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

July 2022
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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.

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
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.

<table>
<thead>
<tr>
<th></th>
<th>CNA</th>
<th>LPN</th>
<th>RN</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRIVE</td>
<td>2.05</td>
<td>0.72</td>
<td>0.35</td>
<td>3.14</td>
</tr>
<tr>
<td>Scenario 1</td>
<td>2.81</td>
<td>0.54</td>
<td>0.75</td>
<td>4.10</td>
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<tr>
<td>Scenario 2</td>
<td>2.47</td>
<td>0.47</td>
<td>0.66</td>
<td>3.60</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>2.12</td>
<td>0.41</td>
<td>0.57</td>
<td>3.10</td>
</tr>
</tbody>
</table>
Results – Facility Level

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)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>CNA ($ millions)</th>
<th>LPN ($ millions)</th>
<th>RN ($ millions)</th>
<th>Total ($ millions)</th>
<th>All ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>$5,822</td>
<td>$304</td>
<td>$3,964</td>
<td>$7,025</td>
<td>$10,090</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>$3,423</td>
<td>$192</td>
<td>$2,803</td>
<td>$3,287</td>
<td>$6,418</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>$1,586</td>
<td>$118</td>
<td>$1,813</td>
<td>$1,119</td>
<td>$3,517</td>
</tr>
</tbody>
</table>

### Estimated FTEs

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

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

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

<table>
<thead>
<tr>
<th>Scenario</th>
<th>CNA</th>
<th>LPN</th>
<th>RN</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>1,050,437</td>
<td>191,210</td>
<td>877,622</td>
<td>916,651</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>882,260</td>
<td>144,047</td>
<td>772,953</td>
<td>640,432</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>629,232</td>
<td>106,769</td>
<td>644,271</td>
<td>301,107</td>
</tr>
</tbody>
</table>
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

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