

# BAA FY'22

Testimony of the Vermont Health Care Association

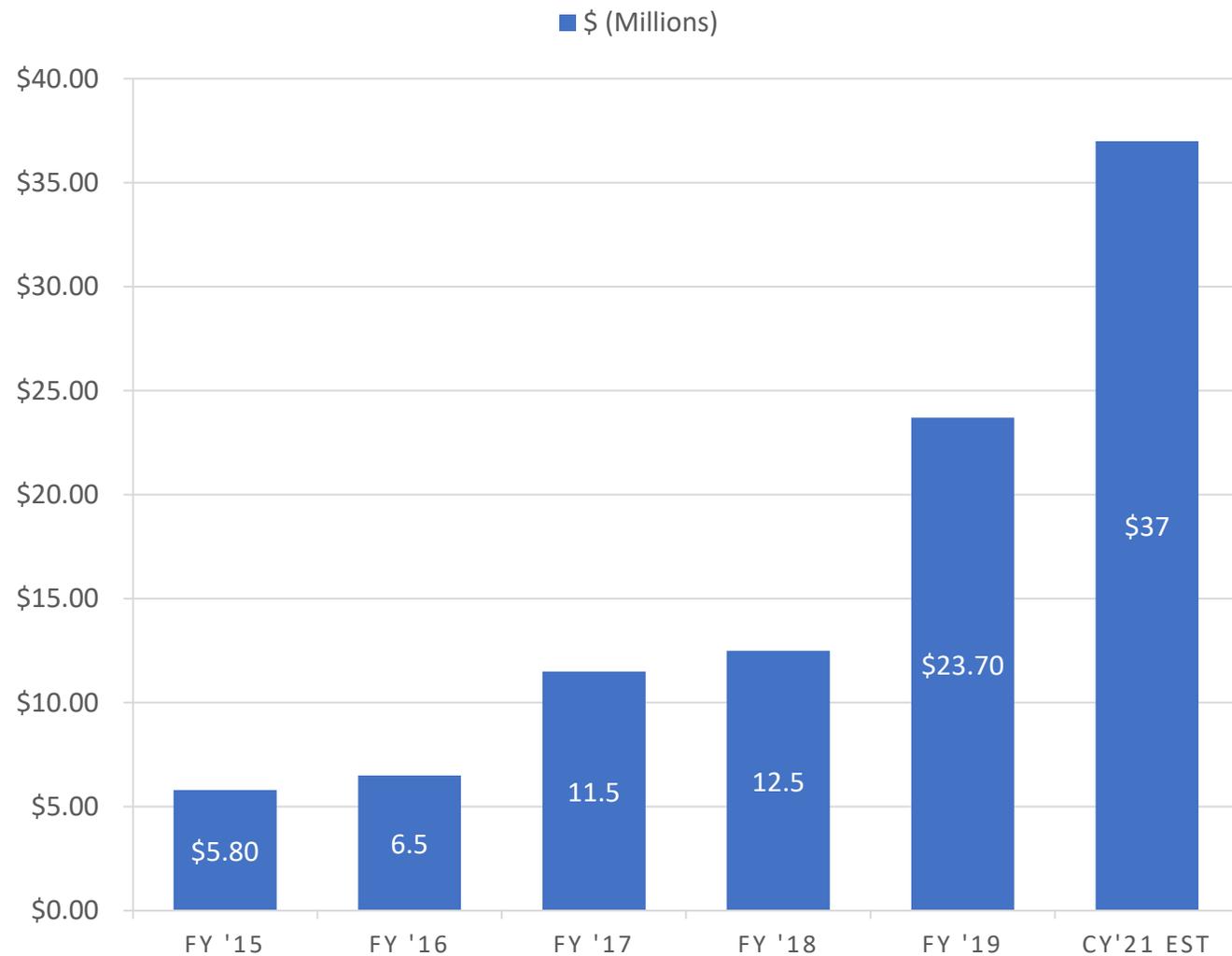
House Human Services Committee

January 6, 2022

# Workforce Crisis

- Unprecedented workforce shortage at all levels in all LTCFs: RNs, LPNs, LNAs, PCAs, dietary and housekeeping staff, plant maintenance, drivers, etc...
- Pre-dated COVID, however has been exacerbated by pandemic due to burn out, stress and fear
- Many licensed staff have left SNF employment to work for staffing agencies
- Impact example: 410 skilled nursing facility beds closed due to lack of staffing on 1/4/2022 →→ access to services is limited, contributes to substantial revenue losses at a time with significant increasing labor and other costs
- Federal vaccine mandate will further impact staffing in SNFs
- Continued spread of COVID will impact staff in all LTCFs causing time out of work

Growth in  
SNF  
Contract  
Staffing  
Expenses  
(LNA, LPN,  
RN)



# Request: Support LTCF Workforce Needs in BAA

- Continue funding for maintaining SNF capacity to address immediate hospital discharge needs
- Contained within \$25M recommended in Governor's 1/5/2022 BAA submittal for emergent circumstances
  - Currently 139 beds across 7 skilled nursing facilities
  - 10 additional beds in progress with an 8<sup>th</sup> skilled nursing facility
  - AHS supporting cost of contract staffing to serve these patients and residents

# Request: Support LTCF Workforce Needs in BAA

- Ensure financial support for skilled nursing facilities to cover systemic underlying contract staffing costs
- All SNFs admit patients from hospitals and the community everyday
- Potential for support appears to lie within BAA 2.0 - \$25M recommend in Governor's 1/5/2022 BAA submittal for emergency circumstances
  - For CY'21 difference of approximately **\$19.4M** between Medicaid reimbursement and contract staffing costs alone; For first half of FY'22 (July 1, 2021-December 31, 2021) the gap is conservative est. **\$5.5M- based on data from January 1, 2021-June 30, 2021 but SNFs report costs increased significantly in late summer 2021 so we expect these costs are actually higher**
  - These costs will continue through second half of FY'22 – using conservative estimate of additional \$5.5M = \$11M total for FY'22 (July 1, 2021 – June 30, 2022)
  - These costs will likely continue into FY'23
  - SNFs will continue to be paid based on FY'19 labor costs until July 1, 2023
  - Estimates do not reflect increasing labor costs for non-nursing positions and employed nursing related positions- all labor costs have risen significantly as providers seek to recruit and retain workers
  - Lost revenues and other increased costs are not included in these estimates

# Request: Support LTCF Workforce Needs in BAA

- Support retention and recruitment funds for LTCFs
- BAA 2.0 - \$15M for healthcare workforce retention initiatives in Governor's 1/5/2022 BAA submittal
- \$18M allocated for HCBS workforce training and retention in HCBS spending plan
- LTCFs (SNF, RCH, ALR) employ roughly 6600 staff, including more than 4300 direct care staff
  - SNF – 2478 direct patient care; 1330 support staff
  - RCH – 1312 direct patient care; 601 support staff
  - ALR – 552 direct patient care; 345 support staff