



Staffing Mandate Analysis In-Depth Analysis on Minimum Nurse Staffing Levels and Local Impact

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Executive Summary

In April 2022, CMS released the proposed rule for the SNF PPS Payment updates for Federal Fiscal Year 2023 (FFY23). In the proposed rule, CMS is seeking input regarding the establishment of a minimum staffing requirement for Long Term Care (LTC) facilities. CMS has “long identified staffing as one of the vital components of a nursing home’s ability to provide quality care...” (1)

The following analysis compares the potential cost to the LTC industry for meeting a minimum staffing requirement at three different levels: 4.1 Hours Per Patient Day (HPPD), 3.6 HPPD and 3.1 HPPD. Utilizing Payroll Based Journal (PBJ) data and hourly rates from Medicare cost reports, we have identified the additional staff necessary to meet the staffing requirement, as well as the costs associated with the additional staff.

(1) Centers for Medicare & Medicaid Services SNF PPS FY23 Proposed Prospective Payment System Rule. <https://federalregister.gov/d/2022-07906>



Data & Methodology

- **Hours and Census**

- Payroll Based Journal (PBJ) data from 4th quarter 2021
 - 14,550 facilities
- Classification consistent with CMS Nursing Home Five-Star Quality Rating System Technical Users' Guide
 - RN includes DON, RN with administrative duties, and RN
 - LPN includes LPN with administrative duties and LPN
 - Nurse Aide includes CNA, Aides in training, and medication aides / technicians

- **Hourly Rates**

- Annual Medicare cost reports released by CMS as of April 2022
 - Includes fiscal years ended between 10/1/2020 and 9/30/2021
 - S-3, Part V, column 5 Average Hourly Wage (includes salaries and allocated benefits)
 - Did not include or weight hourly rates for contract labor
 - State average hourly wages were used for facilities missing cost report data (less than 5%)



Scenarios & Methodology

1. Three scenarios with specific criteria for each discipline
 - a) By discipline
 - RN
 - LPN
 - CNA
 - b) Total – meets total hours per patient day (HPPD) in total, however, individual disciplines may not be met

2. Results are presented by discipline, in total, and “All”, which considers criteria at the discipline level.
 - a) For example, a facility that meets “All” meets the specific criteria for each discipline and total HPPD



Scenarios & Methodology - continued

3. Average Total Daily Census (ADC)

- a) The sum of the ADC for facilities that do not meet the specific staffing criteria for each of the identified scenarios

4. Percent of Census Impacted

- a) The percentage of census impacted if facilities meet mandate by reducing their ADC
 - Reduction of admissions or number of beds in order to meet staffing ratios



Scenarios

	Nurse Aide	LPN	RN	Total
Scenario 1	2.81	0.54	0.75	4.10
Scenario 2	2.47	0.47	0.66	3.60
Scenario 3	2.12	0.41	0.57	3.10

The scenarios identify the hours per patient day by discipline and in total. The following analysis compares actual hours incurred by facilities, based upon PBJ and Medicare cost report data, compared to each of the scenarios identified.

Each discipline and the total are determined individually. A facility may meet the **total** criteria even if a specific discipline HPPD is not met.



STRIVE vs Proposed Scenarios

The Staff Time and Resource Intensity Verification (STRIVE) project, initiated by CMS in 2005, collected staff time and resident-level clinical information. The STRIVE project was a time study for nursing homes and the data collected was used to establish payments systems for Medicare SNFs and Medicaid nursing facilities. The chart below compares the hours per patient day per the STRIVE project compared to the currently proposed staffing mandate.

Hours Per Resident Day (HPRD) by Discipline and Total

	CNA	LPN	RN	Total
STRIVE	2.05	0.72	0.35	3.14
Scenario 1	2.81	0.54	0.75	4.10
Scenario 2	2.47	0.47	0.66	3.60
Scenario 3	2.12	0.41	0.57	3.10



Results – Facility Level

Facilities that met criteria in Q4 2021

	CNA	LPN	RN	Total	All
Scenario 1	1,838	12,378	4,440	3,911	844
Scenario 2	4,107	12,994	5,796	7,351	1,919
Scenario 3	7,309	13,483	7,380	11,431	3,870

	CNA	LPN	RN	Total	All
Scenario 1	13%	85%	31%	27%	6%
Scenario 2	28%	89%	40%	51%	13%
Scenario 3	50%	93%	51%	79%	27%

The tables above identify the number and percentage of facilities that **met** the specified criteria for each discipline and total hours per patient day individually during fourth quarter of 2021.

In addition, the table identifies the facilities that meet **ALL** the criteria for each discipline individually.



Results – Cost and FTEs to Meet Criteria

Estimated annual cost (\$ in millions)

	CNA	LPN	RN	Total	All
Scenario 1	\$ 5,822	\$ 304	\$ 3,964	\$ 7,025	\$ 10,090
Scenario 2	\$ 3,423	\$ 192	\$ 2,803	\$ 3,287	\$ 6,418
Scenario 3	\$ 1,586	\$ 118	\$ 1,813	\$ 1,119	\$ 3,517

Average hourly rates from Medicare cost reports were utilized to determine the costs to the industry for meeting the staffing minimum per scenario.

Estimated FTEs

	CNA	LPN	RN	Total	All
Scenario 1	139,242	4,284	43,586	123,471	187,112
Scenario 2	82,229	2,746	30,864	57,389	115,839
Scenario 3	38,322	1,698	20,017	19,130	60,037

Total = Meets total HPPD exclusive of discipline

All = Meets HPPD for each discipline (CNA+LPN+RN)



Results – Resident Impact

Below is the sum of the number of residents (ADC) in facilities that would not pass the staff mandate, based on the fourth Quarter 2021 PBJ data, for each scenario.

Average Total Daily Census

	CNA	LPN	RN	Total
Scenario 1	1,050,437	191,210	877,622	916,651
Scenario 2	882,260	144,047	772,953	640,432
Scenario 3	629,232	106,769	644,271	301,107



Results – Resident Impact

Many facilities will have to make difficult decisions such as reducing census to meet the proposed staffing minimums. At the current staffing levels, below is the percentage of census and actual number of residents that could be impacted.

Census Impacted If Facilities Met Mandate by Reducing ADC

	CNA		LPN		RN		Total	
	%	#	%	#	%	#	%	#
Scenario 1	27%	317,461	7%	81,274	32%	365,470	18%	205,400
Scenario 2	19%	225,000	6%	69,071	26%	301,377	11%	124,631
Scenario 3	12%	137,868	5%	59,769	20%	235,445	6%	68,953





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