

Nursing Facilities

Motion to add \$25.0 million, from federal ARPA funds, to provide funding to nursing facilities to cover rising costs associated with staffing shortages for facilities, in FY 2022, and add language lapsing the funding should it be determined that the funding is not an allowable purpose by federal guidelines.

Facility Closures

- 36 facilities have closed since 2020
- Representing a total bed loss of 1637 beds

Federal Funds provided to other Essential 24/7 Staff

- Hospital Worker Retention program provided \$50 million to hospital systems to retain frontline staff – Dec. 2021
- SPARK provide \$30 million to increase 24/7 staffing positions – Dec. 2021
 - Included permanent base pay increases as well as temporary pay differentials for hourly employees in all 24/7 staffing at KDOC and KDADS facilities, including facilities at critical staffing levels.



Emergency Relief for Unsustainable Staffing Agency Costs (\$25M)

Kansas Health Care Association is requesting \$25 Million in all funds to offset astronomical temporary staffing agency costs.

The Nursing Home Emergency Relief Fund specifically addresses a grave threat to Kansans needing nursing home care, and to the continued existence of nursing homes.

In 2020, agency hours increased 63% and costs rose 59%. In 2021 hours increased 167% and dollars 87% (based on a sampling of for-profit and nonprofit nursing homes.) Hours and costs continue to rise exponentially in 2022.

Medicaid, the primary payor of nursing home care, artificially caps reimbursement for staff costs (including agency.) Mounting agency costs are not addressed in Medicaid rates. Unfortunately, providers are being forced to pass this cost on in private pay rates, cut costs for supplies and programs that support residents' quality of care and quality of life, drastically reduce beds, or close.

Thanks to the Legislature, relief is on the way July 1, 2022 in the form of rate increases for future Medicaid payments, a deep hole remains for the costs already incurred in the first half of the year.

Eight (8) Kansas nursing homes closed in 2021 due to unsustainable cost increases and staffing shortages. Three (3) more in the first quarter of 2022. This trend is escalating. According to a study by the American Health Care Association, 14% of Kansas nursing homes are at risk for closure in 2022.

The \$25 M needed is based on 14,000 nursing home resident days, multiplied by 181 days, multiplied by \$10 per bed regardless of payor source. Applicable period: January 1, 2022, through June 30, 2022.

Kansas nursing home providers are in desperate need of help. We believe the Kansas Legislature has heard our cries and will respond with support.

A handwritten signature in cursive script, appearing to read 'Linda MowBray'.

Linda MowBray, President/CEO
Kansas Health Care Association
<https://www.khca.org/>

April 22, 2022