State of the Nursing Home Industry:
Survey of 425 nursing home providers highlights persistent staffing and economic crisis

Mid-Year 2023
Workforce

The vast majority of nursing homes are experiencing staffing shortages and difficulties in hiring additional staff. Providers are concerned about being able to comply with a potential federal staffing mandate.
Approximately 77% of nursing homes facing moderate to high levels of staffing shortages

What is your current staffing situation?
Note: "staffing shortages" are defined as on more than one occasion, you could not fill all of your shifts without agency or asking people to work overtime/extra shifts.

- Fully staffed at facilities: 3%
- Low level of staffing shortages at facilities: 20%
- Moderate level of staffing shortages at facilities: 44%
- High level of staffing shortages at facilities: 32%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
One-third of nursing homes say their overall workforce situation has gotten worse since the end of 2022

Since the end of 2022, would you say your organization’s overall workforce situation has generally gotten better or worse?

- Much worse: 14%
- Somewhat worse: 19%
- Stayed the same: 30%
- Somewhat better: 33%
- Much better: 4%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
95% of nursing homes are experiencing difficulty hiring staff

How would you rate your ability to hire new staff?

- Very difficult: 55%
- Somewhat difficult: 40%
- Somewhat easy: 5%
- Very easy: 0%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
90% of providers are increasing wages and 85% are offering bonuses

In the past six months, what strategies have you implemented to try to recruit and retain staff?

- Increased wages: 90%
- Offered bonuses (including sign-on bonuses): 85%
- Offered additional benefits: 50%
- Paid for staff training/education: 67%
- Promoted staff: 60%
- Strengthened workplace culture: 84%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
The biggest obstacles for providers in recruiting new staff are their current financial situations and lack of interested or qualified candidates.

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Not an Obstacle</th>
<th>Moderately Big</th>
<th>Extremely Big</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of training opportunities for nurses</td>
<td>15%</td>
<td>37%</td>
<td>42%</td>
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<tr>
<td>Immigration policies/delays in processing visas</td>
<td>16%</td>
<td>19%</td>
<td>42%</td>
</tr>
<tr>
<td>Regulatory/survey environment</td>
<td>16%</td>
<td>25%</td>
<td>31%</td>
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<tr>
<td>Personal commitments (e.g. childcare)</td>
<td>17%</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>Lack of interested or qualified candidates</td>
<td>16%</td>
<td>32%</td>
<td>65%</td>
</tr>
<tr>
<td>Current financial situation/lack of funding</td>
<td>15%</td>
<td>34%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
More than half of nursing homes are having to limit new admissions due to staffing shortages

What adjustments have you made in recent months due to staffing shortages?

-Asked current staff to work overtime/extra shifts: 98%
-Asked temporary staff: 75%
-Limited new admissions: 52%
-Closed a unit, wing, or floor: 24%
-Closed our facility: 2%
-We don't have staffing shortages: 1%
-Other (please specify): 8%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
72% of facilities are very or somewhat concerned that they will have to close their facility because of persistent workforce challenges.
Nearly all nursing home providers are concerned about being able to meet a potential federal staffing mandate

The Biden Administration wants to issue a federal staffing minimum for nursing homes this spring. If the Administration issues a minimum requirement of 4.1 hours per day for each resident, how concerned are you about meeting the mandate?

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
What are your biggest concerns about a potential federal minimum staffing requirement? (Please Rank)

- Finding staff to meet the requirement: 7.18
- Having to rely more on costly agency staff to fill shifts: 5.91
- Having to limit the number of residents we serve or closing altogether: 5.03
- Not receiving corresponding federal resources to recruit/retain staff: 5.27
- Staffing minimums/ratios do not encourage innovative staffing models or address retention challenges: 4.24
- The fines and citations we may receive: 4.26
- Residents will not receive customized care specific to their needs: 3.98

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
55% of facilities are having to turn away prospective residents or patients

On average, are you having to turn away prospective residents or patients right now? If yes, at what frequency?

- Yes, daily: 14%
- Yes, a few residents a week: 19%
- Yes, a few residents a month: 22%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
48% of nursing homes have a waiting list for prospective residents/patients of at least a few days.

On average, how long is your waiting list for prospective residents/patients?

- A few days: 16.7%
- A week: 13.7%
- Multiple weeks: 10.6%
- A month: 1.1%
- Multiple months: 5.9%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
21% of facilities are downsizing the number of beds/units they can offer because of staffing shortages

Is your facility/company downsizing the number of beds/units you offer? If yes, what is the primary reason?

- Yes, we can’t find enough staff to care for as many residents: 21%
- Yes, we are restructuring to reduce room capacity (reducing double, triple, etc. room occupancy): 5%
- Yes, for financial reasons due to our local market: 4%
- Yes, for another reason not listed above: 2%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
Financials

More than half of nursing homes are operating in the red and are concerned they may not be able to continue operating more than one year.
86% of nursing homes are concerned about losing financial aid as the COVID-19 Public Health Emergency ends

With the end of the COVID-19 Public Health Emergency, how concerned are you about the loss of financial aid either through enhanced Medicaid FMAP, American Rescue Plan Act funding, or other public assistance?

- Very concerned: 52%
- Somewhat concerned: 34%
- Not at all concerned: 9%
- Do not know: 4%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
More than half of nursing homes are operating at a loss

What is your current operating situation relative to your budget? (i.e., total margin for all payers)

- 54% Operating at a loss or negative total margin
- 34% Operating on a total margin between 0-3%
- 13% Operating with a total margin of more than 3%

Source: American Health Care Association Survey of 425 Nursing Home Providers, May 2023
45% of nursing homes say they can’t sustain operations at the current pace for more than one year.