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Testimony before the State of Kansas House of Representative Children and Senior Committee

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Good afternoon, Chairwoman Concannon and Members of the House Children and Seniors Committee. Thank you for this opportunity to share my story of workforce challenges facing rural Kansas elder care providers. I am Charlotte Rathke and I am the administrator at Locust Grove Village in La Crosse. Let me begin by telling you about our campus – we have been in service to Rush County and the central Kansas counties for over 40 years. We are the only continuing care retirement community in a multi-county region – providing 44 skilled nursing beds, 14 units of assisted living and 16 independent living senior apartments. We are a 4-star provider within CMS rating structure. We are proud of our success in this small community of 2000 persons. I have been the administrator at Locust Grove Village for 16 years --- but my entire 36 year career has been spent serving the elders of Kansas in nursing homes. I am proud of the work we do and wholeheartedly believe our care and services is vitally important in the healthcare delivery system.

It is a challenging and often daunting task to operate a retirement community for a number of reasons. First, we face a highly regulated and punitive system with multiple government agencies in oversight of our work. Second, we are asked to become an intimate member and help manage often very broken family relationships that prevail in our society. Third, we face ever changing reimbursement systems that do not support the high cost of 24 hour healthcare and work tirelessly to take away payments, change the rules, and ask more of us with less resources. And then the workforce challenges. Unemployment rates low across our state. The flight of young persons out of rural Kansas to urban centers. And perhaps most damning--- the negative messages from the public about workers in a nursing home. “Abusers... good nurses work in hospitals – you don’t want to lose your skills.... you work in a nursing home- I’d never do that.... The messages are there over and over again. And I haven’t even mentioned the care of the elder we serve. Difficult, challenging, physically and mentally exhausting, long hours – weekends, holidays. Elders with dementia, mental health issues, chronic conditions, pain, loss and depression, grief. It is a CHALLENGING AND OFTEN DAUNTING TASK TO OPERATE A RETIREMENT COMMUNITY.

It is a CHALLENGING AND OFTEN DAUNTING TASK TO WORK in a Nursing Home....

The workforce challenges loom very large for elder care settings. As a small provider we employ currently 48 persons in a variety of positions --- housekeeper, dietary cook, maintenance worker, licensed and certified nursing personnel, activity and social service persons, business office, medical records, administration. It takes a total team to do this work. We have a retention rate of over 4 1/2 years. Our turnover rate in 2018 was 59% across all departments. At LGV, we have persons who work full-time, part time, PRN or as needed --- 8 hours, 12 hours, even 16 hour shifts. We never CLOSE. We never shut down due to a winter storm. We don’t close for Presidents Day. Persons are offered incentives to work in elder care --- shift differentials, mileage reimbursements, call in pay, flexible schedules. And we struggle. We partner with area education providers --- hosting LPN students from North Central Technical college; having Certified nurse aide course and Certified medication aide clinicals from Barton County Community College. We have a tuition reimbursement program – offering tuition assistance for staff studying in applicable career fields. And we struggle.

A licensed nurse position open since July – day shift hours --- has had 2 applicants and is still not filled. We have had dietary positions open for weeks --- with no applicant for a full-time position.

One reason we struggle? Inflated wages by temporary staffing agencies and a State Hospital in the area that skew the wage scales beyond what we can afford. Temporary staffing agencies in many respects are ruining the healthcare workforce, already impacted by low numbers of available personnel. Let me explain. Persons go to work for staffing agency --- for higher wages than our organization can bear. The employee ‘chooses’ when they want to work. They have no commitment to weekend hours, holiday coverages. They aren’t committed to the quality of care in the same way as a facility staff member is --- who works with the elder every day; who interacts and answers to the family member. WORK without commitment --- WORK for more; do less ---WALK away when you don’t like the experience. It isn’t REAL --- it taints persons perspectives. Why work for me?? I expect accountability. We staff all hours and days.

The agency business, of course, can pay higher wages --- they don’t have the burdens of facility building; capital expenditures, overhead of supplies, equipment, insurance, they don’t pay bed taxes, and license fees.

To help you understand the prevalence of this temporary staffing business – we once had 7 calls in 2 months from new businesses who had started up and were contacting us to contract their service. I recently had a call from a company in Omaha, NE – claiming they had workers in my area who could be available.

To give you an example of the costs of agency personnel --- we are currently paying \$27.75- \$30.99 for a Certified nursing assistant. Our longest tenured aide is also a medication aide – employed since 1995 at LGV and is making \$16.15/hour. We are being charged for an LPN -- \$46.50 an hour – at LGV we have a 25 year nurse who makes \$21.63. A RN charges is \$56.99/hour --- our highest administrative nurse is receiving \$35.00/hour. And there are more costs at times as the cost of personnel to get to our workplace is passed on to us in mileage costs – generally \$0.40/mile. It doesn’t take long to realize that these costs are unbearable to a facility.

Now, please understand we have been able to hire former agency persons into our home and they have worked out beautifully. But that comes with a cost as well --- agency contracts often include ‘buy out clauses’ such as “the employee must work... to fulfill 160 hours of work prior to hiring on and beginning work with the customer”. We paid \$3000 for an aide to join our team. Another common clause states, “client may not hire, on an interim, full or part-time basis, any personnel employed by Agency and used by Client for a term of one year from the last date of employment with the Agency. Should Client hire any personnel prior to this one-year period, client will pay agency a placement fee of the equivalent of two month’s pay”. These contract requirements further impact our workforce issues.

I’ve had agency personnel say they were told not to go for medical treatment because the owner didn’t want to foot the bill. I’ve had agency owners refuse to provide me updated information on their insurance coverages as outlined in the contract. Did they not carry it as expected??

In the year 2015 we spent over \$401,442 in agency costs. That same year we had an average census of 42. In 2019 our census averaged 32.47 elders but we were able to hold agency costs to \$81,508. And our annual licensure survey with the Department of Aging and Disability Services resulted in only 2

deficiencies with no harm to residents. I firmly believe that there is a direct correlation. Better quality of care for our elders when we have regular, committed employees. So we limit our service to elders --- due to the impact temporary agency employers have on our business.

What can you do? Continue to support the Medicaid funding that we rely heavily on --- so that we can address wage discrepancies and become competitive in the marketplace. Medicaid rates need to be rebased to current years to accurately reflect the expenses faced in nursing homes.

Support oversight of the temporary agency businesses through House Bill 2629.

And perhaps most importantly ----- support the workers who serve Kansas elders. Speak positively about them and the work they do. Say Thank you to a worker when you get an opportunity --- positive comments go along way. Be a proponent of the work done in nursing homes --- it is a vital part of the healthcare system. Let's deal quickly to remove the 'bad apples' from the business who continually experience negative outcomes and foster that old ugly representation of a nursing home. And always encourage anyone with a heart for caring --- that working in a nursing home is a noble and respected work.

Thank you for your time in allowing me to share.