



Workforce Policy Weekly: Recap of LeadingAge Updates

August 2, 2024

National Policy Pulse Call. LeadingAge’s members-only briefing and analysis call with our experts, “National Policy Pulse,” happens every Monday at 3:30 p.m. ET. Register for the calls (registration required even if you were registered for the previous 3:30pm policy update calls) [here](#). Your registration will keep you on the list for all calls in 2024, and we’ll send a new registration link to members for calls in 2025 so you never miss a beat.

CMS Open Door Forum Focuses on Payment Adequacy Provisions in Medicaid Access Rule. On July 30, the Centers for Medicaid Services (CMS) Open Door Forum (ODF) was hosted by Alyssa DeBoy (director) and Melissa Harris (deputy director) from the Medicaid Benefits and Health Programs Group. This group oversees state waivers and programs related to home and community-based services. Ms. Harris reviewed a few slides providing high level requirements of states from the entire rule, then homed in on payment adequacy and related transparency provisions. The [Medicaid: Ensuring Access to Medicaid Services Rule](#) was finalized on May 10, with an effective date of July 9 with robust requirements on states ranging from revamping stakeholder processes and groups and critical incident management programs to developing payment rate reporting standards and holding providers to payment adequacy provisions. The most talked about provisions of the rule were the payment adequacy provisions; those that would require 80% of Medicaid payments for home maker, home health, and personal care services to be passed on to direct care workers through compensation. While there was no new policy guidance offered during the call, Harris was thoughtful and forthcoming with the work CMS is undertaking to develop and release a collection of additional sub-regulatory guidance around these provisions. She agreed with audience concerns and reiterated that CMS recognizes that states need more information on how to handle bundled services and how states should determine if specific services are covered under the rule since they may have multiple services in different waivers or programs that resemble the stated services. She also was careful to address that CMS does not have authority to direct states to raise provider rates, and believes they are using the levers available to them to compel states to bring providers and other stakeholders to the table in developing a compliance plan for the payment adequacy provisions. Harris made two useful clarifications:

- Regarding the exclusion of training from the calculations- costs associated with training of direct care staff such as developing training and hiring a trainer would not be included in the 80%, though wages of direct care staff while staff are being trained would be eligible for inclusion in the 80%.
- CMS has the ability to waive reporting requirements of states that implement small provider and hardship exemptions if the combined number of providers falling under both exemptions is less than 10% of providers offering that service in the state. Our prior interpretation was that either of these exemptions individually could see reporting requirements waived if covered providers comprised less than 10% in each exemption.

The transcript and Q&A will be posted on the [CMS ODF page](#) in a few days under the Long-Term Services and Supports drop down. Here is a [LeadingAge serial post](#) containing our summaries and comments on the rule.

Bureau of Labor Statistics Releases Employment Data. On July 31, the Bureau of Labor Statistics (BLS) released the [Employment Cost Index \(ECI\)](#) an economic indicator that provides data on changes in labor costs and overall economic performance. The ECI measures changes in the cost of

employees to employers over time and provides employers with critical information that allow them to maintain competitive compensation and benefit packages. The report indicated compensation costs for private industry workers increased 3.9 percent over the year. In June 2023, the increase was 4.5 percent. Wages and salaries increased 4.1 percent for the 12-month period ending in June 2024 and increased 4.6 percent in June 2023. The cost of benefits increased 3.5 percent for the 12-month period ending in June 2024 and increased 3.9 percent in June 2023.

Home Health and Nursing Home Employees Likely to Have Educational and/or Medical Debt. [A study published](#) in JAMA Health Forum on July 26, 2024, analyzing medical and educational indebtedness among US health care workers found that 21% of home health care workers and almost 20% of nursing home employees carry medical debt. Analyzing the self-reported data from the Survey of Income and Program Participation(SIPP) from 2018-2021 researchers found that healthcare workers are more likely than those in other sectors to carry medical and educational debt, collectively amounting to over \$150 billion. Medical debt was particularly linked to being female, having a lower income or education level, working in home health and nursing home care, lacking health insurance, and recent hospitalization. Critical components of the aging services workforce were particularly impacted by debt with over 23% of Certified Nurse Aides(CNAs) reporting educational debt, while 18.7% reported having medical debt. Registered Nurses(RNs) indicated a higher incidence of educational debt, with nearly 35% reporting an average debt of \$11,939 and 12%, reporting having medical debt. Researchers noted “extensive training requirements may lead to high student debt among some healthcare workers, while nonprofessional health workers may be at risk for medical debt due to low wages and poor benefits”. These findings indicate that US healthcare workers carry significant educational and medical debts, further research should focus the impact of debt on the healthcare workforce and patient care.

Last Week’s Recap Update: Workforce Weekly Update. Here is the July 26, 2024 [Workforce Update](#).