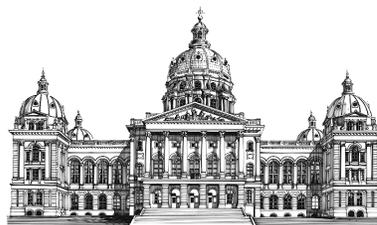


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# Iowa Legislative Fiscal Bureau

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## Nursing Facility Direct Care Staff Turnover

### ISSUE

This *Issue Review* provides information regarding the high turnover rate among nursing home direct care staff. Also reviewed are efforts undertaken by Iowa to address the turnover issue and recent approaches utilized by other states to foster direct care staff retention.

### AFFECTED AGENCIES

Department of Human Services

### CODE AUTHORITY

42 United States Code, Section 1396(r)  
42 Code of Federal Regulations, Section 488.438  
Section 249A.19, Code of Iowa  
441 Iowa Administrative Code, Chapter 81

### BACKGROUND

Direct care staff recruitment difficulties and turnover rates are significant issues for the long-term care industry. In a recent survey of 48 states, 87.5% indicated that long-term care aide recruitment and retention is a major problem. In Iowa, the Iowa Caregivers' Association reports an 80.0% turnover rate among Iowa's Certified Nurse Aides at an estimated annual cost of \$16.0 million.

According to the U.S. Bureau of Labor and Statistics, long-term care aides will be among the top ten occupations with the fastest growth rate in the nation between 1996 and 2006 because of the aging of the U.S. population. Industry statistics demonstrate that long-term care aides provide between 80.0% and 90.0% of nursing facility direct care, indicating that aides are essential to nursing facility care delivery. The apparent job dissatisfaction of long-term care aides is, therefore, a substantial factor in nursing home quality of care.

The Iowa Caregivers' Association conducted a 1998 study of Iowa's Certified Nurse Aides to determine the reasons for job dissatisfaction. Approximately 57.1% of survey respondents indicated they had considered leaving their current jobs as Certified Nurse Aides. Thirty-six percent of these respondents cited short staffing as the reason for considering leaving and

32.9% cited low wages and poor benefits as the reason for considering terminating their employment.

**Table 1** illustrates additional survey results:

Survey Question	Percentage
Reason for considering leaving employment?	
Lack of teamwork	25.6%
Unacceptable job demands	23.1%
What is needed to do job better?	
More staff	27.0%
More money / better benefits	23.1%
How long on current job?	
Less than 1 year	40.1%
Between 1 and 3 years	24.0%
Daily patient / resident assignment?	
Between 1 and 9	29.0%
Ten or more	68.0%

Further survey results are included in **Attachment A**.

## **CURRENT SITUATION**

**Iowa's Initiatives** - To address the nursing home staffing issue, Iowa has considered the following options:

1. The 1998 General Assembly appropriated \$130,000 to conduct a Certified Nurse Aide Recruitment and Retention Pilot Project. The Pilot Project was designed to develop recruitment and retention strategies and provide training and support for Certified Nurse Aides as a means of reducing staff turnover. The Pilot Project contract was awarded to the Iowa Caregivers' Association, which used a portion of the funding to conduct the first phase of a Certified Nurse Aide survey. Key findings of the survey are reported above in **Table 1**.

The Association used the remainder of the funding to host educational meetings and pilot a project in Northwest Iowa. The pilot project includes delivery of conflict resolution, communication, team building, and mentoring sessions to Certified Nurse Aides in three nursing facilities and comparing the turnover and job satisfaction of these Certified Nurse Aides with a turnover and job satisfaction baseline. The Iowa Caregivers' Association, using seven months of pilot data, reports "turnover and early leaving have been slowed in the participating facilities."

The 1999 General Assembly approved additional funding to continue the Certified Nurse Aide Recruitment and Retention Pilot Project in FY 2000. It permitted the Department of Human Services to renew its contract with the Iowa Caregivers' Association subject to federal Health Care Financing Administration approval to use funds collected from nursing facility fines. The federal Health Care Financing Administration has approved the request, and the contract with the Iowa Caregivers' Association is in the process of being renewed.

2. Governor Vilsack proposed a \$0.50 hourly wage increase for nursing home direct care staff in FY 2000. The cost of the wage increase was estimated at \$2.1 million annually. Governor Vilsack's proposal also included reducing reimbursements for non-direct care costs from the 70<sup>th</sup> to the 65<sup>th</sup> percentile (\$0.8 million savings) and eliminating the nursing facility mid-year adjustment and expanding case management (\$0.7 million savings). The 1999 General Assembly did not adopt the Governor's proposal.

In addition to the two initiatives specifically targeted toward increasing long-term care aide wages, Iowa has consistently increased annual nursing home payments by maintaining nursing facility reimbursements at the 70<sup>th</sup> percentile. Under the 70<sup>th</sup> percentile reimbursement methodology, 70.0% of the facilities which have the lowest allowable costs are reimbursed for all costs, while the remaining 30.0% of the facilities receive only partial reimbursement at the maximum rate. Iowa has not, however, required that nursing facilities use increased State payments to raise direct care wages. As **Table 2** illustrates, increased State reimbursements do not correlate with increases in Certified Nurse Aide wages.

**Table 2**  
**Certified Nurse Aide Wages and Nursing Facility Reimbursement Increases**

<b>Fiscal Year</b>	<b>Statewide Average Mean Wage for Aides</b>	<b>Percentage Increase in Wages</b>	<b>Nursing Facility Medicaid Reimbursement Maximum</b>	<b>Percentage Increase in Nursing Facility Reimbursements</b>
1996	\$6.47 / hour	Not available	\$61.63 / bed day	4.0%
1997	\$6.77 / hour	4.6%	\$66.80 / bed day	8.4%
1998	\$7.74 / hour	14.3%	\$71.70 / bed day	7.3%
1999	\$8.25 / hour	6.6%	\$76.69 / bed day	7.0%

**Other States' Initiatives** – To correlate nursing facility reimbursement increases with staff wage increases, some states have adopted “pass through” requirements. These requirements mandate that a portion of a state authorized reimbursement rate increase be earmarked specifically for wage or benefit increases. Wage pass throughs may either specify a dollar amount per hour increase or require that a percentage of a reimbursement rate increase be used for staff wages or benefits. Arkansas, California, Maine, Michigan, Minnesota, Montana, and Virginia are among the states adopting pass through requirements for nursing facility staff wages.

Additional approaches undertaken by states to increase direct care wages include:

- Offering incentives linking reimbursement rate increases with improved staff wages or performance.
- Training former welfare recipients to become nurse aides.
- Training volunteers to perform nurse aide tasks.
- Modifying nurse aide training programs.
- Requiring minimum staffing levels. (See **Attachment B** for a summary of California's staffing level initiative.)

- Establishing minimum wage rates for nurse aides that are higher than the federal minimum wage.

**Attachment C** presents additional nursing home staffing legislation considered by various states during the 1999 legislative session. **Attachment D** summarizes nurse aide recruitment and retention data for all states.

### **BUDGET IMPACT**

Iowa could implement any of the approaches undertaken by other states to address the nursing facility direct care staffing issue. If the General Assembly elected a pass through strategy, it could require that a percentage of the \$11.2 million State dollar increase being requested for nursing facility reimbursements in FY 2001 be used to increase direct care staff wages. Or the General Assembly could require that a specific hourly wage increase be given. The Department of Human Services estimates that providing a \$0.50 per hour wage increase for Iowa's Certified Nurse Aides in FY 2001 would cost the State approximately \$2.5 million and a \$1.00 per hour wage increase would cost the State approximately \$4.4 million.

Another alternative is to implement an acuity-based reimbursement system. This system would adjust reimbursements according to the level of patient care required by individual residents. Reimbursements to facilities with greater need residents would be higher than reimbursements to facilities with lesser need residents. The differential reimbursements would permit facilities to finance staffing levels consistent with resident needs. The DHS is working with the Department of Elder Affairs and the long-term care industry to develop a comprehensive long-term care system incorporating acuity-based reimbursements. The cost for an acuity-based reimbursement system, however, cannot be determined at this time.

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## FINDINGS - FACTORS AFFECTING JOB SATISFACTION

	TOTAL SAMPLE n=359			NW IOWA n=76		
	It's very Important	Agree Currently have it	Gap	It's very Important	Agree currently have it	Gap
1. Know job duties and how to do well	95%	96%	+1	93%	97%	+4
2. Making a difference in resident care	94%	92%	-2	95%	91%	-4
3. Supervisor treats with respect	94%	72%	-22	93%	65%	-28
4. Getting all work done during shift	93%	88%	-5	91%	91%	0
5. Residents/families letting know do good job	86%	81%	-5	86%	79%	-7
6. Education/training to do job better	86%	63%	-23	82%	59%	-23
7. Co-worker help and support when needed	86%	75%	-11	90%	76%	-14
8. Work assignments best use abilities	85%	86%	+1	86%	91%	+5
9. Supervisor values ideas re care	83%	58%	-25	82%	45%	-37
10. Supervisor helps and supports when needed	83%	62%	-21	82%	57%	-25
11. Supervisor lets know when doing a good job	82%	57%	-25	83%	50%	-33
12. Supervisor helps staff organize work as a team	82%	51%	-31	80%	42%	-38
13. Work as a team; caring for same residents each day	77%	52%	-25	76%	51%	-25
14. Know which duties to do first	74%	92%	+18	74%	95%	+18
15. Contributing ideas to care plans	73%	47%	-26	68%	47%	-21
16. Scheduling time off when needed	72%	72%	0	75%	70%	-5
17. Administrator lets know when doing a good job	66%	41%	-25	59%	33%	-26
18. Co-workers let know when doing a good job	57%	56%	+1	57%	49%	-8

Hill Simonton Bell, L.C.

Source: Iowa Caregivers' Association

**Administrators as role models**

CNA's who have considered quitting their current job are more likely than those who have not considered quitting to indicate that:

- They can not tell by what the administrator says or does that he/she expects excellent care.
- The administrator does not tell her/him when they are doing a good job.

**Input is not valued**

- While CNA's often know the residents/patients best, their input about care and about organization of the work routine does not appear to be either solicited or valued. This in turn negatively affects job satisfaction.
- Finding ways to solicit, use, and reward CNA's for their input is important to turnover reduction.

**Education and training need improvement**

- CNA's in this study (86%) indicate that education and training to do their job better is very important to them, but only 63% agree their training is adequate.

**Injuries are an issue**

- Nearly one-fourth of CNA's in this study have had to take time off work due to a work-related injury, primarily back injury.
- When asked why they are no longer working as a CNA, 19% of respondents cite illness, injury, or pregnancy.

**Supplies and equipment are inadequate for many**

- Nearly one-fourth of CNA's in this study indicate they do not have all the supplies and equipment they need to give good care.
- Because giving good care is very important to CNA's, this lack of supplies is critical.

**Why CNA's stay**

- Despite the inadequate staffing, low pay, poor benefits, and other factors which are lacking, CNA's overwhelmingly give as their reason for staying, their caring for, affection for, and devotion to providing excellent care for their elderly residents and patients.

## CASE STUDY:

## California Advocates Address Nursing Home Staffing Levels

by Toby Kaplowitz

In 1987, Congress passed a nursing home reform law (OBRA) that focused on improving life for nursing facility residents. OBRA met resistance in some states, including California. A 1993 court decision forced California to enforce the federal rules, but even then implementation was piecemeal.

Staffing of skilled nursing facilities, set in California at 2.9 hours per patient per day, is too low to provide adequate care. The inadequacy is compounded by the fact that the state allows hours worked by registered nurses and licensed vocational nurses to be counted twice, even though a resident's needs do not change simply because an RN is present instead of a nursing assistant.

Despite incremental reform, a 1998 report by the federal Government Accounting Office suggested that conditions in one in three California nursing homes were sufficient to cause extreme harm or death to residents. That report was the impetus advocates needed to craft California's first nursing home reform bill since the mid-80s.

Describing direct care staffing in skilled nursing facilities as a "major factor in the quality of care," AB 1160 calls for staff

increases and eliminates double counting of registered nurses and licensed vocational nurses. One nurse to 15 residents would be required for the day shift, one to 20 in the evening, and one to 30 at night. Staff ratios for certified nurse assistants (CNAs) would be one to five for the day shift, one to 10 in the evening, and one to 15 at night. These ratios are a definite improvement. But Alzheimer advocates still have concerns, particularly because many residents with dementia need as much assistance and attention in the evening and night hours when they may be awake and even more active than during the day.

AB 1160 passed both Houses, but was vetoed by the Governor. Advocates are regrouping to consider next steps. The Association's support of this effort is driven by concerns of family members and people with Alzheimer's. We have just started to address a major problem.

*Toby Kaplowitz is the Director of Public Policy and Advocacy, Alzheimer's Association, Greater San Francisco Bay Area Chapter. (650) 962-8111.*


**Selected Web Resources on Nursing Home Issues:**

- National Citizens' Coalition for Nursing Home Reform -<http://www.nccnhr.org>
- Health Care Financing Administration nursing home database. <http://www.medicare.gov/nursing/home.asp>
- American Health Care Association -<http://www.ahca.org>
- Bureau of Labor Statistics: 1998-99 Occupational Outlook Handbook, excerpts at <http://stats.bls.gov/newsrelease>

## State Clearinghouse Report

## STATE ACTIVITY ON NURSING HOME STAFFING

**A**lzheimer advocates in 16 states worked on a number of initiatives relating to staffing issues during the 1999 legislative session. The majority of proposals focused on nursing home staffing and included advocacy to increase the state Medicaid reimbursement rates. In addition to developments featured in the state case studies in this newsletter, the following are examples of Alzheimer advocacy throughout the year:

- **Indiana** considered two pieces of legislation relating to staffing. One would have established staffing requirements, including minimum staffing ratios and additional training hours. The other would have included a study of dementia training for CNAs. The legislation died at the end of the session. The issue will continue to be a priority.
- **Kansas** adopted legislation that authorizes increases in wages for nursing home staff.
- **Maryland** considered legislation to increase staffing ratios for nursing assistants. While the original provisions of that bill did not pass, the legislature did enact a bill requiring a study on quality care in nursing homes.
- **Mississippi** adopted a case-mix reimbursement system for nursing home residents with Alzheimer's disease or a related dementia and will conduct a study of the additional costs for caring for a person with dementia.
- **Missouri** adopted legislation to establish the Family Care Safety Registration and Access Line to maintain information on eldercare workers. The information will be available through a toll-free number.
- **South Carolina** adopted legislation that improves wages for personal care aides and adjusts Medicaid reimbursement for direct care workers in nursing homes.
- **Vermont** considered legislation that would have increased wages of direct care staff in nursing homes and required the state to make adequate Medicaid reimbursements. The legislation died during the session.
- **Washington** considered a number of staffing initiatives. One would have provided recommendations to improve nurse delegations in community settings. Another would have increased Medicaid funding for home care. Neither passed this year, but may be considered during the 2000 legislation session.

**Data Regarding Nurse Aide Recruitment and Retention Compiled from Self-Reporting Survey and State Unemployment Information**

State	Is Retention An Issue?	Has Already Implemented a Wage Pass-Through *	Action Being Taken By the State to Address Aide Issues	Action Being Considered by the State to Address Aide Issues	Type of Action Taken / Considered by the State to Address Aide Issues **	Uniform Reimbursement Rates Across Funding Streams	Any Benefits Required to be Provided to Aide Workers?	State Unemployment Rate - 4/99
Alabama	no	no	no	no	-	no	no	4.6
Alaska	yes	no	yes	yes	1, 2, 3, 6, 8	N/R	no	5.9
Arizona	yes	no	yes	yes	1, 3	no	no	4.4
Arkansas	yes	yes (NF)	yes	no	3,5	no	no	4.4
California	yes	yes (NF)	N/R	N/R	3	N/R	N/R	5.7
Colorado	yes	yes (HC, not mand.)	yes	yes	3	no	no	3.0
Connecticut	yes	no	no	yes	-	yes	no	3.4
Delaware	yes	no	yes	yes	1, 2, 5, 6,	no	no	3.3
Florida	yes	no	yes	no	1, 2, 5,	no	no	4.3
Georgia	yes	no	yes	no	7	yes	no	3.9
Hawaii	no	no	no	no	4	no	yes (health)	5.5
Idaho	yes	no	no	no	4	yes	no	4.7
Illinois	yes	yes (HC)	yes	no	3	no	no	3.9
Indiana	yes	no	no	no	-	no	no	2.5
Iowa	yes	no	yes	yes	8, 3	no	no	2.6
Kansas	yes	no	no	no	-	no	no	3.4
Kentucky	no	no	no	no	-	no	no	4.3
Louisiana	no	no	no	no	-	no	no	5.1
Maine	yes	yes (NF)	yes	yes	1, 2, 4, 3, 6	yes	no	3.6
Maryland	yes	no	yes	yes	1	no	no	3.9
Massachusetts	yes	yes (HC)	no	yes	3	yes	no	2.9
Michigan	yes	yes (NF)	yes	no	2, 3	no	no	4.0
Minnesota	yes	yes (LTC)	yes	yes	1, 3, 8	no	no	2.1
Mississippi	yes	no	yes	no	2, 6	no	no	4.6
Missouri	yes	yes (HC)	yes	no	1,3,8	yes	no	3.2
Montana	yes	yes (LTC)	yes	no	3	no	no	5.4
Nebraska	yes	no	yes	no	1	no	no	2.5
Nevada	yes	no	yes	no	1	no	no	4.1
New Hampshire	yes	no	yes	no	8	no	no	2.4
New Jersey	no	no	yes	no	5	no	no	4.5
New Mexico	no	no	no	yes	5, 8	no	no	6.3
New York	yes	no	no	no	-	yes	no	5.0
North Carolina	yes	no	yes	yes	2, 6, 7, 8	no	no	2.8

Source: North Carolina Division of Facility Services

State	Is Retention An Issue?	Has Already Implemented a Wage Pass-Through *	Is Action Being Taken By the State to Address Aide Issues?	Is Action Being Considered by the State to Address Aide Issues?	Type of Action Taken / Considered by the State to Address Aide Issues **	Uniform Reimbursement Rates Across Funding Streams	Any Benefits Required to be Provided to Aide Workers?	State Unemployment Rate - 4/99
North Dakota	yes	no	yes	no	2,	no	no	2.6
Ohio	N/R	N/R	N/R	N/R	N/R	N/R	N/R	4.3
Oklahoma	yes	no	yes	no	1	no	no	4.2
Oregon	yes	yes (HC)	yes	no	1, 2, 3	no	no	5.3
Pennsylvania	yes	no	yes	yes	1	no	no	4.2
Rhode Island	yes	yes (HC)	yes	yes	1, 3, 8	yes	no	3.1
South Carolina	yes	yes (HC)	yes	no	1, 3, 5	no	no	4.2
South Dakota	yes	no	no	no	-	no	no	2.4
Tennessee	yes	no	no	no	-	no	no	4.1
Texas	yes	yes (HC)	yes	no	3, 7	yes	no	4.7
Utah	yes	no	no	no	-	N/R	N/R	3.0
Vermont	N/R	N/R	N/R	N/R	N/R	N/R	N/R	2.6
Virginia	yes	yes (HC/NF)	yes	yes	1, 3	no	no	2.7
Washington	yes	yes (HC)	yes	no	3	yes	yes (health)	4.5
West Virginia	yes	no	no	no	-	no	no	6.8
Wisconsin	yes	N/R	N/R	N/R	N/R	N/R	N/R	3.1
Wyoming	yes	no	no	no	-	no	-	4.5
	Yes: 88%	Yes: 34%	Yes: 65%	Yes: 33%	---	Yes: 23%	Yes: 4%	National: 4.3

**NOTES:**

All data with the exception of state unemployment rates were obtained from a self-reporting survey sent to state Medicaid Agencies and State Units on Aging. N/R indicates no response from that State or to a specific question.

\* Under "Has Implemented a Wage Pass Through"

NF: Nursing Facilities

HC: Home Care

LTC: All Long Term Care Staff

Not mand.: Indicates that the wage pass through of reimbursement rate increases is encouraged but not mandated by the legislature

\*\* Key for Types of Action being considered or taken by states:

1 Workgroup / Task Force

2 Changes / Increases in training

3 Pass through

4 Required benefits

5 Exploring alternate employable populations (volunteers, former welfare recipients, etc.)

6 Development of a career ladder

7 Data collection regarding wages, benefits, and other aide issues

8 Other