



Request for Information following February 16, 2023, hearing,
“Examining Health Care Workforce Shortages: Where Do We Go From Here?”
Senate Health, Education, Labor, and Pensions (HELP) Committee

The Severe Aging Services Workforce Shortage: Causes and Potential Solutions

submitted by:
LeadingAge

March 20, 2023

Dear Chairman Sanders and Ranking Member Cassidy,

Thank you for focusing on the single most important issue currently facing health care, including long-term care, providers: critical workforce shortages. LeadingAge is pleased to respond to your Request for Information (RFI) from health care providers and stakeholders on the root causes of the workforce shortage and potential ways to address it. Our members are referred to as “long-term care,” “long-term and post-acute care,” and “aging services” providers throughout this response to the RFI.

LeadingAge represents nearly 5,000 nonprofit, mission-driven aging services providers including affordable senior housing, life plan communities, nursing homes, hospice, home health and home and community-based services (HCBS) providers. Alongside our members and 38 state partners, we use applied research, advocacy, education, and community-building to make America a better place to grow old. Our membership encompasses the entire continuum of aging services. We bring together the most inventive minds in the fields to lead and innovate solutions that support older adults wherever they call home.

LeadingAge applauds the Senate Health, Education, Labor, and Pensions (HELP) Committee for holding a hearing, on February 16, 2023, on the dire workforce crisis in health care. We are pleased the Committee is focused on understanding and solving the most pressing issue aging services providers face. It is critical that you include long-term care and post-acute care, and all aging services across the continuum of care, in your considerations and solutions.

The workforce shortage in aging services will balloon and worsen as the population continues to age, with Americans over 65 outnumbering those under age 18 fewer than 10 years from now. Half of those turning age 65 today will need some help for health care and to meet daily needs like eating, using the bathroom, bathing, and walking.

The country will need more workers at all levels, and in all positions in aging services. It will take a range of solutions that ensure a steady supply of workers from targeted domestic and international pathways. We must ensure that staff are paid equitably for the value of their work, which, in turn, will require increased reimbursement rates, mostly through the Medicare and Medicaid programs, to cover the cost of care, including fairly paid staff. Aging services work is honorable work; we must ensure that people working in this sector are treated with respect and compensated for the skilled work they do every day.

A CALL TO POLICY MAKERS TO ACT NOW: THE NUMBERS TELL THE STORY

The challenge of staffing aging services today and in the future will take bold, direct action by policy makers to ensure there are enough qualified, well-trained, mission-focused people to meet the needs of older adults who need health care and supports to live as independently as possible.

Some key facts that should compel policy makers to seek immediate solutions (from a LeadingAge survey of aging services providers conducted between February 2023 and March 2023 and [Direct Care Workers in the United States: Key Facts](#); PHI, 2022):

- More than 4.7 million people work in direct care positions such as home care workers, residential care aides, and certified nursing assistants. With the aging of the population taking hold, over the past decade, the direct care workforce has grown by nearly 1.5 million workers.
- The most difficult positions to fill are registered nurses (RNs), licensed practical nurses (LPNs), and certified nurse aides (CNAs), according to LeadingAge members surveyed in February and March.
- Between 2020 and 2030, nearly 8 million direct care jobs will need to be filled, including new jobs and openings that occur when workers leave the field or exit the workforce.
- Although the pandemic brought several aid programs to increase wages, reimbursement remains low for providers; the median hourly wage for direct care workers was \$14.27 in 2021, with huge variation across settings and regions.
- Note that most of these data points describe only the situation with direct care workers and some nursing staff. Attention must be paid to physicians, social workers, allied health providers and others across the continuum, where there will also be growing shortages.

It is essential to note that more than half of all long-term care workers find deep fulfillment in this work and stay in the field over decades. As many have found, aging services positions are “jobs that love you back.” Mission-focused caregivers form lasting relationships with the individuals for whom they provide care and services.

Today, without sufficient, qualified staff, long-term care providers like skilled nursing facilities and home health agencies are unable to accept admissions and patients are not able to be transferred out of hospitals. “We downsized our nursing home census by a third,” one LeadingAge member told us in our 2023 survey. This leads to overcrowding and quality concerns in the acute care setting. The insufficient number of long-term care workers reverberates across the entire health care system.

Equally concerning, long-term care providers are paying two, three or four times the hourly cost of permanent employees to hire agency staff, which compromises quality of care and in many cases can eventually force some providers to close. In the LeadingAge survey, one provider said, “we have not closed but it is a real possibility in the near future if we cannot get enough [permanent] staff to continue to operate and have our census where it needs to be to remain sustainable.” Indeed, nearly 500 nursing homes have closed since the start of the pandemic, with more running dangerously close to closing. This, at a time when the sheer number of older people needing help rises every day.

Finally, while we understand the Committee needs to look at all sectors of the health care workforce, as hospitals continue to raise wages our members' staffing shortfalls only increase. One member said, "The extremely elevated pay during the pandemic from hospitals turned the home care industry upside down." Solutions need to be crosscutting and recognize the realities of the disparity in resources across sectors. Furthermore, while competition between health care providers for staff has intensified, so has cross industry competition. Health care, particularly aging services, needs the resources to offer the same pay and benefits as non-aging services jobs in their communities.

ROOT CAUSES OF THE LONG-TERM CARE/AGING SERVICES WORKFORCE CRISIS

The Pandemic. Most LeadingAge residential and community-based provider respondents report, through our recent survey, that approximately 20 percent of their positions are open – with no applicants. Recruitment and retention of staff, particularly nursing staff (including RNs, LPNs, CNAs, home health aides, and home care workers) has been a perennial issue for aging services providers. The crisis hit a fever pitch during the pandemic with staff leaving out of fear, to care for family members, or because they themselves were sick. Nursing home staff had the highest COVID death rate of all workers during the first year of the pandemic, higher than logging, a highly dangerous job, and, according to one analysis approaching or exceeding the death of fishers. ([Nursing Home Workers Had One of the Deadliest Jobs of 2020](#); Scientific American, 2/18/2021).

Inadequate pay. Professionalizing the LTSS workforce is critical to facilitating strategies that would address stronger recruitment, and ensuring there is an expanded pipeline of aging services workers. Key among the strategies that hold the most promise is to increase compensation and facilitate career advancement. LeadingAge survey respondents have reported implementing stronger recruitment and retention tactics to attract direct care professionals: 69% offered sign-in bonuses, 92% offered increased hourly wages, and more than half offered creative scheduling (61%). Yet, members consistently report, since our last poll in June 2022, aging services staff are still leaving positions for better pay (78%).

Burnout and trauma. Many workers at all levels of aging services organizations left their jobs in 2020 out of fear, family responsibilities, or burnout and inability to cope with the intensity of fighting COVID. Many have not returned. With increased media focus on the impact of COVID in nursing homes and other provider organizations, much of it blaming aging services workers, individuals who might have considered this work in the past are reluctant to seek out aging services positions.

Currently employed workers report high levels of burnout and lasting trauma from battling the pandemic and both losing coworkers to COVID and watching older people they loved and cared for lose their lives. At least 73% of LeadingAge survey respondents report staff are still leaving positions due to burnout and professional fatigue. One big reason for burnout is tautological: there aren't enough people to do the work that must be done. So, the workers who are present must cover additional residents and responsibilities. As one staffer said, "health care is really

tough to be working ‘short staffed.’ Peoples’ coping skills are not strong.” We often hear similar reports anecdotally from CEOs and administrators of nursing home, assisted living, home health, hospice, and other aging services organizations.

Contract labor and staffing agencies increase cost and affect quality. LeadingAge survey respondents were consistent, just as in a prior fielding of the LeadingAge survey in June 2022, on the percentage of their nursing shifts that have relied more heavily on temporary or contract staff agencies since the pandemic. The bottom line is that the taxpayer foots the bill since long-term care and post-acute care are principally funded by Medicare and Medicaid.

Aging services providers continue to share concerns that they are having to rely too much on contract labor and these organizations are taking advantage of providers with their unreasonable rates. The use of these contract staff can often lower quality and culture within the organization. Having to hire more agency staff continues to lead to more issues, thus making it more difficult to fill positions with “quality” in-house staff. At some point, after drawing on reserves to cover the cost of contract care, providers run out of reserves and can no longer stay open. For care in the home, using agency staff is often even more untenable because home care providers cannot just send a nurse into someone’s home without additional training, so often the providers are shouldering agency costs for both a training period and a contract of service or simply not admitting new patients.

Burdensome regulatory compliance. Long-term care, especially the nursing home setting, is one of the most highly regulated businesses. During the pandemic, increased reporting and compliance with new interim final rules meant that staffing shortages are further exacerbated by the need to pull staff, particularly nurses, from resident or patient care to assign them full time to filling out and submitting paperwork. Noncompliance with reporting requirements, even honest errors in reporting, is the most frequently cited nursing home deficiency (21% of all deficiencies cited in nursing homes at present). In plain terms, this means that nursing homes are fined for reporting-related errors. To pay the fines, more money is pulled from already struggling organizations. Hospice and home health agencies face intense scrutiny as well, especially audits, that take full time clinical staff to respond to. Adult day and assisted living providers that accept Medicaid are looking at increased compliance costs due to the HCBS settings rule. All these regulations come with no additional compliance funding and force staff who could be doing frontline care into additional compliance roles.

Worker shortages across the economy. With one worker for every 1.7 jobs in the economy, no one should be surprised that some of the most difficult positions are hard to fill. Unlike retail or hospitality positions, where companies can simply raise what they charge customers, most aging services providers count on public programs, particularly Medicaid. Medicaid rates, for the most part, do not cover the cost of care for aging services. “How do we compete with fast food wages, they can just pay more,” commented one nursing home provider in the LeadingAge survey.

The number of foreign nationals entering the United States is slowing down, just when more workers are desperately needed. According to the Pew Research Center, the number of new immigrant arrivals in the United States has fallen. Approximately one quarter of the residential setting and home health long-term care workforce is made up of people born outside the United States. Most aging services providers would welcome the opportunity to hire more trained and motivated workers from other countries, but face years of policy and administrative processing barriers and high costs.

LeadingAge poll responses reflect minimal success but strong interest in building in the pipeline of potential workers by tapping into immigrant and refugee talent pools. Of the responding organizations, 12% have successfully recruited foreign workers from the Philippines, Puerto Rico, Canada, and other countries to work in the United States through work-based visas and 5% have hired workers on refugee status. Overall, interest in foreign recruitment is high among respondents, and they are very interested better policy solutions to ease that path.

Workers who want to come to the United States to fill this growing need for aging services workers should be able to get here and start working. It is most essential lawmakers understand that care providers who come to the United States to work in nursing homes, assisted living, memory care, affordable housing, home health and other aging services settings are legal immigrants. When we talk about immigration, we are talking about fully legal entry into the country with documentation to work. According to Pew, in 2017 of the 29 million immigrants working in the U.S., 21.2 million were here and working lawfully.

SOLUTIONS TO THE AGING SERVICES WORKFORCE CRISIS

There is not one answer to the workforce crisis in aging services. It is going to take a range of solutions to solve the various problems and challenges the field faces. Every government agency will need to be directed to focus on this shared problem and be appropriated funds to be part of the solution. In this section of our response, we offer HELP Committee leaders, members and legislators writ large some of these ideas. Our solutions fit into five categories:

- Increase compensation and pay aging services professionals a living wage.
- Offer incentives to expand training and advancement opportunities and expand domestic pipelines.
- Make meaningful changes in immigration laws to make it easier for more aging services workers to enter the United States and get to work in provider organizations.
- Reduce regulatory burden and enhance flexibility to increase the number of staff, rather than punish and fine organizations for not having enough workers.
- Address and prohibit price gouging by staffing agencies who are taking advantage of health care and long-term care providers who have no other choice than to pay outrageously high prices for hourly help and who ultimately face closing their doors.

In the remaining sections of this response to the RFI, we offer additional details on these solutions and specific bills we urge members of Congress to introduce, support, and enact to preserve the nation's aging services infrastructure.

Increase compensation and pay aging services professionals a living wage. According to research from the LeadingAge LTSS Research Center at UMASS Boston, [one in eight direct care workers](#) lives in poverty, and three-quarters earn less than the average living wage in their states. Many direct care workers work second jobs to stay afloat. Workers must be paid fairly for the work they contribute. Equally, ***it is absolutely essential that providers be reimbursed to pay higher wages and benefits.***

Policy makers took important emergency steps to address this problem during the pandemic. The pandemic is drawing to a close, but this workforce crisis shows no signs of ending. Further [LeadingAge LTSS research](#) shows that raising the pay of direct care workers by 15%, at a cost of \$9.4 billion in 2022, would yield an impressive return on investment, including concrete benefits for a variety of stakeholders. Care recipients would receive more consistent and reliable care; workers would enjoy enhanced financial security; long-term services and supports providers would see fewer staffing shortages, reduced turnover, and higher productivity; and local economies would expand as direct care workers increased their spending and depended less on government assistance to make ends meet.

Among the proactive steps members of Congress can take to make a difference and raise aging services worker wages right away are the following:

- Cosponsor and support enactment of the *Better Care, Better Jobs Act* (S. 100; H.R. 547), the proposed legislation that would expand funding and federal match rates for Medicaid home and community-based services with specific provisions that will increase wages for direct service workers.
- Introduce and support enactment of legislation that provides expanded funding and federal match rates for Medicaid nursing home services.
- Consider measures to provide additional pandemic relief funds for aging services providers who are still battling COVID and other infections and, for many, still have not caught up to a financial place where they can comfortably continue to stay open.
- Enact the [LeadingAge recommendations around reform](#) to the Medicare Advantage program, particularly around eliminating the non-interference clause which would allow CMS to set a reimbursement floor. For LeadingAge aging services provider members, the inadequacy of Medicare Advantage rates coupled with its increased penetration contributes to the overall untenable financial picture our members experience.
- Maintain traditional Medicare reimbursement rates.

Offer incentives to expand training and advancement opportunities and expand domestic pipelines. Members of Congress are in a position to both increase the number of people who choose to enter aging services caregiving professions, through programs and incentives, and to

facilitate career advancement for those already in the field, including by creating career pathways that allow them to become specialists, helping them take on advanced caregiving roles, ensuring they can be accepted as valued members of integrated care teams, and enabling them to perform a full range of health maintenance tasks under the supervision of a registered nurse.

Congress can enact programs that offer direct care professionals' access to career ladders that offer opportunities including the traditional nursing path, as well as careers in social work, therapy, and management positions that use their skills.

Specific legislative measures include:

- Provide the Administration for Community Living (ACL) with \$8 million for a new Direct Care Workforce Demonstration, for grants to test recruiting, retention, and training approaches that can be replicated and scaled across states.
- Permanently authorize \$1 billion in 5-year competitive grants to ACL to support increasing direct care workforce positions, for the creation, recruitment, training and retention of the direct care workforce, as recommended in the *HCBS Access Act (S. 762/H.R. 1493)* and the *Direct CARE Opportunities Act* and the *Supporting Our Direct Care Workforce and Family Caregivers Act*, both of which are expected to be reintroduced this session of Congress.
- Allocate \$3.5 million for ACL's Direct Care Technical Assistance Center to continue and expand technical assistance and resources for FY2024.
- Allocate \$28 million to the Health Resources Services Administration (HRSA), as recommended in President Biden's FY2024 budget request, for a new "Health Care Workforce Shortage Initiative" to address growing concerns related to health care workforce shortages, and \$25 million to support the adaptation of a new workplace wellness program for healthcare facilities, including for aging services and direct care workers.
- Permanently authorize the Department of Labor Registered Apprenticeship Program to expand the skilled workforce for long-term care programs and include nonprofit organizations in the program's advisory committee.
- Consider loan forgiveness programs targeted at individuals who elect to work in aging services, including in rural areas and other parts of the country with extreme shortages of long-term care workers.
- Incentivize the creation of programs that expand the role of aides, such as medication aides.
- Pass the [JOBS Act](#) (S. 161/HR 793) and others like it that allow students to use federal Pell Grants to afford high-quality, shorter-term job training programs for the first time.
- Enact the Palliative Care and Hospice Education and Training Act (PCHETA) to allow more training of specialized workers to support people with serious illness.

- Reauthorize and expand grants that train workers with low incomes for high demand jobs by supporting the Health Profession Opportunity Grants program and create grants specific to aging services providers.
- Increase our pipeline of prospective workers by funding the Departments of HHS and Education to jointly develop and implement an aging services training program for high school students.

Make meaningful changes in immigration law to make it easier for more aging services workers to enter the United States and get to work in provider organizations. There simply are not enough people in the United States to fill even the aging services jobs that are open much less all positions open in the economy. As in generations past, Congress must take courageous steps to expand the number of people who can come to this country to work in aging services and to expedite the process of getting here. As one LeadingAge member said, “We need help with immigration! Please stop the bottleneck!” Specific measures members of Congress could support include:

- Enact a new “Caregiver Visa,” a specialized work visa that eliminates red tape, speeds the process, and designates long-term care workers as a high priority. The Caregiver Visa could be tied to emergency levels of shortages.
- Introduce, support, and enact a long-term care guest worker program that would allow aging services providers to host qualified guest workers for up to two to three years when they can demonstrate that there are not enough workers already in the country to fill open slots. The program would include guardrails and provisions that ensure workers are paid equitably, treated well, and have a pathway to citizenship. Additionally, allow the workers to petition for permanent residency, along with an immediate relative, spouse, or parents. For more on LeadingAge’s H2Age proposal, see our [IMAGINE](#) paper.
- Reintroduce, support, and enact the *Citizenship for Essential Workers Act*, a bipartisan proposal supported in both the House and Senate. Once enacted, this legislation would allow the 5.2 million undocumented workers who provided essential services during the pandemic to have a pathway to citizenship. As they acquire green cards, they can apply for positions in aging services organizations.
- Support legislation that would expand the number of refugees permitted to enter the United States. Allow all refugees and asylum seekers to find employment more quickly and shorten the waiting period before asylum seekers are allowed to receive work authorizations similar to the *Asylum Seeker Work Authorization Act of 2023 (S. 255)*, that could give a much-needed boost to the aging services labor shortages.
- Expand the EB-3 visa program to allow more foreign-born direct care workers to enter the U.S. In most cases, RNs immigrating to the U.S. who work in health care and LTSS have an employer that sponsors them for an EB-3 visa, designated for professional workers. It should be noted that the current EB-3 process for nurses requires steps that are not required of other professions, adding time and costs. We urge Congress to

remove these extra steps. Statutory changes that identify certain aging services jobs as “shortage occupations,” thus giving foreign-born nurses a faster track to a green card, would also be very helpful.

Reduce regulatory burden and enhance flexibility to increase the number of staff, rather than punish and fine organizations for not having enough workers. One particularly challenging situation (relevant specifically to nursing homes) at present is an anticipated proposed CMS rule that is expected to require nursing homes to comply with mandatory staffing ratios or face fines and penalties. While LeadingAge supports rich staffing, “one size does not fit all.” Each nursing home is different and needs different levels, types, and amounts of staff. Further, it is unreasonable to expect that when there are not enough workers to fit all jobs in the economy, somehow nursing homes are going to be able to find and hire staff. Aging services providers cannot shoulder the responsibility for all businesses. Finally, if nursing homes are expected to hire more staff, they will need Medicaid reimbursement that covers more than 86% of the cost of care. We urge Congress to:

- Review LeadingAge’s [Get Real on Ratios](#) proposal and introduce and enact legislation to implement it. Rather than punishing nursing homes for the state of the economy, lawmakers have the opportunity to take positive steps to improve staffing. While our other members are not facing the same specific federal staffing proposal as nursing homes, there are other regulatory burdens that could be lifted that would allow for greater flexibility for staff to practice at the top of their licenses and/or for staff to expand their scopes of practice.
- Make permanent the waiver that allows occupational therapists, physical therapists, and speech language pathologists to do the initial and comprehensive assessments in Medicare Home Health for all patients receiving therapy services as part of the plan of care regardless of whether the service establishes eligibility for the patient to be receiving home care.
- Allow non physicians (e.g., nurse practitioners and physician assistants) to do the certification of terminal illness in hospice and to bill Medicare under Part A for physician services even when not serving as the attending physician.

Address and prohibit price gouging by staffing agencies who are taking advantage of health and long-term care providers who have no other choice than to pay outrageously high prices for hourly help – and who ultimately face closing their doors. We strongly urge members of Congress to take a hard look at the exorbitant rates agencies charge desperate health care providers that simply need workers. We request that lawmakers explicitly address anticompetitive practices and establish controls on these costs.

Chairman Sanders and Senator Cassidy and members of the HELP Committee, we again thank you for requesting this information and, in advance, for taking steps to find real solutions to the dire workforce crisis facing health care providers, including long-term care/aging services organizations. The future health, well-being, and lives of older Americans are in your hands.

These problems are resolvable with the right set of policy actions.

You can read more about LeadingAge's workforce goals in our [2023 Policy Platform](#) and review a summary of some workforce solutions in [this fact sheet](#).

Sincerely,

Katie Smith Sloan
President and CEO
LeadingAge