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The Capitol Report for the Week of May 7, 2018

**Workforce shortage worsening for long-term care providers**

Nursing homes and assisted living centers in Wisconsin are experiencing an increasing workforce shortage, according to a recent report from a group of provider organizations.

The research, based on surveys from nearly 800 providers, shows that although the number of people seeking long-term care is increasing, fewer caregivers are entering the workforce. In addition to growing demand, the shortage has been exacerbated by gaps in the starting wage for entry-level caregivers and non-healthcare workers, the state's low unemployment rate, and the state’s Medicaid reimbursement system failing to cover the cost of care incurred by providers.

"This ever-growing workforce crisis is pushing more providers to decrease their admissions, making it more difficult for residents to have a choice in where they live," said Sarah Bass, operations and communications director of the Wisconsin Assisted Living Association, one of the groups that created the report. The coalition also includes the Wisconsin Health Care Association/Wisconsin Center for Assisted Living, LeadingAge Wisconsin and the Disability Service Provider Network.

**Medicaid reimbursement**

Long-term care providers' struggle to offer competitive wages was identified as one reason for the shortage. According to authors of the report, the number of residents with a heavy reliance on Medicaid, paired with an insufficient Medicaid reimbursement system, has diminished providers' ability to be competitive.

For each resident who is a Medicaid recipient, the average Wisconsin facility loses $63.04 per day, according to a news release from the coalition.

It's an issue for Wisconsin nursing homes, where Medicaid recipients account for two-thirds of residents — or approximately 21,000 people.

And the number of individuals in long-term care facilities, including nursing homes, is increasing in Wisconsin. The report shows more than 90,400 state residents live in long-term care facilities, a 23 percent increase in the past 15 years

"Long-term care providers are all too aware of this crisis, because they live it each and every day," said Lincoln Burr, CEO of the Disability Service Provider Network. "We find ourselves caught in a staffing vortex with dramatically increasing need and a rapidly constricting workforce.

"In an efficient and balanced marketplace, [Medicaid reimbursement] rates would be going up to compensate for the imbalance, but instead, provider rates have decreased in terms of both inflation-adjusted and real dollars."

**Caregiver vacancies**

Even though more than 82,000 caregivers work in long-term care facilities across the state — a number that has increased more than 11 percent since 2016 — providers continue to find it increasingly challenging to fill vacant caregiver positions, according to the report. It shows the vacancy rate increased from 14.5 percent in 2016 to 19 percent in 2018.

Twenty-five percent of survey respondents said it has caused them to limit admissions. This figure has increased 7 percent since the 2016 survey.

The shortage results in caregivers being called on to work double shifts or overtime, which can contribute to burnout, Bass said.

With approximately 16,500 job openings in long-term care positions, it's problematic that 83 percent of the providers surveyed say there were no qualified applicants available. More than half said they received no applicants at all for openings.

**Addressing the issue**

State leaders have taken action to address this problem, including a 2 percent increase in skilled nursing Medicaid reimbursement for each year of the 2017-19 budget.

The state Department of Health Services this week will unveil its WisCaregiver Career Program, which will provide free Certified Nursing Assistant certification and workplace incentives in an effort to work in the long-term care field.

Still, members of the provider coalition say more action is needed to address funding deficiencies.

"With the need for [long-term care] services expected to continue to rise, providers are eager to work with state leaders to be a part of the solution to Wisconsin’s long-term care workforce crisis," said John Vander Meer, executive director of the Wisconsin Health Care Association.

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