



Department of
HUMAN SERVICES

***Direct Care Worker
In Nursing Facilities
Turnover Report***

December 2021

I. Introduction and Background

The 2001 Iowa Acts (HF 740) directed the Iowa Department of Human Services (DHS) to begin reimbursing nursing facilities under a modified price-based case-mix reimbursement system beginning July 1, 2001. The components of the case mix reimbursement system resulted from a series of meetings that involved providers, industry association representatives, advocacy organizations, and state agency staff.

Throughout the process, the advocacy organizations stressed the importance of including a provision in the reimbursement structure that would financially recognize a nursing facility's capacity to provide quality of life and appropriate access to medical assistance program beneficiaries in a cost-effective manner. With consensus and support of the organizations that participated in the discussions, reference to an Accountability Measures initiative was included in the legislation. The legislation directed DHS to implement a process to collect data for measurements and develop a program to increase nursing facility payments effective July 1, 2002, based on achievement of multiple favorable outcomes.

Following passage of the legislation, DHS convened a workgroup comprised of industry representatives, advocacy groups, state agency representatives and others interested in long-term care. The charge to the workgroup was to refocus reimbursement on quality, encourage compliance with the Health Care Financing Association (HCFA) (now the Centers for Medicare and Medicaid Services, or CMS) quality indicators and survey process, and to do so in a format that was measurable. Per the legislation, a portion of the Medicaid rates under the new case mix system would be based on a facility's achievement of certain accountability measures that would, in turn, link to reimbursement.

The workgroup ultimately settled on 10 measures which then went through the administrative rule review process resulting in enactment of 441 IAC 81.6(16)g. Each measure developed was designed to be an "objective" and "measurable" nursing facility characteristic that indicated quality care, efficiency or a commitment to care for special populations. Members of the workgroup recognized that no single measure ensured a "good facility". There was also recognition that the measures would need to be reviewed and modified as more data became available.

One of the 10 measures implemented was High Employee Retention Rate. This data was not available prior to the implementation of the Accountability Measures. Therefore, the cost report form, ([DHS Form 470-0030](#), Financial and Statistical Report) was modified to include an additional schedule (Schedule I) to collect employee retention data. All nursing facilities are required to submit the Financial and Statistical Report to Iowa Medicaid on an annual basis within five months after the nursing facilities fiscal year end.

A workgroup consisting of industry representatives, advocacy groups, state agency representatives and other interested parties, met annually to review the Accountability

Measures in context of the goals developed when the Accountability Measures were initially implemented in State Fiscal Year (SFY) 2001. In early 2008, based on research the workgroup concluded that a measure for employee turnover would better align with the work being completed by Medicare. The employee turnover measure would allow Iowa data to be compared to national data.

In order to determine if a change of the measure to Employee Turnover rather than Employee Retention was warranted, additional data was needed. In order to collect the information, a new employee turnover form was developed by the workgroup and sent to nursing facilities requesting that they complete the form and voluntarily submit to the Iowa Medicaid . Nursing facilities were requested to complete the form for the period January 1, 2007, through December 31, 2007. This would allow the Department and workgroup to collect and analyze the information to allow for future recommendations to the Accountability Measures.

The 2008 General Assembly acknowledged in House File (HF) 2539, Section 71 that employee turnover rates in nursing facilities should be documented, but also recognized that this information was not currently being collected. The Department was directed to modify the nursing facility cost report to capture information on the turnover rates of direct care and other employees of nursing facilities. The Department was also required to submit a report on an annual basis to the Governor and General Assembly which provides an analysis of direct care worker and other nursing facility employee turnover by individual nursing facility, a comparison of the turnover rate in each individual nursing facility with the state wide average, and an analysis of any improvement or decline in meeting any accountability goals or other measures related to turnover rates. The annual report was to include any data available regarding turnover rate trends, and other information the Department deemed appropriate. The specific requirements the Department are listed below with a description of where the information can be accessed.

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1. An analysis of direct care worker and other nursing facility employee turnover by individual nursing facility – See Appendix A
 2. Comparison of the turnover rate in each individual nursing facility with the state average – See Appendix A
 3. An analysis of any improvement or decline in meeting any accountability goals or other measures related to turnover rates – As the accountability goals and other measures related to turnover rates described in the legislation at 2008 were never funded, there has been no tracking of improvement or decline in relation to those goals.
 4. Include any data available regarding turnover rate trends, and other information the Department deems appropriate – See tables and narratives in the Section II observations.

The Department provided public notice on November 13, 2008, of the changes to the cost report and submission requirements. The cost report was modified to include a new schedule that required nursing facilities to report turnover rates of direct care and other employees of the nursing facility. This schedule is identified as Schedule I-1 and is

required to be submitted for all cost reports completed on or after December 1, 2008. The Department submitted a Medicaid State Plan Amendment reflecting this change to CMS and received approval effective December 1, 2008.

The 2009 General Assembly further required in House File (HF) 811, Section 32, that the Department implement a system to recognize nursing facilities that provide improved quality of life and appropriate access to medical assistance program beneficiaries in a cost-effective manner. The Department adopted administrative rules which rename the program as the “Pay for Performance” program and would direct its implementation. As part of the pay for performance program, the employee retention benchmark was changed to a measure of employee turnover. The legislature did not provide funding for the program in 2010 and has not funded the program since that time; however, employee turnover data continues to be collected annually.

Beginning with cost reports with fiscal years ending during calendar year 2019, a revised Form 470-0030 was utilized to report financial and statistical information. The cost report was updated to better capture information related to the facility and how business is conducted. More job classifications are presented to better reflect the workforce in a nursing facility. As such, the information presented has different categories than in previous years.

II. Observations

The summary below uses data from nursing facilities who submitted Schedule I of the Financial and Statistical Report, Form 470-0030 with fiscal year ends occurring during calendar year 2019 and 2020. However, due to changes in ownership, closings and openings not all nursing facilities submitted data that could be used in the analysis.

Schedule I collects data for the following job classifications: administrator, business office, advertising and marketing, laundry, housekeeping, maintenance, director of nursing, administrative nursing, medical record wages, medical director, activities, social services, dietary services, pharmacy consultant, registered nurse, licensed practical nurse, certified aides, other direct care, universal worker, and other. An employee turnover rate is calculated for each job classification, a total facility rate and a total nursing rate. Total nursing rate includes the director of nursing, registered nurse, licensed practical nurse and certified nurse's aide. Contracted employees are not reported. Turnover is used to describe any separation from the job description and may include separation reasons such as resignations, termination, promotions or leaving after seasonal help (college students returning after summer break).

Prior year Direct Care Worker In Nursing Facilities Turnover Reports have used the total number of facilities reporting as the count in the "Number of Providers" column for each job classification. Beginning with data for the December 2018 report, the "Number of Providers" will be the count of providers reporting at least one individual employee per job classification. Individuals within any job classification may be filled by a contract employee and not considered an employee of the facility.

The report shows that the average turnover for nursing staff (registered nurses (RN), licensed practical nurses (LPN) and certified nursing assistants (CNA) is higher than that for administrative staff (administrator and business office). No further analysis has been done related to this report regarding any improvement or decline in meeting the measures for the pay-for-performance program as the program has never been funded.

Average overall staff and nursing turnover decreased between reported on the 2019 and 2020 cost reports (2020 and 2021 turnover reports). However, due to the public health emergency (PHE) it is anticipated that turnover will increase in future years. As the turnover increases there will likely be a rise in the number of hours of contracted nursing services facilities utilized.

	2020 Report	2021 Report
Contracted Nursing – RN & LPN		
Number of providers	190	226
Total Hours	332,266.50	414,492.51
Average Hours	1,748.77	1,834.04
Contracted Nursing - Aides		
Number of providers	243	270
Total Hours	931,242.53	1,026,795.60

Average Hours	3,832.27	3,802.95
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The table below provides a summary of the employee turnover rates reported by job classification for cost reports received with fiscal year ends occurring during calendar year 2020. A trend analysis of the turnover for R.N., L.P.N, Certified Aides, Total Facility and Total Nursing Staff is available on the DHS website at the following link: https://dhs.iowa.gov/sites/default/files/NF_Turnover_Trends.pdf. See *Appendix A* for employee turnover rates by job classification for each nursing facility that submitted data.

Job Classification	Number of Providers	Number of providers with Zero Turnover	Minimum Turnover Rate	Maximum Turnover Rate	Average Turnover Rate
Administrator	358	341	0%	400%	23%
Business Office	387	263	0%	345%	27%
Advertising & Marketing	57	399	0%	303%	25%
Laundry	316	262	0%	588%	43%
Housekeeping	380	97	0%	1250%	66%
Maintenance	395	253	0%	606%	29%
Director of nursing	403	307	0%	1250%	28%
Administrative nursing	234	340	0%	800%	23%
Medical Record Wages	144	387	0%	400%	20%
Medical Director	25	412	0%	48%	12%
Activities	390	239	0%	588%	34%
Social Services	324	334	0%	600%	28%
Dietary Service	386	44	0%	335%	63%
Pharmacy Consultant	12	413	0%	0%	17%
R.N.	411	51	0%	303%	47%
Licensed Practical Nurses	411	70	0%	376%	46%
Certified Aides	411	12	0%	235%	61%
Other Direct Care	131	327	0%	2500%	58%
Universal Worker	52	373	0%	1765%	82%
Other Staff	168	322	0%	800%	37%
Total Facility	411	2	0%	166%	53%
Total Nursing	411	5	0%	225%	57%

The table below provides a summary of the employee turnover rates by job classification for each nursing facility cost report received from January 2020 through December 2020, (identified as 2021 Report) and cost reports received with fiscal year ends occurring during calendar year 2019 (identified as 2020 Report).

Job Classification	Number of Providers		Number of providers with Zero Turnover		Percent of Providers With Zero Turnover		Minimum Turnover Rate		Maximum Turnover Rate		Average Turnover Rate	
	2020 Report	2021 Report	2020 Report	2021 Report	2020 Report	2021 Report	2020 Report	2021 Report	2020 Report	2021 Report	2020 Report	2021 Report
Administrator	374	358	335	341	90%	95%	0%	0%	514%	400%	25%	23%
Business Office	393	387	252	263	64%	68%	0%	0%	1200%	345%	27%	27%
Advertising & Marketing	53	57	398	399	751%	700%	0%	0%	600%	303%	36%	25%
Laundry	328	316	264	262	80%	83%	0%	0%	3600%	588%	38%	43%
Housekeeping	383	380	116	97	30%	26%	0%	0%	700%	1250%	60%	66%
Maintenance	396	395	266	253	67%	64%	0%	0%	606%	606%	26%	29%
Director of nursing	410	403	281	307	69%	76%	0%	0%	1200%	1250%	36%	28%
Administrative nursing	215	234	338	340	157%	145%	0%	0%	1200%	800%	33%	23%
Medical Record Wages	134	144	384	387	287%	269%	0%	0%	1200%	400%	20%	20%
Medical Director	40	25	411	412	1028%	1648%	0%	0%	343%	48%	11%	12%
Activities	394	390	229	239	58%	61%	0%	0%	400%	588%	34%	34%
Social Services	323	324	326	334	101%	103%	0%	0%	1200%	600%	25%	28%
Dietary Service	385	386	45	44	12%	11%	0%	0%	1226%	335%	68%	63%
Pharmacy Consultant	19	12	412	413	2168%	3442%	0%	0%	82%	0%	51%	17%
R.N.	412	411	52	51	13%	12%	0%	0%	1800%	303%	47%	47%
Licensed Practical Nurses	412	411	50	70	12%	17%	0%	0%	500%	376%	48%	46%
Certified Aides	413	411	3	12	1%	3%	0%	0%	1145%	235%	64%	61%
Other Direct Care	84	131	354	327	421%	250%	0%	0%	3000%	2500%	51%	58%
Universal Worker	42	52	381	373	907%	717%	0%	0%	1009%	1765%	117%	82%
Other Staff	173	168	321	322	186%	192%	0%	0%	400%	800%	32%	37%
Total Facility	413	411	1	2	0%	0%	0%	0%	666%	166%	55%	53%
Total Nursing	413	411	1	5	0%	1%	0%	0%	756%	225%	59%	57%

III. Appendices

Appendix A: Nursing Facility Rates, Reports, and Data:

<https://dhs.iowa.gov/dhs.iowa.gov/ime/providers/csrp/nfr/nfr2022>
