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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 as a rural, standalone Kansas elder care provider. I am Charlotte Rathke, the administrator at Locust Grove Village in La Crosse. We are a continuing care retirement community, the only one in a multi-county region – providing 38 skilled nursing beds, 14 units of assisted living and 16 independent living senior apartments. We are a 5-star provider within CMS rating structure. We have a record of compliance success, including a 2021 zero deficiency survey from the Kansas Department of Aging and Disability services. We provide services to Rush County and the central Kansas counties and have been in business for over 40 years. I have been the administrator at Locust Grove Village for 18 years --- one part of a 38-year career serving elders of Kansas in nursing homes. I am proud of the work we do and strongly believe our services are vitally important in the healthcare delivery system.

It is a challenging and at times overwhelming task to operate a retirement community at the current time. Not new to our work, is the highly regulated and punitive system with multiple government agencies in oversight of our work. But over the past few years, it has just piled on and on – with testing requirements, vaccine mandates, facility assessments, emergency preparedness, NHSN reporting, OSHA emergency standards, PBJ reports, bed tax and license documents. 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 focused on the actual care needs of the elders 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 challenge 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 providers. As a small provider we employ currently 42 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 52 mos. Our leadership team has been together for over 3 years. 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, COVID Hero pay, call in pay, flexible schedules, tuition reimbursement, weekend pay, Bonuses, cost of living raises. And yet we struggle. We partner with area education providers --- hosting students from North Central Technical college; having Certified nurse aide course and Certified medication aide clinicals from Barton County Community College.

Our employment struggles are not new but they seem different. We go months without hiring a new person; we go long periods without even receiving applications.

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. Many times, they employ personnel as contract 1099 workers rather than bear expense of an actual employer.

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 \$32 for a Certified nursing assistant. Our longest tenured aide is also a medication aide -- employed since 1995 at LGV and is making \$17.25/hour. We are being charged for an LPN -- \$52.00 an hour -- at LGV we have a 25-year nurse who makes \$23.90. A RN charge is over \$66.00/hour --- our highest administrative nurse is receiving \$40.00/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 \$0.43/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.

Locust Grove Village has actually downsized our nursing home beds due to the workforce challenges. We have added Assisted living services – serving less intense health needs with less staff. We cannot continue to bear the impacts that agency business has created for our home. In 2021, we spent \$352,704 in agency charges. \$51,000 just in the month of December alone. All those costs for agency shifts and yet not one filled a shift on Christmas Day. But guess what? Our elders need services on Christmas day.

What can you do? Support HB2524 and put some expectations of good business practices on these Agency companies. Stop the gouging of wages by these businesses with this HB. These costs ultimately are passed on to the private pay residents through rate increases, which in turn limit their assets to continue funding their care. As well as these costs are passed on in our facility Medicaid cost reports – driving up costs to the State of Kansas budget and taxpayers of this great state.

We must have continued support of 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.

And perhaps as important as any ----- support the workers who serve Kansas elders. Speak positively about them and the work they do. Express thanks to a worker of a nursing home; visit the elder care centers in your area and notice the love and care that is going on each day. Be a proponent of the work done in nursing homes --- it is a vital part of the healthcare system. And always encourage anyone with a heart for caring --- that work in a nursing home is a noble and respected profession.

Thank you.