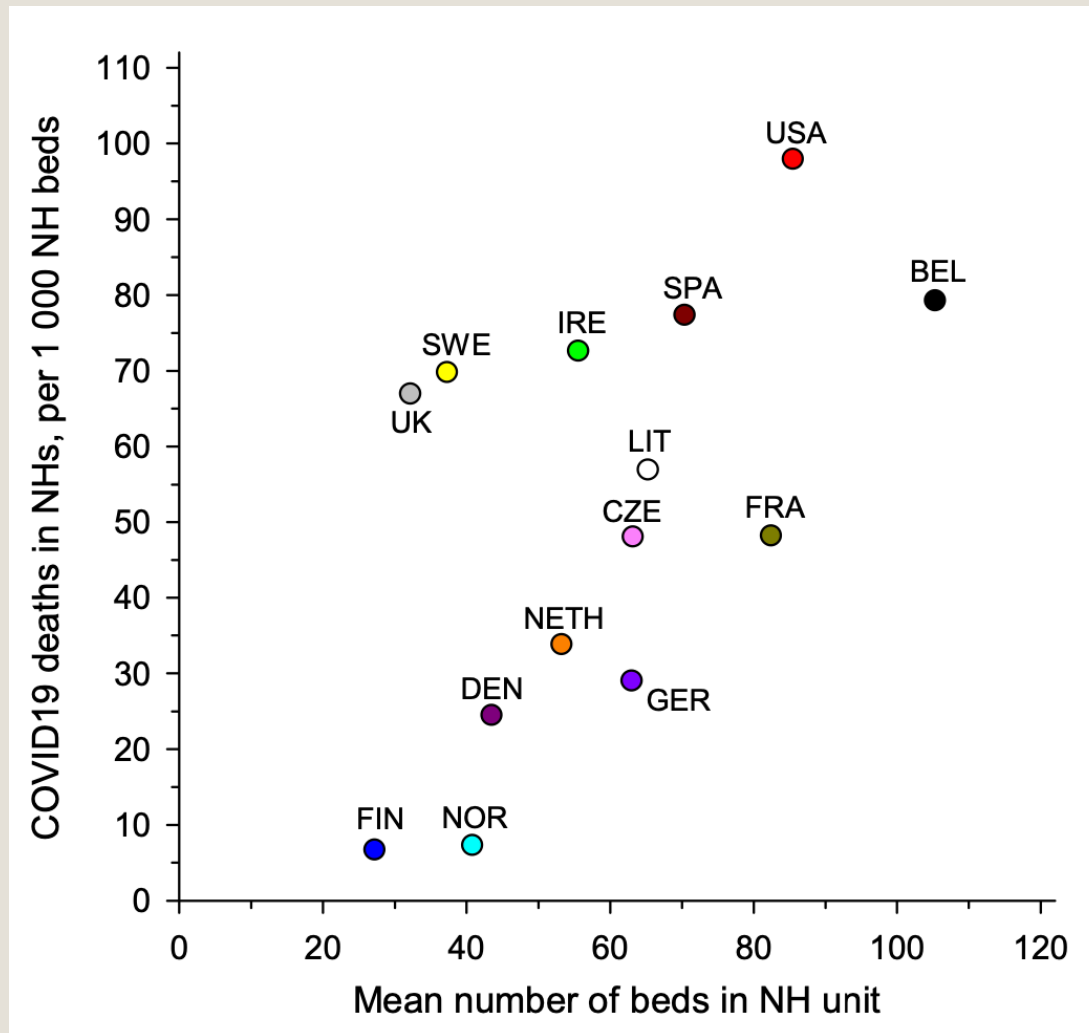
- Nonprofit
- Faith-based
- Part of a CCRC
- Located in wealthier areas
- High private-pay/low Medicaid
- Located in states with higher Medicaid payment

Small Homes had fewer COVID cases, admissions, deaths





Countries with bigger NHs had more NH covid deaths





HEALTH AFFAIRS FOREFRONT

RELATED TOPICS:

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The Traditional Financing Source That Can Help Close Gaps In Nursing Home Innovation

[Conner Esworthy](#), [David C. Grabowski](#), [Robert G. Kramer](#), [Anne Tumlinson](#)

NOVEMBER 23, 2022

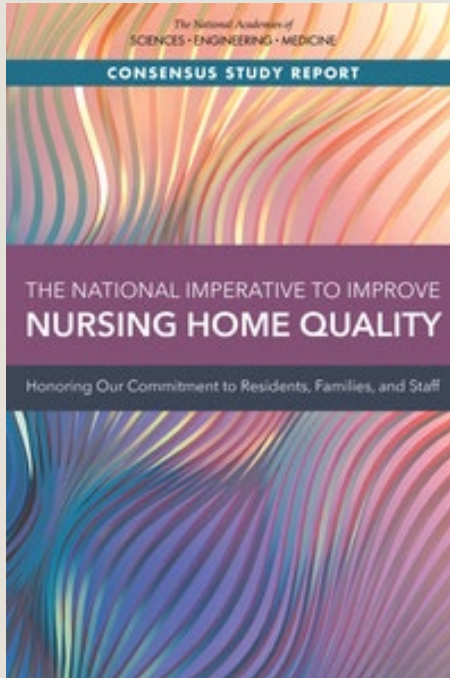
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Can HUD encourage greater investment in small home models?

The NASEM Report → Moving Forward



“The way the U.S. finances, delivers, and regulates care in nursing home settings is ineffective, inefficient, fragmented, and unsustainable.”

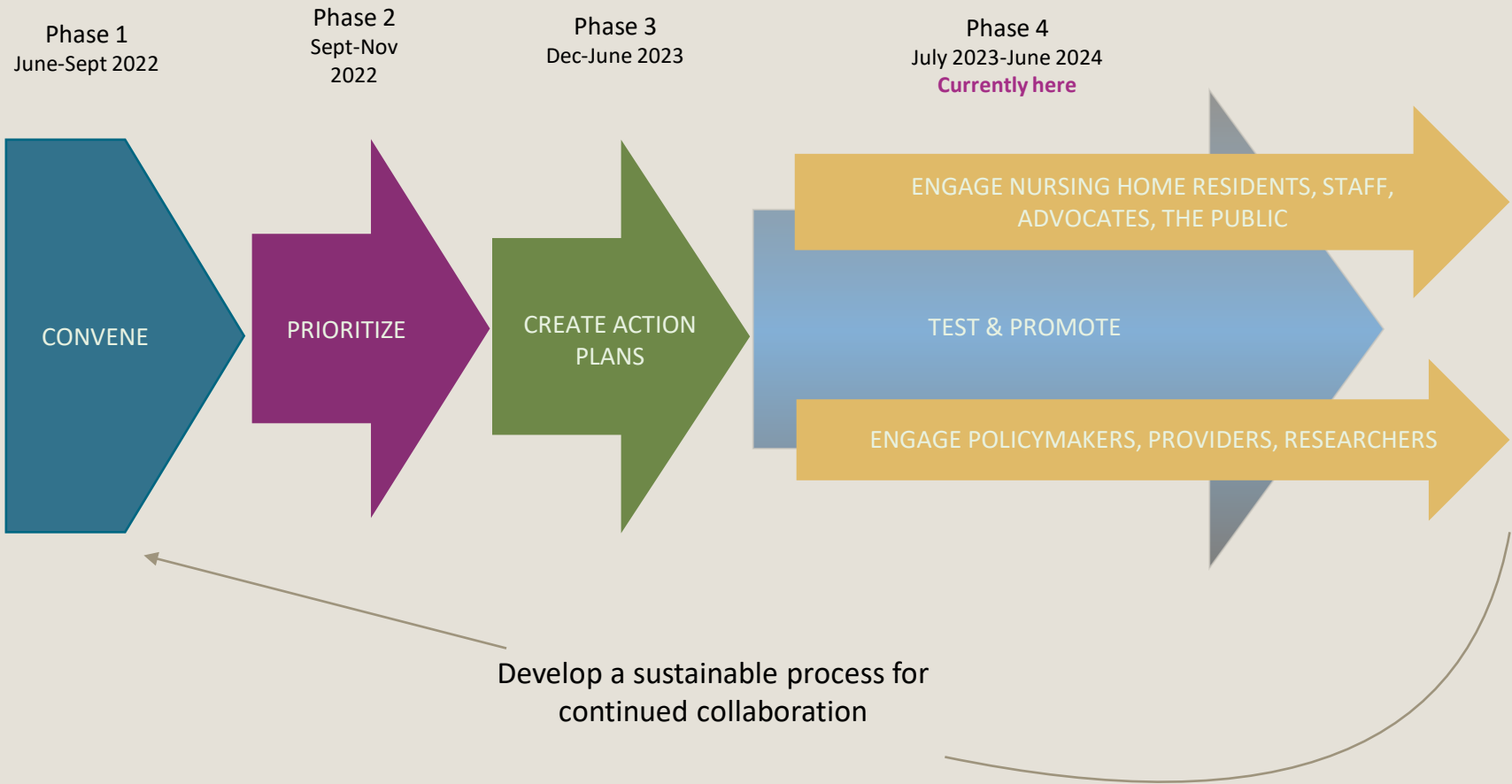
– National Academies of Sciences, Engineering, and Medicine (NASEM) Report



Moving Forward: Keeping it Off the Shelf



Moving Forward Coalition





Moving Forward (cont.)

In consultation with HMAC, working to identify ways to encourage small-home innovation

- Reduced Mortgage Insurance Premium (MIP)
- Reduced debt service requirements
- Waiving the sub-rehabilitation definition



Parting Thought

Sustained long-term care innovation will not occur without major system-level change