

MINUTES OF THE HOUSE KANSAS FUTURES COMMITTEE

The meeting was called to order by Vice-Chairman Bob Bethell at 1:30 p.m. on February 13, 2001 in Room 526-S of the State Capitol.

All members were present except: Representative Carlos Mayans - excused
Representative Mike O'Neal - excused
Representative Valdenia Winn - excused

Committee staff present: April Holman, Legislative Research Department
Lynne Holt, Legislative Research Department
Amy Kramer, Legislative Research Department
Lois Hedrick, Committee Secretary

Conferees appearing before the committee:
John Kiefhaber, Executive Vice President, Kansas Health Care Association
Patricia Maben, Director, State Nursing Programs, Kansas Department of Health and Environment

Others attending: See attached list

Vice-Chairman Bethell welcomed Mr. Kiefhaber to the meeting.

Senior Demographics and "Caring in Kansas"

John Kiefhaber drew the committee's attention to long-term-care demographics building throughout the nation and especially in Kansas, and the inescapable conclusion that senior services and long-term health care will be in greater demand. He stated that in 2025, Kansas seniors 85 and over will double today's count. The trend shows increases between 2000-2010, most between 2010 and 2030; also a geometric progression in the number of "baby boomers" into the aged during 2025-2035, mostly in metropolitan areas. He said, "it is not too early to talk about an investment strategy for that". Mr. Kiefhaber then talked specifically about the long-term-care facilities who are members of the Kansas Health Care Association, and their 2001 legislative proposal, "Caring in Kansas". Staffing shortages, lack of training time, and low Medicaid reimbursements have left Kansas 48th in the nation in nursing facilities staffing according to the latest HCFA national study.

"Caring in Kansas" offers recommendations to policy makers in solving the staffing crisis in care facilities, establish benchmark requirements for measuring quality of care, amend the rate of the Medicaid reimbursement, and assist facilities in establishing innovative care programs. (See written testimony, Attachment 1.)

Ms. Patricia Maben, speaking to the issue of staffing ratios (hours/patient), noted the requirement is an average arrived through surveys of nursing facilities.

Representative Horst asked what kinds of items does the state need to change. She noted that offering a \$2 an hour increase to care workers wages will not be sufficient. Mr. Kiefhaber stated that association has not yet made a strategic plan to 2030, but the recommendation for this increase is only to get "a jump start" to allow facilities to recruit more people. Facilities are now focusing on staffing, training and retention to counteract the problem.

Representative Toelkes mentioned the current Medicaid formula has caused disadvantages to some facilities (especially in rural areas) to rejuvenate facilities and keep up with the trend. Mr. Kiefhaber stated the average occupancy ratio is 90% per day. Some facilities have an 85% occupancy rate and those facilities are in need because of the penalty associated with the lower occupancy rate.

Representative Miller asked if KHCA had developed a plan that would be helpful in formatting a long-range plan, such as suggesting innovations or a new device for use in nursing homes that a land-grant college could develop. He noted some states have long term planning for service areas and that the

CONTINUATION SHEET

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Kansas Department on Aging is working on such plans. Mr. Kiefhaber answered that KHCA will be happy to participate in such planning but at this time only the "Caring in Kansas" legislative proposal is in place. He does not believe the industry alone will satisfy anticipated needs as it is under heavy federal and state regulation, especially the health care restrictions.

Vice Chairman Bethell indicated he would visit with Chairman Mayans and suggest the committee discuss possible changes to health care requirements; for instance, the number of Medicaid residents in nursing homes currently and the number expected in 10 years, and consider the legislative response. He complimented KHCA for the "Caring in Kansas" recommendations, but noted they are only a short-term fix.

Representative Lane questioned what can be done in 5-10-15 years to have a work force in place to handle the anticipated increase. Increasing the Medicaid reimbursement rate raises the question about what should be done to create financing incentives for care facilities. Representative Sharp noted the federal Medicaid system causes the states to deal differently and would like to know what other states have done in this area.

The next meeting is scheduled for February 15, 2001.

KANSAS FUTURES COMMITTEE
GUEST LIST
FEBRUARY 13, 2001

PLEASE PRINT - NAME

REPRESENTING

Terrie Kuhlman

Ks. Adult Care Executives

John Kiefhaber

Ks Health Care Assn.

Paluca Mahen

KDHE

Julie Numrich

Federico Consulting

Rev. Tony Jett

Stables & Will

Lindsey de la Torre

Dept on Aging

Dawn Husich

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Carolyn Messinger

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Tanya Dorf

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TESTIMONY

Before the

COMMITTEE ON KANSAS FUTURES

February 13, 2001

Chairperson Mayans and members of the Committee:

My name is John Kiefhaber and I am the Executive Vice President of the Kansas Health Care Association, which represents over 200 professional nursing facilities, assisted living facilities and long-term care units of hospitals throughout Kansas. My members and I thank you for the opportunity to comment on the Kansas future and to present our 2001 legislative proposal called *Caring in Kansas*.

Specifically today I would like to draw the Committee's attention to the future in the area of the long-term care demographic that is building throughout the nation – and especially in Kansas. In population terms Kansas is an “old” state, where younger citizens grow up and leave the state faster than people come into the state. Although there is a growing trend nationwide for people to move west and south for retirement purposes in this country, Kansas' share of that internal migration is small, and of course, adds to the “aging” of the overall population. This trend leads to the inescapable conclusion that senior services of all kinds, and long-term health care will be more in demand in the future.

There is widespread agreement in the long-term care profession and among government regulators at the federal and state level that the number one challenge facing long-term care now and for the foreseeable future is staffing. Recruiting, training and retaining qualified nurses, nurse aides and other professional and front-line staff to give hands-on care to our seniors is now a major priority nationwide. Our nation has spent the past decade or more investing in high tech – now it's time to invest in “high touch”.

Following September's release of the federal Health Care Financing Administration's long-term care staffing study, “Report to Congress: Appropriateness of Minimum Nurse Staffing Ratios in Nursing Homes” Kansas facilities got busy developing plans to address this growing problem. According to the study Kansas ranks 48th among the states in direct care staffing (nurses and nurse aides) in nursing facilities with an average level of 2.69 hours per day per resident. The national average is 3.36

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Attachment 1

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hours per day. In fact, the study, which runs to 800 pages of analysis, concludes that 2.0 hours per day of certified nurse aide time alone is necessary to maintain quality of care. With direct care time as required from RNs and LPNs added in the minimum cited overall per day is 2.95 hours per resident. Other portions of the study recommend a total of 3.45 hours per day as the "preferred minimum".

While these statistics are averages, and not every facility's case mix of residents is the same, it is clear that in the future more professional nursing and nurse aide staffing will be a must. HCFA staff and members of Congress are now talking about a national minimum staffing standard for nursing facilities. The move up in staffing ratios is coming and Kansas facilities are not ready. Without action now, Kansas could find itself 50th in the nation in staffing.

So much for the problem. Let's look at the solution. Please refer to the attached ISSUE paper which outlines *Caring in Kansas*. (ATTACHMENT)

I would now like to turn to some questions which have been asked about our proposal:

We have been asked what the current staff turnover rate in Kansas facilities is. For RNs there is a 60% turnover rate each year; for LPNs that number is 65%; and for nurse aides that number is 123%! Without better training, a career ladder program and better pay these dramatic statistics will continue to hold back Kansas nursing facilities from maintaining quality of care and responding to future higher demands by regulators and the public.

We have been asked what the average wage is for our direct care workers in Kansas. (CHART)

Finally, how will *Caring in Kansas* help this situation? The Kansas Health Care Association believes that only by stepping forward to raise the bar of expectations for direct care staffing, to 3.0 hours per day per resident, can this profession meet its goals of continuous quality improvement and improved regulatory compliance. (CHART) Kansas health surveyors are now writing a higher number of deficiencies for our facilities than the average across the nation. Hands on care is the most critical category of deficiency in many Kansas facilities – and nothing can address this problem better than more and better-trained nurses and nurse aides. By making an investment now in this critical "high touch" profession, Kansas can position itself to keep up with the demands for long term care that we all know is coming.



Issue

Caring in Kansas

1-01

Long-term care facilities in Kansas are ready to step forward with a major campaign to improve care for facility residents, to allow facility staff to concentrate on caring for elderly Kansans and to provide a reasonable wage level for our direct care staff members. *Caring in Kansas* takes a no nonsense approach to the immediate crisis in long-term care. Staffing shortages, lack of training time and low Medicaid reimbursement have left Kansas 48th in the nation in nursing facility staffing, according to a new HCFA national staffing study.

Caring in Kansas is being proposed in January 2001 as a major Fiscal Year 2002 agenda item for the state to sustain health care services for our most vulnerable Kansas populations.

- **Addressing the Staffing Crisis** - Raise direct care staff wages and benefits \$2 per hour, develop a certified nurse aide recruitment and retention career program, and raise the state's direct care staffing requirement by **50%** from 2.0 hours per resident day to 3.0 hours per resident day.
- **Quality of Care** - Require the Quality Assurance Committee to meet monthly, add a requirement for a full-time Director of Staff Development, and increase in service training requirement from 12 hours/year to 18 hours/year.
- **Providing Adequate Medicaid Reimbursement** - All costs for *Caring in Kansas* would be passed through as increased rates, the Medicaid state plan would be amended to drop the 85% occupancy penalty as well as the requirement that private pay rates be at or above the Medicaid rate, and current property costs would be adequately recognized.
- **Establish Innovative Care Programs and Provide Program Benchmarks** - Use quality indicators to improve quality of care, measure staff turnover statewide, and fund the addition of a QI registered nurse in the Kansas Department of Aging. Also, establish innovative care programs such as: 1) Eden Alternative type of program; 2) Wellspring type of program; 3) or a Person-Centered Planning Model.

Without a significant step forward in Kansas we risk becoming stuck at the bottom in care-giving capacity in the future. *Caring in Kansas* will cost up to \$79.5 million in new Medicaid spending beginning in July 2001 (\$47.7 million of which will be supplied in federal funds).



Kansas Health Care Association

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